

Northern Film and Video
Industry Association

VERBATIM RECORD
MEGA Reporting Inc.
Whitehorse, Yukon

Public Forum - Yukon Film Commission Review
June 26, 2003
High Country Inn
Whitehorse, Yukon

Present:

Tina Sebert	NFVIA Secretary
Colin MacKenzie	NFVIA President
Derek Ryles	NFVIA Treasurer
Laurie Dolhan	NFVIA Admin. Coord
Terry Hayden	Yukon Government
Ray Hayes	Yukon Government
Georgia Leslie	Parks Canada
Mark Hill	NFVIA
Anne Campbell	Marriage
Dan Campbell	NFVIA
Bruno Meili	Fireweed Helicopters
Phil Bastien	Borealis Productions
Delmar Washington	Capital Helicopters
Marianne Darragh	NFVIA member
Daniel Janke	NFVIA member
Paul Davis	NFVIA member
Ken Bolton	No
Derek Endress	NFVIA member, rescue rope work safety
Todd Hardy	Interested observer
Luke Smith	NFVIA Past President
Patti Balsillie	TIA Yukon
Barry Bellchambers	NFVIA corporate member
Mal Malloch	Facilitator
John Banovich	(none)
Marten Berkman	Industry
Arden Meyer	Trans North Helicopters
Andrew Connors	FCR Steering Committee member
Michael Millar	NFVIA member
Lisa Jacobs	CBC

OTHERS:

Joyce Bachli	MEGA Reporting Inc.
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1.0 Convene

The meeting convened in Whitehorse, June 26, 2003, at 6:40 p.m.

2.0 Welcoming Remarks

MAL MALLOCH: Could you take your seats, ladies and gentlemen. Welcome to all of you. If you are here to talk about film and video and the Yukon and the Film Commission review and so on, you're in the right place. My name is Mal Malloch, and I'm going to be directing traffic and

facilitating a bit tonight. The first thing I would like to do is introduce Colin MacKenzie, who is the President of NFVIA, Colin.

COLIN MacKENZIE: Thank you everyone for coming out tonight. Welcome to the Film Commission review forum. Tonight is quite an important night in this whole process. There will be many steps to come, but tonight I think is a good start for a lot of the various stakeholders, employees of the film industry and also people with a direct investment into it. So, it's a really good chance for all of us to put in some strong input and a lot of your own ideas and also to build off other people's ideas tonight and by combining all that and moving on in this process and moving to a more positive film industry. I hope you enjoy it tonight, and I hope you get a lot out of it and get your chance to speak.

MAL MALLOCH: Thanks, Colin. There are a couple of other people that I would like to introduce. We have Joyce Bachli here from MEGA Reporting who is going to be keeping a record of what is said. There is a fairly quick timeline in terms of recording what happens here and getting it into the process of the Film Commission review and so on.

There is a sheet going around. If you haven't signed it yet, would you please put your name down and e-mail contact and your organization or company or whatever so we can record that and get the information out to you after the meeting.

Tina Sebert and Mark Hill are here from NFVIA, and we also have Ray Hayes here, who is the Cabinet Secretary. Ray has been around government for -- well, I can't do good math, but it was 1912, '13, in around there, that Ray started with the Yukon Government; and Ray is here as someone who knows a whole lot about government and about how things work in government and various options and considerations. One of the things we're going to be talking about tonight is structure, both in terms of how the Film Commission might be structured within itself, what the components are that make it, but also where it's located in relation to government and industry and whatever else. Ray has a lot of knowledge of these things, and he's agreed to come and talk to us for a couple of minutes about some of the factors around that, some of the ins and outs and so on. So, Ray, could I ask you to talk about that for a few minutes now, please.

3.0 Ray Hayes - Yukon Government

RAY HAYES: I have no prepared text. Last week when Tina phoned and asked if I would come out and talk about a couple of things, I said, "Yes" without thinking about it really; and then, I started to think about it a little bit over the week, and I guess the issue that you're wrestling with to some extent is a film commission as part of a department, whether it's Economic Development, Tourism or whatever, or a film commission fully at arms length from the government or at arms length from the government. I guess what you're really looking for is what are the advantages and what is the difference. The reality is there can be a lot of difference and there may be none whatsoever.

The real crux of the matter is wherever you are, whoever provides the funding will probably provide the funding with conditions attached. If John Doe on the street is a multimillionaire and he said to the Film Commission "Here's 10 million dollars, go and do your thing," then you have a considerable degree of flexibility. However, if John Doe says, "Commission, here's 10 million dollars, and I want you to produce a film on "x", "y", "z" and whatever, then you'll

produce those films for him. Now, I know nothing about what the Film Commission does.

I guess if you're independent, you have your own employees you're hiring and in some cases firing. If it's part of the government, then the government looks after that aspect of things and handles some of the administrative side. I guess what is really the issue is the degree of flexibility you need to have and the degree of flexibility of your funding source, whoever that may be, and I'm assuming government would be some of it and other agencies may be another part of it; but the real issue there is the degree of flexibility that you're able to negotiate and whether or not that funding source is prepared to give you that flexibility.

Generally if you were arms length from the government and Terry's department were to give you "x" number of dollars as a contribution, you would sign a contribution agreement, and there would be conditions attached to it; and it would be up to you to negotiate what those conditions may or may not be with the department and work together with the department. It would be important for both the Film Commission out there and the department over here to get together and work out what the expectations will be in order to maintain that funding. It's almost that simple. Being one or the other is not going to make the difference.

It's how you get your funding and what strings are attached to it and that sort of thing. I know, from my years around the government, as a rule you don't get a pot of money without strings attached to it. When government puts money out, it's generally put out to assist an organization accomplish some of the goals or the initiatives that the government of the day may wish to accomplish. It's not just put out there to -- and I mean this with the greatest of respect -- "Go and do something." It's to do something that helps the government accomplish its needs and desires or its platform or whatever you want to call it.

So, it's not whether you're out there or part of a department. It's how you work out the arrangements of your funding, what conditions your funding source attaches to that funding. Now, if somebody were to say "I'm going to give you 10 million dollars, go and do something," then you have total flexibility. The reality is that's probably not going to happen anyway no matter where you get your funding. Somebody is going to put conditions on it, and the important thing for you would be for your association to sit down, determine what you could do and what you couldn't do. Obviously, your constitution or your bylaws would set out what your goals and objectives are, your funding source. Possibly government would have goals and objectives and hopefully it could mesh like this, as opposed to being like this or maybe mesh like this, come together in some way and work out the differences and come to an agreement on terms and conditions of a contribution agreement that both parties could accept. That's kind of what I was thinking about.

3.1 Questions/Comments - Ray Hayes - Yukon Government

Q MARK HILL: I'm wondering how detailed those strings need to be, Ray. Can it be a contribution where "x" amount of money gets spent to market the Yukon and its film capability; or is it that plus "will approve the following kinds of marketing and specific tools that you will use in the market"?

A RAY HAYES: That would be, to a great extent, up to ... I'm assuming the money is coming from government; and that would be, to a great

extent, up to the government of the day or the department of the day, representing the government as to how stringent the conditions would be and how tight it would be tied up. There would definitely have to be deliverables, there's no question about that. Any time you are spending taxpayers' money, there has to be some accountability back through the system; and for the department to be accountable for using that money, they have to be accountable back to the department.

I don't know exactly what's involved in the Film Commission, other than what their name says. Mark and I have talked over the years a little bit about things, and that's my total education on the Film Commission.

There are things you have to negotiate, and there's no such thing as a "set contribution agreement". Most of these contribution agreements vary significantly, depending on what, in this case, the government and the Film Commission would be trying to accomplish. I would like to believe, I'm sure, both parties could work together to try and accomplish the same goals.

Q MAL MALLOCH: Ray, there are a number of people who have expressed the view that if you can be a Crown corporation or somehow somewhat removed from government, then you're released from a whole bunch of things, and the brakes are off; and it sounds, from what you're saying, that that's not an accurate statement.

A RAY HAYES: No, a Crown corporation is not at arms length from the government. A Crown corporation in our environment, a Crown corporation like Yukon Housing, Yukon Liquor, they're all agencies of government. In fact, if you look at the Financial Administration Act, they're departments of government.

Q MAL MALLOCH: And are subject to the Public Service Commission and the Collective Agreement.

A RAY HAYES: They're subject to all the things that they're to be subject to. Now, if you go one step further with Yukon Energy Corporation, which is a wholly-owned subsidiary of Yukon Development Corporation, they are removed out from the scope of the Financial Administration Act and the policies and procedures of government; but they also have corresponding policies and procedures.

Q MAL MALLOCH: And they don't rely on government for all their funding.

A RAY HAYES: That's right, they don't.

Q MARK HILL: Ray, and in that case, was legislation required in order for that --

A RAY HAYES: For that, no, that's a corporation under the Business Corporations Act; but they generate their own revenue, so that is a little bit different. It's a bit of a different scenario.

Q TINA SEBERT: How about non-profit societies, Ray, would that be something that's feasible to establish?

A RAY HAYES: Non-profit societies are covered under the Societies Act, and you have certain things you have to do there. It may not appear to be as stringent as what a department of the government would have to do; but you still have to follow things, like generally-accepted accounting principles and that you're being responsible and that you're updating your funding. So, you have to be accountable to that organization or individual or group on how you deal with that funding.

Q TINA SEBERT: Now, you were mentioning that it would depend on the terms of the agreement that you would have with the government --

A RAY HAYES: Yes.

Q TINA SEBERT: -- or the funding source. Are there some things that would absolutely have to be set out in the terms?

A RAY HAYES: Without knowing the details of what was going to be done, I don't think I could answer that question. It would depend on the department that was managing the agreement as to what they had to put in there and depend on how specific the deliverables were. If you had really pinpoint deliverables, then it would be a whole lot tighter than if it was working towards something, for example, where you would have a fair degree of flexibility, as well.

Q MARK HILL: A contribution agreement, just to come back to that and expand a little bit further, as Tina was saying, an arms length, say a non-profit agency, it would not get into what your job description is going to be and how well you pay your staff, is that right?

A RAY HAYES: I wouldn't think so, not for a non-profit or for an organization set up under the Societies Act.

Q Paul Davis: It's beholding to a different set of rules. It's beholding to the rules of a society, which does --

A RAY HAYES: Yes, it's under the Societies Act as opposed to the parameters under which a department of the government operates. I was with Lotteries and YRAC for a number of years, and we provided a lot of funding to organizations under the Yukon contribution agreements, and we would not sit there and say, "You have to have a job description in this format or that format or whatever," but you had to have deliverables and you were accountable for the money at the end to further whatever the goals of the organization were.

Q SPEAKER: I'm wondering about Government funding, is it reliable funding guaranteed from year-to-year?

A RAY HAYES: Government funding is generally I like to think reliable to some degree. You can sometimes get multi-year commitments, but the reality is government funding is subject to availability of government funding and subject to appropriation on an annual basis. So, if you have a contribution agreement with the government for \$100,000 this year and it may even say a "Three Year Agreement"; but if the government doesn't have the money and other priorities come up, that agreement would have to be amended, given the government can only spend, one, if they have the money and, two, if they have the legal authority to spend the money, if they have the legislative approval.

C MAL MALLOCH: Thanks very much, Ray. That's very helpful.

C RAY HAYES: I hope I answered some questions or didn't create too many anxieties. It will depend entirely on your agreements and if Government is funding it, what Government is looking to get done in terms of an agreement.

Q SPEAKER: I have a further question. In terms of an agreement if it's kept within Government like it is now, are there stipulations.

A RAY HAYES: Yes, contribution agreements are set up. They're subject to change on the agreement of both parties, and the difference is on the government side from time to time, Government people will make changes and people will make changes. Then they may have to go back for approval of the Management Board or at least they may be subject to the approval of the minister or the management team of the department. Any department just doesn't deal with one agreement. They handle many agreements, and they like to have some uniformity across the agreements wherever possible.

C MARK HILL: B.C. Film is based in Vancouver. It's wholly funded by the B.C. Government.

C RAY HAYES: It's an agency of the government.

Q MARK HILL: It's a not-for-profit organization that gets funded by the government. B.C. Film answers to a board of directors who in turn report to the Minister. Do we have a similar kind of set-up?

A RAY HAYES: That's what you would have if you were established under the Societies Act. The Commission management would answer to the Board of Directors under the Societies Act, subject to the various accounting provisions or the accountability provisions that are set out in the Societies Act. And the organization would have to agree who their directors were. If this was the body of the Film Commission, the people in here would decide who the Board of Directors are.

C MAL MALLOCH: Excuse me just a second, Mark, if you don't mind. I would just like to ask if you could speak really loudly and clearly and perhaps stand up, as well. Joyce is struggling to make notes on everything here.

Q MARK HILL: Ray, in asking these questions, one of the underlying issues and things that from my perspective I would like to see addressed in this discussion is finding a way that the film industry's priorities and changing landscape can be addressed head-on without being lost in the bureaucratic landscape; because the department often has its own agenda, and one of the things that can happen and has happened to film, for example, is proposals for a funding program don't go ahead and get presented to a minister who can make a decision because the department is reluctant. I'm not talking about specific situations.

A RAY HAYES: Hypothetical situations.

Q MARK HILL: But where the department, as you know what often happens in government is the department says "We want more money to be able to do this."

And the government minister may turn around and say, "Fine, we'll do it, but find half or most of the money within your existing budget and in creative ways" and those kind of things. So, sometimes proposals that could have a good impact and are in the interests of a group like this don't get presented to decision makers because of those other things.

I guess what I'm asking in a roundabout way is: Is there a structure that moves outside of departmental objectives and is responsible to a minister who is, in turn, democratically responsible to the public?

A RAY HAYES: I can think of one example. The Lottery Commission is like that. The Lottery Commission is an agent of the government. It's part of a department and functionally reports to a department, but it makes recommendations directly to the minister; at least it did when I was on it a few years ago. It makes decisions that are communicated to the minister. There are all kinds of things you'd have to work on as to how you'd do it. I guess what you're thinking of is something that is kind of quasi at arms length with the government but yet looking at the government as a funding source. It may help ensure that considerations outside a department would be looked at in proposals, as opposed to a department saying, "My god, we're really tight on our budget right now. If we go ahead and do this and we have to absorb it from within, then we have other things we have to do." We do that on an ongoing basis in our department. We absorb. We move things around, we do a lot of things; and it does get really difficult, there's no question about that. We are clearly not in a time where we're flush with money I guess you could say. There are a lot of priorities going on; and while this is clearly a priority of this group here, there are probably another 50 groups out there that have similar priorities and significant demands for monies to accomplish their objectives for their programs. You are in competition with other groups, whether it's another potential organization like you, departments or whatever; and if you are to receive funding from the government, that funding flows through a department. It just doesn't show up in your bank account. It would have to flow through a department, and that funding would have to be part of the department's budget and as such would be part of the budget deliberations that would go on on an ongoing basis to establish a budget throughout the year, and then, to do various changes to the budget throughout the year; and you would be in competition with any other needs and demands of the department or needs or demands of many other departments and the needs and demands of the government as a whole.

Q MARK HILL: That's a given. I guess the other side of the same coin is the issue of accountability and accountability back to the industry it serves, as well as to the government.

A RAY HAYES: That's right.

Q MARK HILL: As opposed to all the information and "what they don't know won't hurt them" kind of thing.

A RAY HAYES: Yes, we've talked about accountability back to your funding source for the funding that was given to you and that you spend in accomplishing your goals; but you would also have accountability back to the industry that is relying on you to get things done to help them out and to help build the industry.

Q MARK HILL: So, if you wanted that openness and you wanted accountability on both sides, you wanted maximum flexibility to be able to deal with a fast-changing industry while being accountable to you and to its

members and recognizing that film commissions in this country that do not get 100 percent of their funding from the government spend half their time looking for money instead of doing the job, --

A RAY HAYES: That's right.

Q MARK HILL: -- so there is a strong preference, especially in a small jurisdiction, for going that way. From your experience, is there a structure or two or three structures that could address those kinds of issues?

A RAY HAYES: No. At the end of the day, it all comes down to where the money is coming from. You're most likely not going to get all your money from one source. There are a number of sources you can get money from, and you will be in competition with other groups, other organizations or whatever for that funding; and it's going to take you time to prepare requests for funding, put plans together as to how that funding is going to be spent. It doesn't matter where it's coming from and whoever gives you that funding if you are successful in getting funding, they will require the same types of accountability. They are looking to get something delivered from that; and whether it's through a department or a Crown corporation or somebody, they'll be looking for some accountability back or some kind of an awareness, an advertising awareness or something like that. Nobody gives without getting something back in return. There's always a price you have to pay for it.

Does that help?

C MARK HILL: I'm sure we'll find out at the end of our discussions. It helps me.

C RAY HAYES: I should add, I'm sure you get frustrated from time-to-time in trying to raise your money; but all non-profits are like that. I remember when I was involved in Yukon Amateur Hockey Association years ago, we would go grabbling to the Rec Branch, looking for more money, and we had all the good things to do. We wanted to hire a coordinator to help us organize, and we were short of volunteers. We wanted to bring in coaching instructors and referee instructors to do all kinds of things like this, and we also spent a lot of time trying to raise money; and you burn your volunteers out raising money, and then, volunteering to do the other things you need them to do unless you have a tremendously large organization.

Over to you, Mal.

MAL MALLOCH: Thanks very much, Ray, much appreciated.

As you can see, we do have a hand-held mike and there's one on the stand here. Again please speak loudly and clearly; but if you have a very soft voice or a spot of laryngitis or something please use the mike so we can all hear you, including, of course, Joyce.

4.0 Introduction - Participants

MAL MALLOCH: Before we go any further I would like to get a sense of who is here and so everyone can know who's here. So, I would like to go around the room and have each person say who they are, what organization they are affiliated with or who they work for or if they're just here on their own or whatever; and if you could state something that you're hoping to achieve

tonight. If you've got a particular objective or something that you'd really like to see tonight and if you can state that in positive terms, I would really like to hear about that. I'll make a note of it, and we can keep that in mind as we go through the evening. I'm going to start with you, Tina, please.

TINA SEBERT: My name is Tina Sebert. I'm the Northern Film and Video Industry Association secretary. I am also the representative on the steering committee for the Yukon Film Commission review. I also operate a private business, and I work in the film industry as a casting director and as a production coordinator. I am also a writer and a communications consultant.

MAL MALLOCH: Do you have a particular objective for tonight?

TINA SEBERT: Oh, yes, my agenda for tonight; I have two purposes for being here, actually three, three purposes for being here. First of all as my role on the steering committee, I am here to hear, listen and be better informed when I go to the table for meetings. That's my primary objective.

Secondly I'm here, of course, for the Northern Film and Video Industry Association, and I am here to help focus more on them that I hope gets voiced by membership.

Thirdly I'm here as a private business person. I have interests in the Film Commission review very strongly, as my future hinges on it. One of my great hopes for this review is an increasing amount of work and business for the Yukon, so a bright future.

MAL MALLOCH: Thanks, Tina.

Who would like to go next?

COLIN MacKENZIE: Sure. Once again, Colin MacKenzie, president of the NFVIA; and much like Tina, I have a future that's riding on this, this whole review. So, I am a starving employee of the film industry, and I would like to see a lot of momentum hopefully tonight on where we go with structure and where we go with funding and where we go from there.

MAL MALLOCH: Thank you.

LISA JACOBS: My name is Lisa Jacobs. I am covering this for CBC radio. I'm going to be taping stuff. So, if people don't want to be taped, if they would just let me know and I'll make sure it's not on.

MAL MALLOCH: Thank you.

LAURIE DOLHAN: Hi, my name is Laurie Dolhan. I'm an administrative coordinator for NFVIA, and I am here to learn more about the film industry and get a feel for the direction of the industry here in the Yukon.

MAL MALLOCH: Thank you.

DEREK RYLES: I'm Derek Ryles. I'm with NFVIA. I'm the treasurer of the NFVIA Board, and I am also an employee of the industry for the past number of years. Again, my future does in some ways depend on it. I have

to mitigate that by working in a variety of other situations. I'm here again to hear what everybody has to say. I'm most interested.

MAL MALLOCH: So, part of your future depends on it, and you would like to have all of your future depend on it?

DEREK RYLES: Yes, that would be optimal.

LUKE SMITH: I'm Luke Smith. I'm currently with NFVIA. I'm the past president. I'm a film worker, and there are no film jobs here, and I'd like that to change. So, anything I could do, that's what I'd like. I've worked in the film industry for 18 years. Let's get some jobs here.

MAL MALLOCH: Thank you.

KEN BOLTON: My name is Ken Bolton. I'm a writer and an actor, and that's the capacity in which I'm here tonight exclusively. I am a lapsed member of both the Actor and Writers Guild and the Actor and Performers Guild. I would like to see the film industry here get strong enough that I get both tickets back and pack in the day job.

MAL MALLOCH: Thank you.

DELMAR WASHINGTON: I'm Delmar Washington with Capital Helicopters. I just stopped by to see how things were going, but I can see that it's more of a political kind of deal. So, I'll probably just let you guys go ahead. I was just here on a curious basis.

MAL MALLOCH: Thank you.

BRUNO MEILI: I'm Bruno Meili. I'm with Fireweed Helicopters, and I'm here for the same reason, just to see how it looks for any work. Until they decriminalize mining, I guess, I'm kind of hoping the film industry gets going a little bit and gives us a reason to stick around in the Yukon a little longer. I'm looking for work basically.

MAL MALLOCH: I would just say, and I would hope that the organizers would tell me if I don't have this right, but I would say you're totally welcome, and it's great to have you here. You're an important part of the whole thing and the whole picture. You may very well have perspectives that some of the other folks who are more directly involved don't. So, by all means if you'd like to stick around, it would be great to have you. I'm sure you can add some thoughts to the meeting. Am I right, guys?

EVERYONE: Yes.

MAL MALLOCH: Thank you.

DANIEL JANKE: I'm Daniel Janke, and I'm just interested in what's going on; but I must say that I'm also looking for some kind of indication of progress, I think, because as I understand, the government has already looked at models for film commissions, both arms length and not. They've looked at Alberta, as Mark mentioned, B.C. My impression is that there is some sort of forward momentum, which would preclude a lot of the discussions we've had tonight. If we take the model and begin with the model, those rules of interaction are in place. So, I guess I'm more optimistic. I was under the

impression that there was more progress made on this to date, and I thought we'd hear about it.

MAL MALLOCH: In a few minutes we're going to hear a summary of where things are at in that review. Perhaps someone will respond to some of your questions and your concerns if you could ask more questions at that time. Thank you.

SPEAKER: My name is Lydia, and I'm just curious where the Film Commission was at.

MAL MALLOCH: Thank you.

RAY HAYES: Ken said something that's beyond something that, in my mind, I should say, and I mean this with all sincerity. I should have said it earlier "I am not here representing YTG." You introduced me as the Cabinet Secretary. You could have added "soon to be unemployed", and I can hardly wait after many years of working. What I throw out on the table is just information that I have acquired over the years either working at YTG or being involved in a number of non-profit organizations I've been involved with various places around the country, but I am not here representing YTG. It's important for me to say that.

MAL MALLOCH: Okay, thanks for that clarification, Ray.

TERRY HAYDEN: Thanks, Mal. I'm Terry Hayden, and I'm with the Department of Economic Development, Yukon Government. I'm a member of the steering committee. I'm on the committee representing the government; and as a government representative, it's my job to bring the information back to the government and get them to assess their feeling, and then, bring it back here. I'm acting more as a catalytical voice. So, I'm here today to hear firsthand the concepts and additional ones that people want to put on the table. I share the view that I, too, want to see a very healthy and strong environment in the film industry.

GEORGINA LESLIE Hi, I'm Georgina Leslie. I work for Parks Canada. I am the superintendent of Kluane. I also work as the film coordinator for all the parks in the Yukon. So, I'm here to build a relationship with you folks, make sure that you know what we can and can't do and how we can work together even better to do the job of filming, some of the things we can do for you.

PATTI BALSILLIE: I'm Patti Balsillie. I'm the executive director for the Tourism Industry Association of the Yukon. My board and membership feel very strongly that an NFVIA industry is directly linked to tourism; and they all have been appraised of where things are up to date, as well as the Yukon Film Commission. I had an opportunity to have lunch with Tina, and she brought me up to date on the review and the Film Commission process. So, I'm here to learn and hopefully have something that we can add to your advocacy efforts. Hopefully I'll be able to learn something that I can use to help TIA to contribute to.

MAL MALLOCH: Great, thank you.

DEREK ENDRESS: I'm Derek Endress, and I'm actually a member of NFVIA. I worked on a couple of projects, and I'm quite interested to basically see where this is going.

MAL MALLOCH: Thank you.

DAN CAMPBELL: I am Dan Campbell. I have worked in the film industry in the north for about 12 years before there was an organization. Through NFVIA I would just like to see the growth and hopefully a stronger business so it can become more than part time so I don't have to work around my other jobs.

MAL MALLOCH: Thank you.

ANNE CAMPBELL: I'm Anne Campbell. I have been a somewhat passive but interested observer in the film industry since 1991 since marrying Dan. I'm here because my quality of life is impacted by Dan's work. I want to participate in this.

MAL MALLOCH: Anne described herself as "a passive observer", but she assured me she wasn't passive aggressive, so we're all right on that.

MARK HILL: Mark Hill, I'm here wearing two hats. I'm vice-president of NFVIA; and wearing that hat, my main interest is in seeing dialogue and discussion. I feel strongly the best solutions will come out of dialogue.

The other hat I'm wearing is that I'm the former film commissioner now a freelance script writer and producer who is earning his income as a parking consultant. I have what I believe to be a well-founded belief in the great potential of this industry here in the Yukon and would like to see us do what we need to do to improve things.

MAL MALLOCH: Thank you.

PAUL DAVIS: Thanks, Mal. I'm Paul Davis. I'm a writer. I'm a NFVIA member and have benefited from some of the training that's out there for the film industry. It's been very helpful to me as a writer. I have picked up some work as talent, working on a couple of projects over the last couple of years. My objective is to get a structure that will help us tell Yukon stories in film. I'm literally coming straight from a storytelling media meeting an hour before this. We've got all that oral culture that's sitting out there in the oral world, and it's not going anywhere in film right now.

MAL MALLOCH: Thank you.

MARTEN BERKMAN: My name is Marten Berkman. I'm a stills and videographer, and NFVIA! Wow, I'm, of course, very excited to watch the film industry grow here over the last several years. Something I would really like to see in the future, on top of the invitation towards Outside productions coming in is to really nurture the development of productions that are native, directors and producers who are here. Writers have lots of ideas, and there is a lot of material which is Yukon; and we have the infrastructure now to produce that really well. That is also one of the best calling cards to the Outside world to see what can happen here.

MAL MALLOCH: Thank you. Is there anyone we've missed? Yes, who are you, who you're associated with and what do you want to accomplish tonight?

TODD HARDY: I'm Todd Hardy and like some of the previous commenters, I also am not with the government; and if anything, I'm the critique, the MLA critique for culture, and this falls under that scenario. I strongly believe there is a huge future for it, but I also believe that the government has a role to play. I want to listen and learn, get direction and see where we can push it.

MAL MALLOCH: Thanks, Todd.

There is a book going around. If you haven't yet signed this book, can you just wave your arm and we'll get it to you. Put your name down and contact information so we can get back to you with the record of the meeting.

TINA SEBERT: If you put your e-mail address down, we'll be e-mailing everybody a copy of the transcript.

5.0 Objectives, Process, Ground Rules & Housekeeping

MAL MALLOCH: Just to take a look at this for a moment, I think what we've learned is there seems to be two general categories of things. One category is people have said what they hope to get out of this evening, like they want to learn more; they want to explore options for this, that and the other, and that's great.

Also put up here there have been a number of dreams for the industry itself in this place. Clearly we're not going to realize all of those dreams tonight, but it's useful to have that as a context, and we're going to have more opportunity to talk about that in a few minutes.

Does anyone have any comments? Now that we've done this, does anybody have anything that they wished they'd said or that this raises for them?

PATTI BALSILLIE: Just because I was late, perhaps I don't deserve the answer, but I'm curious to know the objective of this meeting tonight. Is it to discuss the review? Is it to discuss the industry? Is it to discuss the gaps? If the meeting is to be successful, I would like some more information.

MAL MALLOCH: That's exactly what I was going to do next is to talk about the objectives for tonight and the process we're going to use. There are four things we're going to try to accomplish tonight. One is to inform you folks more about the background of the review of the Film Commission and the current status of where it's at, what's happening now.

The second thing is to talk to you about what the structure is and some ideas about funding, as well.

Then the third thing is to get you to do some work and think about that and talk about that among yourselves; and fourthly, to generate some ideas and some priorities and some options with regard to those and generate some recommendations and proposals to pass along to the people doing the review. Those are the four things we're hoping to achieve.

TODD HARDY: Just a point, I came here about 25 minutes ago; and they told me at the front desk there was no meeting here. She had also turned some other people away who had come here for the meeting. So, somebody should go out front and tell her that the NFVIA group is meeting here.

MAL MALLOCH: Thank you for pointing that out.

TODD HARDY: She said she'd turned some other people away, too.

MAL MALLOCH: You might want to follow that up with the folks that you contracted with for the room.

To do that, we are going to have a couple of brief information sessions, just little chats to tell you what's happening. Then, as I say we're going to get you to work in some smaller groups to talk about some of these things and come up with some ideas about what are the needs.

Then we're going to get you to come up with ideas on how to meet those needs. So, in terms of structure, for example, we need a structure that's going to accomplish this. We need a structure that will provide that; and once you've got a clear handle on that, then say, "Okay, what sorts of structures might do that." So, that's it for structure and the same pattern for funding.

Then we're going to review those things and have some discussions as a larger group and make a note of all those things and maybe decide on the two or three preferred options in each case again to be passed along. Any questions about that? Does that work for everyone?

(No oral response)

MAL MALLOCH: I don't want to spend a whole lot of time on this, but I think it's useful to have some kind of ground rules about how we will proceed. We could spend a lot of time generating those, but if you'll permit me I'm going to suggest a few simple ones that we can observe that will maybe help move the process along.

One, I think is straightforward and simple, and that is respect. I would like to suggest that we consider committing to treat each other with respect while we're in this room.

Another thing that I think is helpful is if you focus on the problem, not the person. In other words, if there's some issue that you've got and something is not working, let's focus on the problem and not make it personal.

Does anyone have any other suggestions for just kind of general rules of the jungle, rules of engagement, guidelines for how we communicate and how we deal with each other?

(No oral response)

MAL MALLOCH: One of the requests that Joyce has made to facilitate her recording is that only one person speaks at a time and that there be no interruptions and people talking over each other. Even if that was not required for that purpose, I think it's a good guideline. So, I will suggest that, as well.

If there is something important that you need to say in a side conversation, I suggest you help yourself and do it, but I would ask that you do it outside the room so we don't have those conversations going on while one person is trying to talk to the group.

Any other suggestions, concerns or issues?

(No oral response)

MAL MALLOCH: Is everybody prepared to commit to this? It's pretty straightforward, but I just need to ask: Is there anybody who has a problem with any of these points?

(No oral response)

MAL MALLOCH: I will take that as everyone being committed to follow this. We can police each other and ourselves.

Sir, hi, welcome. Can I ask you to just tell us who you are and who you're affiliated with and if you've got any particular objectives for tonight.

ANDREW CONNORS: My name is Andrew Connors, and I'm a local producer in Whitehorse. I'm on the steering committee, and I'm involved with the Yukon Film Society.

MAL MALLOCH: Thank you.

6.0 Background & Status of Film Commission Review

MAL MALLOCH: With that I would like to ask Tina if you could tell us in a couple of minutes about what's happening with the review and give us an update and a status on that.

TINA SEBERT: I just want to start by mentioning that if any of you think of anything after this meeting or if you feel more comfortable putting stuff into writing, please feel free to e-mail me. You can either e-mail me directly, or you can e-mail to the NFVIA address, and I'm sure Laurie will be kind enough to forward it to me. I have written up on the flip chart here the address of the website for the Yukon Film Commission review materials. You will find on there all the current materials that have been produced so far as part of the review.

HYPERLINK "<http://www.economicdevelopment.gov.yk.ca/general/news.html#film>"
 www.economicdevelopment.gov.yk.ca/general/news.html#film

So, to put everything into context, I am just going to provide a chronology right now for you on where the Film Commission review is at and hopefully Terry will step in if I forget anything or get it wrong. The very first meeting of the steering committee was held on April 23rd. That was a meeting for introductions. There was also some general discussion about some of the issues that are part of the film industry and also the sound industry.

Diane Janzen was put forward by the government as the contractor for the review, and the terms of reference for the review were distributed. NFVIA was asked to review the terms of reference, and they did make some suggestions for some small changes to the terms at that point in time. I can give you an example. For example, there was some consideration that perhaps book publishers and multimedia would be added to the review, as well, since there might be some synergy there; but it was decided to delete them from the process. So, it's a sound inclusion, as well, in the review.

NFVIA struck a working group after that meeting, and the working group was composed of Colin MacKenzie, Derek Ryles, Dan Campbell, Hector MacKenzie, Al Dougherty, Barry Bellchambers, Rob Toohey and Luke Smith. However, there was concern because the annual general meeting of NFVIA was due to happen a few weeks afterwards. So, what NFVIA put forward was that afterwards once the new executive was in place, there would be an opportunity to add to that working group.

The local film and video producers in RAIYA were also asked to strike working groups; and these working groups became part of Diane Janzen's interview list. However, there were other interviewees who were also selected at the discretion of the Department of Economic Development.

The next meeting of the steering committee was on May the 23rd; and at this meeting Diane Janzen provided a Power Point presentation on the purposes and key principles of the review. You can find the full Power Point presentation on the website for you to take a look at.

On June 6th, a preliminary report was produced by Diane, and it was a summary of the approximately 30 interviews that she had conducted by that date. However, in total Diane will be conducting many more interviews. I believe the number is over 50 at this point.

The steering committee reviewed the document, and there was some general discussion on some of the issues that were in it. Again I will give you an example. Diane found some strong support for an arms length structure for the Film Commission, but we debated the fact that we didn't know what "arms length" looked like.

The next meeting of the steering committee was on June 19th. At this meeting, Diane provided a national review of film commission structures and funding amounts. Once again if you're interested in seeing this document, you will find it on the website.

So, in total there have been four meetings so far of the steering committee. The very next meeting is scheduled for July 3rd. At the July 3rd meeting, Diane will prepare an interim report, and this interim report will also incorporate the comments from tonight's meeting, as well as some recommendations.

In the future we are going to have one more chance to get together as an industry and review the recommendations that are being made as part of this review. A public meeting is scheduled for July 18th, and Carole Vivier from Manitoba Film and Sound is also going to be attending this meeting as a resource person. As far as I'm aware, this will be the last opportunity for everyone to comment on the recommendations being made. So, I would encourage you all to come if you're interested.

Does anybody have any questions on the review process?

6.1 Questions/Comments - Background & Status of Film Commission Review

Q PAUL DAVIS: Can you say the date again on that last public consultation meeting?

A TINA SEBERT: July 18, and I think it's at the Gold Rush Inn, is that right, Terry?

A TERRY HAYDEN: I would have to confirm that.

A TINA SEBERT: So, we'll have to get back to you on the actual location.

Action #1: Terry Hayden will confirm the venue for the July 18 meeting.

Q PATTI BALSILLIE: How do the comments affect the report?

Q TINA SEBERT: The comments from here?

Q PATTI BALSILLIE: No, the comments that you will be collecting as the last opportunity for industry to provide comments for the review? Are those in addition to the interviews, and what kind of weight do they have in the conclusions?

A TINA SEBERT: Well, that's a very interesting question. I think that they actually ultimately could have very strong weight. Correct me if I'm wrong here, Terry, but the members of the steering committee actually have a veto. So, if there is an issue that comes up that's unresolved or hasn't been resolved, it can at that point in time be brought up at the steering committee, and it can pause the process so we can ensure that it's incorporated. I think also there is a real intention to ensure that we have the best possible solution; because as complex as a lot of this discussion is, I think it boils down to one very simple conundrum which is how do we get the most work, whether that's work on our own films or whether that's work on incoming films, that we do really share quite a common purpose. So, hopefully recommendations will reflect that.

C COLIN MacKENZIE: In a meeting like tonight that's mostly structure and finance, I think we have two new stakeholders right now. We've lost both our helicopter guys. I think something like that will be much more geared towards being able to provide a lot more input and understanding of the language and what is needed.

Q TINA SEBERT: Any other questions?

(No oral response)

MAL MALLOCH: Launch right into explaining the current structure if you would. After this we're going to get you guys to do some work in some smaller groups about the structure and ideas and needs and so on.

TINA SEBERT: We lost our two helicopter pilots, and we got another one.

MAL MALLOCH: We lost two helicopter guys, and we gained one. So, you've got big shoes to fill, Arden, and there are four of them. Maybe to be fair, we should get Arden to introduce himself. Can you just say your name and who you represent and why you're here so what you hope to achieve tonight in this meeting.

ARDEN meyer: Arden Meyer, Trans North Helicopters, I'm just here to find out what's going on and hopefully we can do a better job of promoting filming in the Yukon and the related business that goes with it.

MAL MALLOCH: Great, thanks, Arden.

7.0 Current Structure - Film Commission

TINA SEBERT: So, what is the current structure of the Film Commission? Currently the Film Commission is housed in the Department of Economic Development, and Terry Hayden is the Director in charge of the Film Commission. Terry reports to the Deputy Minister of Economic Development; and from what I understand there has been a new person recently hired, a Mr. Eugene Lysy, is that correct?

TERRY HAYDEN: Lysy.

TINA SEBERT: Lysy, and his first day of work, I believe, is July 21st.

In terms of staffing, the Film Commission currently has two staff members and one vacant position, and that's the position of the Film Commissioner. In total there are three positions right now that are assigned to the office. There is the Film Commissioner, a Film Liaison officer and an administrative support position.

As many of you probably already are aware, the move to Economic Development is a fairly new one. Throughout most of its history, the Film Commission was part of the Department of Tourism and has been part of the Marketing Branch and also was part of the Arts Branch of Tourism. I believe the Film Commission was first created in the early 1990's.

Do you have anything else you want to add to that, Terry? Have I lost something?

TERRY HAYDEN: No, that's very good.

TINA SEBERT: So, that's just to provide a little bit of context as to where we are now. At this point in time I think we should maybe talk about where we want to go.

MAL MALLOCH: Sure, thanks, Tina.

7.1 Questions/Comments - Current Structure - Film Commission

Q PATTI BALSILLIE: Can I ask you a question?

A TINA SEBERT: Yes.

Q PATTI BALSILLIE: What happened between when we had a Film Commissioner and now we don't? Did we run out of money? Was it re-prioritized? Did the person not want to be involved?

A SPEAKER: All of the above!

A TINA SEBERT: That's a complex question, and I don't have all the answers for you.

A PAUL DAVIS: I'm not proposing I answer that question, but Mark happens to be out of the room. I think he might have an interest in answering that question, so perhaps you could ask that again later.

A TINA SEBERT: Yes, I think we should defer it to Mark. I was going to refer it to Terry, but we'll wait for Mark.

Q MAL MALLOCH: Just a clarifying question. Does that position still exist, and is it vacant; or does that position no longer exist?

A TERRY HAYDEN: That position still exists. The challenge that we have is that in order to attract an individual, we have to fairly articulate what that position is going to be. Is it going to be a government employee or is it not going to be a government employee? Because we're in this type of a review right now, it was thought it was best to try and bridge the activity and to be able to be very aggressive in attracting the right resource to get the job done that we're going to have available, based on the outcome of the review.

C MAL MALLOCH: Okay, thanks. So, that answers part of the question. It wasn't a matter of Government cutting or chopping, but the former person left, and it has not been refilled.

Q SPEAKER: Another question for Terry. How long has the position been vacant?

A TERRY HAYDEN: Well, are you counting the temporary contract of individuals brought in or not?

Q SPEAKER: Well, how long have we been without a permanent Film Commissioner?

A SPEAKER: Fourteen months.

A TERRY HAYDEN: I can't answer that specifically, but I'd say close to a year.

8.0 Structure - Film Commission

MAL MALLOCH: Now that you've heard a little bit about the structure and the history of the Film Commission and what is now, I'm going to ask you to talk in some more detail about what you see as the needs that the industry has for the Film Commission with regard to structure. If the Film Commission was structured perfectly and was doing a perfect job, what would that look like? So, define that first; and then, think "Okay, given that, what structural considerations would be ideal?" Does that make sense? What do we need to get from the structure? Why does the structure even matter? Well, we have to have a structure that permits this or facilitates that or doesn't get involved in the other, and then, think of some ideas for what kind of a structure would meet those needs.

Now, I'm in a bit of a situation here where we were going to form three groups. One group was going to be producers. One group was going to be technical people in the industry; and the other group, by far the largest group, was going to be all the food service and accommodation and transportation people. So, Arden, you're that group unless I've missed someone else.

8.1 Questions/Comments - Structure - Film Commission

C SPEAKER: Patti would probably fall in that group.

C MAL MALLOCH: I don't know if it makes sense to divvy it up that way. I'm open to suggestions about what might make sense. We don't have to have three groups. It just seemed like a logical grouping. You may only need two.

Q PAUL DAVIS: Where are the creators in this?

A MAL MALLOCH: Good point, and there have been a number of people who have identified themselves in that way. That's a good point. That wasn't a specific group that we identified.

I'm looking for some guidance here, given that the group is a little different from what we anticipated might show up. Ken, do you have a thought?

C KEN BOLTON: My hunch is that the group is small enough that a general discussion in plenary might well accomplish it, because we're all coming from different points of experience and different points of inexperience; and designing the ideal Film Commission at this point might be an overly ambitious project until we've had a chance to share some thoughts about our perceptions of what we mean, this schizophrenic thing called "film" means, because it's both an art form and a very rapacious and dynamic industry. So, I think maybe it would be more helpful if we stayed in plenary session.

Q MAL MALLOCH: We can take a run at that. Are other people comfortable with that approach?

A EVERYONE: Yes.

C MAL MALLOCH: Let's do that. I will make notes. You folks have to feed me and tell me what to put down. I would really like to try to focus on defining the problem, defining the need, thinking about what we need from structure before we start trying to describe what the structure should be. So, let's diagnosis before we prescribe.

C MARK HILL: Two things: One is I think the ideal Film Commission here needs to be as accountable to the industry; and by that I mean the broader term, including stakeholders, as it is to government. It needs to be on an equal footing.

The second point is that in my view it needs to be able to operate with maximum flexibility as opportunities come up. We need to be able to respond to them in real time.

Q MAL MALLOCH: So, I hear two things there, flexibility and responsiveness, fast response.

A question about the first point you made, Mark, and I thank you for making both of these. I think they're very, very useful and can help get to where we need to go. You said "As responsible to stakeholders as to government." Is that on the assumption that government is the funder, in other words is the point "As responsible to stakeholders as it is to funders" or specifically to government for other reasons?

A MARK HILL: The Film Commission, by definition, is not permitted to charge for its services. It needs to raise its funding, which is challenging enough in a province the size of Alberta; and in a jurisdiction the size of the Yukon, the chances of raising enough funds outside of government to

actually accomplish anything, other than to pay for the fundraising is extremely unlikely. So, "yes," that's the long answer.

Q MAL MALLOCH: So, it's to government in the context as the only option for the funder?

A MARK HILL: Yes.

Q MAL MALLOCH: Okay, great, thank you.

A DANIEL JANKE: I have a third point: Compatible and in tune with the film and television industry nationally and internationally, an understanding of its role in partnerships, provincial and international partnerships.

Q MAL MALLOCH: Sorry, I'm having a little trouble keeping up, "Compatible and in tune with the industry nationally and internationally"?

A DANIEL JANKE: "Nationally and internationally," with other industries.

A ANNE CAMPBELL: And I would add to that "regionally," in order to be able to relate those to what is going on locally.

A DANIEL JANKE: I'm speaking more in terms of being able to work with leveraging of the money nationally and internationally if they're required.

Q MAL MALLOCH: Does that cover enough, Daniel, or do I need to have more, compatible and in tune with the industry nationally and internationally?

C MARK HILL: I wholeheartedly agree with your point, Daniel, and I think it's a great point. I would take it a step further and say that he needs to be able to champion the Yukon within those contexts, which goes far beyond marketing. It has to do with influencing policy at those levels to everything from the way funding is done in Canada to the way international funding is set up in order to be able to champion the interests of this region here.

C MAL MALLOCH: Thank you. I think these are excellent points in terms of setting the stage or the context of defining what the needs are.

C BARRY BELLCHAMBERS: It should be totally results-orientated, and that's where it's got to be a true partnership with private enterprise and government. With the government programs, it depends on who sets the goal. Private enterprise will set the goals on money. I set the results from people in beds in my hotel and the money that's spent. Government spends their marketing dollars, and their positive results are hits on their website. That's just not acceptable any more. So, it's got to be totally results orientated.

C MAL MALLOCH: Let me challenge the whole group to kind of build on that a little bit. I hear what you're saying and I think it makes sense. Would it make sense to just spend a couple of seconds saying, "What are the results to which we want this outfit to be oriented"?

C BARRY BELLCHAMBERS: Yes, I'm coming from a purely economic, private enterprise point of view; and I know other people will have other terms for success, and they're all compatible and can all work together. So, I'm just throwing that out, and I know that would be just one portion.

Q MAL MALLOCH: From what I've heard over and over and over and over again so far tonight, one of the results I think is jobs, am I right?

A COLIN MacKENZIE: Yes.

Q MAL MALLOCH: Can I add that here? Are there other results that we want to see?

C COLIN MacKENZIE: I think in addition to that if there was room for industry within whatever structure was chosen, as that's closely related to results, as opposed to being filled strictly by government employees who aren't always directly tied to those results, whether that was a board or what form it would take; but as long as industry had some kind of a say.

Q MAL MALLOCH: Can I say "direct industry input or involvement"?

A COLIN MacKENZIE: Sure, involvement on a regular basis, yes.

C ARDEN MEYER: Just an observation, and I may be off-base here; but I think where we're heading there's a need for a couple of things. I think there are probably two parts to this. There's the industry part which is going to be results and market-driven results oriented; but there's also going to be, as Ken said, the creative side of the film industry. That's probably a bit of a different animal than what I'm looking for in terms of results. I think you've got common denominators here, but we're very quickly going to see interests, probably two areas they're working out of.

Q MAL MALLOCH: Good point. Is there a succinct way we can describe that other side, Paul?

A PAUL DAVIS: Bring Yukon stories to a wider audience, right under "jobs", a "cultural product" might be a way to say it.

Q MAL MALLOCH: Without putting words in your mouth, are we talking about some quality of the cultural product, or are we just saying "the cultural product" as a generic thing.

A PAUL DAVIS: I mean generic. It can be subjective.

Q MAL MALLOCH: Paul, you said "Tell Yukon stories to --"

A PAUL DAVIS: A wider audience.

C KEN BOLTON: I think it also has to be a kind of organization that has sufficient profile and respect that it can, in fact, influence public policy, like TIA, like the Chamber of Mines and Chamber of Commerce. In part as a spokesperson for an industry, it has to have the kind of muscle to be able to cut through the bureaucratic constipation and get directly to the policy makers. Otherwise, it remains basically limited in its ability to do its job.

Q MAL MALLOCH: Thank you for that. Other thoughts about what we need in terms of the structure of the Commission for it to get done what it has to get done? These are very good. Anything to build on that?

Q PATTI BALSILLIE: This is a structure which exists without limitations?

A MAL MALLOCH: So far, yes.

C BARRY BELLCHAMBERS: When you say that, my experience over the last 10 or 15 years is that you can't do it if it remains in government, because it's hamstrung so much by policies and bureaucratic crap; and we're always at the whim of the new politicians that come in. It takes six months, 12 months to re-orientate them.

C MAL MALLOCH: I'm going to get you to raise that again in a minute when we get to the solution, but I hear what you're saying.

Before we move to that, Patti or does anyone else have something about the needs or the parameters?

C PATTI BALSILLIE: If it's without limitations, then I can think of models where industry has it as totally industry-led, for example, tourism industries in Alaska and tourism marketing institutes across Canada. So, I'm going to say that if it is industry-led, industry-driven, industry-facilitated, then at the end of the day the vision would be that it has nothing to do with government.

C MAL MALLOCH: In the context of "without limits," thank you for that.

C MARK HILL: I think, tying into Barry's point about being results-oriented, I think it leads back to Arden's question, too, about the two categories merging. I think it has to have a fundamental mission to develop the industry, and that will include jobs and inevitably in developing the industry. It's about getting more people employed both above and below the line; which above the line is the creative side and below the line are the technicians. Developing the industry requires the whole broad perspective in doing it in a sustainable way.

Q MAL MALLOCH: Do I hear you saying that if you focus on just one of those, you're missing the boat?

A MARK HILL: Yes, I would agree with that absolutely, yes.

C ANNE CAMPBELL: I think, too, one of the goals or the key would be sustainability, that somehow the resources are sustainable.

Q MARK HILL: For the Film Commission or for the industry?

C ANNE CAMPBELL: For the Film Commission, the resources of the Film Commission have to be sustainable.

C MAL MALLOCH: It can't be something that's here for a short while and then it's gone. We need to know that it's going to be here like five years from now.

C BARRY BELLCHAMBERS: That's a really good point. We have to be divorced from the whims of the politicians as much as possible, because we just finished going through how many Ministers of Tourism. There's no continuity and people go away.

C MAL MALLOCH: Another way of stating that might be the need for some stability or a stable environment.

C SPEAKER: But stability doesn't necessarily relate, because it's very clearly an unstable environment industry. So, how do you best structure that in order to deal with it technically to keep your industry going?

C MARK HILL: I don't know, you may want to defer this to the solution side of it now, but I think staffing becomes an important aspect of the needs of the Film Commission. Qualification in having something at stake in the success of the industry and in producing the results.

C MAL MALLOCH: What I would like to do is go so far but no farther on that right now, and that is to phrase it in terms of what kind of expertise does the industry require there to be within the Commission in order for the Commission to meet its needs? Do we need technical people? Do we need financial wizards? Do we need musicians? Yes. what kinds of expertise do we require? Is that the right question?

Q MARK HILL: So, you want to pose the question at this point?

Q MAL MALLOCH: Yes, I'm not saying "Give me the job description", but I'm saying what kinds of things does the Commission have to be able to do? What kinds of support does it have to be able to provide? What kinds of roles does it have to play in the world in order to meet the need?

A ARDEN MEYER: Financial.

A DANIEL JANKE: I have one more point in that regard. Mark has already alluded to it and so has Andy, and that is the idea that if we're looking for some sort of sustainability and stability, then we have to look towards the best way of developing cultural product, the idea of paying attention to the long-term investment of a cultural product. I would see that as a need, because that's where any kind of sustainability or stability lies. When we talk about results, I guess a good analogy is when Jack London was in the Yukon, he didn't fill the hotels, but he sure had a sense of long-range thinking.

C MAL MALLOCH: Are there other thoughts? Arden said "financial," you need some financial expertise here.

C TODD HARDY: Yes, just as the comments have gone around about divorced from political whims, I also would have a very, very strong concern about the Film Commission creating its own bureaucracy and within its own self becoming a power unto itself without the checks and balances and accountability to the creative side and the creation and the nurturing of the creative synonymy that can happen in the Yukon that would attract people here. So, I would be very concerned also about their own checks and balances.

Q MAL MALLOCH: I'm saying "stay connected to the industry" in terms of not losing sight of the people they're serving, does that address what you're talking about?

A TODD HARDY: Well, it does in some ways; but then there have been a lot of very good comments about the independence of which I support, but the accountability to the industry and accountability to the stakeholders; but I haven't heard a stakeholder that talks on the creative side yet, and that would be wanting to have and feel that it could walk in and have a good representation within the Film Commission, not just all based on dollars and cents. I'm looking for a balance in this discussion.

Q MAL MALLOCH: So, one side is generating revenue and economic activity, but another side is --

A TODD HARDY: Creating and developing, just like on the East Coast with the music industry where it developed to such a point that it is unprofitable, just by the creative force that was there and how it continues to grow. So, it could happen here, as well, and has been happening in the industry actually, as well.

C COLIN MacKENZIE: I think the creative force in indigenous filming here is quite strong, and still that has far more potential, I think, working on the other side of it. I definitely see that that's there, and I think the proper identification will ensure that that's there. Within whatever model was chosen that would certainly take that a step higher.

C BARRY BELLCHAMBERS: I'm not confused, but I don't know enough about the industry. My point is coming purely from an economic point of view, because we're in dire straits. I look at the Convention Bureau, which we sort of reformed here about three years ago, and we've got a tremendous bloke in there, Robyn Anderson. I tell you, I've had a tremendous month or two lately, and it's a combination of that. It takes three or four years to build this thing up; and if I hadn't had a vision, now tourism really sucks this year. If I hadn't had that, we would be really down in the blues the next month and the month after because we don't have the meetings and conferences. My bookings are way, way off; and if I'm off, a lot of people are off way more than me. So, I recognize, but I don't know enough about the cultural side of it. I can go out and say, "Well, the marketing should be out of the government." I look up to that bloke for going out after commercial and full-length movies. I had that Korean film crew in this winter for six weeks, and the benefits were tremendous, incredible.

Someone's going to have to tell me this, how the marketing part of it fits with the cultural. They're two separate themes and I'm not saying one should be treated any less. I've been here for 35 years, sometimes I think it's 32 years too long, but there's got to be a balance. It's the marketing something for those things. I just thought that should be something separate and go after it. I don't say everything should come out of government. Don't get me wrong there.

Right now, I'm getting more and more worried about the economic future of the Yukon, and I don't see anything in front of us except film and the Taiwanese market. Forget about doing Dawson, too expensive, they're not going to come here unless it's the Japanese and other large companies. I think there's a fundamental change in the tourism industry. As we knew it before, it isn't coming back. The large tour groups that I used to have in the hotel, one or two buses every day, they're gone. So, I think that's one of the things that's got to be very primary in everyone's mind, including people involved in the tourism

industry; because without a strong economic base, the chances of having a strong cultural component in the Yukon is going further and further away from us.

C MAL MALLOCH: Well, it's important to have balance to develop both of those sides and not leave either one behind.

C BARRY BELLCHAMBERS: Absolutely.

C LUKE SMITH: I've become successful and producers have become successful here, whether they be from Toronto, New York or Whitehorse. The more activity here, the more chances I will get to work on a crew and the more chances I will get to become an above-the-line player in the creative part of it if the local industry is encouraged and is fostered and is able to be supported.

Now, as far as the Film Commission looking to do this, and then, market to other people for this, I think there should be very little money spent on marketing this at all. I think what we should market is the Outside investor to come in and enable our producers who can leverage money to bring production here, to bring Outside dollars to encourage that. It means a lot more jobs. The longer the project, the better. In the off-season it creates some jobs, which is wonderful. As far as marketing, spending dollars on promoting a local community, I don't think that's there. That shouldn't be important. What should be important is that they help enable local producers and creators to bring a product. To spend money on marketing it elsewhere I think is futile. So, we need a Commissioner who can get scripts here.

C MARK HILL: This is a really, really good bit of discussion, something that really needs to happen here. If I may suggest that further delving into this be deferred to the next session, because I'm going to be talking about some of the issues of finance in the funding and financing, and it becomes very relevant at that point.

Q MAL MALLOCH: Is that okay with folks? Does anyone have a problem with that?

(No oral response)

C MAL MALLOCH: Thank you.

C KEN BOLTON: I would like to comment a bit on Barry's suggestion and follow up. To me there is a difficulty in looking at the economic side and the creative side as being two separate things. What we need to do is somehow realize that they are both sides of the same coin. At some stage, whether it takes a whole lot of Disney productions filming here in order to get us to the point where we have the capacity and the muscle and the experience to do it, eventually the goal I would see is allowing Andy Connors to be the one who creates the Yukon equivalent of Breaker Moran or Man From Snowy River or Once We Were Warriors from New Zealand. Those things only happened because there were people in Australia and New Zealand who had the commitment to realize that, "Heh, you have to have a certain amount of commercialism in order to develop the skills and the talent pool to be able to bring along the local story-making." The goal for me is 10 years down the road to be able to be in a hotel room in New York City and watch a genuine Yukon story extremely well told here, knowing that your hotel rooms have been filled up the whole time, but that essentially the Yukon story is being told to the world. I don't see that a conflict in any sense.

C BARRY BELLCHAMBERS: No.

C KEN BOLTON: We have to get together. It's not an either/or but a yes/and.

C MAL MALLOCH: Something that I'm hearing a whole lot of, I think, is the creative side is crucially important, the financial side or the economic side is crucially important; and I hear a surprising number of people saying, "They are both important. They've got to be linked, and they've got to be integrated together to get together." That's what I'm hearing.

C DAN CAMPBELL: There's another side, too, the practical side, and it's coming from the location side of things. From personal experience, this actually happened. There was a documentary to be done in the Northwest Territories and the northern Yukon, and it had to do with land use permitting. Three months was not long enough to get necessary permits in place, and this production ended up going to Alaska.

So, the Commission needs the ability to work with land use groups and government to try and set up shortcuts as long as they fall within certain Guidelines that you can get the permitting necessary in a relatively short period of time, because a lot of film production, especially commercials, can happen in a short time period. They might say, "We want to be there in two weeks and shoot a film," which you could if you had three months to wait for permits.

The Yukon is just going through that for the Territorial lands that's being discussed right now. We need someone who can stand up for this industry and make sure that our needs are being met.

C MAL MALLOCH: Good, important point. Thank you.

C MARK HILL: I have two things. One is to echo off what Dan was saying that if you could sum up the traditional role of the Film Commissioner, it's to champion the industry to the community and to the industry. So, it has to be able to make it work for both sides. I also wanted to add a point way back when you put the sheet on the wall about staffing. I'll let you get that.

C MAL MALLOCH: "Make it work for the community and for the industry."

C MARK HILL: And for the industry.

C MAL MALLOCH: And your other point?

C MARK HILL: Was over here on the last sheet under "staffing", where it was saying "financial" at the end, I think expertise and experience and contacts in the industry are three really critical components to meet the staffing needs.

Q MAL MALLOCH: Contacts in the industry?

A MARK HILL: Contacts, expertise and experience in the industry.

C BARRY BELLCHAMBERS: The point about being able to act swiftly is really a tremendous point. When you look up here and see a note "fast response", another one "not bureaucratic". In a real world, you should be independent enough and the government and the stakeholders should have enough confidence that everything is in place, that people can walk in and the Film Commission or the marketing person should be able to sign off on it at any time and you don't have to go to government. If it's a huge shoot, you need a permit.

Q MAL MALLOCH: You talked about the speed, but is there something about autonomy, as well, like within limits?

A BARRY BELLCHAMBERS: I think if you start putting all those points together it takes you down the road of "Okay, now where should this position be," because you can't do all this if it's a position probably within government. So, maybe it's only one section of this whole thing that should be clear of government, and I don't know whether that's marketing or whatever it is. Look at that thing that took three or four months, and the City had to be involved and YTG a couple of years ago. How long did that take? The politicians had to wrestle with politics over it whereas you and I if we thought it was a good project that was going to create a huge amount of economic opportunity, industry should be able to sign off on that sort of thing.

C MAL MALLOCH: I've tried to represent that by saying here "Able to act without seeking approvals each time". That doesn't capture it perfectly, but it gets the idea across.

C MARK HILL: Just in response to that, in that case because it was a huge fiscal commitment from the government, I don't think we're ever going to change that. What I would like to see is if Warner Brothers calls up with a script and says, "We've got this project that just fell through for Kamloops, and we want to see what you can do for us"; instead of sending in a travel authorization request that has to go to Management Board, you're on a plane the next morning. That's one example of flexibility.

Another example of flexibility is saying, "Okay, we've picked Germany and the U.K. to market to because they're the two leading international co-production partners anywhere in the world. So, we're focusing on them, but there's an opportunity to do "x" instead of "y" and we have a short amount of time to reallocate how we're going to do this." And you pull together your decision-makers who you've been able to educate a bit, a Board of Directors or whatever, and say, "This is what we're proposing to recommend, and this is why; and that's it." You do what is best for the industry, not what can happen in government, as most people know, "Well, how would it look?" That is the number one criterion of the government to say, "Well, how would this look to the public," not "Will this work or not work;" and there are good reasons for it being that way, but there are good reasons for the industry to not have it be that way.

C MAL MALLOCH: And the reality is with normal government programs, you create a program for a reason, and they do a lot of research and policy work behind that usually, and you're coming up with a program, and there's a reason that you're doing it this way. It's core funding and so on, you're not going to reallocate all the funding from that program in the space of a couple of days or a week to some totally new program. That's not the way it works; but it may be that in the film promotion business, you've got to be able to move that quickly and make those kinds of major financial decisions.

C BARRY BELLCHAMBERS: I always use the Convention Bureau because it's the only thing I know. We've given them money every year, and the Board of Directors accept the staffs' plans for spending that every year for marketing and trade shows and all this and that, FAM trips and that; and the government is not involved with that. I think we do a damned good job. So, I don't see why the Film Commission couldn't do that, because there are just as bright a people in the Film Commission as there is in the Convention Bureau. I know that for sure.

Q MAL MALLOCH: What's the source of funding for the Convention Bureau?

A BARRY BELLCHAMBERS: The main source is YTG, 180,000 a year plus or minus; the City of Whitehorse 35,000, which is a bloody tragedy, in fact they're 25,000 now and it used to be 35 and it should be 100. Then stakeholders like myself are in for substantial amounts, the hotels come in for probably 50 or 60,000, of which I would contribute 20,000 I think of that. Then there are individuals, just the same as individual members of the Film Commission, Convention Bureau members, stores, suppliers and so on, things like that.

Q MAL MALLOCH: So, there's a large chunk of Territorial Government funding in there and a smaller chunk of municipal government, and then, a bunch of private sector stuff?

A BARRY BELLCHAMBERS: Yes, and we recognize the fact that if we don't spend it wisely and if we don't get any results --

C MAL MALLOCH: It ain't coming back.

C BARRY BELLCHAMBERS: But it's there every year, so we can expect to see it and plan long-term. It works. There's never enough money, of course.

C MAL MALLOCH: I would like to move on fairly soon, maybe right away, depending on the wishes of the group, to what does this mean about the structure and getting into some of the answer stuff now that we've talked a lot about the questions. Are there any important things that we need to do to add to what we've done so far on this before we move there.

Q ANNE CAMPBELL: I'm not sure if this is relevant to what the Film Commission needs to do. My question is: What role does the Film Commission have in using Yukon expertise, ideas and technical, creative expertise, if that is seen as a role or if that's a significant need that the Film Commission needs to fill.

C MAL MALLOCH: I'm afraid I'm not quite understanding the question.

C TINA SEBERT: I think I might understand it, and I partially wanted to add something about this, which is that it would be interesting if there was a structure that had room in it for the mentoring and also for the contribution that industry has. So, it would be needed to reflect a true partnership between industry where industry actually has a role to play in the successful functioning of the office itself, whether that's marketing expertise or location expertise. Is that what you were trying to say, Anne?

C ANNE CAMPBELL: I think actually I was referring to the -- that's a good notion, but I was thinking more of the expertise that exists. How does the Film Commission and the industry actually relate? What is the need there, or how do people get jobs? Even if the Film Commission brings the production here, how do people access jobs?

Q TERRY HAYDEN: Do they have an obligation to --

A ANNE CAMPBELL: Exactly, yes.

Q MAL MALLOCH: So, it's going down one level; not just getting the work here but managing to make the connection?

A ANNE CAMPBELL: Yes, how do I sign up.

C KEN BOLTON: One of the positive aspects of accountability is that you can build in your value-added measurements. So, for example, every time a local writer is hired or every time a local camera person is added, that earns brownie points --

C TINA SEBERT: For dollars.

C KEN BOLTON: -- for the Commission or for funding from funders. It's very easy to build that kind of system in, and it makes accountability effective.

C MARK HILL: I'm not sure I agree with Ken, but regardless, it's part of industry development to maximize the number of positions and the amount of spending that comes out of film and the money that's left in the Territory wherever it originates from. That's part of industry development, and that's part of sustainability.

I think where Anne is going is "Okay, we've got the film. It's going to shoot here in September. Who is going to get hired? Who is going to get business out of it?" This is very treacherous ground really, and it's something that the Film Commission in general has tried to stay somewhat distant from. If they ask for a recommendation for a hotel, we would give them the names of three. If they ask for a location manager, we would give them a choice. That's why originally we developed the website with the crew listing on there. We would say, "Go to the NFVIA website and look at it there."

I think the minute the Film Commission gets involved with making recommendations, then I think you're going to be in a huge problem in no time for a number of reasons. One is it reflects back on the Film Commission, the performance of whoever or whatever they recommended. Secondly there is no end to allegations of conflict of interest, which also becomes a potential problem if some of the funding is coming out of the private sector, which in many ways makes sense; but if it's coming out of the private sector, and your key donor is the one who got the business, it's a chicken-and-egg question. Especially with a small population base with a meagre economy, I think it sets up a lot more problem than it's worth.

So, my suggestion in response to Anne is that it cannot get close to "Okay, who are they going to do business with and who are they going to hire."

Q MAL MALLOCH: So, I've added "on general basis" in terms of let's make it really, really easy for these guys to find out who the hotels

are in town; and let's leave it to Barry to compete effectively with all the other hotels so he gets his fair share whatever that turns out to be.

C BARRY BELLCHAMBERS: That's why people see me at the airport quite often, begging.

I think there's another point here, too -- I hear the word "jobs", and I know you guys are working on it, too; but you've got to be very careful of putting in a whole bunch of restrictions or qualifications, because what is the position if, for instance someone wants to come up and do a two-week taping, and they've got all their crew. Now, that wouldn't be very good, right, because there are no jobs for you guys; but if there are restrictions that they won't be able to get money and all those things so they don't come up, then I lose the hotels, Trans North doesn't get chopper business and all those sort of things. So, that's an interesting prospect for us to think about, too, right, because those things take care of themselves in the long term, as you said, as the industry grows and builds and you've got the expertise. Right now they don't know about us; but in the future they'll know that all that stuff is there, that they don't have to bring up their crew.

C MAL MALLOCH: Can we move now to talk about what this says about what the structure needs to be, where it needs to be, how it needs to be constructed, how it fits into the rest of the world and what kind of boys and girls we need right inside there.

C MARK HILL: Whoever the Film Commissioner, who I assume is in charge of the Film Commission, whoever the Film Commissioner answers to has to have a stake in the success of the industry and has to be able to be dedicated to the extent that they can be educated and brought up to speed so the Film Commissioner isn't starting from scratch; because it's a very complex industry at times. So, there needs to be consistency in who it is. They need to have a stake in the success of it. From my perspective, there should be a Board of Directors who can be brought up to speed in terms of what the background is of the industry, what the reality is today, how that's different from yesterday or will be different from tomorrow.

C MAL MALLOCH: So, they have to have a stake and they have to be around so that they can get trained once and there's some continuity over time. If you get six people and one or two change each year, you've still got the core understanding.

C PAUL DAVIS: I was going to say I think we're grappling towards a structure that is just close enough to government to be able to get government funding but yet is just arms length enough to act independently. I guess I would say "just close enough to government to get government funding and also to negotiate memorandums of understanding so that we can actually arrange in advance so that when we get the last-minute call we have MOUs, memorandums of understanding, with various people so that we can act quickly." I think that's part of what we're looking for, but we also need to be out of the realm of government departments. I'm a former public servant. I know of people who have been through 22 reorganizations in the past five years, and it just zaps organizations. So, I'm hoping that there is some way that we can be close enough to government to be able to access the funds and make memorandums of understanding and yet not be part of the public sector. Do you follow me?

C MAL MALLOCH: I think so.

Any other ideas, specific ideas or implications for what does this say about what the structure has to be or where it has to be located?

C ARDEN MEYER: I was going to make an observation that I'm quite confused. We've got a whole list of ideal ways to perhaps do things. I don't know what you want to identify them as. They're all good, and a lot of them overlap. I'm sitting here, thinking "To do what?" Should we focus on that for a moment? What is the most important thing we can or should be doing in the Yukon for the industry? I don't mean the commercial side of it. I mean both sides of the coin.

Q MAL MALLOCH: Do you have a thought on that?

A ARDEN MEYER: Well, I have a few thoughts on it.

Q MAL MALLOCH: Why don't you tell us about them.

A ARDEN MEYER: I think if we can foster -- we don't have the expertise or the depth in the Yukon and we never will, not at this stage anyway. We have to foster and promote growth, and that's only going to come through -- I forget who said it -- by attracting the Outside experts today into the Yukon. That will help us and enable us to build our own infrastructure in time. The reality is -- and I think what I'm working toward here is suggesting that it probably boils down to marketing, selling the Yukon as a location choice and getting the Outside money up here.

C MAL MALLOCH: I think again that gets into some of the funding stuff maybe.

C ARDEN MEYER: Well, leaving the funding out of it for now, it just seems to me that we can target the primary objective of what we collectively here feel would serve us best.

Q MARK HILL: I will address that. When I talk about "funding," it's not as simple as what kind of funding programs we need to do.

A ARDEN MEYER: No.

Q MARK HILL: It has to do with the current snatch up of those funds, is that what you're saying?

A ARDEN MEYER: Yes, and I think to me that's a more global way to approach what you want to do, and then, all this is all great stuff, and I think it will fall into place if we can properly hone in on what we want to do.

Q MAL MALLOCH: Does anyone else have any thoughts in response to what Arden just said?

C BARRY BELLCHAMBERS: Yes, I think Arden is exactly right. I've got to put people in my hotel beds, and I do that by marketing. That's it, I have to market, and it's getting harder and harder, and I'm putting more money into it. So, there are two things, as far as I'm concerned, huge things. One is marketing. If we have had no marketing for eight months, it's going to fold. Two we need funding to encourage people to come up here and shoot. I think the primary thing from my perspective, and I'm not trying to put down the cultural perspective; but from my point of view, they are the most important things and

that should be the focus. Because we've got to have marketing to bring these people up here to fill my beds and to get the choppers going and to rent the vehicles and to get people to work. So with marketing, you can go out and sell everything but if you don't have what they need, and one thing they need is funding, because it's such a competitive world, and we're competing against that everywhere. To me those are the two primary things from my perspective.

To get there probably revolves more than around this. In the meantime we should have marketing going on right now big time.

C KEN BOLTON: I would like to go a little step further, Barry. If you look at the Department of Tourism, it has basically three key roles: marketing, industry support and product development; and it seems to me that those are also the three crucial elements in the Film Commission, are they not?

C BARRY BELLCHAMBERS: Absolutely.

C KEN BOLTON: But it also needs the flexibility and the ability to play "Let's Make a Deal," and the problem is that governments are not good at playing "Let's Make a Deal" because they are by nature risk-averse, and this is a risky business.

Q MAL MALLOCH: Ken, you talked about marketing and product development. What's the other thing you said?

A KEN BOLTON: Industry support.

Q MAL MALLOCH: Let's see if we can zone in a bit more now, please, on structure. Do you have more to say about what the structure needs to be or what kind of structure is going to respond to all these very valid needs that we've detailed?

A TINA SEBERT: I just want to add that it has to be a structure that's absolutely clear about its priorities, that it doesn't drift off into the concept that it has to be everything to everyone. I think there is a real need to focus the energies of this structure on what is important to the industry.

C PATTI BALSILLIE: As this is developing, as the industry develops, the structure, too, will have to facilitate flexibility. It will have to be able to grow with the demand and the greater flexibility and the greater resources it has, the more it can do better. Just to take off from Tina's comment, eventually a healthy industry can be everything to everybody eventually, but it requires, to continue on Barry's analogy, it's because he's marketed and got people in his rooms, he then has staff to work in the rooms and the restaurant and the front desk and the meetings and convention room; not unlike successfully marketing the film industry would then have the resources to be successful and creative in training and development and all of those things. I see that any structure that is created is going to have to have so much regulation but it can adapt as it grows.

C PAUL DAVIS: I throw this out as a point for discussion: Because we do have some people from Economic Development with us this evening, I think we should consider something along the lines of taking an NGO (a nongovernment organization) structure and asking YTG to take some of the monies that are currently tied up in staffing and O & M and put them into a pot that one could construct an NGO out of. I'm only saying this because my experience

with nongovernmental boards over the years has been you sure get a lot of bang for your buck, and that's the response I think to what we're looking for.

So, I just throw that out. I'm just suggesting that I don't think we're going to get this through a line public service position. I think that's fairly clear from what we've heard tonight. Maybe let's say that and say "Where do we go from here?"

Q MAL MALLOCH: Let me turn that around a little bit in terms of a question. You can have this be totally 100 percent divorced from government, no connection whatsoever, funding or anything else. I think we can agree pretty quickly that that ain't going to fly in this place.

You can have it totally within government, staffed by public servants with an O & M budget, et cetera; and I'm getting the sense, from what I know about government, that that's not likely to meet all of these needs. So, the question is: Between those two extremes, and there are probably a whole bunch of streams between those two, where do we see this going? We have a recommendation. Paul has said "An NGO with significant contribution of funding from government, some sort of core funding." Is that where we're going? "NGO", I guess another word for that is "a society, a nonprofit society". Is that the preferred option?

A KEN BOLTON: Well, there may be a couple of other options we can look at. One is the Crown corporation model. The other one is the corporation model, such as the hospital or Yukon College, which has an independent board but derives its core funding from the public purse.

Q TINA SEBERT: How long does it take to establish something like that, Ken, do you know? Is legislation required?

A KEN BOLTON: Yes, they're both covered by legislation, but it certainly allows for stakeholders to be right in the core of the action in terms of decision-making, but it still has accountability to government for its finances and spending to a certain extent.

A MARK HILL: With all due respect to the member opposite, I personally reject anything that will take a significant amount of time. I think we need to get on with the business and creating jobs.

Q MAL MALLOCH: So, an important factor here is the ease with which it can be put in place and the speed?

A MARK HILL: Yes, and the speed.

Q BARRY BELLCHAMBERS: I would be careful of that. If we can agree with government that we want it to go down the right road, surely they can put something in place that we could get on with it immediately right now; because you don't want to sell yourself short here for the longer term. If you're going to do this, it's got to be done right; but if they're willing, they should be able to do the short-term stuff.

Can anyone tell me which is the best model, or is there one or two particular type of models across Canada; because we shouldn't have to reinvent the wheel here. Does anyone have any background on that, what would be perceived to be the best model?

A MAL MALLOCH: It's my understanding that an analysis of that is part of the current study, is that correct, looking at models in other places?

A TINA SEBERT: Yes, but it doesn't include value judgements on it in terms of best models.

A MARK HILL: One of the exercises, Terry, and correct me if I'm wrong, one of the exercises that is currently being conducted is to provide some evaluative aspects of that where they're talking to key industry people across Canada asking "How is the structure in jurisdictions working?"

A TERRY HAYDEN: Yes.

C ANNE CAMPBELL: One is the best structure that meets the needs that have been articulated by everyone else. So, we can analyze a number of models to see which one fits.

C MARK HILL: I could pass along a couple of things. From my experience, most film commissions are Crown corps, even as small as three-person staff. While some say that that's preferable, it has its own handicaps and drawbacks to that. And as I say, B.C. Film, which only deals with the funding side of things, is a not-for-profit organization, answering to a Board of Directors that's wholly funded by government.

The only other point that I would like to add is something that Saskatchewan Sask Film, and I would say they're probably the smallest jurisdiction at this point with an arms length agency, and what they said was they had huge problems with people directly involved in the industry sitting on the Board, because people are driving their own personal and their own corporate agendas; and while they brought expertise to the board, they also brought conflict. What they did to resolve that and it seems to have worked quite well is take a step further and make a manager of a bank and those type of people, people who were business people and I understand business and industry development, but haven't got a huge stake in whether it goes this way or that way but what's going to be the best overall for the health of the industry. That was the single biggest one.

C TERRY HAYDEN: A question for you, then, Mark, one of our rules is that the person has to have a stake in the industry.

C MARK HILL: Yes, that's an excellent point; but when you have somebody who owns the local grocery store or a bank, they still have a fairly specific stake in the development of the economy; and their bottom line is what is driving it. I think that is something that we want to look at, as opposed to process.

C TINA SEBERT: The difficulty with that, also, Mark is that you have the emphasis on economic activity and maybe you have left the cultural aspect off of that if you went with something like a Chamber of Commerce. It's difficult.

C MARK HILL: I don't see the dichotomy that keeps getting described between cultural and economic.

Q BARRY BELLCHAMBERS: Does that encompass all the things you've been talking about here, or is it mainly the marketing assessment?

A MARK HILL: I didn't hear the last part of your question.

Q BARRY BELLCHAMBERS: Is the complete Film Commission a whole range of duties and abilities, or is it mainly marketing?

A MARK HILL: It deals with funds, and it deals with ... You see, marketing has taken a whole different angle, though, than it was five years ago.

C BARRY BELLCHAMBERS: Yes.

C MARK HILL: Marketing locations is still done in the U.S. and it is still done in some places in Europe, but it's not done in a big way in Canada. Marketing has taken a whole different spin, and I'll talk about that a little bit later.

C MAL MALLOCH: I'm going to suggest that we take a break in a couple of minutes; but before we do that, I want any other thoughts on structural options. We've got some ideas here. We've got NGO, Crown corporation and a corporation like the Hospital Corp or the College.

C KEN BOLTON: Or the Arts Centre.

C MAL MALLOCH: Okay, another example.

C PAUL DAVIS: Also the Energy Solutions Centre.

C MAL MALLOCH: The Energy Solutions Centre, I don't know how that's structured though.

C PATTI BALSILLIE: It's a storefront under Yukon Energy Corporation.

C PAUL DAVIS: Yes, under Yukon Energy Corporation.

Q MAL MALLOCH: Other thoughts on structure?

(No oral response)

C MAL MALLOCH: We're going to wrap up structure here. We don't have specific recommendations, but we've got some models and some options to consider, and we've got lots of criteria that it has to meet.

C TINA SEBERT: Just on the staffing side of it, I would like to add I would like to see a very lean amount of staff; very highly qualified but very lean. I think that there is a certain amount of jealousy almost that the best-paying jobs in film are at the Film Commission, and I think that there has to be some balance there.

C PATTI BALSILLIE: Now, just one consideration. At TIA we've been working for the last 12 months at having the Department of Tourism and Culture examine what it would look like to be de-politicized. And in addition to looking at various models and best practises and getting recommendations from those who have been with and without, what has and what hasn't worked. The Yukon is also a bit perverse, in that 65 percent of our

workforce is government sector. There isn't a strong, great economy where there is money being generated to contribute to taxes, sort of discretionary dollars. So, we have to be very careful when you talk about all those options for structure what is actually financially viable. I know we're going to talk about financing, but all of it is about what is financially viable for the size of our jurisdiction and for the demographic composition of our community. You guys need to know that the inability of the government to react efficiently on anything is essentially across every industry. So, you're not alone.

C MAL MALLOCH: We feel your pain, as you feel ours.

Let's take a break for 10 minutes and talk about the other side of the question, the funding and marketing and other related items.

The meeting adjourned at 8:50 p.m.

The meeting resumed at 9:07 p.m.

C BARRY BELLCHAMBERS: I would just like to make one more point. I would like to reinforce the point that I am very concerned about the future of the Yukon, the economy. It is declining, no question about it. From my perspective it's got to be results-orientated if you're going to get people to my hotel who are up here shooting film and hiring people and all those sort of things; and we need funding to attract them up here. Everything else comes along. I am really concerned about the future in the short term and the long term. So, you've got to focus on getting the money and spending it the best you can to get people up here and all those things. And I don't care really if they're in my hotel or not. I'll work on that.

9.0 Funding & Financing

MAL MALLOCH: We're going to talk about another part of the whole equation here; and to get us started on that discussion, Mark is going to say a few words about the state of the industry.

MARK HILL: It's interesting that the funding and the financing of film has so much to do with a lot of the discussion that we were having earlier. When I first started at the Film Commission in '98, and a number of you in the room and I have had this conversation over the years, talking about the need to integrate. In order to develop a sustainable industry, you need to be able to have product development locally, and you need to be able to bring in production from Outside. In the years since then, the financing models for the industry have largely overtaken us, and the integration is pretty much the reality for most of the industry. I'm going to try to explain that.

Currently in the Yukon, we have the Film Incentive Program. We have a very small amount of money in development that goes to the Yukon film industry for script writing, anywhere in the film-making process, the video-making process. It's handled like an arts fund. In fact, it's modelled exactly like the Advanced Artists is done in the Arts and Cultural Industry Branch. At the time that that was created, it was appropriate for where film-making and video-making was at in the Yukon, in that there were very few people who were striking out and trying to create their own identity.

Within about six-to-12 months, the development of that program became obsolete. The local film and video-making had so far surpassed where it was that the

program was designed for that it wasn't relevant any more unfortunately. There is still that small amount of money, it's still being managed that way and that's part of what this review is about.

The other aspects of the fund are primarily related to labour, which gradually expanded, and that helps to finalize productions, whether it's Yukon-based productions or visiting productions. It's done strictly on how much you spend, how much of that is spent on Yukon labour and an amount of that is paid back to you with a cash rebate after you have spent your money. Again that has worked pretty well, but it, too, might be obsolete in the future.

What has happened, which really started to take off in '97 and now from it being a creative model in '97 has become the dominant model, is something called "co-production". That is where film makers, producers from various regions, and it could be inter-provincial so within Canada; a lot of it is international, i.e. Canada actually has treaties with 37 or so countries to specifically manage this kind of financial arrangement in film-making and what happens with that that producers form partnerships usually specific to one specific production that they're working on in other regions and in other countries, in order to be able to access pots of funding in each of those regions. Now, each of those regions contributes funding, and in return gets a percentage of the production spent back. There is always a guaranteed return on investment. But as I say, that has become the dominant model so that there are very few productions nowadays in Canada, in fact, I can't think of any examples that fall into that category, and very few that are being done in Europe, that aren't co-productions. So, you're not seeing much in the way of fully-financed productions that are looking for a place to shoot who say "We've got all the money we need. What do you have for location? What do you have for incentives to bring the script to you?"

Instead they're saying, "Do you have a partner who can access a regional pot of money, a significant amount of money, and we will in turn guarantee a certain amount of spending that's coming out of production." The U.S. is the only country, I believe, that makes films that doesn't have co-production treaties, and even some of them are starting to go that way. In terms of the Warner productions, some of the larger producers, or the studios, more and more of those are staying home for a variety of reasons. Post-September 11th it never bounced back to the full amount of international productions, the rising Canadian dollar, other issues in Western Canada and so on and so forth. So, less and less of that kind of production is coming to Canada period, and there is less available generally. So, where we are at as an industry in the Yukon, we're seeing that dry up. It is really truly drying up.

So, the locations industry, as I hear it referred to, in this region it's commonly referred to, is pretty much disappearing. The co-production industry is where our partners are. But because of getting access to regional funding, they're committed to spending money in those regions. That's where they're going to shoot, and that's where they're going to do their post-production. We don't do much in the way of post-production, so that part will be done somewhere else; but the shooting aspect, we have the ability to work with partners from Outside.

Now, the same is true with the production that we do here, and we're talking about cultural products. It's extremely unlikely that we're ever going to have the government writing us a cheque and say, "Here go and make a film", have fun; and at the end realize there is a benefit in the exposure of the Yukon. It's going to be "Here is a portion of the funding. We're looking for a return on that." It could be that it was a lower threshold of return for a Yukon story,

it could be none. I don't know what the government's intent is. But they're going to say, "Here's part of the funding," and whoever the film-making crew is has to go Outside to the marketplace and find the rest of that funding, the only exception being an extremely low-budget production. Generally it's not market-driven; it's art-driven, and that's a pure cultural product. Other than that, if you go to the Canadian Television Fund or if you go to Telefund or if you go to any of the funding bodies, and they're going to say "Where is your market share" in terms of the funding. They're going to say, "Before you even come to us, show us your particular end product, and we'll put in some of the money"; because for them that's part of the assurance. They can create a product that the market is going to buy into, that they can pull it off, and there is enough of a market in it to put money into and invest in themselves. You cannot apply to those bodies, except for development, you cannot apply to those bodies for production funding without demonstrating the market buying into it; because even so, given the amount of the cost of production compared to a broadcast licence and unless you're the writer of Harry Potter, whether you're from the Yukon or somewhere else, you're going to be going and finding pots of that money through co-production somewhere else. So, it may be a Yukon story you're shooting, but you're going and spending part of the money in Alberta and part of the money in the U.K. in order to access that funding through co-production. So, one-third of it in Alberta and it's co-produced in the U.K. to get access to those kinds of things. Or it might be a Yukon story or based on a Yukon story that somebody else came up with, and again, the same kind of partnership; and again, from our standpoint, most of it looks the same. The only difference would really be was there a Yukon writer. It may or may not be a Yukon story, but I'm sure that nobody hopes that we're limiting Yukon film to that it's only from a Yukon story. So, it may mean that the only difference is whether it's a Yukon writer or not, but the overall structure is almost identical. And it's that production fund has to have a similar set-up and is similar enough to other production funds so that those regions recognize it as a bona fide co-production. So, for example if you're doing a co-production with somebody in British Columbia, BC Film requires that the Yukon producer on that has an ownership stake in the production, has a significant ownership interest.

What I am saying is that the distinction between the cultural product and the market product is pretty much disappearing in the sense of current financial structures. There isn't a pot of money that we can dip into and say "This is being paid for here." Almost nobody, and I'm talking about producers with 30-plus years with a list of credits as long as my arm, can put a deal together without co-production.

As I say, in the last few months, I have not found a producer anywhere in western Canada that I have talked to who can do anything which doesn't fall into that category. There may be exceptions with extremely small, local productions, we're talking \$150,000 productions that have got minimal impact.

9.1 Questions/Comments - Funding & Financing

Q DAN CAMPBELL: Is that all production, other than commercials?

C MAL MALLOCH: Sorry, I can't hear you. Can you speak a littler louder, please?

Q DAN CAMPBELL: Can you clarify what those productions are that fall into this group?

A MARK HILL: I'm not talking about service productions here. So, the Barney Movie that's shot in Vancouver, that is a full service production. That's entirely funded at the studio, who hires an experienced service production company in Vancouver. I'm not talking about that; and as I said, they're getting smaller, and you can see the impact of that in British Columbia, for example. But other than that, if you're talking a feature film or if you're talking broadcast, and again there are certain exceptions. Reality shows fall out of mainstream funding programming. So, they tend to deal with cars, "Ford, there's no boundaries" for example, those kinds of things. Sports shows again tend to be quantity driven; but in terms of the type of things I'm involved in, they're the exception.

If people know of exceptions that I'm not aware of, let me know; but currently it's been moving in that direction. What really started to trigger it was the cable splintering. With your satellite T.V., you can flip through five minutes without seeing the same channel twice. Sure, there's not much you want to watch anyway. That has splintered advertising dollars, which in turn affects how much broadcast licence broadcasting can afford to pay. Fifteen years ago, you had one broadcaster, and your federal or regional funding would be enough. Those days are long gone. Now you need a minimum of two or three broadcasts, plus your regional funding, plus federal funding, plus your federal tax credit. Even then you're going to be fortunate if you can put together your basic funding that you need to.

Q ARDEN MEYER: This Korean shoot that happened in the spring, was that co-production?

A MARK HILL: No, that was 100 percent funded by a very wealthy man in Korea.

Q COLIN MacKENZIE: There is a list of applicants, isn't there Mark, that are co-productions, working in the Yukon.

A MARK HILL: I'm not sure. There have been quite a number of inquiries for co-production.

C COLIN MacKENZIE: Yes, which we haven't been able to facilitate any of them, given the funding programs.

Q ANNE CAMPBELL: I wondered, you mentioned treaties and agreements. Would we have to develop treaty agreements with co-producers?

A MARK HILL: No, that's handled on a Federal level. They're Federal treaties.

Q ANNE CAMPBELL: Oh, I see, trade agreements.

A MARK HILL: Yes.

Q ANNE CAMPBELL: I thought you were talking about agreements for co-production.

A MARK HILL: It is. It's a specific treaty specific to film.

Q ANNE CAMPBELL: So, it's already in place?

A MARK HILL: Yes.

Q MAL MALLOCH: Mark, I've got a question for you. I think I heard you say fairly early on that a production could look at the Yukon and say, "Okay, where is the Yukon? Who have you got who can be our partner or our co-production partner or whatever?" What does a co-production partner look like? Is that a production company? Is that a cameraman? Is that a government department? Is that a Film Commission? Is that NFVIA? What is that?

A MARK HILL: It's a private production company, and by "private" I mean traded on the stock exchange. Yes, it's a production company with access to regional filming.

Q MAL MALLOCH: And if I start a production company tomorrow, how do I access regional funding? Is there such a thing here in the Yukon as "regional funding"?

A MARK HILL: No.

Q MAL MALLOCH: So, what I hear you saying is it's all co-production with a few minor exceptions.

A MARK HILL: Mostly.

Q MAL MALLOCH: Co-productions require a resident production company with access to regional funding. We don't have regional funding.

A MARK HILL: We don't.

C MAL MALLOCH: Okay, thanks very much for coming out, folks. It's been good.

Q KEN BOLTON: Mark, what's the bottom line? If we need a film production fund in the Yukon, how much does it need to be, how should it be structured and what kind of considerations should be in that, Mark? Is it even doable?

A MARK HILL: It is entirely doable. There are very complex questions related to it that are probably beyond the scope of this meeting that we would have to do. For example, what do we do with the labour rebate, because there are implications to do with that. Do we need all that money? Do we need it only for productions that don't want to do co-productions? Do we produce it and tie it to a Yukon producer in conjunction with a production fund; because the labour incentive, the labour rebate has a specific task in addition to drawing people in, in that it maximizes and creates an incentive for them to hire as many Yukoners as they can and to leave as many as they can behind from whoever else does the shooting. So, there are the jobs to do with that. That's a relatively technical question, having to do with the financial structure, but, yes, most places have production funds specific to the region. They can only be applied for by bona fide production companies, a company that exists for the purpose of production. Yes, if they're allocated in specific windows, there may be two intakes. They mimic very closely in some ways the way that the Federal funding works, because everybody knows the other pots of money you're going to. So, it has to mesh with those. And there are ways of creating specific regional twists to it. For example, we agree telling Yukon stories is important. If you create a separate fund for that, would you want to create the same standard for them or for an earlier application date for that where they

both have the same kind of criteria but it gives it a bit of a leg-up. These are some of the possibilities that can actually be done, but it is still guaranteed funding in terms of the government or the funding body does not hand over any money until all the funding is in place. They don't say, "Here's 20,000 to go toward 2 million dollars, good luck with raising the rest, and here's the criteria and how it applies."

There is another aspect that I want to talk about very quickly and that's part of the production funding is very much tied to cultural product development, and I would suggest pretty strong that it's tied in many cases to the long-term sustainability of the industry, and that's the development fund, which can only go to Yukon production companies for the creation of pilot projects.

Q KEN BOLTON: The one question I asked is what's the dollar amount, and how do you make it politically or socially acceptable? Is it 5 million bucks, and how do you control it so that there isn't a political downside where somebody says, "Well, this Government went and blew 5 million dollars on film and got nothing out of it?"

A MARK HILL: First of all, the only place where the funding programs would ever put money in and potentially not get something back is the development fund, which is a relatively small amount of money. It's relatively bigger than the pot we have now, but it is quite small, and it's generally done on long-term forgivable loans. So, if you do three development projects and the fourth one you get into production. The production fund like co-production, is based on spending. So, as you deliver, you receive funding. There's no fly-by-night stuff here. It's part of your budget, and if you screw up, you (unintelligible).

In terms of how much money, I guess there are two questions I have or two aspects. One of them is it can be tied to bringing in export dollars, leveraging the government's money so that economically in terms of the community there is a return on investment, for what goes out, so much comes back and is spent in the Yukon. The question is if something is good, more must be better. So, to some extent, I appreciated the way the labour rebate with the existing film incentive program was set up, "Okay, here's some money. If you need more, come back and talk to us and we'll see how it's working." That has its limits. It can be shut down if there aren't enough funds. I think elasticity is a good idea, provided you've got at least some economic return on investment.

C KEN BOLTON: Political people don't like that kind of elasticity. The Minister of Finance needs to be able to stand up in the House and say "We are putting 'x' amount towards this purpose."

C MARK HILL: I understand that, that there has to be an amount that is set, that the elasticity doesn't have a great deal of problem.

Q DAN CAMPBELL: One, is there a typical amount that people are looking for for co-production, a percentage? And number 2 is how many can you handle a year?

A MARK HILL: I don't have a figure, but we essentially can put about one-and-a-bit crews together. We know that December/January we're probably not shooting. You can do a work-back and calculate, without a huge amount of trouble, what our capacity is, a figure based on that.

C TINA SEBERT: Realistically we've never been incredibly busy. It would be a lovely problem to have, but it's not really realistic at this point in time.

Q MAL MALLOCH: Mark, I'm a bit naïve about this, and this may be a stupid question; but can you paint me a little picture, and don't worry about the scale and magnitude, but supposing this fund exists and it kicks \$100 into a co-production. That \$100 is put there contingent upon a commitment, which as you said, is pretty iron-clad with all sorts of guarantees around it, for someone to spend how much, \$50, \$100, \$5,000 in relation to that 100; and then, the understanding is they come and spend all that money here and all those people will pay taxes, and that goes back into the pot and so on. Am I sort of following it the right way here?

A MARK HILL: Yes and no; remember the Yukon has formula funding from a certain perspective. So, actually the more money we bring into the Yukon, the less it gets of the tax dollar. "Perverse" is the description of all three Territories, in that for every dollar you generate, you lose \$1.30. So, we need to do that kind of analysis with whatever fund you're talking about. It doesn't quite work out. So, if you spend a dollar of taxpayers' money, how many dollars go into the economy, leveraging a community return on investment. That's part of the program design. It could be \$3.00, it could be \$5.00, it could be \$700. It depends on how you set your thresholds.

Q MAL MALLOCH: Yes, per dollar.

A MARK HILL: Per dollar, yes, it depends on how you set your thresholds. At a certain point, it gets into a fairly technical diagram of where funding is, and I am not qualified to do that. I can give it to you in a lot of general terms, but if you want somebody to say "Realistically, an expenditure will give you this much for New Zealand, this much for Japan, this much for Australia" and you can go different routes, those types of things get into a level of technical stuff that I can't provide that information on.

Q MAL MALLOCH: I'm trying to imagine I'm a politician, and I've got a pot of money, and maybe it's my turn in Cabinet this week, because I've gotten beaten up for two months. So, I've got a chance to get a fair number of bucks, and I go in. How do I sell devolving significant resources to this to my Cabinet colleagues? What's the hook? What's in it for them?

A MARK HILL: First of all, film overall, you're spending money in the economy here off-tourist season. There are a number of businesses that list film now as that's their number one and number two off-tourist season source of income. So, its impact is really strongly felt because it's off season. Barry will tell you that. In the private sector, the value per dollar is huge.

A DAN CAMPBELL: Barry was saying in the winter, every dollar is worth four-something per dollar.

A MARK HILL: And it helps to support the infrastructure that allows these things to happen.

The other thing is a guaranteed community economy return on investment. They are the only organization or opportunity out there to my knowledge, and Terry, correct me if I'm wrong, but they are the only one to my knowledge that

maxes return to the Yukon in terms of dollars invested to a maximum. Other than that, everything else gives you less back for government dollar put into it.

Thirdly, you're not dealing with environmental impact and cleanups later on, fly-by-night companies and all those kinds of things, because of the overall structure of the film industry. So, if you want economic activity, you want it in the short term, you want it with minimal or no environmental impact, you want a guaranteed return on the dollars you're spending and you want the best impact in terms of the cost for the local economy and how it gets spend, it's film.

Q MAL MALLOCH: And you have a sense that the politicians in this place would like to see more economic activity?

A MARK HILL: I have a sense that the voters do.

Q DAN CAMPBELL: Mark, you were saying that these other jurisdictions get funding through private investors. How does that work?

A MARK HILL: That's actually a really good point. In the U.S. --

LUKE SMITH INTRODUCES John Banovich

Q ARDEN MEYER: Mark, back to this point, you said there are four or five applications?

A MARK HILL: Well, there's not that number that have applied, but there have been inquiries, yes.

Q ARDEN MEYER: There have been inquiries?

A MARK HILL: Yes.

Q ARDEN MEYER: The smallest one of those, how much would it have taken if it had been accepted?

A MARK HILL: The discussion probably never went that far. The only one I have specific numbers on was the one last year, and that was 71,000.

Q TINA SEBERT: I can't remember, they were looking for an extra 90?

A MARK HILL: No, 79.

Q TINA SEBERT: Oh, they were looking for 79.

A MARK HILL: Yes, 79 additional.

C TINA SEBERT: So, 79; I don't know the total budget of the film.

Q ARDEN MEYER: So, we're not talking a great deal of funding.

A MARK HILL: No.

Q ARDEN MEYER: We're trying to get a formula. The sell sounds good.

C MAL MALLOCH: You can sell anything for 1.89, but if it's 10 million dollars, you have to try a little harder.

Q KEN BOLTON: To use Mal's analogy, I want to take out a loan, and I want to sell this. You're saying this company will come here if we can give them, what, 80,000 bucks?

A MARK HILL: Let me give it to you in broader terms, Ken. From my experience in the Yukon my sense is that it's not high rev, but our running level for film is probably about 10 million a year in direct spending, and that comes from a whole lot of information sources and experience, whatever; but my sense is that we should be able to do 10 million dollars a year here in direct spending.

Q KEN BOLTON: What would that take to get that here?

A MARK HILL: To get that here?

Q KEN BOLTON: Yes.

A MARK HILL: Between 1.5 and 3 million, somewhere in there, probably less than that; but it's a guaranteed return, and if we don't, we're going to lose it.

Q KEN BOLTON: If we don't spend it, we're going to lose it?

A MARK HILL: Oh, we are losing it.

C TERRY HAYDEN: But to differentiate between the term "spending", spending let's say you have a 400,000 film and there are \$800,000 worth of wages spent and overall spending of 1.6-to-2 million dollars. You're not necessarily guaranteed to get your original \$400,000 back.

C MARK HILL: In fact, Terry's right. Alberta has gone away from the equity investment side of it entirely, because of the cost of administering. Equity is where the government says "Here it is, now go and film." The cost of administering it is about the same as what you get back, maybe even higher on average. So, what they said was why have this thing that barely pays for itself if it pays for itself at all. So, Alberta does it differently.

It's interesting for BC Film, that far and away it's the little documentary that will pay back more than the big movie. So, if you were looking for payback and if you're going to do it based on money going back into the equity fund, you would fund a 150-\$200,000 documentary; because from an equity perspective, you're more likely to get your money back than from a 5-or-10-million-dollar film. So, there's good reason to be careful on how you set it up.

So, the point we're making now is we're not talking money back into the tax dollars, and we're not talking money back into the equity fund. We're talking about government spending money in a couple of ways, and you spend a buck and you get a buck or 87 cents or whatever it is. If you spend it in a leveraged way, if you spend a buck, you get three bucks return or five or ten or

whatever. There's a multiplier in addition to that so that \$500 spend on a movie is actually worth much more.

Q KEN BOLTON: To the economy, not to the government.

A MARK HILL: To the economy.

Q KEN BOLTON: To the economy, but indirectly it's still coming back in the form of taxes almost untraceable.

C TINA SEBERT: No, it's not untraceable. Like you said, Mark, you can get figures from the Film Incentive Fund, for example Chevy Tahoe is 38:1, and there are actual receipts to back it up.

C MAL MALLOCH: If I can intervene for just a second, what we had intended to do in this situation was we were going to break everybody into groups. We're too small, so we don't need to do that. We were going to get people to generate ideas and so on. What I am understanding about the situation here is it's not which of the 14 options seem to be best and why do we like them. (a) We don't know all of those options because we're not experts on this. Secondly, all those options don't exist. It looks like there's one way that 90 or 95 percent of the world works.

C MARK HILL: And I'm really disappointed that the producers who were here have had to leave. Their input would have been extremely -- in general terms, yes, but in terms of do you put a higher value and how do you put a higher value on a Yukon story or a Yukon written script? It's a really valid question. If you have a co-production that's looking for money that came from Outside but is a Yukon story, it's Jack London, right, based on a Jack London book. It's a Yukon story and it's looking for co-production funding pre-approval; and you have a Tibet story that was written by a Yukon writer that's looking for co-production from here, which has the higher multiplier value? There are many, many nuances and questions about the values. My key point in talking about the co-production side is to say that with or without it, the industry has integrated. You can't access regional funding without a local producer or some local production company. They're also looking for Yukon stories and all those kind of things. So, how do you balance it so that it meets the values and we get the economic return by creating the jobs and developing the industry; and how is that done in a way that does it best for the long term? We need to develop those type of guidelines for those kinds of things, and as I say, the financing model has overtaken us.

In Nunavut, they are putting a five percent bonus on the amount of money they give if it's shot in Nunavut. If it's shot outside of Iqaluit, they get another five percent bonus. Do we want to say, "Heh, look at Dawson City or what about Haines Junction?" Do we want to create those kind of things? What if it's a Yukon story but not a Yukon writer? It didn't start here versus a non-Yukon story by a Yukon writer? How do we deal with that and how do we value that? That's dialogue stuff.

Q MAL MALLOCH: So, there are a million questions like that.

A MARK HILL: And options in terms of how it ends up looking. Are you going to create smaller funds and say, "If you're getting production from Outside, they're going to co-produce it, and you have access to that pot of money. Yukon producers and Yukon writers have access to that pot"; or you can set it up for everybody falls into the same set of criteria; or you

can follow the same exact criteria, but you take applications two months earlier from Yukon-written scripts. So, there are many options you can look at.

Q MAL MALLOCH: Let me rephrase it. It sounds to me like you're saying "There are 100 different colours of upholstery. We can have a pickup truck, we can go for a crew cab. If we want we can have funny-flared things. We can have four wheels in the back instead of two, but don't bother talking about a roadster or a cube van, because a pickup truck is the only thing that's going to work." If I'm understanding you correctly, it sounds like the Regional Funding Model production and co-production is basically the only model that's available; and there are a million nuances of flavours within that. Do I understand you correctly?

A MARK HILL: For now, that is the way it is for now, yes.

A TINA SEBERT: Well, I want to be a slightly dissenting voice here. I think that this is our future. I think that co-productions are our future in terms of developing the industry further. However, I think that there always will be some productions that will come up here to do commercials, for example, or as service productions like the Korean film, that we do have to still be somewhat mindful that we are competing against other regions of Canada for that business, and we are competing very well because we happen to have a very good location and so on. So, although there are extra costs of coming up here, we can mitigate that by having these kind of incentive programs in place; but keep in mind that I think those kind of projects are dwindling and I think they are dwindling quickly. So, if we want to keep growing we have to move in the direction of co-production so we can get stronger; but I don't think it's the only proposed route here.

C MARK HILL: By contrast, first of all I agree in terms of commercials, there will always be those. What do we have, three-to-five a year? It varies.

Q KEN BOLTON: And that's right here?

A TINA SEBERT: Yes.

A MARK HILL: Yes, and that's been relatively constant. Sometimes it can drop off.

C TINA SEBERT: I think it's dropping a little bit, yes.

Q MARK HILL: In terms of location-oriented fully-funded productions, do you know of any that are looking to come to the Yukon?

A TINA SEBERT: No.

C MARK HILL: My comment is working with Outside producers, new series and new movies could be shot here that are in the works, that are in development; but by contrast there is nothing in fully-funded productions. There are a number of other projects where the producers would look and come to the Yukon if they could work with a local producer and access money. I can count 10 possibilities for co-production projects for the Yukon versus none.

C TINA SEBERT: And on our side in terms of co-productions, our company is looking at possibly four over the next year.

C MARK HILL: And on the co-production sign, I would say we've turned a number away last year, and we have a number that in my personal opinion could potentially shoot this fall and a series potentially for next summer and that kind of thing. So, just in terms of how quickly that side is dwindling ...

Q John Banovich: I have some questions for you. First of all, what's your company name?

A MARK HILL: Snowscape.

Q John Banovich: Snowscape, independent, local independent?

A MARK HILL: Yes.

Q John Banovich: And the other question I have for you is why would they turn them away?

A MARK HILL: We're just now getting to the point where we're looking at setting up a production company for the Yukon, but we haven't had the programs to tie it into to get the funding. In fact, one of the conundrums that we have for local producers, is, for example, I had a deal for a one-hour program with CBC that has been pending for over a year, and I can't find any funding in the Yukon at this point. The intention is to change that. I was a freelance producer before I came here. The Film Commission was involved in a small way. At that time, the same kind of thing. I pitched a six-part series, one-hour series, about the Yukon. I had an international distributor and a national broadcaster, and a provincial broadcaster, and I was offered money in Alberta to put it together if I moved there with the Film Commission and the department down there. I figured I should move, because we weren't going to get any money for this. So, we're finally moving away from that.

C John Banovich: I mean there is always the option, too, of course, which has been the case, as you know, with some of the CBC series that they are lower budget, of beginning the series elsewhere and moving them. That's happened a few times in western Canada. I've been moved around partly due to financing. The CBC is a different equation anywhere. You can't apply any standard there.

I'm just listening and taking it in. Like I say, I'm a Vancouver guy; so, Vancouver, Toronto, it's a global market. At the end of the day, as a director of cinematography, I go where the work is. I pack up and move I'm a Canadian. I'm here to teach this course, but I'm also here because I've got access to some financing, and I want to shoot here. I think you guys have a few assets which work for you. Talking about commercials, I worked on the Korean spot this year for their RIO Sub (phonetic) thing. We looked seriously at coming up here, but the Koreans changed their mind at the last minute and went to Alberta; incentives, tax incentives are a big thing. Access to resources in Alberta are better than they are up here, although I know you guys have gear up here now, which is something you can promote. You have snow, and you've got lots of it, and that's something that in the winter goes along with those type of commercials; but in my case, I'm a Canadian, and I'm going to be working with very little budgets. People who you can get money from say you've got to make it 100 percent Canadian to qualify, and it's not going to put the sort of money in that you expect from the American guys.

When I'm done here I'm going to Los Angeles for a few weeks. I'm going to go down there and put on my knee pads and beg for money. Strike one and strike two, it's a simple fact that I'm Canadian and you're Canadian. This will work against you as it has in Vancouver. It stinks. For a number of political reasons, we're Canadian, and it boils down to how do you define the fact that being a Canadian works against us.

I want to come here for the simple reason you guys have hours and hours and hours of daylight at this time of year. For a Canadian producer, I can get a 16-hour day in. I'm a union guy, don't get me wrong. I sit on two committees, Access 669, and another DDC, I'm a DP and an executive director. I'm not supposed to be talking about non-union stuff; but as a filmmaker, I'm going to talk non-union all I want, because I want to get away from those guys and to hell with the day-rates and come up here. As a Canadian filmmaker, I am not going to get that kind of money that I can pay union rates. I've got to get away. I can shoot 16 hours up here on flats, and I can make my film; and to me that's the bottom line. I've got 16 hours of daylight. What does that mean? Less jennies, less lights. What does that mean? I'm saving money when I'm making my film; and at the end of the day, that's all I care about. I can give you another dozen examples of guys like me in Vancouver and Calgary who want to do the same thing. We've got access to a small amount of Canadian money, but we want to make Canadian films. That's what we're interested in.

On my way up here, I spent some time with my camera, taking pictures in Watson Lake and Teslin on the way over today. I stopped and took pictures, because I don't think there are enough people down there who understand what you guys have. It's like "the Yukon, cold, barren, ice." Heh, long nights!

In reality, I think it's important, and I don't know if you guys want to have an official Film Commission, but that's probably the best thing that you could have right now to promote this to other Canadian filmmakers. Because America, and I'll speak frankly about it, not a chance I'm going to get on with American film as a DP; not a chance I'll get on as a director, not even any more as a second unit director. They all come up from LA. They're all over the city. I might on a rare occasion get on as a second DP, I might. It's as simple as that. I just lost out on a local movie they're shooting there right now. They're shooting 24 PHD, second unit. It's a huge unit. I was the only guy who was under consideration to DP it, and I didn't expect that; but everyone else under consideration is American, and that's what happens.

They want some things from Canada. We've got great locations. That's secondary. We've got a cheap dollar. We've got cast credits, and take advantage of that every chance you get; but we've also got cheap labour. They don't want to do the labour. They're the stars. They want us to do the labour. So, that's what we have to provide, camera assistant, carrying their bags, loading their gear. The DPs are coming from down there, even doing commercials. We don't get a crack at that.

So, what I'm trying to do is I've got money for two projects; not a lot but a little, and I want to bring it here, because I want to make it Canadian. I want Canadian people to work on it. You guys sound really passionate about what you're doing. Thank you.

C MAL MALLOCH: It's getting late. It's ten o'clock. Let me ask what more we should do and what we need to do tonight to accomplish what we're here to do. Have we done what we need to do, or is there more stuff we

have to spend time on and any more points you need to make or questions you want to ask.

C TINA SEBERT: I'm just thinking that I'm reluctant to go into details on the funding side without having some more people here. I had some things I wanted to talk about in terms of copyrights, but it's more appropriate if we have more people here.

Q ARDEN MEYER: What's the timeline on this for you folks?

A TINA SEBERT: Well, the next meeting, I believe, is July.

C TERRY HAYDEN: The steering committee meeting is July 3 and 4.

C TINA SEBERT: July 3rd, and these recommendations are going to fit into that, and then, there's a general meeting where the recommendations will be circulated July 18th. That will be the last chance for you to comment on the recommendations on the structure or the programs.

C MAL MALLOCH: Normally at this point in a session like this I would go through the couple of pages of items that people said they wanted to accomplish tonight and what their objectives are and ask people if they felt that would get it done. Two-thirds of the people left. So, think about what you said. Take a minute and glance there and just think if there's anything else that needs to be said or done.

Q DAN CAMPBELL: I just want to ask a question that I was going to ask before. Maybe it's not relevant at this point, but do other regions have private funds?

A MARK HILL: Yes, that's an excellent point, and there are two aspects to that.

C MAL MALLOCH: Excuse me, I didn't hear what the question was. Do other regions have --

Q DAN CAMPBELL: Do other regions have access to private funds as a private production company? That doesn't seem likely here. What can we do?

A MARK HILL: In Canada private funds come out of major companies that benefit from the film industry. So, the Errol Friedenberg Fund from Astro. There is Can West Producers Fund, the CRTC for development in the western television market. Those types of funds are set up.

In terms of raising money privately, you can do it in the U.S. based on being able to have access to a promoter. In Canada it is just about impossible. Actually there is a group that is working on changing the landscape Federally to allow more funding to be raised, which it is my hope that five years from now we won't need production funding, regional funding, because we will have replaced it with private funding. What we are proposing essentially is to go to a model like they use for oil and gas and mineral exploration. We're asking the Federal Government to look at using that as a model to allow the funding to be raised for film.

Q SPEAKER: Flow-through shares?

A MARK HILL: Yes, with the intention of replacing public funding on that side. I can tell you from what some of the other people in this group were looking at funding, raising funds in this way, which was generally understood in western Canada and is gaining support in the industry.

C JOYCE BACHLI: I'm losing you.

C MARK HILL: I know, I'm mumbling.

C MAL MALLOCH: When we were putting this plan together, we initially started off with the thought that this might be a four-hour meeting.

(Discussion, re: timelines)

Q MAL MALLOCH: Final parting shots before we say "Good night"?

A TINA SEBERT: Just in terms of the funding thing, my personal opinion is I look forward to it being a very aggressive model. As we have a lot of hurdles up here that we have to overcome as a jurisdiction. I know that it isn't all that easy to develop it, and I think it requires a certain amount of convincing to bring people up here with their projects and also to realize them here. I think our fears of having too much production and spending too many dollars, I think they're not as important as the fear that we don't have enough going on. I think there is an awful lot of potential here if we just had a more aggressive model so we could move forward very quickly.

I also want to add that with co-production possibilities, there are wonderful opportunities open for our industry, timed at a time when there are a few of us who are ready to go above the line and start being producers, and this gives us that opportunity to step into that role. So, it's something that I look forward to.

C KEN BOLTON: My parting shots would be to get on with it, to get a really professional, properly-structured, properly-funded, properly-staffed Film Commission in place three months ago and get a production fund in place; because it's a win for the private sector and a win for the government. I can't see a downside at all. I just wish that there were both the political and the bureaucratic and the private sector will to recognize that delay is not in anybody's interest.

C LUKE SMITH: We need to do a couple of things. We need the funding to enable producers on two levels, certainly to leverage dollars to help in co-production. I think we still need certain core funding that will be available to the cultural product, making the Yukon stories. I think we should look at not just making it one model. There are different types of productions we want to get into.

The other thing is let's not confuse this Film Commission and the funding program with Outside entities like sound recording. Let's not confuse it with the Film Society. We're not here to do that. We are here, and we need to bolster the film industry. Let's not confuse it. Let's do what's best for the film industry.

C MARK HILL: I would echo that a little bit, too, Tina's comment, that there are a number of local producers ready to go on this.

Besides the overall change in the financing, as well, there are Yukon producers who have a thorough knowledge of the capabilities of the people here in the Yukon. With productions with Yukon producers, you're going to see a higher percentage of Yukon crew, you're going to see a higher percentage of this thing happening in the Yukon, because you know where to find everything, and you don't have to get it from Vancouver.

Q MAL MALLOCH: So, you have their phone numbers up here?

A MARK HILL: Absolutely; the second comment is because of this whole thing, the marketing overall has shifted. Most Film Commissions take their brochures to the market and take their producers to the market, because they're the ones who are going to find the partners to land the deals.

C John Banovich: I want to expand a little bit on what Mark was saying. Mark, Vancouver was a small town 15 years ago. There was one business, and it was Kamel (phonetic), and he showed up. What it allowed us to do was to get experience. We were green. I love Kamel. He brought an identity to the West Coast. But the fact of the matter is we had a lot of very green, untrained people, and that was a fact. It's not the case any more. We've got a number of skilled people who compete internationally as I was saying earlier. So, for you guys to bring in these types of projects will only benefit locally.

I'm teaching this workshop. There's only so much that I can do in a classroom environment. You have to get on set. You have to go to hands-on. It's as simple as that. I've studied all over the bloody place, and it only takes me so far. You've actually got to go out and do it, and that's where the management happens and the learning takes place. We all know in this business you don't stop learning. That's one of the attractions of the industry that you just keep learning and keep building.

So, Mark, that's a really good point. You get these guys here, and it's a win-win scenario, not just economically, but for film makers coming to the Yukon, indigenous artists here are going to evolve and get better.

C MAL MALLOCH: Does anyone want to sum up, recycle, regurgitate, reiterate?

Q ARDEN MEYER: What are you going to do with this now?

A TINA SEBERT: Well, the transcript that Joyce is going to provide us with will go to Diane Janzen and will form part of the Film Commission review process.

Q MAL MALLOCH: Diane is the consultant who is working on the review?

A TINA SEBERT: On the review, so it will become part of the Yukon Film Commission review process. It's also going to be circulated to everybody who is here. I'll make sure that you all get a copy via e-mail if you signed Joyce's book.

As for me, I also sit on the steering committee, and it's helped me understand better what the industry wants. So, now when I go to the table, I feel much more confident in being able to voice what people actually want and expect in terms of the structure and the funding.

C ARDEN MEYER: I thought we were heading in the right direction.

C MARK HILL: From my perspective, none of this stuff is controversial. It's the cultural and the economic that we're using the helicopters and it's all those things.

C ARDEN MEYER: No, I don't have any problem. I don't see it as cultural or economic. The two sides are the same economy. Up until you told us how the real world is working today, I felt marketing was the way to go with it, a small amount of money and progress from there. That's a different approach to marketing. I think there's a big bunch of money, and the politicians should go and look for it. If everything you're saying is true, it could become big business in the Yukon.

C MARK HILL: Like back in the 1990s.

C ARDEN MEYER: Yes. Maybe I'm wrong.

C KEN BOLTON: I was coming to exactly the opposite conclusion, that we need to redirect the focus. We're no longer selling location. We're selling capacity. We're selling money. We're selling some very targeted, strategically-applied money. At the moment we're sort of babes in the forest in terms of being able to put deals together. That's one of the areas where we need to build capacity to say "Okay, how can we get money out of Newfoundland, and what's in it for them?" it's a bid-and-ask kind of thing that needs that kind of expertise, along with the other expertise that's been developed over the years. I don't think it's going to be a problem. I think it is saleable to do.

C TINA SEBERT: I also think that it's not different from what we've done in the past. We have had incentive programs in the past, and we've marketed those incentive programs successfully. So, what we're talking about here is certainly increasing the amount of money being put into those incentives but also increasing the amount of business we're getting out of it.

C ARDEN MEYER: No argument with that, but it's a political sell if you have to convince the politicians to come up with I don't know what it would be, but it sounds like its 3 or 5 million dollars.

C MARK HILL: No, not a year.

Q ARDEN MEYER: Not a year?

A MARK HILL: It's definitely not that much. If they were putting in 5 million, you would expect to see 15-to-20 productions a year, which we don't have the capacity to do. In '97, and you probably remember this, too, Arden, we hit this real ditch. We didn't have any film incentive program. We got some stuff, but it was dying right off. In terms of the types of programs we have today it was, "I'll wash your car for a buck." Because we didn't have the kind of programs we needed. It got introduced, and things took off fast. The world has changed without the Yukon being in step with it. So, it's a different kind of program, and the capability now instead of someone from the Film Commission going out and doing a "dog and pony show" and saying, "Come to the Yukon, please," now there is a flock of producers here who are using their contacts to develop working with the Film Commission, accessing money, using the advantage of marketplaces that exist. So, now instead of one person going out, you have five people going out who have got a lot on the line themselves for

deals. If you bring those back, you'll see a burgeoning of production levels; and as a result, you're going to see more money being required, and you're going to see a lot more money coming in.

Q ARDEN MEYER: Do we have that production capacity in the Yukon?

A MARK HILL: We have come a long, long, long way in the last five years.

Q ARDEN MEYER: Do we have enough breadth in our production capacity here to go out and bring enough of that Outside stuff in to keep pace with what we've seen in the past couple of years?

A MARK HILL: We can outstrip the last couple of years. We don't have so much breadth that we can -- you know, Tina and I talking about booking a local crew, like a company with two helicopters, to figure out how we're going to schedule it.

Q ARDEN MEYER: The reason I asked that question is if the only way it's going to work is to take government funding to subsidize the creation of additional production, then it won't work and it shouldn't work. That's government-subsidized production.

A TINA SEBERT: I think it's still marketing to be honest. With the broader definition of "marketing", marketing is finding an opportunity and using it to develop your product, and then, you can go to the industry and sell a product., and this is no different. Instead of taking ads out in a magazine, which don't work all that well, you're using that money for something else, which works very well, which is much more of a guarantee in terms of what you're getting back than a magazine ad. We can measure what we're getting back and know what's coming in a certain proportion, whether it's 10:1 or in some cases 38:1, for the productions.

C MAL MALLOCH: Ladies and gentlemen, I'm going to leap in and say "Good night". If some folks want to stay and have some more conversations, I think that's great, but the time has come to wrap it up.

Colin, did you have any final words that you want to say to folks?

A COLIN MacKENZIE: I don't think so, just a lot of good words tonight, and we've got to keep the momentum going. So, July 18th is the next meeting for people.

C MAL MALLOCH: Circle that date on your calendar. Thank you everyone for coming, and good night.

The meeting concluded at 10:18 p.m.

Next meeting: Whitehorse, July 18, 2003.