



Moe Honan, chair of Animation Ireland
Picture: Fergal Phillips

Animators angry at lack of clear picture on tax credits

Animation Ireland is calling on Revenue to clarify the changes made to film tax credits, as uncertainty 'is jeopardising work in the industry'



Colette Sexton

Animation Ireland has said that a lack of clarification on changes to the film tax credits is jeopardising productions.

The representative body for animation studios in Ireland has said that Revenue is yet to publish updated guidelines on Section 481 following changes made to the tax credit in

Budget 2019. This is leaving many of its members in limbo, according to Moe Honan, chairperson of Animation Ireland.

"There is confusion, uncertainty and frustration at the lack of clarity. It is damaging projects in their planning and also companies in how they are managing cashflows and planning for their businesses. It is jeopardising work in the industry," she said.

The guidelines will cover important information, including eligibility and compliance requirements when it comes to securing the tax credit, which is worth up to 32 per cent of eligible Irish expenditure.

"All of these things affect the development of a finance plan and budget lines and the

hiring of people under certain conditions," Honan said. "Even though we have had a level of engagement with Revenue on all of these points over recent months, there is a feeling generally that this isn't acted upon. For instance, we have requested a consultation about the planning of new rules and a transition time, and we are still in the dark about this."

In a statement, Revenue said: "Amendments were made to Section 481 in the Finance Act 2018, which will require amendments to the Film Regulations 2015. The guidance will be updated when the Film Regulations have been amended with the consent of both the Minister for Finance and the Minister for Culture, Heritage and the

Gaeltacht and when the commencement order to the primary legislation is in place."

Honan said that if the tax credit is on a shaky or unclear foundation, it puts Irish firms one step behind companies in other nations.

"Irish companies operating in the film tax credit have been successful at doing it and are very keen that it is run properly, is transparent and is regulated successfully. We are very supportive of doing what it takes to make it an efficient and well-run tax credit," she said.

The quality of the Irish animation sector is recognised internationally, Honan said, adding that this was reflected through the wins and nominations in awards such as the Oscars, the Emmys, the Annnies and the European Animation Awards.

However, the industry is calling for more support domestically. Animation Ireland is putting pressure on Irish

funders to increase their contributions to animation, including Screen Ireland and RTÉ. The organisation has asked RTÉ to invest €6 million in the industry annually, which would be a significant increase on the €700,000 it currently invests.

"We would like to see RTÉ's investment aligned with what we see as our contribution to the industry. We are representing what we feel is the voice of 22 per cent of Ireland's population which are under 14s," Honan said.

She said RTÉ was working with Animation Ireland to increase the work it can do with the industry in the future, but the broadcaster can only do that when its own funding is increased.

"Everyone knows that RTÉ has a lot of cutbacks and savings to make themselves. They are under severe pressure, as are most public broadcasters across Europe, who are in a very different place because

of competition from other suppliers. But at the same time we believe that the contribution needs to reflect our contribution to the industry. That is not aligned to where it should be," she said.

The industry has grown in recent years. There are now 26 companies in Animation Ireland, and Honan said the industry employs 1,000 to 1,500 people annually on a full-time basis. However, with that growth comes teething problems. Recruitment has been an ongoing challenge for all businesses in the sector over the past three years in particular, she said.

"The likes of Brown Bag, Boulder and Cartoon Saloon have expanded their recruitment, and there are smaller to medium-sized companies popping up and growing.

"We're getting a lot more activity in the sector, so obviously it is putting more strain on what we can provide in terms of people that are trained and skilled in the right way," she said.

As part of this, Animation Ireland is working with Skillnet and Screen Skills Ireland to analyse where the needs are.

"Efforts are going on from industry side and the agency side in the area of training, but we do need to up our game there. We need to do much more to make it possible for people to do shorter training programmes that can get them into jobs which aren't necessarily going to take them years in college. There are ways that we can get people into the industry that are not necessarily studying fine arts, for instance," Honan said.

There is a shortage of skills in technical roles, in project management, in storyboarding and in a variety of other areas, she said.

"We have been reaching out beyond the domestic supply and getting people from Europe and further afield, but it is becoming more of a strain. We need to address what we're doing in terms of being able to create a pipeline and supply. We need to improve what we are doing at every level within the industry, the educational entities and funding agencies."