Houses of the Oireachtas

Joint Committee on Jobs, Enterprise and Innovation

Report on hearings in relation to Examining the Potential for Job Creation, Innovation and Balanced Economic Development in the Creative Economy

July 2015

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Contents

1. Chair’s Foreword ............................................................................................................. 3
2. Introduction .................................................................................................................. 5
3. Overview ....................................................................................................................... 6
4. Transcripts ................................................................................................................... 8
5. Submissions and Presentations .................................................................................... 8
6. Summary of Recommendations .................................................................................. 8
7. Defining the creative economy ..................................................................................... 16

7.1. The tri-sector categorisation of the creative economy .............................................. 16
7.2. Literature review ....................................................................................................... 19

8. Government policy ...................................................................................................... 22
9. Stakeholder hearings .................................................................................................... 24

9.1 A coordinated, cross-agency, integrated, long-term strategy ...................................... 24
9.2 Collaborative innovative hubs and co-working spaces .............................................. 28
9.3 Data collection and measuring the creative economy ............................................... 30
9.4 Education and training ............................................................................................... 31

9.4.1 Internships, work experience and youth ............................................................... 34
9.5 Entrepreneurship, commercialisation and internationalisation .................................. 36

9.6 Practical supports and physical infrastructure .......................................................... 38

9.6.1 Policy / enterprise supports and strategic partnerships .......................................... 38
9.6.2 Physical / access infrastructure (broadband, energy, transport and accommodation) 40
9.7 State expenditure, funding and access to finance ..................................................... 42

9.8 Intellectual Property (IP) rights and State incentives ................................................. 45

Appendices ....................................................................................................................... 47
Appendix 1: Membership of the Committee ................................................................. 47
Appendix 2: Terms of Reference ..................................................................................... 48
1. Chair's Foreword

At a meeting of the Joint Committee on Jobs, Enterprise and Innovation on 2\textsuperscript{nd} December 2014 the Joint Committee agreed with my proposal that, as part of its work programme for 2015, the Committee would examine the issue of ‘The potential for Job Creation, Innovation and Balanced Economic Development in the Creative Economy.’

The creative economy, comprising the Creative Application, Creative Expression and Creative Technology sectors, is one of the fastest growing in terms of economic sectors worldwide. According to industry stakeholders, developing the creative economy can boost economic activity and promote rural and regional development by facilitating diversification and commercialisation of local creative sectors, expanding exports and stimulating innovation with spin-off effects in other areas such as tourism.\textsuperscript{1}

Development of the ‘creative industries’ is a listed commitment in the 2011 Programme for Government and a number of targeted actions related to the development of the creative economy were set out in the Action Plan for Jobs 2015 including two Specific Actions as follows:

- “Establish sectoral and regional design networks, clusters and incubators across the island of Ireland to stimulate economic growth and encourage investment and collaboration in the design sector.
- Create a start-up investment platform for creative industry entrepreneurs, aimed at accelerating some of the country’s most promising designers from a range of design disciplines.”

In the course of the preparation of this report, the Committee, met with a wide range of stakeholders to elicit their views over two days of meetings. All written submissions, opening statements and presentations received and the transcripts of the public meetings of the Joint Committee at which the various organisations and individuals gave evidence, can be

\textsuperscript{1} Joint Committee on Jobs, Enterprise and Innovation hearing (2015) Teagasc / Commission on Economic Development of Rural Areas presentation to Joint Committee. 21 April 2015.
electronically accessed on the Committee’s website via the links provided in sections 4 and 5 of this report.

On behalf of the Joint Committee, I would like to express my gratitude to the staff of the Library and Research Service and the Committee Secretariat for the work involved in producing the report, to Committee members for their input, and to the organisations and individuals who came before the Joint Committee to give evidence. The Joint Committee gained valuable insights from all those who had an input into the preparation of the report.

There are 23 recommendations which are set out in detail in the Report. The Joint Committee, for its part, is fully committed to monitoring the progress being made on the on-going implementation of the recommendations contained in this report, as well as other policy initiatives, in close consultation with the those Ministers, Departments, State Agencies and other stakeholders with responsibility for policy in this area.

Marcella Corcoran Kennedy, T.D.,
Chair,
Joint Committee on Jobs, Enterprise and Innovation.
30 June 2015.
2. Introduction

The Joint Committee (hereinafter referred to as the “Committee”) held two days of hearings in April 2015 to engage with relevant stakeholders to examine “The potential for Job Creation, Innovation and Balanced Economic Development in the Creative Economy”. Presentations were made to the Committee by stakeholders, as follows:

Table 1: Joint Committee hearings – stakeholders / witnesses present

<table>
<thead>
<tr>
<th>Session</th>
<th>21 April</th>
<th>28 April</th>
</tr>
</thead>
</table>
| 1       | Dr. James Cunningham, Director, Whitaker Institute, **NUI Galway**  
          | Prof. Cathal O’Donoghue, Head of the Rural Economy and Development Programme, **Teagasc**  
          | Ian Brannigan, Head of Regional Development, **Western Development Commission** | Patrick Walsh, Managing Director, **Dogpatch Labs**  
          | Maureen Conway, Principal, **Ballyfermot College of Further Education**  
          | Anna-Marie O’Rourke, Project Coordinator, **Harnessing Creativity project**  
          | Cathal Gaffney, Chief Executive Officer, **Animation Ireland**  
          | John Phelan, Consultant, **Dublin Business Innovation Centre**  
          | Orlaith McBride, Director, **Arts Council of Ireland** |
| 2       | Louise Allen, Head of Innovation and Development at the **Design and Crafts Council of Ireland**  
          | Pól Ó Galchóir, Director General **TG4** | Brian Dalton, Managing Director, Corporate Development Unit, **RTÉ**  
          | Niall Stokes, Founder and Editor, **Hot Press**  
          | Joe O’Connell, Owner, **Ashford Studios**  
          | Prof. Brian Singleton, Samuel Beckett Chair of Drama and Theatre Studies, **Trinity College Dublin**  
          | James Hickey, Chief Executive, **Irish Film Board** |
3. Overview

- The concept of the ‘creative economy’ first emerged in the 1980s as a result of the decline in traditional manufacturing in developed economies. The concept suggests a productive convergence between culture, creativity and technology which can enhance the competitiveness of countries, cities, regions and businesses. The creative economy is described as diffuse, as it reaches across traditional sectoral boundaries and comprises a number of urban, rural and peripheral regions in Ireland.²

- The creative economy (comprising the ‘Creative Application’, ‘Creative Expression’ and ‘Creative Technology’ sectors) is one of the fastest growing components of the overall economy worldwide. One estimate values the sector at 7% of global Gross Domestic Product (GDP) with average growth of 10% per annum.³ Research by Nesta (UK) suggests that if the global creative economy was a country, it would represent the 4th largest economy in the world with the 4th largest labour force (144 million employed).⁴

- The creative economy in Ireland is not easily defined and is itself referred to under various names including the ‘creative sectors’, the ‘creative arts industry’, the ‘cultural and creative economy’ and the ‘creative industry / industries’. These terms will feature interchangeably in this report. A number of creative ‘clusters’ or ‘hubs’ already exist e.g. a fashion hub in Donegal and craft hubs in Connemara and in counties Offaly and Westmeath. Galway is also a UNESCO designated city of film.

- According to industry stakeholders, developing the creative economy can boost economic activity and promote rural and regional development by facilitating diversification and commercialisation of local creative sectors, expanding exports and stimulating innovation with spin-off effects in other areas such as tourism.⁵

- In the Western region of seven counties⁶, the Western Development Commission (WDC) states there are 5,000 businesses and 11,000 direct employees in the three sectors which comprise the creative economy with forecasts suggesting the potential of an additional 6,000

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³ Joint Committee on Jobs, Enterprise and Innovation hearing NUI Galway / James Cunningham presentation to Joint Committee. 21 April 2015.
⁴ Joint Committee on Jobs, Enterprise and Innovation hearing TG4 presentation to Joint Committee. 21 April 2015.
⁵ Joint Committee on Jobs, Enterprise and Innovation hearing Teagasc / Commission on Economic Development of Rural Areas presentation to Joint Committee. 21 April 2015.
⁶ Joint Committee on Jobs, Enterprise and Innovation hearing Teagasc presentation to Joint Committee. 21 April 2015. The counties are: Clare, Donegal, Galway, Leitrim, Mayo, Roscommon and Sligo.
jobs. Approximately €534m is generated in the creative economy of these seven counties alone annually.

- A 2011 study has estimated the Gross Value Added (GVA) to the overall Irish economy of the creative economy at €4.7bn per annum or 2.8% of total GDP (2011).\(^7\)

- The Gross Value Added (GVA) of the component sectors range from the low GVA craft sectors (with mainly seasonal, part-time employment) to the high GVA technology sector. Approximately 79,000 people (4.1% of total employment) were employed in the creative sectors, directly/indirectly or arising from induced\(^8\) employment in 2010.\(^9\)

- Development of the ‘creative industries’ is a listed commitment in the 2011 Programme for Government. A number of targeted actions related to the development of the creative economy were set out in the recently published Action Plan for Jobs 2015. These include:

  - “Work with Irish Film Board and other agencies to explore the capacity to expand the industry. Increase fulltime employment equivalents in the film and audio-visual sector by 1,000 jobs by supporting the Irish Film Board to fund at least 15-20 Irish feature films and developing creative co-production feature film opportunities for 5-10 creative co-productions”;

  - “Develop advanced property solutions for innovative companies seeking to move from the incubator phase to market. Units will be suitable for specific sectors, including Life Sciences & Food as well as further property solutions for Business Support Services and Creative Enterprises”;

  - “With the Irish Film Board, the Department of Arts, Heritage and the Gaeltacht is continuing to create a more competitive environment to grow the film, television and audio visual content production sectors here and advance the targets set in the Creative Capital Report adopted by Government in 2011”.

- The Action Plan for Jobs 2015 also details two Specific Actions for 2015 as follows:

  - “Establish sectoral and regional design networks, clusters and incubators across the island of Ireland to stimulate economic growth and encourage investment and collaboration in the design sector.”

  - ”Create a start-up investment platform for creative industry entrepreneurs, aimed at accelerating some of the country’s most promising designers from a range of design disciplines.”

- It is as a result of the publication of the Action Plan for Jobs 2015 that the Committee undertook its examination of this topic.

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\(^7\) Indecon report (2012) *Assessment of the Economic Impact of the Arts in Ireland*. Software is the biggest component, worth 62%.

\(^8\) Induced employment refers to the additional employment created from increased expenditure (i.e. consumer spending) by direct and indirect jobholders in the broader economy.

\(^9\) According to the HEA *Review of the Provision of Creative Arts Programmes in Dublin*, February 2013.
4. Transcripts

The transcripts of the meetings of 21\textsuperscript{10} and 28\textsuperscript{11} April 2015 are available online.

5. Submissions and Presentations

The submissions and presentations made to the Committee for the meetings of 21\textsuperscript{12} and 28\textsuperscript{13} April 2015 are available online.

6. Summary of Recommendations

Recommendation 1: A coordinated, cross-agency ‘creative industry’ strategy and website (Section 9.1 refers)

The lack of coordination between agencies and respective Government Departments with responsibilities in the creative economy may be preventing the creative sectors from reaching their full potential (in terms of growth, employment, regional/rural development etc.). As such, the leading agencies e.g. the Irish Film Board, the Design and Crafts Council of Ireland, the Arts Council and the Western Development Commission have a role to play in coordinating their planning and adopting a streamlined, sustainable approach. The Committee recommends the following:

- A dedicated, long-term, multiannual strategy, potentially drawing upon the ‘Create UK’ strategy by the UK Creative Industries Council and/or the ‘International Strategy’ by the UK Department of Trade and Investment, is strongly supported by a number of prominent stakeholders and merits consideration.
- A focused, model / centres of excellence approach for certain creative sectors (e.g. fashion, textiles, ceramics and digital content) incorporating shared / co-working space and including, among other elements, designation and comprehensive mapping of ‘gateway’ areas may merit consideration as part of the overall strategy.
- It may also merit consideration as to whether a strategy can provide a local strategic

\textsuperscript{10} Available at: http://oireachtasdebates.oireachtas.ie/Debates%20Authoring/DebatesWebPack.nsf/committeetakes/BUJ201504210001?opendocument
\textsuperscript{11} Available at: http://oireachtasdebates.oireachtas.ie/Debates%20Authoring/DebatesWebPack.nsf/committeetakes/BUJ201504280001?opendocument
\textsuperscript{12} Available at: http://www.oireachtas.ie/parliament/oireachtasbusiness/committees_list/jobsenterpriseandinnovation/presentationsandsubmissions/
\textsuperscript{13} Ibid.
framework i.e. county-specific plans with agreed, measurable growth and development targets.

- An online resource portal providing information (including on, for example, funding opportunities) for businesses active in all the creative sectors may also be considered, potentially modelled on the UK example for the creative economy.

- There are many examples of existing good practice as regards regional development and rural sustainability in respect of a number of creative economy projects in recent years. For example, the cross-border three year Harnessing Creativity project has supported and developed entrepreneurship through training and mentoring to develop a business which can then be considered for other entrepreneurial funding programmes. As such, a sector-specific, project-based approach may be considered best practice to drive innovation.

The development of a national strategy for the creative sectors has been recommended on a number of previous occasions, originally by Oxford Economics in its October 2008 Baseline Research Report for the Western Development Commission (WDC) and restated by the WDC itself in its January 2009 ‘Creative West: The Creative Sector in the Western Region’ report.

**Recommendation 2: An Irish “Creative Industries Council”** (Section 9.1 refers)

A number of stakeholders proposed the creation of a representative / consultative group / forum to support and monitor the implementation of a national strategy for the creative industries rather than necessarily establish a dedicated agency. As such, the Committee recommends consideration of the establishment of a dedicated, national / Irish “Creative Industries Council” (or equivalent). This Council may, following the UK Creative Industries Council, include representation from relevant Government Departments, stakeholder groups, and organisations drawn from across Ireland’s creative sectors. There may also be accommodation for individual artists and technicians to ensure maximum inclusivity.

**Recommendation 3: Foreign Direct Investment (FDI)** (Section 9.1 refers)

Enhancing the attractiveness of Ireland as a hub destination in Europe for Foreign Direct Investment (FDI) to facilitate job creation and innovation, particularly in the creative technology sector (i.e. digital economy including gaming where FDI is most relevant) should be a prominent component of any long-term strategy. The Committee suggests that this be achieved through incorporation of a coordinated effort by all State (e.g. the National Asset Management Agency (NAMA)) and local bodies to provide suitable, accessible and cost-effective supports (as regard policy/development support and physical infrastructure).
Recommendation 4: Creative Hubs (Section 9.1 refers)

Noting the necessity of regional spread in all industries, the Committee recommends that in order to grow the creative economy, the Government should consider designating a city outside of Dublin with the status as a creative hub in order to best serve the country.

Recommendation 5: Creative hubs and co-working / sharing spaces (Section 9.2 refers)

The Committee recommends that, where feasible, the Government (through State agencies and State-owned bodies such as NAMA) could facilitate the creation of cost-effective, flexible, community digital ‘hubs’ incorporating shared workspaces. These spaces should target graduates and early stage businesses in the ‘scaling’ stage and should complement incubation / Spin-Out space located in third-level institutions across Ireland. Such workspaces would assist the growth of a network of Irish entrepreneurs with international network accessibility.

- Following examples in Northern Ireland, the US and Sweden, a creative hub model which incorporates a specialist mentoring programme may also merit consideration.
- The establishment of a formal working group comprising stakeholders from the public and private sector including local authorities, NAMA, property developers, the Office of Public Works (OPW) and current co-working space operators merits consideration to identify viable areas for potential development.
- Consideration should be given as to whether a county-by-county or regional approach is desired in the overall strategy for the creative sectors in terms of achieving regional balance.
- An innovation voucher system, specific and applicable to all businesses operating in the creative sectors and third-level institutions (‘knowledge providers’) merits consideration.

Recommendation 6: Defining and measuring the creative economy (Section 9.3 refers)

- Defining and measuring the creative economy is a very important first step and the Committee recommends that this should, in accordance with an accepted definition and standard of measurement, be a priority in any multiannual strategy.

A report for Dublin City Council (2010) has identified a series of data challenges (particularly in relation to average income data for certain occupations) and detailed a series of

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14 The issue of State provision (or assistance in the provision) of co-working spaces has been highlighted and recommended in a series of recent reports including, as identified by Dogpatch Labs. In its presentation to the Committee, the Activating Dublin Report (2013), the Entrepreneurship Forum Report (2014) and the National Policy Statement on Entrepreneurship in Ireland (2014).

recommendations to address issues of data availability. Similarly, a report detailing the results of a collaborative project led by Creative Skillset partnered by Creative & Cultural Skills and involving the UK Department for Culture, Media and Sport (DCMS) and Nesta in the UK (2013) proposed a new methodology to measure the creative sectors / economy.\textsuperscript{16}

- Both reports and their recommendations merit further scrutiny and detailed consideration by the relevant authorities in Ireland.

**Recommendation 7: Skills assessment survey** (Section 9.4 refers)

The Committee recommends that a detailed skills assessment survey should be conducted by a relevant body incorporating creative economy stakeholders in order to appropriately and comprehensively identify the existing skill deficiencies in the creative sectors and identify the required training which may be provided at further / third-level education level in Ireland.

**Recommendation 8: Specialist, ‘creative-specific’ training initiatives** (Section 9.4 refers)

- The importance of matching skills with demand for specific creative sectors is integral in the successful development of those sectors, particularly where skills shortages either arise or where stakeholders can identify a shortage is likely to arise based on certain high growth indigenous sectors, such as animation and games development. The Committee advocates forward planning as integral for this and the expansion of training initiatives merit detailed assessment in collaboration with creative businesses active in these sectors.\textsuperscript{17}
- The Committee recommends examination of the feasibility of developing a distinct model of training, specific to the creative economy, with a focus on structured specialist training initiatives rather than generalist degrees as well as active targeting of school age and third-level age students. Connections with organisations like SkillNets should be actively utilised and explored.

**Recommendation 9: Students’ Skills in tackling real-life problems** (Section 9.4 refers)

The Committee recommends that, taking on board the results of the 2012 OECD PISA report on Creative Problem Solving\textsuperscript{18}, the Government should examine ways to introduce enhanced creativity-based activities into the curriculum to set the conditions to promote the creative economy.

\textsuperscript{16} Creative Skillset *Classifying and measuring the Creative Industries*, February 2013.

\textsuperscript{17} As detailed by a representative of the *Harnessing Creativity* project in her presentation to the Committee, adopting best practices from facilitators such as Visual Artists Ireland, Madano Partnership UK or similar organisations may merit consideration.

Recommendation 10: Employment outcomes (Section 9.4 refers)

The Committee recommends that in building the economy, especially the creative economy, the Department of Jobs, Enterprise and Innovation should consider collecting data on employment outcomes to best match employees with the skills needs of employers. This process could potentially draw upon the Department of Social Protection’s Activation Programme as an initial model and as a source of information.

Recommendation 11: Creative career preparation (Section 9.4.1 refers)

The Committee recommends that a specific analysis as to how third-level students prepare for a career in the creative sectors merits closer consideration, building upon existing evidence as part of creative enterprise ‘bridging’ programmes in areas such as film. In particular, adopting an approach such as that used by the Dublin Business Innovation Centre (‘The Bridge’) and in Finland (specific to business plan development, mentoring and self-teaching) merits detailed analysis.

Recommendation 12: Creative internships / work experience (Section 9.4.1 refers)

The Committee suggests that the links between universities and the creative sectors may be actively enhanced including through programme-specific internship and work experience programmes which focus on capacity building for both businesses and graduates.

Recommendation 13: Entrepreneurship within primary education (Section 9.4.1 refers)

The Committee suggests that, in order to best foster the creative economy, the Government should examine the issue of introducing entrepreneurship into school curricula, including at the primary level.

Recommendation 14: Entrepreneurship (Section 9.5 refers)

The Committee recommends consideration of the availability and promotion of tailored, specialised programmes in entrepreneurship in partnership with, for example, Local Enterprise Offices (LEOs) and incubation centres.
Recommendation 15: Marketing strategy, internationalisation, and common creative branding (Section 9.5 refers)

The Committee recommends the following:

- Any strategy should recognise the merits of developing the indigenous creative industries / sectors and strengthening the 'Made in Ireland' brand to support and create employment across all regions and, in particular, rural Ireland based on the unique sectoral composition of the creative economy in these areas.
- Any strategy may also exploit the tourism and commercial / export potential of the creative industries in close collaboration with the relevant State bodies (e.g. Fáilte Ireland, Tourism Ireland, Enterprise Ireland, IDA Ireland and Local Enterprise Offices - LEOs).
- Any strategy may choose to scale up Irish best practice in this area including initiatives implemented by the Western Development Commission (WDC) e.g. the Creative Momentum project, the Micro-Loan Fund, and the International Fair Fund.

Recommendation 16: Cost of doing business (Section 9.5 refers)

In order for SMEs, particularly those in the creative economy, to thrive, the Government should work towards cutting the number of procedures and associated costs it takes to set-up a business, and aim towards the best practice set by New Zealand as per the World Bank’s Cost of Doing Business Report 2015.19

Recommendation 17: Awareness promotion (Section 9.6.1 refers)

The Committee notes and agrees that, as highlighted by the Western Development Commission, there is a need to promote greater awareness of the career path in emerging sectors on the creative economy which incorporates business skills and entrepreneurship mentoring. Incentives to encourage creative entrepreneurs should be promoted more actively.

Recommendation 18: Changing the name of the Irish Film Board (IFB) (Section 9.6.1 refers)

The Committee advocates renaming and reconstituting (where applicable) the Irish Film Board as 'Screen Ireland' (or similar) to more appropriately reflect its remit to support the development of the audio-visual and digital content sector in Ireland. This has strong support from the relevant stakeholders and, therefore, merits consideration.

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19 The World Bank (2014) *Doing Business 2015: Going Beyond Efficiency*
Recommendation 19: Local support, funding and physical infrastructure (Section 9.6.2 refers)

The Committee recommends the following:

- The employment of arts officers (or a ‘creative Industries / ‘creative sectors’ officer / liaison) by local authorities / Local Enterprise Offices (LEOs) merits consideration as a means to deliver a dedicated support service at the most accessible level. Such a person would provide advice, information and support to all relevant businesses within that local authority area as well as proactively represent local needs through representation on a central / National ‘Creative Industries Council’.
- The potential to ‘link’ creative businesses with ‘mainstream’ enterprises for the purposes of promoting balanced regional economic development merits detailed analysis on a national basis based on best practice e.g. the 4CNW project collaboration between the Western Development Commission and Sligo County Council.
- Where possible, a tentative list identifying vacant and suitable spaces for use as temporary or permanent arts centres should be compiled by each local authority in conjunction with relevant authorities (e.g. the Office of Public Works). This list could form part of the overall national strategy for the creative economy.
- All areas with the potential to support the development of large-scale production studios should be identified by the Irish Film Board in conjunction with relevant local authorities using designated criteria based on their viability in accordance with established practice elsewhere in Ireland.
- The Government should consider programmes which subsidise creative studios and apartments for artists and those working in the creative industry.
- Relevant government agencies should also work with estate agents and NAMA in order to ensure that there are spaces for artists and those working in the creative industry.

Accessing State funding for the establishment of large-scale studios through the Irish Strategic Investment Fund (ISIF) should be promoted and the State should proactively examine the feasibility of entering into Public Private Partnerships (PPPs) in accordance with a national strategy for the development of the creative economy.

Recommendation 20: An integrated funding strategy (Section 9.7 refers)

The Committee recommends the following:

- To avoid unnecessary duplication, a strategy for the creative sectors / economy should complement, but not, replace the existing role of the Local Enterprise Offices (LEOs) which act as a ‘one-stop shop’ for creative entrepreneurs and businesses (potential and existing) to source and compare information on all applicable region-specific funding opportunities. An integrated approach should also be adopted to achieve this goal, following best practice experience from existing resources such as the ‘Supporting SMEs Online Tool’ (launched in May 2014).
- Stimulation of the local economy by enhancing the ‘home-grown’ independent indigenous production sector and the level of expenditure in this sector should be facilitated by the public service broadcasters where possible, taking into account the commercial and highly competitive realities in this sector.
The creation of a dedicated investment fund specific to the creative sectors which promotes indigenous production, and by extension benefits the local economy (actively through the mechanics of production, and passively through spill-over tourism benefits), merits analysis. An Ireland-wide micro-loan fund may also be actively considered.

The importance of investment in the local economy through well-established channels (notably the Arts Council and the LEOs) is recognised by stakeholders and its impact is evidently measurable. As such, ensuring a sufficient level of funding is determined and provided by the Exchequer is a priority.

**Recommendation 21: Crowd Funding** (Section 9.7 refers)

In order to set the conditions for SMEs in the creative economy to thrive; the Government should examine how to regulate the crowd-funding sector to afford better protection to both lenders and businesses.

**Recommendation 22: Cultural / audio-visual exception** (Section 9.8 refers)

The Committee recommends that in order to support and promote the indigenous audio-visual sector both for broadcasting services and digital on-demand services, an exemption whereby minimum quotas are set for broadcast content on Irish media by Irish artists merits detailed examination. As such, recent proposals and commentary on this topic, taking account of the precedence of relevant EU law and domestic stakeholder opinions in this area, should be incorporated.

**Recommendation 23: Financial incentives / tax relief** (Section 9.8 refers)

The Committee recommends that incentives, similar to the Section 481 for film production and the Section 195 artist’s exemption from income tax, should take account of a greater cohort of participants in the creative sectors in a joined-up manner. A designation for an individual active in a specific creative sector (Creative Application, Creative Expression or Creative Technology) rather than particular artists / participants merits consideration.

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20 Such a proposal has been discussed in recent years, notably according to one recent media article in November 2014 but was rejected by the Minister for Communications. Another recent article suggested that a quota “doesn’t take into account the practical commercial, licensing and listenership ramifications of such [a quota’s] implementation”. The issue has also recently been raised by Sinn Féin MEP (Ireland – South) Liadh Ní Riada who is a member of the European Parliament’s Culture and Education Committee. See article here. In response, according to this article, a Departmental spokesperson stated that an inter-departmental process would consider this issue.
7. Defining the creative economy

There is no universally accepted definition or conceptualisation of the creative economy in Ireland (also referred to as the ‘creative arts industry’, ‘creative industry’, ‘creative industries’, ‘creative sector’ or the ‘creative sectors’).

7.1. The tri-sector categorisation of the creative economy

In its 2009 ‘Creative West’ report\textsuperscript{21}, the Western Development Commission (WDC) attempted to define the creative economy as a whole and classify its components under a ‘tri-sector’ categorisation (‘Creative Application’, ‘Creative Technology’ and ‘Creative Expression’) for the area under its remit (the seven Western counties of Clare, Donegal, Galway, Leitrim, Mayo, Roscommon and Sligo) which also highlights the overlaps between the three sectors. This ‘tri-sector’ categorisation was also used by Teagasc in its October 2014 report\textsuperscript{22} ‘Rural Economic Development in Ireland’ and is replicated overleaf.\textsuperscript{23}

\textsuperscript{21} Western Development Commission (2009) \textit{Creative West: The Creative Sector in the Western Region}, January 2009. The report sought to investigate the size of the ‘Creative Sector’ in the Western Region of Ireland and highlight critical issues upon which recommendations to develop the sector were set out.


\textsuperscript{23} This definition was also supported by Dr. James Cunningham of the Whittaker Institute, NUI Galway in the stakeholder hearings on this topic (21 April 2015).
Figure 1: The ‘tri-sector’ categorisation of the creative economy in Ireland

Source: Western Development Commission (2009) pg. 10

Figure 2: The ‘tri-sector’ categorisations of the creative economy in Ireland – in detail

<table>
<thead>
<tr>
<th>Creative Application</th>
<th>Creative Expression</th>
<th>Creative Technology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sectors which develop products or services primarily based upon meeting a market demand. This category includes products such as signature designer pieces, books, blueprints or advertisements, and services such as private art galleries.</td>
<td>Sectors where products or services are developed for audiences with an expressive story in mind. There is a relatively high level of public funding involved within this category and it includes the arts sector. Three creative industries fall within this category:</td>
<td>Sectors which rely most on technology and digital media, particularly for their core functions. Three creative industries are in this category:</td>
</tr>
<tr>
<td>▪ Art/Antiques trade (private art galleries, antique shops)</td>
<td>▪ Music, visual and performing arts (musicians, artists, theatre groups)</td>
<td>▪ Internet and software</td>
</tr>
<tr>
<td>▪ Architecture</td>
<td>▪ Video, film and photography</td>
<td>▪ Digital media (gaming, animation)</td>
</tr>
<tr>
<td>▪ Fashion</td>
<td>▪ Advertising</td>
<td>▪ Design (graphic design, web design)</td>
</tr>
<tr>
<td>▪ Publishing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Advertising</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Crafts</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The latter creative sectors detailed above (Creative Expression and Creative Technology) can be differentiated as follows:

**Figure 3: The ‘tri-sector’ categorisations scale**

<table>
<thead>
<tr>
<th>EXPRESSION</th>
<th>APPLICATION</th>
<th>TECHNOLOGY</th>
</tr>
</thead>
<tbody>
<tr>
<td>VISUAL ART, MUSIC, PERFORMING ART</td>
<td>VIDEO PRODUCTION, FILM, PHOTOGRAPHY, TV &amp; RADIO</td>
<td>CRAFT (DESIGN)</td>
</tr>
<tr>
<td>ART</td>
<td>ARCHITECTURE, FASHION, PUBLISHING, ADVERTISING</td>
<td>DESIGN</td>
</tr>
<tr>
<td></td>
<td></td>
<td>INTERNET SOFTWARE, DIGITAL MEDIA</td>
</tr>
</tbody>
</table>

Source: Western Development Commission / NUIG (2011) p. 29. Note: the ‘Application’ reference was excluded in the WDC paper but has been included above in accordance with Figures 1 and 2.

However, the Western Development Commission (WDC) stated to the Committee (21 April) that those working in the creative sectors generally do not view themselves as being part of the creative ‘economy’. Instead, the WDC suggested that these people view themselves according to their occupation e.g. artist, jeweller, craftsperson, designer etc., rather than part of a collective sector within a wider definition of the creative economy.

As identified by the WDC, the creative sectors which comprise the creative economy in Ireland have the following characteristics:24

- **Highly indigenous / geographically rooted**: Almost all are active in the region of Ireland in which they are based and are generally not footloose industries (with the exception of the creative technology sectors which generally locate on the basis of existing digital ‘clusters’).
- **Low export activity**: Two-thirds of creative businesses export little or no goods / services.
- **Size of business**: Most businesses are SMEs with only 12% employing more than 10 people.
- **Employment**: One distinctive aspect is that, due to the highly specialised nature of the work involved across creative sectors, jobs follow people rather than the traditional inverse relationship.

24 According to a survey conducted by the Western Development Commission (WDC), *Presentation by Western Development Commission to Joint Committee on Jobs, Enterprise and Innovation*. 21 April 2015.
• **Gross Value Added (GVA)**: Varies greatly between the creative sectors from quite low (e.g. for a craft business with a large proportion of part-time, seasonal employees) to high (e.g. for technology-based companies such as animation studios).

### 7.2. Literature review

A number of research papers, studies and reports have been published, particularly since 2008, which include recommendations relevant to the development of one or more sectors of the creative economy. A number of recommendations highlighted by stakeholders in their written and oral presentations to the Committee restated these recommendations. The most relevant publications are indicated in the Table below:

**Table 2: Creative economy publications (2008-2014)**

<table>
<thead>
<tr>
<th>Date of Publication</th>
<th>Title</th>
<th>Author</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 2008</td>
<td>Baseline Research on the Creative Industries Sector in the Western Region of Ireland</td>
<td>Oxford Economics</td>
</tr>
<tr>
<td>October 2008</td>
<td>Building Ireland’s Smart Economy: A Framework for Sustainable Economic Renewal</td>
<td>Department of An Taoiseach</td>
</tr>
<tr>
<td>January 2009</td>
<td>Creative West: The Creative Sector in the Western Region</td>
<td>Western Development Commission</td>
</tr>
<tr>
<td>October 2009</td>
<td>Economic Impact of the Arts, Culture and Creative Sectors</td>
<td>DKM Economic Consultants</td>
</tr>
<tr>
<td>November 2009</td>
<td>Assessment of Economic Impact of the Arts in Ireland</td>
<td>Indecon</td>
</tr>
<tr>
<td>November 2010</td>
<td>Economic Significance and Potential of the Crafts Sector in Ireland</td>
<td>Indecon</td>
</tr>
<tr>
<td>April 2011</td>
<td>Creative Capital: Building Ireland’s Audiovisual Creative Economy</td>
<td>Audiovisual Strategic Review Steering Group</td>
</tr>
<tr>
<td>June 2011</td>
<td>Economic Impact Assessment: The Creative Sector in the Western Region – Future Growth Trajectories</td>
<td>Western Development Commission / NUI Galway</td>
</tr>
<tr>
<td>October 2012</td>
<td>Assessment of the Economic Impact of the Arts in Ireland: An Update Report</td>
<td>Indecon</td>
</tr>
<tr>
<td>October 2013</td>
<td>Creative Dividends: Economic Impact of Wexford County Council’s Support of the Arts Sector.</td>
<td>Dr. Richard Maloney / UCC</td>
</tr>
<tr>
<td>April 2014</td>
<td>Energising Ireland’s Rural Economy</td>
<td>Commission for the Economic Development of Rural Areas (CEDRA)</td>
</tr>
</tbody>
</table>

A number of other comparative reports and papers are available on the [Creative Edge website](#). The following section summarises key details of the most prominent research papers, studies and reports identified in the above Table.


**Baseline Research on the Creative Industries Sector in the Western Region of Ireland**  
*(Oxford Economics, October 2008)*

Commissioned by the Western Development Commission (WDC), Oxford Economics (in partnership with Perceptive Insight Market Research (PIMR)) conducted baseline research into the creative economy in the seven county Western region under the remit of the WDC (Clare, Donegal, Galway, Leitrim, Mayo, Roscommon and Sligo). The rationale for the research was to attempt to define the creative sectors in those counties, identify the strengths and opportunities for the creative sectors, identify strategic issues facing the sectors and devise actions to develop the sector in the region. The study details a series of 22 recommendations which, though mostly regional owing the remit of the research, include national recommendations including on the development of a coherent national policy, facilitation of networking (through a national policy), streamlining of funding support and review of current national enterprise support criteria.

**Creative West: The Creative Sector in the Western Region**  
*(Western Development Commission, January 2009)*

Published by the Western Development Commission (WDC), the ‘Creative West’ report presents a summary of the key findings from the Baseline Research (see above) and details among other items, 15 headline objectives in two tiers of importance to support, promote and develop the creative sectors, as follows:

- **Tier 1**: Seven objectives considered of prominent ‘first tier’ priority.
- **Tier 2**: Eight objectives which are deemed ‘additional activities’ not unique to the creative sectors, but are viewed as critical to the growth of the sectors in the Western region.

Tier 1 objectives include the enablement of more effective production and development of creative output through establishing ‘networks of practice’ (through region-wide business events and formal networks), effective promotion of the ‘Creative West’, development of creative talent through education, development of creative hubs and connectors in cost-effective environments and the establishment of a national, coherent development policy for the creative sectors.

**The Creative Capital Report**  
*(Audiovisual Strategic Review Steering Group, April 2011)*

Following presentation of the PriceWaterhouseCoopers (PwC) report to the Department of Arts, Heritage and the Gaeltacht, a Steering Group was established with Brendan Tuohy (former
Secretary General at the Department of Communications) as its Chairperson. The Steering Group was asked to examine and recommend new enterprise policies to maintain and develop the industry’s growth. The aim of the Report was to identify the strengths and weaknesses of the Irish audiovisual industry and to recommend to Government specific policies that will equip the industry to successfully enter the next phase of its growth from a predominantly domestic orientation into international markets. Two objectives were explicitly outlined:

- To recommend a framework of policies and initiatives for Government that will stimulate growth over a five-year period (including doubling the value of the Irish audiovisual industry to over €1bn, increasing direct employment to over 10,000 from 5,440 and to increase exports of Irish audiovisual production); and
- To recommend policies that are achievable, cost neutral and that maximise the employment potential of the audiovisual content production industry.

The Report detailed a series of recommendations under five key priority areas, as follows:

1. Develop the industry and build strong companies;
2. Build exports;
3. Develop skills and talent;
4. A strong domestic industry; and
5. Mobilisation of the industry and whole of Government.

**Assessment of the Economic Impact of the Arts in Ireland: An Update Report**
*Indecon, October 2012*

This Report represents an update of Indecon’s previous independent assessment of the economic impact of the arts in Ireland undertaken in 2008 and 2010. The Report seeks to establish an evidence driven evaluation of the economic impact of the arts as an input into wider economic policy. The Report offers three estimates of the ‘arts sector’ in Ireland. The first, in terms of direct Arts Council funding recipients, stated a return to the exchequer (estimated tax and other payments) of €41.8m. A broader definition, including all arts organisations regardless of Arts Council funding, has an estimated economic impact / Gross Valued Added (GVA) of €713.3m, with an aggregate employment impact of 20,755 jobs. An even broader definition inclusive of ‘all creative industries’ (e.g. film, advertising, radio and television) states a GVA of €4.64bn with an aggregate employment impact of 76,862 jobs. The report concludes however that “The ability of arts organisations to support employment is directly related to overall income of arts organisations. This has been impacted by the constraints on public finances.”
Creative Dividends: Economic Impact of Wexford County Council’s Support of the Arts Sector

(Wexford County Council, October 2013)

Written by Dr. Richard Maloney of University College Cork (UCC), the Creative Dividends Report revealed that in 2012, Wexford County Council’s direct financial support for the overall ‘arts’ sector was €0.86m which generated an overall impact of €9.35m, created 100.5 full time equivalent (FTE) jobs, realised €1.01m in taxes to the exchequer and created a further €0.34m in indirect activity. The Report goes on to conclude that for every €1 invested by Wexford County Council in the sector, an associated impact of €7.83 in overall economic activity was ultimately realised (2012).

8. Government policy

As stated by Teagasc in the Committee hearings, no single Department has overarching responsibility for the creative economy with Ministerial responsibility principally spanning the Departments of Arts, Heritage and Gaeltacht (DAHG), Communications, Energy and Natural Resources (DCNR), Jobs, Enterprise and Innovation (DJEI) and Transport, Tourism and Sport (DTTS). In terms of the provision of financial incentives and tax reliefs, the Department of Finance (DoF) also has a role. The ‘creative industries’ are referenced in the 2011 Programme for Government as follows:

“We will target key technology areas and sectors where innovation can be applied including but not limited to high value manufacturing, advanced materials, nanotechnology, bioscience, electronics, photonics and electrical systems and information and communication technology. We will also focus on the application of technological innovation in established sectors of the economy like energy generation and supply, transport, creative industries, high-value services and architecture and construction by identifying challenges, establishing priorities and developing strategies which specify necessary actions to transition to more innovative approach.”

Under the Action Plan for Jobs 2015, a number of targets which may be directly classified as specific to the development of the creative economy are set out overleaf.
### Table 3: Actions under Action Plan for Jobs 2015

<table>
<thead>
<tr>
<th>Action</th>
<th>Detail</th>
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</thead>
<tbody>
<tr>
<td>39</td>
<td>Create a minimum of 500 new jobs and continue to support existing jobs in Údarás na Gaeltachta client companies in the Gaeltacht, including through supports for post-research/pre-commercialisation units in the Life Sciences, Food and Business Support services and Creative Enterprise sectors, and ongoing support for community development initiatives.</td>
</tr>
<tr>
<td>43</td>
<td>Údarás na Gaeltachta will implement measures to support early stage business development with a particular focus on regional competitive advantage in specific sectors, including cultural tourism, audio-visual and digital technology, marine resources, niche manufacturing, food &amp; beverages and creative language-based services.</td>
</tr>
<tr>
<td>173</td>
<td>Work with Irish Film Board and other agencies to explore the capacity to expand the industry. Increase fulltime employment equivalents in the film and audio-visual sector by 1,000 jobs by supporting the Irish Film Board to fund at least 15-20 Irish feature films and developing creative co-production feature film opportunities for 5-10 creative co-productions. Overall, over 40 projects will be supported, including feature documentaries, animation, TV Drama and short films.</td>
</tr>
<tr>
<td>207</td>
<td>Develop advanced property solutions for innovative companies seeking to move from the incubator phase to market. Units will be suitable for specific sectors, including Life Sciences &amp; Food as well as further property solutions for Business Support Services and Creative Enterprises.</td>
</tr>
<tr>
<td>264</td>
<td>With the Film Board, the Department of Arts, Heritage and the Gaeltacht is continuing to create a more competitive environment to grow the film, television and audio visual content production sectors here and advance the targets set in the Creative Capital Report adopted by Government in 2011.</td>
</tr>
</tbody>
</table>

The Action Plan for Jobs 2015 also details two ‘Specific Actions for 2015’ as follows:

- “Establish sectoral and regional design networks, clusters and incubators across the island of Ireland to stimulate economic growth and encourage investment and collaboration in the design sector.
- Create a start-up investment platform for creative industry entrepreneurs, aimed at accelerating some of the country’s most promising designers from a range of design disciplines.”

It is as a result of the publication of the Action Plan for Jobs 2015 that the Committee undertook its examination of this topic.
9. Stakeholder hearings

The following is a thematic summary of the main arguments put forward at the public hearings by industry stakeholders. Note: It should be stated that a number of these key issues independently replicate similar recommendations set out in published research studies / reports on the creative economy / creative sectors in Ireland (Section 7.2. of this report).

9.1 A coordinated, cross-agency, integrated, long-term strategy

The need for a long-term development strategy and (more broadly) for a more coherent and coordinated policy approach comprising all creative sectors was highlighted by a number of stakeholders in the Committee hearings. Ireland currently lacks a single, consolidated national policy or strategy to develop the creative economy. Such an approach would treat the development of the creative economy as a national rather than a regional or county-specific issue.

Dr. Cunningham (NUIG) stated that analysis by his university has shown that Sweden and Finland are good models in this area in terms of “policy coordination, better regional supports and a more customised approach” and advocated for a ten-year plan to develop the sectors following existing practice in the other areas, e.g. ICT, medical devices and life sciences. The experiences of Sweden and Finland, according to Dr. Cunningham, indicate the importance of fusing the three elements of economy, society and culture to provide for long-term sustainability insofar as they are grounded in people’s innate entrepreneurial and creative abilities. Referring to the university’s involvement in the Creative Edge project, Dr. Cunningham suggested that such a project could be a viable template for developing the creative sectors as it “could be scaled up” as it represents a proven foundation upon which a long-term strategy may be based.

25 Creative Edge was a practical partnership between the Western Development Commission (WDC), South-Eastern Economic Development (SEED) in Craigavon (Co. Armagh, Northern Ireland) and NUI Galway. The main objectives were to (1) Map the creative sector in peripheral European regions. This contributes to a growing academic literature on the impact of creativity on economic well-being (2) Create an export platform to provide creative industries in peripheral regions with opportunities to access international markets via real and virtual presences (3) Establish an employment bank for employers and potential employees in an economy where skills requirement vary quickly. This bank provides real and virtual meeting places for information and knowledge-sharing, and (4) Develop creative places e.g. using vacant high-street premises for creative talent to showcase their work. The project was funded by the Northern Periphery Programme (2007-2013) and the European Regional Development Fund. More information is available here.

Teagasc noted the finding in the Commission for the Economic Development of Rural Areas (CEDRA) Report “Energising Ireland’s Rural Economy” (April 2014) which identified a need to develop a coordinated strategy for the creative sectors that places a specific focus on potential to contribute to the development of the rural economy, with consideration given to a specific mechanism that combines the creative economy’s support competencies with the relevant Departments… as well as existing lead agencies. Accordingly, Teagasc argued that a multiannual strategy would prove beneficial to achieve a balance in terms of economic development and eschew a narrow focus on urban Ireland. Teagasc also specifically identified the necessity to provide sufficient human resources to support the development of a long-term strategy.

Regarding policy formation, as stated in the previous section, no single Department has overarching responsibility for the creative economy with Ministerial responsibility principally spanning the Departments of Arts, Heritage and Gaeltacht (DAHG), Communications, Energy and Natural Resources (DCNR), Jobs, Enterprise and Innovation (DJEI) and Transport, Tourism and Sport (DTTS). The Design and Craft Council of Ireland (DCCol) stated that engagement on an inter-agency and interdepartmental basis to maximise resources and facilitate development of the sectors is necessary and that, overall, the creation of a creative economy policy for Ireland is “extremely important”.

Other stakeholders, including Animation Ireland, indicated to the Committee that they viewed the development of an industry ‘growth plan’ with measurable and accountable targets as essential. The Arts Council stated that there is a need for a far higher level of integration between the creative sectors and arts, tourism and enterprise more broadly (incorporating IDA Ireland and Enterprise Ireland) so that the creative economy can be rightly seen as “critical to the national agenda”. As such, achieving a strong domestic creative economy (in particular, the creative technology sector) may also enhance the ability of Ireland to secure Foreign Direct Investment (FDI). The Council cited the example of the Carlow County Manager who concluded that the establishment of the Visual Centre and George Bernard Shaw Theatre in the county was a particularly positive contributory factor in the decision by Merck Sharp & Dohme to locate its vaccine development facility in Carlow. The Arts Council also stated that an opportunity does exist insofar as the progression of plans to draft a National Cultural Policy26 may provide a useful insight regarding synergies and points of alignment for the creative sectors.

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National coordination of existing resources in arts, education and research could provide an environment to develop the potential of the creative economy according to Prof. Singleton (TCD). However, he suggested that no new agency is necessary to achieve this aim.

Similarly, the lack of coordination between the creative sectors has an impact in other areas according to the Irish Film Board (IFB) which stated that, while resources do exist, a lack of coordination may be causing sectors to unnecessarily compete against each other; meaning that indigenous creative output is unable to find a path to market in Ireland.

Recommendation 1: A coordinated, cross-agency ‘creative industry’ strategy and website (Section 9.1 refers)

The lack of coordination between agencies and respective Government Departments with responsibilities in the creative economy may be preventing the creative sectors from reaching their full potential (in terms of growth, employment, regional/rural development etc.). As such, the leading agencies e.g. the Irish Film Board, the Design and Crafts Council of Ireland, the Arts Council and the Western Development Commission have a role to play in coordinating their planning and adopting a streamlined, sustainable approach. The Committee recommends the following:

- A dedicated, long-term, multiannual strategy, potentially drawing upon the ‘Create UK’ strategy by the UK Creative Industries Council and/or the ‘International Strategy’ by the UK Department of Trade and Investment, is strongly supported by a number of prominent stakeholders and merits consideration.
- A focused, model / centres of excellence approach for certain creative sectors (e.g. fashion, textiles, ceramics and digital content) incorporating shared / co-working space and including, among other elements, designation and comprehensive mapping of ‘gateway’ areas may merit consideration as part of the overall strategy.
- It may also merit consideration as to whether a strategy can provide a local strategic framework i.e. county-specific plans with agreed, measurable growth and development targets.
- An online resource portal providing information (including on, for example, funding opportunities) for businesses active in all the creative sectors may also be considered, potentially modelled on the UK example for the creative economy.\(^\text{27}\)
- There are many examples of existing good practice as regards regional development and rural sustainability in respect of a number of creative economy projects in recent years. For example, the cross-border three year Harnessing Creativity project has supported and developed entrepreneurship through training and mentoring to develop a business which can then be considered for other entrepreneurial funding programmes. As such, a sector-specific, project-based approach may be considered best practice to drive innovation.

\(^\text{27}\) www.thecreativeindustries.co.uk
The development of a national strategy for the creative sectors has been recommended on a number of previous occasions, originally by Oxford Economics in its October 2008 Baseline Research Report for the Western Development Commission (WDC) and restated by the WDC itself in its January 2009 ‘Creative West: The Creative Sector in the Western Region’ report.

**Recommendation 2: An Irish “Creative Industries Council”** (Section 9.1 refers)

A number of stakeholders proposed the creation of a representative / consultative group / forum to support and monitor the implementation of a national strategy for the creative industries rather than necessarily establish a dedicated agency. As such, the Committee recommends consideration of the establishment of a dedicated, national / Irish “Creative Industries Council” (or equivalent). This Council may, following the UK Creative Industries Council, include representation from relevant Government Departments, stakeholder groups, and organisations drawn from across Ireland’s creative sectors. There may also be accommodation for individual artists and technicians to ensure maximum inclusivity.

**Recommendation 3: Foreign Direct Investment (FDI)** (Section 9.1 refers)

Enhancing the attractiveness of Ireland as a hub destination in Europe for Foreign Direct Investment (FDI) to facilitate job creation and innovation, particularly in the creative technology sector (i.e. digital economy including gaming where FDI is most relevant) should be a prominent component of any long-term strategy. The Committee suggests that this be achieved through incorporation of a coordinated effort by all State (e.g. the National Asset Management Agency (NAMA)) and local bodies to provide suitable, accessible and cost-effective supports (as regard policy/development support and physical infrastructure).

**Recommendation 4: Creative Hubs** (Section 9.1 refers)

Noting the necessity of regional spread in all industries, the Committee recommends that in order to grow the creative economy, the Government should consider designating a city outside of Dublin with the status as a creative hub in order to best serve the country.
9.2 Collaborative innovative hubs and co-working spaces

The provision of new infrastructure, as well as making more effective use of existing infrastructure, are important components in developing the creative economy and providing an enabling environment for creative businesses. As identified by the stakeholders in the Committee hearings, supporting and promoting collaboration across sectors, disciplines and counties can best be achieved by the sharing of knowledge in an open way. Therefore, the following is seen by the relevant stakeholders as vital to develop capacity in the creative sectors:

- Support professional networking; and
- Provide informal co-working spaces in an innovative, accessible and connected environment.

In the Committee hearings, stakeholders indicated a desire to avoid a confined focus on hubs and gateways (as outlined in the National Spatial Strategy\(^{28}\)) with a preference on promoting the indigenous creative individuals and businesses (particularly those active in the Creative Application sector) operating in small and medium towns and in rural areas.

Dr. James Cunningham (NUIG) indicated that SEED (South Eastern Economic Development) in Northern-Ireland has piloted four non-profit community-based creative hubs based on best practice in Sweden which, particularly in rural areas, represent a “template and a toolkit” for promoting knowledge-sharing through formal and informal networks. As such, Dr. Cunningham identified a need for the establishment of creative innovation hubs throughout the country, following the example of the Creative Edge\(^{29}\) project. This was supported by Teagasc which supplied a SWOT analysis to the Committee in its presentation detailing a number of weaknesses in this area including the lack of availability of suitable low-cost workspaces, poor cross-county networking and collaboration and a low level of alliances / joint projects between, in particular, smaller businesses.

The Dublin Business Innovation Centre (DBIC) similarly identified the potential to develop creative clusters or a MediaTech centre (potentially by expanding the existing Guinness Enterprise Centre) where research and commercial skills can be amalgamated to facilitate and support content developers. Ballyfermot College of Further Education recommended that

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\(^{28}\) The National Spatial Strategy (NSS) is referred to as a “coherent national planning framework for Ireland for the next 20 years [2002-2020] … [which] aims to achieve a better balance of social, economic and physical development across Ireland, supported by more effective planning”. The NSS is available to download on [www.nss.ie](http://www.nss.ie).

\(^{29}\) See Section 9.1 for explanation of the Creative Edge project.
support be provided by Government for units or hubs attached to colleges to support small business with allocated funding.

Citing a similar example in New York (NeueHouse), the Design and Crafts Council of Ireland (DCCoI) indicated support for the development of design hubs or creative sector hubs to encourage networking, collaboration and the sharing of skills, ideas and expertise. The Western Development Commission (WDC) stressed the need to exploit areas where a competitive advantage exists for Irish products and so constitutes “sensible economic development” rather than maintain a potentially more narrow focus on balanced regional development as a single, isolated priority. As such, the WDC stated that clustering is inevitable and should be allowed to occur organically as it is not, in the first instance, a question of force or applying resources on an ad-hoc basis.

Dogpatch Labs stated that co-working spaces are crucial for the successful development of the creative economy and that such space is an absolute requirement to meet the needs of a growing industry while also attracting Foreign Direct Investment (FDI). Dogpatch Labs cited the Entrepreneurship in Ireland report\(^{30}\) which explicitly highlighted the importance of flexible, co-working spaces as an integral component in achieving the Government’s job creation targets. Dogpatch Labs also cited the International Financial Services 2020 Strategy\(^{31}\) wherein the facilitation of such space is recommended to support the growing financial technology services industry, and also stressed the need to consider an integrated approach bringing together local authorities (i.e. local enterprise offices - LEOs) and other State bodies such as NAMA in order to develop the necessary space and attract FDI. Referring to well advanced French plans to develop a 350,000 sq. ft. digital co-working space project in Paris (the Halle Freyssinet building, a former railway station\(^{32}\)) to house 1,000 innovative start-ups, Dogpatch warned in its presentation “ultimately, there can only be one true gateway and hub of EU start-up activity, and the race is on”.

In relation to interaction between local authorities and other bodies, a representative of the Harnessing Creativity project affirmed that the vision of that project included an objective to improve knowledge transfer between LEOs and Enterprise Agencies more generally (in a cross-border capacity) to use creativity for regional development. In relation to promoting innovation,


the Design and Crafts Council of Ireland (DCCoI) recommended that an “innovation voucher”\(^\text{33}\) (or similar) system to promote business-to-business (B2B) innovation sharing be introduced specific to the creative sectors. Related to this, the DCCoI also recommended the establishment of an innovation brokerage system to pair companies and assist in strategy and relationship development.

**Recommendation 5: Creative hubs and co-working / sharing spaces** (Section 9.2 refers)

The Committee recommends that, where feasible, the Government (through State agencies and State-owned bodies such as NAMA) could facilitate the creation of cost-effective, flexible, community digital ‘hubs’ incorporating shared workspaces.\(^\text{34}\) These spaces should target graduates and early stage businesses in the ‘scaling’ stage and should complement incubation / Spin-Out space located in third-level institutions across Ireland. Such workspaces would assist the growth of a network of Irish entrepreneurs with international network accessibility.

- Following examples in Northern Ireland, the US and Sweden, a creative hub model which incorporates a specialist mentoring programme may also merit consideration.
- The establishment of a formal working group comprising stakeholders from the public and private sector including local authorities, NAMA, property developers, the Office of Public Works (OPW) and current co-working space operators merits consideration to identify viable areas for potential development.
- Consideration should be given as to whether a county-by-county or regional approach is desired in the overall strategy for the creative sectors in terms of achieving regional balance.
- An innovation voucher system, specific and applicable to all businesses operating in the creative sectors and third-level institutions (‘knowledge providers’) merits consideration.

**9.3 Data collection and measuring the creative economy**

Quantifying the creative economy / creative sectors is of primary importance to stakeholders in various ways. According to stakeholders, there is a need to codify the economic impact of the creative economy and establish benchmarks to promote jobs, business development, and commercialisation / exports.\(^\text{35}\)

\(^{33}\) Enterprise Ireland has trialled a pilot ‘innovation vouchers’ initiative. More information is available at www.innovationvouchers.ie

\(^{34}\) See footnote 14.

\(^{35}\) This recommendation mirrors the ‘Action Point’ featured in the Department of An Taoiseach’s ‘Building Ireland’s Smart Economy’ framework, published in 2008.
For example, considering the critical nature of the creative economy for the national economy, Dr. Cunningham (NUIG) identified a need to build upon and qualitatively improve existing data collection methods to more accurately classify and measure the creative industries. Best practice, such as data already tabulated by the university for its *Creative Edge* project, could be used as a guiding template in this regard according to Dr. Cunningham. Previously, the Western Development Commission (WDC), as part of the research for its ‘Creative West’ Report (2009), interviewed 550 businesses and organisations which it states may represent a template upon which future surveys can be based.

**Recommendation 6: Defining and measuring the creative economy** (Section 9.3 refers)

- Defining and measuring the creative economy is a very important first step and the Committee recommends that this should, in accordance with an accepted definition and standard of measurement, be a priority in any multiannual strategy.

A report for Dublin City Council (2010)\(^{36}\) has identified a series of data challenges (particularly in relation to average income data for certain occupations) and detailed a series of recommendations to address issues of data availability. Similarly, a report detailing the results of a collaborative project led by Creative Skillset partnered by Creative & Cultural Skills and involving the UK Department for Culture, Media and Sport (DCMS) and Nesta in the UK (2013) proposed a new methodology to measure the creative sectors / economy.\(^{37}\)

- Both reports and their recommendations merit further scrutiny and detailed consideration by the relevant authorities in Ireland.

### 9.4 Education and training

The creative economy comprises a number of vibrant, innovative and diverse sectors and as such specialised skills tailored to each sector and within each sector are required. However, it must be acknowledged that the nature of the work and patterns of employment in the creative sectors are comparatively very different.\(^{38}\)

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\(^{36}\) See footnote 15.

\(^{37}\) See footnote 16.

\(^{38}\) In its ‘Creative CV Guide’, Dublin Institute of Technology (DIT) states that a clearly defined career path in the creative industry / sectors is “outdated” and the concept of a ‘job for life’ has “probably never existed.” As such, the guide alerts graduates that “if security of work and income are important to you - certain roles in the creative industries may be very challenging from this perspective [career / work-life balance].”
Dr. Cunningham (NUIG) stated that an “enhanced, broadened understanding of skillsets, disciplines and connections” need to be pursued and that more data needs to be collected in terms of creative education generally. Dr. Cunningham noted that 385 third-level programmes are currently on offer to prospective students on the island of Ireland with a focus on music, creative expression, and technology. He states furthermore that these could be “enhanced and grown” to ensure that Irish graduates are equipped to use new media to market and distribute their products and ideas more effectively.

Ballyfermot College of Further Education indicated a desire for a greater allocation for teachers (generally) for the sector in which it operates rather than see resources confined to only institutes of technology (IoTs) or universities.

Teagasc has identified that a key existing weakness in the creative economy relates to capacity and the availability of business skills. They acknowledge that, though important, this is not unique to the creative sectors. Furthermore, Teagasc referred to its own SWOT analysis which indicated, among other things, the threat posed by the loss of skilled people and a policy focus on attracting new skills over sustaining and encouraging existing skills. Specifically, the need to deliver greater skills training within rural areas potentially utilising existing education networks such as those applied by the Education and Training Boards (ETBs) was identified.

However, there are examples of good practice in some sectors. The Irish Film Board (IFB) indicated that it is involved in training and education through Screen Training Ireland which promotes courses incorporating “screen leaders” to encourage screen entrepreneurs as well as animation and visual effects training courses. Conversely, Prof. Singleton (TCD) acknowledged that the creative strategy for education is being executed on an ad-hoc basis based on connected individuals and as such there is little benefit in sending graduates to Local Enterprise Offices (LEOs).

The Design and Craft Council of Ireland (DCCol) explicitly referred to the animation sector as an area where recruitment is proving difficult in Ireland but also highlighted that it works with the British Fashion Council to provide supports to the fashion and textile sector which includes live tailored industry training and placements in key areas. Animation Ireland confirmed this stating that “[the industry] is growing too fast for the colleges to possibly catch up” and as such there is a need to develop structured training initiatives, such as technology apprenticeships and graduate placements as well as earlier programmes including digital and media literacy training.
in schools (discussed in the next section of this report). Animation Ireland further warned that the current pace of training initiatives does not match demand [approximately 40 graduates are produced in Ireland per annum of the required 100] and as such the animation sector, a key component of the creative economy, may be unable to source the necessary people and skills in the future.

The Dublin Business Innovation Centre (DBIC) stated that there is a requirement for “constant upskilling” to ensure specialist knowledge is developed in the creative sectors. In its presentation, DBIC recommended, among other things, that the Animation Skillnet initiative and existing training programmes between the Animation Skillnet and the Irish Film Board (IFB) be continued.

The necessity to create an “innovative workforce” was stressed by the Arts Council which stated that any effort to achieve this goal should begin, not at third level, but with children in primary school to ensure that creativity is embedded in all learning from an early stage. Referring to the role of the Arts Council, the Irish Film Board (IFB) noted that increasingly those active in the creative sectors are also unlikely to confine their work to a single discipline resulting in a requirement for them to acquire and develop multiple qualifications and skills.

RTÉ confirmed that it is working, through its ‘campus without walls’ initiative, with both the independent sector and third-level institutions, to develop a hub for creative content generation and new start-ups at its headquarters in Donnybrook in Dublin.

Recommendation 7: Skills assessment survey (Section 9.4 refers)

The Committee recommends that a detailed skills assessment survey should be conducted by a relevant body incorporating creative economy stakeholders in order to appropriately and comprehensively identify the existing skill deficiencies in the creative sectors and identify the required training which may be provided at further / third-level education level in Ireland.

Recommendation 8: Specialist, ‘creative-specific’ training initiatives (Section 9.4 refers)

- The importance of matching skills with demand for specific creative sectors is integral in the successful development of those sectors, particularly where skills shortages either arise or where stakeholders can identify a shortage is likely to arise based on certain

39 Established in July 2013, the Animation Skillnet initiative is a subsidised training programme for the animation, games and visual effects (VFX) sectors. It is funded by the industry and the Training Networks Programme, an initiative of Skillnets Ltd., funded from the National Training Fund through the Department of Education and Skills.
high growth indigenous sectors, such as animation and games development. The Committee advocates forward planning as integral for this and the **expansion of training initiatives** merit detailed assessment in collaboration with creative businesses active in these sectors.40

- The Committee recommends examination of the feasibility of developing a **distinct model of training, specific to the creative economy**, with a focus on structured specialist training initiatives rather than generalist degrees as well as active targeting of school age and third-level age students. Connections with organisations like SkillNets should be actively utilised and explored.

**Recommendation 9: Students’ Skills in tackling real-life problems** (Section 9.4 refers)

The Committee recommends that, taking on board the results of the 2012 OECD PISA report on Creative Problem Solving41, the Government should examine ways to introduce enhanced creativity-based activities into the curriculum to set the conditions to promote the creative economy.

**Recommendation 10: Employment outcomes** (Section 9.4 refers)

The Committee recommends that in building the economy, especially the creative economy, the Department of Jobs, Enterprise and Innovation should consider collecting data on employment outcomes to best match employees with the skills needs of employers. This process could potentially draw upon the Department of Social Protection’s *Activation* programme as an initial model and as a source of information.

**9.4.1 Internships, work experience and youth**

Dr. Cunningham (NUIG) stated that expanding collaboration between the industry and education is a priority particularly in terms of retaining graduates and promoting indigenous innovation and entrepreneurship at university level. Referring to best practice in Finland, Dr. Cunningham states that NUIG, for example, has analysed new innovative modes of course delivery, including shorter, more tailored and sector-specific courses outside of the traditional structure, and further stated that there is also a role for industry to create sustainable, viable, and dynamic career paths at an early stage of formation. Similarly, Ballyfermot College of Further Education recommended that support and funding be provided for “units or hubs” attached to colleges to support small business.

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40 See footnote 17.
41 See footnote 18.
The importance of incorporating business skills for young people more generally was also highlighted in particular as the perception is that graduates in the creative sectors are faced with high competition for employment and, as such, obtain specialised skills from, among other things, working in a number of unpaid positions. The Western Development Commission (WDC) stated that this arises from the nature of certain creative sectors where salaries are lifestyle-based or seasonal. The Committee has previously heard that entrepreneurship should be taught to students at as early a stage as possible; some stakeholders at a meeting on 10 February 2015 suggested that business education start as early as primary level. 42

While not commonplace across the creative industries, postgraduate internships were highlighted by the Dublin Business Innovation Centre (DBIC) including DBIC’s ‘The Bridge’ program which provides college graduates with work experience in games studios and as such allowed graduates to make active use of skills attained in formal education in a real, live business environment.

**Recommendation 11: Creative career preparation** (Section 9.4.1 refers)

The Committee recommends that a specific analysis as to how third-level students prepare for a career in the creative sectors merits closer consideration, building upon existing evidence as part of creative enterprise ‘bridging’ programmes in areas such as film. In particular, adopting an approach such as that used by the Dublin Business Innovation Centre (‘The Bridge’) and in Finland (specific to business plan development, mentoring and self-teaching) merits detailed analysis.

**Recommendation 12: Creative internships / work experience** (Section 9.4.1 refers)

The Committee suggests that the links between universities and the creative sectors may be actively enhanced including through programme-specific internship and work experience programmes which focus on capacity building for both businesses and graduates.

**Recommendation 13: Entrepreneurship within primary education** (Section 9.4.1 refers)

The Committee suggests that, in order to best foster the creative economy, the Government

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42 Transcript of 10 February 2015 available at:
should examine the issue of introducing entrepreneurship into school curricula, including at the primary level.

9.5 Entrepreneurship, commercialisation and internationalisation

While the creative sectors are disparate with differing objectives, common to all is a need to develop the commercialisation and internationalisation aspects considering the importance of maintaining and growing access of Irish products to international markets.

The Western Development Commission (WDC) indicated a desire to see graduates of creative courses supplementing their qualifications with a course in entrepreneurialism so graduates can apply their qualifications to progress their artistic abilities into a product which can then be supplied to consumers both within and outside Ireland.

Similarly, the Design and Crafts Council of Ireland (DCCoI) recommends that tailored programs delivered in partnership with LEOs and incubation centres across the country or “new models based on international exemplars such as NeueHouse in the US directed by James Reilly or Highway1 set up by Liam Casey of PCH [an Irish custom design manufacturing company with 2,800 employees headquartered in Cork City]” may achieve the goal of providing the necessary tools to students and graduates to become entrepreneurs with the capacity to trade internationally. As such, projects and programmes aimed at design solutions across the business and community sectors to facilitate new emerging systems was recommended. DCCoI also recommended that investment (where applicable) to promote indigenous Irish products at trade events should be sustained and that a ‘Made in Ireland’ campaign and strategy of supports based on best practice in the UK and USA should be actively pursued.

Representatives of the Harnessing Creativity project highlighted their experience with organisations such as Madano Partnership and the UK Design Council which provided training programmes for mainstream and creative businesses in the locality. In particular, the representatives noted that the project strengthened the relationship between local authorities and enterprise agencies in the Northwest / Border region of Ireland to develop a creative ‘region’ for the purposes of bolstering cross-border collaboration, achieving international recognition and driving regional development.
The commercialisation and internationalisation of the creative economy, for the purpose of developing export capacity, was also discussed by stakeholders. Animation Ireland suggested that a formal strategic plan between Enterprise Ireland and the Irish Film Board, to support export-based economies of scale, be put in place as well as strategic alignments between State agencies which provide funding for the animation sector. The Western Development Commission (WDC) in its presentation recommended the following to facilitate export growth and domestic sales in the creative sectors:

- “Devise a marketing strategy and campaign to promote awareness of creativity within regions;
- Create a strong brand where necessary and identified by consultation with the sector, for use in the marketing campaign; and
- Encourage the public sector to take a leading role in purchasing creative products and services”.

**Recommendation 14: Entrepreneurship** (Section 9.5 refers)

The Committee recommends consideration of the availability and promotion of tailored, specialised programmes in entrepreneurship in partnership with, for example, Local Enterprise Offices (LEOs) and incubation centres.

**Recommendation 15: Marketing strategy, internationalisation, and common creative branding** (Section 9.5 refers)

The Committee recommends the following:

- Any strategy should recognise the merits of developing the *indigenous creative industries / sectors* and *strengthening the 'Made in Ireland' brand* to support and create employment across all regions and, in particular, rural Ireland based on the unique sectoral composition of the creative economy in these areas.
- Any strategy may also exploit the tourism and commercial / export potential of the creative industries in close collaboration with the relevant State bodies (e.g. Fáilte Ireland, Tourism Ireland, Enterprise Ireland, IDA Ireland and Local Enterprise Offices - LEOs).
- Any strategy may choose to scale up Irish best practice in this area including initiatives implemented by the Western Development Commission (WDC) e.g. the *Creative Momentum* project, the Micro-Loan Fund, and the International Fair Fund.

**Recommendation 16: Cost of doing business** (Section 9.5 refers)

In order for SMEs, particularly those in the creative economy, to thrive, the Government should work towards cutting the number of procedures and associated costs it takes to set-up a
business, and aim towards the best practice set by New Zealand as per the World Bank’s *Cost of Doing Business Report 2015*.43

### 9.6 Practical supports and physical infrastructure

Support for the creative economy spans two component categories; policy and enterprise support to harness and promote entrepreneurship (notably at undergraduate and graduate level) and infrastructural support e.g. provision of high-speed broadband, transport links and networking facilities. The former category is very broad and can be addressed by adopting existing practice while the latter may entail additional capital expenditure.

#### 9.6.1 Policy / enterprise supports and strategic partnerships

A number of existing policy supports and strategic partnerships have been in place between certain sectors of the creative economy at local and national level with a more integrated approach indicated as preferable by stakeholders who highlighted this issue. Notably, the Arts Council stated that partnerships between it and local authorities and the County and City Management Association (CCMA) do exist and do represent an integrated approach but that other industries and areas of Government need to consider and build upon this approach. A representative of the *Harnessing Creativity* project furthermore highlighted the work of the Leitrim Local Enterprise Office (LEO) in linking up with creative businesses (incorporating amongst others; freelancers and sole traders) across the county and the border region.

However, as identified by Teagasc, in order to promote engagement with the various tools and supports available for the development of the creative sectors, awareness and demand must be created first. As such, the Western Development Commission (WDC) highlighted that owing to the “highly indigenous, specialised and geographically rooted nature of enterprises” in the creative economy, the establishment of a permanent regional creative sector development function is “strongly” recommended. More broadly, the Irish Film Board (IFB) stated that Government initiatives should aim to actively encourage creative entrepreneurship and should target particular sectors where such promotion is needed, such as film and audio-visual production.

43 See footnote 19.
Teagasc highlighted the concern expressed in the CEDRA report on the varying levels of support and mentoring available to build capacity in the creative sectors and recommended that the Local Enterprise Offices (LEOs) be “proactive rather than passive”. As such, Teagasc indicated that a solution combining a one-stop shop (passive) and a developmental role (proactive) is necessary to identify and act upon existing needs while also creating demand for such a service across Ireland.

Furthermore, the WDC stated that partnerships between it, local authorities and LEOs need to be developed further to disseminate information on available supports at local and regional level though it stated that LEOs “do not yet have the required expertise”. However, the WDC indicated their willingness to provide guidance and oversight to local bodies to achieve this objective. The Arts Council positively echoed this view, stating that it has had strategic partnerships with local authorities since 1985 which have “utterly transformed the arts in Ireland”.

**Recommendation 17: Awareness promotion** (Section 9.6.1 refers)

The Committee notes and agrees that, as highlighted by the Western Development Commission, there is a need to **promote greater awareness** of the career path in emerging sectors on the creative economy which incorporates business skills and entrepreneurship mentoring. Incentives to encourage creative entrepreneurs should be promoted more actively.

In terms of practical support, Animation Ireland suggested that certain agency changes are merited, in particular the change of the Irish Film Board to a ‘screen’ board which would be more broad-based and not confined to one particular channel to market. This point was reiterated by the Dublin Business Innovation Centre (DBIC). The Irish Film Board (IFB) indicated that the Government was already considering this and noted that equivalent comparable entities e.g. Northern Ireland Screen and Screen Australia have undertaken this change.

In terms of the potential of independent production in Ireland, the IFB surmised that the sector was “underproductive in terms of skills and potential of those who work in it and on an ad-hoc basis” and, as a result, few productions have the capacity for larger commercial development. The IFB concludes that an enhanced collaboration between sectoral and angel investors, which may potentially include the State, could have a significant impact in this respect.
Recommendation 18: Changing the name of the Irish Film Board (IFB) (Section 9.6.1 refers)

The Committee advocates renaming and reconstituting (where applicable) the Irish Film Board as ‘Screen Ireland’ (or similar) to more appropriately reflect its remit to support the development of the audio-visual and digital content sector in Ireland. This has strong support from the relevant stakeholders and, therefore, merits consideration.

9.6.2 Physical / access infrastructure (broadband, energy, transport and accommodation)

Considering the unique and varied capacity requirements for each of the three broad sectors of the creative economy (particularly the ‘Creative Technology’ sector), concerns related to deficiencies in physical infrastructure were raised by a number of stakeholders.

Teagasc stressed the importance of addressing deficiencies in creative supports to facilitate the development of the creative economy e.g. networking opportunities and IT-related infrastructure such as broadband. In particular, Teagasc highlighted reliable access to high-speed broadband stating that “this is critical and was the number one requirement at every meeting CEDRA [held] throughout the country”. Teagasc also suggested that links could also be built to the institutes of technology to facilitate remote access at a lower cost than by providing new facilities.

The Design and Crafts Council of Ireland (DCCoI) similarly stated that appropriate infrastructure is necessary to utilise the creative sectors as a platform and tool for growth, innovation and economic development. DCCoI noted that the linkages between, for example, young designers and Local Enterprise Offices (LEOs) can be weak as both parties may not view each other as entrepreneurs and support providers respectively. However, DCCoI has launched a number of initiatives and is working in conjunction with LEOs to address gaps, specifically in relation to developing the role of the arts officer.

The Western Development Commission (WDC) highlighted its experience in developing the support system for creative industries in conjunction with local authorities (it specifically mentioned Sligo County Council in this respect) by linking creative businesses with mainstream
enterprises e.g. agri-food and life sciences and, therefore, tie them, by affecting their strategic orientation, into the wider regional economy.

The use of space owned by the local authority in Leitrim (namely, the ‘Dock’, a former courthouse) was cited by the representative of the Harnessing Creativity project as an example of using existing vacant spaces as arts space for the creative sectors.

In terms of large scale physical infrastructure, Hot Press detailed a view that studio space is limited in Ireland which means opportunities are being missed for regional development, particularly considering the broad economic benefits (both direct and indirect) of any large-scale production choosing to locate in Ireland. Hot Press specifically mentioned the possibility of using Limerick City as a potential focal point considering the existing infrastructure, including Shannon Airport with its direct air links to the United States.44

The need for additional studio space was also recommended by the Irish Film Board (IFB) though the Board stated that an interdepartmental committee comprising representatives from a number of Departments, the IFB, IDA Ireland and Enterprise Ireland has been considering this and other related issues45 and that the Ireland Strategic Investment Fund (ISIF) has itself provided funding for certain projects.

More specifically, Dr. Cunningham (NUIG) highlighted a need for investment in infrastructure including theatres, museums and tourist trails. In relation to the development of indigenous productions, TG4 recommended that additional studios be provided (in Carnmore, Galway specifically) to attract investment and production to the West in general and Galway in particular.

Ashford Studios indicated that the classification of large-scale studios as commercial buildings is a prominent issue as such studios do not operate as commercial buildings on a year-round basis due to the transient nature of productions. Ashford specifically recommends amending the Valuation Act, 2001 to reflect their unique use and include a specific designation for new large purpose-built ‘studio infrastructure’ so that a more accurate rate is levied (i.e. commercial or

44 It was later reported (13 May) that Ardmore Studios, in partnership with Innovate Limerick (a company owned by Limerick City and County Council), is in formal talks to establish a new 340,000 sq. ft. studio which according to reports will create 750 permanent jobs and contribute approximately €80m annually to the local economy. The deal, according to local media reports in June 2015, is expected to be finalised ‘shortly’.
45 According to the presentation by the Irish Film Board (IFB) to the Joint Committee on Jobs, Enterprise and Innovation (28 April 2015), an expert group was set up by an Taoiseach Enda Kenny T.D. in January 2015 (chaired by the Department of An Taoiseach) to consider this and related issues, including a number of incentives for expansion, including potentially reducing local authority rates, planning and developing charges and providing a funding mechanism for certain productions.
similar rate) and ultimately paid. In conclusion, Ashford stated that it is not a question of money; it is instead an issue of classification to better reflect the nature of the sector.

**Recommendation 19: Local support, funding and physical infrastructure** (Section 9.6.2 refers)

The Committee recommends the following:

- The **employment of arts officers** (or a ‘creative Industries / creative sectors’ officer / liaison) by local authorities / Local Enterprise Offices (LEOs) merits consideration as a means to deliver a dedicated support service at the most accessible level. Such a person would provide advice, information and support to all relevant businesses within that local authority area as well as proactively represent local needs through representation on a central / National ‘Creative Industries Council’.
- The potential to ‘link’ creative businesses with ‘mainstream’ enterprises for the purposes of promoting balanced regional economic development merits detailed analysis on a national basis based on best practice e.g. the 4CNW project collaboration between the Western Development Commission and Sligo County Council.
- Where possible, a tentative list identifying **vacant and suitable spaces** for use as temporary or permanent arts centres should be compiled by each local authority in conjunction with relevant authorities (e.g. the Office of Public Works). This list could form part of the overall national strategy for the creative economy.
- All areas with the potential to support the development of **large-scale production studios** should be identified by the Irish Film Board in conjunction with relevant local authorities using designated criteria based on their viability in accordance with established practice elsewhere in Ireland.
- The Government should consider programmes which subsidise creative studios and apartments for artists and those working in the creative industry.
- Relevant government agencies should also work with estate agents and NAMA in order to ensure that there are spaces for artists and those working in the creative industry.

Accessing State funding for the **establishment of large-scale studios** through the Irish Strategic Investment Fund (ISIF) should be promoted and the State should proactively examine the feasibility of entering into Public Private Partnerships (PPPs) in accordance with a national strategy for the development of the creative economy.

**9.7 State expenditure, funding and access to finance**

A number of stakeholders referred to the issue of finance. Access to sufficient finance for new businesses / entrepreneurs and to fund expansion of existing businesses is a prevalent issue across many industrial sectors including those active in the Creative Economy. Another related issue is the availability of funding for artists and arts organisations to drive innovation and attract participants into festivals and related events.
The Western Development Commission (WDC) stated that it was utilising Finnish expertise in order to provide the necessary capital through a micro-loan facility to applicable businesses to support exports of their product. However, the WDC cautioned that the creative economy “cannot just be grant funded” though, according to the Design and Crafts Council of Ireland (DCCoI), access to investment for the creative sectors through grant aid or venture capital funding is key.

The Dublin Business Innovation Centre (DBIC) cited a number of supports it provides to creative businesses including a €53m early-stage seed fund and the Halo Business Angel Network.

Teagasc indicated that LEADER funding is another prospective avenue to be explored by businesses active in the creative economy owing to their uniqueness and the related niche dimension.

TG4, a recipient of public funding, indicated that due to the expenditure of most of its programming budget on the independent, indigenous production sector rather than purchasing content from international markets, its return on investment is 2:1, stating “for every €1 invested by TG4 in the creative industries in Ireland, it was worth more than €2 to the economy of Ireland in 2014”. As such, TG4 stressed the importance of sustaining its funding for this purpose.

Referring to funding for arts and arts organisations, the Arts Council detailed two recent funding calls as indicative case studies. For example, it indicates that for a recent ‘National Commission’s Competition’ as part of Ireland’s 2016 Centenary Programme, €28m worth of applications was received for available funding of €1m. In another instance, for a funding call for prospective theatre projects, €3.5m worth of applications were received for available funding of €500,000. Overall, the Council stated that “approximately one in ten” applicants to it for a bursary, commission or small grant are successful. The Council noted the local economic impact of the Galway Arts Festival since its inception (i.e. tourism expenditure, etc.) and stated that a recent reduction in funding for the Arts Council has had a “disproportionate” impact on the local economy.

Animation Ireland stressed a need for RTÉ to spend more on the domestic market and stated that “at less than 3%” per annum, the expenditure on children’s programmes (including animated programmes) is not sufficient to generate a high return in terms of domestic industry growth e.g. homegrown programming. Animation Ireland recommended that to bolster the domestic market for Irish-produced and themed animated programmes, an amendment to the
Broadcasting Act, 2009 should be made to require that RTÉ spend a minimum amount of the independent commission budget on children’s programming.

However, RTÉ stated that (excluding news and sport), 45% of its commissioning spend, or €40m, goes to the independent production sector. RTÉ also stated that “no other broadcaster is spending as much money on young people’s programming” and that “It is expensive because of the audience share. The cost per hour is relatively expensive but it is what we are asked to do as a public service broadcaster.” RTÉ acknowledged significant potential in the creative economy and in particular the independent production sector where it believes 500 new jobs will be created in the coming years. However, RTÉ also emphasised that the expected reform of the TV licence fee system will have significant impact on the creative economy, specifically on the audio-visual sector, by returning investment that is currently being lost.

**Recommendation 20: An integrated funding strategy** (Section 9.7 refers)

The Committee recommends the following:

- To avoid unnecessary duplication, a strategy for the creative sectors / economy should complement, but not, replace the existing role of the Local Enterprise Offices (LEOs) which act as a ‘one-stop shop’ for creative entrepreneurs and businesses (potential and existing) to source and compare information on all applicable region-specific funding opportunities. An integrated approach should also be adopted to achieve this goal, following best practice experience from existing resources such as the ‘Supporting SMEs Online Tool’ (launched in May 2014).
- Stimulation of the local economy by enhancing the ‘home-grown’ independent indigenous production sector and the level of expenditure in this sector should be facilitated by the public service broadcasters where possible, taking into account the commercial and highly competitive realities in this sector.
- The creation of a dedicated investment fund specific to the creative sectors which promotes indigenous production, and by extension benefits the local economy (actively through the mechanics of production, and passively through spill-over tourism benefits), merits analysis. An Ireland-wide micro-loan fund may also be actively considered.
- The importance of investment in the local economy through well-established channels (notably the Arts Council and the LEOs) is recognised by stakeholders and its impact is evidently measurable. As such, ensuring a sufficient level of funding is determined and provided by the Exchequer is a priority.

**Recommendation 21: Crowd Funding** (Section 9.7 refers)

In order to set the conditions for SMEs in the creative economy to thrive; the Government should examine how to regulate the crowd-funding sector to afford better protection to both lenders and businesses.
9.8 Intellectual Property (IP) rights and State incentives

Animation Ireland indicated that Ireland’s IP laws are “reasonably robust” but that enforcement is key insofar as piracy is an increasing problem. The Irish Film Board (IFB) similarly stated that the perception is that Ireland is not “necessarily” seen as being as supportive as it should be in protecting and strengthening IP rights, and that striking a balance between providing freely available, accessible content and remunerating content creators is important. Referring to the level of subscriptions paid by Irish citizens to foreign owned TV companies, RTÉ stated that the greater the level of money retained in Ireland, the more that will be ultimately put back into the independent production sector. Hence, the protection (and enforcement) of IP is “crucial” to the future of the creative sector as the economic value of content, which is not protected, is being given away.

A number of State incentives were also recommended by stakeholders. Hot Press recommended that an audio-visual quota or cultural exemption be considered to ensure that a minimum percentage of music by Irish artists is played on domestic radio stations.\textsuperscript{46}

Hot Press also emphasised that a State incentive, akin to Section 481 (of the Taxes Consolidation Act, 1997) for film production\textsuperscript{47} should incorporate music production. Referring to the artist’s exemption from income tax (Section 195 of the Taxes Consolidation Act, 1997), Hot Press reiterated that producers are “to a very large extent the engine that drives which songs and musicians are used and where albums are recorded” and that the cap on this exemption has resulted in a missed opportunity in terms of retaining Irish artists in Ireland. Referring to this incentive, the Irish Film Board (IFB) stated it was working with the Department of Finance and the Department of Arts, Heritage and the Gaeltacht to review the incentive, including whether the €50m cap should be increased to facilitate the attraction of larger-budget productions.

The video games industry was mentioned by a number of stakeholders including DBIC. Recent media reports\textsuperscript{48} have suggested that, though a 25% research and development tax credit for

\begin{footnotesize}
\textsuperscript{46} Though not directly mentioned, such a proposal would appear to mirror that adopted by France (l’exception culturelle) though likely based on the nationality of artists, rather than the Irish language.
\textsuperscript{47} Note that following the enactment of the Finance Act, 2013, the Film Relief Scheme has been closed to new applications since 1 January 2015. It has been replaced by a separate scheme which provides tax relief in the form of a corporation tax credit (at a rate of 32%) related to the cost of production of certain films. See: the Office of the Revenue Commissioners web page here.
\textsuperscript{48} TheJournal.ie (2015) “The best place on this island to make a game at the moment is Belfast”, 17 May 2015.
\end{footnotesize}
qualifying work across all industries exists, a more specific credit to cover game production / development costs was put in place by the UK in 2014.

**Recommendation 22: Cultural / audio-visual exception** (Section 9.8 refers)

The Committee recommends that in order to support and promote the indigenous audio-visual sector both for broadcasting services and digital on-demand services, an exemption whereby minimum quotas are set for broadcast content on Irish media by Irish artists merits detailed examination. As such, recent proposals and commentary on this topic, taking account of the precedence of relevant EU law and domestic stakeholder opinions in this area, should be incorporated.

**Recommendation 23: Financial incentives / tax relief** (Section 9.8 refers)

The Committee recommends that incentives, similar to the Section 481 for film production and the Section 195 artist’s exemption from income tax, should take account of a greater cohort of participants in the creative sectors in a joined-up manner. A designation for an individual active in a specific creative sector (Creative Application, Creative Expression or Creative Technology) rather than particular artists / participants merits consideration.

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49 This has been put in place following a commitment in the 2011 Programme for Government as follows (under innovation and commercialisation) “We will support our indigenous digital game industry by reforming R&D supports available to the industry, setting aside funding from Innovation Fund Ireland for a seed capital scheme for Irish digital gaming start-ups, introduce a digital media component to Transition Year programmes and promote Ireland as digital gaming hub.”


52 See footnote 20.
### Appendix 1: Membership of the Committee

**Chairman:** Marcella Corcoran Kennedy (FG)

**Deputies:**
- Dara Calleary (FF)
- Áine Collins (FG)
- Michael Conaghan (LAB)
- Marcella Corcoran Kennedy (FG)
- Seán Kyne (FG)
- Anthony Lawlor (FG)
- John Lyons (LAB) (Vice-Chairman)
- Peadar Tóibín (SF)
- Mick Wallace (IND)

**Senators:**
- David Cullinane (SF)
- John Kelly (LAB)
- Michael Mullins (FG)
- Hildegarde Naughton (FG)
- Feargal Quinn (Ind)
- Mary White (FF)
Appendix 2: Terms of Reference

a. Functions of the Committee – derived from Standing Orders [DSO 82A; SSO 70A]

(1) The Select Committee shall consider and report to the Dáil on—

(a) such aspects of the expenditure, administration and policy of the relevant
    Government Department or Departments and associated public bodies as the
    Committee may select, and

(b) European Union matters within the remit of the relevant Department or
    Departments.

(2) The Select Committee may be joined with a Select Committee appointed by
    Seanad Éireann to form a Joint Committee for the purposes of the functions set
    out below, other than at paragraph (3), and to report thereon to both Houses of the
    Oireachtas.

(3) Without prejudice to the generality of paragraph (1), the Select Committee shall
    consider, in respect of the relevant Department or Departments, such—

(a) Bills,

(b) proposals contained in any motion, including any motion within the meaning
    of Standing Order 164,

(c) Estimates for Public Services, and

(d) other matters as shall be referred to the Select Committee by the Dáil, and

(e) Annual Output Statements, and

(f) such Value for Money and Policy Reviews as the Select Committee may
    select.

(4) The Joint Committee may consider the following matters in respect of the relevant
    Department or Departments and associated public bodies, and report thereon to
    both Houses of the Oireachtas:

(a) matters of policy for which the Minister is officially responsible,
(b) public affairs administered by the Department,

(c) policy issues arising from Value for Money and Policy Reviews conducted or commissioned by the Department,

(d) Government policy in respect of bodies under the aegis of the Department,

(e) policy issues concerning bodies which are partly or wholly funded by the State or which are established or appointed by a member of the Government or the Oireachtas,

(f) the general scheme or draft heads of any Bill published by the Minister,

(g) statutory instruments, including those laid or laid in draft before either House or both Houses and those made under the European Communities Acts 1972 to 2009,

(h) strategy statements laid before either or both Houses of the Oireachtas pursuant to the Public Service Management Act 1997,

(i) annual reports or annual reports and accounts, required by law, and laid before either or both Houses of the Oireachtas, of the Department or bodies referred to in paragraph (4)(d) and (e) and the overall operational results, statements of strategy and corporate plans of such bodies, and

(j) such other matters as may be referred to it by the Dáil and/or Seanad from time to time.

(5) Without prejudice to the generality of paragraph (1), the Joint Committee shall consider, in respect of the relevant Department or Departments—

(a) EU draft legislative acts standing referred to the Select Committee under Standing Order 105, including the compliance of such acts with the principle of subsidiarity,

(b) other proposals for EU legislation and related policy issues, including programmes and guidelines prepared by the European Commission as a basis of possible legislative action,
(c) non-legislative documents published by any EU institution in relation to EU policy matters, and

(d) matters listed for consideration on the agenda for meetings of the relevant EU Council of Ministers and the outcome of such meetings.

(6) A sub-Committee stands established in respect of each Department within the remit of the Select Committee to consider the matters outlined in paragraph (3), and the following arrangements apply to such sub-Committees:

(a) the matters outlined in paragraph (3) which require referral to the Select Committee by the Dáil may be referred directly to such sub-Committees, and

(b) each such sub-Committee has the powers defined in Standing Order 83(1) and (2) and may report directly to the Dáil, including by way of Message under Standing Order 87.

(7) The Chairman of the Joint Committee, who shall be a member of Dáil Éireann, shall also be the Chairman of the Select Committee and of any sub-Committee or Committees standing established in respect of the Select Committee.

(8) The following may attend meetings of the Select or Joint Committee, for the purposes of the functions set out in paragraph (5) and may take part in proceedings without having a right to vote or to move motions and amendments:

(a) Members of the European Parliament elected from constituencies in Ireland, including Northern Ireland,

(b) Members of the Irish delegation to the Parliamentary Assembly of the Council of Europe, and

(c) at the invitation of the Committee, other Members of the European Parliament.
b. Scope and Context of Activities of Committees (as derived from Standing Orders [DSO 82; SSO 70]

(1) The Joint Committee may only consider such matters, engage in such activities, exercise such powers and discharge such functions as are specifically authorised under its orders of reference and under Standing Orders.

(2) Such matters, activities, powers and functions shall be relevant to, and shall arise only in the context of, the preparation of a report to the Dáil and/or Seanad.

(3) It shall be an instruction to all Select Committees to which Bills are referred that they shall ensure that not more than two Select Committees shall meet to consider a Bill on any given day, unless the Dáil, after due notice given by the Chairman of the Select Committee, waives this instruction on motion made by the Taoiseach pursuant to Dáil Standing Order 26. The Chairmen of Select Committees shall have responsibility for compliance with this instruction.

(4) The Joint Committee shall not consider any matter which is being considered, or of which notice has been given of a proposal to consider, by the Committee of Public Accounts pursuant to Dáil Standing Order 163 and/or the Comptroller and Auditor General (Amendment) Act 1993.

(5) The Joint Committee shall refrain from inquiring into in public session or publishing confidential information regarding any matter if so requested, for stated reasons given in writing, by—

(a) a member of the Government or a Minister of State, or

(b) the principal office-holder of a body under the aegis of a Department or which is partly or wholly funded by the State or established or appointed by a member of the Government or by the Oireachtas:

Provided that the Chairman may appeal any such request made to the Ceann Comhairle / Cathaoirleach whose decision shall be final.