

Ontario Profile 2009: An Economic Profile of Domestic Film, Television and Cross-platform Interactive Media Production in Ontario

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CFTPA

*Representing television, film
and interactive production in Canada*

ACPFT

*Porte-parole de l'industrie de la production télévisuelle,
cinématographique et interactive au Canada*



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Executive Summary

Introduction

After decades of creating a strong screen-based production industry – the largest and most diversified in Canada – Ontario has faced serious challenges over the past few years. These challenges have included consolidation among television buyers, distribution and financing challenges in the theatrical film sector, rising competition from other provinces with more favourable financial support, a service production sector that has been impacted by fluctuations in the value of the Canadian dollar, and increased competition from other provinces and the United States. Against this backdrop, Ontario’s production community has reached a consensus that its future is dependent on developing, investing in and exploiting intellectual property (IP) rights, rather than on continuing to operate on a cash-starved, project-by-project basis.

As a basis for deciding on future courses of action, *Ontario Profile 2009* is a comprehensive economic and financial view of the sector, including the following: production activity and financing; the industry’s financial performance; the industry’s economic impact on the provincial economy; the importance of copyright ownership and the impact of sharing such ownership with Canadian producers in other parts of the country; Ontario producers’ commitment to project development as a crucial element of company sustainability; and Ontario producers’ investment in technology and human capital.

Ontario Profile 2009 provides a statistical report on the production activities of Ontario companies involved in the creation and production of films, television programs and cross-platform interactive media products. The latter category includes financial and operational data for Canadian Film and Television Production Association (CFTPA) members who are active in the cross-platform interactive media space, by either being directly involved in developing and producing cross-platform interactive media or through third-party suppliers. However, because the figures are derived solely from *Ontario Profile 2009*, they do not represent the total amount of interactive media production activity in the Province. Additional sources for cross-platform interactive media – or digital media – production activity in the Province include: (i) CIAIC 2008

Canadian Interactive Industry Profile, and (ii) Ontario Interactive Digital Media Tax Credit (OIDMTC).¹

Production Activity and Financing

Based on *Ontario Profile 2009* survey results and Canadian Audio-Visual Certification Office (CAVCO) data, Ontario's producers were responsible for \$897 million of domestic television, film and cross-platform interactive media production volume in 2007/08. Of this amount, \$776 million was accounted for by domestic television production.² Ontario was Canada's leading province for English-language television production, representing 53% of the national volume. Fiction was the province's largest genre by dollar volume, and the documentary genre was the fastest-growing CTF-supported genre over the last decade. However, recent declines in the province's production of television series in the fiction and documentary genres are worrisome trends.

Of the total overall production volume in 2007/08, \$102 million was for theatrical film production, or 38% of the total theatrical film production volume in Canada. Cross-platform interactive media production volume for projects associated with or originating from domestic television and film content owned by Ontario-based producers amounted to an estimated \$19 million in 2007/08.

Financial Performance

Ontario's production companies earned an estimated \$152 million in revenues in 2007/08. Seventy percent of these revenues were derived from producer fees,³ while distribution revenues⁴ represented 12% (\$18 million) of the total revenues.

¹ None of these sources are totally comprehensive, but the Ontario Profile 2009 is viewed as the most pertinent. The CIAIC study includes a much broader range of products, technologies, and services undertaken by companies that are outside of the CFTPA's Ontario membership. The OIDMTC tax credit figures only cover projects related to television properties that availed themselves to the tax credits.

² This figure reflects levels of domestic independent production and does not include the budgets of foreign location production. It also does not include any in-house production by broadcasters.

³ Producer fees are earned by a production company from the production of a television program, film or cross-platform interactive media project. They include producer fees and any project budget allocations for production-company overhead. They do not include producer fees that have been permanently deferred in order to complete the financing of a production.

⁴ The term "distribution revenue" is used here to refer to the revenue derived from licensing the IP product to broadcasters, exhibitors or distributors that are outside the financial structure of the project. Inside the financial structure, there are "licensing fees" paid by broadcasters, which make up part of the project budget from which producer fees are derived.

While Ontario producers derived the majority of their revenues in the form of producer fees earned within Canada, their licensing revenues of \$18 million were earned largely from outside of Canada: 22% of sales came from the U.S. and 47% came from other countries. The balance of 31% came from within Canada.

Economic Impact of Ontario's Production Industry

Overall, Nordicity calculates that Ontario's screen-based production industry generated over \$696 million in provincial gross domestic product (GDP) in 2008 and 12,200 full-time equivalent jobs (FTEs) throughout the Ontario economy.⁵ This total economic impact is comprised of \$379 million and 6,500 FTEs directly from production activity, and \$318 million and 5,700 FTEs in spin-off economic impact from that production activity.

As noted earlier, Ontario producers account for more production activity than occurs inside the province since a big chunk of it was spent in other provinces. Only the economic impact of the activity that did occur in the province is reflected in the GDP numbers above.

Importance of Copyright Ownership for the Industry

Because of favourable tax credits and other advantages offered by several other provinces, Ontario producers collaborate extensively with their counterparts in other provinces. There is also an inflow of inter-provincial co-production into Ontario which results from producers in other provinces collaborating with Ontario-based production companies to develop and produce story ideas. While there are sound creative reasons for some of this co-production activity, over time this practice may cause Ontario to lose production activity, revenue, jobs and training opportunities to other provinces.

Based on data provided by the OMDC, of the roughly \$200 million in inter-provincial co-production volume involving an Ontario-based producer in 2008, approximately 50% of the budget was spent on production expenditures (including labour) in other provinces.⁶ As well, the sharing of copyright with out-of-province producers implies that

⁵ These figures are based on **domestic** production **spend** (as opposed to total **budget volume**) and do not include the budgets of foreign location production and in-house production projects. The figures are Nordicity estimates based on data from CAVCO, Statistics Canada and the Conference Board of Canada. Please refer to Appendix B for methodology details.

⁶ Inter-provincial co-production data were provided by special request from the OMDC for the purposes of this report.

Ontario producers forego tens of millions of dollars of distribution revenues because the entitlement to these revenues is based on the division of copyright ownership between the producing parties.

Development of Intellectual Property: The R&D of Screen-based Production

For the screen-based production industry, the development of new projects is essential to the creation of new intellectual property (IP). Project development is the screen-based production industry's main form of research and development (R&D), and provides the basis for its ability to create globally competitive films, television programs and cross-platform interactive media products. Other R&D activity includes formal and informal methods of gathering market/buyer information (such as attending industry markets, liaising frequently with buyers and observing sales trends), testing digital storytelling techniques, and exploring new distribution platforms and financing methods.

At present, the respondents to the *Ontario Profile 2009* survey have invested nearly \$50 million in over 1,400 development projects for new screen-based content.⁷ Approximately one-third of this amount is derived from the cross-platform interactive media segment, where the ratio of development budgets to total production volume is far higher than it is for television or theatrical film projects.⁸ The relatively faster growth of Ontario's cross-platform interactive media sector compared to the film and television production sectors will inevitably drive up the need for development financing for the screen-based industry as a whole.

Investment in Technology and Human Capital

By increasing the technological and human capital capacity of their operations, Ontario producers can be better positioned to engage in content innovation, to develop new distribution channels and to realize the revenue potential of their content assets across all platforms.

⁷ This amount is the estimated current total and reflects the accumulation of many years of development activity. The number of years of development activity was not specified in the *Ontario Profile 2009* survey from which the estimate is derived. It is important to note that producers' initial development investments are typically paid to writers and directors for their creative contributions to the multi-year process of transforming a concept into a media property.

⁸ It is important to note that the definition of the "development phase" may differ in cross-platform interactive media and television/feature film production processes.

Like companies in other industries, production companies invest in computer hardware and software products in order to increase their potential to grow and deliver their products and services in a more efficient manner. Respondents to the *Ontario Profile 2009* survey reported that they invested an estimated \$9 million in computer hardware and software in 2008.⁹

Given the fluctuations in production activity, it is common for production companies to draw on temporary and contract labour to fill their staffing needs; they also make extensive use of interns. Ontario's production companies invested just under \$2.5 million in training, internships and mentoring programs in 2008, more than double that of the previous year.¹⁰

Training and mentorships can go a long way towards building the skills and experience of younger workers in the production industry. However, the survey results showed that Ontario's production companies still face significant challenges in hiring qualified senior personnel in the areas of business affairs, development, accounting and finance, and sales and marketing.

⁹ Estimates based on *Ontario Profile 2009* survey data.

¹⁰ Ibid.

1 Introduction

1.1 Context for *Ontario Profile 2009*

The recession and new digital platforms challenge Ontario producers to undertake the transition to a rights management business model

This economic profile has been prepared at a critical juncture in the development of the Ontario film, television and cross-platform interactive media production sector (the “screen-based production sector”). In fostering a strong domestic and service-production industry sector, Ontario producers have encountered sobering challenges over the past few years:

- The domestic production sector, mainly television, faces a buyer segment that has consolidated and, with this increased leverage, has forced producers to assign greater rights to broadcasters for longer periods of time – thus making it difficult for producers to exploit their rights in other markets.
- The theatrical film sector, while achieving some critical and market success, continues to face significant distribution, exhibition and financing challenges, including a public-support system that has not grown significantly in the past decade.
- Rising competition from other provinces is pulling Ontario producers more and more into inter-provincial co-productions in order to access more favourable financial terms, thus siphoning off a portion of the production activity that would otherwise occur in Ontario.
- Service production has been impacted by the rising Canadian dollar and, again, more competition and incentives from other provinces, the United States and international jurisdictions.¹¹

Nevertheless, Ontario’s screen-based production industry is deep in talent and creative teams in all genres of production, and has been successful in tapping into international financing sources. The province is known for its world-famous industry expertise and facilities at all stages of production and post-production. Ontario remains the decision-

¹¹ Tax incentives are seen to be key to maintaining U.S. production levels. For example, Georg Szalai of the *Hollywood Reporter* (April 21, 2009) writes that U.S. Congressman Steve Scalise from Louisiana recently suggested the U.S. government do “something on the jobs side” incentives-wise to avoid job migration to such countries as Canada, Ireland and New Zealand instead of giving out additional production tax credits.

making centre for all the major English-language broadcasters that commission projects, and it has the most sophisticated financial and professional services support. As well, Ontario hosts competitive studio production facilities, post-production services, animation and special effects studios, and a budding digital cross-platform interactive media services sector. In fact, Ontario's talent is deep across all creative sectors – an especially important factor in the new digital era. Overall, Ontario is the heart of the screen-based production industry in Canada and is the only location with the critical mass of range and depth in terms of creative content development and production, services and facilities, training institutions and cultural diversity.

The Ontario government has supported the screen-based production industry largely through tax credits, which it has increased in recent years to maintain the province's competitive position. Ontario's Innovation Agenda places the creative industries at the centre of priority economic development and underpins the creative industries with cross-creative industry support mechanisms to enable the province to develop into a global digital media centre.¹²

In the 2009 Ontario Budget, the McGuinty government announced \$10 million in additional funding for the development of IP in Ontario's screen-based production sector.¹³ This pilot program, introduced in 2009, provides Ontario-based companies with refunds to offset the costs associated with IP development. This initiative follows another recent pilot program for content development funding, the OMDC Screen-based Content Initiative, that was notably oversubscribed. The OMDC Screen-based Content Initiative received applications for over 360 projects and awarded 60 of them.¹⁴

At the same time, the global economy is undergoing an economic recession, which is affecting every aspect of economic activity. Ontario producers face an economic environment of delayed production decisions by television networks absorbing the decline in advertising revenues, reductions in the amount of the episodes acquired by broadcasters, lower anticipated foreign revenues and financing, a freeze-up in credit instruments in some circumstances (especially international sources) and general

¹² See the Ontario Ministry of Research and Innovation's *Seizing Global Opportunities: Ontario's Innovation Agenda* (<http://www.mri.gov.on.ca/english/programs/oia/documents/Ontario%20Innovation%20Agenda.pdf>).

¹³ Ontario Ministry of Finance, *Ontario Budget 2009: Background*, March 26, 2009, downloaded at <http://www.fin.gov.on.ca/english/budget/ontariobudgets/2009/bk_jobstomorrow.pdf>, October 5, 2009, p. 5.

¹⁴ See <http://www.omdc.on.ca/AssetFactory.aspx?did=6411>.

investor caution. In this challenging economic climate, it is timely to take stock of the Ontario screen-based production sector and to ascertain its strengths and weaknesses.

Over the last few years, Ontario's screen-based production community has reached a consensus that its future is dependent on developing, investing in and exploiting IP rights, rather than on continuing to operate on a cash-starved, project-by-project basis. While the current recession will make it more difficult to reach objectives of production-company sustainability, this economic profile provides industry stakeholders with statistics and insights that may help them make better-informed decisions regarding the future directions for the screen-based production industry.

1.2 Economic Profile Outline

The following economic profile begins with an Industry Snapshot (Section 2) that provides an overview of production and employment activity in Ontario's screen-based production industry. This Industry Snapshot is followed by more detailed statistics and research, which include the following topics:

- **Production activity and financing** in Ontario, which shows a disparity between the amount of production spend in Ontario and the total volume of production by Ontario producers;
- **Financial performance** of Ontario producers, specifically the amount of producer sales revenues and gross distribution revenues that emanate from outside of Canada;
- **Economic impact** of the production spend in Ontario, including direct and spin-off economic activity measured in terms of gross domestic product (GDP) and employment;
- **Importance of copyright ownership** from the perspective of sharing such ownership with Canadian producers in other parts of Canada;
- **Development** spending that serves largely as research and development (R&D) for the production sector; and,
- **Investment in technology and human capital**, which reveal the increasing levels of investment being undertaken by the production sector.

2 Industry Snapshot

2.1 Number of Production Companies

With close to 200 production companies, Ontario is home to nearly half of Canada's producers of English-language films, television programs and cross-platform interactive media

According to the membership data from the Canadian Film and Television Production Association (CFTPA), there are a total of 189 production companies currently operating in Ontario. The majority of these companies are primarily engaged in television production; however, many companies are engaged in more than one sector of the screen-based production industry. Moreover, a small group of companies have diversified into all three sectors of the industry.

- 110 companies are primarily engaged in television production.
- 53 companies are primarily engaged in producing theatrical films.
- 20 companies are primarily engaged in the production of cross-platform interactive media content.
- Five companies are actively engaged in all three sectors – television, film and cross-platform interactive media production.

Exhibit 1: Production Companies by Area of Concentration Sector

Sector	Number of companies
Television	110
Theatrical film	53
Cross-platform interactive media	20
Active in all three sectors	5
Not specified	6
Total	189

Source: CFTPA Membership Database, February 2009.

While the CFTPA membership data comprise the bulk of the film and television production industry, they reflect only a component of the cross-platform interactive media industry in Ontario.¹⁵ The 20 self-identified companies who said they were primarily cross-platform interactive media producers are those who responded to the *Ontario Profile 2009* survey (see Exhibit 2 below). Since the cross-platform interactive media or digital media sector covers more categories of firms and activities, the interactive component of the *Ontario Profile 2009* survey is a highly particular slice of the overall universe.

Exhibit 2: The Definition of Cross-platform Interactive Media

In this report, the term “cross-platform interactive media” refers particularly to cross-platform interactive media projects, such as websites, games and mobisodes (serial video content produced for mobile phone distribution), that are associated with, or originate from, domestic television and film content whose intellectual property copyright is owned by Ontario-based producers.

Cross-platform interactive media, as used in this report, refers to two segments of the interactive industry:

- Ontario-based producers of television and film content (largely CFTPA members) who are expanding their enterprises into cross-platform interactive media platforms.
- Producers of cross-platform interactive media projects where copyright is owned by Ontario-based television and film producers, for example third-party service suppliers to CFTPA member producers.

Essentially, the type of interactive production cited in *Ontario Profile 2009* constitutes “cross-platform entertainment,” a sub-category defined in the *CIAIC 2008 Interactive Industry Profile* as “digital interactive content related to content that exists on another platform (e.g., Bell Broadcast and New Media Fund projects).”

The CFTPA’s membership data also indicate that Ontario’s screen-based production industry is quite concentrated geographically. The vast majority (90%) of Ontario’s production companies are located in the Greater Toronto Area; however, the province also has a small cluster of production companies in Ottawa.

2.2 Company Size

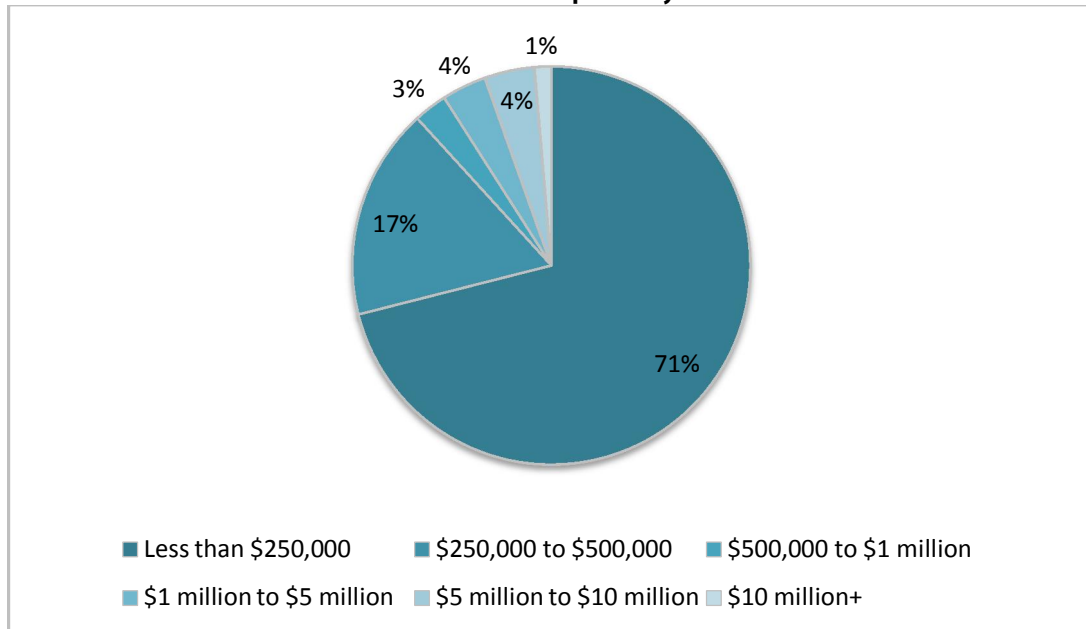
When measured on the basis of company size, Ontario’s screen-based production industry is comprised largely of small companies with revenues of less than \$250,000.¹⁶ According to CFTPA membership data, 71% of Ontario production companies earned total revenues of less than \$250,000 in 2008; 91% earned less than \$1 million in total

¹⁵ *2009 Canadian Interactive Industry Profile* estimates that “Ontario is home to approximately 950 to 1,050 interactive digital media companies...and generates between \$1.1 and \$1.2 billion in interactive digital media revenue.”, page 102.

¹⁶ The gross revenues reported in this section include revenues earned by production companies operating in both domestic production and service production.

revenues. Approximately 8% of production companies in Ontario earned between \$1 million and \$10 million in revenues in 2008, while only 1% of companies earned total revenues exceeding \$10 million.

Exhibit 3: Number of Production Companies by Size of 2008 Revenues*



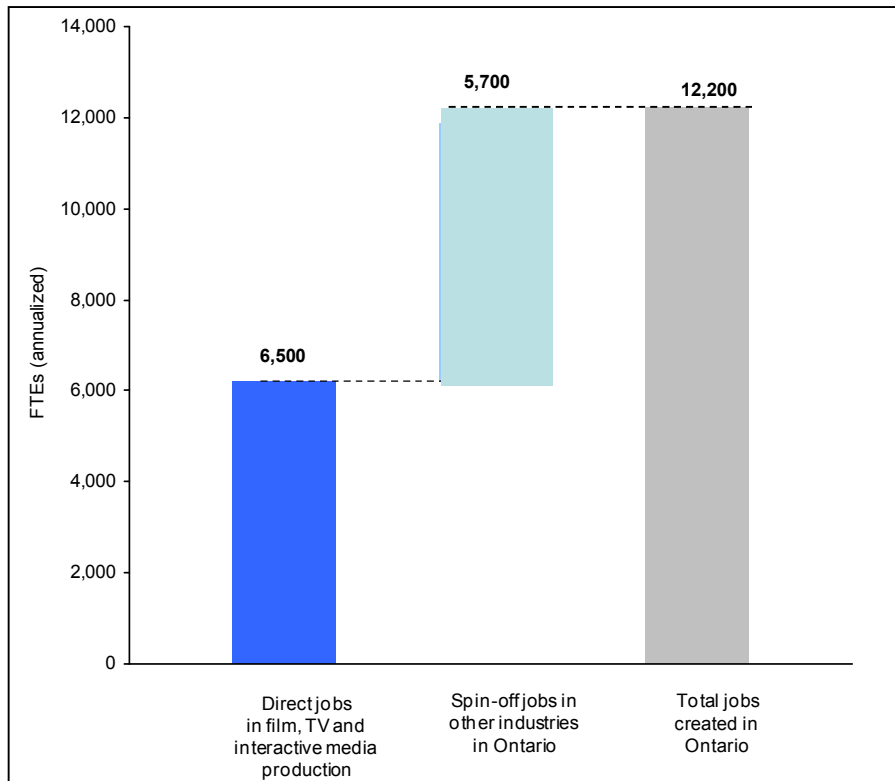
Source: CFTPA Membership Database, February 2009.

*Revenues include revenues from domestic and service production.

2.3 Job Creation and Employment

All told, the screen-based production industry in Ontario led to the creation of 6,500 full-time equivalent jobs (FTEs) in production, and a further spin-off of 5,700 FTEs in other Ontario industries.

Exhibit 4: Economic Impact of Screen-based Production in Ontario, Job Creation, 2007/08



Source: Nordicity estimates based on data from CAVCO, *Ontario Profile 2009* survey and Statistics Canada.

For the purposes of *Ontario Profile 2009*, Nordicity's provincial television, film and cross-platform interactive media employment estimates are based on in-province production spending levels. There are differences in the estimation methodologies found in this report and in other reports prepared by Nordicity; these differences yield different results for the employment figures – see the explanations, methodologies and employment figures in the following charts.

Exhibit 5: Production Volume vs. Production Spend

Ontario's production activity is measured on two bases: *production volume* and *production spend*.¹⁷

- **Production volume** refers to the dollar value of budgets for films, television programs and interactive-media projects produced by Ontario-based producers in Canada.
- **Production spend** refers to the dollar value of expenditures made by Canadian-owned companies on films, television programs and interactive-media projects produced in Ontario.

Exhibit 6: Comparison of Employment Statistics in Industry Publications

Production spend	Employment statistics	Description
<i>Ontario Profile 2009</i>	6,500 direct FTEs	This statistic is an estimate of the total number of FTEs generated by screen-based production (film, television and cross-platform interactive media) within Ontario. Because it is based on the value of production <i>spend</i> , rather than production volume (total budgets), it will be lower than estimates found in other industry publications. As well, it will differ from statistics in other industry publications because it excludes certain segments of the film, television and cross-platform interactive media industries.
CFTPA, <i>Profile 2009</i> (p. 15)	18,600 direct FTEs	This statistic includes the estimated total number of FTEs employed by Ontario-based companies in all film and television production, including Canadian content production, service production and broadcaster in-house production. It is largely based on the location of the production company rather than the location of the production spending.
CIAIC, <i>2008 Canadian Interactive Industry Profile</i> (p. 20)	16,000 direct FTEs	This estimate of direct FTEs includes not only direct employment in the creation and production of cross-platform interactive media content for the screen-based industries, but also employment in other segments of the interactive industry, including video game design and development, educational applications, marketing applications, social networking applications and interactive information services. It also includes employment in cross-platform interactive media-enabling segments, such as software design and development, content management systems, and web design and development.

Source: CFTPA Profile 2009; CIAIC, *2008 Canadian Interactive Industry Profile*; OMDC, *Industry Profile: Interactive Digital Media*, 2009.

¹⁷ *Production volume* and *production spend* differ for several reasons. The production volume statistics are estimates based on data from CAVCO and the geographic breakdown data of CAVCO data are based on the location of a producer's head office. The production spend statistics are collected by OMDC and are based on all tax-credit eligible expenditures within Ontario, regardless of the head office of the producer.

The production volume statistics also include an estimate for **domestic** Canadian television production, which occurs without the support of a federal tax credit. OMDC's production spend statistics are based solely on projects that obtained the Ontario Film and Television Tax Credit, Ontario Interactive Digital Media Tax Credit, or the Ontario Computer Animation and Special Effects Tax Credit. Service production that obtains a provincial tax credit under the Ontario Production Services Tax Credit is not included.

While production companies often employ hundreds of Ontarians during principal photography, the data from the *Ontario Profile 2009* survey indicate that the vast majority of companies employ fewer than ten persons on an ongoing full-time basis (excluding crews and freelance workers). Approximately 85% of companies reported that they employ fewer than ten full-time employees on an ongoing full-time basis. Indeed, 21% of companies reported that they have no ongoing full-time employees. Still, Ontario does have some large production-industry employers: approximately 7% of companies employ 50 or more persons on an ongoing full-time basis, and 8% of companies employ between 10 and 49 persons on an ongoing full-time basis.

Exhibit 7: Distribution of Companies by Number of Full-time Staff

	Share of number of companies
50+ employees	7%
10 to 49 employees	8%
6 to 9 employees	20%
2 to 5 employees	33%
One employee	11%
Zero employees	21%

Source: *Ontario Profile 2009* survey.

2.4 Age of Companies

Statistics for the age of Ontario's production companies indicate that those in the television sector appear to be more established, while production companies in the theatrical film sector are somewhat less-established. In the cross-platform interactive media sector, the majority of production companies have been in operation for fewer than two years.

Exhibit 8: Years of Business Operation

	Television	Theatrical film	Cross-platform interactive media
Fewer than 2 years	11%	33%	59%
2 to 6 years	25%	38%	17%
7 to 11 years	25%	10%	17%
12 to 20 years	25%	16%	7%
21 to 30 years	10%	3%	0%
31 to 40 years	3%	0%	0%
Over 40 years	1%	0%	0%

Source: *Ontario Profile 2009* survey.

In the television sector, one-half of production companies have been in operation for between 7 and 20 years; this points to an industry of relatively well-established companies. Indeed, 14% of companies have been in operation for over 20 years. One-third of Ontario’s theatrical film production companies have been in operation for fewer than two years; two-thirds have been in operation for fewer than seven years.

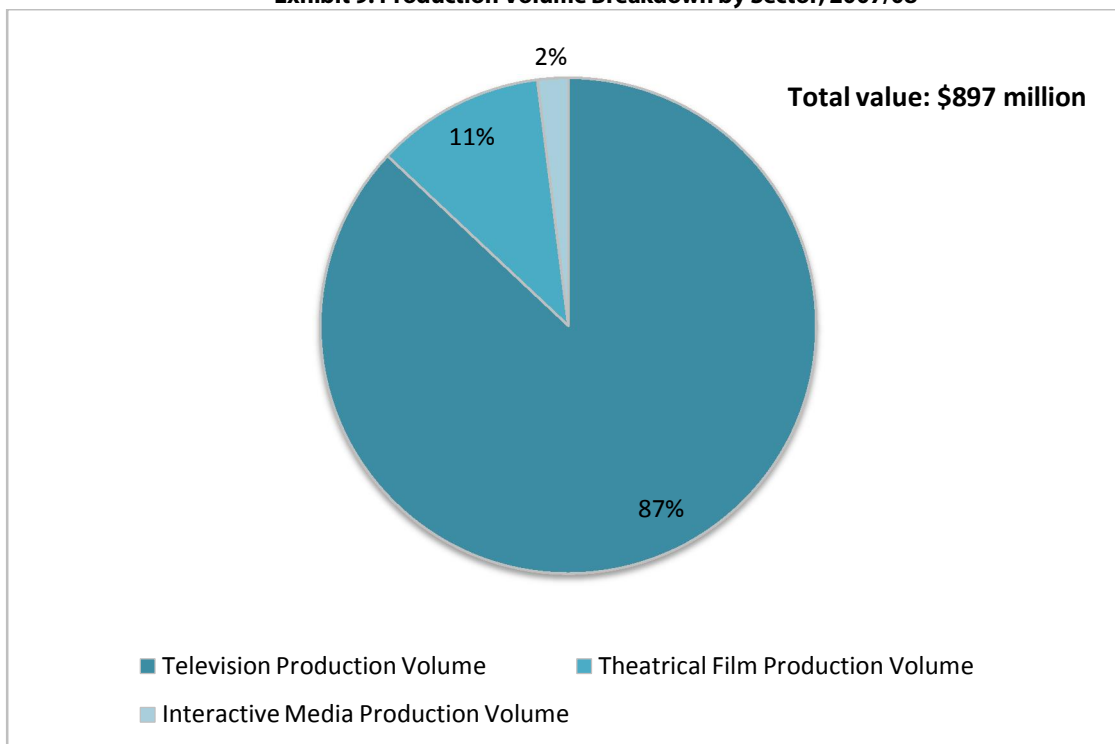
In the cross-platform interactive media sector, 59% of companies have been in operation for fewer than two years, and approximately three-quarters of companies have been in operation for fewer than seven years.

2.5 Production Volume and Activity

Total Volume of Production

Based on *Ontario Profile 2009* survey results and Canadian Audio-Visual Certification Office (CAVCO) data, Nordicity estimates that Ontario’s production companies generated over \$897 million in total production volume in 2007/08. This total comprised the following: \$776 million in television production, \$102 million in theatrical film production and \$19 million in cross-platform interactive media production.

Exhibit 9: Production Volume Breakdown by Sector, 2007/08



Source: Nordicity estimates based on data from CAVCO and the *Ontario Profile 2009* survey.

Number of Television and Theatrical Film Projects

Ontario production companies made 293 television projects in 2007/08; this level of production was well below levels in previous years. Ontario production companies also produced 22 theatrical films (predominately feature-length films) in 2007/08.

Exhibit 10: Annual Number of Television and Theatrical Film Projects

	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08
Television	254	281	341	386	386	400	407	393	351	293
Theatrical film	17	14	19	19	23	23	14	35	37	22

Source: Nordicity estimates based on data from CAVCO.

Note: The statistics for the annual number of television and theatrical film projects are based on the location of the production company as opposed to the location of production, per se. The statistics also include an estimate of the number of television projects that received Canadian program certification from the CRTC, and therefore may not have obtained a provincial or federal tax credit.

Most of the television projects made by Ontario producers in 2007/08 fell within the low-budget category. In 2007/08, television projects with a total budget of under \$1 million comprised 37% of the total number of projects. Projects with budgets under \$2 million comprised another 27%. As such, nearly two-thirds of television projects in 2007/08 had a total project budget of under \$2 million.

Exhibit 11: Distribution of Television and Theatrical Projects by Project Budget Size, 2007/08

	Television	Theatrical film	Total
Under \$1 million	37%	5%	34%
\$1,000,000 to \$1,999,999	27%	30%	27%
\$2,000,000 to \$4,999,999	21%	35%	22%
\$5,000,000 to \$9,999,999	11%	15%	12%
\$10,000,000 to \$19,999,999	4%	10%	5%
\$20,000,000 and over	0%	5%	<1%
Total	100%	100%	100%

Source: Nordicity estimates based on data from CAVCO.

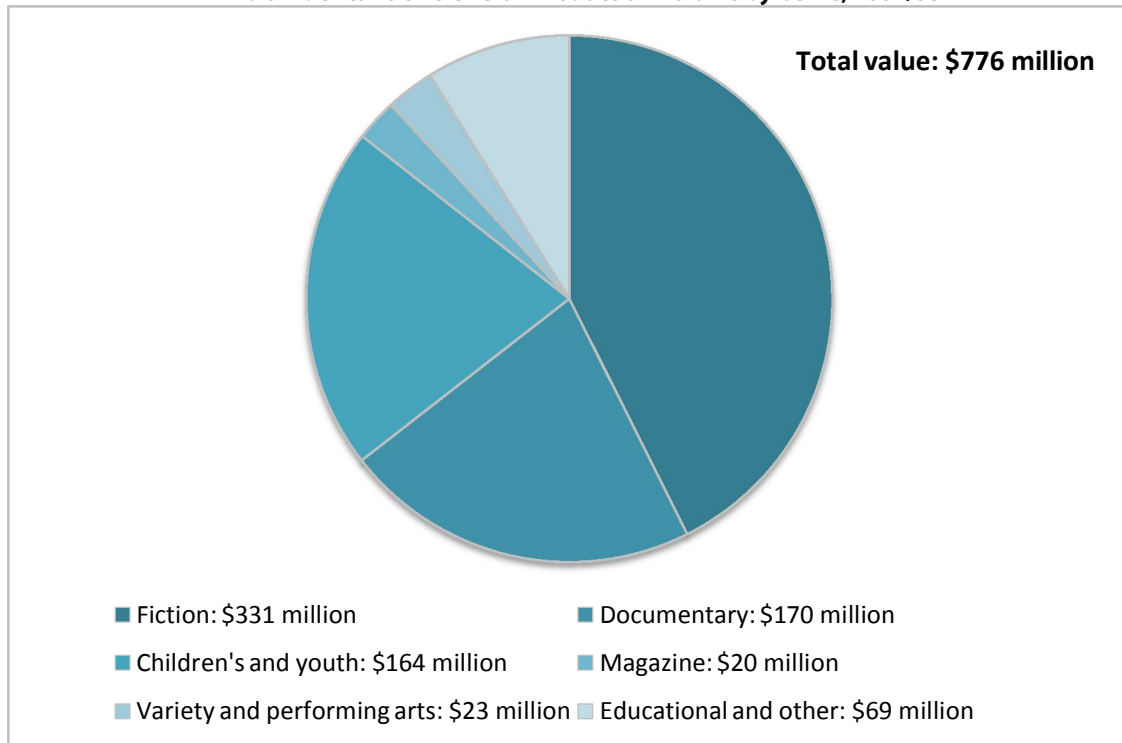
Most of the theatrical film projects made by Ontario producers in 2007/08 fell within the budget range of \$2 million to \$5 million. However, there was a small share of high-budget theatrical films produced in 2007/08, where the total budget exceeded \$10 million.

Genres of Television Production

Ontario's television production cuts across all genres. As shown in Exhibit 12, fiction leads the way – when measured by dollar volume – followed by documentary, and the children's and youth genre. The fiction genre accounted for \$331 million in production volume or 43% of total television production volume in 2007/08. The documentary genre accounted for \$170 million, or

22%, while production in the children’s and youth genre accounted for \$164 million in volume, or 21%. All other genres accounted for 14% of total production volume.

Exhibit 12: Ontario's Television Production Volume by Genre, 2007/08



Source: Nordicity estimates based on data from CAVCO.

3 Production Activity and Financing

3.1 Overview

While Ontario producers generated approximately \$900 million worth of television, film and cross-platform interactive media production volume in 2007/08, the spend in the province was just over half that amount

Ontario's production spend has typically been between 50% and 60% of production volume over the last decade. Whether by way of inter-provincial or international co-productions, or simply through the purchase of non-resident labour or services, there has been some \$400 to \$500 million of production under the control of Ontario-based producers but spent outside of the province. Since the economic impact of production is largely a function of the level of in-province production spend, the province's disparity in production spend is a source of foregone economic activity. Over time, and with the right incentive system, this disparity could shrink and the domestic impact could be improved upon. Note that the figures summarized in Exhibit 13 do not include the budgets of foreign location production and broadcasters' in-house production projects.

Exhibit 13: Ontario's Production Volume and Spend (\$ millions)

	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07*	07/08*	10- year Avg.
Production volume (CAVCO)	755	812	795	856	803	897	782	912	817	897	835
Production spend (OMDC)	396	491	468	421	504	448	475	549	499	545	480
Production spend share	52%	60%	59%	49%	49%	63%	50%	60%	61%	61%	56%

Source: Production volume statistics are Nordicity estimates based on data from CAVCO; production spend statistics are from OMDC. These figures do not include the budgets of foreign location production and in-house production projects.

*Includes estimates for the value of cross-platform interactive media production.

3.2 Total Production Volume Breakdown by Sector

In 2007/08, the vast majority of production volume in Ontario was generated by television production projects

Production activity in Ontario is predominantly comprised of television programming, followed by theatrical film production and then cross-platform interactive media production. In 2007/08, the volume of Ontario's television production was \$776 million,

or 87% of the province's total production volume. Theatrical film production accounted for \$102 million, or 11%; cross-platform interactive media production totalled \$19 million, or 2% of total production volume.

Exhibit 14: Television Production Volume by Segment (\$ millions)

	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	10- year Avg.
Television	676	779	728	766	715	777	716	705	710	776	735
Theatrical film	79	33	67	90	88	120	66	207	99	102	95
Cross-platform interactive media	--	--	--	--	--	--	--	--	8	19	--
Total	755	812	795	856	803	897	782	932	817	897	835

Source: Statistics for television and theatrical film are Nordicity estimates based on data from CAVCO; statistics for cross-platform interactive media production are Nordicity estimates based on data from the *Ontario Profile 2009* survey.

Note: Some totals do not add up due to rounding.

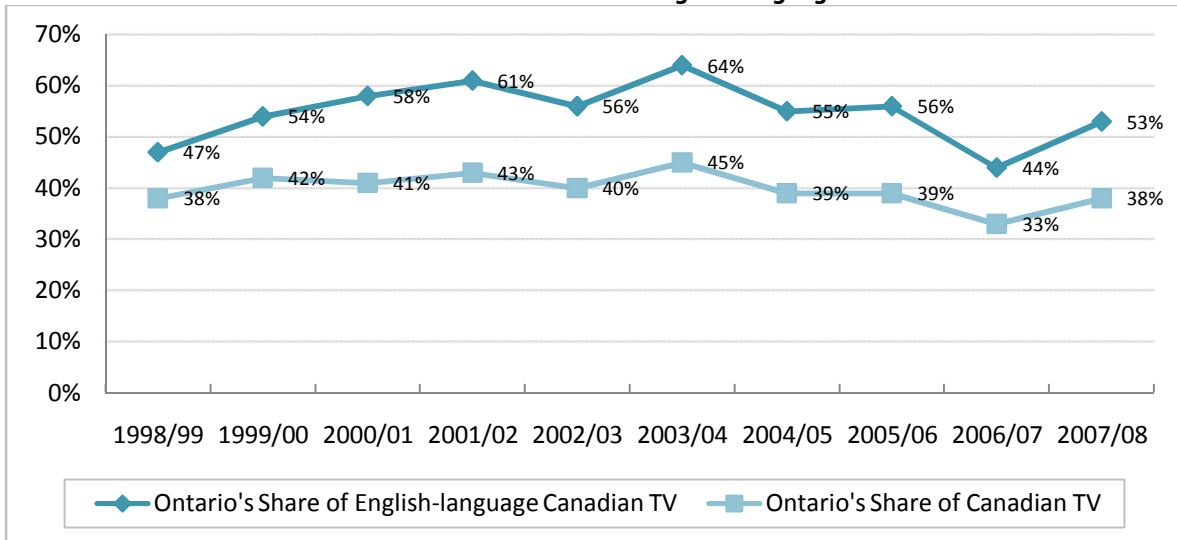
3.3 Television Production

Television production by Ontario producers accounted for over one-third of Canada's total television production volume and over half of the English language component in 2007/08

In 2007/08, Ontario producers generated \$776 million in television production, which represented a 38% share of Canadian television production volume. Over the past five years, Ontario's share of the overall amount of television production in Canada has fluctuated between 40% and 45%, making it Canada's single largest province for domestic television production.

The vast majority of television production in Ontario is produced in English. Ontario's share of English-language Canadian television production has hovered at around 55% over the past five years, and was 53% in 2007/08.

Exhibit 15: Ontario's Share of Total Canadian and Canadian English-Language Television Production Volume



Source: Nordicity estimates based on data from CAVCO.

Genres of Television Production

While fiction programming accounted for the largest share of Ontario's television production in 2007/08, the documentary genre has recently grown the fastest

Fiction was the largest genre of production in 2007/08. With \$331 million in production volume in 2007/08, it accounted for 34% of Ontario's total volume of television production. And while Ontario's fiction production volume rose by 37% over the last year, it was still below the 10-year average of \$352 million.

The documentary and the children's and youth genres are the province's second- and third-largest genres, respectively, by volume of production. Between these two genres, the documentary genre (which includes lifestyle programming) experienced the faster rate of growth over the past ten years: it grew by 111%, from \$80 million to \$170 million. During this period, it increased its share of Ontario's total television production volume from 12% to 21%.

Exhibit 16: Television Production Volume by Genre (\$ millions)

	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08	Change 06/07 to 07/08	10-year Avg.
Fiction	398	505	335	413	341	360	314	281	242	331	37%	352
<i>Percent of total</i>	59%	65%	46%	54%	48%	46%	44%	40%	34%	43%	--	--
Documentary	80	56	103	108	118	164	153	152	194	170	-12%	130
<i>Percent of total</i>	12%	7%	14%	14%	16%	21%	21%	22%	27%	22%	--	--
Children's and youth	143	166	239	190	153	164	167	177	202	164	-19%	176
<i>Percent of total</i>	21%	21%	33%	25%	21%	21%	23%	25%	28%	21%	--	--
Magazine	15	20	26	26	42	45	30	30	8	20	138%	26
<i>Percent of total</i>	2%	3%	4%	3%	6%	6%	4%	4%	1%	3%	--	--
Variety and performing arts	20	19	16	19	26	27	24	23	21	23	9%	22
<i>Percent of total</i>	3%	2%	2%	2%	4%	3%	3%	3%	3%	3%	--	--
Educational and other	19	15	9	10	36	17	28	42	43	69	60%	29
<i>Percent of total</i>	3%	2%	1%	1%	5%	2%	4%	6%	6%	9%	--	--
Total	676	779	728	766	715	777	716	705	710	776	9%	735

Source: Nordicity estimates based on data from CAVCO.

Type of Television Production

The number of television series made by Ontario producers in 2007/08 was lower than any year since 1998/99; however, production of movies of the week (MOWs) continued to be relatively strong

Ontario producers created 176 television series in 2007/08, down from 212 in 2006/07 and the lowest level since 1998/99. Production of movies of the week (MOWs) hovered at around 47 to 49 over the last three years, but that was up by a dozen over previous levels. On the other hand, mini-series production peaked three to four years ago and has since trended to lower levels.

Exhibit 17: Number of Projects by Type of Production

	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08
Series	159	183	208	217	229	225	201	228	212	176
MOW	30	32	28	29	27	28	39	48	47	49
Short film	57	55	81	118	109	121	139	103	66	48
Mini-series	6	7	19	11	14	20	16	8	12	10
Pilot	2	4	5	11	7	6	12	6	14	10
Total	254	281	341	386	386	400	407	393	351	293

Source: Nordicity estimates based on data from CAVCO.

Note: The statistics for the annual number of television and theatrical film projects are based on the location of the production company, as opposed to the location of production, per se. The statistics also include an estimate of the number of television projects that received Canadian program certification from the Canadian Radio-television and Telecommunication Commission, and therefore may not have obtained a federal or provincial tax credit.

Production of television pilots reached double-digit levels in three of the last four years, but was certainly not increasing in the way that would indicate Ontario was moving towards a U.S.-style system of television-program development, whereby numerous potential television series are systematically deselected through a competitive pilot process.

Television Series Production by Genre

Ontario producers continue to create television series in the documentary genre more than in other genres

Most of the television series made by Ontario producers were in the documentary genre; indeed, the overall decrease in the number of produced television series in 2007/08 was largely due to a significant decrease in the number of documentary series. In 2007/08, Ontario producers made 76 documentary series, down from a ten-year high of 104 in 2006/07. The fiction genre also experienced a decline in the number of television series produced over the past few years. The children's and youth genre increased the number of television series produced between 2005/06 and 2006/07, but the number of series dropped significantly in 2007/08.

Exhibit 18: Number of Television Series by Genre

	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06	06/07	07/08
Fiction	22	31	25	26	25	29	30	29	25	25
Documentary	43	48	61	76	85	88	78	96	104	76
Children's and youth	35	35	50	44	36	34	38	43	43	35
Magazine	15	11	12	10	12	12	8	8	7	8
Variety and performing arts	29	43	46	48	48	41	23	24	9	8
Educational and other	15	15	14	13	23	21	24	29	24	24
Total	159	183	208	217	229	225	201	229	212	176

Source: Nordicity estimates based on data from CAVCO.

Note: The statistics for the annual number of television and theatrical film projects are based on the location of the production company, as opposed to the location of production, per se. The statistics also include an estimate of the number of television projects that received Canadian program certification from the Canadian Radio-television and Telecommunication Commission, and therefore may not have obtained a federal tax credit.

3.4 Theatrical Film Production

Ontario producers accounted for one-half of all English-language theatrical film production over the past 10 years

Ontario producers also play a very prominent role in Canada's English-language theatrical film production segment. In 2007/08, Ontario producers generated \$102 million in theatrical film production, and accounted for a 56% share of English-language Canadian theatrical film production volume. According to Nordicity estimates based on CAVCO data, Ontario producers accounted for 38% of Canada's total theatrical film production volume (French and English).

While the 2007/08 production level was significantly lower than the ten-year high of \$207 million in 2005/06, it is above the 10-year average as depicted in Exhibit 19.

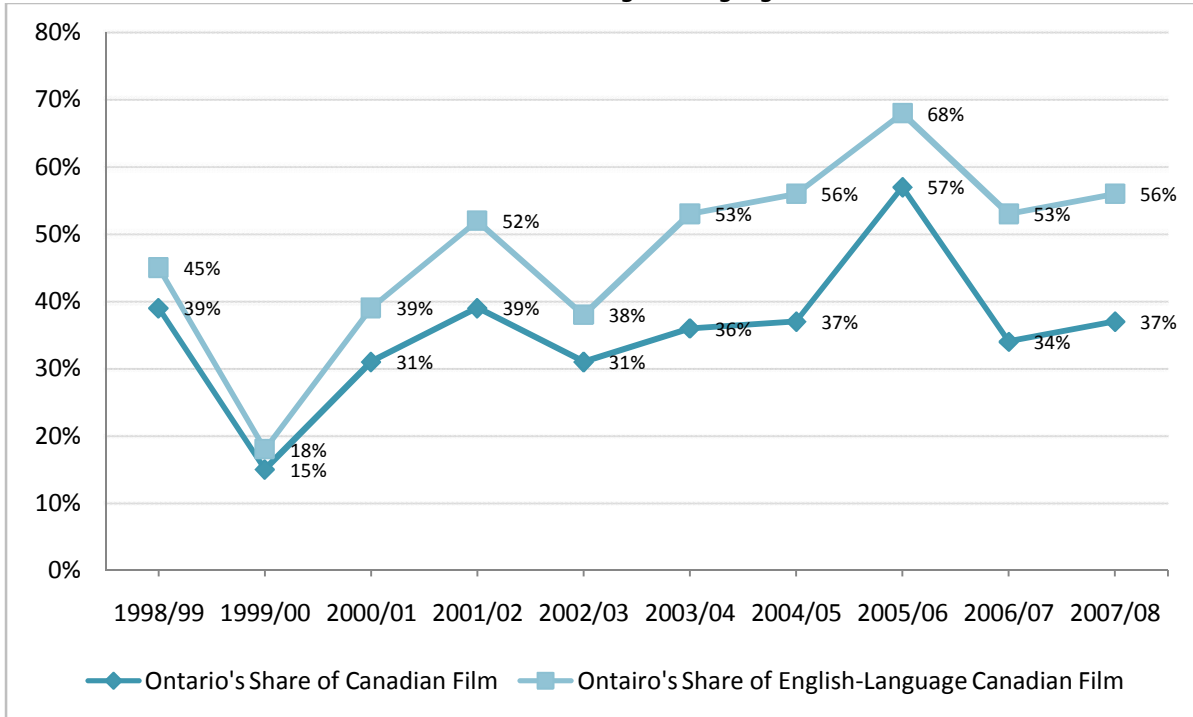
Exhibit 19: Theatrical Film Production Volume by Segment (\$ millions)

	98/99	99/00	00/01	01/02	02/03	03/04	04/05	05/06*	06/07*	07/08*	10-year Avg.
Theatrical film	79	33	67	90	88	120	66	207	99	102	95

Source: Nordicity estimates based on data from CAVCO.

*Includes estimates for the value of cross-platform interactive media production.

Exhibit 20: Ontario's Share of Canadian and Canadian English-Language Theatrical Film Production Volume



Source: Nordicity estimates based on data from CAVCO.

3.5 Cross-platform Interactive Media Production

Cross-platform interactive media production is emerging as an important part of the overall level of production activity in Ontario – estimated at nearly \$20 million in 2007/08

Cross-platform interactive media production is a burgeoning sector within Ontario. While still much lower than television and theatrical film production, it now accounts for over 2% of total production in Ontario. This figure is derived from Nordicity estimates based on data from the *Ontario Profile 2009* survey. The survey sample consisted largely of independent producer members of CFTPA. Reported cross-platform interactive media production volume figures were from producers who primarily engage in television and film production activities. In fact, according to the survey data, 77% of the reported interactive media production volume in 2007/08 involved a television component. As a result of this emphasis of the tie-in to television (essentially, the cross-platform nature of the content in the survey sample), the figures reported in *Ontario Profile 2009* are understated compared to other relevant profiles now available.

Specifically, the *CIAIC 2008 Canadian Interactive Industry Profile* provides a much larger estimate, but it includes data from digital media companies that are video games developers, services providers and technology/infrastructure companies.

Exhibit 21: The Size of Ontario's Cross-platform interactive media Industry

According to the *CIAIC 2008 Interactive Industry Profile*, Ontario's interactive industry generated gross revenues of \$1.3 billion to \$1.5 billion in 2008, and interactive digital media revenues of \$1.1 billion to \$1.2 billion.

These statistics include revenues earned from companies engaged in the creation of interactive digital media content. But they also include revenues from a much broader base of companies involved in the design and development of video games, and in the creation of cross-platform interactive media content for education, marketing, social networking and information services. In addition, the CIAIC's revenue statistics include the revenues earned by companies engaged in the development of services and applications for the *enabling* of cross-platform interactive media content. This segment includes companies engaged in software development and design, development of content management systems, and web design and development.

Source: CIAIC 2008 Interactive Industry Profile.

3.6 Production Financing

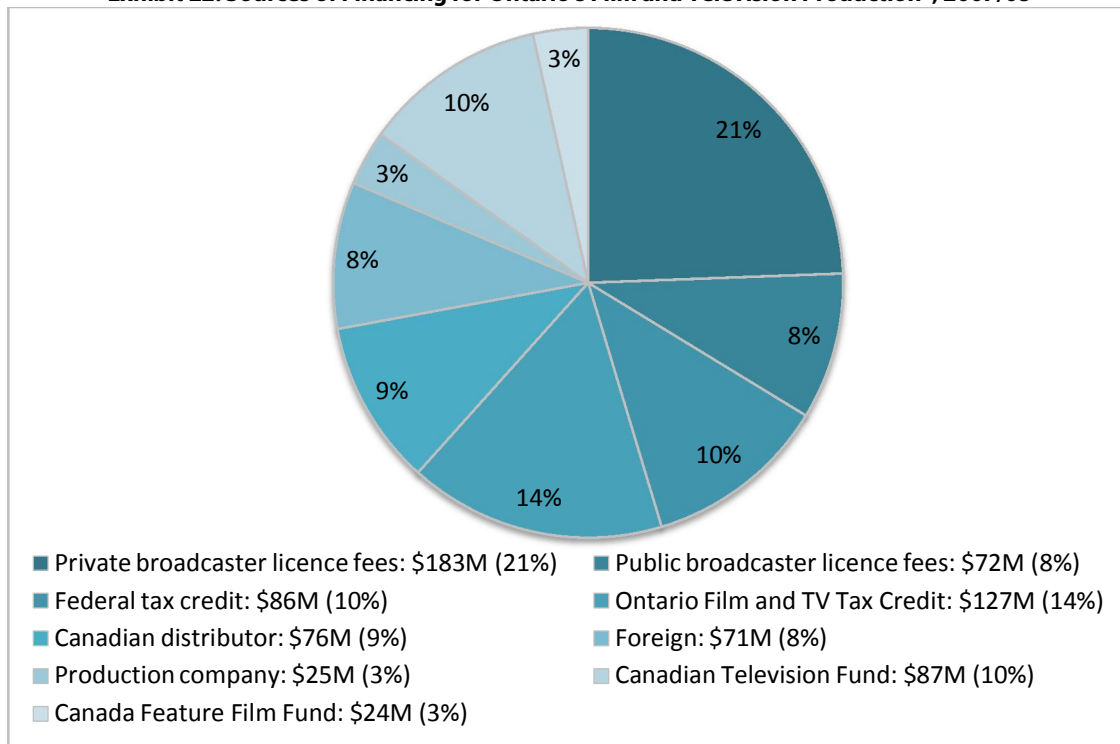
Sources of Financing

Ontario's film and television projects received approximately 42% of their production financing from public sources in 2007/08

In 2007/08, the Ontario Film and Television Tax Credit (OFTTC) contributed \$127 million to Ontario's film and television production. Canadian private broadcasters provided \$183 million in licence fees and Canadian public broadcasters provided \$72 million in licence fees to production.

Other significant sources of production financing included other private sources (\$92 million), the Canadian Television Fund (CTF) (\$87 million), the federal tax credit (\$86 million), Canadian distributors (\$76 million) and foreign sources (\$71 million).

Exhibit 22: Sources of Financing for Ontario's Film and Television Production*, 2007/08



Source: Nordicity estimates based on data from CAVCO and OMDC.

* Excludes financing of cross-platform interactive media production.

** Includes public funding received by Ontario-based producers for production spending in other provinces.

Public Funding from Federally Supported Institutions

Ontario producers receive significant levels of Canadian Television Fund funding for television projects; however, their share of Canada Feature Film Fund funding is less than their share of the total volume of theatrical film production

In 2007/08, the province's producers received \$24 million in funding from the Canada Feature Film Fund (CFFF) for production, post-production and development; this amount represented 30% of total CFFF commitments in that year. For the past five years, Ontario's share of CFFF funding has ranged between 20% and 35% of total CFFF commitments, and averaged 29%, well below the province's 41% share of Canadian theatrical film production between 2003/04 and 2007/08. Ontario producers benefit more from the CTF on a proportional basis.

Exhibit 23: Canada Feature Film Fund – Ontario’s Share of Funding Commitments

	03/04	04/05	05/06	06/07	07/08	5-year Avg.
Ontario (\$ millions)	22	23	21	15	24	21
Canada (\$ millions)	76	66	62	76	80	72
Ontario’s share of CFFF funding	29%	35%	34%	20%	30%	29%
Ontario’s share of Canadian theatrical film production	36%	37%	57%	34%	37%	41%

Source: Telefilm Canada.

Note: Includes CFFF funding commitments for production, post-production and development.

Exhibit 24: Canadian Television Fund – Ontario’s Share of Funding Allotment

	03/04	04/05	05/06	06/07	07/08	5-year Avg.
Ontario (\$ millions)	67	75	70	79	87	75
Canada (\$ millions)	146	158	166	165	157	158
Ontario’s share of CTF funding	46%	47%	42%	48%	55%	48%
Ontario’s share of Canadian television production	45%	39%	39%	33%	38%	39%

Source: Canadian Television Fund.

Public Funding: Quebec Compared to Ontario

The Quebec government provides significantly more direct financial support to its film, television and interactive production industry than the Ontario government

Through the Société de développement des entreprises culturelles (SODEC), the Quebec government provides a wide range of support to its screen-based production industry, including tax credit incentives, grant programs, interim financing and export support. While a variety of supports exist for the industry in Ontario, the level of Quebec’s direct funding has, for several years, been greater than that provided by the Ontario government. Quebec’s rate of financial support for its production industry has exceeded Ontario’s in both absolute terms and when adjusted for relative levels of production volume.

Of course, the French-language market in Quebec is quite different than Ontario’s English-language market. Quebec has its own built-in linguistic protection from U.S. entertainment, so it does not have to compete with dominant U.S. content to the same

degree as its English-language provincial counterparts. Similarly, the Quebec cultural industries, including film, television and cross-platform interactive media production, are fully supported by Quebec's internal star system.

The disparity between Quebec and Ontario in terms of direct investment in the film, television and cross-platform interactive media industry is quite pronounced. As Exhibit 25 shows, while there are currently a similar number of programs being offered to film, television and cross-platform interactive media producers by SODEC and the OMDC respectively, the funding levels are very different. The funding support is considerably higher in Quebec: \$32 million vs. \$3 million in Ontario (in 2006/07). The primary beneficiaries of this enhanced support in Quebec are theatrical film producers and, to a lesser extent, producers of television documentaries.

The OMDC is also actively engaged in leveraging events on both the domestic and international stage. These initiatives include significant annual markets and festivals (e.g., MIPTV and MIPCOM) that provide targeted business development opportunities for Ontario companies that create (and sell) film, television and cross-platform interactive media production content. One example of the OMDC's contribution to domestic events is the corporation's creation of the International Film Financing Forum at the Toronto International Film Festival (IFFF@TIFF), which brings together Canadian (including Ontario) and international producers and executives.

Exhibit 25: Current OMDC and SODEC Direct Funding Mechanism Compared, 2005 to 2007 (\$ millions)

Funding Mechanism	05/06	06/07
OMDC Film Fund	1.2	2.3*
OMDC Interactive Digital Media Fund	0.5	0.5
Ontario Total	1.8	2.8
SODEC Cinema and TV – Production Assistance	21.3	30.5
SODEC Young Creators Program (Production Component)	1.1	1.2
Quebec Total	22.4	31.7

Sources: OMDC and SODEC Annual Reports.

Notes: *This figure includes development funding in addition to production funding as disaggregated figures were not available for the OMDC Film Fund for 2006-2007.

This comparison is in reference to “direct” funding mechanisms, which have been interpreted to mean: “grants or conditionally repayable loans provided to support the production (not development or marketing) of film, TV or interactive digital media products.” The OMDC also co-administers (with the Ontario Ministry of Culture) the \$3 million Entertainment and Creative Cluster Partnership Fund (ECCPF), for which film, television and interactive digital media production companies are eligible. The ECCPF was excluded from this analysis because funding directed at the screen-based industries could not be disaggregated from the total funding commitment. Export funding was also excluded for this reason.

Please refer to Appendix C for more detailed, historical statistical data regarding the funding support differences between the two provinces.

The Quebec government has other investment vehicles for which there is public investment for film and television production at the project and company levels. One such entity that is unique to Quebec is La financière des entreprises culturelles du Québec (FIDEC), which is a limited partnership with capital of \$45.5 million. FIDEC primarily offers gap financing, with some project- and company-based equity investment, as well as rights acquisition support for all cultural industries, including film and television production. In exceptional cases, SODEC also offers interim financing of television and film projects to a maximum of 90% of the expected tax credits. The agency also provides loan guarantees to content producers. As well, SODEC provides company-level development financing to film, television and multimedia producers and support for script development.

This level and variety of investment gives Quebec producers significant support in their creation of French-language content that, in the Quebec market, tends to reach mass appeal. Quebec has an enviable market share for its domestic French-language films and television programming. For example, between 2004 and 2008, Canadian French-language theatrical films held an average 19% share of the French-language box office

in Canada. In contrast, and for a host of reasons (e.g. direct competition with English-language Hollywood films), Canadian English-language theatrical films held a 1% share of the English-language box office in Canada during this period.¹⁸

Support for cultural activities in Quebec has tended to be more generous than in Ontario, owing to Quebec's mandate to protect the French language and its distinct cultural heritage. When comparing levels of cultural support between Ontario and Quebec, it is important to consider this entrenched cultural mandate.

¹⁸ CFTP, *Profile 2009: An Economic Report on the Canadian Film and Television Production Industry*, p. 74.

4 Financial Performance

4.1 Overview

In this section, we present financial performance statistics derived from CFTPA membership data and from the *Ontario Profile 2009* survey of CFTPA's Ontario members. These financial performance statistics shed light on Ontario production companies' ability to generate ongoing income from the screen-based content they produce. Ongoing revenues, particularly international sales, offer Ontario's production companies the best opportunity for accruing the financial capital they need to develop new screen-based content and to grow their businesses in the future.

The financial performance statistics in this section measure two distinct forms of screen-based production *income*:

- **Total revenues** measures the income of Ontario production companies, and includes the income they earn from the provision of production services as well as their share of the income earned by the screen-based content they create.
- **Sales** measures the income earned by Ontario production companies from the licensing of the screen-based content that they create and for which they hold the copyright.

4.2 Total Revenues by Source

As a group, Ontario production companies earned estimated total revenues of \$152 million in 2007/08

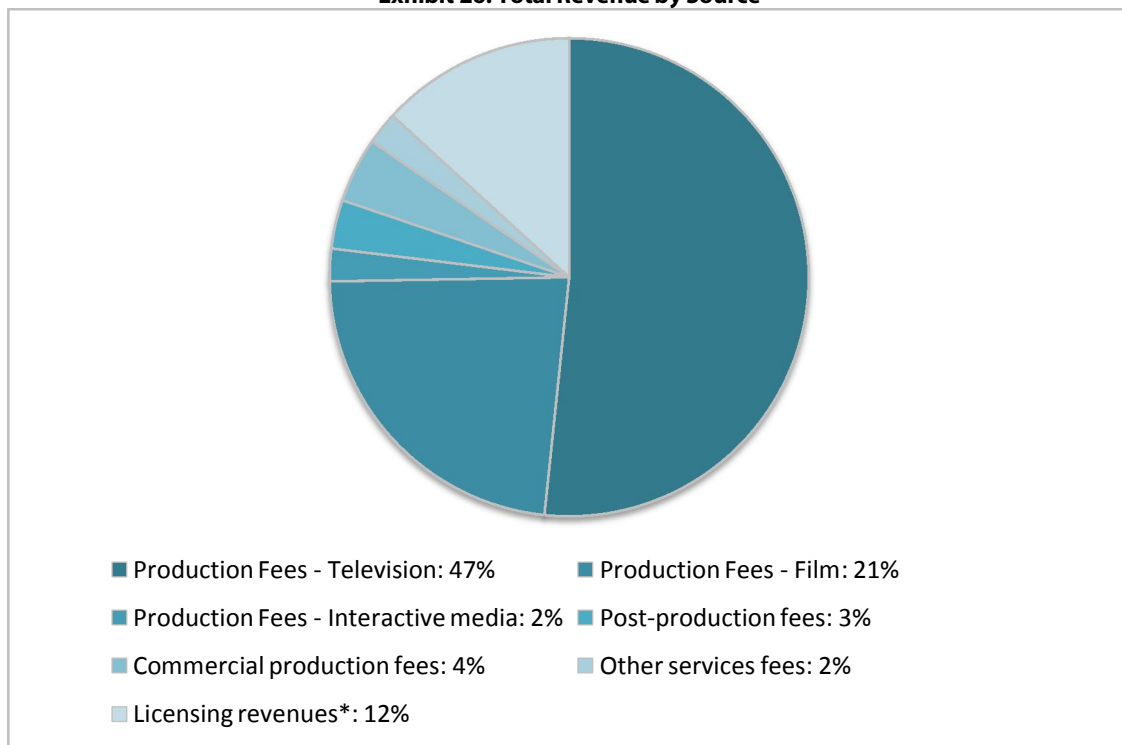
Based on aggregated data supplied by the CFTPA's membership, Nordicity estimates that Ontario's production companies earned total revenues of \$152 million in 2008. The *Ontario Profile 2009* survey research indicates that production fees¹⁹ accounted for the vast majority (70%) of Ontario production companies' total revenues. Production fees from cross-platform interactive media projects typically represented extensions of existing television and film properties on other platforms and were reported by fewer than ten of the surveyed companies. Only one respondent indicated that more than 50% of revenues were derived from this source. The provision of post-production services,

¹⁹ As stated earlier in the report, production fees are earned by a production company from the production of a television program, film or cross-platform interactive media project. They include producer fees and any project budget allocations for production-company overhead. They do not include producer fees that have been permanently deferred in order to lower the production budget.

commercial production services and other production services accounted for an additional 9%.

Revenues generated from the licensing of content to television broadcasters (not including the broadcast license fee used in the financial structure of a project) and theatrical/DVD distributors accounted for 12% of total revenues. Other unspecified sources accounted for 9%. Survey results indicate that Ontario producers earned virtually no revenues from sales to new media platforms such as video-on-demand (VOD), broadband, mobile and game-console platforms in 2008. As well, no advertising or sponsorship revenue was reported. By far, the most important source of revenue for Ontario producers is producer (or production) fees.

Exhibit 26: Total Revenue by Source



Source: *Ontario Profile 2009* survey.
 *Revenues from broadcaster and distributors.

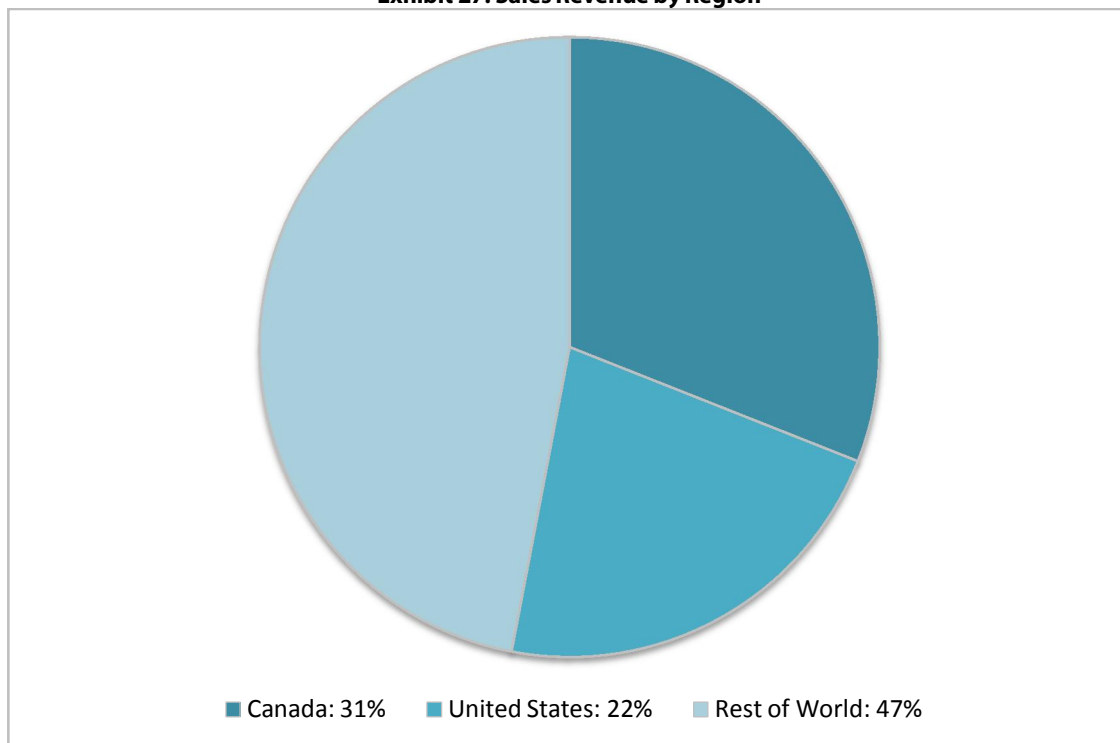
4.3 Sales by Market Area

Ontario producers earned almost 70% of their sales revenues from outside of Canada

While Ontario producers earned the vast majority of their revenues in the form of producer fees earned within Canada, their *sales* of film and television programming

rights showed significant geographic distribution. Indeed, sales revenues earned from inside Canada accounted for 31%, while those originating from outside Canada accounted for 69%. Sales revenues from U.S. sources accounted for approximately one-third of total international sales (sales outside of Canada) and 22% of all sales revenues. Sales revenues from the rest of the world (countries other than the U.S.) accounted for two-thirds of international sales revenues and 47% of all sales revenues.

Exhibit 27: Sales Revenue by Region

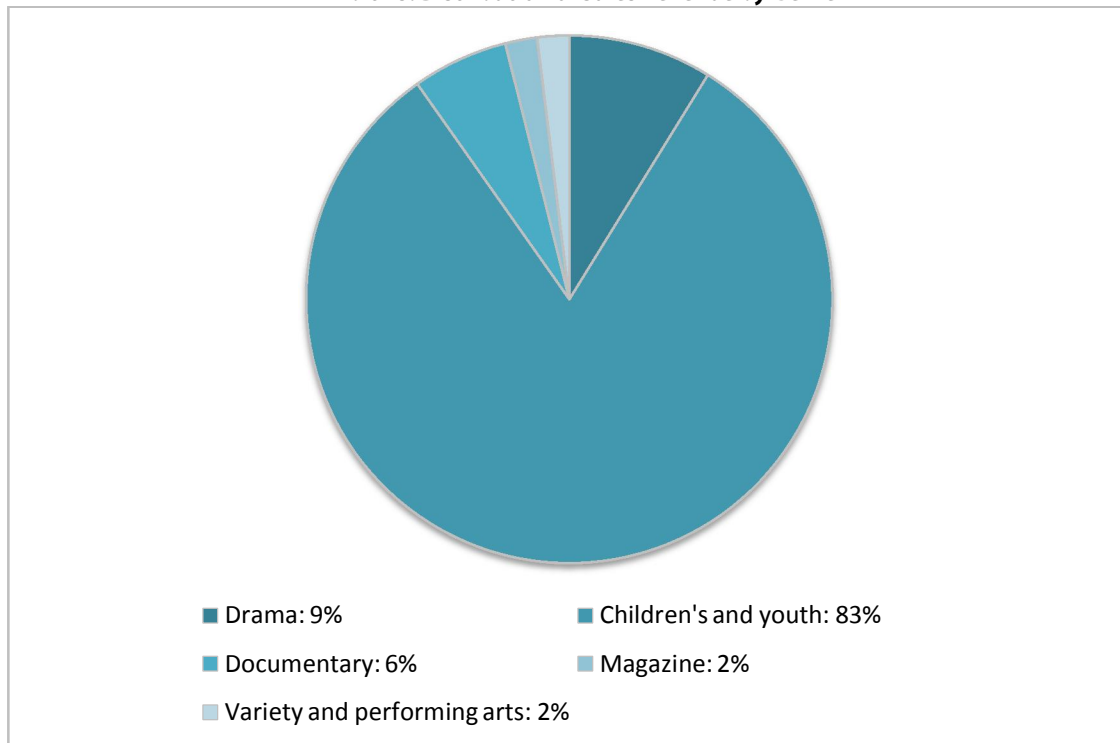


Source: Ontario Profile 2009 survey.

4.4 Sales by Genre

Ontario producers' sales revenues are concentrated in the children's and youth genre, which offers strong international market potential

Exhibit 28: Distribution of Sales Revenue by Genre



Source: Ontario Profile 2009 survey.

Children's and youth programming was, by far, the largest source of sales revenues in Ontario's screen-based production industry, with nearly three-quarters of these sales revenues originating from outside Canada. Children's and youth programming produced in Ontario accounted for 83% of production companies' total sales revenues. Drama accounted for 9%, documentary accounted for 6% and other genres accounted for the remaining 2%.

Exhibit 29: Distribution of Sales Revenue by Genre and Region

	Canada	United States	Rest of world	Total
Drama	32%	28%	40%	100%
Children's and youth	28%	22%	50%	100%
Documentary	50%	29%	21%	100%
Magazine programming	42%	0%	58%	100%
Variety and performing arts	86%	<1%	14%	100%

Source: Ontario Profile 2009 survey.

5 Economic Impact of Ontario's Production Industry

5.1 Overview

Ontario's film, television and cross-platform interactive media production industry is a major generator of economic activity and jobs in the province – including direct and spin-off jobs

Like all industries, the expenditures on the production of films, television programs and cross-platform interactive media projects have a wide-ranging impact throughout the Ontario economy. To estimate the direct and spin-off (i.e., indirect and induced) economic impacts of the province's domestic production industry, Nordicity used general production-industry data gathered from OMDC and the *Ontario Profile 2009* survey along with Statistics Canada's input-output tables for the Ontario economy, and additional economic-impact information reported by the Conference Board of Canada in *Valuing Culture: Measuring and Understanding Canada's Creative Economy* (to be referred to as "*Valuing Culture*"), released in July 2008. These data sources provide a framework for tracing the screen-based production industry's expenditures through the Ontario economy and estimating how these expenditures impact provincial GDP, job creation and government revenue.

5.2 Direct Economic Impact

The production industry generated direct provincial GDP of \$379 million and created 6,500 full-time equivalent production-industry jobs in 2008

The direct economic impact refers to the economic impact of production expenditures directly on the screen-based production industries. Based on statistics from the OMDC and the survey, Nordicity estimates that the total production spend in Ontario of \$545 million, combined with interactive digital media production volume of \$18.5 million, and the production industry's estimated distribution revenues of \$25 million, generated direct GDP of \$378.5 million in 2008. This GDP amount was comprised of the labour income earned by Ontarians working in the production industry (\$333 million) and the estimated operating surplus (i.e., operating profit) of Ontario production companies (\$46 million). With an average production industry full-time equivalent (FTE) cost of \$51,491, the total labour income in the industry led to the creation of 6,500 production-industry FTEs in the province in 2008. These figures were derived from CAVCO and Statistics Canada data.

Exhibit 30: Direct Economic Impact of the Film, Television and Cross-platform Interactive Media Production Industry, 2008

Direct economic impact	
Output (\$ millions)	
Total production spend in Ontario	563.5
Total distribution revenues	25.0
Total output	588.5
GDP (\$ millions)	
Wages and supplementary labour income	3228
Operating surplus	45.7
Total GDP	378.5
Employment	
Average FTE cost (\$)	51,491
Total FTEs*	6,500

Source: Total production spend in Ontario is based on production spend data from OMDC and data from *Ontario Profile 2009* survey; total distribution revenues is from *Ontario Profile 2009* survey. GDP and employment estimates are Nordicity estimates based on data from CAVCO and Statistics Canada.

* Equal to total wages and supplementary income divided by average FTE cost.

5.3 Spin-off Economic Impact

Ontario's production industry generated an additional \$318 million in provincial GDP and 5,700 FTEs through its spin-off economic impact

The spin-off economic impact includes both the indirect and induced economic impacts and is based on data from CAVCO and Statistics Canada.

Indirect Economic Impact

The indirect economic impact refers to the impact arising from the production industry's purchase of goods and services from Ontario suppliers. These goods and services include such things as post-production services, automobile rentals, catering services, telecommunications, and financial and legal services. Exhibit B - 1 in Appendix B provides a breakdown of the production industry's indirect expenditures, derived from a review of production budgets for a variety of different types of film and television production.

The purchase of screen-based production services – largely post-production services – account for the single largest share (14.8%) of the film, television and cross-platform interactive media production industries' indirect expenditures. Financing charges, legal and accounting fees, administrative support, rentals of automobiles and trucks, and rentals of machinery and equipment also accounted for significant shares of the production industries' indirect expenditures.

In total, Nordicity estimates that Ontario producers purchased \$211 million worth of goods and services from Ontario suppliers. These purchases accounted for 36% of total expenditures in the screen-based production industry. As these indirect expenditures filtered through the Ontario economy, Nordicity estimates (based on Statistics Canada input-output data) that they generated a total of \$320 million in additional economic output and \$178 million in provincial GDP (see Exhibit B - 2 in Appendix B). This provincial GDP included \$88 million in wages and supplementary labour income, and 2,400 FTEs.

Induced Economic Impact

The induced economic impact refers to the impact arising from Ontario households' re-spending of income generated by screen-based production. On the basis of statistics published by the Conference Board of Canada in *Valuing Culture*, Nordicity estimated the production industry's induced economic impact as equal to 36.9% of its direct economic impact. Please refer to Appendix B for a detailed explanation of the induced economic impact methodology.

Nordicity estimates (based on data from the Conference Board of Canada) that the induced economic impact of the film, television and cross-platform interactive media production industry in Ontario, therefore, totalled \$218 million in increased output, \$140 million in provincial GDP (including \$123 million in wages and supplementary income) and 3,300 FTEs.

Exhibit 31: Indirect, Induced and Spin-off Economic Impacts, 2008

	Indirect economic impact	Induced economic impact	Spin-off economic impact
Output (\$ millions)			
Total increase in output	320.3	217.7	538.1
GDP (\$ millions)			
Wages and supplementary labour income	88.3	123.1	211.4
Other GDP components	89.6	16.9	106.5
Total GDP	177.9	140.0	318.0
Employment			
Average FTE cost (\$)	38,558**	37,220***	--
Total FTEs*	2,400	3,300	5,700

Source: Nordicity estimates based on data from OMDC, *Ontario Profile 2009*, CAVCO, Statistics Canada and the Conference Board of Canada.

* Equal to total wages and supplementary income divided by average FTE cost.

** Weighted average based on the estimated average FTE costs in 25 different industries in Ontario indirectly impacted by film and television production activity.

*** Nordicity estimates of the average wage in the Ontario economy.

Total Indirect and Induced Impact (Spin-off)

Altogether, when indirect and induced impacts are considered, Nordicity estimates that the total spin-off economic activity in the film, television and cross-platform interactive media production industry generated \$318 million in GDP and 5,700 FTEs throughout the Ontario economy.

5.4 Total Economic Impact

In total, production activity in Ontario in 2008 generated total provincial GDP of \$696 million and led to the creation of 12,200 FTEs throughout the provincial economy

Overall, Nordicity estimates that Ontario's film, television and cross-platform interactive media production industry generated \$696 million in provincial GDP in 2008 and 12,200 FTEs throughout the Ontario economy.

Exhibit 32: Direct, Spin-off and Total Economic Impacts, 2008

	Direct economic impact	Spin-off economic impact	Total economic impact
Output (\$ millions)			
Total increase in output	588.5	538.1	1,126.6
GDP (\$ millions)			
Wages and supplementary labour income	332.8	211.4	544.2
Other GDP components	45.7	106.5	152.2
Total GDP	378.5	318.0	696.4
Employment			
Average FTE cost (\$)	51,491	--	--
Total FTEs*	6,500	5,700	12,200

Source: Nordicity estimates based on data from OMD, *Ontario Profile 2009*, CAVCO, Statistics Canada and Conference Board of Canada.

* Equal to total wages and supplementary income divided by average FTE cost.

5.5 Impact on Ontario Government Revenues

Production activity in Ontario in 2008 yielded nearly \$100 million in revenues for the provincial government

On the basis of the results of the economic impact analysis, Nordicity also prepared estimates of the incremental Ontario government revenues, which could be attributed to the film, television and cross-platform interactive media production industry.

Nordicity prepared these estimates of provincial government revenue by applying economy-wide effective tax rates derived from Statistics Canada data.²⁰

Overall, Nordicity estimates that the direct and spin-off economic activity associated with screen-based production in Ontario yielded \$99 million in incremental revenue for the province. This total is comprised of personal income taxes, social insurance payments and payroll taxes; corporation income taxes; and sales taxes as shown on the next page.

Exhibit 33: Ontario Government Revenues Generated by the Economic Impact of the Screen-based Production Industry, 2008 (\$ millions)

	Direct economic impact	Spin-off economic Impact	Total economic impact
Personal income taxes, social insurance and payroll taxes	36.3	23.0	59.3
Corporation income taxes	6.1	5.1	11.1
Sales taxes	15.5	13.0	28.6
Total provincial tax revenue	57.8	41.2	99.0

Source: Nordicity estimates based on data from OMDC, *Ontario Profile 2009*, CAVCO, Statistics Canada and Conference Board of Canada.

²⁰ Personal income taxes, social insurance payments and payroll taxes were estimated at a rate of 10.9% of total wages and supplementary labour income. Corporation income taxes were estimated at a rate of 1.6% of provincial GDP. Sales taxes were estimated at a rate of 4.1% of GDP.

6 Importance of Copyright Ownership for the Industry

6.1 Overview

Ontario producers are making use of tax credits and other advantages in other provinces through co-production activities

Due to a combination of favourable tax credits, loan guarantees, equity investment and other advantages offered by several other provinces, Ontario producers collaborate extensively with their counterparts in other provinces to access these advantages. When Ontario producers do collaborate in this manner, they often share the copyright to the co-produced projects with producers from other provinces; they do so, in part, as a condition to obtain the advantages available in the partner province.

While there are sound creative reasons for some of this co-production activity, such as location, storyline or key cast preferences, this practice may have both short-term and long-term economic consequences. Anecdotal evidence and *Ontario Profile 2009* survey evidence suggest that the sharing of copyright with producers outside of Ontario has resulted in the loss of production activity, distribution revenue and jobs in Ontario. Based on *Ontario Profile 2009* survey results, Nordicity estimates that two-thirds of labour expenditures from inter-provincial co-productions involving an Ontario-based producer are spent outside the province.²¹

Given the size and vitality of Ontario's screen-based industry, many producers from other provinces seek out their Ontario-based counterparts with whom to develop and produce their story ideas. For example, the prevalence of broadcasting group headquarters in Toronto may allow Ontario producers to have better access to program development and acquisitions executives which may be beneficial to producers in other provinces. The result is an inflow of inter-provincial co-production which may offset the full extent of the loss to the Province. However, over time the growth of co-production with producers in other provinces may mean that Ontario loses production spend and distribution revenue.

²¹ This section draws heavily on the *Ontario Profile 2009* survey results, which are detailed in Appendix A.

6.2 Impact of Inter-provincial Co-production on Production Spend

While Ontario producers participated in about \$200 million worth of inter-provincial co-productions in 2008, less than 50% was spent in the province

Ontario producers were involved in about 50 inter-provincial co-production projects in both 2007 and 2008, and the total of inter-provincial co-production was estimated to be \$200 million or higher in both years. However, the Ontario production spend associated with these productions averaged \$90 million, meaning that Ontario captured only about 43% of the potential production spend on these inter-provincial co-productions.

Exhibit 34: Inter-provincial Co-production Budgets

	2007	2008	Average
Number of inter-provincial co-productions involving an Ontario producer*	55	47	51
Total inter-provincial co-production budget (\$ millions)	210	200	205
Ontario producers' inter-provincial co-production budget (\$ millions)	90	120	105
Ontario producers' inter-provincial co-production spend (\$ millions)	85	95	90
Average percentage of budget retained inside Ontario	43%	60%	51%**
Average percentage of spend retained inside Ontario	40%	48%	43%**
Average inter-provincial co-production budget (\$ millions)	3.8	4.3	4.0**

Source: OMDC.

* Includes inter-provincial co-productions that were also international treaty co-productions.

** Weighted averages.

Impact on Labour Spend

The economic impact of screen-based production stems, in large part, from the employment and labour income it generates within the production industry. A more detailed look at the statistics for inter-provincial co-production shows that Ontario loses a disproportionate share of the labour spend on such projects and, therefore, loses a disproportionate share of the economic benefit. While the Ontario producer retains, on average, 51% of the total budget of inter-provincial co-productions, the province retains only 35% of the labour spend. Across 2007 and 2008, labour spend on inter-provincial co-productions averaged \$112 million - Ontario's share averaged \$40 million.

Exhibit 35: Inter-provincial Co-production Labour Spend*

	2007	2008	Average
Total inter-provincial co-production labour spend (\$ millions)	113.5	109.8	111.7
Ontario share of inter-provincial co-production labour spend (\$ millions)	42.0	37.8	39.9
Out-of-province share of inter-provincial co-production labour spend (\$ millions)	70.5	72.0	71.3
Percentage of inter-provincial labour spend in Ontario	37.0%	34.4%	35.4%
Percentage of inter-provincial labour spend out of province	62.0%	65.6%	64.3%

Source: OMDC.

* Includes inter-provincial co-productions that were also international treaty co-productions.

6.3 Impact of Inter-provincial Co-production on Distribution Revenues

Inter-provincial co-production can lead to foregone distribution revenues for the Ontario economy

The sharing of copyright with producers in other provinces can result in a loss to the Ontario economy in the form of shared distribution proceeds from inter-provincial co-productions with producers outside the province.

Ontario producers' inter-provincial co-productions yielded approximately \$50 million in gross distribution revenues in 2007 and 2008. While Ontario producers do capture a varying portion of these gross distribution revenues – \$9 million in 2007 and \$27 million in 2008 – tens of millions of dollars in distribution revenues are still lost each year as a result of the high volume of inter-provincial co-production activity.²²

Exhibit 36: Inter-provincial Co-production Labour Spend

	2007	2008	Average
Total inter-provincial co-production gross distribution sales (\$ millions)	68.3	50.1	59.2
Ontario producers' share of gross distribution sales from inter-provincial co-production (\$ millions)	14.5	27.3	20.9
Percentage of gross distribution sales from inter-provincial co-production retained by Ontario producers	21.2%	54.5%	35.3%

Source: OMDC.

²² Survey results indicate that the gross distribution sales from inter-provincial co-productions involving an Ontario-based producer showed a 25% decline among respondents from 2007 to 2008. However, Ontario producers were collectively able to retain a greater share of the overall distribution sales.

7 Development of Intellectual Property: the R&D of Screen-based Production

7.1 Overview

Ontario producers currently have nearly \$50 million invested in over 1,400 development projects

For the screen-based production industry, the development of new projects – and their associated licensing and merchandising copyrights – is the central form of intellectual property development. Development (which is project oriented) is the screen-based production industry's principal form of research and development (R&D), and provides the basis for its ability to create globally competitive films, television programs and cross-platform interactive media products. In addition to project development, R&D can include formal and informal methods of gathering market/buyer information (such as attending industry markets, liaising frequently with buyers and observing sales trends), testing digital storytelling techniques, and exploring new distribution and financing methods.

At present according to *Ontario Profile 2009* survey data, Ontario's screen-based production industry has nearly \$50 million invested in over 1,400 development projects for new screen-based media projects. This amount reflects the cumulative level of investment in the development of new media properties over many years. Ontario producers report that over the past five years (2003 to 2008), 45% of their development projects were *greenlit* into production with the support of a broadcaster or other outside buyer.

In the early stages of the corporate development of a production company (typically the first three to five years of the company's existence), the owner/founders of the production company are responsible for generating its development slate. As a production company grows in volume and professional staff, the development function can be spread across different members of the management team, outsourced to contracted development professionals (such as a writer, producer or story editor) or organized into a dedicated business unit of the company.

The *Ontario Profile 2009* survey results indicate that production company staff devoted an average of 110 hours per week to development activities in 2008. The most common activities included writing treatments or scripts, and securing development financing.

7.2 Current Development Investment

Ontario producers' development investment is, on average, equal to 5% of their total production volume; in the emerging cross-platform interactive media segment, the share is significantly higher

Based on the *Ontario Profile 2009* survey, Ontario producers currently have 1,420 individual development projects awaiting *greenlighting* from broadcasters and other project-funding entities. Producers and their development-funding partners have an estimated \$47.6 million invested in these projects.

While the television segment accounted for over one-half of this current development investment (\$25 million), it only represented 3% of the total television production volume according to *Ontario Profile 2009* survey data. However, the development investment percentage in television production was lower than that for theatrical films. In the cross-platform interactive media segment, investment in development was an estimated \$17 million in 2008, and was much higher on a percentage-of-production-volume basis: it was equal to approximately 90% of the total volume of cross-platform interactive media content production.

Exhibit 37: Development Investment Statistics

	Number of projects currently in development	Total current development budget (\$ millions)	Percentage share	Volume of production 2007/08 (\$ millions)	Ratio of development budget to production volume
Television	730	24.8	52%	776	3.2%
Theatrical film	150	5.7	12%	102	5.7%
Cross-platform interactive media	540	17.1	36%	19	90.0%
Total	1,420	47.6	100%	897	5.3%

Source: *Ontario Profile 2009* survey.

The development investment statistics suggest that cross-platform interactive media production has a totally different structure and the overall investment is primarily in development activities. As well, the definition of the development phase (particularly the start and end points) may be different for cross-platform interactive media producers than for television and theatrical film producers.²³

²³ The *Ontario Profile 2009* survey did not define the development phase.

7.3 Development Success Rate and Time to Market

Ontario producers had an average of 47% of development projects greenlit by a buyer

The development success rate is a measure of the probability of successfully reaching the *greenlighting* stage (i.e., passing the *greenlight* gate to enter into production – not the ultimate commercial success of a project). Unlike the U.S., Canada does not have the market resources to finance many pilots, which would represent an advanced state of development. Rather, only a handful of projects go through this *greenlighting* stage.

According to statistics from CAVCO, Ontario producers were involved in a total of ten television pilots in 2007/08. Those projects that reach the pilot stage would represent an advanced state of production, once a project has passed through development.

Exhibit 38: Greenlighting Rates and Decision Times

	Greenlighting rate, 2003 to 2008	Average time for greenlighting decision
Television	45%	10 months
Theatrical film	38%	12 months
Cross-platform interactive media	61%	3 months
Total	47%	--

Source: Ontario Profile 2009 survey.

Time to market refers to the time it takes for a product, once leaving the development stage, to progress to the production stage and, ultimately, to the marketplace. In any development-intensive industry, a great deal of effort is committed to reducing the time to market, both for competitive reasons and to realize the returns from the product more quickly. Screen-based production projects are not always as time sensitive as, for example, a new software application for a mobile phone. However, there is some value in speed to market (e.g., catching the fashionable wave for whatever theme seems to be in demand by the buying community).

So, the relevant metrics in screen-based production are the percentage of products that are *greenlit* by a buyer (i.e., a broadcaster for television or other market partner) or financial backers (i.e., financial investors and distributor investment for a feature film), and the time it takes between serious interest by the buyer/investor and the decision to *greenlight* production.

Overall, 47% of development projects over the past five years (2003 to 2008) received *greenlighting* from a broadcaster or other investor. The highest *greenlighting* rate was for

cross-platform interactive media projects, where the rate was 61% and the average waiting time for a buyer decision was three months. In the television segment, the *greenlighting* rate was 45% and the average broadcaster decision turnaround time was ten months. For feature film projects, the *greenlighting* rate was 38% and the average *greenlighting* decision time was 12 months.

7.4 Development Activities

Ontario production companies focused on television programming spend 110 hours per week on development activities such as writing treatments or scripts and securing development financing

Project development involves a variety of different activities, including marketing, writing, raising financing, and filming and editing demos. As such, development either requires a single multi-skilled person or a team of production professionals with different skills.

Writing treatments or scripts was the most prevalent development activity; 93% of development projects included this activity. Securing development financing was also a common activity; 84% of projects required this activity. Designing and printing one-sheets was also quite common, as was the shooting and editing of demos. Only about 51% of development projects, however, involved market research.

Exhibit 39: Development Activities

Development activity	Percentage of companies engaged
Writing treatments or scripts	93%
Securing development financing	84%
Designing and printing one-sheets	81%
Shooting and editing demos	64%
Conducting market research	51%
Other	27%

Source: *Ontario Profile 2009* survey. Please refer to Appendix A for a list of other common development activities.

Overall, production companies involved in television programming in Ontario devoted an average of 110 hours per week to development activities in 2008. In terms of staffing, the highest rate was also in the television segment, where production companies assigned an average of 5.0 staff persons to development. The number of development staff in the other two production categories was lower: 3.8 in theatrical film and 3.7 in cross-platform interactive media.

Exhibit 40: Number Staff and Hours per Week Currently Invested in Development Projects

	Number of staff in development process	Number of hours per week devoted to development
Television	5.0	109.6
Theatrical film	1.8	--
Cross-platform interactive media	3.8	--

Source: *Ontario Profile 2009* survey.

7.5 Development Financing

For Ontario producers, self-financing from company earnings accounts for between one-half and three-quarters of total development financing

Ontario production companies report that, by and large, they finance development from internal sources. In the television segment, producers report that self-financing accounted for 50% of development financing. Broadcasters contributed 27% of total development financing, while the CTF²⁴ contributed 12%. In the theatrical film segment, producers report that self-financing accounted for 52% of total development financing, followed by Telefilm Canada, which contributed 22%. In the cross-platform interactive media segment, the self-financing burden was even higher, with cross-platform interactive media companies accounting for 72% of total development financing. The Bell Broadcast and New Media Fund contributed 11%.

Exhibit 41: Sources of Development Financing

	Television	Theatrical film	Interactive media
Producer self-financing	50%	52%	72%
Broadcaster	27%	4%	1%
Canadian Television Fund	12%	1%	0%
Telefilm Canada	2%	22%	4%
Bell Broadcast and New Media Fund	0%	0%	11%
The Harold Greenberg Fund	0%	5%	0%
OMDC	4%	3%	4%
Other sources	3%	12%	7%
Total	98%	99%	99%

Source: *Ontario Profile 2009* survey.

Note: The development financing figures attributed to the OMDC above are based on self-reporting from survey respondents, not figures provided by the OMDC. Some totals do not add up due to rounding.

²⁴ In March 2009, a new fund was established and named the Canada Media Fund. This fund was a merger of the Canadian Television Fund and the Canada New Media Fund.

8 Investment in Technology and Human Capital

8.1 Overview

Despite fluctuations in production activity, Ontario producers continue to invest in both new technologies and human capital

By increasing the technological and human capital capacity of their operations, Ontario producers can be better positioned to maximize content innovation, to develop new distribution channels and to realize the revenue potential of their content assets.

Production companies, like companies in other industries, make investments in computer hardware and software to increase their potential to remain competitive and grow. Examples of purchases include script development, post-production, content library management and networking software. Investments in hardware include monitors, laptops, connectivity systems, printers/copiers, storage capacity and computer upgrades. Given the fact that production companies often experience wide fluctuations in production activity from year to year, it is common for producers to draw on temporary and contract labour to fill staffing needs. As well, production companies make extensive use of interns. However, the internship approach to filling human resource capacity requires a considerable amount of quantifiable and non-quantifiable investment in training and mentoring. Based on the *Ontario Profile 2009* survey, Nordicity estimates that Ontario producers invested \$2.5 million in skills training, internships and mentorships in 2008; this amount was more than double the level of investment in the previous year.

8.2 Investment in Computer Hardware and Software

Ontario producers invested over \$9 million in computer hardware and software in 2008, more than double the spending of the previous year, and equal to 6% of revenues

Ontario production companies made expenditures of \$9 million on computer hardware and software in 2008; these expenditures were more than double the \$4 million in expenditures made in 2007. At \$9.1 million, production companies' investment in computer hardware and software in 2008 comprised 6% of production companies' estimated total revenues of \$152 million. Examples of such expenditures include editing

software, and associated hardware, such as Final Cut Pro or AVID and equipment such as HD camera and monitors.

Exhibit 42: Investment in Computer Hardware and Software (\$ millions)

	2007	2008	Percentage change
Computer hardware	2.6	6.0	130.8%
Computer software	1.7	3.1	82.4%
Total/Average	4.3	9.1	111.6%

Source: *Ontario Profile 2009* survey.

8.3 Investment in Training, Internships and Mentoring

Ontario producers invested an estimated \$2.5 million in human capital in 2008, more than double the amount spent in 2007

For an industry such as screen-based production, where human capital plays an even more important role than technological capital, investment in training and mentoring is of vital importance. Data from the *Ontario Profile 2009* survey indicate that Ontario production companies invested just under \$2.5 million in training, internships and mentoring programs in 2008. This amount was more than double the \$1 million of investment reported by Ontario production companies for 2007.

Exhibit 43: Production Companies' Investment in Training, Internships and Mentoring (\$)

	2007	2008	Investment per one million dollars of production volume, 2008
Television	598,432	1,687,603	2,175
Theatrical film	75,661	123,865	1,214
Cross-platform interactive media	226,415	367,164	9,923
Across multiple sectors	241,381	304,682	--
Total	1,141,889	2,483,314	2,714

Source: *Ontario Profile 2009* survey.

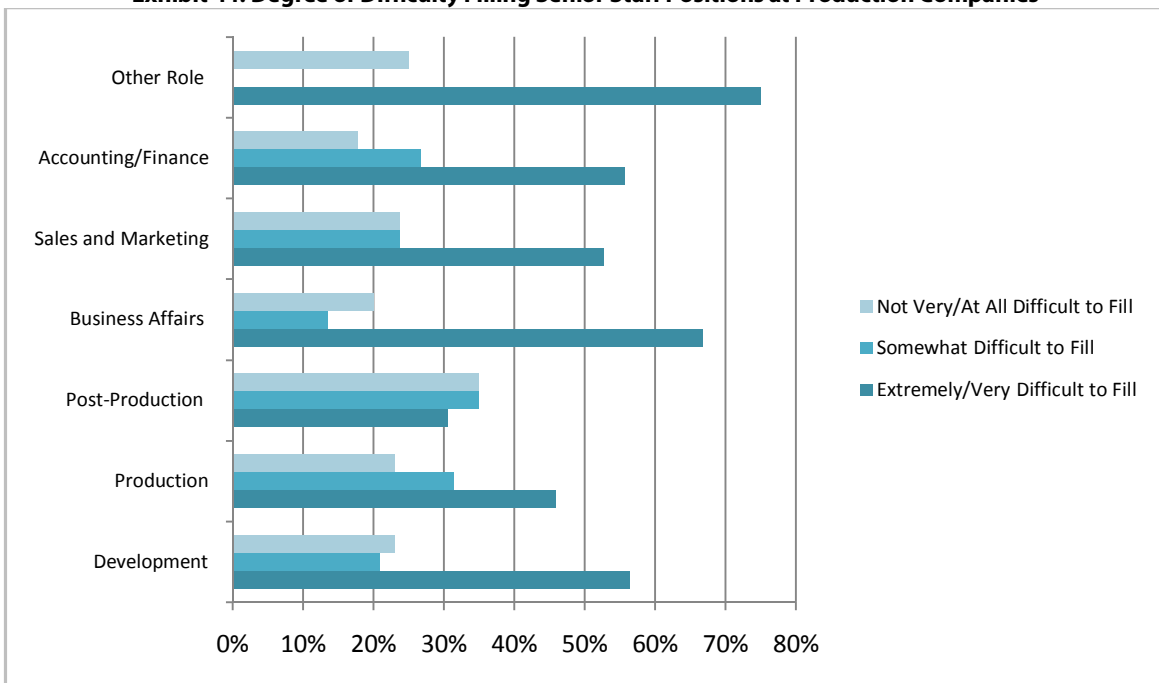
The statistics for production companies' investment in training, internships and mentoring also reveal that the rate and need for investment is highest in the cross-platform interactive media segment. Television production companies invested an average of \$2,175 for every million dollars of production volume. In the theatrical film segment, the rate was \$1,214. Cross-platform interactive media production companies invested \$9,923 per million dollars of production volume – nearly four times the industry-wide average of \$2,714.

8.4 Skills and Experience Availability

Ontario producers experience significant difficulty in filling senior positions in the areas of business affairs, development, accounting/finance and marketing

While training and mentorships can go a long way towards building the skills and experience of younger workers in the production industry, Ontario production companies report that they face significant difficulty in hiring qualified senior personnel for certain roles. The most pronounced hiring difficulties are related to senior staff in business affairs, development, sales and marketing, and accounting and finance. Many production companies report that they still find it difficult to hire qualified senior people for post-production or production roles, but the difficulties are much less pronounced.

Exhibit 44: Degree of Difficulty Filling Senior Staff Positions at Production Companies



Source: Ontario Profile 2009 survey.

Appendices

Appendix A: Survey Methodology and Results

Nordicity utilized a firm-level survey of CFTPA's Ontario members and secondary research to collect the data and relevant information, and to develop an economic profile of Ontario's domestic production industry.

The secondary data sources included the Canadian Audio-Visual Certification Office (CAVCO), the Ontario Media Development Corporation (OMDC), the Canadian Radio-Television and Telecommunications Commission (CRTC), the Canadian Broadcasting Corporation/Société Radio Canada (CBC/Radio-Canada), Association of Provincial Funding Agencies (APFA), Statistics Canada, the Canadian Television Fund (CTF), Telefilm Canada, the Department of Canadian Heritage, *Playback Magazine's* Annual Report on Independent Production, and the Canadian Film and Television Production Association (CFTPA). Where required, these secondary sources were supplemented with custom data requests, which allowed for inter-provincial and national comparisons.

Nordicity used these primary and secondary research data to derive estimates of key economic indicators for the film, television and cross-platform interactive media industry in Ontario, including revenues, employment creation and production volume, as well as development and financing trends.

Survey Design and Implementation

To collect certain economic indicators for *Ontario Profile 2009*, Nordicity conducted an online survey of Ontario-based producers. Nordicity designed the online survey questionnaire in consultation with the CFTPA and the Ontario Producers Panel (OPP) and tested it with a small sample of producers representing film, television and cross-platform interactive media.

The CFTPA and the OPP distributed the online survey to 173 production companies and a total of 79 companies submitted survey responses; however, not every respondent answered each question. Overall, Nordicity achieved a survey coverage ratio of approximately 51% on the basis of total volume of Ontario film, television and interactive production in 2006/07 and 2007/08. Sixteen of the top 25 companies by production volume (as identified by *Playback Magazine's* own Producers Survey 2008) participated in the survey. However, of the 16 top production companies that responded to the survey, three did not provide production volume data.

Exhibit A - 1: Top 25 Production Companies in Ontario

Rank	Volume of production, 2007	Name of company
1	68,536,494	Shaftesbury Films
2	60,000,000	*Nelvana Studios
3	58,421,711	Blueprint Entertainment
4	45,686,000	Decode Entertainment
5	42,000,000	*Cookie Jar Entertainment
6	35,628,102	Barna-Alper Productions
7	28,019,222	Breakthrough Films & Television
8	26,100,000	Epitome Pictures
9	26,098,000	Whizbang Films
10	22,000,000	Cuppa Coffee Studios
11	20,309,820	CCI Entertainment
12	19,090,000	White Pine Pictures
13	18,445,000	Copperheart Entertainment
14	16,085,000	Coneybeare Stories
15	12,960,000	Tricon Films & Television
16	11,900,000	The Nightingale Company
17	11,560,000	Amberwood Entertainment
18	11,450,000	SpaceWorks Entertainment
19	11,135,000	Don Carmody Productions
20	9,475,000	Sound Venture Productions
21	8,580,000	Hamilton Mehta
22	8,550,000	9 Story Entertainment
23	8,175,000	Peace Point Entertainment
24	7,550,000	Triptych Media
25	6,200,000	Red Apple Entertainment

Source: *Playback's* Annual Report on Independent Production.

* Indicates *Playback* estimates.

Survey Analysis and Statistical Indicator Estimates

In an effort to represent total Ontario production, Nordicity grossed-up the survey responses using a survey multiplier (the proportion of survey sample’s domestic production volume to total industry domestic production volume) based on figures collected from survey data and CAVCO estimates.²⁵ The survey multipliers derived for television and film were weighted and applied to gross-up the cross-platform interactive media reported production volume figures. As well, to adjust for variances in company size, Nordicity weighted respondents for the current and previous fiscal years.

Exhibit A - 2: Survey Multiplier Ranges

	2007	2008
Television	64%	34%
Film	86%	93%
Cross-platform interactive media	13%	17%
Total	66%	37%

Source: *Ontario Profile 2009* survey and CAVCO.

The production-company revenue estimate used in this report is based on aggregated CFTPA membership data. Members complete annual membership forms and indicate the range of their last fiscal year’s gross revenues from both domestic and service activities. Nordicity calculated a production-company revenue estimate by multiplying the number of production companies in each revenue range by the median revenue for that range (e.g., for the revenue range, \$2 million to \$5 million, Nordicity used the value of \$3.5 million). Nordicity obtained Nelvana’s 2008 revenues from Corus Entertainment Inc. annual report and incorporated this amount into the estimate, after subtracting an observation from the top revenue range. Finally, an estimate of service producers’ revenues (based on 20% of Ontario service spend) was deducted to generate the production-company revenue estimate.

Estimates for the value of cross-platform interactive media production were based on data for the total project value of a subset of projects that received the OMDC’s Ontario Interactive Digital Media Tax Credit (OIDMTC) and generated an interactive digital media project related to a television property. As a result, the estimates only reflect a portion of the activity in the interactive digital media sector.

²⁵ Annual production volume has a high correlation with revenues and the number of employees, so it is a good variable upon which to weight respondents.

Survey Results – Detailed

Importance of Copyright Ownership for the Industry – Inter-provincial co-productions

Production Budgets

- Based on survey responses from television producers, the 43% of inter-provincial co-productions had budgets of under \$250,000 in 2008. About one-fifth of respondents had inter-provincial co-production budgets in the range of \$500,000 to \$2 million; one-fifth of inter-provincial co-productions budgets were in the range of \$2 million to \$5 million; and, one-fifth were in the \$10 million to \$20 million range in 2008.
- Based on survey responses from theatrical film producers, the vast majority of inter-provincial co-productions, 72%, had budgets of under \$250,000 in 2008. Fourteen percent of respondents' budgets were in the range of \$250,000 to \$500,000, and 14% were between \$2 million and \$5 million. Note that the self-reported survey results below represent inter-provincial co-production based on the number of domestic projects. The theatrical film projects that were reported on likely reflect the presence of documentary theatrical films in the survey sample.

Exhibit A - 3 Distribution of Inter-provincial Co-production Budgets

	Less than \$250,000	\$250,000 to \$499,000	\$500,000 to \$999,000	\$1 to \$1.99 million	\$2 to \$4.99 million	\$5 to \$9.99 million	\$10 to \$19.99 million
Television	43%	0%	12%	7%	19%	0%	19%
Theatrical Film	72%	14%	0%	0%	14%	0%	0%
Interactive Media	0%	0%	0%	0%	0%	0%	0%

Source: *Ontario Profile 2009* survey. No cross-platform interactive media inter-provincial co-production budget responses were provided.

Note: The distribution was based on number of projects.

Ontario Producer as the Originating Producer

In 2007 and 2008, 29% of survey respondents participated in inter-provincial co-productions, the majority of which had production budgets of under \$1 million.

- In television, 54% of respondents participated in only one inter-provincial co-production as the originating producer in the last fiscal year, compared to 40% the year prior. Thirty-four percent of respondents had no inter-provincial co-productions

in the last fiscal year where they served as the originating party, compared to 53% the year prior.

- In theatrical film, 83% of respondents had no inter-provincial co-productions where they served as the originating party in the last fiscal year, compared to 33% the year prior. The seven to nine project range was the next most popular with 17% of respondents in the last fiscal year.

Exhibit A - 4 Number of Inter-provincial Co-productions – Originating Producer

	No projects	1 project	2 projects	3-4 projects	5-6 projects	7-9 projects
Television	34%	54%	0%	0%	6%	6%
Theatrical Film	83%	0%	0%	0%	0%	17%
Interactive						
Media	0%	0%	0%	0%	0%	0%

Source: *Ontario Profile 2009* survey. No cross-platform interactive media inter-provincial co-production budget responses were provided.

Gross Sales Reported by Distributors

- A distribution analysis of survey respondents' inter-provincial co-production gross distribution sales reveals that 66% of television projects generated less than \$250,000 in sales for Ontario producers, and the remaining 33% of television projects generated between \$500,000 and \$2 million in the last fiscal year.

Exhibit A - 5 Distribution of Inter-provincial Co-production Gross Sales

	Less than \$250K	\$250K to \$499K	\$500K to \$999K	\$1 to \$1.99M	\$2 to \$4.99M
Television	66%	0%	9%	25%	0%
Theatrical Film	0%	0%	0%	0%	0%
Interactive					
Media	0%	0%	0%	0%	0%

Source: *Ontario Profile 2009* survey. No theatrical film or interactive media interprovincial co-production budget responses were provided.

Note: "K" represents thousands and "M" represents millions.

Current Development Budgets

- Of the Ontario producers surveyed, 28% of current development budgets for television were in the range of \$50,000 to \$100,000, and 4% were over \$1 million.
- Regarding current theatrical film development budgets, respondents fell into two ranges – \$20,001 to \$50,000 and \$200,001 to \$500,000, with 18% and 21% shares respectively.
- Forty-three percent of cross-platform interactive media respondents had no projects currently in development; however, 3% had current development budgets in the range of \$1 million to \$2 million.

Exhibit A - 6 Distribution of Current Development Budgets

	No projects	\$0	\$1-\$1K	\$1,000-1-\$2K	\$2,000-1-\$5K	\$5,000-1-\$7.5K	\$7,501-\$10K	\$10,000-1-\$20K	\$20,000-1-\$50K	\$50K-\$100K	\$100,000-1-\$200K	\$200,000-1-\$500K	\$500K-\$1M	\$1-\$2M	More than \$2M
Television	6%	4%	1%	0%	7%	2%	4%	4%	4%	28%	19%	13%	0%	2%	2%
Theatrical Film	13%	4%	2%	0%	4%	4%	2%	8%	18%	11%	13%	21%	0%	0%	0%
Interactive Media	43%	8%	0%	4%	11%	0%	3%	3%	11%	3%	3%	8%	0%	3%	0%

Source: Ontario Profile 2009 survey.

Note: "K" represents thousands and "M" represents millions.

- Of the three sectors, cross-platform interactive media had the largest share of respondents who had financed 100% of current development budgets at 31%. But this segment had an almost 40% share of respondents who had no project currently in development.

Exhibit A - 7 Distribution of Percentage of Past Development Budgets (2003 to 2008) Financed by Surveyed Company

	No	1%-	6% -	11%-	21%-	31%-	41%-	51%-	61%-	71%-	81%-	90%-		
	Projects	0%	5%	10%	20%	30%	40%	50%	60%	70%	80%	90%	99%	100%
Television	8%	5%	7%	8%	9%	9%	3%	8%	3%	5%	7%	0%	0%	28%
Theatrical														
Film	15%	2%	4%	6%	13%	11%	2%	4%	6%	2%	8%	4%	0%	23%
Interactive														
Media	42%	7%	3%	0%	0%	7%	0%	0%	3%	3%	3%	0%	0%	32%

Source: Ontario Profile 2009 survey.

Past Development Budgets

- Almost one-quarter of past development budgets for television were in the range of \$200,001 to \$500,000, and 7% were over \$1 million.
- Twenty percent of respondents reported past theatrical film development budgets in the \$200,001 to \$500,000 range and 19% had no theatrical film development projects during the period.
- Thirty-eight percent of cross-platform interactive media respondents had no projects currently in development; however, 4% had current development budgets in the range of \$1 million to \$2 million.

Exhibit A - 8 Distribution of Past Development Budgets (2003 to 2008)

	No projects	\$0	\$1-\$1K	\$1,001-\$2K	\$2,001-\$5K	\$5,001-\$7.5K	\$7,501-\$10K	\$10,001-\$20K	\$20,001-\$50K	\$50K-\$100K	\$100,001-\$200,001	\$200,001-\$500K	\$500K-\$1M	\$1-\$2M	More than \$2M
Television	10%	0%	3%	0%	5%	0%	5%	3%	8%	14%	17%	23%	5%	5%	2%
Theatrical Film	19%	0%	0%	5%	3%	5%	3%	9%	7%	7%	12%	20%	7%	3%	0%
Interactive Media	38%	12%	4%	4%	0%	0%	0%	0%	12%	18%	0%	4%	4%	4%	0%

Source: Ontario Profile 2009 survey.

Note: "K" represents thousands and "M" represents millions.

- Of the three sectors, theatrical film had the largest share of respondents who had financed 100% of past development budgets at 30%; cross-platform interactive media was 23% and television was 17%.

Exhibit A - 9 Distribution of Percentage of Past Development Budgets (2003 to 2008) Financed by Surveyed Company

	No Projects	0%	1% - 5%	6% - 10%	11% - 20%	21% - 30%	31% - 40%	41% - 50%	51% - 60%	61% - 70%	71% - 80%	81% - 90%	90% - 99%	100%
Television	8%	4%	5%	13%	13%	12%	4%	8%	2%	5%	5%	2%	2%	17%
Theatrical Film	13%	3%	3%	5%	14%	12%	0%	5%	3%	5%	7%	0%	0%	30%
Interactive Media	38%	12%	0%	4%	4%	7%	0%	0%	0%	0%	12%	0%	0%	23%

Source: Ontario Profile 2009 survey.

Corporate Overview

Years of Production Activity

- Ontario has television and film companies that have been producing for over 20 years; however, the large majority of companies are less than 11 years old.
- Three-quarters of Ontario's production companies have been producing television content for less than 21 years: one-quarter have been producing television content for 2 to 6 years, one-quarter for 7 to 11 years, and one-quarter for 12 to 20 years. Four percent have been in operation for over 31 years.
- Almost 40% of Ontario's theatrical film production companies have been producing content for two to six years, and 33% for less than two years.
- Nearly 60% percent of cross-platform interactive media production companies have been producing content for less than two years.

Exhibit A - 10 Distribution of Number of Years of Producing Screen-based Content

	Less than 2 years	2 – 6 years	7 – 11 years	12 – 20 years	21 – 30 years	31 – 40 years	Over 40 years
Television	11%	25%	25%	25%	9%	3%	2%
Theatrical Film	34%	38%	9%	16%	0%	3%	0%
Interactive Media	58%	18%	18%	6%	0%	0%	0%

Source: Ontario Profile 2009 survey.

Number of Projects

- Ontario's production companies completed about 567 domestic projects in 2008 and 389 in 2007. By contrast, service productions totalled 103 projects and 72 projects, respectively.

Exhibit A - 11: Number of Domestic Television, Feature Film and Cross-platform interactive media Projects

	2007		2008	
	No. of domestic projects	No. of service projects	No. of domestic projects	No. of service projects
Television	202	51	387	97
Theatrical film	21	21	27	6
interactive media	166	0	152	0
Total	389	72	567	103

Source: Ontario Profile 2009 survey.

- Most television producers had one project in production during the last two fiscal years.
- Over 60% of cross-platform interactive media companies had no projects in production during the last two fiscal years.

Exhibit A - 12 Distribution of Number of Domestic Television, Feature Film and Interactive Media Projects

	No projects	1 project	2 projects	3-4 projects	5-6 projects	7-9 projects	10-12 projects	13-15 projects	Over 15 projects
Television	15%	43%	19%	10%	5%	8%	0%	0%	0%
Theatrical Film	56%	32%	9%	3%	0%	0%	0%	0%	0%
Interactive Media	62%	18%	10%	7%	0%	0%	0%	0%	3%

Source: Ontario Profile 2009 survey.

Full-time and Part-time Employees

- The average number of full-time and part-time television personnel increased to ten and two persons, respectively, in 2008.
- In television, the average number of dedicated full-time staff more than doubled from 2007 to 2008.
- In theatrical film, the average number of dedicated full-time staff remained stable at 0.6 in 2008.
- In cross-platform interactive media, the average number of dedicated full-time staff remained stable at 1.1 in 2008.
- Many production-company staff members work across multiple sectors. This personnel group increased to 6.3 in 2008.

Exhibit A - 13: Average Number of Full-time Staff Per Production Company

	No. of full-time staff in 2007	No. of full-time staff in 2008
Television	4.7	9.7
Theatrical film	0.5	0.6
Cross-platform interactive media	1.1	1.0
Across multiple sectors	5.6	5.9
Total	11.6	17.3

Source: Ontario Profile 2009 survey.

- In television, the average number of dedicated part-time staff also more than doubled from 2007 to 2008.
- In theatrical film, the average number of dedicated full-time staff remained relatively stable at 0.4 in 2008.
- In cross-platform interactive media, the average number of dedicated full-time staff remained stable at 0.2 in 2008.
- Production company staff across multiple sectors averaged to 0.5 in 2008.

Exhibit A - 14: Average Number of Part-time Staff Per Production Company

	No. of part-time staff in 2007	No. of part-time staff in 2008
Television	1.0	21.9
Theatrical film	0.5	0.4
Cross-platform interactive media	0.2	0.2
Across multiple sectors	0.3	0.5
Total	2.0	3.1

Source: Ontario Profile 2009 survey.

Students and Interns

Exhibit A - 15: Production Companies' Use of Students and Interns

	2007	2008
Interns – Total	100.1	195.3
Interns – Average	1.7	3.4
Hours of Training by Staff/Week – Average	9.8	11.4

Source: Ontario Profile 2009 survey.

Investment in Technology and Human Capital -- Skill and Experience Availability

Exhibit A - 16: Degree of Difficulty Filling Senior Staff Positions at Production Companies

	Developmen t	Productio n	Post- Productio n	Business Affairs	Sales and Marketin g	Accounting /Finance	Other role
Not at All Difficult to Fill	11%	15%	13%	13%	13%	14%	28%
Not Very Difficult to Fill	12%	8%	22%	8%	11%	4%	0%
Somewhat Difficult to Fill	21%	31%	35%	13%	24%	27%	0%
Very Difficult to Fill	19%	27%	26%	31%	18%	24%	36%
Extremely Difficult to Fill	37%	19%	4%	35%	34%	31%	36%

Source: Ontario Profile 2009 survey.

Appendix B: Economic Impact Methodology and Data

Calculation of Direct and Indirect Economic Impact

To model the direct and indirect economic impact of production, Nordicity reviewed various sample budgets for film and television projects across various genres of production. On the basis of these sample budgets, Nordicity constructed a model to allocate production-budget expenditures. We allocated the total budgets for interactive digital media projects on the basis of a model for animation production. Nordicity also developed an allocation model for the production industry's distribution revenues, and included distribution revenues of \$25 million in the economic impact modelling.

Based on the budget allocation model, Nordicity calculated how total production expenditures and distribution revenues were distributed across various commodity-input groupings, as well as salaries and wages for production-industry workers, and other components of GDP (i.e., operating surplus). The result of this expenditure-allocation model is detailed in Exhibit B -1 (see page 57).

To calculate the indirect economic impact, we applied the commodity expenditure amount (increase in output in each commodity grouping) to Statistics Canada's Input-Output Model for the Ontario economy (Statistics Canada, Catalogue No. 15-201-X). By utilizing Statistics Canada's Input-Output Model for the Ontario economy, we were able to generate an estimate of GDP, and salaries and wages in each industry grouping. We then used average annual salary statistics from the 2006 Census to calculate FTE estimates for each industry. The input and output data for the calculation of the indirect economic impact can be found in Exhibit B - 2 (see page 58).

Exhibit B - 1: Indirect Economic Impact by Commodity, 2008

Commodity	Industry group	Amount of indirect expenditures (\$ millions)	Percentage of total expenditures
Other clothing and accessories	Wholesale Trade	2.9	0.5%
Builders' hardware	Wholesale Trade	3.4	0.6%
Unrecorded tapes (blanks)	Wholesale Trade	2.2	0.4%
Motor gasoline	Wholesale Trade	2.6	0.4%
Musical instruments and artists' supplies	Wholesale Trade	2.1	0.4%
Art and decorative goods, misc. end products	Wholesale Trade	6.1	1.0%
Air transport, passenger	Transportation and Warehousing	3.7	0.6%
School bus and other transportation	Transportation and Warehousing	0.1	0.0%
Telephone and other telecommunications	Information and Cultural	2.4	0.4%
Paid charges, banks and other dep. acc. Intermediate	Finance, Insurance, Real Estate, Rental and Leasing	13.8	2.4%
Royalties and licence fees (excl. natural resources)	Information and Cultural	7.8	1.4%
Non-life insurance	Finance, Insurance, Real Estate, Rental and Leasing	5.1	0.9%
Non-residential rent	Finance, Insurance, Real Estate, Rental and Leasing	7.4	1.2%
Motion picture, audio, and video production and distribution	Information and Cultural	85.4	14.8%
Accounting and legal services	Finance, Insurance, Real Estate, Rental and Leasing	13.4	2.3%
Advertising services	Professional and Scientific	3.3	0.6%
Hotel and motel accommodation services	Accommodation and Food Services	3.2	0.5%
Meals (outside home)	Accommodation and Food Services	7.6	1.2%
Barber and beauty services	Other Services	0.6	0.1%
Photographic services	Professional and Scientific	0.8	0.1%
Services to buildings and dwellings	Administrative Support	2.7	0.4%
Other administrative and support services	Administrative Support	14.8	2.5%
Rental of automobiles and trucks	Finance, Insurance, Real Estate, Rental and Leasing	8.9	1.5%
Rental, other machinery and equipment, incl. const.	Finance, Insurance, Real Estate, Rental and Leasing	7.3	1.2%
Office supplies	Retail Trade	2.5	0.4%
Total indirect expenditures	--	210.0	35.7%
Wages and supplementary income	--	332.8	56.5%
Other GDP components	--	45.7	7.8%
Total expenditures (output)	--	588.5	100.0%

Source: Nordicity estimates based on data from CAVCO and film funding agencies.

Exhibit B - 2: Indirect Economic Impact by Commodity, 2008

Commodity	Increase in output (\$ millions)	GDP (\$ millions)	Wages and supplementary labour income (\$ millions)	FTEs
Crop and Animal Production	0.4	0.1	0.0	1
Forestry and Logging	0.1	0.0	0.0	0
Fishing, Hunting and Trapping	0.0	0.0	0.0	0
Support Activities for Agriculture and forestry	0.0	0.0	0.0	0
Mining and Oil and Gas Extraction	1.0	0.6	0.2	5
Utilities	1.8	1.1	0.4	5
Construction	3.3	1.6	1.0	20
Manufacturing	17.8	5.0	3.0	68
Wholesale Trade	22.5	13.4	8.7	233
Retail Trade	4.8	3.1	2.1	78
Transportation and Warehousing	9.6	4.7	3.1	75
Information and Cultural Industries	107.5	60.0	29.0	697
Finance, Insurance, Real Estate and Rental and Leasing	77.0	52.4	15.0	366
Professional, Scientific and Technical Services	15.4	9.6	6.9	164
Administrative and Support, Waste Management and Remediation Services	22.7	15.5	11.1	361
Educational Services	0.1	0.1	0.0	1
Health Care and Social Assistance	0.2	0.2	0.1	1
Arts, Entertainment and Recreation	1.6	0.8	0.6	20
Accommodation and Food Services	11.6	6.0	4.4	199
Other Services (Except Public Administration)	3.2	2.1	1.4	41
Operating, Office, Cafeteria and Laboratory Supplies	7.0	0.0	0.0	
Travel, Entertainment, Advertising and Promotion	9.9	0.0	0.0	
Transportation Margins	0.5	0.0	0.0	
Non-Profit Institutions Serving Households	0.3	0.2	0.2	6
Government Sector	2.1	1.2	1.1	23
Total	320.3	177.9	88.3	2,364

Source: Nordicity estimates based on data from Statistics Canada.

Note: Some totals do not add up due to rounding.

Induced-Impact Multiplier

Nordicity derived the induced-impact multiplier for GDP and jobs by using the Conference Board of Canada's input-output model multiplier (1.57) and overall economic multiplier (1.87) found in the Conference Board of Canada's *Valuing Culture* report (p. 31). In that report, the Conference Board of Canada applied these two multipliers to its own analysis of the economic impact of the Canadian cultural industries.

Nordicity used the ratio of the Conference Board of Canada's national multipliers ($1.87 \div 1.57 = 1.17$) to develop an induced-impact multiplier that it could apply to GDP and jobs. Nordicity applied the ratio of 1.17 to the national film and television employment multiplier of 2.17 found in the CFTPA report, *Profile 2009: An Economic Report on the Canadian Film and Television Production Industry* (2009). Nordicity used the following formula to derive a ratio (or percentage) that it could apply to the estimates of direct GDP and employment impacts:

$$1.17 \times 2.17 - 2.17 = 0.37$$

Thus, to arrive at an estimate of the induced economic impact, Nordicity multiplied its estimates of the direct GDP and employment by 0.37.

Appendix C: Ontario – Quebec Comparison Data

Description of Direct Production and Development Funding Mechanisms

Exhibit C -1: Funding Mechanisms in Ontario, 2006 to 2007

Funding Mechanism	Description	Principal Target Activity
OMDC Film Fund	A program developed to increase the level of indigenous film production in Ontario. It will provide support to Ontario producers for feature film projects in the final stages of development and production financing. Started 2005/06.	Production
OMDC Interactive Media Fund	Digital A program designed to provide Ontario IDM content companies with access to the final piece of funding required to move their content projects into production.	Production
pl@tform	A program provided Canadian-owned and controlled, Ontario-based interactive digital media companies with funding to assist in the creation of new commercially-focused content projects	Production
Al Waxman Calling Card Program	A program to promote the film, the filmmakers and the program in order to enhance the film's chances of success and its overall visibility	Production
Pioneering Content	A program designed to stimulate the development of cultural products for tomorrow. The program provides cash grants of up to \$70,000 to six project teams.	Development

Sources: OMDC Website, OMDC annual report (for inactive programs)

Exhibit C -2: Funding Mechanisms in Quebec, 2006 to 2007

Funding Mechanism	Description	Principal Target Activity
Cinema and TV - Production Assistance	A conditionally repayable loan of up to 49% of the project budget (up to \$1.5 million) to support the production of film and television production	Production
Young Creators (Production Envelope)	A conditionally repayable loan for young film makers of up to \$75,000 to produce films and television products	Production
Cinema and TV - Scriptwriting Assistance	A conditionally repayable loan (dependent on later SODEC funding) of up to \$50,000 (depending on the type of company applying)	Development
Young Creators (Scriptwriting Envelope)	A conditionally repayable loan for young film makers to create new works.	Development

Sources: SODEC Website

Comparison Data

Exhibit C -3: Direct production funding (excludes tax credits) per capita (film, television, interactive media) (all figures and in millions, unless otherwise stipulated)

	00/01	01/02	02/03	03/04	04/05	05/06	06/07
Ontario							
OMDC Film Fund	--	--	--	--	--	1.2	2.3
OMDC Interactive Digital Media Fund	--	--	--	--	--	0.5	0.5
pl@tform					0.2		
AI Waxman Calling Card			0.1	0.3			
Ontario Total			0.1	0.3	0.2	1.8	2.8
Ontario Population	11.9	12.1	12.3	12.4	12.6	12.7	12.8
Ontario per capita production funding (in dollars)			0.01	0.02	0.02	0.14	0.22
Quebec							
SODEC Cinema and TV – Production Assistance	11.4	13.5	13.1	18.8	16.2	21.3	30.5
SODEC Young Creators Program (Production Component)	1.2	1.4	1.7	1.5	1.2	1.1	1.2
Quebec Total	12.6	15.0	14.8	20.4	17.5	22.4	31.7
Quebec Population	7.4	7.5	7.5	7.5	7.6	7.7	7.7
Quebec per capita production funding (in dollars)	1.70	2.01	1.37	2.70	2.30	2.33	4.12

Sources: OMDC and SODEC Annual Reports, Statistic Canada Census Data

Notes: Some totals will not add up due to rounding.

Historical programs included in this table are as follows: the “pl@tform” program which provided Canadian-owned and controlled, Ontario-based interactive digital media companies with funding to assist in the creation of new commercially-focused content projects, and the AI Waxman Calling Card program which was designed to promote the film, the filmmakers and the program in order to enhance the film’s chances of success and its overall visibility. The activities of both of these programs have been rolled into the OMDC’s Film and Interactive Digital Media Funds.

Exhibit C -4: Direct production funding as a percentage of total budget (all figures and in millions, unless otherwise stipulated)

	00/01	01/02	02/03	03/04	04/05	05/06	06/07
Ontario							
OMDC Film Fund	--	--	--	--	--	1.2	2.3
OMDC Interactive Digital Media Fund	--	--	--	--	--	0.5	0.5
pl@form					0.2		
AI Waxman Calling Card			0.1	0.3			
Ontario Total			0.1	0.3	0.2	1.8	2.8
OMDC Budget	--	7.8	9.7	10.5	11.3	10.9	14.8
Ontario Direct Funding as a Percentage of OMDC Budget			1.0%	2.9%	1.8%	16.5%	18.9%
Quebec							
SODEC Cinema and TV – Production Assistance	11.4	13.5	13.1	18.8	16.2	21.3	30.5
SODEC Young Creators Program (Production Component)	1.2	1.4	1.7	1.5	1.2	1.1	1.2
Quebec Total	12.6	15.0	14.8	20.4	17.5	22.4	31.7
SODEC Budget	46.1	45.8	50.7	53.8	49.5	54.3	65.8
Quebec Direct Funding as a Percentage of SODEC Budget	27.3%	32.85%	29.2%	37.9%	35.3%	41.3%	48.2%

Sources: OMDC and SODEC Annual Reports

Notes: Some totals will not add up due to rounding.

Historical programs included in the above table are as follows: the “pl@tform” program which provided Canadian-owned and controlled, Ontario-based interactive digital media companies with funding to assist in the creation of new commercially-focused content projects, and the AI Waxman Calling Card program which was designed to promote the film, the filmmakers and the program in order to enhance the film’s chances of success and its overall visibility. The activities of both of these programs have been rolled into the OMDC’s Film and Interactive Digital Media Funds.

Exhibit C -5: Per capita government funding for project development (all figures and in millions, unless otherwise stipulated)

	00/01	01/02	02/03	03/04	04/05	05/06	06/07
Ontario							
Pioneering Content				0.8	0.3	--	--
Ontario Total				0.8	0.3		
Ontario Population	11.9	12.1	12.3	12.4	12.6	12.7	12.8
Ontario per capita development support (in dollars)				0.06	0.02		
Quebec							
Cinema and TV – Scriptwriting	1.3	1.3	1.3	3.5	2.6	2.1	2.4
Cinema and TV - Young Creators (Scriptwriting Component)	1.2	1.4	1.7	1.5	1.2	1.1	1.2
Quebec Total	12.6	5.0	14.8	20.4	17.5	22.4	31.7
Quebec Population	7.4	7.5	7.5	7.5	7.6	7.7	7.7
Quebec per capita development support (in dollars)	0.19	0.18	0.18	0.49	0.38	0.31	0.35

Sources: OMDC and SODEC Annual Reports, Statistic Canada Census Data

Notes: Some totals will not add up due to rounding.

Historical programs included in the above table are as follows: the “pl@tform” program which provided Canadian-owned and controlled, Ontario-based interactive digital media companies with funding to assist in the creation of new commercially-focused content projects, and the Pioneering Content programs that was designed to stimulate the development of cultural products for tomorrow. The program provides cash grants of up to \$70,000 to six project teams. The activities of both of these programs have been rolled into the OMDC’s Film and Interactive Digital Media Funds.

Exhibit C -6: Government support for gap financing (all figures and in millions, unless otherwise stipulated)

	00/01	01/02	02/03	03/04	04/05	05/06	06/07
Ontario							
CTF Contribution				80.9	80.8	83.5	96.5
Ontario Total				80.9	80.8	83.5	96.5
Quebec							
SODEC Interim Financing Loan Guarantee Program	25.0	23.0	23.3	20.3	11.8	8.4	7.8
CTF Contribution				84.5	96.1	91.1	85.4
Quebec Total	25.0	23.0	23.3	104.8	107.9	99.5	93.1

Sources: CTF Annual Reports

Note: Some totals will not add up due to rounding.

Exhibit C -7: Annual number of feature films per capita

	00/01	01/02	02/03	03/04	04/05	05/06	06/07
Ontario							
# of Feature Films				26	44	48	39
Domestic Films				13	22	34	25
Foreign Films				13	22	14	14
Ontario Population (in millions)	11.9	12.1	12.3	12.4	12.6	12.7	12.8
Ontario Films per million in habitants				2.10	3.49	3.78	3.05
Quebec							
# of Feature Films	34	42	36	49	32	51	43
Quebec Population	7.4	7.5	7.5	7.5	7.6	7.7	7.7
Quebec Films per million in habitants	4.59	5.60	4.80	6.53	4.21	6.62	5.58

Sources: OMDC Website, Regie du Cinema, Quebec (related to calendar years), Statistic Canada Census Data

Note: Some totals will not add up due to rounding.

Exhibit C -8: Number of production companies per capita (2007)

06/07	
Ontario	
# of Production Companies	189
Ontario Population (in millions)	12.8
Ontario Production Companies per million in habitants	14.8
Quebec	
# of Production Companies	147
Quebec Population	7.7
Quebec Production Companies per million in habitants	19.1

Sources: CFTPA and APFTQ Membership Data. The CFTPA data was provide on special request and the APFTQ data was obtained from the organization's website.

Exhibit C -9: Canadian box office revenues earned by top 20 Canadian feature films (in \$million)

	00/01	01/02	02/03	03/04	04/05	05/06	06/07
Ontario Top 20 Revenue					3.3	3.3	5.0
Quebec Top 20 Revenue					24.9	31.5	23.3

Sources: Telefilm Canada website

Note: The figures represent Canadian box office totals for the top 20 films in Canada.

Exhibit C -10: International awards per film produced

	00/01	01/02	02/03	03/04	04/05	05/06	06/07
Ontario							
# of Films Produced			26	44	48	39	
# of Awards Earned				23	6	18	
Ontario Awards per Film				0.52	0.13	0.46	
Quebec							
# of Feature Films	34	42	36	49	32	51	43
# of Awards Earned				12	8	19	
Quebec Awards per Film				0.38	0.16	0.44	

Sources: Telefilm Canada Festival Directory database on website, OMDC Website, Regie du Cinema, Quebec (related to calendar years). The Telefilm Canada Festival Directory database lists awards from over 150 international film festivals and can be found at <http://www.telefilm.gc.ca/05/513a.asp>.

Note: Some totals will not add up due to rounding.

Exhibit C -11: International festival entries per film produced

	00/01	01/02	02/03	03/04	04/05	05/06	06/07
Ontario							
# of Films Produced				26	44	48	39
# of Festival Entries					30	17	31
Ontario Festival Entries per Film					0.68	0.35	0.79
Quebec							
# of Feature Films	34	42	36	49	32	51	43
# of Festival Entries					10	8	23
Quebec Festival Entries per Film					0.31	0.16	0.53

Sources: Telefilm Canada Festival Directory database on website, OMDC Website, Regie du Cinema, Quebec (related to calendar years). The Telefilm Canada Festival Directory database lists awards from over 150 international film festivals and can be found at <http://www.telefilm.gc.ca/05/513a.asp>.

Note: Some totals will not add up due to rounding.

Appendix D: Survey Questionnaire

Default Question Block

Ontario Profile 2009

A Profile of Domestic Film, Television and Interactive Media Production in Ontario

Thank you for agreeing to participate in this survey of the domestic film, television and interactive media industry.

Purpose:

The objective of Ontario Profile 2009 is to create a current economic profile of domestic film, television and interactive media production in Ontario to assist in the continued development of a competitive, well-financed industry poised to capitalize on global market opportunities.

As you know, the provincial government regularly reviews its support programs for film and television production. As we enter this period of economic difficulty, there will be tremendous pressure on the federal government to invest in visible physical infrastructure. The CFTPA requires up-to-date and comprehensive economic data to support the Province's continued investment in the industry and to promote new initiatives to improve the effectiveness of the Province's investment.

You, the producers of Ontario, are the only ones who can supply much of this economic data. Without your contribution, it is impossible for the CFTPA to engage in the kind of evidence-based discussion with the provincial government, which can lead to the long-term renewal of existing programs and the development of new programs.

Survey Topics:

There are five sections to the survey (plus a sixth section for producers of programming for children and youth), a total of 33 questions:

- A. Corporate Profile – 7 questions
- B. Importance of Copyright Ownership for the Industry – 9 questions
- C. Intellectual Property Development – 7 questions
- D. Industry Employment, Skills and Training – 4 questions
- E. Financial Performance – 3 questions
- F. The Case for Kids Programming 2009 – 3 questions

The survey will take approximately 30 minutes to complete. It is extremely important that you take the time to complete the survey. This may best be done by person(s) in senior management most familiar with key financial, human resources and other strategic issues facing your company.

Confidentiality:

All of your responses to the survey will be kept **strictly confidential** and will be processed by Nordicity as a third-party outside the CFTPA. The information collected will be **used in aggregate** in order to improve programs and policies that serve the industry. Only the survey company will see individual company information. The Ontario Producers Panel, CFTPA members and funding sponsors will have **no access to any individual company results**, but will only see the information in aggregate.

Contact Information:

If you have any questions about this survey, you may contact: **Akhaji Zakiya**, Nordicity Group Ltd., 416 657 2521, azakiya@nordicity.com. We appreciate your participation.

Instructions for Completion of the Survey Questionnaire

Once you begin the questionnaire, you may pause and resume it within a seven-day period. The online survey application will save your responses; you may close the web browser, and return to the questionnaire at a later date by using the survey-questionnaire link that you received in the survey-invitation e-mail.

Once you launch the questionnaire, however, you must complete it on the same computer terminal on which you initially launched it. As such, we ask that only one person within your organization oversee the completion of the questionnaire, and that he or she does so from a single computer terminal.

You may navigate forward and backward within the survey questionnaire, before you submit it. Once you submit your questionnaire, you will not be able to go back and change your questionnaire responses.

For your convenience, definitions are provided at the beginning of each section.

A - Corporate Overview

Definitions:

- **Company production volume:** Total amount of the feature film, television and interactive media production budgets where your company acted as producer. For co-productions, the share of the production budgets ascribed to your company.
- **Domestic production:** Feature film, television and interactive media content where the copyright is retained by an Ontario-based producer.
- **Service production:** Feature film, television and interactive media content produced on a for-hire basis where copyright is not retained by an Ontario-based producer, for example inter-provincial and treaty co-productions.
- **Co-production:** Feature films and television programs where a portion of the copyright is held by an Ontario-based producer, and a portion is held by a producer from another province or country.
- **Last Completed Fiscal Year:** The most recent fiscal year end for your production company. If your fiscal year ends on August 31, the last completed fiscal year was 2008.
- **Second Last Completed Fiscal Year:** The year before the most recent fiscal year end for your production company. If your fiscal year ends on August 31, the last completed fiscal year was 2007.
- **Interactive Media:** Any digital media content that permits users to interact with other users or with the media itself for the purposes of entertainment, information, and education. Examples of interactive media content include video games, flash content on broadband Internet, and blogs over broadband internet or mobile-communications devices.

A1. Please provide the following information:

Organization:

Name of Respondent:

Title

Phone Number:

Email Address:

A2. How many years has your production company been producing screen-based content in each sector?

Please ensure that all answers contain only numbers.

	Feature Film Projects	Television Projects	Interactive Media Projects
Number of Years Producing			

A3. How many productions has your company completed in the last two fiscal years?

Please ensure that all answers contain only numbers.

	Feature Film Projects		Television Projects		Interactive Media Projects	
	Last Completed Fiscal Year	2nd Last Completed Fiscal Year	Last Completed Fiscal Year	2nd Last Completed Fiscal Year	Last Completed Fiscal Year	2nd Last Completed Fiscal Year
Domestic Productions						
Service Productions						

A4. What was the dollar value of your company's total production volume for projects completed in the last two fiscal years?

Please ensure that your answers contain only numbers, omitting the dollar sign (\$).

	Feature Film Projects		Television Projects		Interactive Media Projects	
	Last Completed Fiscal Year	2nd Last Completed Fiscal Year	Last Completed Fiscal Year	2nd Last Completed Fiscal Year	Last Completed Fiscal Year	2nd Last Completed Fiscal Year
Domestic Production						
Service Production						

A5. Of the Interactive Media project revenues generated in the last two fiscal years, what percentage did **not have a television component?**

Please ensure that your answers contain only numbers, omitting the percent sign (%). The totals in each year should equal 100.

	Last Completed Fiscal Year	2nd Last Completed Fiscal Year
Interactive Media Project WITHOUT a TV component		

A6. Of the Interactive Media project revenues generated in the last two fiscal years, what percentage did **not access the Ontario Interactive Digital MediaTax Credit?**

Please ensure that your answers contain only numbers, omitting the percent sign (%). The totals in each year should equal 100.

	Last Completed Fiscal Year	2nd Last Completed Fiscal Year
Interactive Media Projects WITHOUT the OIDMTC		

A7. Please indicate the amount your production company spent on computer hardware and computer software over the past two fiscal years.

Please ensure that your answers contain only numbers, omitting the dollar sign (\$).

	Computer Hardware		Computer Software	
	Last Completed Fiscal Year	2nd Last Completed Fiscal Year	Last Completed Fiscal Year	2nd Last Completed Fiscal Year

Amount Spent

B - The Importance of Copyright Ownership to the Industry

Definitions:

- **Total production budget:** The total portion of the production budget over which your production company retains control.
- **Inter-provincial Co-production:** A feature film, television or interactive media production produced by two or more Canadian corporations from more than one province.
- **International Treaty Co-production:** A feature film, television or interactive media production produced by two or more corporations from more than one country where both territories have a treaty agreement in place.
- **Originating producer:** The primary production entity in a feature film, television or interactive media co-production; the party which initiates the co-production.
- **Co-producer:** The secondary production entity in a feature film, television or interactive media co-production; the party which is invited by the originating producer to participate in the co-production.
- **Projected sales value:** The expected amount of total distribution sales attributed to your production company for a given project, or set of projects, for which your production company holds the copyright.

B1. Over the last two fiscal years, has your production company engaged in any inter-provincial co-productions?

Yes

No - Skip to Question B5

B2. How many of your company's productions completed in the last two fiscal years were inter-provincial co-productions? Did your company serve as the originating producer or the co-producer?

Please ensure that your answers contain only numbers.

	Inter-provincial Co-productions - Originating Producer		Inter-provincial Co-productions - Co-Producer	
	Last Completed Fiscal Year	2nd Last Completed Fiscal Year	Last Completed Fiscal Year	2nd Last Completed Fiscal Year
Feature Film Projects				
Television Projects				
Interactive Media Projects				

B3. What was the total budget amount of your company's inter-provincial co-productions completed in the last two fiscal years? Of that amount, what percentage was attributed to the Ontario-based producer?

Please ensure that your answers contain only numbers, omitting the dollar (\$) and percent (%) symbols.

	Total Budget		% of Total Budget to an Ontario-based producer	
	Last Completed Fiscal Year	2nd Last Completed Fiscal Year	Last Completed Fiscal Year	2nd Last Completed Fiscal Year
Feature Film Projects				
Television Projects				
Interactive Media Projects				

B4. What was the total dollar amount spent on labour for your company's inter-provincial co-productions and what percentage was spent in Ontario in the last two fiscal years?

Please ensure that your answers contain only numbers, omitting the dollar (\$) and percent (%) symbols.

Total Labour Spend		% of Total Labour Costs Spent in Ontario	
Last Completed Fiscal Year	2nd Last Completed Fiscal Year	Last Completed Fiscal Year	2nd Last Completed Fiscal Year
Feature Film Projects			
Television Projects			
Interactive Media Projects			

B5. Please list the projected sales value of inter-provincial co-productions and the percentage share of sales attributed to the Ontario-based production entity..

Please ensure that your answers contain only numbers, omitting the dollar (\$) and percent (%) symbols.

For Feature Film Projects:

Last Completed Fiscal Year		2nd Last Completed Fiscal Year	
Projected Sales Value	% of Sales to Ontario-based Producers	Projected Sales Value	% of Sales to Ontario-based Producers
Total			

For Television Projects:

Last Completed Fiscal Year		2nd Last Completed Fiscal Year	
Projected Sales Value	% of Sales to Ontario-based Producers	Projected Sales Value	% of Sales to Ontario-based Producers
Total			

For Interactive Media Projects:

Last Completed Fiscal Year		2nd Last Completed Fiscal Year	
Projected Sales Value	% of Sales to Ontario-based Producers	Projected Sales Value	% of Sales to Ontario-based Producers
Total			

B6. Over the last two fiscal years, did your production company engage in any international treaty co-productions?

Yes

No - Skip to Section C

B7. How many of your company's productions completed in the last two fiscal years were international treaty co-productions in the last two fiscal years? Did your company serve as the originating producer or the co-producer?

Please ensure that your answers contain only numbers.

International Treaty Co-productions - Originating Producer		International Treaty Co-productions - Co-producer	
Last Completed Fiscal Year	2nd Last Completed Fiscal Year	Last Completed Fiscal Year	2nd Last Completed Fiscal Year
Feature Film Projects			
Television Projects			
Interactive Media Projects			

B8. What was the total budget amount of your company's international treaty co-productions completed in the last two fiscal years? Of that amount what percentage was attributed to the Ontario-based producer?

Please ensure that your answers contain only numbers, omitting the dollar (\$) and percent (%) symbols.

Total Budget	% of Total Budget to an Ontario-based producer		
Last Completed Fiscal Year	2nd Last Completed Fiscal Year	Last Completed Fiscal Year	2nd Last Completed Fiscal Year
Feature Film Projects			
Television Projects			
Interactive Media Projects			

B9. What was the total dollar amount spent on labour for your company's international treaty co-productions and what percentage was spent in Ontario in the last two fiscal years?

Please ensure that your answers contain only numbers, omitting the dollar (\$) and percent (%) symbols.

Total Labour Spend	% of Total Labour Costs Spent in Ontario		
Last Completed Fiscal Year	2nd Last Completed Fiscal Year	Last Completed Fiscal Year	2nd Last Completed Fiscal Year
Feature Film Projects			
Television Projects			
Interactive Media Projects			

B10. Please list the projected value of sales of international treaty co-productions for the listed territories and the percentage share of sales attributed to the producing parties (including the originating producer and co-producer).

Note: The assumption is that sales not attributed to the producing parties are attributed to the distributor and / or sales agent (whether or not the third party or connected to the production company).

Please ensure that your answers contain only numbers, omitting the dollar (\$) and percent (%) symbols.

For Feature Film Projects:

Last Completed Fiscal Year		2nd Last Completed Fiscal Year	
Projected Sales Value	% of Sales to Ontario-based Producers	Projected Sales Value	% of Sales to Ontario-based Producers
Canada			
US			
Rest of World			

For Television Projects:

Last Completed Fiscal Year		2nd Last Completed Fiscal Year	
Projected Sales Value	% of Sales to Ontario-based Producers	Projected Sales Value	% of Sales to Ontario-based Producers
Canada			
US			
Rest of World			

For Interactive Media Projects:

Last Completed Fiscal Year		2nd Last Completed Fiscal Year	
Projected Sales Value	% of Sales to Ontario-based Producers	Projected Sales Value	% of Sales to Ontario-based Producers

Canada	
US	
Rest of World	

C - Intellectual Property Development

C1. How many projects did your company have in development during 2008? Please indicate the total development budgets, the estimated percent financed by your company and the number of projects that were greenlit in 2008.

No. of Development Projects in 2008	Development Budget Total in 2008	% of Total Development Budget Financed by Your Company in 2008	No. of Development Projects Greenlit in 2008
Feature Film Projects			
Television Projects			
Interactive Media Projects			

C2. How many projects did your company have in development from 2002 to 2007? Please indicate the total development budgets, the estimated percent financed by your company and the number of projects that were greenlit between 2002 to 2007.

No. of Development Projects between 2002 - 2007	Development Budget Total from 2002 -2007	% of Total Development Budget Financed by Your Company from 2002 -2007	No. of Development Projects Greenlit in from 2002 -2007
Feature Film Projects			
Television Projects			
Interactive Media Projects			

C3. In your experience, what is the average length of time (in months) required to receive a greenlight for a project?

	0	6	12	18	24	30	36	42	48	54	60	Value
Feature Film Projects												
Television Projects												
Interactive Media Projects												

C4. How many people at your production company currently participate in the development process?

0 5 10 15 20 25 30 35 40 45 50 Value

Feature Film Projects

Television Projects

Interactive Media Projects

C5. Please list the job title(s)/function(s) of the staff members who are responsible for development within your production company, including the number of hours spent on development in an average week during 2007 or 2008.

Job Title or Function

Number of Hours Per Week

Employee 1

Employee 2

Employee 3

Employee 4

Employee 5

Employee 6

C6. Please select from the list below the development activities that your production company conducted in 2007 or 2008?

Conducting market research

Securing development financing

Designing and printing one-sheets

Shooting and editing demos

Writing treatments or scripts

Other (please specify):

D - Industry Employment, Skills and Training

D1. How many full-time, in-house staff (excluding crews) did your company employ during 2007? 2008?

Please ensure that your answers contain only numbers.

No. of Full-time Staff in 2008

No. of Full-time Staff in 2007

Feature Film Projects

Television Projects

Interactive Media Projects

Across Multiple Sectors

Total

D2. How many part-time, in-house staff (excluding crews) did your company employ during 2007? 2008?

Please ensure that your answers contain only numbers.

No. of Part-time Staff in 2008

No. of Part-time Staff in 2007

Feature Film Projects

Television Projects

Interactive Media Projects

Across Multiple Sectors

Total

D3. How many students and / or interns were placed in your production company from outside organizations during 2007 and 2008?.

How many hours of staff time per week was spent providing training to the students and / or interns indicated above during 2007 and 2008?

Please ensure that your answers contain only numbers.

2008

2007

Interns from Outside Organizations

Hours of Staff Time Spent per week

D4. For each functional position listed, please indicate the degree to which the position has been difficult to fill in 2007 and 2008.

Extremely Difficult to Fill

Very Difficult to Fill

Somewhat Difficult to Fill

Not Very Difficult to Fill

Not at All Difficult to Fill

Development Coordination - Senior

Development Coordination - Intermediate

Development Coordination - Junior

Production - Senior

Production - Intermediate

Production - Junior

Post-Production Coordination/ Management - Senior

Post-Production Coordination/ Management - Intermediate

Post-Production Coordination/ Management - Junior

Business Affairs - Senior

Business Affairs - Intermediate

Business Affairs - Junior

Sales and Marketing - Senior

Sales and Marketing - Intermediate

Sales and Marketing - Junior

Accounting/Finance - Senior

Accounting/Finance - Intermediate

Accounting/Finance - Junior

Other Role - Senior

Other Role - Intermediate

Other Role - Junior

E - Financial Performance

Definitions:

- **Net Revenue:** Monies earned by production companies from production fees (i.e., producer fees and overhead), the licensing of films and television programs from content libraries, other forms of revenue-generating rights exploitation, and the provision of production services.

Include any portion of federal and provincial tax credits not directly included in the financing of films and television programs produced by your company.

Do not include any amounts received as financing for film and television projects; only include the portion of project budgets earned by your production company in the form of production fees (i.e. producer fees and overhead). Be sure to deduct any producer fees that were permanently deferred.
- **Production fees:** Monies earned by a production company from the production of a film or television program. It includes producer fees and any project budget allocations for production-company overhead. Deduct any producer fees that have been permanently deferred in order to lower the budget of a film or television program.
- **Advertising and sponsorship revenues:** Monies earned from the promotion of third-party products, services or organizations in relation to the exhibition of video content.
- **Producer's gross:** The residual amount due to the production parties after distributor's fees and all other expenses have been disbursed for a project.

E1. Please indicate the proportion (as a percentage) of your production company's total revenues generated by the following activities during the last two completed fiscal years. Percentages should total to 100%

Where there is an asterisk (*) include rights-exploitation revenues from lump-sum payments, or revenue-sharing agreements outside of television broadcast license fees.

Please ensure that your answers contain only numbers, omitting the % mark. For example, to enter "twenty percent" or "20%", please input "20". Percentages must total to 100.

	2008	2007
Production Fees - Film projects		
Production Fees - Television projects		
Production Fees - Interactive media projects		
Fees from post-production work		
Fees from the production of INTERACTIVE digital media content		
Fees from commercial production (e.g. ad spots, corporate videos, etc.)		
Fees from other services (e.g. rental of production equipment)		
Revenues* from the licensing of content to TV broadcasters and theatrical/DVD distributors		
Revenues* from TV video-on-demand and pay-per-view		
Revenues* from broadband internet platform distribution (both streaming and download)		
Revenues* from mobile-platform distribution		

Revenues* from licensing of content to videogame platforms

Advertising and sponsorship revenue

Other sources of revenue

Total

E2. What was the dollar amount of your producer's gross (your production company's share of domestic and foreign distributors' gross revenue) as reported to you in the last two fiscal years?

	Last Completed Fiscal Year	2nd Last Completed Fiscal Year
Domestic Distribution Gross Revenue		
Foreign Distribution Gross Revenue		

E3. What was the total dollar amount of your company's total after-market export sales from Canada, US and the rest of the world by genre during the last completed fiscal year end?

	Canada	US	Rest of World
Fiction			
Children's and youth			
Documentary			
Magazine program			
Variety and performing arts			
Non-children's animation			
Other (Please specify):			

Thank you once more for completing this important survey.

If you would like to review your questionnaire, please used the "<<" button to return to previous pages.

REMINDER: When you click the ">>" button on this page your survey will be submitted and you will be unable to change any of your responses.

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