



Business Plan:

2014-2017

Prepared by:

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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 2014-17 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.

This has been a period of many notable achievements and continued strength. The NLFDC reports a total of over \$41 million in film and television production activity in the province in the fiscal year 2012-13. This is the highest one-year total of film and television production activity since the creation of the corporation in 1997.

On average, over 70% of the funds used to make large-scale film and television productions are leveraged from outside Newfoundland and Labrador. This is new money, national and international film and television specific investments that would go to production activity in other jurisdictions if it weren't invested here. By the end of 2012-13, \$260 million in total production activity has leveraged over \$200 million into the province's film and television sector since 1997.

Some of the most notable projects shot in Newfoundland and Labrador in the last year include, two continuing series by Best Boy Entertainment – Pet E.R. and Mickey's Farm; Rock Island Production's feature film adaptation of the Governor-General's Award winning local novel Hold Fast; the fifth year of the NLFDC/NIFCO/Telefilm Canada short film production program "Picture Start" and a number of local documentaries. In addition, Morag Loves Company's "The Grand Seduction" starring Brendan Gleason, Taylor Kitsch, Gordon Pinsent and Mark Critch; shot almost exclusively on the Trinity-Bonavista peninsula, this \$13 million production was the highest budget all-Canadian feature shot in the country last year; and season four of hit CBC series Republic of Doyle, which accounted for just over half of the total production activity in the province last year.

The film and television production community is getting ever stronger in this province, with established filmmakers combining with an energetic new generation of producers, talent, and crew to create motion pictures we can all be proud of. This could not happen without the vision and leadership of successful sectoral organizations such as the Newfoundland Independent Filmmakers Co-operative (NIFCO), the St John's International Woman's Film Festival, the Nickel Independent Festival, and the Producers Association of Newfoundland and Labrador (PAN).

As well, the many positive results of a variety of project partnerships forged by the film and television industry with the Government of Newfoundland and Labrador, as well as the College of the North Atlantic Bay St George Campus and Memorial University Grenfell Campus, cannot be over-emphasized. Each of these initiatives have played a significant role in developing the industry overall.

2013-14 was not without its challenges. Increased production activity continues to require an increased focus on capacity building especially in the areas of crew

*Newfoundland & Labrador Film Development Corporation
Government Entity Business Plan*

strength and infrastructure. As well, meeting the current demand on the Equity Investment Program and the Film and Video Tax Credit requires very close planning within our existing fiscal and human resources.

Nationally, again this year has witnessed major revisions to the funding system, in particular the Telefilm Canada process. The full impact will not be known until next year. Furthermore, the convergence of the media landscape continues to shape a new future.



Paul Lannon
Chair, Board of Directors (NLFDC)

Section Two: Overview

The Government of Newfoundland and Labrador announced the establishment of the Newfoundland and Labrador Film Development Corporation (NLFDC) in February 1997, under the Corporations Act, and the appointment of the Board of Directors of the Corporation in March 1997. The Executive Director of the Corporation was appointed in October 1997, and the following month the offices of the Corporation opened.

The NLFDC's mandate is to foster and promote the development and growth of the film and video industry in Newfoundland and Labrador, and to increase the national and international visibility of Newfoundland and Labrador as a location.

The NLFDC has two shareholders, each holding 300 common shares with no monetary value. The two shareholders are the Minister of the Department of Tourism, Culture and Recreation (TCR) and the Minister of the Department of Innovation, Business and Rural Development. The Executive Director/Film Commissioner of the Corporation reports to the Chairperson of the Board of Directors who, in turn, reports directly to the Minister of TCR.

The Corporation has a six-member board of directors that meet on a quarterly basis. Five are voting members, while the remaining one is a non-voting ex-officio member from TCR. The Board members are: Paul Lannon (Chairperson), Noreen Golfman, Mark Sexton, Cheryl Stagg, Colleen Kennedy and Mark Jones (TCR).

In the 2014-15 fiscal year the NLFDC has an Operating/Marketing budget of \$707,100 and a \$2,000,000 budget for use in the Equity Investment Program (EIP). In addition, administered under the EIP was the Republic of Doyle television series: Season 5 - \$1,250,000; Season 6 – \$1,250,000.

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Section Three: Values

As a Crown Corporation and a partner to the industry, the NLFDC upholds four core values:

Teamwork	We will develop Newfoundland and Labrador writers, actors, directors, producers and production crew.
Responsiveness	We will champion a sustainable Newfoundland and Labrador film industry and represent and support local producers and the production community.
Innovation	We will promote diversity in all its forms in our programs and policies. We will promote the 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.

Section Four: Mandate, Vision and Mission

Mandate

As a Crown corporation, the Newfoundland & Labrador Film Development Corporation's (NLFDC) 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 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. It fields many requests and enquiries concerning Newfoundland and Labrador as a shooting location and advises local filmmakers, production companies and crew. The NLFDC provides information on all elements 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 the past the NLFDC has chaired the Association of Provincial Funding Agencies and currently co-chairs the National Tax Credit Committee. In these ways it helps to promote the development of the industry in Newfoundland and Labrador.

Vision

A viable, 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 2017, 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. This mission supports the strategic direction of *Strengthening and Growing Our Culture*.

By March 31, 2017, the NLFDC will have continued to foster the growth and ensured stability of the Newfoundland and Labrador Film industry through work with its partners.

Measure:

Fostered the growth and ensured the stability of the Newfoundland and Labrador Film Industry.

Indicators:

- Increased production activity as a result of effective, efficient management of the Equity Investment Program (EIP).
- Worked towards improving the Film and Video Industry Tax Credit.
- Increased national and international co-production opportunities explored
- Provided professional Development opportunities for mid- level to senior film production staff.

Section Five: Lines of Business

The Newfoundland & Labrador Film Development Corporation (NLFDC) is an entity that fosters and supports the local film industry. Through its five programs, the NLFDC offers local producers and outside producers/productions the support needed to help the province's production sector to flourish. The NLFDC's Lines of Business are the Equity Investment Program (EIP), the Tax Credit, the Sponsorship Program, Professional Development and the marketing of Newfoundland and Labrador as a production-ready province.

The Equity Investment Program (EIP)

The EIP provides funding in the form of equity investment to eligible producers for the financing of productions. The NLFDC will normally provide a maximum contribution of 20% of the total production budget. In order to access these funds, applicants must be incorporated in the province and must be owned 51% or more by residents of Newfoundland & Labrador.

Co-productions with other provinces are eligible to apply for equity funding if there is a qualified Newfoundland & Labrador producer sharing the financial and creative risks and rewards throughout the development, production and distribution of the project. The Newfoundland & Labrador co-producer must retain no less than a 33% ownership position in the copyright of the production. For international co-productions, they must retain no less than 20%.

Tax Credit Program

The province of Newfoundland & Labrador offers a Film and Video Industry Tax Credit which is administered by the NLFDC. It is a fully refundable corporate income tax credit based on the amount of your production budget spent on Newfoundland & Labrador labour.

The tax credit is calculated as 40% of the total eligible labour expenditures to a maximum of 25% of the total eligible production budget. The tax credit has an additional feature called the "Deeming Provision" wherein amounts paid to non-residents in key positions may be included in the tax credit calculation when a qualified resident is not available and the non-resident serves as a mentor of a resident of the province.

Sponsorship Program

The NLFDC's Sponsorship Program is designed to foster and promote the development and growth of the local film and video industry participants. The program provides 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.

Professional Development

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. The industry analyst also administers the Deeming Provision of the Tax Credit (described above) which supports these efforts.

The deeming clause of the tax credit is an essential tool in the province to enhance the professional crew base. Through this clause, a portion of the salaries of outside senior crew who train local personnel becomes eligible for the tax credit.

Other partnerships that frequently support professional development for the local film industry include Newfoundland Independent Filmmakers Cooperative (NIFCO), the St. John's International Women's Film Festival, the Nickel Independent Film Festival, College of the North Atlantic Film and Video Program, Sir Wilfred Grenfell College, the Canadian Media Production Association, Telefilm, the National Screen Institute and the Banff Centre.

Marketing Newfoundland and Labrador

The Newfoundland & Labrador Film Development Corporation (NLFDC) supports the provincial film industry's ability to solicit and attract business by nationally and internationally marketing our industry and the province itself as an on-site location. Shooting on location requires access to high-calibre 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. The NLFDC is responsible for promoting the province's ability to provide all of these features and to accommodate large-scale production.

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

- Berlin International Film Festival; The Cannes Film Festival; Banff World Television Festival; Produced By Conference (Los Angeles); Toronto International Film Festival; Strategic Partners (at the Atlantic Film Festival); American Film Market (Los Angeles); and strategic trade missions.

The NLFDC will continue to reach the markets offered by these events and also plans to attend other innovative industry events that will help promote the province.

Section Six: Clients

The Newfoundland & Labrador Film Development Corporation's (NLFDC) main focus is the continued growth of the Film Industry in Newfoundland & Labrador. To ensure this growth the NLFDC has identified 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 NLFDC's primary clients are Newfoundland and Labrador film and television producers. The NLFDC provides advice and represents local producers at global industry events. On behalf of these local producers, the NLFDC advocates for sustained industry growth to provincial and federal organizations. By implementing the Equity Investment Program (EIP), the Tax Credit Program, and Sponsorship Program, the NLFDC seeks opportunities to create a greater industry presence.

The NLFDC's secondary clients are resident crew members. Both Above-the-Line (writers, directors, and producers) and Below-the-Line (technical crew) personnel benefit from the NLFDC's many professional development opportunities. Film personnel are able to enrich their skills through the many different workshops facilitated by the NLFDC and their partnerships. These include technical workshops and classes focusing on the creative side of filmmaking which are offered across the province.

In addition there are secondary clients related to marketing our industry and the province itself as an on-site location. These clients would include producers and location scouts both nationally and internationally who would like to shoot a guest production in Newfoundland and Labrador and/or are seeking co-production opportunities with this province.

Section Seven: Priority Issues

The Priority Issues of the Newfoundland & Labrador Film Development Corporation (NLFDC) derive from the uniqueness of the film industry in Newfoundland and 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 proactive 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.

Currently, the priority issues for the NLFDC and the industry in the province can be summarized as increasing local investment through the Equity Investment Program, effective management of the Tax Credit, national and international marketing and professional development in the industry. These four areas of concentration will help ensure that the Corporation is able to address Government's strategic direction of "Strengthening and Growing Our Culture".

EQUITY INVESTMENT PROGRAM (EIP)

To support Newfoundland and Labrador based production, NLFDC will provide production assistance in the form of Equity Investment to eligible producers for the financing of productions. Equity Investment means a financial contribution by the NLFDC, which shall be repaid from earned revenue resulting from the production.

NLFDC funding programs are designed to assist and promote the development of the indigenous film and video industry in Newfoundland and Labrador. The eligibility criteria are designed to ensure maximum employment and growth in the Newfoundland and Labrador Film and Video Industry.

Issue 1: Equity Investment Program:

By March 31, 2017, the NLFDC will have effectively managed and administered the Equity Investment Fund.

Measure: Effectively managed and administered the Equity Investment Fund.

Indicators:

- **Managed the Equity Investment Fund to promote an increased range of diverse productions shot in the province**
- **Broadened the seasonal range of production activity**
- **Supported projects that maximize the economic impact to the province.**

Objective 1: By March 31, 2015, the NLFDC will have invested in a large scale co-production/co-venture feature film.

Measure: Invested in a large scale co-production/co-venture.

Indicator:

- Co-production agreement executed
- Hired local crew
- Approved Equity Investment Program and Tax Credit applications

Objective 2: By March 31, 2016, the NLFDC will have assessed the competitiveness of the Equity Investment Fund to support other large scale TV productions.

Objective 3: By March 31, 2017, the NLFDC will have assessed and made recommendations to Government for improvements to the Equity Investment Fund.

FILM AND VIDEO TAX CREDIT

The film and video industry tax credit became effective in January 1999. It is a fully refundable corporate income tax credit administered on behalf of the Department of Finance by the Newfoundland & Labrador Film Development Corporation (NLFDC). This type of program is an integral ingredient of film financing throughout Canada and allows each province's economy to pull in new investment and create high-quality employment. 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.

Issue 2: Film and Video Tax Credit:

By March 31, 2017, the NLFDC will have effectively managed the Film and Video Industry Tax Credit.

Measure: Effectively managed the Film and Video Industry Tax Credit

Indicators:

- **Decreased time required to complete final review of applications**
- **Assessed the competitiveness of the tax credit**
- **Assessed the effectiveness of the administrative process of the deeming component.**

Objective 1: By March 31, 2015, the NLFDC will have assessed effectiveness of the administrative process associated with review of tax credit applications.

Measure: Assessed effectiveness of the administrative process associated with review of tax credit applications.

Indicator:

- Internal assessment completed to determine the efficiency of the administration of the tax credit.

Objective 2: By March 31, 2016, the NLFDC will have assessed the effectiveness of the deeming provision.

Objective 3: By March 31, 2017, the NLFDC will have assessed the competitiveness of the effective tax rate.

NATIONAL/INTERNATIONAL MARKETING

Participation in international markets to promote Newfoundland and Labrador productions and producers addresses the goals of the Newfoundland & Labrador Film Development Corporation (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.

The importance of market events and festivals is recognized as fundamental and critical to participation in the film and television industry. Strategically, the NLFDC will participate in the markets in which Telefilm Canada participates for promotion of Canadian works and provides an umbrella booth.

Issue 3: National/International Marketing:

By March 31, 2017, the NLFDC will have explored new co-production opportunities both nationally and internationally.

Measure: Explored new co-production opportunities.

Indicators:

- **Assessed whether or not current market events attended are effective.**
- **Identified and explored other possible co-production opportunities through other markets/events.**
- **Attended the Markets/Events that have been identified for possible co-production opportunities.**

Objective 1: By March 31, 2015, the NLFDC will have assessed the effectiveness of the current Market/Events attended.

Measure: Assessed the effectiveness of current Markets/Events attended.

Indicators:

- An analysis completed on the benefits of the current Markets/Events attended.
- Monitored co-production opportunities that officially went into development as a result of attending Markets/Events.

Objective 2: By March 31, 2016, the NLFDC will have identified potential new markets for co-production opportunities.

Objective 3: By March 31, 2017, the NLFDC will have determined which markets/events that will be attended.

INDUSTRY DEVELOPMENT

The Newfoundland & Labrador Film Development Corporation's (NLFDC) long-term aim is to develop one full Newfoundland and Labrador crew, 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.

First and foremost, is to ensure that as many provincial residents as possible work on any given project. A competitive tax credit assists this, but there must be competent, qualified people to fill the positions. 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. Another of the NLFDC's aims is to invest the sponsorship funding in order to maximize value for the development of the local technical and creative talent.

Issue 4: Industry Development:

By March 31, 2017, the NLFDC will have implemented initiatives to develop the creative and technical capabilities of industry professionals.

Measure: Implemented initiatives to develop creative and technical capabilities.

Indicators:

- **Assessed required support and training for industry professionals.**
- **Held industry prioritized workshops for industry professionals.**

Objective 1: By March 31, 2015, the NLFDC will have increased screenwriter professional development opportunities.

Measure: Increased screenwriter professional development opportunities.

Indicators:

- Identified specific types of effective screenwriting workshops.
- Developed appropriate workshops for screenwriters.
- Carried out identified workshops for screenwriters.

Objective 2: By March 31, 2016, the NLFDC will have fostered the growth of the position – Line Producers by increasing professional development opportunities.

Objective 3: By March 31, 2017, the NLFDC will have improved the skill level of the Assistant Director (AD) Department by increasing professional development opportunities.

Appendix: 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:

Title: Strengthening and Growing Our Culture

Outcome: A strengthened cultural sector that preserves our tangible and intangible heritage, celebrates our creativity, and grows our cultural enterprises.

Focus Areas of the Strategic Direction	This Direction is:		
	Addressed in the NLFDC's Business Plan	addressed in the NLFDC's Operational Plan	addressed in the NLFDC's Work Plan
Review and identify priority areas of the Cultural Strategy and its 10 key directions.			
Continue efforts to strengthen and support the Cultural Economic Development Program (CEDP)			
Plan and support the implementation of the Provincial Government First World War Commemorations and activities that honour veterans.			
Recognize and support artists and cultural professionals.	•	•	•
Work collaboratively with the cultural sector and the tourism industry on cultural tourism.			