

National Film Board of Canada

2006-2007

Report on Plans and Priorities

Beverley J. Oda
Minister of Canadian Heritage
and Status of Women

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SECTION I – OVERVIEW

Minister of Canadian Heritage
and Status of Women



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Rapid technological advances are challenging many of our traditional approaches. At the same time, they provide unprecedented access to our culture and heritage. By encouraging innovation, equality, linguistic duality and cultural diversity, the Canadian Heritage Portfolio will meet the challenges of the 21st century and contribute to building a country in which all Canadians can express and share their diverse cultural experiences with each other and the world.

As a member of the Canadian Heritage Portfolio, the National Film Board of Canada (NFB) plays a vital role in the cultural life of Canadians.

The NFB encourages citizen participation through its productions and various activities, all of which capture the spirit of our times. In a world where cultural exchanges are increasingly common and where new technologies are altering everyday life, the NFB provides a forum for cinematic creativity and talent, producing and distributing audiovisual works made by Canadians, and for Canadians.

The *Report on Plans and Priorities* for 2006–2007 details the National Film Board of Canada's vision and goals for the year. It demonstrates the important role the NFB plays with other members of the Canadian Heritage Portfolio to ensure the development and promotion of Canadian culture, heritage and inclusion.

Beverley J. Oda

Canada

1.2 Government Film Commissioner's Message

After four years as Government Film Commissioner at the NFB, I am proud of the enormous strides we have made in implementing the 2002-2006 Strategic Plan. The NFB has successfully taken up a host of challenges, becoming an essential and incontrovertible part of Canada's film and television industry, while maintaining the highest standards of transparency, good governance and accountability. Canadians expect nothing less.

Our achievements have been remarkable, and we take great pride in our success. However, there are still challenges ahead and further goals to attain. We are at a crossroads, and the time has come for the NFB to think carefully about its next strategic plan and to present Canadians with a new vision for the future. The process of reflection my team and I have been engaged in with the support of our Board of Trustees has confirmed that the NFB's vision for the future must be focused on three major axes.

First, we wish to confirm the NFB's excellence in producing and distributing documentaries and animation. The NFB's goal has always been to make films that are engaged, reflect issues that concern Canadians and encourage people to think. It will continue to focus on those strengths and promote them.

Second, the NFB has facilities accessible to everyone in all parts of Canada. It has outposts in Halifax, Moncton, Quebec City, Montreal, Ottawa, Toronto, Winnipeg, Edmonton and Vancouver, enabling the organization to reach Canadians in all the major cities, and helping them discover a unique film heritage that attests to an impressive past yet has its face turned firmly to the future. Connected to all communities in Canada through high-performance, high-speed networks, the NFB will belong to each and every Canadian, whether they hail from Inuvik, Point Pelee, St. John's or Victoria. The myriad possibilities opened up by digital formats have also aroused considerable interest at the screening end of the industry. E-cinema is growing apace in many countries, particularly the United Kingdom and Brazil. It provides access to films in non-traditional venues, particularly in remote regions; it provides a practical, proven means of increasing the representation of specialty non-Hollywood productions; and it provides a way to make screening copies much more cheaply than current industry rates. E-cinema is bringing a wealth of extraordinary opportunities to the Canadian film industry. The NFB is positioning itself to foster its growth and will continue to do, so for the benefit of all Canadians.

Third, we must ensure that the NFB, in co-operation with private-sector partners, once again becomes an incubator of innovation in technology and filmmaking. Keeping to its traditions, the NFB has always been a pioneer organization, exploring the frontiers of cinematography. It must maintain that role and continue to push back the boundaries of digital applications in filmmaking. We are already committed to exploring the new digital formats and the new supports they require, and have even produced a number of very short films for cellular telephones. In future, we will find that digital productions, particularly in High Definition, will be consistently demanded by national and international broadcasters, and if our films are to find their audience and contribute to society's process of reflection, we must initiate and maintain the digital shift. We are already doing so with a number of productions, including *War Hospital* and *Arctic Mission*, and more recently with our work on *Antarctic Mission*. The digital shift – a necessity for the industry's and the NFB's future – naturally requires considerable investment,

and stakeholders in the film and television industry must have the financial resources they need to make the transition. We should never forget that the NFB has often led the way, breaking new ground with Cinéma Vérité and IMAX technology, all examples that attest to the NFB's extraordinary qualifications in technology and filmmaking and that hold tremendous promise for an innovative future.

Our new vision is based on strong partnerships with the industry. We have entered into co-operation agreements with CFTPA and APFTQ, Canada's two major producer associations, and our production and distribution activities contribute to the success of our partner producers and broadcasters in Canada and abroad. In 2004-2005 and 2005-2006, over 30% of NFB works – 57 in the last year – were co-productions, and the NFB returned \$755,000 to its partners through its co-production and distribution activities. In many cases, the co-productions would never have been made without the NFB's participation. Our plans and priorities for 2006-2007 are designed to strengthen our drive to forge rewarding ties with a variety of stakeholders in the Canadian and international film and television industry.

In conclusion, I would like to reiterate how important an organization like the National Film Board of Canada is in this globalized world, where cultural borders are blurring and fading. With Canadian society constantly evolving and becoming increasingly complex, the NFB plays an indispensable role in promoting a culture of citizen engagement, and an understanding of the social issues of our time. We contribute to producing a strong and recognizable Canadian voice, and I believe our new vision will benefit all Canadians.

A handwritten signature in black ink, reading "Jacques Bensimon". The signature is written in a cursive, flowing style with a large, prominent initial "J".

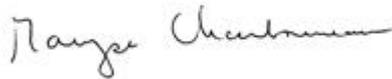
Jacques Bensimon
Government Film Commissioner
and Chairperson of the National Film Board of Canada

1.3 Management Representation Statement

I submit, for tabling in Parliament, the 2006-2007 Report on Plans and Priorities (RPP) for the National Film Board of Canada.

This document is based on the accountability principles contained in the *Guide to the preparation of Part III of the Estimates: Reports on Plans and Priorities and Departmental Performance Reports*

- It adheres to the specific reporting requirements outlined in the Treasury Board Secretariat guidelines.
- It uses the Department's approved Program Activity Architecture, as set out in the MRRS.
- It provides consistent, comprehensive, balanced and accurate information.
- It provides a basis of accountability for the results achieved with the resources and authorities entrusted to it.
- It reports finances based on approved planned spending numbers from the Treasury Board Secretariat in the RPP.



Maryse Charbonneau
Director, Administration

1.4 NFB Overview

Summary Information

Mandate – The National Film Board of Canada’s mandate is *“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 the results available to film producers;*
- *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.”*

Mission – The National Film Board of Canada’s mission, as stated in the 2002-2006 Strategic Plan, is *“to produce and distribute distinctive, culturally diverse, challenging and relevant audiovisual works that provide Canada and the world a unique Canadian perspective.”*

The NFB is an integrated production and distribution organization with an extensive film collection, a conservation laboratory, and postproduction and research and development facilities located at its operational headquarters in Montreal. Its Government Relations service operates from Ottawa, while its Marketing and Communications, Distribution, Business Affairs and Legal Services, Planning, Evaluation and Audit, Human Resources, and Administration branches are principally located in Montreal.

The NFB is a unique centre for the creation of audiovisual works. NFB films are produced in both official languages. The NFB maintains production facilities in Vancouver, Edmonton, Winnipeg, Toronto, Montreal, Moncton and Halifax, a production office in Quebec City and two viewing centres, one in Montreal and the other in Toronto.

Benefits to Canadians and to the World

Since its inception, the NFB has fostered the exchange of ideas and dialogues among Canadians by making films that are creative, challenging and relevant. It provides an authentically Canadian perspective that conveys our fundamental values in a borderless globalized world. In contributing to the process of reflection on major issues in Canada and elsewhere, the NFB encourages citizen participation in all its forms. It portrays Canada’s cultural identity, giving emerging talent from cultural communities a voice that can be heard by Canadians and by people of all nations. The NFB is also involved in the ongoing acquisition of knowledge, providing engaged content and demonstrating boundless technical creativity. As in the past, the NFB continues to be a pioneer and leader in the application of new audiovisual technologies. It makes its assets available by providing maximum access to the collection, be it online, in Canadian schools or in its mediatheques. In the Canadian film and television industry, it is keenly sought after as a partner for its skills and professionalism. Thus, the NFB contributes to the industry’s continuing success.

Financial Resources

2006-2007	2007-2008	2008-2009
64,839	65,024	65,024

Human Resources

2006-2007	2007-2008	2008-2009
500	500	500

Alignment with Government Priorities

In the Speech from the Throne read on April 4, 2006, the Government outlined its priorities for Canada. The NFB supports those priorities and through its activities will contribute to their advancement. The table below highlights the Throne Speech priorities with which the NFB has aligned its own PAA priorities, as set out in the table on page 12.

Government Priorities (Speech from the Throne, April 2006)
Building a Stronger Canada “Canada is uniquely blessed in the strength and diversity of its people and regions.” “...[Our] country ...is now at the leading edge of science, business, the arts and sport.”
A Canada that Works for All of Us “...building a better federation in which governments come together to help Canadians realize their potential”
Canada - Strong, United, Independent and Free “... it will build stronger multilateral and bilateral relationships, starting with Canada's relationship with the United States ...” “...this Government is committed to supporting Canada's core values of freedom, democracy, the rule of law and human rights around the world.”
Bringing Accountability Back to Government

NFB Priorities in Relation to Program Activity Architecture

Activity	Priorities	Type	Planned spending			Indicators	Outcomes Sought
			2006-2007	2007-2008	2008-2009		
Production of Audiovisual Works	<p>Maintain overall programming slate of distinctive, challenging and relevant audiovisual works</p> <p>Strengthen feature documentary production and develop a consistent approach to making short films</p> <p>Strengthen the NFB's ability to identify and to work with leading talent, championing emerging, culturally diverse and Aboriginal talent</p> <p>Encourage partnerships through co-productions</p> <p>Strengthen innovation in content, form and technology</p> <p>Maintain the development of international co-productions</p>	Mandatory	47,103	47,216	47,216	<p>Diversity of genres and subject matter in NFB productions</p> <p>Level of audience reach and interest in films (television and non-television audiences, and Web site traffic)</p> <p>Recognition in the form of awards won at home and at foreign festivals</p> <p>Number of innovative applications</p> <p>Engagement of Canadians</p> <p>Diversity on screen and behind the screen</p> <p>Evolution of co-productions</p>	<ul style="list-style-type: none"> ▪ 85% of programming involving social issues ▪ Programming with the focus on point-of-view documentaries, animation, alternative fiction and new media ▪ Projects innovative in content, form and broadcasting mode, with flexibility for experimentation ▪ Number of national and international co-productions maintained ▪ Ongoing promotion and development of new talent

Activity	Priorities	Type	Planned spending			Indicators	Outcomes Sought
			2006-2007	2007-2008	2008-2009		
Distribution of Audiovisual Works	<p>Increase revenue from the NFB's collection and optimize pre-sales and sales</p> <p>Offer expert knowledge and NFB distribution networks to private and public sectors</p>	Mandatory	2,370	2,393	2,393	<p>Quarterly sales, pre-sales and revenue</p> <p>Quarterly number of audiovisual production acquisitions and their economic benefits</p> <p>Progress in developing new online tools for clients in the consumer market</p>	<ul style="list-style-type: none"> ▪ Higher sales and revenue for all NFB markets and territories ▪ Acquisition of more productions that complement the NFB catalogue ▪ Stronger NFB branding in distribution

Activity	Priorities	Type	Planned spending			Indicators	Outcomes Sought
			2006-2007	2007-2008	2008-2009		
Accessibility and Outreach	<p>Enhance, promote and increase the conservation of and equitable access to the NFB collection, in new emerging digital formats</p> <p>Achieve greater reach across Canada and into communities</p> <p>Increase NFB visibility in communities, on television and in learning channels</p> <p>Increase branding opportunities in Canada and abroad</p>	Mandatory	11,726	11,761	11,761	<p>Use of NFB titles by the organization's partners, particularly the number of films lent out by partner libraries</p> <p>Audience indicators for NFB productions</p> <p>Social impact of NFB productions, case by case</p> <p>Membership</p> <p>Attendance at NFB screenings and retrospectives</p>	<ul style="list-style-type: none"> ▪ Improved access to the NFB collection through its various activities and offerings, particularly the mediatheques and other resources; continued digitization of the NFB collection ▪ Better citizen participation through public screenings and other appropriate means ▪ Enhanced quality visibility for the NFB and its productions on television, in festivals and schools, during industry activities and with the federal government ▪ Improved recognition of the NFB brand on television; improved recognition of the NFB's role by co-producers' a valued and highly recognized brand ▪ Strong presence of NFB productions in Canada's community and educational distribution networks <p>Increased press coverage and visibility in the media</p>

Activity	Priorities	Type	Planned spending			Indicators	Outcomes Sought
			2006-2007	2007-2008	2008-2009		
Research and Advisory Services	<p>Maintain, promote and enhance R&D initiatives to reposition the NFB as a leader in the Canadian film industry, along with its partners</p> <p>Conduct and participate in research and other projects</p> <p>Collaborate further with the government and other organizations</p>	Mandatory	3,640	3,654	3,654	<p>Development and implementation of an annual research plan</p> <p>Number of joint research projects and partnerships as a pilot site and incubator of research and development</p> <p>Evaluation of the significance of requests</p> <p>Dissemination and use of NFB research results</p> <p>Number of nature of joint ventures with the public sector, and their impact</p>	<ul style="list-style-type: none"> ▪ Appreciable research and development efforts on techniques and technology in the audiovisual field ▪ The NFB as an enduring benchmark in filmmaking
	TOTAL		64,839	65,024	65,024		

NFB Plans and Priorities

The Business Environment

The purpose of this overview is to provide a context for the NFB's plans and priorities for 2006-2007, which are based directly on the 2002-2006 Strategic Plan. In the past four years, all NFB activities have been aimed at repositioning the organization in a constantly shifting national and international environment. The NFB has made considerable changes to ensure efficient, effective management that promotes accountability in the administration of public funds. Following the review of its Strategic Plan in 2004, the NFB is staying on a clear track, remaining relevant in Canada's broader film and television production and distribution industry, and maintaining its position at the leading edge of technology.

The NFB reports to the Department of Canadian Heritage, which is responsible for administering the *National Film Act* governing the organization as a public production and distribution agency. It is funded primarily through parliamentary appropriations and revenue from the sale of its products and royalties.

A Changing Environment for Documentaries

In Canada and around the globe, documentary production, funding and distribution are under considerable pressure in spite of the documentary's upsurge in popularity, particularly in theatres. According to *Profile 2005*¹, documentaries account for 14% of all CAVCO-certified productions (\$247 million), a decline of 8% over the previous year.

Point-of-view documentaries tackle important social issues. Unfortunately, public funding is increasingly becoming their sole source of support, and a greater percentage of producers are therefore seeking public financial assistance, particularly for documentaries. The average fluctuates around 35%².

Given the challenges of funding documentaries, independent producers are moving away from the genre or working in partnership with the National Film Board of Canada so that an authentic, bold and relevant voice can be heard beyond the dictates of the bottom line. In today's business environment, the NFB plays an important stabilizing role. The Government of Canada's second response to the Report of the Standing Committee on Canadian Heritage states that "the NFB has been a key agency for the production and distribution of films and other audio-visual works that reflect the cultural and social realities of Canada."³ For the industry, the NFB provides a unique brand of expertise that combines creativity and technological innovation. In recent years, joining forces with other organizations, the NFB has helped and continues to help fund hundreds of documentary and animation co-productions. In addition to its role as co-producer, the NFB distributes the audiovisual products of several private-sector producers, thereby generating

¹ Nordicity Group Ltd., *Profile 2005: An Economic Report on the Canadian Film and Television Production Industry* Ottawa, February 2005, p.18.

² *Ibid.*, p. 20. The share of public broadcasters has been excluded. When it is included, direct and indirect public funding together account for 45% of the documentary production budget in 2003-2004.

³ Canadian Heritage, *Reinforcing Our Cultural Sovereignty – Setting Priorities for the Canadian Broadcasting System*, Ottawa, 2005, p. 22.

revenue both for its partners and for the organization. Last year, the organization returned over \$755,000 to distribution partners.

As pointed out in the last report of the Standing Committee of Canadian Heritage, which examined the film industry, new avenues are emerging for documentary films, particularly “Canadian [long-length] documentary films [that] have achieved a high level of success both within Canada and internationally, and have long been a strength of the Canadian film industry.”⁴ However, sources of funding for feature-length documentaries are limited, making them difficult to produce.

Point-of-view documentaries are a priority at the NFB, because Canadians want films that help them gain a better understanding of the issues from a variety of perspectives. The films must be in formats likely to reach their audiences.

Challenges and Risks for the NFB in Today’s Business Environment

A Changing Technological Environment

The digital revolution shaking up the audiovisual production industry provides extraordinary opportunities for documentary and animation producers and distributors. The very high quality that digital formats can deliver at reasonable cost allows both emerging and established filmmakers to invest their talent in documentaries and proffer new and innovative points of view. Theatre distribution will also benefit from the digital revolution, particularly with the relentless advance of E-cinema, a new distribution system that delivers the needed counterweight to Hollywood’s supremacy on the silver screen and allows a broader diversity of films to be shown not only in major cities but also in remote communities. Digital formats provide new distribution flexibility, enabling Canadians to access films in the format of their choice, be it DVD, MPEG-4, QuickTime or other formats.

These new opportunities also comprise significant risks of obsolescence, and the NFB will have to quickly adapt new technologies to ensure that its production, distribution and access capacity does not become increasingly less relevant to its partners and to all Canadians. The organization has already initiated the shift towards greater use of new technologies; however, that shift requires substantial capital investment and the NFB may be faced with difficult choices in adjusting to the digital environment.

Reaching Audiences in the Format of their Choice: an Ongoing Challenge

In spite of the fragmentation and competition the National Film Board of Canada faces, documentaries continue to draw viewers, and some – though they are the exception rather than the rule – have been seen by over a million people⁵. These figures show that the NFB must continue to make the documentaries that strike a chord with Canadians. Non-duplicated coverage

⁴ Report of the Standing Committee on Canadian Heritage, *Scripts, Screens and Audiences: A New Feature Film Policy for the 21st Century*, Ottawa, November 2005, p. 88.

⁵ Nordicity Group Ltd., *Getting Real: An Economic Profile of the Canadian Documentary Production Industry*, March 2003, p. 1.

of NFB productions broadcast on Canadian TV in 2004-2005 topped 8.5 million viewers, a slight drop over the previous year. In a high-competition business environment, NFB productions and co-productions have successfully carved out a place in Canada's film and television landscape.

To fulfil its mandate and enhance its accessibility, the NFB must also provide audiences with films in the format of their choice. Digitizing the collection and new NFB productions was a priority for the NFB in 2005-2006, and has proved a source of infinite possibilities as well as significant logistical challenges. Yet even if the NFB stands firm on its commitment to move towards digital production, converting the Canadian broadcasting system to accept digital formats remains a challenge in itself. It is not enough for the film and television industry to make the digital transition to HD; theatres must also follow suit. E-cinema will require significant investment in viewing infrastructure, but it opens up extraordinary opportunities for access to varied and relevant films.

To reduce the risks of providing productions in formats that are losing ground among Canadians, the NFB has already digitized over 25% of the collection in digital files. These make it possible to deliver products in a wide range of formats, including MPEG-2, QuickTime, RealPlayer, Windows and Flash. Moreover, we will continue to digitize the collection, with the support of the Government of Canada's Memory Fund.

Maximizing Revenue in a Rapidly Changing Industry

The NFB has one of the world's most extensive and varied collections of audiovisual works, as well as a stock footage library. It can increase revenue by raising the number of broadcasting licences, repackaging for specific markets, customizing products for the educational sector and through other means, but it is always operating within a rapidly changing industry. For example, broadcasters are increasingly requesting significantly more than broadcasting rights alone: they also wish to obtain rights on new emerging platforms. As a content producer, the NFB must therefore carefully consider the best means of maximizing its sources of revenue.

NFB activities clearly show that current sources of revenue can be diversified by exploiting all available markets for a given production, rather than only selling rights to television broadcasting. That diversification makes it possible to show a given production to a wider audience and vary the sources of revenue, while collecting that revenue over a longer period. Thus, a given production can generate revenue above and beyond its first television broadcast window. In the coming year, the NFB will focus on producing films for emerging markets, such as mobile phones and mobile video players.

Rights

Because of its mandate, the NFB cannot simply acquire short-term rights for limited use, as with television broadcast licences. It must also buy rights to cinematographically and historically significant films to ensure that they remain accessible to Canadians. This is an NFB responsibility as a public producer. The rising cost of acquiring rights directly affects the cost of

productions and the necessary cost of maintaining the collection, and represents a growing challenge.

To reduce the impact on its financial resources, the NFB has established a minimum rights purchasing strategy. It has also received assistance from the Memory Fund to renew its rights to a number of heritage titles. Nonetheless, additional financial resources may be required to ensure that the NFB's film heritage remains accessible to Canadians.

Partnerships and Co-operation on all Levels: Synergy, Creativity and Optimizing Resources

In the international documentary industry, the NFB is continuing to forge strategic partnerships with private-sector producers and distributors in Canada and with public broadcasters in order to co-produce, broadcast and distribute our films. Internationally, the NFB has been careful to forge alliances to maximize potential synergy and increase sales and revenue. The organization recently entered into a partnership agreement with Discovery Communications.

Our collaborative efforts led to 57 co-productions in 2004-2005, including the Oscar[®]-winning co-production *Ryan* and HD feature *The Peacekeepers*, as well as *Duhamel* and *Adrenaline Rush*, all examples of co-productions for which we and our partners pooled financial resources, technical know-how and creative knowledge.

Our partnerships with organizations abroad continued in 2004-2005. We have strengthened our collaboration with a number of broadcasters, particularly NHK in Japan and France 2. The World Documentary Fund, in co-operation with the BBC and UK Film Council, is continuing with the co-production *Diameter of the Bomb*. Other projects will be added at intervals when opportunities arise.

The NFB also participates in numerous festivals, submitting films and also contributing toward the events' success. The NFB was one of the organizations spearheading the first Documentary Policy Summit at Hot Docs in Toronto, in May 2004 as well as in 2005. This annual event gives industry stakeholders a chance to discuss issues, exchange ideas and identify solutions to the challenges that are specific to the documentary genre. In May 2005, the National Film Board of Canada, in collaboration with the Cannes Film Festival, introduced the Norman McLaren Award for the winner of the Palme d'or for best short film. In addition, the boxed set of remastered DVDs comprising McLaren's complete works will be released with the Cannes Festival's 2006 crop. For the occasion, there will also be a retrospective of McLaren's work, as well as a travelling exhibition of his most important films.

To guarantee the best possible distribution of the NFB's audiovisual assets in NFB markets and in territories where the organization is active, we have sought and established partnerships with National Geographic and Gaumont Pathé to commercialize our stock footage and film clip holdings. We intend to continue those efforts.

Knowledge Development

In the educational sector, the NFB promotes the development of co-operative partnerships with learning channels, teaching staff, research and teaching establishments, and libraries. In this area, the organization actively supports the school system, and has established partnerships with numerous libraries across Canada. It also provides educational materials, organizes workshops at numerous annual regional and provincial teachers' conferences, and provides training activities for teaching staff in universities. The NFB recently took part in a pilot project on closed-circuit digital broadcasting with the Alberta Ministry of Education. We intend to continue those efforts in 2006-2007.

**SECTION II – ANALYSIS OF PROGRAM ACTIVITIES BY
STRATEGIC OUTCOME**

2.1 Detailed Analysis of Program Activities

Planned Spending for Program Activities, by Strategic Outcome				
(\$ thousands)	Forecast spending	Planned spending	Planned spending	Planned spending
	2005-2006	2006-2007	2007-2008	2008-2009
Production of Audiovisual Works	52,384	47,103	47,216	47,216
Distribution of Audiovisual Works	923	2,370	2,393	2,393
Accessibility and Outreach	12,023	11,726	11,761	11,761
Research and Advisory Services	2,892	3,640	3,654	3,654
Total Main Estimates	68,222	64,839	65,024	65,024

The largest sources of variance between 2005-2006 and 2006-2007 are \$1M for funding severance benefits and parental leave plus a \$2.6M carry-forward, both of which were added to our 2005-2006 parliamentary appropriation, as well as \$0.2M for the Spark initiative, which was withdrawn from our 2006-2007 appropriation.

2.2 Program Activity: Production of Audiovisual Works

As she read the Speech from the Throne on April 4, 2006, Her Excellency the Right Honourable Michaëlle Jean, Governor General of Canada, said that creative expression is extremely important to the health of a democratic society. She also stated that Canada's linguistic duality is a tremendous asset for the country. In support of this, the NFB contributes through its productions to showcasing Canadian creativity and diversity both in Canada and abroad.

The production of audiovisual works, an activity at the core of the NFB's mandate, enables the NFB to contribute to the achievement of the outcomes below, through the NFB's numerous regional production centres that make it possible for the organization to reflect the many facets of Canadian diversity.

This Program Activity provides both direct and indirect benefits to Canadians:

Direct outcomes:

- Awareness of diverse issues important to our society and to the world, and contribution to understanding them

- Training and promotion of a new generation of documentary and animation filmmakers that reflect Canadian diversity
- Participation in the Canadian film and television industry's success, in terms of both employment and financial contributions to numerous partners
- The NFB as an international beacon in the documentary and animation fields

Indirect outcomes:

- Contribution to Canadian identity and social cohesion
- Establishment of an environment conducive to knowledge pooling and citizen participation
- A flourishing, culturally diversified film industry recognized for the quality of its productions

Financial resources:

2006-2007	2007-2008	2008-2009
47,103	47,216	47,216

Human resources:

2006-2007	2007-2008	2008-2009
275	275	275

Priorities

To achieve the above outcomes, the NFB has established the following priorities for the three-year planning period.

- a) **Maintain an overall programming slate of distinctive, challenging and relevant audiovisual productions**
- b) **Strengthen feature documentary production and develop a consistent approach to making short films**
- c) **Strengthen the NFB's ability to identify, nurture and work with leading talent, championing emerging, culturally diverse and Aboriginal talent**
- d) **Encourage partnerships through co-productions**
- e) **Strengthen innovation in content, form and technology**
- f) **Maintain the development of international co-productions**

Plan

- a) Maintain an overall programming slate of distinctive, challenging and relevant audiovisual productions** (priority to be applied against the sub-activities *production*, *marketing*, and *technical services* of the NFB's PAA)

Active in Canada's film industry since 1939, rich in tradition and with an impressive slate of recent productions, the NFB contributes to Canada's social capital by producing innovative, socially relevant films and new media.

The NFB's productions are intended to make Canadians aware of major social issues affecting us in Canada and elsewhere. The NFB wishes to maintain that essential role through documentaries, alternative fiction, animation and new media productions.

In 2006-2007, most NFB productions will continue to reflect Canada's many diverse faces, seek to involve citizens and create knowledge. NFB films will also continue to explore relationships between people, nations and the democratic system, prodding our collective conscience and encouraging the public to become involved, informing them about what is happening in Canada and elsewhere, to increasing their understanding of major social issues and Canadian values.

Initiatives such as **CitizenShift** (<http://citizen.nfb.ca>) and **Parole citoyenne** (<http://citoyen.onf.ca>) will continue to be key in promoting the NFB's commitment to Canadians. They are public, electronic spaces that tackle social issues such as citizenship, poverty, health, the environment and democracy, fostering dialogue among Canada's citizens and disparate communities and inviting real participation and discussion among people of all ages through the Internet.

To ensure that it meets its programming objectives and that Canadians continue to benefit from its production activities, the NFB will continue to refine its quantitative and qualitative evaluation mechanisms to gauge the performance and impact of its films on Canadians more effectively. It will also establish decision-making instruments to enhance the process of determining production choices.

To make relevant and engaged films, the NFB seeks inspiration among the ethnocultural groups that make up Canada. We aim to launch and promote our works among Canadians and to extend our reach into communities, in addition to creating partnerships with community groups and other relevant partners. In its programming, the NFB also looks in part to reach deeper into communities by encouraging community members as filmmakers and assisting them in making films that can bring about change and spark discussion and debate.

The new Marketing and Communications Branch will make it possible for the NFB to optimize and channel its financial and human resources to maximize the impact of marketing strategies targeting the general public and specific communities.

- b) Strengthen feature documentary production and develop a consistent approach to making short films** (priority to be applied against the sub-activities *production* of the NFB's PAA)

Since its inception, the NFB has contributed to creating a Canadian film environment where a variety of film genres and formats can flourish and achieve their full potential. As the NFB maintained before the Standing Committee on Canadian Heritage, financial support for feature

documentaries is crucial. The NFB is positioning itself strategically to foster a more effective structure, as well as sufficient resources, for feature documentaries. It plans to produce feature documentaries during the planning period covered in this report.

The NFB is also no stranger to the short film environment, and its animated films have been acclaimed by peers and the public for many years. In its continuing efforts to promote innovation and creativity and to champion new talent, the NFB must establish a rational policy governing all its short film programming activities. Short films are an important benchmark for young and talented filmmakers, who must be properly supported by the NFB. We intend to maintain and target our support in 2006-2007.

c) Strengthen the NFB's ability to identify, nurture and work with leading talent, championing emerging, culturally diverse and Aboriginal talent (priority to be applied against the sub-activities *production, marketing and filmmaker support* of the NFB's PAA)

The NFB is an incubator of talent and innovation, primarily for young filmmakers in Canada as well as those abroad. NFB programs foster a fertile learning environment in which mentoring plays an important role. The NFB finds and nurtures talent, strengthening filmmaking in Canada and enabling experimentation, creativity and innovation.

The NFB's 2006-2007 plans and priorities for this program activity will focus on fostering diverse voices and content in both official languages, and encouraging talented filmmakers from Aboriginal and culturally diverse communities to formulate authentic points of view reflecting their perspective of Canada. The aim of these activities is to provide Canadians with an image that reflects the diversity of views to be found in a multicultural society. The organization will significantly increase filmmaking opportunities for artists and artisans in communities across Canada, from major cities to remote regions.

As in previous years, the NFB would like to support filmmakers in minority-language regions. To that end, the NFB will continue to work with the Department of Canadian Heritage to maintain the Interdepartmental Partnership with the Official Language Communities (IPOLC). The NFB was also involved in the Spark initiative, another partnership with the Department of Canadian Heritage, designed to accelerate the integration of cultural diversity into audiovisual production and audience development. In conjunction with Canadian Heritage, the NFB promotes the renewal of such programs, and with the Department's support will continue developing programs that meet IPOLC and Spark initiative objectives.

Through the Aboriginal Filmmaking Program (AFP), through its mentorship efforts, career development programs and support for emerging filmmakers, as well as through the encouragement and development of talent and stories from specific culturally diverse communities and Aboriginal groups, the NFB will maintain and enhance its commitment to producing audiovisual works made by Canadians of all communities and reflecting issues important to us.

The NFB has a history of helping Canadian independent filmmakers, playing an invaluable role in the development of the next generation of filmmakers and in the creative renewal of established talent. The NFB is one of the few organizations to bridge the gap between student filmmaking and craft apprenticeship, and professional filmmaking. The **Filmmakers Assistance Program** (FAP) and the **Aide au cinéma indépendant canadien** (ACIC) are mainstays of the

tradition; both are programs that nurture talent by providing financial assistance for technical services to documentary, animation and short drama filmmakers, many of whom are emerging.

In the same vein, over the next few years the NFB would like to establish partnerships with the major film education institutions in Canada, so that emerging filmmakers can take advantage of the specialized knowledge NFB professionals have to offer.

Similar programs, such as **Hothouse** and **Momentum**, will continue to help emerging filmmakers produce high-quality, low-budget short documentaries (through **Momentum**), and provide young animation filmmakers (through **Hothouse**) with an intensive program to learn the ins and outs of directing an animated film from the concept stage to the final sound mixing and video mastering.

d) Encourage partnerships through co-productions (priority to be applied against the sub-activity *production* of the NFB's PAA)

The NFB will continue to secure its place as a partner in Canada's independent film and television industry by assiduously initiating co-productions. In 2004-2005, over 57 co-productions were initiated between the NFB and its partners in Canada and abroad. In addition to accepting new projects put forward by its partners, the NFB itself initiates co-production projects in which it can share its creativity and technical expertise. In 2004-2005, over 30% of the NFB's output consisted of co-productions.

Through co-productions, the NFB can not only share its creative and technical expertise, but also support the film industry by contributing to its financing, sharing risks and opening up new business opportunities for its partners. Co-operation of that kind contributes to the film industry's continuing soundness.

e) Strengthen innovation in content, form and technology (priority to be applied against the sub-activities *production, marketing* and *technical services* of the NFB's PAA)

As illustrated by the eleventh Oscar[®] the NFB received for the co-production *Ryan*, the organization is clearly in the vanguard when it comes to creativity, innovation and experimentation in content and form. In 2006-2007, the NFB will maintain that approach, which has been very successful to date. It will intensify the focus on research and development, and establish all measures and resources needed to ensure that through the efforts of its Innovation and Technical Resources Branch it maintains its position at the leading edge of new film technologies. The NFB will invest in HD and digital intermediate media. To develop new technological applications, the NFB's Innovation and Technical Resources Branch will work with the private sector and public research institutions, as well as with universities and their research centres. A portion of the NFB's production will be in emerging digital formats for cellular telephones and mobile video devices. In the spring, the first works of Don McKellar, produced in conjunction with BravoFact!, were presented at MIPTV 2005.

To strengthen its role as an incubator of talent and innovation, the NFB will maintain its commitment to provide mentorship and master classes that help to promote filmmaking and ensure the transfer of skills and knowledge in a wide variety of ways. In addition to strengthening innovation, mentorship and master classes also contribute to achieving the goals of

supporting Canadian filmmakers, and making the NFB the benchmark in documentary and animation filmmaking.

f) Maintain the development of international co-productions (priority to be applied against the sub-activities *production* and *international mandate* of the NFB's PAA)

In the planning period, the NFB will continue working with its international partners. Through its co-productions and international agreements, it aims to make major documentaries and animation films that foster creative renewal and broaden its audience. The types of international co-productions the NFB champions address important global issues of concern to Canadians as well as issues that affect global audiences (most often from a Canadian perspective), and serve to export Canadian values.

International co-productions will thus continue to be an important source of creative and financial leveraging for the NFB, helping the organization maintain a strong international presence and broaden its audience base.

When appropriate, the NFB will also continue to serve as a broker between international entities and Canadian producers on films that convey Canadian values. It will seek agreements and partnerships with like-minded organizations and broadcasters in order to develop international alliances.

The NFB seeks the following outcomes:

- 85% of programming involving social issues
- Programming with the focus on point-of-view documentaries, animation, alternative fiction and new media
- Projects innovative in content, form and broadcasting mode, with flexibility for experimentation
- Number of national and international co-productions maintained
- Ongoing promotion and development of new talent

Performance Measurement Strategies and Indicators

- Diversity of genres and subject matter in NFB productions
- Level of audience reach and interest in films (television and non-television audiences, and Web site traffic)
- Recognition in the form of awards won at home and at foreign festivals
- Number of innovative applications
- Engagement of Canadians
- Diversity on screen and behind the screen
- Evolution of co-productions

Diversity of genres and subject matter in NFB productions

NFB productions vary greatly in genre (animation, point-of-view documentaries and interactive media), content, treatment and audience. The slate of productions and co-productions is extremely broad and diverse. That diversity underpins the NFB's production activities, and can be satisfactorily measured.

Level of audience reach and interest in films

Television remains the primary medium through which the NFB reaches Canadians. NFB films are an important source of distinctive and relevant Canadian content for the Canadian broadcasting system, and are seen through a wide variety of general, specialty and digital TV channels. The NFB has access to comparative monthly data on audience reach for a variety of TV networks, as well as regional, linguistic and demographic data, enabling it to rate how its films perform. In 2004-2005, 8.539 million people saw NFB films.

Over the years, the NFB's Web site has become the hub for all Canadian and international viewers seeking information about the organization. In 2004-2005, the number of Web pages visited increased by some 25%. To cap that year, we received the Boomerang award for best Web site. The average session length for visitors to the site has increased from 13 to almost 19 minutes, most likely reflecting a greater number of online viewing sessions. The NFB wants to stay on track for 2006-2007, and will thus continue to analyze available traffic data for the organization's Web site.

NFB activities in the institutional market are extremely significant. Schools, colleges and universities screen our films to support their educational programs, and we would like to develop tools to gauge the number of school and university students who see our films each year. They account for a significant – albeit difficult to quantify – portion of the audience base.

The NFB will work with schools and libraries in determining measures to evaluate the use of and audience interest in NFB films within the institutional sector.

Recognition at film festivals

An important measure of the quality, innovation and creativity of NFB films is recognition by film and television industry peers in Canada and abroad, at the numerous festivals where the NFB garners nominations and awards year after year. In 2004-2005, the NFB received no less than 204 awards for its productions and co-productions. It goes without saying that we wish to continue on the same path.

Engagement of Canadians

The NFB contributes to connecting Canadians from across the country in many different ways: in schools, through the NFB's membership program and interactive Web sites, at community screenings, through two storefront mediatheques, and through master classes and workshops. It supports film festivals and establishes programs to give Canadians from diverse cultural communities a voice.

Evaluating the sociocultural impact of NFB audiovisual productions remains a significant challenge. In 2005-2006, the NFB received the results of a study (commissioned with industry partners) on the social impact of Canadian documentaries. The study proposes an evaluation method for tracking, monitoring, assessing and reporting on the sociocultural impact of Canadian documentaries. It suggests a qualitative approach based on case studies. The NFB wants to maintain its leadership position in this field. In 2006-2007, the organization will apply the method to a number of films, establishing a sampling base that over time could generate statistically valid figures for extrapolation.

Diversity on screen and behind the screen

The NFB is an excellent example of diversity, successfully representing Canada's cultural mosaic from its many aspects. This is something the organization continues to do and will pursue over the planning period. The content of NFB films not only reflects Canadian society, but also fosters a learning environment that encourages the talent and skills present in all communities across Canada to emerge. NFB also fosters inclusiveness and a stronger social foundation in Canadian society. In 2006-2007, the NFB will track and report on diversity on and behind the screen through evaluation and case studies.

Evolution of co-productions

The NFB proposes to track its co-production activity and report on the benefits and returns of co-production investments for Canadians, the NFB and its co-producers. We want to maintain the current levels of national and international co-productions, and plan to seize partnership opportunities that arise in the coming year. We also want to measure the impact of co-productions over the long term.

2.3 Program Activity: Distribution of Audiovisual Works

Through the distribution of audiovisual works, the NFB showcases Canadian talent and cultural diversity across Canada and worldwide. For a number of years, the NFB has been working with the various levels of government to serve the interests of the Canadian cultural industry. It plans to continue on the same course.

The NFB seeks the following outcomes through the distribution of audiovisual works:

Direct outcomes:

- Increased sales figures to contribute to the Canadian film and television industry's success
- Continued renown as a recognized and valued producer and distributor of quality animation and documentary programming in Canada and abroad
- Increased revenue, enabling re-investment in film production

Indirect outcomes:

- Canadian cultural profile raised at home and abroad
- Contribution to the economic growth of Canada's cultural industry
- Diversification of business opportunities to develop NFB assets in innovative, non-traditional ways

Financial Resources

2006-2007	2007-2008	2008-2009
2,370	2,393	2,393

Human Resources

2006-2007	2007-2008	2008-2009
45	45	45

Priorities

As well as making films, the NFB's mandate includes distributing and selling its products as widely as possible to Canadian and foreign audiences. By exploiting its own and its partners' films, the NFB generates considerable revenue that enables it not only to produce films but also to contribute to the industry's financial health through the distribution activities it engenders. In 2004-2005, the distribution of NFB products generated \$6.945 million in sales, a slight increase over the previous year, when gross sales reached \$6.842 million. Retained earnings were high, standing at \$5.260 million. Sales of the NFB's audiovisual products also boost the distribution and visibility of our indispensable film heritage.

Distribution activities include commercializing the NFB audiovisual catalogues and stock footage library, and developing and diversifying markets for NFB products in Canada and abroad. The NFB also aims to expand its holdings through acquisitions and partnership agreements. Through its distribution activities, the NFB develops strategic alliances with the public and private sectors in Canada and abroad. In 2004, 2005, we returned \$755,000 to our partners. For 2006-2007, we estimate that figure at over \$1 million.

To achieve the above outcomes, the NFB has established the following priorities for the three-year planning period ahead.

- a) **Increase revenue from the NFB's collection and maximize sales and pre-sales**
- b) **Provide expert knowledge and NFB distribution networks to private and public sectors**

Plan

- a) **Increase revenue from the NFB's collection and maximize sales and pre-sales** (priority to be applied against the sub-activities *sales and business development, technical services and international mandate* of the NFB's PAA)

During the planning period, distribution activities will focus primarily on increasing sales and the NFB's retained earnings, particularly in the US and European television markets and the Canadian institutional and consumer markets.

In 2006-2007, the NFB will redouble its efforts to increase pre-sales of productions and co-productions, since pre-sales provide an opportunity to maximize financial resources. Pre-sales activities will be primarily concentrated in the international market.

Institutional market revenue accounts for a considerable portion of the total revenue generated by the NFB's distribution activities. Thus, the NFB is determined to continue working with the educational sector in Canada and abroad to plan and supply products and services well adapted to market needs. We will prepare teaching guides for products that meet educational market requirements particularly well, and explore creative ways of supplying audiovisual products whose length is better suited to the expectations of institutional clients.

In the planning period ahead, the NFB will develop and implement new online purchasing tools enabling consumers to obtain NFB products in the format of their choice, and request custom compilations.

b) Provide expert knowledge and NFB distribution networks to private and public sectors (priority to be applied against the sub-activity *sales and business development* of the NFB's PAA)

As in 2005-2006, this year the NFB will pursue its distribution rights acquisition strategy for documentary and animation productions that complement its collection. The acquisitions must contribute to meeting the NFB's strategic and distribution objectives. The sale of acquired products contributes to improving the Canadian film industry's financial health, and allows Canadian producers to take advantage of the NFB's expertise and numerous distribution networks.

The NFB seeks the following outcomes:

- Higher sales and revenue for all NFB markets and territories
- Acquisition of more productions that complement the NFB catalogue
- Increased pre-sale value for NFB productions and co-productions
- Stronger NFB branding in distribution

Performance Measurement Strategies and Indicators

The NFB will assess progress by tracking the following:

- Quarterly sales, pre-sales and revenue
- Quarterly number of audiovisual production acquisitions and their economic benefits
- Progress in developing new online tools for clients in the consumer market

Quarterly sales, pre-sales and revenue

In the past year, the NFB developed a series of performance indicators to analyze and assess the organization's sales and revenue more accurately. We have fine-tuned existing tools and can now track sales and revenue satisfactorily. We believe that these figures will help the organization

make optimal strategic decisions, as well as contribute to a well-informed and effective annual planning process. We will continue to use the new tools and work on improving their quality.

Quarterly number of audiovisual production acquisitions

The NFB's acquisition of audiovisual productions contributes to increasing both sales and revenue. Distributing acquired productions also makes it possible to redistribute revenue to our business partners, enabling us to contribute to their financial health and giving us the tools to meet our strategic objectives. Successful sales of acquired productions benefit all parties, including our partners and the organization itself, and also contribute to enhancing the NFB brand.

Development of new online tools for clients in the consumer market

Since the NFB collection must be made available to consumers in ways that are effective and efficient for the organization while meeting client needs, we will track the progress of online sales initiatives to ensure that the new tools are indeed available online in the course of 2006-2007. Online sales initiatives will be covered in progress reports that will be carefully monitored and assessed.

2.4 Program Activity: Accessibility and Outreach of Audiovisual Works

To remain closely connected with Canadians, forge lasting and more valuable ties and foster lifelong learning, the NFB set out a number of goals in its 2002-2006 Strategic Plan:

- Rekindle the relationship with Canadians
- Prioritize its extensive collection that is conserved and increasingly accessible
- Reposition the NFB
- Ensure effective and efficient brand management

Through the NFB's accessibility and visibility activities, Canadians have access to a variety of relevant media resources that encourage their citizen engagement and foster lifelong learning. Some of those activities are also intended to guarantee permanent access to the NFB collection, making it even more open to future generations.

In addition, the NFB is taking measures to conserve its collection and make it accessible to everyone. Access is provided through the NFB's Web site, the mediatheques in Montreal and Toronto, agreements with partner libraries across Canada, the NFB membership program, the online film library and community screenings across Canada. These activities serve to forge and maintain profound and unbreakable ties in Canadian communities. We plan to remain on track in 2006-2007 and throughout the planning period.

NFB activities also target the educational sector, and the organization invests time and effort in providing access to educational materials in various forms, such as workshops and teaching guides. The NFB seeks to share its wealth of state-of-the-art expertise with film industry professionals, university students and interested members of the public.

For this planning period, the NFB seeks the following outcomes:

Direct outcomes:

- A brand that is recognized and prized
- Continued international renown as a recognized and valued producer and distributor of quality animation and documentary programming: the NFB as a benchmark

Indirect outcomes:

- Canadians who value their investment in Canadian culture
- Canadians who value their audiovisual heritage
- A stronger Canadian cultural profile at home and abroad
- Public dialogue and debate potentially leading to social, environmental and cultural change, social involvement and citizen engagement
- A growing knowledge-based Canadian society

Financial Resources

2006-2007	2007-2008	2008-2009
11,726	11,761	11,761

Human Resources

2006-2007	2007-2008	2008-2009
110	110	110

Priorities

To achieve the above outcomes, the NFB has established the following priorities for the three-year planning period ahead.

- a) **Maintain, enhance and increase equitable access to the NFB collection, in the new emerging digital formats**
- b) **Achieve greater reach across Canada and into communities**
- c) **Increase NFB visibility in communities, on television and in learning channels**
- d) **Increase branding opportunities in Canada and abroad**

Plan

- a) **Maintain, enhance and increase equitable access to the NFB collection, in the new emerging digital formats** (priority to be applied against the sub-activities *learning channels*, *collection management*, *community engagement* and *international mandate* of the NFB's PAA)

In the planning period ahead, the NFB's ongoing objective will be to maintain an electronic vault (e-vault) for its 11,000-strong collection to increase the accessibility of NFB films. With renewed funding through the Memory Fund, an initiative of the Department of Canadian Heritage's Canadian Cultures On-line Program, the NFB was able to create the e-vault. Renewed funding under the program in 2006-2007 will enable us to digitize our collection, a crucial step.

The NFB will ensure that future generations can access the collection in the format of their choice. The new digital environment allows for a wide variety of partnerships, such as online film libraries, online learning centres for schools, and digital viewing centres.

b) Achieve greater reach across Canada and into communities (priority to be applied against the sub-activities *learning channels* and *community engagement* of the NFB's PAA)

The NFB must remain a presence in Canadian communities. It maintains and develops networks in many communities across Canada using a variety of tools, such as production programs like *Our Cities, Our Voices*, activities that motivate citizen involvement, such as *CitizenShift* and *Challenge for Change*, and of course viewing centres and cinemas in Montreal and Toronto, as well as collections in partner libraries in all the regions of Canada. We have over 50 partner libraries, public screenings are held regularly from coast to coast, the NFB membership program now has some 29,000 members, and the online film library is increasingly popular. The NFB plans to continue on the same course in 2006-2007.

c) Increase NFB visibility in communities, on television and in learning channels (priority to be applied against the sub-activities *learning channels* and *community engagement* of the NFB's PAA)

As in the past, the NFB seeks to develop new business partnerships with broadcasters in order to broaden audiences for its films. It is also continuing its partnership with the Documentary Channel, which broadcasts approximately 50 hours of NFB films a year, chiefly in two NFB branded slots. In addition, the NFB is working with the Documentary Channel on a series showcasing the NFB's Studio D as well as on the initiative *Challenge for Change*.

The NFB is contributing significantly to a project by the Musée de la civilisation in Quebec City, which is presenting a retrospective of cinema in Quebec. The NFB's contribution is made providing works from its collection, which account for over 40 per cent of films available to the public, and through our technical expertise.

The NFB continues to consider the need to have its own television channel, which would connect NFB productions directly to Canadians. The E-cinema initiative and the efforts the NFB intends to invest in it offer excellent possibilities, especially in terms of accessibility and diversity of available productions.

We intend to focus on establishing a network of partners in schools and adapting our productions to the school curriculum. Moreover, our support in providing teaching guides and organizing workshops at many regional and provincial teachers' conferences also fosters the use of Canadian audiovisual materials.

d) Increase branding opportunities in Canada and abroad (priority to be applied against the sub-activities *learning channels*, *community engagement* and *international mandate* of the NFB's PAA)

The NFB must continue to strengthen the NFB brand in 2006-2007 by ensuring that all aspects of its production, distribution, access and outreach activities, along with all research-related aspects, achieve their rightful visibility. The NFB wants to standardize the promotion of upcoming releases and make it more systematic, particularly now that it has established the Marketing and Communications Branch. The Branch will ensure that the public receives more information about new releases.

Instead of promoting individual films, the organization will maintain its strategy of promoting the NFB brand because of its strong recognition factor with Canadians. The overall goal of a

strong brand is to increase the use of NFB productions by broadcasters, educators, institutions, libraries, other markets and the general public.

In 2006-2007, the NFB will also maintain its partnerships with international festivals to strengthen the NFB brand as well as the organization's role in the audiovisual landscape. For example, in 2005-06 the Cannes Film Festival and the NFB established the Norman McLaren Award, a new award for best short film, named after one of the NFB's best-known animators. In the same vein, the NFB supported the establishment of a series of panel discussions for the 2005 edition of MIPDOC, through *Shorts in motion*.

The NFB seeks the following outcomes:

- Improved access to the NFB collection through its various activities and offerings, particularly the mediatheques and other resources
- Better citizen participation through public screenings and other appropriate means
- Enhanced quality visibility for the NFB and its productions on television, in festivals and schools, during industry activities and with the federal government
- Improved recognition of the NFB brand on television
- Improved recognition of the NFB's role by co-producers
- A valued and highly recognized brand
- Continued digitization of the NFB collection
- Strong presence of NFB productions in Canada's community and educational distribution networks
- Increased press coverage and visibility in the media

Performance Measurement Strategies and Indicators

The NFB will assess progress by tracking the following:

- Use of NFB titles by the organization's partners, particularly the number of films lent out by partner libraries
- Audience indicators for NFB productions
- Social impact of NFB productions, case by case
- Membership
- Attendance at NFB screenings and retrospectives

Use of NFB titles by the organization's partners, particularly the number of films lent out by partner libraries

The NFB will continue to track client access to and satisfaction with the collection through surveys and special studies. It will also track and report on the use of the NFB collection in schools and libraries, at community events, and for screenings and other activities.

The NFB closely and regularly (generally every two years) monitors Canadians' attitudes and approach to documentaries, as well as their recognition and support for the NFB.

Audience indicators for NFB productions

The NFB will obtain appropriate information from specialized firms to determine the audiences it draws with its productions. It will obtain sufficient data on viewer profiles making up the television audience for NFB films.

Social impact of NFB productions, case by case

Public dialogue and debate regarding NFB programming will be examined to help measure the social impact of our films. We wish to generate case studies on specific productions to provide an overall picture of the impact our productions have.

Membership

The NFB tracks membership numbers in the NFB Film Club, an important outreach initiative valued by some 22,000 members. It seeks feedback on a regular basis. Many members participate actively in the studies.

Attendance at NFB screenings and retrospectives

The NFB tracks the number of people attending community screenings and retrospectives.

2.5 Program Activity: Research and Advisory Services

Through its research and development activities and in co-operation with a number of stakeholders in the film industry and other sectors, the NFB has contributed to the advancement of knowledge in filmmaking. For the NFB, research and development in new technologies is an ongoing activity that fosters the renewal of knowledge and its practical applications. In addition to focusing on R&D and innovation, as part of its program activities the NFB also advises the government and provides consulting services in its area of expertise. But even though we play an active role in moving the industry forward, there is always work to be done. The NFB fully intends to make a contribution to the industry's advancement this year as well.

The NFB seeks the following outcomes through its research and advisory activities:

Direct outcomes:

- The NFB as the Canadian and international benchmark for documentaries and animation, in both content quality and innovation of form
- The NFB advancing knowledge in filmmaking, generating benefits for the Canadian film industry
- The NFB once again a pioneer in applying new technologies to audiovisual products

Indirect outcomes:

- Contribution to the advancement of knowledge in Canadian society
- Tangible evidence for Canadians on the impact of research and investment in culture

Financial Resources

2006-2007	2007-2008	2008-2009
3,640	3,654	3,654

Human Resources

2006-2007	2007-2008	2008-2009
70	70	70

Priorities

Since the NFB's inception, its goal has been to stand out as a leader in the film and television industry, particularly in technology. Under its enabling legislation, the NFB is required to make the results of its research available to Canadians. The NFB acts as advisor to the government and the film industry, and also undertakes technical and development projects to advance the art and science of filmmaking. It maintains an environment dedicated to excellence and innovation, and conducive to incubating and prototyping new initiatives. The NFB wants to broaden its collaboration with the industry.

To achieve the above outcomes, the NFB has established the following priorities for the three-year planning period ahead:

- a) **Maintain, promote and enhance research and development initiatives to reposition the NFB, along with its partners, as a leader in the Canadian film industry**
- b) **Conduct and participate in research projects on such issues as Ecinema, the social impact of documentaries and the examination of documentary policy**
- c) **Collaborate further with the government and other organizations**

Plan

- a) **Maintain, promote and enhance research and development initiatives to reposition the NFB, along with its partners, as a leader in the Canadian film industry** (priority to be applied against the sub-activities *research, policy* and *technical innovation* of the NFB's PAA)

In the planning period, the NFB will invest time and energy in initiatives to reposition itself as the uncontested leader in innovation in the Canadian film industry. Though the NFB has been a beacon since its inception, it will now have to work with partners in both the private and parapublic sectors to regain its leadership position. The NFB thus intends to be at the leading edge of E-cinema research.

The NFB will intensify its leadership role during the planning period covered in this report.

- b) Conduct and participate in research projects on such issues as E-cinema, the social impact of documentaries, and the examination of documentary policy** (priority to be applied against the sub-activities *research, policy* and *technical innovation* of the NFB's PAA)

In 2006-2007, the NFB will continue its efforts to advance knowledge in filmmaking, and its activities will involve strengthening working relationships with private-sector organizations. For example, the NFB is involved in developing a digital film projection and distribution network, a new type of distribution system that will complement the existing projection and distribution infrastructure.

The NFB also wishes to continue existing research partnerships with universities and research centres. It hopes that these co-operative efforts will yield results similar to those of 2005-2006, when the NFB presented a technical paper entitled "MPEG-7 Audio-visual Indexing Testbed for Video Retrieval" at the Internet Imaging V International Conference of the International Society for Optical Engineering (SPIE).

The NFB plans to make its resources available to research partners in order to provide a satisfactory and realistic testing environment. The algorithms developed to optimize and resize video images, preserve image quality and reduce bandwidth are an excellent example of the initiatives we seek to emulate in 2006-2007.

Now that the NFB has made a substantial part of its collection – over 2,044 titles to date – available on DVD, it will continue developing its digitization tools until all NFB productions are available in a format meeting client expectations. To achieve that goal, we have negotiated legal agreements for the distribution and broadcasting of our productions through emerging channels. We plan to continue these efforts in the planning period ahead.

In 2006-2007, the NFB will organize the Doc Summit in co-operation with the Hot Docs Documentary Festival in Toronto.

- c) Collaborate further with the government and other organizations** (priority to be applied against the sub-activities *research* and *policy* of the NFB's PAA)

In 2005-2006, the NFB maintained a close working relationship with other agencies under the purview of Canadian Heritage. The NFB and CBC/Radio-Canada joined forces to develop the educational DVD *It's a Girl's World (Une affaire de filles)* and, more importantly, the two agencies launched a project based on the film *The Weight of the World/Le poids du monde* by Glynis Whiting, a co-production with the CBC, that is a challenge to high-school and elementary-school teachers and students.

In 2006-2007, the NFB will continue to maintain a close working relationship with other Canadian Heritage agencies.

Following the report of the Standing Committee on Canadian Heritage entitled *Scripts, Screens and Audiences: A New Feature Film Policy for the 21st Century*, the NFB intends to be at the forefront of deliberation about the complementary roles of Canadian Heritage agencies.

The NFB seeks the following outcomes:

- Appreciable research and development efforts on techniques and technology in the audiovisual field
- The NFB as an enduring benchmark in filmmaking

Performance Measurement Strategies and Indicators

The NFB will assess progress by tracking the following:

- Development and implementation of an annual research plan
- Number of joint research projects and partnerships as a pilot site and incubator of research and development
- Evaluation of the significance of requests
- Dissemination and use of NFB research results
- Number of nature of joint ventures with the public sector, and their impact

2.6 Program Activity: Revolving Fund

Financial Resources

2006-2007	2007-2008	2008-2009
0	0	0

Human Resources

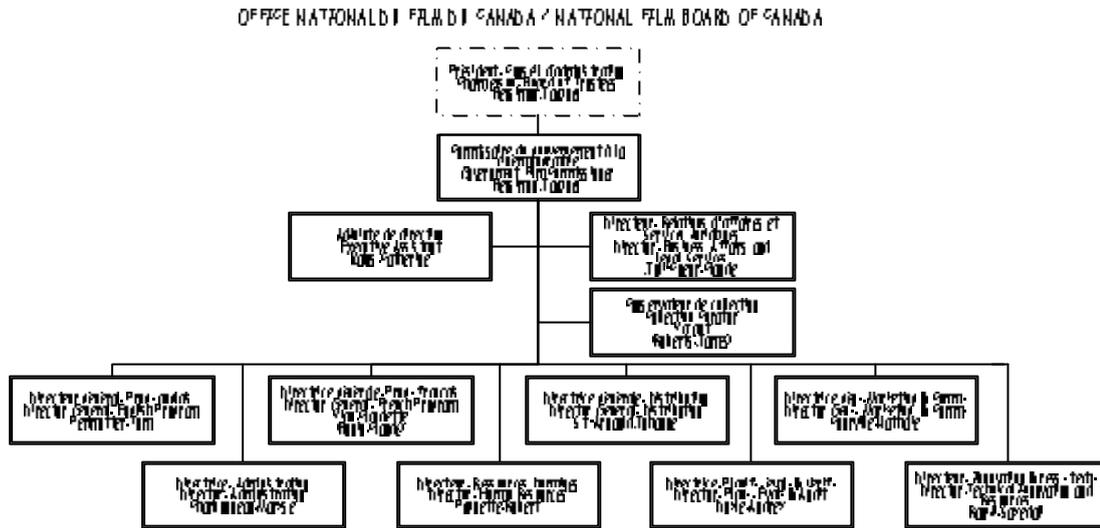
2006-2007	2007-2008	2008-2009
0	0	0

The NFB Revolving Fund is used to provide the working capital required for business operations, for interim financing of operating expenses and capital acquisitions and for recording the change in the net book value of capital assets. The Revolving Fund is also used for interim financing of operational shortfalls, though it should be noted that the NFB's operating expenses are funded by annually voted parliamentary appropriations.

SECTION III – SUPPLEMENTARY INFORMATION

3.1 Organizational Information

The NFB reports to Parliament through the Minister of Canadian Heritage.



2008-09-09

incorporating our historical databases. A Royalties module is at the planning stage, and will be developed over the next few months for incorporation into the system.

We have also enhanced the production, distribution et administration systems in order to meet the organization's goals, which are to produce high-quality audiovisual works and make them available to the widest possible audiences. For example:

- The NFB is continuously improving Synchrone, its integrated information and knowledge management system. The position of Information Manager was created in 2005-2006 to promote more effective collection and better use of information available at the NFB.
- Two years ago, the NFB developed new performance indicators to monitor and assess its performance in all activities. In 2005-2006, the organization finalized the financial aspects, and in the coming year will be implementing a series of indicators to track audiences.
- The NFB has established a new Internal Audit Plan, as well as an integrated risk and personal information management framework. The organization has also reviewed the procedures governing delegation of authority, particularly in distribution.

The NFB is making every effort to keep administrative costs as low as possible. In recent years, those costs have successfully been maintained at approximately 10% of the total budget.

The NFB seeks the following outcomes:

- The NFB will make conscientious use of public funds, in line with the highest standards of transparency, good governance and accountability. It will ensure activities generate maximum value for Canadians.

3.3 Tables

RPP 2006-2007

Tables	Titles	Included / NA
Table 1	Departmental Planned Spending and Full Time Equivalents	included
Table 2	Program Activities	included
Table 3	Voted and Statutory Items listed in Main Estimates	included
Table 4	Services Received Without Charge	NA
Table 5	Summary of Capital Spending by Program Activity	NA
Table 6	Loans, Investments and Advances (Non-Budgetary)	NA
Table 7	Sources of Respendable and Non-Respendable Revenue	included
Table 8	Revolving Fund – Statement of Operations	included
Table 9	Resource Requirement by Branch or Sector	NA
Table 10	User Fees	NA
Table 11	Major Regulatory Initiatives	NA
Table 12	Details on Project Spending	NA
Table 13	Status Report on Major Crown Projects	NA
Table 14	Details on Transfer Payments Programs	NA
Table 15	Conditional Grants (Foundations)	NA
Table 16	Alternative Service Delivery	NA
Table 17	Horizontal Initiatives	NA
Table 18	Sustainable Development Strategy	NA
Table 19	Internal Audits and Evaluations	NA

Table 1: Departmental Planned Spending and FTEs

(in \$ Thousands)				
	Forecast Spending 2005-2006	Planned Spending 2006-2007	Planned Spending 2007-2008	Planned Spending 2008-2009
Budgetary Main Estimates*	71,848	73,374	73,557	73,557
<i>Less</i> : Respendable Revenue	8,900	8,535	8,533	8,533
Total Main Estimates	62,948	64,839	65,024	65,024
Governor General Special Warrant				
Plus : Operation budget Carry Forward	2,661			
Collective Agreements Compensations	1,723			
Less : Planned procurement savings**	-110			
TBS Vote 15				
Plus : Parental Leaves and Severance Pay	1,000			
Sub total	5,274			
Net Planned Spending	68,222	64,839	65,024	65,024
<i>Plus</i> Cost of Services received without charge	0	0	0	0
Net Cost of Program	68 222	64 839	65 024	65 024
Full Time Equivalents	500	500	500	500

* Reflects the best forecast of total net planned spending to the end of the fiscal year.

**This proposed reduction in planned spending due to Procurement savings is as a result of the Budget 2005 announcement.

Table 2: Program Activity

2006-2007											
Program Activity	Budgetary							Non-budgetary	Total Main Estimates	Adjustments (Planned Spending not in Main Estimates)	Total Planned Spending
	Operating	Capital	Grants	Contributions and Other Transfer Payments	Gross	Respendable Revenue	Net	Loans, Investments, and Advances			
Production of Audiovisual Works	49,229		3	150	49,382	2,279					47,103
Distribution of Audiovisual Works	8,217				8,217	5,847					2,370
Accessibility and Outreach	11,855		7	90	11,952	226					11,726
Research and Advisory Services	3,823				3,823	183					3,640
Total			10	240	73,374	8,535					64,413

Table 3: Voted and Statutory Items listed in Main Estimates

(\$ thousands)

2006-2007			
Vote or Statutory Item	Truncated Vote or Statutory Wording	Current Main Estimates 2006-2007	Previous Main Estimates 2005-2006
65	National Film Board Revolving Fund — Operating Expenses	64,839	62,948

Reconciliation	Previous Budget 2005-2006		62 948
	Plus: Adjustments for collective agreements		1 961
	Adjustments for Employee Benefit Plan		130
	Less SPARK Program	-	200
			64 839

Table 7: Sources of Respendable and Non-Respendable Revenue, by Program Activity

Respendable Revenue

	Forecast Revenue 2005-2006	Planned Revenue 2006-2007	Planned Revenue 2007-2008	Planned Revenue 2008-2009
Production of Audiovisual Works	1,006	2,279	2,278	2,278
Distribution of Audiovisual Works	7,519	5,847	5,847	5,846
Accessibility and Outreach	275	226	226	226
Research and Advisory Services	100	183	183	183
Total Respendable Revenue	8,900	8,535	8,534	8,533

Table 8: Revolving Fund – Projected Use of Authority

(\$ thousands)	Forecast 2005-2006	Planned 2006-2007	Planned 2007-2008	Planned 2008-2009
Assets				
Cash	200	200	200	200
Accounts receivable	4 125	4 125	4 125	4 125
Inventories	500	500	500	500
Prepaid expenses	1 000	1 000	1 000	1 000
Equipment (net value)	10 000	10 000	10 000	10 000
	15 825	15 825	15 825	15 825
Liabilities				
Accounts payable	2 000	2 000	2 000	2 000
Equity of Canada	13 825	13 825	13 825	13 825

Statement of Cash Flows

Authority as at April 1, 2006	15,000
Drawdown:	
Projected balance as at April 1, 2006	13,825
Total Estimates (net cash requirement)	
Operations	64,839
Appropriation authority in these Estimates	-64,839
Changes in working capital	0
Increase in net book value of fixed assets	0
Projected balance as at March 31, 2007	13,825
Unused authority as at March 31, 2007	1,175

Table 14: Details on Transfer Payments Programs

(\$ thousands)	Forecast Spending 2005-2006	Planned Spending 2006-2007	Planned Spending 2007-2008	Planned Spending 2008-2009
Grants				
<i>Grants in support of significant film events held in Canada which are of national or international interest as determined by the Board of Trustees</i>	10	10	10	10
Contributions				
<i>To support non-profit organizations working in the film sector and to help promote Canadian cinematography</i>	240	240	240	240
Total	250	250	250	250

SECTION IV – OTHER ITEMS OF INTEREST

LEGISLATION ADMINISTERED

National Film Act, R.S.C. 1985, c. N-8 (most recently amended November 1, 1995)

NATIONAL FILM BOARD OFFICES

Head Office: Ottawa

Operational Headquarters: Montreal

Canadian distribution

- CineRobotheque – Montreal
- Mediatheque - Toronto
- Call Centre (1 800 267-7710)
- Web site (www.nfb.ca)

International distribution

- USA (New York)
- European Office (Paris)

English production centres

- Edmonton
- Halifax
- Montreal
- Toronto
- Vancouver
- Winnipeg

French production centres

- Moncton
- Montreal
- Toronto
- Quebec City

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