

**Newfoundland and Labrador  
Film Development Corporation**

**Business Plan  
2017-2020**



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## Message from the Chair

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As Chair of the Newfoundland and Labrador Film Development Corporation (NLFDC), I am pleased to submit the Business Plan for the Board for the next three fiscal years, 2017-2020. This Plan is prepared considering the strategic directions of the provincial government and in compliance with the *Transparency and Accountability Act* pursuant to which the Corporation has been categorized as a category 2 government entity and which requires the Corporation to prepare a performance-based business plan.

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. As well, the NLFDC has taken a lead with the province in the development of the Interactive Digital Media (IDM) industry. The Board of Directors of the NLFDC is accountable for the preparation of this business plan as well as for the achievement of the specific goals and objectives contained therein.

2017 marks the 20<sup>th</sup> anniversary of the creation of the NLFDC. In 1997, when the corporation was formed, the local film and television industry was small, ad hoc, and production opportunities were inconsistent. A crew base did not exist. The necessary infrastructure was not available. Local production companies did not have the wherewithal to take on large productions even if the possibility existed.

Today, we are in a period of sustained success. As of April 1, 2017, the local industry averages between \$40 and \$50 million in production activity annually. The total production activity in Newfoundland and Labrador since the creation of the NLFDC now surpasses \$400 million. This means that more than 5,000 direct, indirect, and induced fulltime employment equivalencies have been created in that time.

Over 70 per cent of the funds used to create motion pictures here has been outside money, new money leveraged into this province, for the production of film and television. These investments are film and television-specific, and would go to another jurisdiction, if they were not leveraged in as a result of the development, equity, and tax credit programs that the NLFDC administers on behalf of the Government of Newfoundland and Labrador.

But beyond the substantial economic impact created, the NLFDC takes great pride in having fostered the talents of local writers, actors, directors, producers, music composers, and a whole hosts of well-paid, highly-skilled crew in production and post-production who can proudly say that they live here and work in the screen industries.

As Newfoundlanders and Labradorians, we can all be proud of such acclaimed shows as Republic of Doyle, Cast No Shadow, Grand Seduction, Maudie, Frontier, Closet Monster, Armageddon, and Riverhead, to name just some recent examples which have been national and international successes. These shows were created by Newfoundlanders and Labradorians, were made here, and not only tell our stories to the world, but in so doing,

are an industry.

Quite simply, this would not be possible without the programs of the NLFDC and the continued support of the Government of Newfoundland and Labrador. This year, Government doubled the NLFDC's equity investment fund to \$4.0 million. This recognition of the significance of the screen industries and vote of confidence in the NLFDC's intrinsic role is gratefully acknowledged. We are certain that these investments will return to the province many times over, not just economically, but culturally.

But film and television are not the only screen industries that the corporation has a significant role in developing. Since 2007, when it did an initial study for Government, the NLFDC has been a champion of local Interactive Digital Media (IDM) and has sought to see this industry grow here. In 2015, an IDM tax credit was created, to be co-administered by the NLFDC and the Department of Finance. This is another burgeoning creative sector which, like film and television, has a major impact on the Canadian and world economy, and the NLFDC looks forward to continuing to take a lead in its development in Newfoundland and Labrador.



Paul Lannon  
Chair, Board of Directors (NLFDC)

## Overview

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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.

As well, the NLFDC has taken a lead in the development of the Interactive Digital Media (IDM) in the province, through its co-administration, with the Department of Finance, of the IDM tax credit, and through marketing the local industry.

The corporation reports to the Minister of the Department of Tourism, Culture, Industry, and Innovation (TCII) who holds all of the issued shares of the Corporation. 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 TCII.

The Corporation has a eight-member Board of Directors that meet on a quarterly basis. Seven are voting members, while the remaining one is a non-voting ex-officio member from TCII. The Board members are: Paul Lannon (Chairperson), Noreen Golfman, Mark Sexton, Cheryl Stagg, Colleen Kennedy, Dan Boone, Craig Goudie, and Carmela Murphy (TCII).

In the 2017-18 fiscal year the NLFDC has an Operating/Marketing budget of \$681,000 and a \$4.0 million budget for use in the Equity Investment Program (EIP).

### Contact Information

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## **Mandate**

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As a Crown corporation, the mandate of the NLFDC 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.

In addition, the NLFDC co-administers the Interactive Digital Media tax credit with the Department of Finance.

## **Lines of Business**

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The NLFDC is an entity that fosters and supports local screen industries. Through its six 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 Film and Video Tax Credit, the Sponsorship Program, Professional Development and the Marketing of Newfoundland and Labrador as a production-ready province. As well, the NLFDC co-administers the Interactive Digital Media (IDM) tax credit with the Department of Finance, and promotes the local IDM industry nationally and internationally.

### ***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 per cent of the total production budget. In order to access these funds, applicants must be incorporated in the province and must be owned 51 per cent or more by residents of Newfoundland and Labrador.

Co-productions with other provinces are eligible to apply for equity funding if there is a

qualified Newfoundland and Labrador producer sharing the financial and creative risks and rewards throughout the development, production and distribution of the project. The Newfoundland and Labrador co-producer must retain no less than a 33 per cent ownership position in the copyright of the production. For international co-productions, they must retain no less than 20 per cent.

### ***Film and Video Tax Credit Program***

The province of Newfoundland and 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 a production budget spent on Newfoundland and Labrador labour.

The tax credit is calculated as 40 per cent of the total eligible labour expenditures to a maximum of 25 per cent 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 – Film Commission***

The NLFDC is the film commission for the province, and 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. As well, as film commission, the NLFDC is tasked to field enquiries regarding shooting and co-production opportunities in Newfoundland and Labrador

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

The European Film Market (Berlin); 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.

## ***Interactive Digital Media Tax Credit***

The NLFDC co-administers the IDM tax credit with the Department of Finance. As well, the NLFDC actively promotes the development of the provinces IDM companies and as a jurisdiction in which to create interactive digital media through national and international promotion including: E3, Gamescom, and MIGS.

## **Values**

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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.

## Primary Clients

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The NLFDC's main focus is the continued growth of the Screen Industries in Newfoundland and 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 and IDM creators. 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 Film and Video Tax Credit Program, Sponsorship Program, and the IDM Tax Credit, the NLFDC seeks opportunities to create a greater industry presence.

The NLFDC's secondary clients are resident crew members, filmmakers, and IDM workers. Both Above-the-Line (writers, directors, and producers) and Below-the-Line (technical crew) personnel and the staff of IDM companies can benefit from the NLFDC's many professional development opportunities. 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 the screen industries.

In addition there are secondary clients related to marketing our industry and the province itself as an on-site location to film or as an area to create IDM products. 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 are seeking co-production opportunities with this province. As well, the NLFDC promotes Newfoundland and Labrador IDM companies and partnerships.

## Vision

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The vision of the NLFDC is of viable, healthy and stable screen industries in Newfoundland and Labrador.

## Issues

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The Priority Issues of the NLFDC derive from the uniqueness of the screen industries in Newfoundland and Labrador. Each of these issues needs to be addressed individually in order for the industries to expand and prosper. With the ever-changing and overlapping boundaries of film, television, interactive digital media, and the financing, marketing, and technology related to each, the NLFDC needs to be proactive in order to nurture growth. 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, first, to plan for and manage continued growth in the screen industries in Newfoundland and Labrador, and second, at the 20 year mark of the corporation, to assess and update the operations of the corporation, including specific programs, job descriptions, and other operational procedures, to ensure they meet current needs and future goals.

### **Issue 1: Growth of the screen industries of Newfoundland and Labrador**

Goal 1: By March 31, 2020, the NLFDC will have effectively managed growth of the screen industries in Newfoundland and Labrador.

Indicators:

- Refocused effort on marketing/film commission role for guest productions, co-productions.
- Made recommendations for best practices for incentives.
- Focused effort on marketing interactive digital media sector.

Objective 1: By March 31, 2018, the NLFDC will have determined a renewed plan for promoting NL film, television, and IDM.

Indicators:

- Worked with stakeholders and partners to renew plan
- Ensured future activities are on target to fulfill renewed plan

Objective 2: By March 31, 2019, the NLFDC will have assessed best practices for incentives and made recommendations or changes where relevant.

Objective 3: By March 31, 2020, the NLFDC will have worked with stakeholders and partners to provide a long-term plan for the IDM industry and digital media generally.

## **Issue 2: Assess and update the operations of the corporation**

Goal 1: By March 31, 2020, the NLFDC will have assessed and updated the operations of the corporation, including programs, job descriptions and other operational procedures.

Indicators:

- Completed review of current development, equity, and tax credit program policies, procedures, and functionalities; recommendations made; approved changes undertaken.
- Completed review of current sponsorship, professional development and marketing programs, changes recommender, approved changes put in place.
- Renewed job descriptions, human resources policies; provided new organizational structure.

Objective 1: By March 31, 2018, the NLFDC will have reviewed sponsorship, professional development, development, and equity programs and will recommend changes.

Indicators:

- Recommendations approved by board of directors
- Staff implemented recommendations

Objective 2: By March 31, 2019, the NLFDC will have reviewed tax credit programs and made recommendations.

Objective 3: By March 31, 2020, the NLFDC will have aligned staff with renewed job descriptions and organizational structure.

**To Obtain a Copy of This Plan:**

**Electronic**

Website: <http://www.tcii.gov.nl.ca/publications/index.html>

**Paper**

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