



# **TG4 Statement of Performance Commitments 2019**

***March 2019***

***Summary***

## Executive Summary

As Ireland's public service Irish language broadcaster, TG4 must prepare an Annual Statement of Performance Commitments (ASPC). This ASPC presents TG4's target activities and deliverables for 2019 and is prepared in accordance with TG4's objects, strategy and public service statement

### Strategy Funding Gap

TG4's vision is to *be a brand synonymous with strong, creative Irish language content, to give status to, and normalise, the Irish language in the daily lives of Irish people and to support creative industry growth through partnership with the Irish language audio-visual sector.*



The Broadcasting Authority of Ireland (BAI) has endorsed TG4's strategy and concluded that there is strong justification to support increased funding to assist it in meeting audience expectations, environmental, technological and financial challenges. The BAI recommended an increase of €6m in public funding for TG4 with full effect from 2018 over the period of the strategy.

2019 will be the second year of TG4's strategy in which funding requirements have not been met. For the five year period of the strategy, TG4 sought an average annual increase in current funding of 5.07%, front-loaded in the first two years of the plan, €3.95m for 2018 and €2.07m for 2019. TG4 secured an increase of €1m in current funding for 2018 which, along with a €1m increase in capital funding, brought total public funding to €35.79m<sup>1</sup>.

TG4 has received a 1.3% increase in current funding for 2019 (€443k). With a total funding requirement of €39.96m for 2019 to deliver the strategy, this means a **strategy funding gap of €3.7m**. TG4's strategy may now be unachievable, approaching its mid-point and lagging critically behind in its delivery.

Lack of sufficient funding to invest in compelling and entertaining content and to compete with major global media companies is already starting to impact audience engagement. TG4's average daily share with the national television audience has fallen by 5.8% in 2018 following two years of consecutive viewing growth in 2016 and 2017.

### Impact on TG4's Commitments for 2019

While TG4 will endeavor to deliver the most original, vibrant and entertaining broadcast and online content possible for audiences, without sufficient funding, it will be unable to deliver all targets for 2019 which are contained in its 2018-2022 strategy. TG4 will be unable to grow its investment in original Irish content, live music and cultural events programming, national and international sport and strong licensed content. A summary of the key differences in relation to content investment and broadcast hours is presented in Figure 1 overleaf. Over time, facing such a competitive national and international content market, it is likely that this will impact TG4's resonance with not just the wider national television audience but also with its core Irish language audience.

<sup>1</sup> Excluding the once-off €990k supplementary TG4 received in mid-year 2018 for Bliain na Gaeilge activities.

Figure 1: Variances in Content Investment &amp; Broadcast Hours

	Strategy 2018-2022	ASPC 2019	Variance
Investment in Content	<ul style="list-style-type: none"> <li>• Increase spend on content from €25.5m in 2017 to €29.2m in 2018 and €31.1m in 2019 (<i>linear &amp; non-linear and production staff costs</i>).</li> </ul>	<ul style="list-style-type: none"> <li>• Spend on content will be €27.6m in 2019 (<i>linear &amp; non-linear and production staff costs</i>).</li> </ul>	<ul style="list-style-type: none"> <li>• 11.3% less than 2019 strategy target.</li> <li>• Circa 0.5% less than 2018 investment.</li> </ul>
Independent Production Sector	<ul style="list-style-type: none"> <li>• Increase investment in independent production sector content from €20.95m in 2017 to €24.6m in 2018 and €26.4m in 2019 (26% increase).</li> </ul>	<ul style="list-style-type: none"> <li>• Invest €23.06m in independent production sector content in 2019.</li> </ul>	<ul style="list-style-type: none"> <li>• 13% less than 2019 strategy target.</li> <li>• 2.5% less than 2018.</li> </ul>
Irish Language Broadcast Hours	<ul style="list-style-type: none"> <li>• Target of 3,217 broadcast hours set for the core Irish language audiences for 2019.</li> </ul>	<ul style="list-style-type: none"> <li>• Target of 2,339 hours set for 2019.</li> </ul>	<ul style="list-style-type: none"> <li>• 27% less than 2019 strategy target.</li> <li>• 32% less than 2018 (actual).</li> </ul>

The reductions in content investment and broadcast hours compared to TG4's original strategy targets will unavoidably have a knock-on impact on linear reach and share in particular. As such, while the 2019 ASPC is based on TG4's Statement of Strategy for 2018-2022, particular targets or metrics have been amended to reflect the actual level of funding and spend in 2019.

### TG4's Priorities for 2019

1. **Maintain recent reach and share performance achieved with national TV audiences** (1.87%<sup>2</sup> average daily share and 33% average weekly reach in 2017 and 1.76% average daily share and 30% average weekly reach in 2018). This will be a real challenge for TG4 as the market is extremely competitive with many national and international content providers and changing audience behaviour around device adoption and content consumption.
2. While TG4 has a high reach with the core Irish-language audience, it does not take this audience for granted. It needs to deliver a stronger broadcast schedule and programming in order to retain this reach. **Maintaining a strong position with the core Irish language audience** will therefore also be challenging but TG4 aims to achieve 85% reach and an audience satisfaction of 8 out of 10 in 2019.
3. TG4 will continue to develop engaging online and digital content within existing resources and to **grow all non-linear audience engagement** (online, Player, mobile and social media).

<sup>2</sup> Consolidated share. Live & VOSDAL share was 1.92%. All day, individuals 4 years + (source: Nielsen).

4. TG4's strategy sought to increase investment in multi-annual agreements to bring the number of independent production companies with output deals in excess of €1m from 3 to 10 by the end of 2022. TG4 delivered one new agreement in 2018 but will be unable to increase the number of output deals in 2019. The priority for TG4 is therefore to ***protect as much as possible, its investment in Irish independent production sector content*** and to ensure sufficient funding is ring-fenced for existing independent production sector commitments and investment.
5. ***Deliver regulatory sub-titling targets*** set by the BAI for 2019.
6. Deliver a service which not only reflects Irish society but also reflects the voices of its children and young people and which ***helps to restore momentum to the Irish language***.
7. ***Further develop audience research approaches*** and the way in which TG4 evaluates audience performance across all platforms.
8. ***Continue to deliver value-for-money***, make the best use of public funding and grow commercial income.
9. ***Be accountable to all stakeholders***, ensuring best-practice governance and compliance and the highest standards of professionalism and integrity.

For 2019, TG4 will deliver 13 commitments, as listed overleaf, within the five themes agreed with the BAI (Audience Impact & Reach; High-quality Content; Promotion & Development of the Irish language; Transparency & Efficiency; and Trust & Good Governance).

In 2019, TG4's content commitments will incur an expenditure of €27.64m<sup>3</sup> of which €23.09m will be spent directly on Irish content and services with the independent production sector here in Ireland. TG4 will ensure that the maximum amount possible of its spending goes on programming and services. In 2019, spend on ***Irish language programming and content will represent 75.6% of TG4's current public funding***.

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<sup>3</sup> Including circa €1.8m of production staff costs.

**(I) Audiences - Impact & Reach**

1. Preserve recent performance achieved in reach and share with each of the twin poles of our broadcast audience.
2. Continue to grow our non-linear audience engagement, particularly with content which targets younger audience demographics.
3. Meet our regulatory sub-titling targets for 2019.
4. Engage with, and listen to, audiences and develop new ways to measure our audience impact.

**(II) Content - High Quality & Distinctive**

5. Within our budgetary parameters, deliver the most distinctive and vibrant broadcast schedule possible for our core Irish language audience.
6. Provide compelling and entertaining programming for the wider television audience.
7. Deliver creative and engaging Irish language online and digital content to address changing audience behaviours.
8. Continue to innovate and develop our technology to advance the quality of our content and our means of connecting with audiences.

**(III) Promotion & Development of the Irish Language & Culture**

9. Provide a broadcast and content service which reflects Irish society and the voices of its children and which helps to restore momentum to the Irish language.
10. Protect our investment in Irish language talent and creativity and deliver strong original Irish content in conjunction with the independent production sector.
11. Continue to develop our Irish language Digital Archive.

**(IV) Transparency & Efficiency**

12. Ensure we meet our budget targets, make the best use of our public funding and deliver efficiency and value-for-money.

**(V) Trust & Good Governance**

13. Be accountable to our stakeholders and ensure: compliance with all codes and regulations; diversity and inclusiveness in our services; and the highest standards of integrity, professionalism and quality.

*A summary of the 2019 targets and key metrics for TG4's commitments is presented in the table overleaf.*

Commitment		2019 Targets	Key Metrics
<b>Audiences - Impact &amp; Reach</b>			
1.	Preserve recent performance achieved in reach and share with each of the twin poles of our broadcast audience.	Maintain current linear performance.	<ul style="list-style-type: none"> <li>Core Irish language audience: 85% average weekly reach and satisfaction rating of 8.0.</li> <li>National audience: 1.8% average daily share &amp; 32% average weekly reach.</li> <li>Primetime: 1.8% average daily share &amp; 20% average weekly reach.</li> <li>7th position in top 10 most watched channels in Ireland.</li> <li>Younger audiences (15-34): maintain average weekly reach.</li> <li>Children: maintain average weekly reach.</li> <li>Length of average viewing time (<i>no targets, results for 2019 only</i>).</li> </ul>
2.	Continue to grow our non-linear audience engagement, particularly with content which targets younger audience demographics.	Grow non-linear engagement across all platforms: online, on TG4 Player, 3rd party players and on social media platforms.	<ul style="list-style-type: none"> <li>Online: 2.4m visitors and 25m page impressions.</li> <li>Player: 2.8m video views/streams &amp; 35.4m minutes watched.</li> <li>Third party Player: 4m minutes watched and 400k video views.</li> <li>Social media: 20.5m minutes watched &amp; 15m short-form video views.</li> <li>Younger audiences - Bloc: 400k video views.</li> <li>Children: 2.3m page views and 500k video views.</li> </ul>
3.	Meet our regulatory sub-titling targets for 2019.	Deliver sub-titling targets set by the BAI.	<ul style="list-style-type: none"> <li>Sub-titling output (on the linear broadcast service) of 57% and 60% in peak time hours.</li> </ul>
4.	Engage with, and listen to, audiences and develop new ways to measure our audience impact.	Further develop audience research.	<ul style="list-style-type: none"> <li>Develop existing audience research.</li> <li>Develop non-linear viewing / usage research.</li> <li>Roll-out the Audience Yield Framework.</li> <li>Deliver new audience research / surveys.</li> </ul>
<b>Content - High Quality &amp; Distinctive</b>			
5.	Within our budgetary parameters, deliver the most distinctive and vibrant broadcast schedule possible for our core Irish language audience.	Broadcast 2,339 high quality hours for the core Irish language audience. Spend 75.6% of current public funding on Irish language content.	<ul style="list-style-type: none"> <li>Broadcast hours by genre.</li> <li>% of current public funding spent on Irish language content.</li> <li>Spend on content for the core Irish language audience, by genre.</li> <li>Core Irish language audience satisfaction rating.</li> </ul>
6.	Provide compelling and entertaining programming for the wider television audience.	Broadcast 6,421 entertaining hours for the wider national TV audience.	<ul style="list-style-type: none"> <li>Broadcast hours by genre.</li> <li>Cost of original Irish language content by genre.</li> <li>Total spend on content for the wider national audience.</li> <li>Audience perception of the quality of TG4's broadcast services.</li> </ul>
7.	Deliver creative and engaging Irish language online and digital content to address changing audience behaviours.	Invest €120k in, and further develop, non-linear content (in addition to €445k in capital funding).	<ul style="list-style-type: none"> <li>Investments delivered within budget with target outcomes achieved.</li> <li>Further develop: <ul style="list-style-type: none"> <li>Irish language portals <i>Bloc</i> and <i>Molscéal</i>.</li> <li>TG4's Kids portal <i>Cúla4</i>.</li> <li>Sports audience via <i>Spórt TG4</i> on social media.</li> </ul> </li> <li>Audience perception of the quality of TG4's non-linear services.</li> </ul>
8.	Continue to innovate and develop our technology to advance the quality of our content and our means of connecting with audiences.	Continue to enhance TG4 systems and technology within the target capital budget.	<ul style="list-style-type: none"> <li>Investments delivered within budget with target outcomes achieved.</li> </ul>
<b>Promotion &amp; Development of the Irish Language &amp; Culture</b>			
9.	Provide a broadcast and content service which reflects Irish society and the voices of its children and which helps to restore momentum to the Irish language.	<p>Provide content which reflects Irish society &amp; culture.</p> <p>Reflect Irish children's voices by providing them with unique content which reflects Irish culture and their lives.</p> <p>Contribute to restoring momentum to the Irish language.</p>	<p>TG4 is recognised for:</p> <ul style="list-style-type: none"> <li>Providing content which reflects Irish society and culture: &gt;70%.</li> </ul> <p>TG4 is recognised for:</p> <ul style="list-style-type: none"> <li>Providing content and services which reflect the voices of Irish children: 50%.</li> <li>Being especially committed to home-grown children's programming and content: 50%.</li> </ul> <p>TG4 is recognised for:</p> <ul style="list-style-type: none"> <li>Being an important service for supporting and promoting the Irish language: 85%.</li> <li>Making the Irish language seem more modern and relevant for everyone: 85%.</li> <li>Supporting the Irish language through its programming and content: 75%.</li> <li>Bringing the Irish language to life: 75%.</li> <li>Making the Irish language more accessible than other media: 75%.</li> </ul>
10.	Protect our investment in Irish language talent and creativity and deliver strong original Irish content in conjunction with the independent production sector.	Maintain investment in the Irish independent production sector and support its further advancement through a range of content/ talent development initiatives.	<ul style="list-style-type: none"> <li>Amount of investment in broadcast hours of content from sector.</li> <li>% of public funding invested in content from the sector.</li> <li>Develop Irish language writers, actors &amp; film crew through <i>Ros na Rún</i>.</li> <li>Produce two feature films for cinema release in 2020.</li> <li>Talent development: partner with Údarás na Gaeltachta on sector T&amp;D; develop other T&amp;D modules with other training bodies.</li> </ul>

Commitment	2019 Targets	Key Metrics
11. Continue to develop our Irish language Digital Archive.	<i>Deliver a significant share of the 3rd Irish language Digital Archive project.</i>	<ul style="list-style-type: none"> <li>1,435 hours have been Indexed / Barcoded.</li> <li>Cataloguing has started.</li> </ul>
<b>Transparency &amp; Efficiency</b>		
12. Ensure we meet our budget targets, make the best use of our public funding and deliver efficiency and value-for-money.	<i>Make the best use of public funding &amp; meet budget targets.</i>	<ul style="list-style-type: none"> <li>Budget targets met.</li> <li>Public funding used for public service objects only.</li> <li>Compliance with State Aid Rules for PSBs.</li> </ul>
	<i>Broadly maintain commercial income share of total funding and income.</i>	<ul style="list-style-type: none"> <li>Commercial income is 10% of total income and funding.</li> </ul>
	<i>Deliver value-for-money.</i>	<ul style="list-style-type: none"> <li>Minimum of 70% of public funding on Irish language content.</li> <li>Minimum of 70% of total expenditure is on content.</li> <li>Cost-per-broadcast and per-viewer hour.</li> <li>Average commissioned cost-per-hour.</li> <li>Investment in Ireland's independent production sector.</li> <li>Economic impact of TG4.</li> </ul>
	<i>Operate in an efficient manner.</i>	<ul style="list-style-type: none"> <li>Programme expenditure as above.</li> <li>Staff &amp; overheads are &lt;20% of total expenditure<sup>4</sup>.</li> <li>Average FTE staff cost.</li> <li>Audience yield framework rolled out.</li> </ul>
<b>Trust &amp; Good Governance</b>		
13. Be accountable to our stakeholders and ensure: compliance with all codes and regulations; diversity and inclusiveness in our services; and the highest standards of integrity, professionalism and quality.	<i>Ensure Accountability to Stakeholders</i>	<ul style="list-style-type: none"> <li>Engage fully with the TG4 Board &amp; sub-committees.</li> <li>Deliver on all required reporting to stakeholders.</li> <li>Maintain best practice governance.</li> <li>Risk review and 3 internal audits delivered.</li> </ul>
	<i>Ensure Compliance with all Codes &amp; Regulations</i>	<ul style="list-style-type: none"> <li>Deliver all statutory obligations as reflected in TG4's objects and in the broadcasting codes.</li> <li>Comply with all Financial reporting and Corporate Governance Codes and Acts.</li> <li>Ensure transparency in attribution of public funding and report on public funding utilisation.</li> </ul>
	<i>Ensure Diversity &amp; Inclusiveness</i>	<ul style="list-style-type: none"> <li>TG4 is recognised for representing diversity and alternative viewpoints: &gt;30%.</li> <li>Strengthen TG4 diversity and inclusiveness (narrative).</li> </ul>
	<i>Deliver the Highest standards of integrity, professionalism and quality</i>	<ul style="list-style-type: none"> <li>Adhere to all broadcasting codes and regulations.</li> <li>Highest standards of editorial and programme integrity.</li> <li>Respect children in all programming and advertising broadcasts.</li> <li>No complaints upheld against TG4.</li> <li>Audience perception of TG4's:               <ul style="list-style-type: none"> <li>Impartiality.</li> <li>Trustworthiness (including of news &amp; current affairs).</li> <li>Quality (broadcast and non-linear services).</li> </ul> </li> </ul>

<sup>4</sup> Excluding production staff costs.