

Newfoundland & Labrador

FILM DEVELOPMENT CORPORATION

BUSINESS PLAN FOR:

**2008/09
2009/10
2010/11**

Prepared by:

**NLFDC
12 King's Bridge Road
St. John's, NL, A1C 3K3**

Newfoundland & Labrador Film Development Corporation

Business Plan for Category 2 Government Entities

Table of Contents

Section One:	Message from the Chair	Page 1
Section Two:	Strategic Directions	Page 2
Section Three:	Lines of Business	Page 6
Section Four:	Clients	Page 11
Section Five:	Mandate, Vision and Mission	Page 12
Section Six:	Values	Page 13
Section Seven:	Environmental Scan	Page 14
Section Eight:	Priority Issues	Page 20
Section Nine:	Goals	Page 24

Section One – Message from the Chair

I am honoured to serve as Chair of the Board of the Newfoundland and Labrador Film Development Corporation (NLFDC) and to present the 2008-11 Business Plan to the Government of Newfoundland and Labrador. As a crown corporation, the NLFDC's mandate is to promote the development of the indigenous film and video industry in the province and to promote the province's film and television products and locations nationally and internationally. The board of directors of the NLFDC is accountable for the preparation of this plan as well as for the achievement of the specific goals and objectives contained therein; the Corporation will meticulously follow the goals and objectives of its Business Plan.

2007-08 has been a rebuilding year for the film and television industry in the province. Recently, a number of national policy changes and industry realignments coincided within a short period to result in a temporary downturn in local production. In response, the NLFDC has focused its efforts on pursuing productions outside of the traditional funding models. These efforts have resulted in three co-productions with producers/distributors from the United States being filmed in our province in 2007 - 08.

The NLFDC continues to work closely with other industry organizations. 2007-08 has been a very successful and notable year for this with the implementation of two new programs. First has been the implementation of the Picture Start Program in cooperation with Telefilm and NIFCO which provides local talent with a stepping stone to produce their second short film (or pilot). Also, the Atlantic Mentorship Program in conjunction with the Canadian Film and Television Producers Association (CFTPA) provides two emerging producers the opportunity to be mentored by established producers on actual productions.

The prospects for the industry for the period 2008 - 11 are encouraging. We are predicting that 2008 - 09 will be a solid year for film and television production in the province. For the upcoming three year period, we are confident that the NLFDC's strategic marketing efforts to pursue a television series will prove successful. In addition, we intend to do our part to ensure a new media policy is implemented by the province. Finally, the Film and Video Industry Tax Credit is up for renewal so the NLFDC intends to work closely with the province to renew and enhance the tax credit to ensure that we remain competitive.

We are pleased and encouraged by Government's continuing support of the corporation and stress the importance of maintaining the current levels of funding to ensure that we remain competitive in the national and international marketplace.



Paul Lannon
Chair, Board of Directors (NLFDC)

Section Two: Strategic Directions

Strategic directions are the articulation of desired physical, social or economic outcomes and normally require action by more than one government entity. These directions are generally communicated by Government through platform documents, Speeches from the Throne and Budget Speeches, policy documents, and other communiqués. The Transparency and Accountability Act requires departments and public bodies to take into account these strategic directions in the preparation of their performance-based plans. This action will facilitate the integration of planning practices across Government and will ensure that all entities are moving forward on key commitments.

The Strategic Direction that is applicable to the Newfoundland and Labrador Film Development Corporation is:

- Sustainable creative enterprises and cultural industries (including heritage industries) are developed.

Title: Creative enterprises and cultural industries

Strategic Direction: Sustainable creative enterprises and cultural industries are developed.

Clarifying Statement: This outcome supports the policy direction of government and requires intervention by the NLFDC and its stakeholders in the following components which must be addressed to achieve this strategic direction:

Components of the Strategic Direction	Applicable to Other Entities Reporting to the Minister	This Direction is addressed in the NLFDC's Business Plan
Professional and enterprise development needs	•	•
Information and multimedia technologies	•	•
Creative Enterprise in the Province	•	
Aboriginal Cultural and Cultural Industries	•	
Export of Cultural Products	•	•

On a daily basis, the NLFDC facilitates and fosters the local industry. The NLFDC is the front line of the film industry to the public and, on behalf of Newfoundland and Labrador, to the nation and the world. As such, it fields many requests and enquires concerning Newfoundland and Labrador as a shooting location. The NLFDC also advises and counsels local filmmakers, production companies and crew. It provides information concerning all aspects of the film industry including its own programs and those of other local organizations, as well as information regarding national funders, broadcasters, and distributors. The NLFDC partners with local, regional and

national organizations and sits on national committees. In order to meet these endeavors the NLFDC maintains five points of direction, which are reflected in the various actions of the NLFDC. The points are:

1. Ensure the continued growth of the film industry in Newfoundland & Labrador
2. Administer the Film and Video Industry Tax Credit
3. Administer the Equity Investment Program (EIP)
4. Provide Professional Development opportunities to the local film industry
5. Market Newfoundland and Labrador locations

1. Ensure the continued growth of the film industry in Newfoundland & Labrador

The Canadian motion picture industry, in comparison to traditional resource industries, other cultural industries, and even the film industries of other countries, is unique. The intricacies and challenges of Canadian and world film, television and media production and marketing are ever changing. These complexities are not unique to our province's film sector. The Canadian industry will continue to undergo realignments in the near- to mid-term, in all provinces and territories, and Newfoundland and Labrador will share in this. The NLFDC believes that with change will come new opportunities.

The NLFDC ensures the continued growth of the film industry by continually monitoring the production environment and adapting to the constant changes. Sustaining the crew and resources needed to create productions locally is a major focal point of the organization. The NLFDC envisions the ideal state of the industry as having increased production activity to accommodate one to two crews year round.

2. Administer the Film and Video Industry Tax Credit

The tax credit is a fully refundable corporate income tax credit administered on behalf of the Department of Finance by the NLFDC. The tax credit encourages the development, training and hiring of Newfoundland film personnel. The credit is based on a calculation of eligible labour limited to the lesser of 25% of the total eligible budget or 40% of the total eligible labour expenditures.

The tax credit is crucial to a local film project's overall financial structure. This funding triggers outside investment, which gets leveraged into this province for film productions. These leveraged sources of funding are film industry specific investments that otherwise would not occur here; it is not funding that would go to another industry or cultural sector or to any other government program, but would, instead, be spent on film/television production in another jurisdiction.

International co-productions benefit from the credit via a tax refund, however it also benefits the province by drawing larger productions so local crews are able to work and learn from various outside industry sources.

Although a vital part of the local industry, the tax credit can still be improved through monitoring the effects of other provincial and regional tax credits. As the Tax Credit is up for renewal in January 2009, suggestions will be made for changes in order to stay competitive and not lose productions to other areas. The NLFDC sits on the board of the Association of Provincial Funding Agencies in order to keep government aware of the changes to the environment and usefulness of the tax credit, which is imperative to this provinces film industry. The NLFDC also sits on the

National Tax Credit Committee. The committee focuses on info-sharing among provinces and monitors Tax Credit policies. Sitting on this committee allows the NLFDC to stay up to date with other provinces and keep the Newfoundland & Labrador Tax Credit competitive on a National and International level.

3. Administer the Equity Investment Program (EIP)

The EIP is a financial contribution, to a maximum of 20% of the total production budget (normally not to exceed \$250,000) that shall be repaid from earned revenue. The NLFDC monitors the effects of changes in the industry and how changing producer requirements affect the EIP program.

Included in the EIP is the Development Loan Program. The Corporation will provide a loan to qualified applicants to support the essential process of development, which takes an idea through the stages of research, writing, market analysis and costing. Support for the development of a project does not, in any way, guarantee funding by the Corporation in later stages of the project.

Equally important as the tax credit, the EIP is always considered in a production's financial structure. Productions from outside the province are drawn to the EIP and create co-productions that otherwise would not occur here.

4. Provide Professional Development opportunities to the local film industry

The NLFDC is dedicated to the development of all aspects of the film industry in the province. In support of this, the NLFDC has a staff member dedicated to the development and administration of all professional development initiatives for the Corporation based on the needs of the local film and video industry which include:

- Designing and coordinating workshops to address specific needs of the local film community
- Maintaining a comprehensive database of people interested in developing or advancing a pre-existing skill set
- Administering the deeming component of the tax credit
- Tracking the development of local crew
- Using a work-placement program on local and visiting productions to further develop essential skills.
- Sitting on the board of the National Training Coalition
- Partnering with Provincial and National organizations in order to provide cutting edge training programs

Through the NLFDC's professional development program, we have developed individuals in both Above and Below-The-Line positions and in doing so, have attracted outside productions to our province and reduced our dependence on hiring outside of the community.

5. Market Newfoundland & Labrador locations

The NLFDC will market the indigenous industry and the province as an on-site location nationally and internationally to improve the industry's ability to draw and solicit business. "In person" relationship building will continue to be a primary focus of the marketing efforts of the Corporation. Because of the indigenous industry's ongoing development and the highly competitive market in which it is seeking

growth, the Corporation will also facilitate the marketing efforts of participants in the indigenous industry.

Marketing tools used by the NLFDC include an annual Film Review, which is an ongoing tally of productions that have been shot in Newfoundland & Labrador and provides information on NLFDC funding programs. The NLFDC also publishes the Film and Television Industry Production Guide, an up-to-date reference showcasing the film personnel on the island and their production skills.

The NLFDC also actively promotes the province as destination for production by attending various location specific global events each year.

Section Three: Lines of Business

The NLFDC is an entity that supports and nurtures the local film industry. Through five programs, the NLFDC is able to offer local producers as well as outside producers/productions what they need in order to help the province's production flourish. The EIP Program, the Tax Credit, the Sponsorship Program, Professional Development and marketing of Newfoundland & Labrador as a production ready province are all Lines of Business currently offered by the NLFDC.

With the ever changing status of film and television the NLFDC is looking forward to other lines of business, which are essential to keeping the film industry in Newfoundland & Labrador competitive with the rest of the world. With the insurgence of the internet and streamed media, the NLFDC is putting forth a New Media Proposal in order to persuade government to create policy which will develop the New Media industry in the province.

The Equity Investment Program (EIP)

The EIP is designed to assist and promote the development of the indigenous film and video industry in Newfoundland and Labrador, the EIP supports Newfoundland and Labrador based production by providing production assistance to eligible producers for the financing of productions. For the purposes of these guidelines, "Equity Investment" means a financial contribution by the NLFDC, which shall be repaid from earned revenue resulting from the production.

Equity Investment may be used to assist in the financing of costs that are normally associated with a film or video project and may include script development, the optioning and purchasing of literary material, research for production and marketing, project related overhead and office expenses, travel, preparation of budget, pre-production, production, post-production, distribution and marketing. Normally the NLFDC will provide a maximum of 20% contribution of the overall costs of the project

Five genres of production are eligible for EIP financing; these include Feature Films, Television Series, Television Mini-Series, Television Specials and Non-Theatrical productions

Development Loan Program (an element of the EIP)

The Corporation will provide a loan to qualified applicants to support the essential process of development, which takes an idea through the stages of research, writing, market analysis and costing. Support for the development of a project does not, in any way, guarantee funding by the Corporation in later stages of the project. The Producer must repay the Corporation the total loan amounts owing on the earlier of:

- (a) the first day of principal photography of the Film or of any cinematographic, video or audio-visual work based on whole or in part upon the Screenplay or any other use of the Screenplay;
- (b) the sale, transfer, assignment or other disposition of the Screenplay.

Tax Credit Program

The Newfoundland and Labrador Film and Video Industry Tax Credit is a fully refundable corporate income tax credit administered by the NLFDC for the Newfoundland and Labrador Department of Finance. The program encourages the development, training and hiring of Newfoundland film personnel in all disciplines.

The tax credit provides incentives to the private film and television production industry to create economic growth in the Province. The credit is based on a calculation of eligible labour limited to the lesser of 25% of the total eligible budget or 40% of the total eligible labour expenditures. Once the production company who has received the credit has completed the project's final audited cost report, the Newfoundland and Labrador Department of Finance may issue a certificate to be filed with the production company's corporate tax return. The credit may also be considered as part of a producer's equity in a given production. To qualify for the credit at least 25% of the total salaries and wages must be paid in Newfoundland and Labrador to eligible employees.

The NLFDC also offers a Deeming Provision, which allows the residency requirement to be waived when a qualified resident person is not available and where the non-resident film personnel serves as a mentor of a resident of the province. In this case, 75% of the mentor's salary and 100% of the resident mentored person's salary is eligible for the tax credit. Prior to the start of production, requests must be forwarded to the NLFDC along with the resumes of the mentor and trainee to be eligible for the Deeming Provision. A written recommendation is then provided to the Department of Finance and the residency requirements are waived by the Minister.

As the EIP and Tax Credit help to increase the level of production activity, opportunities to develop the key creative personnel needed for a successful film industry will also increase. These key creative personnel are composed of writers, directors, producers, camera operators, editors, composers, and animators with sufficient knowledge to work on and create large budget indigenous productions.

Sponsorship Program

The Sponsorship Program of the NLFDC is designed to foster and promote the development and growth of the local film and video industry participants. The program assists qualified individuals and organizations with funding assistance, which enables them to promote the products of the local industry. This will be achieved through three distinct sub-programs, Promotional Travel, Marketing and Distribution, and Workshop assistance.

The Promotional Travel Sub-Program provides funds to local film and video industry participants to assist with travel-related expenses to market their products globally. The Marketing and Distribution Sub-Program provides funds to local film and video industry participants to assist with marketing-related expenses to market their products or for receptions related to the marketing of these products. Lastly, the Workshop Assistance Sub-Program provides assistance to the various industry participants and associations to develop the local skill base.

Applicants eligible for funding are individuals, corporations, cooperatives and not-for-profit organizations (including sectoral and service organizations) whose principle activity is in the film and video industry in Newfoundland & Labrador. For all sub-

programs, assistance is normally restricted to once per fiscal year for any eligible applicant.

Professional Development

Nationally and provincially, a large share of resources devoted to the development of filmmakers and crew members is aimed at entry level attraction and training – enticing new people into the field and giving them basic skills. This is unquestionably worthy and important, but at the same time strong efforts must be made to keep bona fide, trained, proven and dedicated professionals in the industry and in the province. They will become tomorrow’s senior filmmakers, administrators and technical personnel and will ensure that the maximum economic benefits of NL film activity – through their salaries, purchases and taxes – remain in this province.

The NLFDC has a full-time Industry Analyst who works on behalf of crew, producers, and filmmakers to organize and support specific workshops, training opportunities, job placements, and other projects designed to increase the local industry’s capacity.

Not only does the NLFDC plan and hold individual workshops, the Corporation also sponsors a variety of workshops and panels during two annual festivals that showcase local film - the Nickel Independent Film Festival and the St. John’s International Women’s Film Festival. Another professional development priority for the NLFDC is outreach to the West Coast Region, including acting workshops in Corner Brook, visits to the new film and video program at College of the North Atlantic’s Bay St George Campus, which included the sponsorship of a 16 mm film workshop and script workshops in Clarenville as a partnership with the Discovery Trails Association. Much of the production activity in Newfoundland & Labrador has traditionally occurred outside St. John’s and the NLFDC is committed to continuing to address the film professional development needs of the whole province.

Increased professional development initiatives such as workshops are vital but, of course, the best method of skills development is through regular work, under the supervision of experts on major industry productions. Training institutions cannot emulate instruction on large-scale film and television productions, there has to be a consistent tie to the production community.

One vital tool Newfoundland and Labrador does have to enhance the professional crew base, is the deeming clause of the tax credit. Under the deeming provision (administered by the NLFDC), when outside senior crew train local personnel, a portion of their salaries can become eligible for the tax credit.

Because the need for Professional Development is so high in the province, the NLFDC partners with other organizations to increase opportunities for local film personnel. A new partnership has been formed between the NLFDC, the Atlantic Canada Film Partners, Telefilm Canada, and the CFTPA for the creation of the Atlantic Mentorship Program. This program is aimed at fostering the development of emerging and midlevel production personnel.

The partnership with the Newfoundland Independent Filmmakers Cooperative (NIFCO) is also monumental in the industry’s Professional Development. Formed in 1975, NIFCO is one of the most respected and successful motion picture co-ops in

the country. The Cooperative functions as a production plant, post-production house and filmmaker training/development centre. NIFCO also encourages film activity in other parts of Newfoundland and Labrador by bringing its programs, expertise and screenings to communities throughout the province. The NLFDC supports NIFCO's efforts fully, through lobbying, letters of support, production statistics, a film employment analysis, and staff time.

The latest NIFCO/NLFDC program, Picture Start is advancing professional development efforts in the province. This pilot program is designed to give emerging filmmakers the tools and training needed to advance their producing, directing and writing skills by making a short film. Through the program, participants will be guided by a staff mentor, receive classroom training and on-set mentoring by industry professionals, and access state of the art editing facilities at NIFCO.

Other partnerships with federal organizations such as Telefilm, the National Screen Institute, and the Banff Centre all help with professional development. Keeping strong ties between the NLFDC and these institutions helps bring skills and knowledge to the film industry in Newfoundland & Labrador. By keeping the finger on the pulse of what is happening and what is needed in the industry, the NLFDC can bring this information to local industry professionals and offer workshops and seminars keeping their skills competitive with other professionals across Canada and the World.

Marketing Newfoundland & Labrador

The NLFDC will market the indigenous industry and the province as an on-site location nationally and internationally to improve the industry's ability to draw and solicit business. Shooting on locations requires access to high caliber crew and available services. The NLFDC markets the province as being able to offer professionalism through individuals who know the community, its people, geography, weather, laws, services and culture. Boasting Newfoundland & Labrador as being able to provide all of these features and accommodate large-scale production is the NLFDC's responsibility to the local industry.

Through use of tools such as the annual Film Review, the Production Guide, and actively promoting the province at global location specific events, the NLFDC is able to represent the individual producers and crew of the province as a competitive location for production.

The events that the NLFDC supports to actively promote the province as destination for production include:

- The Cannes Film Festival
- Mipcom and MipTV at Cannes
- Berlin International Film Festival
- American Film Market
- Strategic Partners (at the Atlantic Film Festival)
- Banff World Television Festival
- Association of Film Commissioners International (AFCI) Locations Trade Show
- Strategic trade missions

NLFDC – Business Plan for Category 2 Government Entities

The Corporation will also continue to send producers to Hot Docs, North America's largest documentary festival in order to promote their work. The NLFDC will continue to reach the markets offered by these events and also plans to attend in the near future other innovative industry events.

Section Four: Clients

The NLFDC's chief concern is in the continued growth of the Film Industry in Newfoundland & Labrador. To ensure this growth the NLFDC has singled out both primary and secondary clients. Both groups are vital to the growth of the industry. Fulfilling the needs of these clients is crucial to reaching the objectives of the Corporation.

The primary clients of the NLFDC are the Newfoundland & Labrador film and television producers. The NLFDC acts as a liaison with an advisory capacity to these producers by representing them at global industry events. On behalf of these local producers the NLFDC is the voice to provincial and federal organizations, constantly lobbying for the growth of the industry so production can thrive and hold a steady presence in the province. Through implementing the EIP, the Tax Credit program, and Sponsorship Program, the NLFDC is constantly fighting for opportunities to create a greater industry presence. By showcasing Newfoundland & Labrador at international networking events, the Corporation is presenting the province as an ideal place to produce films with competitive financial benefits. This encourages co-production, which in turn will also increase the opportunities for secondary clients of the NLFDC.

The Promotional Travel Sub-Program and the Marketing and Distribution Sub-Program provide funds producers to market their products globally. Providing funding to hold launches, travel to networking events, and for promotional materials all help producers increase their opportunities to generate more work, ultimately adding to the growth of the industry.

Resident crews are the NLFDC's secondary clients. Both Above-the-Line (writers, directors, and producers) and Below-the-Line (technical crew) personnel can expect the NLFDC to offer numerous professional development opportunities. Film Personnel are able to enrich their skill set by the multitude of diverse workshops facilitated by the NLFDC and their partnerships. Not only are technical workshops offered, but classes focusing on the creative side of filmmaking are also made available. By offering workshops across the island, crew that are not based in the capital city also benefit.

Workshop sub-programs also enable organizations outside of the NLFDC to facilitate classes and discussion panels. Organizations such as the St. John's International Women's Film Festival and the Nickel Independent Film Festival are able to hold successful workshops in a film-rich environment, adding diverse workshops to the already abundant list of those offered by the NLFDC. But workshops are not the only professional development tool available to resident crew. Through the deeming component of the Tax Credit, film personnel are able to receive the on-set training needed to help not only their career grow, but the industry grow as well.

By keeping production levels high, crew are able to gain on-set skills that are beneficial to their career. Co-productions mean local crew are able to learn from crews across the globe and pick up new and innovative skills of the trade to apply to their work. With the help of the Deeming component, emerging or mid-level film personnel are able to enrich their skills and apply them to a more experienced career in film by on-the-job training experience.

Section Five: Mandate, Vision and Mission

Mandate

As a crown corporation, the NLFDC's mandate is to promote the development of the indigenous film and video industry in the province and to promote the province's film and television products and locations nationally and internationally

On a daily basis, the NLFDC facilitates and fosters the local industry. The NLFDC is the front line of the film industry to the public and, on behalf of Newfoundland and Labrador, to the nation and the world. As such it fields many requests and enquires concerning Newfoundland and Labrador as a shooting location. The NLFDC also advises and counsels local filmmakers, production companies and crew. It provides information concerning all aspects of the film industry including: its own programs and those of other local organizations, as well as information regarding national funders, broadcasters, and distributors. The NLFDC partners with local, regional and national organizations and sits on national committees. In 2007-08 the NLFDC chaired the Association of Provincial Funding Agencies and co-chaired the National Tax Credit Committee. In these ways it helps to influence policy for the benefit of this province.

Vision

By funding quality productions and strengthening industry support to growing the industry, the NLFDC is aiming for the continued long-term viability and development of a healthy and stable film industry in Newfoundland and Labrador.

Mission

The Board of Directors of the NLFDC feels that in order to satisfy the Mandate and ascertain its Vision, by 2011, the NLFDC will have insured the continued development of the film industry in NL by working with producers, fellow provincial organizations, national and international funding bodies to develop an environment where the industry is stable and continuing to grow.

Measure

- Continued development of the Film and Video Industry in Newfoundland and Labrador

Indicators

- The Equity Investment Program (EIP) has been effectively managed
- The Film and Video Industry Tax Credit has been effectively managed
- NLFDC programs and Locations have been marketed Nationally and Internationally
- Initiatives implemented to develop creative and technical capabilities

This mission is the focus for the NLFDC as it addresses the strategic direction of sustainable creative enterprises and cultural industries are developed as provided by government.

Section Six: Values

As a public sector agency and a partner to the industry, the NLFDC upholds five core values:

Teamwork	We will develop Newfoundland and Labrador writers, actors, directors and production crew.
Responsiveness	We will champion a sustainable Newfoundland and Labrador film industry.
Innovation	We will promote diversity in all its forms in our programs and policies. We will promote culture and identity of Newfoundland and Labrador through unique stories from our province that would have national and international appeal. We will also contribute to the province’s brand of creativity and innovation.
Accountability	We will be open, transparent and accessible to stakeholders, the industry and the public and deliver the best value to government and to the Newfoundland and Labrador public.
Liaise	We will represent and support local Producers and the production community.

Section Seven: Environmental Scan

The Canadian film and video industry is a complex system of federal and provincial public funding agencies, public and private broadcasters, distributors, and industry associations. The industry involves a hybrid of public policy aimed at cultural development, preservation and presentation, and highly competitive business working in an international market, seeking investment for productions and competing for audience share. The financing structure of film and video investment is based on inter-related funding: public investment, both federal and provincial, leverage private investment. The assessment of the performance and economic impact of the film and video industry in Newfoundland and Labrador must be completed against the backdrop of the Canadian industry.

Performance of the Canadian Film and Television Industry

The Canadian Film and Television Producers' Association (CFTPA) publishes a comprehensive annual profile of the film and television industry in Canada. Using information from this and other sources, key selected performance measurements and trends can be identified as follows.

Production Volume by Market Segments

In the most recent results reported for the Canadian film and television production industry, the total volume of production in 2005/06 was \$4.8 billion. The total volume of Canadian film and television production increased from 1996/97 to 2002/03, decreased by 2% in 2003/04 and 9% in 2004/05, and then increased by 5.8% in 2005/06.

Increases in tax credit rates in several provinces since December 2004 have helped maintain production levels and resulted in increased activity in some cases.

Employment in the Canadian Film and Television Production Industry

In 2005/06 the Canadian film and television production industry "generated an estimated 124,300 full-time equivalent jobs (FTEs) in Canada" --47,800 direct and 76,500 indirect FTEs--in other words, 1.6 indirect jobs for every direct job. ("Direct jobs include persons employed by production companies and directly involved in the film and television production process." Indirect jobs include jobs created in industries that provide goods and services to the film and television production industry.)

Export Value of Film and Television Production in Canada

In 2005/06, the export value of film and television production in Canada was \$1.95 billion, an 11% increase from 2004/05. This increase in export value arose from:

- i.) a 14% increase in foreign location production to \$1.66 billion; and
- ii.) a three-fold (203%) or \$59 million increase in the export value of Canadian theatrical film production to a total of \$88 million; offset by
- iii.) a 24% or \$63 million decrease in the export value of Canadian television programs to a total of \$200 million.

Overall, the increase in the export value of film and television production in Canada is attributed to “recoveries from the previous year’s decline in foreign location production and the foreign financing of Canadian feature films.”

Volume of Production by Province

The top three provinces in terms of volume of film and television production are Ontario, British Columbia and Québec. In 2005/06, Ontario, British Columbia and Québec accounted for approximately 38%, 28% and 24% of total volume of production in Canada, respectively.

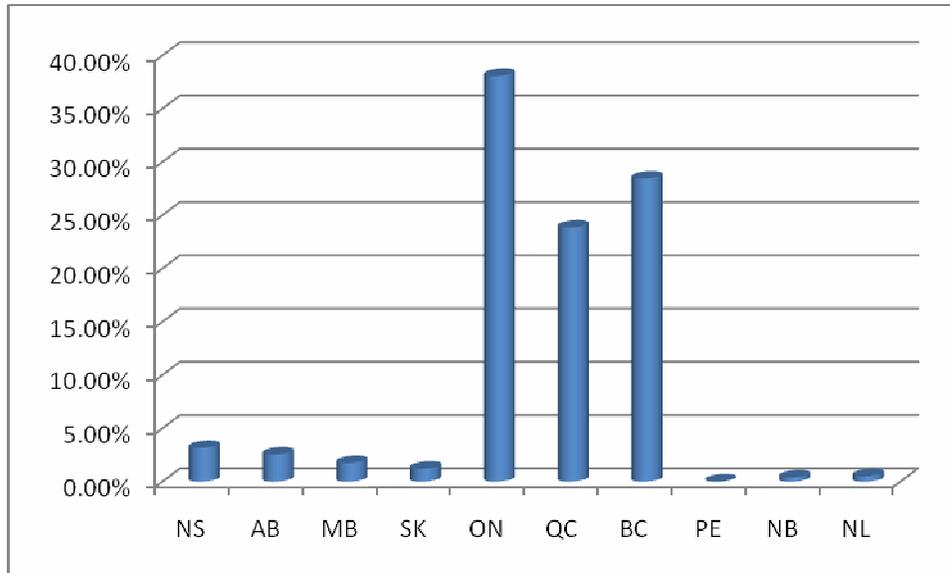


Chart 4 - Share of Total Volume of Production by Province, 2005/06
Source: CFTPA, *Profile 2007*

2005/06 production volumes increased in British Columbia, Nova Scotia, Alberta, and Newfoundland and Labrador, and decreased in all other provinces.

The film and television production industry in Canada is structured such that all provinces have established entities, for instance crown corporations or government departments, responsible for stimulating investment and employment in the film and television industry and promoting the local industry and location. All provinces have established provincial tax credits and labour rebates.

Following are specific environmental issues nationally and internationally currently affecting the industry in NL:

Market Challenges

In its *Annual Report 05/06*, Telefilm Canada indicated it expected the Canadian audiovisual industry to “experience an unprecedented series of transformations.” Their expectations are being realized. The Canadian film and television industry is going through “a period of major transformation a[s] federal funding agencies, regulatory bodies, and broadcasters” are challenged to adapt to a number of significant market changes, some of which are occurring over a relatively short period of time. In 2006/07, a number of national policy changes and industry realignments occurred and contributed to a downturn in local production.

Newfoundland and Labrador is not the only province that experienced a downturn; other provinces, such as Nova Scotia, experienced downturns as well.

Impacts and Implications of Multiple Platforms

There is rapid change in the broadcasting and communications environment with the proliferation of media choices (i.e., multiple platforms such as computers, cell phones and iPods) affecting television, film and other production, and the expanded number of channels and options (i.e., Pay per View and Video on Demand), allowing viewers to choose what and when they watch. Consequently, there is increasing competition for audience share. The Canadian Television Fund (CTF) reports that according to Nielsen, “the size of the viewing pie is remaining constant yet audience fragmentation is increasing with each additional viewing option (or channel) deployed.”

Changing Strategic Focus of CBC Television

The CBC redefined its policy and approach to compete for audience share with popular American programming shown on American networks and simulcast by Canadian private broadcasters (targeted at an audience of 18 to 25 year olds), to adapt to increasing audience fragmentation resulting from the proliferation of media choices, and to adapt to digital media and content demand. At the same time, the CBC is required to fulfill its programming mandate to “be predominantly and distinctively Canadian; reflect Canada and its regions to national and regional audiences, while serving the special needs of those regions; actively contribute to the flow and exchange of cultural expression; and contribute to shared National consciousness and identity”. During its current license term, CBC Television committed to a minimum of 75% and 80% Canadian content programming during the day and evening respectively. The CFTPA would like to see Canadian programming at almost 100% on multiple platforms.

In separate presentations to the House of Commons Standing Committee on Canadian Heritage’s 2007 study of the role for a Canadian public broadcaster in the 21st century, the NLFDC and the Film Producers’ Association of Newfoundland and Labrador (PAN) reported that CBC’s support for project development in Newfoundland and Labrador has declined significantly and suggested the CBC’s Trans-Canada Fund for development and pilots from the regions should be examined. The Standing Committee heard comments from many groups regarding the importance of preserving the cultural role of the CBC in film and television production. The findings of that study have recently been released.

Project Financing Challenges

It is becoming increasingly difficult to finance production projects because national public funding is declining in real terms and broadcast license fees are static, while infrastructure and production costs are increasing (in part due to the impact of inflation on creative and technical services, facilities and infrastructure), and the cost of acquiring underlying rights is increasing. As the gap widens between funding and costs, more pressure is placed on the financial performance of the film and television production companies.

Changes to the CTF

In 2004/05, the CTF moved to a broadcaster envelope system, fundamentally changing the basis of competition for production program funding. Under this system broadcasters are awarded a guaranteed amount of funding annually for development based on their rating share, therefore only projects that already have a broadcaster’s

commitment are submitted to the CTF for funding consideration. Because broadcasters make programming decisions, the productions they commit to (and so that will be eligible for CTF funding) will be specific to the type of program individual broadcasters are seeking for their programming schedule. The new system is not regionally based and has resulted in the centralization of production and changes to the management policy of the CBC.

Changes to Telefilm Canada’s Feature Film Fund

Changes in Telefilm Canada’s Canada Feature Film Fund (CFFF) funding allocation mean that funding is no longer regionally based and larger amounts are invested in fewer film projects. It appears Telefilm Canada has allocated one feature film per year to Atlantic Canada. In Newfoundland and Labrador, the feature film *Love & Savagery* received CFFF funding in 2007/08; it is unclear when the next feature film might receive funding.

Industry Consolidation

Consolidation in the Canadian broadcast market, with the purchase of Chum/City by CTV and the purchase of Alliance by Global, has reduced the number of potential buyers of Canadian programming from five to three: CBC, CTV and Global. However, as will be discussed in a later section, approximately \$500 million over five years is expected to be spent on independent productions as part of the benefits package required upon the sale of a cultural license.

Loss of Currency Exchange Rate Advantage

The rise in the Canadian dollar against the American dollar is affecting those provinces with high levels of guest production, resulting from the loss of the competitive advantage afforded by the gap between currencies. In response, Canadian production companies that were previously focused on service production are shifting their focus to indigenous production and therefore increasing competition for the available national funding.

Increasing Trends in Tax Credits

It is imperative in today’s film and video industry that Newfoundland and Labrador remains competitive. One of the ways this is accomplished is by offering a competitive tax credit. It may mean the difference between an outside production coming to NL to shoot a film or going to another province that has a more attractive tax credit. In an effort to stay competitive, other provinces in Canada with major film centers have aggressively enhanced their tax credits. Most notably for NL are the recent increases to the Nova Scotia Film and Video Tax Credit and to Manitoba Film and Sound’s tax credit program.

	<u>Base</u>	<u>Rural</u>	<u>Frequent Filming</u>	<u>Co-pro du ce wit h loc al</u>	<u>TOTAL</u>
NOVA SCOTIA Prior to Oct 07	35%	5%	5%	0%	45%

NLFDC – Business Plan for Category 2 Government Entities

Current	50%	10%	5%	0%	65%
MANITOBA					
Prior to	45%	5%	0%	0%	55%
April 08					
Current	45%	5%	10%	5%	65%

For further proof of an upward trend in incentives in Canada, we can look to the increases in the Ontario Media Development Corporation's tax credit that has seen the base rate for domestic productions go from 30% to 35% and for service productions the base has increased from 18% to 25%. BC Film has followed suit with their base rate increasing from 30% to 35% while also including a regional bonus of 12.5% and an additional distant location regional bonus at 6%.

Demise of ACFP/ACOA agreement

For the past several years, Atlantic Canada Film Partners has had an agreement with ACOA to provide funding assistance to Atlantic producers to access international markets. The ACOA funding has been decreasing steadily since the inception of the agreement and we predict the funding will halt altogether in 2008/09. This is a huge blow to local producers as it will now be much more difficult for them to attend international events to market their productions and the province as a shooting location.

Feature Film Distribution

Distribution for feature films in Canada has been a significant issue for many years and should be a priority for Canada's feature film industry. In fact, one of Canada's largest distributors, Christal, has recently applied for bankruptcy protection. The NLFDC intends to continue to lobby, along with its national counterparts, that a thorough review of Canada's distributors and their performance be undertaken. We must also explore innovative ways to encourage exhibitors to show Canadian films and the possibility of a program for non-Canadian distributors to become involved in Canadian productions.

State of the NL Industry

The recent lull in production results in an increased focus on the development of projects. The future projects will, in turn, continue the development of up and coming writers, directors, producers and crew in anticipation of increased production levels for the upcoming three fiscal years. As has been well demonstrated in other areas such as Australia, Ireland, or Quebec, filmmakers need to be nurtured and evolved over time, in order for them to accomplish major national and international projects.

In terms of the bricks and mortar of film production infrastructure, the best role for the NLFDC is one of leadership, support and guidance rather than hands on management of facilities or equipment. Since the creation of the NLFDC and the inception of its tax credit and equity programs, two major infrastructure advancements have been achieved. They are the Atlantic Studios Co-operative (ASC) and the Newfoundland Independent Filmmakers Cooperative (NIFCO). The Atlantic Studios Co-operative (Production Equipment) was formed in 2003-2004 with the support of the Department of Canadian Heritage and the Atlantic Canada Opportunities Agency, after extensive research and community consultation.

Registered under provincial co-operatives legislation, ASC owns and manages a feature-film/television series-ready mobile production equipment package, which can be deployed throughout the province. Also, ASC when feasible will avail of the Annex of the Pepsi Centre in Corner Brook, a 21,000 square foot sound stage facility. ASC rents its gear to local and guest productions at industry-standard rates.

The Newfoundland Independent Filmmakers Cooperative (Post Production) was formed in 1975 and is one of the most respected and successful motion picture co-ops in the country. NIFCO functions as a production plant, post-production house and filmmaker training/development centre. NIFCO encourages film activity in other parts of Newfoundland and Labrador by bringing its programs, expertise and screenings to communities throughout the province. NIFCO has recently received support from the Government of Newfoundland and Labrador and the Government of Canada to convert its post-production facilities to high definition picture and surround sound. This project is now completed and will allow NL production companies to compete again on an equal footing with the rest of the country. The NLFDC supported NIFCO's efforts fully, through lobbying, letters of support, production statistics, a film employment analysis, and staff time.

The NLFDC will continually assess the infrastructure needs of the local industry and work towards such goals as expansion of the Atlantic Studios Cooperative, the updating of equipment and eventually acquiring a sound stage in St. John's. The NLFDC will continue its ongoing communication with producers and other stakeholders to determine what services are required. As well, the NLFDC will continue to monitor industry developments throughout Canada.

Section Eight: Priority Issues

The Priority Issues of the NLFDC derive from the uniqueness of the film industry in Newfoundland & Labrador. Each of these issues needs to be addressed individually in order for the industry to expand and prosper. With the ever-changing boundaries of film, television, media production, marketing and technology, the NLFDC needs to be more forward thinking in order to nurture the growth of the provinces film industry. Drawing from other national and international models the NLFDC will seek out the best methods for development tailored specifically to the province. Executing these changes will give rise to new opportunities.

At present, the priority issues for the NLFDC and the industry in the province are summarized as Stable Production Activity, Industry Development and National/International Marketing.

Stable Production Activity

The nature of the Film Industry in Newfoundland is cyclical. Currently, after an extremely busy production year there tends to be a production lull of about three to four years, only to be followed by another year full of activity. These dips occur mostly because of the relatively small number of production companies in the province and that the industry has not reached a critical mass where all companies are performing development and going into production concurrently. As a result, the nature of the industry in NL has been: continued consistent development, with spurts of production.

Because of this, our large Newfoundland & Labrador projects need to be viewed over a three year period – from inception, through development, production, and post-production, and into marketing. Different business models need to be researched to smooth out production. Eventually the NLFDC would like to see constant production activity through a multitude of production houses both local and from outside the province, which is crucial to keep industry professionals employed and active in the local industry.

In order to minimize the affects of cyclical production, the NLFDC plans to implement change over the next three years. This change will include the pursuit of a television series, researching productions with different financial structures, and administering a new program for developing pilots.

Pursuing a successful television series would greatly reduce gaps in production. Crews would be able to use their skills on an everyday basis, strengthening their skill set and knowledge, therefore raising their employable value.

Currently, the NLFDC, along with local production companies are researching various funding models, such as those used in the United States and Europe that would reduce the dependency on current national funding. Just recently, three productions with new funding models were shot on the island. These shoots were successful in creating a three to four week production using a majority of local crew for the process. Research into like minded models will continue in order to create more alternatives for local producers.

Developing pilots has also become a challenge for filmmakers. Initially funding given to development of a project would be separate from actually shooting a pilot. The NLFDC plans to implement changes where creating a pilot would be one of the first steps in development of a production. Pilots would then be eligible for development loans up to 33% from the NLFDC. Due to the nature of the growing industry pilots are better received when marketing a production because it is a visual representation of the work. When combined with other development materials such as research and scripts it becomes a more attractive sell to broadcasters.

A spin-off of stable production activity is how it would help to maintain and further develop the infrastructure for the industry in the province.

One issue at present with the infrastructure of the film industry in the province is the state of the local production companies. They are few in numbers and are relatively small. The industry needs to grow production companies so that they have the financial wherewithal to be able to sustain themselves during times of low production. Ideally, we would like to develop existing production companies from one-person companies to full-time production companies that employ staff and perform development and production at the same time. These larger companies could then spin off talent to develop the next wave of local producers.

The Film Producers Association of Newfoundland and Labrador (PAN) administers the International Market Access Program supported by the Governments of Canada and Newfoundland and Labrador. This program begins a dedicated effort by PAN to make the international marketing and dissemination of Newfoundland and Labrador film and television its main organizational priority. Part and parcel of this new focus is the facilitation and development of co-production opportunities, both internationally and with other Canadian provinces. PAN has become a critical component in the continued growth of the industry in the province and we must ensure that it remains a viable entity. There is however concern that PAN may not always have perpetual funding. It is a priority of the NLFDC to amplify the funding needed to help production companies market their films so that if PAN ceases to exist local producers are still able to market their products globally.

The Canadian TV and film environment is rapidly changing and the local industry must keep pace. The industry needs to have the ability to deliver in HD and surround sound as previously mentioned. NIFCO, the only industry standard post-production facility in the province, has upgraded to the new Hi – Definition formats. This will help local producers to compete on a level playing field with the rest of the country. With the specific training of crew and marketing of projects that are planned through the NLFDC's Professional Development program the local industry will soon find itself comparable with film industries of other provinces and countries.

In addition, the Atlantic Studios Cooperative (ASC) must continue to upgrade equipment in order to be able to fulfill its mandate. Unfortunately revenue at ASC drops significantly in times of low production making it difficult/impossible to invest in additional equipment – reinforcing the need to get steady production in the province. In the future, as the industry grows, ASC will need to address the sound stage requirements for the province. Production levels will also have to increase in order for the Atlantic Studio Cooperative (ASC) and NIFCO to grow, upgrade and survive.

In Summary, despite these immediate issues, it is nevertheless very much to the advantage of Newfoundland and Labrador to develop the local film industry and to compete for its share of the national funding that otherwise will be spent in the same industry but in another jurisdiction. Motion picture activity is labour-intensive, well-paid, knowledge-based employment. The Newfoundland and Labrador industry is beneficial to rural areas and to other cultural industries. The independent production community creates large economic spin-offs. It brings into the province investments that would not otherwise be made here. And it allows us to present our stories and our creativity to the nation and the world.

Industry Development

There are two sides to Professional Development that the NLFDC deems as priority issues. The first is actual training of skills through workshops and seminars offered to the film community, the second being on-the-job training made possible by the Tax Credit (specifically the deeming provision).

The NLFDC focuses on keeping trained, proven and dedicated professionals in the industry in this province. The development of emerging, mid-level and professional industry personnel ensures growth in the industry by nurturing their skills and knowledge. In doing so, their skills become competitive with those across Canada and the World. If the industry grows with these professionals, offering challenging employable positions, individuals are more likely to stay in Newfoundland & Labrador creating maximum economic benefits to the province through their salaries, purchases and taxes.

In order to keep industry skills cutting edge in the Province, the Industry Analyst works on behalf of crew, producers and filmmakers to organize and support specific workshops, training opportunities, job placements, and other projects designed to increase the local industry's capacity. With recent research into the film industry and local needs for industry personnel, the corporation has identified the skill-gaps needed to be filled.

The NLFDC also partners with multiple organizations in order to perform outreach activities. The outreach activities planned involve NIFCO, the St. John's International Women's Film Festival, the Nickel Independent Film Festival, the College of the North Atlantic (Stephenville Campus) and Grenfell College.

Through partnerships with the St. John's Women's International Film Festival and the Nickel Independent Film Festival, various workshops and activities are undertaken to increase the involvement of emerging filmmakers, women in film industry roles and the public to become more aware of what the local film industry has to offer. This type of outreach helps the industry to be more publicized and gain the support from groups outside of the film community. These partnerships will continue in years to come.

Increased professional development initiatives such as workshops are vital but, of course, the best method of skills development is through on-the-job training. As discussed the vital tools Newfoundland & Labrador does have, to enhance the professional crew base, is the deeming clause of the tax credit.

National/International Marketing

Participation in international markets to promote NL productions and producers addresses the goals of the NLFDC and its producers. These markets provide an opportunity for the sale of productions, and facilitate financing of production and co-production projects, purchase of broadcasting rights, networking, and collection of market information like forecasted trends for programming. Strategically, the NLFDC will participate in the markets in which Telefilm Canada participates for promotion of Canadian works and provides an umbrella booth. The NLFDC and its producers will derive several advantages from this strategy:

- An opportunity to take advantage of the preparation undertaken by Telefilm Canada for market events;
- A higher profile at the market;
- Access to professional, physical space and reception area to interact with broadcasters, distribution agents, etc.; and
- Access to networking opportunities arranged by Telefilm Canada and/or the Association of Provincial Film Funding Agencies.

The importance of market events and festivals is recognized as fundamental and critical to participation in the film and television industry. “We (Telefilm Canada) will continue to collaborate with industry associations, provincial agencies and other Canadian organizations to develop a strong Canada brand at major television markets such as MIPTV, MIPCOM, NATPE and the Asia Television Forum as well as festivals such as the Cannes Film Festival and the Berlin International Film Festival. These events raise Canada’s profile and introduce Canadian talent to the international market.”¹

One of the issues for Newfoundland and Labrador producers is the need to consistently attend the markets to build market awareness within the industry. The provincial funding agencies are also present at many of these markets and festivals and the continued collaboration remains an important aspect of participation in the markets. Provincial funders promote the incentives offered by the respective provinces such as the Film and Video Tax Credit, potential film locations and the local industry in general. This is an important overview to be presented to the international film and television industry.

¹ Building Audiences for Canadian Cultural Products, Corporate Plan 2003-2004 to 2005-2006, Telefilm Canada, p. 21.

Section Nine: Goals

To ensure the continued growth of the film and video industry in this province, the NLFDC has identified four major goals in order to achieve our mission and pursue our strategic direction provided by government of “sustainable creative enterprises and cultural industries are developed”. These goals are measured and reviewed annually with our board of directors to be certain that our mandate is being fulfilled.

GOAL 1:

By 2011, the NLFDC will have effectively managed the Equity Investment Fund in order to maximize production and economic spin-off to the province.

Measure: effective management of the Equity Investment Fund

Indicators:

- **Amount of \$ invested from equity fund (for DEV and EIP)**
- **Production activity**
- **Dollars leveraged into the province**
- **Results of new initiatives undertaken**

Objective 1: By 2009, the NLFDC will have:

- Used our Equity Investment Budget to fund projects that maximize the economic impact to the province.

Measure: effective management of the Equity Investment Fund

Indicators:

- **Increased production activity over the previous fiscal year**

Objective 2: By 2010, the NLFDC will have:

- pursued alternative financial models for production (both indigenous and co-productions) with local producers to maximize the economic benefits to the province.

Objective 3: By 2011, the NLFDC will have:

- fostered the long-term relationships between local producers, co-producers and distributors under this new financial model to ensure continued production activity that will maximize the economic spin-off to the province.

It is important to note that the NLFDC cannot directly control the level of production in the province. The NLFDC's contribution to individual projects is a piece of the puzzle but many other components must fall into place before a production gets off the ground. Local producers compete with producers in NL as well as the rest of Canada to access funding for productions. Our funding programs leverage outside funds into the province.

The NLFDC accepts funding applications for development loans and equity investments. The NLFDC has 4 application deadlines for development loans per year and 2 application deadlines for equity investments per year. The application deadlines are strategically placed to coincide with the application deadlines of other film funding organizations to maximize the opportunity for producers to get their projects fully funded. The NLFDC then assesses these applications and makes recommendations to the board as to which ones to fund based on factors such as:

- Leveraging outside funds into the province
- Maximizing employment opportunities in the province
- Maximizing dollars spent in the province

The NLFDC must continually pursue new initiatives, be in contact with funding partners and come up with new financial models in order to maximize the overall benefit. As described above, in order to counteract changes at Telefilm, CBC, the Canadian Television Fund and private broadcasters, the NLFDC has changed focus in a couple of areas. As a result, the NLFDC intends to pursue many activities in search of this goal.

Canadian Television Fund

Due to the limited accessibility to the Canadian Television Fund (CTF) for regional producers, lobbying is currently being undertaken for a potential Atlantic region stabilization fund. This proposal would focus on the need for a separate fund which could only be accessed by Atlantic producers, increasing the production opportunities for Atlantic producers.

Second Time Filmmakers Program

The latest NIFCO/NLFDC program, Picture Start is advancing professional development efforts in the province. This pilot program is designed to give emerging filmmakers the tools and training needed to advance their producing, directing and writing skills by making a short film. This program fills the gap between the First Time Filmmakers Program and when a project comes to NLFDC for funding. Through the program, participants will be guided by a staff mentor, receive classroom training and on-set mentoring by industry professionals, and access state of the art editing facilities at NIFCO. This initiative is also an excellent professional development opportunity for capacity building and will provide these filmmakers with a pilot that they could shop to broadcasters.

Funding Pilots

The NLFDC has begun experimenting with funding pilots. This provides our producers with a much stronger marketing tool when pitching to broadcasters and allows the broadcasters to get a far superior sense as to the quality of production. The NLFDC anticipates that this program will result in an order for a TV series within the next three years.

Goal 2:

By 2011, the NLFDC will have effectively managed the Film and Video Industry Tax Credit

Measure: effective management of the Film and Video Industry Tax Credit

Indicators:

- **Efficient turnaround time**
- **Competitive tax credit**
- **Effective management of the deeming component of the tax credit**

Objective 1: By 2009, the NLFDC will have:

- Prepared a tax credit position paper (The Film and Video Industry Tax Credit expires on December 31, 2008) which will review the Film and Video Industry Tax Credit with the aim of enhancing and strengthening it so that it remains competitive both nationally and internationally.

Measure: successful preparation of a tax credit position paper

Indicators:

- **Renewal of Newfoundland and Labrador Film and Video Industry Tax Credit**
- **Enhanced competitiveness of tax credit**

Objective 2: By 2010, the NLFDC will have:

- ensured training opportunities for local crew through the Deeming Provision within the guidelines of our Tax Credit this in turn will lead to an increased spend in the province.

Objective 3: By 2011, the NLFDC will have:

- assessed possible enhancements to the tax credit with the aim of strengthening it so that it remains competitive both nationally and internationally (i.e. assessing the introduction of a rural incentive).

The tax credit is a fully refundable corporate income tax credit administered on behalf of the Department of Finance by the NLFDC. The tax credit encourages the development, training and hiring of Newfoundland film personnel. The credit is based on a calculation of eligible labour limited to the lesser of 25% of the total eligible budget or 40% of the total eligible labour expenditures

The NLFDC is responsible for receiving the Part I and II applications, auditing them and forwarding them to the Department of Finance with a recommendation. Upon receipt of a fully completed application from the producer, the NLFDC goal is to:

- Forward the Part I application to the Department of Finance within 10 business days
- Forward the Part II application to the Department of Finance within 15 business days

In addition, to further increase the efficiency of the tax credit process, the NLFDC intends to have a draft copy of new, more effective, tax credit applications by 2009.

The NLFDC continues to work closely with the Department of Finance to ensure that the NL tax credit remains competitive as a tool to attract production to the province. In light of this, the NLFDC sits on the National Tax Credit Committee to keep abreast of national developments and policies. The NLFDC is a member of the Association of Film Commissioners International. This is an international association that assists film commissioners to promote their incentives and locations. Membership allows the NLFDC to keep abreast of developments on the rapidly growing incentives in the US and internationally.

As the tax credit is up for review in 2009, the NLFDC will propose enhancements to the regulations. Some of the proposed changes will likely be:

- suggesting the \$3 million per twelve month period cap be either raised or removed as to reduce the limitations placed on producers wishing to film in the province
- introducing a rural bonus to increase the tax credit for productions shot outside St. John's

The deeming clause of the tax credit is a vital tool to maximize the number of NL workers on film projects and also their real training opportunities. The NLFDC has promoted the deeming clause vigorously as an incentive to outside and local production companies and expects that it will be well subscribed to on productions in the future.

It is important to note that a Rural Bonus would be an attractive sales feature when promoting the province to outside producers.

GOAL 3:

By 2011, the NLFDC will have marketed NLFDC programs and locations nationally and internationally to foster co-production opportunities and attract guest productions to the province

Measure: marketing of NLFDC programs and locations nationally and internationally

Indicators:

- **Number of provincial marketing initiatives**
- **Number of markets attended nationally**
- **Number of markets attended internationally**
- **Marketing materials produced**
- **Number of co-productions being discussed**

Objective 1: By 2009, the NLFDC will have:

- Developed co-venture opportunities with the U.S. and new possibilities of viable financial structures will accompany this opportunity.

Measure: number of co-venture opportunities developed

Indicators:

- **Increased production activity**
- **Number of co-productions being discussed**

Objective 2: By 2010, the NLFDC will have:

- taken part in a trade mission to Wales to explore co-production opportunities.

Objective 3: By 2011, the NLFDC will have:

- worked closely with its indigenous producers to ensure producers get increased access to national and international markets.

In order to market the industry within the province, the NLFDC will distribute its promotional materials and funding programs information to the Chairpersons of the Boards and the Executive Directors of the regional economic development zones in the Province.

In order to effectively market the province, it is mandatory to attend various film and TV specific marketing events nationally and internationally. It is also imperative that the NLFDC attend these events annually. It is clear that you must “see and be seen” in order to be a real player and attract the type of business that will provide the most benefit. As a result, for the upcoming three year period, the NLFDC intends to attend the following national events:

- Banff World Television Festival - This Festival provides an excellent opportunity for local producers to meet and network with other producers, broadcasters, distributors, financiers and other film and television professionals
- Toronto Film Festival - This festival provides an excellent opportunity for the NLFDC and our local producers to, potentially screen films, sell themselves and make contacts with the representatives of the film industry from all over the country and the world.
- Atlantic Film Festival – This event takes place every September and attracts filmmakers and industry experts from across the country and around the world, making it a great opportunity to showcase our local talent, market our province as a filming location and make contacts with other professionals in the film industry.
- Strategic Partners - Strategic Partners is Canada’s premiere co-production market, featuring the effective project-driven, pre-scheduled meetings format. Introduced in 1998, Strategic Partners (SP) has developed a solid reputation for program quality and results.
- CFTPA’s Prime Time event in Ottawa - The CFTPA hosts Prime Time, an annual networking conference for Canadian producers, where national policy

makers are a key presence, seminars are held, and the annual state of the industry report is released with the industry's most comprehensive statistics.

In addition, the NLFDC must attend specific international events in order to attract co-productions to the region. For the upcoming three year period, the NLFDC intends to attend the following international events:

- AFCI Locations Trade Show in Santa Monica – this is a trade show where the NLFDC purchases and mans a booth to promote NL as a location to co-produce and/or shoot a production. We also take this opportunity to set up meetings with existing contacts and potential co-producers in the area.
- Cannes Film Festival – the NLFDC participates in the Canadian Pavilion organized by Telefilm. This provides NL with a prominent location to market our programs and locations as well as for our NL producers to pursue co-production opportunities.
- Berlinale - this is an international film festival that is increasing in popularity and has integrated the European Film Market into its offerings. The NLFDC will attend this event as it sees fit to support local producers and maintain international contacts.
- American Film Market in Santa Monica – this is a market where feature film producers gather to market their productions. The NLFDC participates in a Canadian Pavilion along with other provincial entities and Telefilm. It is a natural event for the NLFDC to attend to keep in touch with existing contacts and pursue new co-production and guest production opportunities.

The NLFDC must also continually research and pursue new markets for our local producers. The NLFDC intends to attend a new event and/or pursue a new market every two years. For 2008/11 our intention is to commence discussions with Wales in order to plan an event (potentially a trade mission to Wales) and having them return for the St. John's Women's International Film Festival. Wales has been very active at many of the same markets we attend and seem to have a production community similar to that of NL. The NLFDC feels it would be potentially valuable to pursue a trade mission to Wales.

The NLFDC will continue to sit on the following national committees:

International Initiatives Advisory Committee (IIAC) - The NLFDC will sit on this International Marketing Committee with representatives from all financial partners including Telefilm, the Association of Provincial Film Funding Agencies (APFA) and industry partners CFTPA, CTF, and DFAIT. This committee is responsible for overseeing the Canada marketing presence at international events (Cannes Film Festival, MIPCOM, MIPTV and Berlinale).

The mandate of the committee is to have a Canadian partnership that will brand and promote Canada internationally in order to raise the profile of Canadian film, television and new media companies in the international marketplace:

- To enhance the presence and profile of Canada at international film and television events
- To raise the awareness of Canada's competitive advantages including tax credits and other financial incentives as well as co-production opportunities and to build strong relationships among Canadian production companies.

Atlantic Canada Film Partners - In December 1999, the Newfoundland and Labrador Film Development Corporation signed a Memorandum of Understanding with its three other Atlantic counterparts and Telefilm to form the Atlantic Canada Film Partners. This initiative provides our local producers access to the global marketplace, not only to market their productions, but also to forge and maintain relationships that eventually lead to co-production opportunities. Atlantic Canada Film Partners also assists emerging producers with market preparedness. Unfortunately, the pan-Atlantic agreement will end in July 2008. ACFP are currently exploring other ways to support local producers in their international marketing efforts.

In addition, the NLFDC will sponsor events in Newfoundland which market our film industry provincially, nationally and internationally:

Nickel Independent Film and Video Festival - An annual film and video festival that was created by filmmakers for filmmakers. It also organizes a variety of filmmaker workshops, and each year travels outside St. John's to screen films.

St. John's International Women's Film & Video Festival - Over the past fifteen years this festival has provided a unique forum for local, Canadian and international women to showcase their work. It provides our local filmmakers and producers with access to the Canadian and international film industry and allows others to see that Newfoundland is home to a vibrant film industry. The St. John's International Women's Film and Video Festival provides support to local artists through activities such as professional development, research, training, professional services, advocacy, education and dissemination of information. Its receptions, seminars, screenings and face-to-face meetings with decision makers are crucial for NL filmmakers.

Promotion

As well as the initiatives described above, to promote the Newfoundland & Labrador film industry, the NLFDC will also:

- Produce the Newfoundland and Labrador Film and Video Industry Production Guide
- Advertise in suitable industry publications.
- Maintain a web site detailing the corporation, industry, funding programs and locations information.
- Publish an Annual Film Review to provide an overview of the works produced by local filmmakers and to outline the province's funding programs.
- Respond to film-related inquiries from around the world.

Locations

Part of the mandate of the NLFDC is to market the province nationally and internationally as a filming location; that is, the NLFDC fulfills the role undertaken by film commissions in many other jurisdictions. In pursuit of this goal, the NLFDC is constantly promoting NL as a location to film in. Promoting NL as a film production location is part of the reason for attending all the events listed above. Meetings are set-up to discuss particular locations and promotional material is handed out to filmmakers explaining our incentives.

In addition, the Newfoundland and Labrador Film Development Corporation will attend the annual Association of Film Commissioners International Locations Trade Show in Santa Monica, CA. Attending such an event increases the possibility of attracting guest productions to our province. In the future, the NLFDC will also consider tours, where groups of key producers are brought into the province to tour facilities and locations.

The NLFDC will continue to maintain a library of locations photos on its website (www.nlfdc.ca). For the upcoming three year period, we are developing a pilot program to enhance the locations photos library for the Trinity area. Should this program be successful, the intent is to work with other regions to develop a comprehensive locations library until this project is completed for the province.

GOAL 4:

By 2011, the NLFDC will have implemented initiatives to develop the creative and technical capabilities in the province

Measure: initiatives implemented to develop the creative and technical capabilities

Indicators:

- **Number of workshops performed in the province**
- **Number of new training initiatives undertaken**
- **Number of/\$ amount of support provided to develop industry participants**

Objective 1: By 2009, the NLFDC will have:

- Focused on upgrading non technical production office staff by facilitating workshops and providing support to attend training outside of the province when the opportunity arises.

Measure: increased skill level of non technical production office staff

Indicators:

- **Number of workshops performed in the province**
- **Number of new training initiatives undertaken**
- **increased spend in the province**

Objective 2: By 2010, the NLFDC will have:

- Shifted concentration from production office staff to technical production staff and they will have their skills upgraded by attending workshops given by the NLFDC and we will also give support for those crew members that may attend workshops outside the province as well.

Objective 3: By 2011, the NLFDC will have:

- Focused on the development of Post Production Crew. As with the previous years these crew members will be given support to attend various training and will be given the opportunity to attend workshops that the NLFDC will facilitate for the growth of their knowledge base and experience.

The NLFDC's long-term aim is to develop one full crew in the province, working consistently, to remain in the province and therefore maximize the ability of guest and indigenous productions to maximize their use of the tax credit. This objective will continue to be reached through professional development initiatives and the management by the NLFDC of the deeming clause of the tax credit.

The NLFDC will ensure that the best results for Newfoundlanders and Labradoreans as a whole come from the film production activity that occurs in this province – but its first duty is to foster production itself and ensure the development of future production. Certainly the focus for the NLFDC has been, along with producers and other organizations, to move forward as an industry in a changed environment.

In terms of how to maximize the economic benefits to Newfoundland and Labrador from production of all sizes, there are a number of key areas that the NLFDC has to continue to focus on.

First and foremost, is to ensure that the most residents of our province possible work on any given project. A competitive tax credit assists this, but there must be competent, qualified people to fill the positions. This is more of a challenge in years of lower production activity, as film professionals may leave the province to seek employment. Like all industries in NL, there have been new challenges presented, in that the lucrative job market in other fields in other provinces has been so apparent. Nevertheless, the NLFDC has focused on the development of film professionals, and a number of professional development initiatives and partnerships have ensured that emerging and intermediate crew and filmmakers continue to strongly develop in this province into the future leadership.

The professional development has other priorities for the upcoming three year period as well:

- A set safety and protocol workshop in Clarenville in partnership with the Discovery Trails Association
- Visits to the College of the North Atlantic's Bay St George Campus to ensure the continued growth of their fledgling Media Arts Centre
- Sponsorship of a 16 mm film workshop in Stephenville for students of the College of the North Atlantic's Film and Video program
- Locations Workshops in Clarenville in partnership with the Discovery Trails Association
- Working closely with Grenfell College (Theatre Arts Program) to pursue film specific training

- Sponsorship of various production requests for training in specialized technical techniques

Much of the production activity in Newfoundland & Labrador has traditionally occurred outside St. John's and the NLFDC is committed to continuing to address the film professional development needs of the whole province. A great deal of the large scale productions that have occurred in this province since the creation of the NLFDC have taken place in rural Newfoundland, with obvious benefits – from direct jobs to indirect economic activity to promotion of Newfoundland as a tourism destination. We expect this to continue with projects now in development and likely to be produced with our support.

Secondly, the NLFDC must ensure new training initiatives will be undertaken. For 2008/11, the NLFDC will pursue two main initiatives:

1. CFTPA Atlantic Mentorship Program – Hoping to build on the success of the previous years Atlantic Mentorship Program, the NLFDC will once again place two aspiring producers with established production companies in the province – with a focus on emerging talent.
2. Picture Start Program - The NLFDC is currently working with NIFCO and Telefilm Canada to continue with 2007/08's Picture Start Program (to complement the existing First Time Filmmakers Program). This program further advances professional development efforts in the province. This program is designed to give emerging filmmakers the tools and training needed to advance their producing, directing and writing skills by making a short film. Through the program, participants are guided by a staff mentor, receive classroom training and on-set mentoring by industry professionals, and access state of the art editing facilities at NIFCO.

Thirdly, the NLFDC has sponsorship funding available to assist industry participants with:

- Travel assistance to market their skills/products globally
- Assist with marketing related expenses
- Funding to attend professional development workshops

The NLFDC's goal is to invest the sponsorship funding in order to maximize value for the development of the local technical and creative talent.