

**MADE IN THE YUKON SOLUTION**  
**YUKON FILM COMMISSION REVIEW**  
**UPDATE TO THE YUKON FILM COMMISSION STEERING COMMITTEE**  
**June 19, 2003**

**From Janzen & Associates**

**I. GENERAL UPDATE**

The last couple of weeks have been spent on two key areas:

1. Conducting industry interviews – 46 out of 50 completed
2. Conducting a national review of film location, film development and sound recording programs across the country

The following week will be spent on the following:

1. Developing interim options and recommendations in all areas of mandate, programs and services, governance and funding.
2. Interim Report will be presented to the Steering Committee by June 30, 2003.

**II. NATIONAL REVIEW**

A comprehensive review was conducted and a sampling agencies and programs across the country was presented below. It is important to note that there are vastly different approaches across the country which recognizes the unique character of each province and highlights the key point that the Yukon must identify a solution which is tailor-made to its industry. The various models do provide lessons and these are noted below.

**A. WHAT CAN BE TAKEN FROM THESE MODELS ACROSS THE COUNTRY?**

- Look at the simplicity of the Alberta financing models – they stress one program with simple criteria, no jurying and a very simple formula based approach
- Look at British Columbia for its non-profit structure which is run through a Board and reports to government. It is a simple, accountable structure with very little set up cost and they have worked out issues of conflict of interest
- Look at Manitoba for the orderly and sensible way in which it has developed its industries. Look at it as a model for an integrated service in all areas including locations, film financing and sound recording and one that works. It recognizes

- that you grown an industry and there is no “low hanging fruit” in industrial development. The know where they fit in in the national scene and they are smart.
- Look at Ontario for its integrated media approach which recognizes that comprehensive strategies. They are the most integrated in the country with film, sound recording, book and periodical publishing, locations, and media development.
  - Look at all of them to get a sense of the kind of budgets that are allocated at these levels.

## **B. Alberta Film Development Program/Film Commissioner/Sound Recording**

### **Structure:**

- Established within government departments
- Alberta Film Development Program run through Alberta Community Development
- Alberta Film Commission run through Alberta Economic Development – was initially shut down in the 1990s with cutbacks and ran as a non-profit surviving on donations but was reinstated in 2002 with a \$300,000 annual allocation
- Share an office

### **Mandate:**

- Support the development of the film industry and attract film locations
- Support sound recording
- All this accomplished within other cultural funding

### **Programs and Services**

- Very different model from the rest of the country
- Film funding is done through the Alberta Foundation for the Arts through a simple, formula grant program with no equity assistance – operates as a arts grant program and is not juried
- Support sound recording through a Sound Recording Label program (\$40,000 maximum) for developing, producing, marketing, promoting and distributing eligible recorded material, and paying music copyrights. – also a forumula grant is not juried

### **Budget:**

\$5,900,000 film

\$300,000 film location

## **C. BC Film/Sound Recording/BC Film Commission**

### **Structure:**

- Non profit society which operates at arms-length from government and report to a Board of Directors
- Receives the majority of funding from the provincial government through the Ministry of Competition, Science and Enterprise
- 9 staff
- President and CEO
- Board of Directors is responsible for overall policy development and directions of the Society. The Board is assisted by several committees, including the Audit Committee and the Conflict of Interest Committee
- Board is a mixture of industry, business and community interests
- BC Film Commission separate
- BC Arts Council provides music funding

### **Mandate and Role:**

- Development support for independent BC producers
- Production support for independent BC producers
- Marketing
- Advocacy
- Film location services managed separately under the BC Film Commission with the BC Film Commissioner

### **Programs and Services:**

- Television and Film Financing Program (TFFP)
  - Production – Equity Investment
  - Markets in Mind
  - Features in Focus
- Tax Credit Programs
  - Film Incentive BC (FIBC) which offers refundable income tax credit based on 20% of eligible labour costs and a regional and training incentive available for BC owned and controlled film or television projects
  - Production Services Tax Credit (PSTC) which is a refundable corporate income tax credit based on 11% of eligible labour costs on film or television projects shot in BC.
- Industry Skills Assistance Program (ISAP)
  - General Industry Support for film industry organizations
  - Professional Internship
  - Bursary Fund
- Marketing
  - Passports to Markets to attend international markets

## International markets for group share marketing booths

- Music funding through BC Arts Council includes Arts and Cultural Service Organizations, Arts Training Organizaitons, Music Organizations, Aboriginal Arts Development, Community Arts Festivals, Professional Arts Festivals, Professional Music, Special Project and Touring Assistance (Artists in Education, Community Presenters Assistance Program, International)

### **Budget:**

\$ 638,616 in Development

\$ 2,402,921 in Production

\$ 3,041,537 in Total

\$31,360,985 in Production Services Tax Credit

\$30,983,897 in Film Incentive BC

### **Lessons and Applicability**

- The non-profit structure has served the industry well with a strong policy development role for the board. Accountability is built in, it is responsive and there are very clear policies on issues like conflict of interest. This is a very viable model for the Yukon.
- Separation of functions in film location, film funding and sound may be appropriate for BC but not for the size of the Yukon industry
- Film programs are generally very well developed although the industry has developed differently in BC than in other parts of the country
- The Province has always been strong in locations but sometimes it is also a victim of fluctuations in this area – some people feel the industry is too reliant on outside productions
- Sound recording programs are not viewed as a very strong model nationally

### **D. Manitoba Film and Sound**

#### **Structure:**

- Originally established under a federal/provincial agreement in 1987
- Became a non-profit corporation in 1992
- Receives its sole funding from Manitoba Culture, Heritage and Recreation
- In 1998 became a statutory corporation of the Government of Manitoba under the Manitoba Film and Sound Recording Development Corporation Act
- Governed by a nine member board comprised on industry and community
- Head is CEO/Film Commissioner
- 10 staff

- projects are assessed in a variety of ways depending on the program. For example, for market driven programs broadcasters are the trigger. In other areas, juries are utilized where creative elements require assessment.

### **Mandate and Role:**

- Development of the indigenous film industry in Manitoba
- Serves as the film commissioner and attracting productions from elsewhere
- Development of the indigenous sound recording industry
- Serves a key advocacy role especially in intergovernmental relations with the federal government and its agencies in film and sound

### **Programs and Services**

#### **Film:**

- Market Driven Television Development
- Market Driven Feature Film Development
- Market Driven Television Development
- Market Driven Television Production Financing
- Low Budget Feature Film Development
- Emerging Talent: Matching Funds Program
- Access to Festivals
- Tax Credit – rebates 35% of approved Manitoba labour expenditures – applicant must have a permanent establishment in Manitoba, incorporated in Canada, must be a taxable Canadian corporation and not hold a CRTC broadcasting licence. A minimum 25% of the corporation salaries and wages must be paid to eligible employees for work performed in Manitoba – there are no Canada or Manitoba content requirements – is compatible with the federal Film Video Production Services Tax Credit – link training to credits if they need to bring in a crew.

#### **Sound:**

- Sound Recording Production Funding
- Demo Recording Funding
- Record Product Marketing
- Music Video Funding
- Market Access Fund
- Recording Artist Touring Support
- Portfolio Investment Envelope (PIE) Program

#### **Interactive Media:**

- Assistance for the creation of original entertainment, educational or edutainment products, published in a digital format or distributed through online services and destined for the general public

**Budget:**       \$3,555,472 in 2002  
                       \$6,200,000 in tax credits  
 \$689,000 of this is in administration

**Lessons and Applicability:**

- They have built industries in a sustainable and balanced fashion – for example, in 12 years the film and television industry grew from \$1M to \$48M
- They have a very balanced approach to location vs independent
- Strong strategy of human resource development
- Structure assures accountability to industry and government, and independence to ensure responsiveness and avoids political interference
- Integration of sound has been a very smart idea – other agencies such as Ontario and PEI have followed –
- Sound recording programs are viewed to be one the best in the country
- Integrated model for all programs and services is important in a small market like Manitoba
- Manitoba has recognized the developmental nature of certain parts of the industry and therefore invests along the full continuum unlike other provinces which do not
- Crown corporation model is not likely transferable to the Yukon given the advice of the Yukon government in terms of difficulty and two year time frame to set up

**E. Ontario Media Development Corporation**

**Structure:**

- Is an agency of the Ontario Ministry of Culture
- Reports to the Deputy Minister of the Ontario Ministry of Culture
- There is a Board of Directors comprised of a mix of business and industry with a strong industry focus
- 28 employees with a CEO
- Divisions include CEO, Corporate Affairs, Marketing Group, Marketing Group (LA)

**Mandate and Role:**

- Focus is to build capacity and competitiveness of Ontario’s cultural media industry, individually and across the sectors and to provide opportunities that encourage business alliances across the cultural industries.

- Provide business partnering services and program wise fund mostly through Tax Credits

### **Programs/Services**

- Ontario Film and Television Tax Credit
- Ontario Production Services Tax Credit
- Ontario computer Animation and Special Effects Tax Credit
- Ontario Book Publishing Tax Credit
- Ontario Sound Recording Tax Credit
- Ontario Interactive Digital Media Tax Credit
- Market Access program
- Knowledge Forum Offer
- Sector Organization Support Supports for industry associations
- Industry Fellowships
- New Voices, New Visions
- Pioneering Content
- Cultural Media Marketing for location marketing
- Export and Domestic Marketing
- Ontario Based Festival and Markets
- Market Research

**Budget:** \$30 million over 5 years for all industries

### **Lessons and Applicability**

- Highly industrial focused with very little developmental mandate – recognizes where the Ontario industry is
- Tax Credit system is highly developed but there are not that many other instruments to support development
- Integrated in all aspects which reflects the way in which media is moving – integrated
- Its type of programming is not applicable to the Yukon – the Ontario industry is vastly different and the focus of the Ontario program would not serve an industry like the Yukon well