

Chairperson, members of the Committee,

My name is Liz Murray, I am an Advocate for the Irish Film Workers Association.

S481 of the Taxes Consolidation Act 1997, as amended and currently structured does not work, it doesn't work for our Cultural aspirations, it does not work for the Crews, and it certainly does not work for the taxpayer.

You will have received submissions from a wide range of vested interest individuals and organisations none of whom are recipients of S481.

Many of the Submissions will say that S481 is crucial to the ongoing development of the film industry, S481 has been crucial to the development of the Irish film industry since 1984 and yet there has been no significant development and if you care to drill down you will see that there is no indigenous industry because we lack the essential characteristics of an industry, we have no large employment numbers, 2,158 estimated by Department of Finance in 2019, the producers do not, it would appear, have a business model, they do not have buildings, infrastructure, machines, vehicles etc, and because they do not own content they have no ownership of the product.

Creative Capital, a department commissioned Report planning for the industry from 2011 through 2015 recognised the issues relating to owning content in the films being made, one of the key recommendations made highlighted the difficulties for the indigenous industry when the producer companies concentrate on simply servicing "Hollywood".

That Committee recognised ownership of content as crucial to development, This is what they said was needed.

- Rights ownership to vest in production companies and content creators to drive export growth.

I will if I may outline a few facts about S481 which, it appears to me, are not generally understood or perhaps ignored because they don't fit the narrative of the vested interests.

The objective of S481 and its predecessors was to stimulate the development of an indigenous Irish film industry, meeting two key criteria, a Culture Test and an Industry Development Test, my colleague John has referred you to the relevant film regulations.

S481 is payable to an Irish producer company who has a track record in film production, who is based in the State and who gives a solemn undertaking to the Minister that he will adhere to all employment, Social and Community laws.

S481 is not payable to FDI companies, and it is not intended as a mechanism to attract FDI according to the legislation. If filming here FDI companies must take on an Irish Producer company and Crew.

S481 is part of a significant suite of State Aid available to Irish Producer companies to meet the criteria of the regulations, whether that money is by way of loans or grants from Screen Ireland, from investment by RTE, TG4, the BAI or any other state funded agency, the criteria is the same.

The sole objective of S481 is to develop an indigenous industry turning out Irish product, it is not payable so the producer can invest it in "Hollywood" for no return on the investment to anybody other than himself and his Executives.

S481 is not payable so that the producer can “service” American multinational and streaming platforms so that when they complete their film or tv project, fold up their tent and strike for home shores the Irish producer lays off the Crews and sits back until another “service” opportunity arrives; That is not the way to develop an indigenous and yet that is the reality in Ireland.

State Aid to film production is mandated by EU law, the obligations are the same, produce films which express European culture and train and maintain a permanent pool of experienced employees; it is unclear as to how the EU would view Ireland’s film industry if we are only servicing Hollywood productions and not developing an indigenous industry or maintaining a permanent pool of experienced Crew.

Using the Government’s own commissioned Report as a benchmark, there are approximately 500 production companies in Ireland, based on department of Finance figures there are 2,158 employees, 900 of whom are PAYE workers, the remainder Freelance Grades. That translate to an average of 2.5 employees in each of those companies, in other words the principals of the companies.

This is wholly consistent with what this Association has known for many years through Union membership figures, it is a far cry from the 17,000 being touted by vested interest groups. And crucially, 2,158 are “as and when” not full time jobs.

So, to recap there are no jobs other than casual as an when jobs, no buildings, no infrastructure, no camera equipment or post production or other paraphernalia associated with a production process and we do not own any content of note, in other words there is no industry; is that a fair return for the taxpayer on an investment of close to €4bn euro since the reliefs were introduced?

Not by a long shot.

We hope that the Committee can see that there is something fundamentally wrong with this picture, we hope that the Committee can urge reforms and we hope that the key stakeholders, the taxpayer, the employers and the employees can be brought to the table to debate what are serious and fundamental structural problems.

With amending film regulations legislation imminent to reflect the extension of S481 the time for debate is now, kicking cans down very long road doesn’t work and won’t work anymore, the taxpayer simply cannot afford this playacting.