



# National Film Board

## Performance Report

For the period ending  
March 31, 1999

Canada

## **Improved Reporting to Parliament Pilot Document**

The Estimates of the Government of Canada are structured in several parts. Beginning with an overview of total government spending in Part I, the documents become increasingly more specific. Part II outlines spending according to departments, agencies and programs and contains the proposed wording of the conditions governing spending which Parliament will be asked to approve.

The *Report on Plans and Priorities* provides additional detail on each department and its programs primarily in terms of more strategically oriented planning and results information with a focus on outcomes.

The *Departmental Performance Report* provides a focus on results-based accountability by reporting on accomplishments achieved against the performance expectations and results commitments as set out in the spring *Report on Plans and Priorities*.

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## Foreword

On April 24, 1997, the House of Commons passed a motion dividing on a pilot basis what was known as the annual *Part III of the Estimates* document for each department or agency into two documents, a *Report on Plans and Priorities* and a *Departmental Performance Report*.

This initiative is intended to fulfil the government's commitments to improve the expenditure management information provided to Parliament. This involves sharpening the focus on results, increasing the transparency of information and modernizing its preparation.

This year, the Fall Performance Package is comprised of 82 Departmental Performance Reports and the government's report *Managing for Result* - Volume 1 et 2.

This *Departmental Performance Report*, covering the period ending March 31, 1999, provides a focus on results-based accountability by reporting on accomplishments achieved against the performance expectations and results commitments as set out in the department's pilot *Report on Plans and Priorities* for 1998-99. The key result commitments for all departments and agencies are also included in Volume 2 of *Managing for Results*.

Results-based management emphasizes specifying expected program results, developing meaningful indicators to demonstrate performance, perfecting the capacity to generate information and reporting on achievements in a balanced manner. Accounting and managing for results involve sustained work across government.

The government continues to refine and develop both managing for and reporting of results. The refinement comes from acquired experience as users make their information needs more precisely known. The performance reports and their use will continue to be monitored to make sure that they respond to Parliament's ongoing and evolving needs.

This report is accessible electronically from the Treasury Board Secretariat Internet site:  
<http://www.tbs-sct.gc.ca/tb/key.html>

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# **National Film Board**

## **Performance Report**

**For the year ended  
March 31, 1999**

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Sheila Copps  
Minister of Canadian Heritage

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## **Section I: Messages**

### **A. Minister of Canadian Heritage**

This report highlights the achievements of the National Film Board over the past year.

The National Film Board produces and distributes films and other audiovisual works which reflect Canada to Canadians and the rest of the world . These activities enrich Canadian society because they provoke discussion and debate on important subjects and explore the creative potential of the audiovisual media. The work of the National Film Board is recognized by Canadians and others for excellence, relevance and innovation.

My thanks go to the dedicated women and men of the National Film Board who serve Canadians at this time of enormous and exciting change.

Sheila Copps  
Minister of Canadian Heritage



## **B. Government Film Commissioner**

The National Film Board of Canada was created in 1939 with the goal of putting the power of the moving image at the service of Canadians. This service has taken many forms over the years: newsreels before the days of television; sponsored films for government departments; innovative film installations for world's fairs; technical advances in film equipment, processes and media; and above all, giving Canadians of all ages and origins, but especially children in school, a sense of their country, their place in it and its place in the world.

Because the output of the NFB consists of a hundred or so unique productions each year, and because so many of the important evaluation factors – quality and relevance, for example – are subjective, it is a considerable challenge to develop measurement tools which give a complete view of the work accomplished in any given year. Over the past two years, we have searched for ways to make this report more accurate and meaningful, while ensuring comparability over time. We have been able to add several new data sets, and to improve the precision and reliability of several others. The results appear in the following pages.

This year, we have also included some survey information on usage of and satisfaction with the service to the public provided by the NFB. While this is not information we are likely to be able to provide on an annual basis, it does add an important dimension to the evaluation of our results – particularly since the level of satisfaction expressed is high!

Sandra Macdonald  
Government Film Commissioner  
and Chairperson of the National Film Board of Canada

### C. Chart of key results commitments

<b>To provide Canadians with:</b>	<b>Demonstrated by:</b>	<b>Achievements reported in:</b>
Production of audiovisual works to interpret Canada to Canadians and to other nations	<ul style="list-style-type: none"> <li>• Level of satisfaction and interest generated by the audiovisual works</li> <li>• Representativeness of filmmakers</li> <li>• Loyalty of existing audiences and development of new market segments</li> </ul>	<p>DPR, section 1.1.2, p. 13 DPR, section 1.1.1, p. 12</p> <p>DPR, section 1.2, p. 14-15 DPR, section 2.3, p. 21</p> <p>DPR, section 1.1.1, p. 12 DPR, section 1.4.2, p. 17</p>
Access to its productions and products through various distribution networks and markets in order to reach audiences in Canada and abroad	<ul style="list-style-type: none"> <li>• Level of use of the information, communication, delivery and distribution systems</li> <li>• Development and diversification of markets</li> </ul>	<p>DPR, section 1.5, p. 18 DPR, section 2.4, p. 21</p> <p>DPR, section 1.4, pp. 16 to 18</p>
An environment conducive to innovation, development and growth of the Canadian film industry	<ul style="list-style-type: none"> <li>• Success of its productions and products in Canada and abroad</li> <li>• Development of new filmmaking talents and skills</li> </ul>	<p>DPR, section 1.1.2, p. 13</p> <p>DPR, section 1.3, p. 15 DPR, section 1.2, p. 14</p>



## Section II: Overview of the National Film Board

### A. Mandate

Pursuant to the *National Film Act*, the NFB “is established to initiate and promote the production and distribution of films in the national interest and, in particular,

- to produce and distribute and to promote the production and distribution of films designed to interpret Canada to Canadians and to other nations;
- to engage in research in film activity and to make available the results thereof to persons engaged in the production of films;
- to advise the Governor in Council in connection with film activities; and
- to discharge such other duties relating to film activity as the Governor in Council may direct the Board to undertake.”<sup>1</sup>

### Mission statement

In a constantly evolving communications environment, in which Canada must assert its own identity and character, the NFB helps Canadian voices to be heard and Canadian perspectives to be expressed at home and abroad. In this context, the NFB has adopted the following mission statement as the operational interpretation of its mandate:

*The NFB produces and distributes audiovisual works which provoke discussion and debate on important subjects for Canadian and foreign audiences, achieve recognition for excellence, relevance and innovation, and explore the creative potential of audiovisual media.*

---

<sup>1</sup> R.S.C. 1985, c. N-8, section 9. The Act also empowers the NFB “to represent the Government of Canada in its relations with persons engaged in commercial motion picture film activity in connection with motion picture films for the Government or any department thereof.” However, this responsibility was transferred to the Minister of Supply and Services by Order in Council P.C. 1984-6/2565.

## **B. Operating environment**

The NFB is a government agency reporting to the Minister of Canadian Heritage, who has the authority to administer the *National Film Act* governing this public producer and distributor of film and other audiovisual works. The NFB is subject to the *Financial Administration Act* but has the status of separate employer.

To carry out its mission, the NFB collaborates with public- and private-sector partners in the production and distribution fields, sometimes working in association with independent Canadian or international co-producers to produce its films or in association with Canadian or international private or public broadcasters to produce and/or broadcast its films. The NFB also sometimes works with partners in the public sector (such as public and school libraries) or the private sector (distributors, cataloguers, motion picture exhibitors, video retail outlets, etc.) to distribute its films in Canada and abroad.

### **Strategic objectives**

To fulfil its mission, the NFB has adopted the following strategic objectives:

- To produce audiovisual works that are exceptional in terms of relevance, excellence and innovation and that reflect Canadian realities and perspectives so as to contribute to a knowledge and understanding of Canada;
- To promote, distribute and make accessible to Canadian and foreign audiences the NFB's entire collection of audiovisual works; and
- To ensure that these activities are delivered through efficient and responsible administrative management.

### **Strategic priorities**

The NFB adopted a five-year action plan for 1995-2000 based on a strategic planning initiative and the re-engineering of business processes in the wake of a 30% reduction in its Parliamentary appropriation. These priorities can be summarized as follows:

#### **1. Give priority to production**

- Maintain production capacity and quality
- Gradually replace permanent creative staff with freelancers and resident directors
- Reorganize the production and post-production infrastructure

#### **2. Promote and provide access to NFB productions**

- Emphasize television as a means of distribution
- Establish partnerships with public and private distributors
- Facilitate access to the entire NFB collection
- Restructure marketing and optimize resources allocated to it

### **3. Promote the development of filmmaking**

- Explore new production media
- Experiment with new interactive digital production and distribution tools

### **4. Reduce the operational and administrative infrastructure to an absolute minimum**

- Eliminate ancillary activities
- Make use of computerization and new information systems
- Implement programs to reduce continuous staff
- Re-engineer administrative processes

The NFB's biggest challenge will be to carry out its ambitious plan in a constantly evolving technological, industrial and cultural environment and with limited resources.

### C. Organization of the NFB

The NFB represents one Program, one business line, and one mandate: “to interpret Canada to Canadians and to other nations.” It does this through the resources and activities of three service lines: production of audiovisual works, distribution of these works to Canadian and foreign audiences, and administration of the NFB’s business. These three service lines result from the reorganization of the five subactivities or service lines presented in the 1998-1999 Report on Plans and Priorities. These changes are shown in the following concordance table.

*Concordance Table*

---

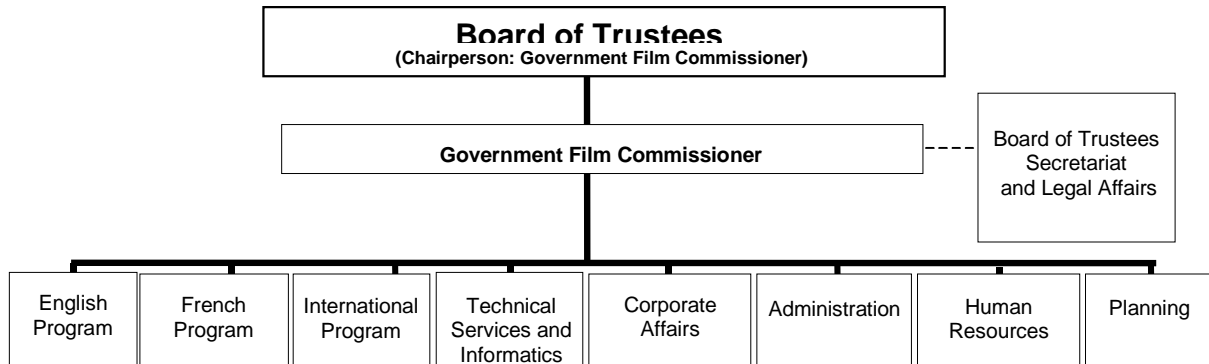
<b>1998-1999 RPP</b>	<b>Future</b>
Programming <ul style="list-style-type: none"><li>• Production</li><li>• Marketing</li></ul>	Production
Distribution	Distribution (now includes Marketing)
Technical Research* Training* Administration	Administration

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*\* These resources and activities are subsumed in the three service lines.*

These modifications stem from changes already made in the organization of the NFB’s activities further to the Program Reviews that took place over the past few years and are reflected in our Planning, Reporting and Accountability Structure which has been submitted to Treasury Board for approval.

The following organization chart shows the organizational and hierarchical structure by which the NFB ensures the day-to-day management of its service lines to provide optimal performance in terms of efficiency and effectiveness.



### Areas of responsibility

The Program is directed by the Government Film Commissioner and is divided into nine major areas of responsibility:

**English Program**, which manages English-language production and marketing activities in Canada;

**French Program**, which manages French-language production and marketing activities in Canada;

**International Program**, which is responsible for international sales and marketing activities and manages the NFB's participation in Canadian and foreign festivals;

**Technical Services and Informatics**, which consists of technical services and informatics development and support;

**Corporate Affairs**, which includes Communications, Government Relations, Collection Management, Information Management, Stock Shot Library and various distribution support services;

**Administration**, which comprises Financial Administration, Accommodations, Material Management and Customer Services;

**Human Resources**, which includes Human Resources Management, Training and the Employment Equity Program;

**Planning**, which consists of Planning, Program Evaluation and Internal Audit;

**Board of Trustees Secretariat and Legal Affairs**, which also includes Access to Information.





## Section III: Performance of the National Film Board

### A. Performance expectations

The main benefits and services Canadians can expect to receive from the National Film Board are:

1. production of relevant, high-quality audiovisual works reflecting Canadian realities and perspectives so as to interpret Canada to Canadians and to other nations;
2. distribution and exhibition of these productions and products to general-interest and niche audiences and ready access to the NFB's vast audiovisual holdings;
3. provision of an environment conducive to innovation and the development of new filmmaking skills.

As regards its internal performance, the NFB 2000 five-year plan proposed a number of organizational changes, most of which have been implemented, as indicated in previous years' Performance Reports. The NFB also planned to continuously monitor progress made with respect to the three strategic objectives concerning management of its resources:

1. to transform its creative staff;
2. to upgrade its production and distribution infrastructure;
3. to maintain its production capacity.

These three strategic objectives are the key elements in the reform instituted by the NFB in order to achieve optimum performance from its resources and activities.

#### *Financial Information*

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<b>National Film Board</b>	<b>\$</b>
Planned Spending (net)	55,885,000
Total Authorities (net)	59,261,401
<b>Actual Spending in 1998-1999 (net)</b>	<b>56,728,570</b>

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*Note: The summary financial information includes three figures showing:*

- *the amount planned at the beginning of the fiscal year (Planned Spending);*
- *additional spending which Parliament decided to grant the departments in light of changing priorities and unexpected activities (Total Authorities);*
- *the amount actually spent (Actual Spending in 1998-1999).*

## B. Performance accomplishments

### 1. The NFB at the service of Canadians

#### 1.1 Production of relevant, excellent and innovative audiovisual works

In 1998-1999, the NFB completed 98 new productions, thus exceeding the NFB's annual objective of 85 new productions as set forth in the NFB 2000 five-year plan. These productions include animation, documentary and multimedia products on a variety of themes and topics designed to meet the interests, needs and concerns of large segments of the Canadian population or with more specific contents designed for niche audiences.

Since, each year, the NFB produces or co-produces an average of a hundred films varying greatly in content, treatment and target audiences, it is obviously impossible to report on the performance of each film. We will therefore use indicators to show the overall results of the NFB's production, while noting highlights of certain productions released during the year so as to give concrete examples of the work accomplished.

##### 1.1.1 Audience size

This indicator is an evaluation of how well we succeeded in our objectives of stimulating interest in our films and reaching the largest possible audience.

The largest and best documented audience remains that reached through television, our primary distribution medium. The cumulative television audience shown in the following table is based on the Nielsen ratings.

##### *Cumulative Canadian Television Audience*

(thousands of viewers)	1996-1997	1997-1998	1998-1999
French Program	5,500	37,000	74,000
English Program	34,500	83,000	119,000
<b>Total</b>	<b>40,000</b>	<b>120,000</b>	<b>193,000</b>

There was a 61% increase in the NFB's cumulative television audience in 1998-1999, primarily due to the greater interest shown in our productions by the different general-interest and specialty networks, reflecting the quality and relevance of our films.

Based on research conducted by Leto Consulting, which we mentioned last year, we can provide figures for English-language audiences in non-television markets. We estimate that there were 9.6 million individual viewings of NFB videos by Canada's student population (up 12% from the previous year), along with another 3.4 million viewings in other organizations served by the NFB (up 3%). Direct sales to home consumers accounted for approximately 1.7 million viewers, maintaining the previous year's level, while over a million theatre patrons saw NFB titles. We are looking at adopting a methodology for estimating the size of non-television audiences for the French-language market as well.

### 1.1.2 Performance at Canadian and foreign festivals

Recognition of the excellence of NFB films by industry peers in Canada and abroad is an objective measure of the competitiveness – and thus the quality, relevance and innovativeness – of the NFB’s production. The following table shows the number of awards won by NFB productions in festivals during the 1998-1999 fiscal year, compared with the results of previous years.

*Awards Won by NFB Productions*

	1996-1997	1997-1998	1998-1999
Canada	43	28	36
International	61	116	65
<b>Total</b>	<b>104</b>	<b>144</b>	<b>101</b>

In 1998-1999, the NFB participated in 235 Canadian and international festivals, almost the exact same number as last year. It garnered 101 awards, down from last year’s record level but the usual number won in previous years. This indicator will have to be reviewed given the NFB’s decision to focus on television, thus limiting the eligibility of its films for certain festivals.

Below are some of the productions honoured in Canada and abroad.

- *Sunrise Over Tiananmen Square* captured the NFB’s 63rd Oscar nomination – for best short documentary – in Los Angeles. *Chili : La Mémoire obstinée (Chile, Obstinate Memory)* won four awards at the Yorkton Short Film and Video Festival, including Best of the Festival.
- The NFB’s continuing commitment to Aboriginal filmmakers was recognized as five NFB films picked up awards at the 3rd Annual Aboriginal Film Awards presented at the 1998 Dreamspeakers Festival in Edmonton.
- Eight NFB productions or co-productions were nominated for a Géméaux Award.
- The 1999 Genie Award for best feature-length documentary went to Nettie Wild’s *A Place Called Chiapas*. The animated short *How Wings Are Attached to the Backs of Angels* won five awards, including the Grand Prize at the 9th International Festival of Animated Film in Stuttgart, Germany.
- The production *Quatre femmes d’Égypte (Four Women of Egypt)* screened at the prestigious Berlin Film Festival.
- In 1998-1999, the Albert Tessier Award, the Quebec Government’s highest honour in the field of cinema, was granted to Georges Dufaux, the third year in a row the award has gone to an NFB filmmaker.
- The NFB prides itself on being a centre of innovation. At the end of February 1999, NFB scientists Ed H. Zwaneveld and Frederick Gasoi (now retired), along with two colleagues from a private-sector company, received a Technical Achievement Academy Award for developing a post-production technology known as the DigiSync™ Film Keycode Reader.

## **1.2 Programs targeting specific groups**

### **1.2.1 Programs for Aboriginal filmmakers**

1998-1999 was the final year in the initial three-year term of English Program's Aboriginal Filmmaking Program (AFP).

In its first three years, the AFP undertook production of 21 films, of which 11 were completed by the end of 1998-1999, 4 were in the final stages of post-production and the remaining 6 were due for completion in 1999-2000.

A formal evaluation of the AFP was conducted by an outside consulting firm, Communications MDR, in January 1999. The summary conclusions of the evaluation report were:

- Overall, the AFP is seen by all constituencies as meeting its objectives in a very positive way and contributing to the professional development of Aboriginal filmmakers in Canada;
- The AFP is seen from the perspective of filmmakers as providing a "place" to tell their stories in their own voices;
- The AFP is seen from the perspective of NFB producers as having introduced new talent to the NFB and as providing them with a "learning experience";
- The majority of those interviewed expressed the view that documentary should continue to be the focus of the AFP but that the Program should continue to be open to other genres; and
- A significant number of filmmakers and producers support the continuing development of training opportunities for Aboriginal peoples in a variety of crafts, but in a more structured and formal manner.

Based on these findings, the report recommended that the AFP be renewed for a second three-year term to begin April 1, 1999.

In French Program, a program of paid internships giving an Aboriginal filmmaker a chance to direct a documentary film was established in 1995-1996. Under this program, three Aboriginal filmmakers each directed a personal work in a professional environment.

### **1.2.2 Training program for employment equity designated groups**

The NFB earmarks funds for training activities intended for members of the employment equity designated groups (women, visible minorities, Aboriginal people, persons with disabilities). In December 1998, an evaluation of English Program's Equity Training Fund for the ten-year period from 1987 to 1997 was carried out by an outside consulting firm, Communications MDR. The evaluation report reached the general conclusion that "Some, or perhaps all, of the training and professional development activities served a useful purpose in that we recognize some of the names of the participants as currently working on NFB productions/co-productions or in the industry in various capacities." However, the report recommended that clearer definitions of what constitutes a training and/or professional development activity be developed and that better methods be established to evaluate whether the activities achieved the objectives.

### 1.3 Support for Canadian filmmakers and filmmaking

#### 1.3.1 Filmmaker assistance

The NFB supports the development of new talents through a variety of in-house programs: first works (documentary), competitions for emerging animators, employment equity and training, and resident directors. The NFB also hires beginning freelance directors (approximately 25%).

In addition, the NFB supports the development of emerging filmmakers in the private sector by paying for certain costs of filmmaking equipment and services under its filmmaker assistance programs.

The NFB also offers professional advice for filmmakers who request it.

#### *Projects Supported*

	1996-1997	1997-1998	1998-1999
Aide au cinéma indépendant	77	66	76
Filmmaker Assistance Program	185	187	164
<b>Total</b>	<b>262</b>	<b>253</b>	<b>240</b>

Funding for these programs remained at the same level despite the budget cuts in recent years.

#### 1.3.2 Contribution to the development of Canadian filmmaking

A number of large-scale experimental projects are currently at the stage of development (*History of Canada* website), distribution (CineRoute 1 and 2) or technological research (long-term preservation of audiovisual documents). Others completed during the past year are already serving as models owing to their technical excellence and original design: the new game and utilities of *The Prince and I/Le Prince et moi* website, the *Canada3d* stereoscopic screensaver using innovative technology to offer a 60-second tour of what it means to be Canadian, and the creation of a digital image bank containing some 10,000 photographs on compact disc available to customers via the Internet and Intranet.

## 1.4 Market development

Revenues generated in the different distribution networks and the number of transactions processed reflect the NFB's marketing efforts and the appeal of NFB productions in these markets.

### 1.4.1 Domestic market development

The following table shows the different markets in Canada.

#### *Revenues, by Market*

	1996-1997	1997-1998	1998-1999
	\$	\$	\$
Royalties			
television	542,980	1,416,174	1,139,978
theatrical	172,767	254,595	148,306
Sales of prints and videocassettes	1,702,984	1,568,042	1,772,086
Rentals	49,361	20,894	18,778
Sales of stock shots	277,140	404,962	433,101
<b>Total</b>	<b>2,745,232</b>	<b>3,664,667</b>	<b>3,512,249</b>

Overall revenues remained at much the same level as in 1997-1998. However, television revenues were down from last year's record levels, due in part to a broadcaster tendency to acquire finished productions in preference to the higher-cost pre-sale approach and in part to an overall depression in broadcast licence fees. Theatrical revenues continued to fall, as the NFB withdrew from the production of dramatic features. Revenues from the sale of prints and videocassettes were up thanks to the excellent performance in the educational and consumer markets resulting from better targeted marketing and production strategies. Lastly, revenues from the sale of stock shots continued to rise, reflecting efforts made to organize information on the collection and to market it more aggressively.

The NFB established partnerships with various public libraries in the different regions of Canada whereby the libraries are granted preferential rates for acquiring NFB films in return for providing a loan or rental service for these films for their customers. As can be seen in the following table, this activity has been stable over the past three years.

#### *Film Loans by Partner Libraries*

1996-1997	1997-1998	1998-1999
216,931	214,399	214,452

## 1.4.2 International market development

Due to the Asian economic crisis and general market instability worldwide, the NFB International Program's revenues were slightly lower than expected in 1998-1999, although the Program not only maintained its cost recoverability but also managed to generate a modest profit.

The following table shows changes in revenues by market over the past three years.

### *Foreign Revenues, by Market*

	1996-1997	1997-1998	1998-1999
	\$	\$	\$
Television	1,473,016	1,312,494	1,001,610
Theatrical	506,704	243,017	404,225
Non-theatrical	1,006,851	1,247,444	858,593
<b>Total</b>	<b>2,986,571</b>	<b>2,802,955</b>	<b>2,264,428</b>

### **Television market**

Asia-Pacific revenues were lower than anticipated as sales to major clients in Japan, Korea, Taiwan and Australia came to a virtual halt. Several broadcasters throughout Asia stopped acquiring as other, new specialty channels simply shut down their operations. Non-theatrical and educational clients in Japan and Korea also slowed down their acquisitions, and the anticipated revenues from this normally lucrative market were virtually non-existent this past year.

Europe and the United States also experienced a slight downturn in their revenues as a result of unstable world markets. However, there were some optimistic signs of recovery during the early months of 1999. In fact the US television market rebounded with two important sales being concluded to the cable broadcaster Bravo! for the titles *Shylock* and *Show Girls*. In Europe, two major broadcasters, ARTE and Planète, continued to acquire large quantities of NFB documentaries, while the first-ever NFB sale to one of the UK's most commercial channels, Channel 5, for *Project Grizzly*, helped the NFB's Paris and London offices to maintain a close to normal level of television revenue.

### **Theatrical market**

It was, however, an excellent year for the NFB in the theatrical market. *Chile, Obstinate Memory (Chili: La Mémoire obstinée)* was licensed to the theatrical distributor First Run – Icarus in the US and went on to very lucrative theatrical runs in New York and Chicago.

In France, Les Films du paradoxe acquired Part 3 of the *Droits au cœur/Rights from the Heart* collection for theatrical distribution, and the initial reaction from the media and the public was outstanding.



Last but not least, the NFB granted world rights in four IMAX productions, including the two NFB productions *Mystery of the Maya* and *The First Emperor of China*, to Motion International this year. As the IMAX market is highly specialized, granting these rights to a producer and distributor of IMAX films will hopefully result in higher revenues from this market over the next few years.

### **Non-theatrical market**

Educational and non-theatrical market revenues decreased substantially in 1998-1999. This decrease was anticipated, although until recently the NFB had been able to maintain its revenues thanks to the quality and quantity of appropriate productions for this market. The fact that this market increasingly requires curriculum-specific audiovisual material presents a challenge to the NFB abroad. However, this area continues to undergo many changes, especially in terms of electronic delivery, which will eventually lead to better NFB penetration of this very specialized market. Over the next year, the NFB will continue to promote its titles to the educational market and to specialized distribution networks. A new “instructional television” market (selling duplication and retransmission rights to school boards for distribution to educational institutions within their own state) is rapidly developing and has the potential to become very lucrative over the next few years.

### **1.5 Access to the NFB’s audiovisual holdings**

The NFB is continuing to transfer its film collection to laser videodisc so as to ensure its conservation and to provide easier access to more films from the collection. As at the end of fiscal 1998-1999, 2,832 French-language productions and 3,260 English-language productions had been transferred, making a total of 6,092 titles available through the CineRobotheque.

To help customers learn about the productions in the collection, a multimedia catalogue has been developed over the past few years. Following consultations with customers, improvements have been made to the navigation and graphics to make it more user friendly. This database is queried by users around the world and the number of queries has continued to rise significantly, as can be seen in the following table.

#### *Catalogue Queries*

<b>1996-1997</b>	<b>1997-1998</b>	<b>1998-1999</b>
2,270,990	6,612,665	8,036,000

The availability of more products and improvements in the multimedia catalogue have contributed to a greater use of this rich Canadian audiovisual heritage. The following table shows the number of different titles sold or rented in 1998-1999, by decade of production.

***Different Titles\* Sold or Rented in Canada and Abroad  
in 1998-1999, by Decade of Production***

1920 <sup>†</sup> – 1939	11 titles
1940 – 1949	141 titles
1950 – 1959	315 titles
1960 – 1969	624 titles
1970 – 1979	939 titles
1980 – 1989	1,254 titles
1990 – 1999	1,353 titles
<b>Total</b>	<b>4,637 titles</b>

\* *English and French versions are counted as different titles.*

<sup>†</sup> *The NFB is the repository of certain collections of films produced by other government agencies before it was founded in 1939.*

Canadian and foreign viewers thus clearly show an interest in the entire NFB film collection – including titles produced 40 or 50 years ago – owing to the depth, richness and enduring character of the collection. One of the great services a public distributor like the NFB offers to Canadians is ongoing access to our creative heritage. Canadian works produced in the private sector are rarely available after 10 years.

## **2. Internal performance**

### **2.1 Maintenance of production capacity**

In cutting its costs, the NFB's main concern was to preserve as much as possible the budgets allocated directly to film production. Having done this, the NFB wants to monitor how this objective is being met each year. The following table shows the relative proportion of resources devoted directly to production.

#### ***Production Resources***

**(millions of dollars)**

	<b>1996-1997</b>		<b>1997-1998</b>		<b>1998-1999</b>	
	<b>Actual</b>		<b>Actual</b>		<b>Actual</b>	
Production (direct costs)	45.6	(59%)	37.6	(62%)	38.2	(67%)
Administration of production	4.8		2.1		2.1	
Net cost of the NFB Program	77.8	(100%)	60.7	(100%)	56.7	(100%)

It can be seen that the proportion of the net cost of the NFB Program allocated to production (direct costs) was 67%, up 5% over the past two years despite the reduction in the NFB's overall budget.

To help monitor changes in the administrative costs of NFB film production, the Internal Auditor conducts an annual study analysing and comparing administrative costs in the private sector and at the NFB for similar documentary productions. Again this year, the study showed that the NFB compares very well to private-sector production.

A second aspect of this objective concerned the volume of original productions to be completed each year. The NFB 2000 five-year plan had set an objective of 85 films a year. As can be seen in the following table, the NFB exceeded this production volume in 1998-1999, as it had in each of the previous three years.

***Original Productions***

	<b>NFB Productions</b>	<b>Co-productions</b>	<b>Total</b>
French films	4	1	5
English films	5	1	6
Multilingual films	5	0	5
French videos	20	5	25
English videos	30	26	56
Multilingual videos	0	0	0
Multimedia productions	0	1	1
<b>Total</b>	<b>64</b>	<b>34</b>	<b>98</b>

**2.2 Upgrading of production and distribution systems**

Continuing its shift to electronic and digital production, the NFB now has an entirely electronic production/post-production chain but, during the transition period, has maintained its capacity to serve those who are still using film.

In 1998-1999, the formats of the 34 documentaries completed by French Program were 4 on film, 4 on mixed media and 26 on video, while the formats of the 67 documentaries completed by English Program were 25 on film, 4 on mixed media and 35 on video. Animation typically continues to be completed on film, although an increasing number of multimedia productions are completely digital.

As regards the development of telecommunications systems, a special partnership was established with CANARIE for testing the CineRoute project, which has the ultimate goal of providing remote access to the collection. Through this partnership, we are currently testing access to a subset of our films by selected users using very high speed connections. This project links the NFB CineRobotheque to large institutions, universities, research centres and a sample of consumers across Canada.

### **2.3 Transformation of creative staff**

One of the objectives of the NFB 2000 five-year plan was to make greater use of freelancers for directing films. The plan also included measures to increase the number of films made by members of diversity groups.

In 1998-1999, 85% of English Program films were made by freelance directors, while 79% of active projects in French Program were directed by a freelancer. It can thus be said that this objective was fulfilled.

As regards diversity cinema, the NFB is starting to reap the benefits of various programs and structures established several years ago. We have already reported on the results of our efforts to support Aboriginal filmmaking in the preceding pages. For films made by diversity filmmakers, we estimate that 15% of the number of films completed in 1998-1999 were made by filmmakers from these groups.

### **2.4 Improved service to the public**

Over the past few years, the NFB reorganized its Customer Services section and its systems for providing information on the NFB and its products. A call centre was established with a 1-800 line offering extended hours of service, and special training was given to staff dealing with customers.

A study recently conducted by Erin Research Inc. for the Citizen-Centred Service Network (CCSN) and the Canadian Centre for Management Development confirms the value of these initiatives and the efforts made in this regard. Erin Research Inc. did an independent investigation of how Canadians perceive the services their governments provide. In a survey of 2,900 Canadians, government services were evaluated on the basis of five factors of service quality: timeliness, knowledge and competence, courtesy and comfort, fair treatment, and outcome. The NFB received the second-highest rating among the 17 services evaluated in the survey. Moreover, Canadians' satisfaction with the NFB is further demonstrated by the fact that the institution rated the lowest among the 17 services evaluated as needing improvement.

The latest follow-up report by the Commissioner of Official Languages notes that the survey of the NFB's 1-800 line providing information and product sales across Canada determined that it was indeed possible to obtain very good service in both English and French. The report states that, in view of the results obtained, it was not considered necessary to pursue the audit of this service any further.



## **Section IV: Consolidated Reporting**

### **1. Departmental performance report – Y2K readiness**

Our primary objective was to ascertain that the NFB would be fully operational in the Year 2000. We mobilized the required human and financial resources to this project and made Y2K readiness an NFB priority. The members of the Board of Trustees, management, employees, suppliers and clients were thus involved throughout its implementation.

The Treasury Board recommended methodology was used for this project:

- I. Mission-critical priorities were identified:
  - Film production activities – the ability to maintain our filmmaking operations;
  - Film collection activities – the ability to protect and secure our extensive film collection;
  - Management structure – the ability to maintain computer services and communication in order to facilitate normal operations.
- II. Assets were inventoried, interdependencies were examined and critical systems were tested to ensure the highest level of compliance.
- III. A risk assessment checklist was prepared and tested to ensure that prompt actions and decisions are taken in any crisis situation.

Our confidence level is very high concerning our organization's ability to deliver services and products into the next millennium.

We have also been active in the preparation and submission of a Business Continuity Plan. This plan has been reviewed by the National Contingency Planning Group (NCPG) and meets their established requirements.

### **2. Statutory Annual Reports**

- National Film Board Annual Report – 1998-1999



## Section V: Financial Performance

### Financial Performance Overview

Table 1 shows the appropriations granted to the NFB for 1998-1999. The variance between Total Authorities and Actual Spending is due to the timing of certain key decisions which prevented spending in this fiscal year, notably delays in receiving final approval from Treasury Board for the major renovations to the NFB's Montreal Headquarters and the point in the year at which approval was given for workload increases (since we did not wish to commit resources to production before being sure they would actually be available).

Table 3 shows changes in NFB spending over the past few years. The numbers indicate total spending funded from the Parliamentary appropriation and from revenues generated by NFB operations. Variances are due to fluctuations in revenues and to budget cuts resulting from Program Review. The re-engineering of our administrative processes undertaken further to Program Review has enabled us to devote a greater proportion of our resources directly to production – 67% in 1998-1999 compared with 59% in 1996-1997 (see Section III, B, 2.1). Most of the \$64 million total spent in 1998-1999 went into the 98 productions or co-productions completed during the year.

Table 6 shows Respendable Revenues. Revenues from NFB operations were lower in 1998-1999, primarily due to the economic crisis in Asia, which seriously affected our clients. There has also been a worldwide reduction in broadcast licence fees which has affected the NFB like all other program suppliers.

A certain portion of our resources is used for transfer payments, the breakdown of which is presented in Table 9.

Table 14 presents the breakdown of the utilization of the NFB Revolving Fund, which is used for funding the non-depreciated portion of our capital assets, among other things.

### Financial Summary Tables

Table 1	Financial Requirements by Authority
Table 2	Comparison of Planned to Actual Spending
Table 3	Historical Comparison of Total Planned to Actual Spending
Table 6	Available Revenue
Table 9	Transfer Payments
Table 14	Revolving Fund Financial Summaries



## Financial Table 1

### Summary of Voted Appropriations

#### Authorities for 1998-1999 – Part II of the Estimates

<b>Financial Requirements by Authority (millions of dollars)</b>				
		<b>1998-1999</b>		
<b>Vote/Program</b>		<b>Planned Spending (net)</b>	<b>Total Authorities (net)</b>	<b>Actual Spending (net)</b>
105	National Film Board Revolving Fund - Operating loss	55.5	58.9	56.7
(L)	National Film Board Revolving Fund	0.4	0.4	0.1
<b>Total Agency</b>		<b>55.9</b>	<b>59.3</b>	<b>6.8</b>
<p>Note: The summary financial information includes three figures showing:</p> <ul style="list-style-type: none"> <li>• the amount planned at the beginning of the fiscal year (Planned Spending);</li> <li>• additional spending which Parliament decided to grant the departments in light of changing priorities and unexpected activities (Total Authorities) – includes fund carried forward from the previous year;</li> <li>• the amount actually spent (Actual Spending 1998-1999).</li> </ul>				

## Financial Table 2

<b>Comparison of Planned to Actual Spending (millions of dollars)</b>			
<b>NFB Operations</b>	<b>1998-1999</b>		
	<b>Planned</b>	<b>Total Authorities</b>	<b>Actual</b>
FTEs	500	500	481
Operating*	64.1	67.5	63.7
Capital	–	–	–
Voted Grants and Contributions	0.3	0.3	0.3
Subtotal: Gross Voted Expenditures	64.4	67.8	64.0
Statutory Grants and Contributions	–	–	–
<b>Total Gross Expenditures</b>	<b>64.4</b>	<b>67.8</b>	<b>64.0</b>
Less:			
Respendable Revenues	(8.9)	(8.9)	(7.3)
<b>Total Net Expenditures</b>	<b>(55.5)</b>	<b>58.9</b>	<b>56.7</b>
Other Revenues and Expenditures			
Non-respendable Revenues	–	–	–
Cost of Services Provided by Other Departments**	–	–	–
<b>Net Cost of the Program</b>	<b>55.5</b>	<b>58.9</b>	<b>56.7</b>
Note: Bolded numbers denote actual expenditures/revenues in 1998-1999.			
* Includes contributions to employee benefit plans and severance pay.			
** Cost of services provided by other departments: \$18,300.			

### Financial Table 3

<b>Historical Comparison of Total Planned to Actual Spending (millions of dollars)</b>					
	<b>1996-1997 Actual</b>	<b>1997-1998 Actual</b>	<b>1998-1999</b>		
			<b>Planned</b>	<b>Total Authorities</b>	<b>Actual</b>
National Film Board operations	72.7	69.3	64.4	67.8	64.0
<b>Total</b>	<b>72.7</b>	<b>69.3</b>	<b>64.4</b>	<b>67.8</b>	<b>64.0</b>
<p>Note: This table shows changes in NFB spending over the past few years. The figures indicate total spending funded from the Parliamentary appropriation and from revenues generated by NFB operations. Variances are due to fluctuations in revenues and to budget cuts resulting from Program Review.</p> <p>For 1998-1999, the table shows the Planned Spending indicated in the Main Estimates at the beginning of the fiscal year. Total Authorities includes additional funding received to cover adjustments in the collective agreements and funds carried forward from the previous year. Actual Spending indicates the funds actually used.</p> <p>It should be kept in mind that the NFB has only one business line.</p>					

This table shows changes in NFB spending over the past few years. The figures indicate total spending funded from the Parliamentary appropriation and from revenues generated by NFB operations. Variances are due to fluctuations in revenues and to budget cuts resulting from Program Review.

For 1998-1999, the table shows the Planned Spending indicated in the Main Estimates at the beginning of the fiscal year. Total Authorities includes additional funding received to cover adjustments in the collective agreements and funds carried forward from the previous year. Actual Spending indicates the funds actually used.

It should be kept in mind that the NFB has only one business line.

## Financial Table 6

<b>Respendable Revenues (millions of dollars)</b>					
<b>Respendable Revenues</b>	<b>1996-97 Actual</b>	<b>1997-1998 Actual</b>	<b>1998-1999</b>		
			<b>Planned</b>	<b>Total Authorities</b>	<b>Actual</b>
National Film Board operations	<b>10.9</b>	<b>8.6</b>	<b>8.9</b>	<b>8.9</b>	<b>7.3</b>
<b>Total respendable revenue</b>	<b>10.9</b>	<b>8.6</b>	<b>8.9</b>	<b>8.9</b>	<b>7.3</b>

## Financial Table 9

<b>Transfer Payments (millions of dollars)</b>					
	<b>1996-1997 Actual</b>	<b>1997-1998 Actual</b>	<b>1998-1999</b>		
			<b>Planned</b>	<b>Total Authorities</b>	<b>Actual</b>
<b>Grants</b>	0.012	0.008	0.012	0.012	0.006
<b>Contributions</b>	0.263	0.282	0.307	0.307	0.323
<b>Total transfer payments</b>	<b>0.275</b>	<b>0.290</b>	<b>0.319</b>	<b>0.319</b>	<b>0.329</b>

## Financial Table 14

<b>Revolving Fund Financial Summaries</b>					
<b>National Film Board Revolving Fund (millions of dollars)</b>					
	<b>1996-1997</b>	<b>1997-1998</b>	<b>1998-1999</b>		
			<b>Planned</b>	<b>Total Authorities</b>	<b>Actual</b>
	<b>Actual</b>	<b>Actual</b>			
Revenues (Parliamentary appropriation)	72.8	60.7	55.5	58.9	56.7
Net expenditures	(72.8)	(60.7)	(55.5)	(58.9)	(56.7)
Profit or (loss)	0	0	0	0	0
Add items not requiring use of funds: depreciation/amortization	(6.1)	(4.6)	(2.0)	(2.0)	(3.9)
Changes in working capital	(0.1)	(0.2)	0.4	0.4	(3.4)
Investing activities: acquisition of depreciable assets	2.7	1.3	2.0	2.0	1.8
<b>Cash surplus (requirement)</b>	<b>(3.5)</b>	<b>(3.5)</b>	<b>0.4</b>	<b>0.4</b>	<b>1.3</b>
<b>Authority: cumulative surplus (drawdown)</b>	<b>17.2</b>	<b>13.7</b>	<b>16.7</b>	<b>16.7</b>	<b>15.0</b>
Note: The National Film Board's Revolving Fund is authorized by the <i>National Film Act</i> for commercial operations related to the production and exploitation of the collection of NFB audiovisual products.					



## **Section VI: Other Information**

### **Contacts for further information and websites**

- Maryse Charbonneau, Director, Administration
- Claude Parent, Director, Planning and Review

*(Anyone wishing to obtain further information from those responsible for the different service lines can find the necessary addresses and phone numbers on the NFB website at <<http://www.nfb.ca>>.)*

### **Legislation and regulations administered**

- National Film Act, R.S.C. 1985, c. N-8 (The most recent amendment came into force on November 1, 1995.)