



# National Film Board

Budget des dépenses  
1997-1998

Partie III

Plan de dépenses

## **The Estimates Documents**

The Estimates of the Government of Canada are structured in three 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 Part III documents provide additional detail on each department and its programs primarily in terms of the results expected for the money spent.

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# National Film Board

1997-98  
Estimates

Part III

Expenditure Plan

Approved

## **Preface**

This document is a report to Parliament to indicate how the resources voted by Parliament have been or will be spent. As such, it is an accountability document that contains several levels of detail to respond to the various needs of its audience.

The Part III for 1997-98 is based on a revised format intended to make a clear separation between planning and performance information, and to focus on the higher level, longer term plans and performance of departments.

The document is divided into four sections:

- The Commissioner's Executive Summary
- Agency Plan
- Agency Performance
- Supplementary Information

It should be noted that, in accordance with Operating Budget principles, human resource consumption reported in this document will be measured in terms of employee full-time equivalents (FTEs).

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## Section I - Commissioner's Executive Summary

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Despite the challenges of reduced resources, the National Film Board of Canada has held firm to its primary function, producing and distributing films which contribute to shared understanding and a sense of **Canadian identity**. Production has been maintained at pre-cut levels. Viewership of NFB films is increasing, primarily due to increased numbers of television broadcasts (more than 5,000 last year), increased videocassette sales, and the reintroduction of NFB short films into Canadian cinemas. We continue to win large numbers of prizes and awards for our documentaries and animated films.

NFB films, true to our mandate, which is to "interpret Canada to Canadians and the world", continue to have a strong social purpose. Our documentaries focus specifically on **Canadian society**, culture and values. Social justice is a recurring theme. Our animation is also frequently devoted to serious themes: human rights, the environment, dispute resolution.

A very important dimension of our production mix has always been to provide opportunities to young filmmakers, women, Aboriginal Canadians and new Canadians in order to ensure that the diversity of our country is reflected on the screen. **Diversity and opportunity** remain priorities for the NFB in its production choices.

Access to our collection, which is a major repository of **Canada's audiovisual heritage**, has been greatly enhanced. Information about the NFB collection is available and searchable in both official languages on our Internet site (<http://www.nfb.ca>). Public access to our archival collection has been made possible by the transfer of titles to videodisc - some 3,500 of our 9,000 titles are already available for consultation through our CinéRobothèque in downtown Montreal. These titles are available on demand in real time via fibre optic cable at linked sites (our CinéRoute project), and videocassette copies can be made on demand for shipment anywhere. We believe ours is the largest true on-demand service presently operating. The wide availability of the collection on the **information highway** is now essentially only a question of telecommunications costs.

The transfer of the collection to videodisc has been a major project in **film conservation**, since each title must be examined before being transferred to video. We have embarked on a program to upgrade our film vaults, and have set up a conservation laboratory to ensure that these precious materials suffer as little as possible from the vicissitudes of time. On November 1, 1996 in Los Angeles the NFB was presented with the prestigious Independent Documentary Association's Preservation and Scholarship Award.

The National Film Board has taken advantage of the events of the past year to re-examine every aspect of its activities. As a consequence, our non-production costs have been reduced by 50%, largely through the implementation of integrated information systems, privatization of some systems and services, just-in-time manufacturing of inventory, and elimination of all activities not directly related to the mandate. Production techniques and processes have also been adjusted to conform more closely to private-sector practice, so that there is more mobility of personnel and greater ease in partnerships. The number of continuous employees has been reduced by 41%, from March 1995. By April 1998, the percentage will rise to 51%. Partnership with independent producers and distributors, with theatrical exhibitors, with publishers, with broadcasters, both domestically and internationally, and with other bodies which share our concerns, like UNICEF, are increasingly a feature of the work of the NFB. Through this **strategic management of information and resources**, we intend to play as active a role in the lives of Canadians in the future as we have in the past, despite our more limited resources.

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

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## SECTION II - AGENCY PLAN

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### A. AGENCY OVERVIEW

#### 1. Mandate

Pursuant to section 9 of the *National Film Act*, 1950, the National Film Board of Canada "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 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;
- 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."

#### 2. Role

The National Film Board of Canada enriches Canadian society through the production and distribution of audiovisual works which:

- provoke discussion and debate on important subjects;
- explore the creative potential of the audiovisual media; and
- achieve recognition by Canadians and others for excellence, relevance and innovation.



### **3. Contribution to the Government Objectives**

The NFB is a member of the Canadian Heritage portfolio and, as Canada's only public film producer, contributes, in accordance with its specific nature and the means at its disposal, to achieving the Department's objectives of enhancing pride in Canada, contributing to Canada's economic growth and prosperity, protecting Canada's heritage, ensuring access to Canadian voices and Canadian spaces, encouraging participation in and contribution to Canadian society, and doing this efficiently and effectively.

### **4. Organization and Program Composition**

The NFB reports directly to the Minister of Canadian Heritage, who is responsible for the application of the legislation governing the National Film Board of Canada.

#### **a) Board of Trustees**

The NFB Board of Trustees consists of eight members, including the NFB Commissioner, who serves as Chairperson, the Executive Director of Telefilm Canada and six other members appointed by the Governor in Council.

#### **b) Areas of Responsibility**

The Program is directed by the Commissioner and is divided into six major areas of responsibility:

**English Programming**, which manages production and Canadian marketing activities;

**French Programming**, which manages production and Canadian marketing activities;

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

**Services and Technological Development**, which comprises Technical Services, Informatics, and Research and Technological Development;

**Communications and Distribution Services**, which comprises Communications, Corporate Affairs, Customer Services, the Stock Shot Library, collection and information management, and the various distribution support services;

**Administration**, which comprises the Commissioner's Office, the Planning, Program Evaluation and Audit Branch, the Administration Branch and the Human Resources Branch.

### c) Activity Structure

The NFB has only one activity, which is synonymous with its Program and currently consists of the following sub-activities:

**Production:** all tasks related to creation and production (including technical services and post-production) and versioning in the other official language; this sub-activity is shared by two programs: English Program and French Program;

**Marketing:** all tasks related to the promotion and marketing of NFB products in Canada and internationally; this sub-activity is common to three programs: English Program, French Program and International Program;

**Research and technological development:** film research activities in the form of research and technological development projects designed to advance the art and technology of audiovisual communications;

**Collection management:** all tasks related to archives, conservation, information and access to the collection, rights and customer services;

**Institutional training:** training of staff with respect to film crafts and managing a film organization;

**Administration:** all administrative tasks related to management of the NFB's business, resources, services and administrative systems.

### d) Infrastructure

The NFB's head office is in Ottawa and its main operations are concentrated in Montreal. Production centres are also maintained in Vancouver, Edmonton, Winnipeg, Toronto, Moncton and Halifax in order to support the emergence of filmmaking talent and voices in all regions of the country. This decentralized production infrastructure along with a national film and video distribution network operated in association with institutional and public-sector partners ensures an NFB presence in all provinces and territories of Canada. International sales and distribution of NFB films and videos are managed from the NFB's Operational Headquarters in Montreal and through its offices in New York, Paris and London.

## 5. Resource Plan and Financial Tables

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### Spending Authorities

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#### A. Authorities for 1997-98 - Part II of the Estimates

**Figure 1: Financial Requirements by Authority**

Vote (thousands of dollars)	1997-98 Main Estimates	1996-97 Main Estimates
<b>National Film Board</b>		
105 National Film Board Revolving Fund - Operating loss	57,315	64,809
(S) National Film Board Revolving Fund	375	375
<b>Total Agency</b>	<b>57,690</b>	65,184

**Vote - wording and amounts**

Vote (dollars)	1997-98 Main Estimates
<b>National Film Board</b>	
105 National Film Board Revolving Fund - Operating loss, capital, the grants listed in the Estimates and contributions	<b>57,690,000</b>

**Figure 2: Agency overview**

(thousands of dollars)	Main Estimates 1996-97	Main Estimates 1997-98	Planned 1998-99	Planned 1999-00
Gross Estimates	74,034	66,590	64,499	64,733
Revenue to the Vote	(8,850)	(8,900)	(8,900)	(8,900)
<b>Total Main Estimates</b>	<b>65,184</b>	<b>57,690</b>	<b>55,599</b>	<b>55,833</b>
Estimated Cost of Services by other Departments	149	30	30	30
<b>Net Cost of the Department</b>	<b>65,333</b>	<b>57,720</b>	<b>55,629</b>	<b>55,863</b>

**Figure 3: Net cost of the program by sub-activity**

(thousands of dollars)					
1997-1998 Main Estimates					
	Operating	Grants and Contributions	Gross Total	Less: Revenue Credited to the Vote	Total Main Estimates
Programming	52,047	319	52,366	8,000	44,366
Distribution	5,888		5,888	900	4,988
Technical Research	813		813	-	813
Training	250		250	-	250
Administration	6,898		6,898	-	6,898
	<b>65,896</b>	<b>319</b>	<b>66,215</b>	<b>8,900</b>	<b>57,315</b>
Estimated Costs of Services by other Departments					30
<b>Net cost of the Program</b>					<b>57,345</b>

**Figure 4: Appropriated planned spending by sub-activity**

(thousands of dollars)	Main Estimates 1996-97	Main Estimates 1997-98	Planned 1998-99	Planned 1999-00
Programming	48,610	<b>44,366</b>	43,580	43,825
Distribution	5,412	<b>4,988</b>	3,702	3,691
Technical Research	837	<b>813</b>	804	804
Training	1,850	<b>250</b>	250	250
Administration	8,100	<b>6,898</b>	6,888	6,888
<b>Total</b>	<b>64,809</b>	<b>57,315</b>	<b>55,224</b>	<b>55,458</b>

## **B. DETAILS OF AGENCY PLAN**

### **1. Program Objectives**

#### **a) To produce audiovisual works which are exceptional in terms of relevance, excellence and innovation**

The NFB 2000 long-term plan positions production as the primary activity through which the NFB will achieve its mission - to produce audiovisual works which provoke discussion on important subjects of interest to Canadians, explore the creative potential of the audiovisual media and achieve recognition by Canadians and others for excellence.

The NFB's production slate will primarily consist of documentary and animation works, which are the NFB's areas of excellence and expertise.

These productions will target both general and specific audiences, with special emphasis on young viewers. They will also be produced with a view to the requirements of television, which will become the primary avenue for delivery.

#### **b) To build and serve Canadian audiences and foreign markets efficiently and effectively**

It is not enough for an NFB production to be well crafted and focussed on a subject of wide interest; it must be seen by the audiences for which it is intended if it is to fulfil its reason for being. The NFB's preferred channel for delivery will be television, since it is a medium that can reach both general audiences through the national networks and targeted audiences through the specialty services. By joining with other partners, the NFB will ensure that its films penetrate other markets and reach their target audiences. New ways of communicating with audiences in the educational sector will be tried and will certainly include the new interactive technologies, Internet and television-on-demand.

Further to the closure of the remaining NFB audiovisual libraries and the termination of its film and video rental service, the NFB will intensify its focus on sales, marketing support and product information via the Call Centre's toll-free number. More partnership agreements will be negotiated with public libraries and other public institutions to ensure that Canadians in the different regions can borrow NFB videos at little or no cost.

The NFB's heritage film collection, which represents an invaluable audiovisual legacy, as it reflects Canadian realities since the creation of the NFB in 1939, will be conserved and made more accessible through the use of new technologies.

**c) To make the production process modern and effective**

Cinema is an art which depends on imagination and intellectual creation as well as on increasingly advanced production and distribution techniques that can improve communication between the artist and the audience. The NFB will continue and accelerate its transition toward electronic and digital filmmaking. During the coming planning period, digital sound and picture recording and processing equipment will be gradually incorporated into production and post-production, not only improving their effectiveness but also making the production process more efficient. The Research and Technological Development Division will help in making these technological choices through its expertise and experimentation capacity.

The reorganization of the production programs' management structures to ensure greater producer accountability will be completed. New computerized project accounting systems will be introduced, and stricter standards will be implemented for the completion of the different steps in the production process. Productivity will become a factor in evaluating the performance of producers, directors and other creative staff.

Technical Services will operate on a cost-recovery basis. As a result, over time, only those services which are competitive in terms of cost and quality will be retained in house.

**d) To position the NFB at the leading edge of technology and filmmaking**

The Research and Technological Development sector remains an important component for supporting the role of innovation and experimentation expected of the NFB. With the rapid pace of technological development, it is no longer necessary for the NFB to develop new technologies to advance filmmaking as it did in the past. The NFB will therefore adopt technologies developed by others and experiment with them to develop new production and distribution applications and to advance its filmmaking process. For instance, it will pilot the application of new forms of digital imaging to both existing formats and new interactive ones. It will fully explore the interactive opportunities offered by Internet technologies for distribution and production purposes. With its comprehensive Internet site, which draws over 2,000 different visitors a day from around the world, its interactive on-line production for children, as well as other innovative Internet/Intranet applications, the NFB will continue to break new ground on the information highway.

## **e) To ensure efficient and responsible administrative management**

The considerable reductions in resources devoted to administrative and operational support activities will continue in the coming year. These changes will be achieved through an in-depth re-engineering of administrative processes: computerization of administrative and information systems, introduction of best practices, decentralization of responsibilities, elimination of duplication and overlap in administrative tasks, reduction of control systems, and greater employee accountability.

Information systems and systems for letting customers and the Canadian public know about the NFB's products and services will be made increasingly efficient and effective through the use of the Internet and the toll-free number.

The NFB will continue its program to reduce staff and diversify its creative personnel and will therefore develop a new policy for the management and development of its human resources.

## **2. Operating Context and Key Initiatives**

### **a) Economic prospects**

The NFB's Parliamentary appropriation was greatly reduced following the federal government's Program Review.

Furthermore, since the NFB supplements its budget with sponsor revenues and sales of its products, it is dependent on market conditions, which at the moment are not ideal, given that the NFB's natural clientele consists of public institutions in the broadcasting, institutional and educational sectors, which are also suffering significant budget cuts.

To cope with these difficult economic prospects, the NFB first implemented a plan to reduce expenses, which will continue through 1997-98 and is intended above all to protect production capacity, even if this means eliminating other activities and expenditures.

Secondly, it has implemented various cost-recovery programs for marketing and distribution, Technical Services, the Stock Shot Library and the CinéRobothèque. The NFB also wants to increase the number of partnership agreements it negotiates with private and public organizations to carry out its Program, while respecting the mandates, interests and ways of operating of the different parties.



## **b) Technological development and the audiovisual sector**

The communications environment of the next century promises to be radically different from today's. The rapid pace of technological development is transforming the way media products are produced, delivered and consumed. Driving this transformation is the merging of communications technologies with computer technologies in the form of digital processing and transmission.

The impact of these developments on audiovisual production is being felt as computer-based tools are becoming the mainstay for image and sound manipulation and for interactive production forms. It is expected that this trend toward the electronic capture, processing and distribution of images in audiovisual production will continue well into the next century.

The avenues for delivery are radically expanding, providing new opportunities for the distribution of audiovisual works. There are specialty and pay-per-view television services, direct-to-home satellite services and digital on-line, on-demand distribution outlets on the horizon. On the international front, there are hundreds of new satellite channels, offering a multitude of distribution opportunities.

The technological environment of the year 2000 has far-reaching implications for the NFB, offering opportunities to explore interactive forms of production, reach audiences through new avenues of distribution and carve a distinctive and relevant role in research and technological development.

## **c) The changing composition of Canadian society**

Over the years, immigration patterns have profoundly altered the ethnic and cultural profile of the Canadian population. The television, film and communications industry is generally slow in reflecting this diversity in the content of its productions and composition of its work force.

The NFB is aware of its own imbalance in this regard and is committed to implementing strategies and programs to correct it. Responsibility for achieving these goals has been restructured under a policy covering all NFB activities, which is reflected in an action plan designed to ensure the gradual incorporation of fair representation of the different ethnic groups and Aboriginal peoples in its staff and programming. This action plan, covering the period from 1996 to 1999, has been prepared in accordance with the new federal *Employment Equity Act*.

### **3. Change Management Issues**

#### **a) Structural changes**

Over the coming year, the NFB will complete the transformation of its organizational structure.

English Program will be restructured into two production streams: a Documentary Program and an Animation/Children/Multimedia Program. In light of the importance of the NFB's documentary output, the Documentary Program will be divided into three parts: Documentary (West), consisting of the four Western provinces, Documentary (Ontario), and Documentary (East), consisting of Quebec and the Atlantic Provinces. In order to foster more creative synergy between staff working in animation, multimedia and children's programming, the expertise developed in these areas of production will be integrated into a single production stream.

French Program will be streamlined but will continue to be structured on a studio model. There will be a total of seven studios mandated to produce audiovisual works in documentary, animation and educational programming. Of these, five will focus on documentary production - three in Montreal, one in Toronto and the other in Moncton.

The restructuring of the English and French production programs will result in a significant reduction in the number of executive producers, producers and directors on staff. It will also allow the NFB access to creative resources across the country, provide more flexibility in its production capacity and make it more responsive to audience needs.

In 1996-97, Technical Services eliminated several sections that were involved in declining technologies and were not cost effective. It will continue restructuring its services and phase-in electronic and digital technologies for production and post-production of films and videos. A new rate structure based on actual costs will make it possible to recover the costs of technical support. This restructuring will increase both the efficiency and effectiveness of the NFB's production process.

The restructuring of national and international marketing will be completed. In the English Program, marketing activities have been grouped together under one national unit to better integrate activities. In French Program, although the distribution officers have been integrated within the production studios, they participate in French Program's general orientation and marketing activities. International Program will reduce staff in the Paris and London offices.

Shifting the focus of marketing activities toward broadcasters and pursuing commercial partnerships in the other markets will make it possible to significantly reduce staff and eliminate less productive means and sectors of marketing and promotion. The restructuring should also allow marketing staff to become more involved in programming decisions.

The Distribution Division no longer operates NFB audiovisual libraries. The film and video rental service has been shut down and the collections transferred to public libraries. However, the Division will continue to sell videos and provide information on NFB products through a single toll-free number serving all of Canada and will still be responsible for shipping orders to customers.

Administration will complete its restructuring with the implementation of a new financial management system which will eliminate a significant number of positions.

#### **b) Downsizing of continuous personnel**

The Early Retirement Incentive and Early Departure Incentive Programs helped achieve the staff reductions necessitated by the budget cuts. Most of the reductions were completed by the end of 1996-97, with the remaining departures to take place in 1997-98 as the new computerized systems are implemented and as productions on which some of the surplus employees are still working are completed.

In non-production activities, certain continuous positions were abolished in order to reduce staff. In production, in addition to reducing staff through the elimination of certain activities, the NFB also wants to transform the management of creative personnel by reducing the number of staff filmmakers to allow for increased use of freelance personnel and those engaged for a fixed term. Eventually, all creative personnel will be freelance or temporary employees.

This new approach will give the NFB access to the most talented filmmakers across the country for carrying out its production program while increasing the productivity of the program as a whole.

#### **c) Technological development**

The coming year will mark an important shift with respect to the use of new technologies already introduced or being introduced in all areas of activity at the NFB. The NFB's ability to absorb severe budget cuts depends in large part on the availability of efficient electronic or computer tools. The acquisition and implementation of these tools throughout its various areas of activity started last year and will continue in the coming year. All areas will be affected: digital and electronic technologies in the production process; commercial software for financial information management, project accounting, human resources information management, purchasing management and management of information on sales and marketing; the Reference Centre computer systems and Internet and Intranet information and communication tools; the CinéRobothèque and RoboCopies (express video duplication service) and further development of the CinéRoute project.

Training programs to meet the specific needs of these technologies will be developed and offered to employees, and help desk and support services will be available to ensure optimal use of these new high-performance tools.

#### **4. Anticipated Results**

##### **a) Activities the NFB will carry out to achieve its objectives**

- ***Documentary production with a concern for audiences and distribution potential***

During its three-year planning period, the NFB wants to make approximately 50 documentary productions and/or co-productions a year. These films will be produced as part of either earmarked programming or discretionary programming.

*Earmarked programming* - Annual programming of 12 high-profile films, 6 of which will be produced by English Program and 6 by French Program. Created with the view of reaching wide audiences, these productions will first be launched on national television networks and then be marketed to other Canadian television outlets, as well as international broadcast and distribution circuits. This programming will consist of individual films, mini-series or anthologies. To ensure the success of this program, these productions will have to be carefully chosen and planned and will require the participation of a broadcaster from their inception.

*Discretionary programming* - Approximately 40 documentary productions and/or co-productions will be made each year as part of discretionary programming, which has traditionally been the hallmark of the NFB. It will be an eclectic mix of projects initiated by staff or freelance filmmakers and producers and designed for very specific audiences from the outset. While these films will not be required to achieve the same level of viewership as the high-profile films, they will all be intended primarily for television, whether general-interest, educational or specialty.

Some of the subject areas French Program will explore over the next few years are science and the economy, the changing workplace, history and social justice, social issues and the situation of Aboriginal peoples.

The dominant themes in English Program will be history and social justice, health, women and society, media violence and interracial relations.

- ***Innovative animation***

The NFB will continue its long tradition of supporting artist-driven, experimental animation production. It also wants to ensure that a certain number of its films specifically target Canadian children and young people, who are exposed to an overwhelming number of entertainment-oriented cartoons.

English Program will undertake production of a series of cross-cultural stories for children aged 8 to 12 and another set of films designed to make young people more aware of various social issues.

French Program will undertake production of a new collection of films to encourage children to read. It will also complete Part 3 of *Droits au coeur / Rights from the Hearth*, a collection of animated films on children's rights, which is being co-produced with several other countries.

- ***New media***

Both production programs will explore original and imaginative use of interactive media to establish new links with young people and present ideas, stories and issues that are truly reflective of their reality.

Some of the projects in development or production are:

*English Program*

*Adventures in History*, an interactive project which will use simulation to present points of view of Canadian explorers and pioneers in order to connect the past with contemporary issues;

*Let's Make a Deal*, a project combining a CD-ROM with an Internet experience inviting the user to create a new geopolitical model;

*Media Literacy CD-ROM*, a project to allow 8-12-year-olds to enter into an imaginary world to discover key concepts in media and to apply that knowledge in a critical manner.

*French Program*

*Sciences en tête*, a series of films on well-known Canadian and foreign researchers to help elementary students understand the world of science.

Research and Technological Development will use its expertise in digital, interactive and computer graphics technologies to support the needs of production projects and continue with its experimental projects in these areas.

- ***Developing new talent***

The NFB will support the development of new talent by creating opportunities for first works within the context of its production program or by providing emerging filmmakers with technical support for their independent productions under the *Filmmaker Assistance Program* and the *Programme d'Aide au cinéma indépendant - Canada*.

- ***Reflecting diversity***

In the NFB's view, part of its mission is to ensure that its productions are increasingly reflective of the diversity of Canadian society, in both the content of productions and the personnel who make them.

Accordingly, English Program will implement the following initiatives: a number of documentary producers will have a special mandate to ensure gender equity and cultural diversity in NFB productions; a senior producer will play a leadership and advisory role on equity; the special filmmaking program for Aboriginal filmmakers will continue; and a strategy will be developed for integrating persons with disabilities.

French Program will require all its producers to ensure that equity goals are implemented, rather than entrusting this responsibility to a single studio. Producers will ensure that all under-represented groups, particularly women and visible minorities, are equitably represented in all aspects of filmmaking.

The *Cinéastes autochtones Program* will also continue with the production of films by French-speaking Aboriginal directors recruited under the program.

- ***A constantly renewed creative force***

In recent years, the NFB has worked to enlarge the pool of available filmmakers, craftspeople and technicians and to work with various industry partners to carry out its production program. The NFB 2000 plan recommends accelerating this shift since it is an essential strategy for achieving its objectives of excellence and innovation in production.

To make room for these filmmakers, the NFB will reduce the number of staff director positions over the next two years and then not replace any other directors who leave the NFB. Next, it wants to attract the most talented filmmakers across the country to help it carry out its production program and will therefore create databases on the creative resources available in Canada.

Co-production is both a means of increasing the production capacity for socially and culturally relevant films of interest to Canadians and of having access to filmmakers who generally work in the independent sector.

- ***Expanding markets***

**Television market** - Since television is the principal channel for reaching target audiences, the NFB will redouble its efforts to pre-sell new productions to ensure higher revenues and guarantee broadcast on either general-interest television or the specialty services.

French Program will benefit from the creation of a new prime-time weekly documentary slot on Radio-Canada on which it will be able to show its productions. It will continue its association with Canal D, which will present a third series of NFB documentaries in the *Filière D* slot. French Program also expects to conclude agreements with Quebec's educational broadcaster (Télé-Québec) and certain English-language specialty services such as Bravo! and Newsworld.

English Program will continue to sell films from the collection to the new specialty services and produce new film compilations and series tailored to the television and specialty services market. It will also explore the independent stations market. In addition it plans to promote national and regional premieres of NFB productions and co-productions in co-operation with its co-producers and network publicists.

International Program expects the demand for documentary programming to increase over the coming year with the arrival of new satellite specialty television stations in Western Europe. Special efforts will be made to promote NFB productions to this new market. The arrival of high-definition television in Europe also has good distribution potential for NFB films, and the Paris office plans to pursue its projects with Supervision, a digital stereo satellite-to-cable channel which will be acquiring documentary programming for broadcast in Europe.

In the United States, efforts will focus mainly on marketing films to public television stations and the new specialty services.

Promotion of the NFB's IMAX productions (*Transitions, Momentum, The First Emperor of China, Mystery of the Maya*) will continue in the United States and other parts of the world.

In 1997-98, revenues from the Asia-Pacific territory are projected to increase based on new demand for productions from cable and satellite operators in Taiwan and Korea, the licensing of two new specialty channels in Australia, and the retaining of a distributor in Beijing for distributing NFB films in China and Hong Kong.

**Consumer video market** - English Program's main strategy will be to increase the number of partnership agreements with cataloguers, specialty distributors and publishers (particularly Reader's Digest) and to develop new agreements with other intermediaries by offering them a wider range of products. It will increase its presence in the retail market, especially bookstores, multimedia stores and video rental chains.

French Program will concentrate on developing agreements only with intermediaries likely to order large quantities of films.

International Program will try to interest cataloguers in special-niche products such as *Leonard Maltin's Animation Favorites*, *Glenn Gould* and *The Acadian Connection*.

**Institutional and educational markets** - Both production programs will prepare new compilations and collections to serve these markets and will gradually add new media such as CD-ROMs to their product lines.

The NFB will also try to develop partnerships with governments and private corporations for sponsoring videos in schools and public libraries.

International Program will, among other things, promote two new compilations entitled *Live TV* and *Reading TV* in an effort to tap into the media literacy market. The development of the Eastern European and Asia-Pacific markets through two new specialty distributors in these territories should also be good for sales.

- ***Conserving the collection and providing access to the audiovisual heritage***

The NFB will take the necessary measures to ensure the conservation of its film collection. It will examine the physical condition of the films in its collection and complete the renovation of the vaults and implementation of the refrigeration system required for conserving its audiovisual heritage. Research will be undertaken in consultation with international experts to find new long-term conservation methods for the different audiovisual media.

The NFB will make its heritage collection more accessible, while safeguarding the original materials. It will continue transferring the heritage collection to video masters for subsequent transfer to videodisc at the CinéRobothèque, where the public can consult and purchase videocassette copies of the films.

- ***Advancing filmmaking***

The research program will consist of four areas of action:

- Contributing to the development of expertise in the conservation and restoration of the NFB's collection;
- Expanding the CinéRoute network (a system providing NFB films on demand), and creating a universal interface server for CinéRoute and the CinéRobothèque;
- Supporting the development of NFB expertise in interactive production and distribution;
- Evaluating and implementing digital production tools.



- ***Optimizing resources***

Production capacity will be maintained by reducing non-essential administrative and operational support activities, modernizing and re-engineering the production process, developing partnerships in all NFB activities, implementing cost-recovery programs in Technical Services and Marketing, computerizing administrative and operational tasks and gradually reducing continuous creative personnel.

**b) Impacts and effects of the Program and performance indicators**

<b>The NFB's goal is to provide:</b>	<b>To be demonstrated by:</b>
<i>A contribution to the development of Canadian society by producing socially and culturally relevant films for Canadian audiences</i>	<ul style="list-style-type: none"> <li>• impact indicators such as audience ratings</li> <li>• media coverage</li> <li>• analyses undertaken within program evaluation framework</li> </ul>
<i>A significant Canadian documentary and animation presence on television and in other distribution avenues</i>	<ul style="list-style-type: none"> <li>• the share occupied by these products in its broadcast niches</li> <li>• the extent of their distribution in the different markets</li> </ul>
<i>The conservation of and access to an important Canadian audiovisual legacy</i>	<ul style="list-style-type: none"> <li>• comprehensiveness of its conservation policies</li> <li>• the size and reach of its access network</li> <li>• the volume and quality of services rendered to the public</li> </ul>
<i>A contribution to the development and growth of Canadian cinematography</i>	<ul style="list-style-type: none"> <li>• the quality and success of its experimental and innovative film projects.</li> <li>• the application of leading-edge technologies to its production, distribution and communication processes</li> <li>• the performance of its co-production activities and its assistance and support programs for independent filmmakers across the country</li> </ul>
<i>A sense of shared pride in our international performance</i>	<ul style="list-style-type: none"> <li>• the volume of its exports to the different world markets</li> <li>• its success in international festivals</li> <li>• its presence at film events around the world</li> </ul>
<i>Efficient and responsible program delivery</i>	<ul style="list-style-type: none"> <li>• the performance indicators will be reviewed in light of the re-engineering of administrative and operational processes undertaken in accordance with the NFB 2000 plan</li> </ul>

## 5. Financial Tables

**Figure 5: Resource allocation by programming component**

(thousands of dollars)	Main Estimates* 1996-97	Main Estimates 1997-98	Planned 1998-99	Planned 1999-00
Broad distribution	13,550	<b>12,674</b>	12,300	12,368
Education	7,260	<b>6,856</b>	6,831	6,869
Animation	6,775	<b>6,237</b>	6,150	6,183
Documentaries	20,810	<b>19,379</b>	19,133	19,239
Canadian Marketing	5,755	<b>5,050</b>	5,000	5,000
International Marketing	2,260	<b>2,170</b>	2,166	2,166
<b>Total</b>	<b>56,410</b>	<b>52,366</b>	<b>51,580</b>	<b>51,825</b>
Revenues	7,800	<b>8,000</b>	8,000	8,000
<b>Net total</b>	<b>48,610</b>	<b>44,366</b>	<b>43,580</b>	<b>43,825</b>

\* 1996-97 Main Estimates have been changed to reflect new programming objectives.

**Figure 6: Resource allocation by component and by area of responsibility**

(thousands of dollars)	Main Estimates 1997-98		Planned 1998-99		Planned 1999-00	
	English Program	French Program	English Program	French Program	English Program	French Program
Broad distribution	6,337	6,337	6,150	6,150	6,184	6,184
Education	4,800	2,057	4,782	2,050	4,809	2,061
Animation	4,158	2,079	4,100	2,050	4,122	2,061
Documentaries	13,081	6,298	12,915	6,218	12,986	6,253
Canadian Marketing	3,030	2,020	3,000	2,000	3,000	2,000
International Marketing	1,628	543	1,625	541	1,625	541
<b>Total</b>	<b>33,033</b>	<b>19,333</b>	<b>32,572</b>	<b>19,008</b>	<b>32,726</b>	<b>19,099</b>
Revenues	5,162	2,838	5,162	2,838	5,162	2,838
<b>Net total</b>	<b>27,871</b>	<b>16,495</b>	<b>27,410</b>	<b>16,170</b>	<b>27,564</b>	<b>16,261</b>
<b>Total Program</b>	<b>44,366</b>		<b>43,580</b>		<b>43,825</b>	

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## SECTION III - AGENCY PERFORMANCE

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### A. SUMMARY OF AGENCY PERFORMANCE

The 1995-96 fiscal year was marked by a vast strategic planning exercise for re-engineering the NFB's major business processes. This was prompted by an anticipated 25% reduction in the NFB's Parliamentary appropriation and a review of the NFB mandate by a special committee appointed by the government and chaired by Pierre Juneau. The resulting long-term plan, entitled *The National Film Board of Canada in the Year 2000*, which was adopted at the end of the fiscal year and put into effect as of 1996-97, will serve as the frame of reference and orientation for future annual plans.

At the same time, the NFB continued its production and distribution activities in line with its existing strategic objectives.

**Television programming** - The programming released during the year was well received in the various media and by target audiences. Average audiences - the indicator used to evaluate the performance of NFB films broadcast on conventional prime-time television - were up approximately 15%. The strategy of using the new specialty services proved successful with the airing of a great many NFB films. The number of telecasts increased by 35% and the number of film titles broadcast by 53%.

**Video market** - To generate videocassette sales, the NFB worked with various partners in the sectors of distribution, publishing and video retail chains to market its productions to consumers and the institutional market. Sales increased in the consumer market but decreased in the institutional market, reflecting the budget cuts affecting schools and public institutions.

**Film loans and rentals** - The NFB continued with its strategy of transferring its collections to public libraries and other educational institutions, resulting in a 23.5% increase over the previous year in the number of productions borrowed, primarily owing to 16 new partnership agreements.

**Collection** - The NFB continued transferring its collection to videodisc, adding 1,179 new titles to the collection available through the CinéRobothèque. It conducted research to ensure the long-term conservation and integrity of its audiovisual heritage. It improved its information systems for internal and external clients by restructuring the Call Centre and providing access to its film database through the new NFB Internet site.

**New technologies** - The NFB continued with its program of implementing new electronic and digital technologies in its production and post-production processes, particularly in visual effects, editing and mixing. It also continued with development of the CinéRoute remote films-on-demand pilot project by linking up three universities to the CinéRobothèque.

**Exports** - NFB revenues rose in foreign markets, largely as a result of new partnerships for exporting its products in the theatrical markets and institutional networks and getting a foothold in the Eastern European, African and Asia-Pacific markets.

**International visibility** - The NFB received 80 awards in the various festivals it was invited to participate in, demonstrating the continuing excellence of its production. It also took part in a number of cultural events around the world, thus helping to promote the international reputation of the NFB and the Canadian film industry.

## **B. DETAILS OF AGENCY PERFORMANCE**

### **1. Demonstration and Review of Performance**

This part reports the results obtained compared with the objectives set at the beginning of fiscal 1995-96. Since the beginning of the 1996-97 to 1999-2000 planning cycle, certain changes have been made in the NFB's objectives and activities, as noted in the part on Change Management Issues and reflected in the part on the Agency Plan in Section II of this document.

#### **a) Contribute to the development of Canadian society by producing socially and culturally relevant films for Canadian audiences**

- ***1995-96 programming highlights***

In a society increasingly based on the knowledge economy and with a radically changing audiovisual landscape, the NFB's programming strives to educate, entertain and promote reflection. Its 1995-96 programming, in line with the orientations of the two previous years, consists of a variety of subjects and cinematographic approaches reflecting the interests of the general public. Another important aspect of its programming is to help sensitize more specialized audiences and young people to important social issues. The success of its productions and the year's media coverage would indicate that the NFB has achieved these goals.

A number of films highlighted the contributions of outstanding men and women. *Armand Frappier : Pasteur, mon violon, ma mère and moi*, about the life and discoveries of a great Canadian scientist, won the award for best scientific film and the award of cinematographic excellence at the 6th Festival international du film scientifique du Québec.

*Protection Force*, a three-part series on the work of Canadian peacekeepers in Bosnia and Croatia, had a gala launch to 2,000 members of the Armed Forces at the Jubilee Auditorium in Calgary. The episode entitled *The Price of Duty*, which shows the courage of army engineers responsible for clearing mine fields in this conflict, won three awards, including the Alberta Motion Picture Industry's award for best direction in a documentary.

*Le Jardin oublié - La Vie et l'œuvre d'Alice Guy-Blaché*, a documentary about the life and work of the world's first woman filmmaker, made to mark the centenary of cinema, premiered in French on Radio-Canada and in English on Bravo! before being screened in Paris. The co-production *The Champagne Safari*, a profile of Charles Bedaux, the legendary industrialist who became involved in international intrigue, won the Genie Award for best feature-length documentary.

*Une vie comme rivière*, about Simonne Monet-Chartrand, a spirited woman with strong convictions who left her mark on Quebec society, was launched on International Women's Day before touring 11 cities and towns in Quebec, Manitoba and British Columbia. It received considerable media coverage with 123 interviews given by the directors.

The IMAX film *Mystery of the Maya*, co-produced with the Canadian Museum of Civilization and the Instituto Mexicana de Cinematografía, had a gala premiere at the Museum of Civilization in Hull and was then shown to Canadian and foreign audiences in giant-screen theatres in Canada, the United States, Mexico and Europe and participated in the IMAX Film Festival at the Géode in Paris.

A number of high-profile documentaries spotlighted Canada's part in World War II and the role of the Canadian Armed Forces in peacetime. The 50th anniversary of the end of the War was celebrated with the three-part series *Canada Remembers*, and its French adaptation, *Le Temps d'une guerre*, which were enthusiastically received by veterans and the general public, who purchased thousands of videocassettes following the prime-time broadcasts on CBC and Radio-Canada.

*Thân, dans la guerre invisible* is a reminder that Cambodians continue to be killed and maimed by anti-personnel mines years after the end of the war. An indictment of the arms trade, the English version of this moving documentary, *Thân in the Invisible War*, had its world premiere at the United Nations in New York.

New animated films appealed to children's real and fantasy worlds, sensitizing them to the interdependence of human beings and the environment in *The Sandbox* and to the problem of smoking and addiction in *Mouseology*. *The End of the World in Four Seasons / La Fin du monde en quatre saisons* won the Grand prix des Amériques at the Montreal World Film Festival for its artistic and technical excellence and the universal values it conveys.

The Oscar-winning *Bob's Birthday* continued to garner honours, winning the short film award at the Annecy International Animated Film Festival. Under an agreement with Famous Players, four animated shorts, including *Bob's Birthday*, screened to audiences in 66 motion picture theatres across Canada, where they were seen by over 300,000 spectators.

In the *Multiple Choices* and *Beauty Begins Inside / Bien dans sa peau* series, young people speak up about violence and the influence of the media. Produced in co-operation with a number of government departments, these original films, in English and French, gave young people a chance to voice their concerns regarding interpersonal relations, the family, love, spirituality and health. The *Economix / Économixte* series, produced in both English and French, offered a very lively and dynamic introduction to economics. Two films about democracy, *Vivre ensemble* and *Impressions sur la liberté*, and the *Connaissance des médias* collection were completed and distributed during the year, as planned.

We should also note that a rare collaboration between the two production programs allowed the making of a special documentary about the Quebec referendum. For *Referendum-Take 2-Prise deux*, a score of English, French and Aboriginal filmmakers filmed politicians, journalists and citizens from all walks of life, recording their thoughts and impressions as this historic event unfolded.

- ***The NFB on television***

Canadians had access to NFB films via telecasts on many of the conventional networks and on the different specialty services, where the penetration rate continues to rise. On average, 80% of those who watch NFB films are reached through television. In 1995-96, the number of Canadian telecasts jumped 35%, following the acquisition of a great many NFB titles by the newly licensed specialty services the previous year.

**Figure 7: Number of film broadcast in Canada**

1994-95	1995-96
3,835	5,082

These figures demonstrate that the NFB continues to be an important source of programming for broadcasters and that its productions provide Canadian content for Canadians all across the country.

- **Conventional television**

Most NFB productions or co-productions are "one-off" documentaries, making it difficult to compare their results with those of regularly recurring programs, which build a loyal audience. However, the ratings for NFB productions can be evaluated in terms of results obtained in previous years for comparable productions.

The number of documentaries that reached more than 300,000 viewers during their broadcasts rose by 25% over the previous years' average viewership. The average audience figures continued to grow, as can be seen in the following table.

**Figure 8: Average Viewership for NFB documentaries**  
(300,000 or more viewers)

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	English-language networks	French-language networks
Average - last 3 years	550,000	400,000
1995-96	560,000	533,000

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Some very good results were achieved by two productions broadcast in the CBC *Witness* slot; *War at Sea* drew 712,000 viewers for its first episode, while *The Sterilization of Leilani Muir* garnered an audience of 522,000. On the French-language networks, *Quand l'amour est gai* drew 600,000 viewers on TQS, while *La Traversée de la nuit*, about the daily struggles of persons with disabilities, was watched by 649,000 viewers on the TVA network.

The biggest hit of 1995-96 was inarguably the series *Canada Remembers*. The first episode alone was seen by 729,000 viewers on the CBC and 503,000 on SRC for the French adaptation, *Le Temps d'une guerre*. The series as a whole, on both national networks, drew 2.9 million viewers.

Although animated films are mostly used as fillers by broadcasters and are therefore not advertised in the TV schedules, NFB animated films did very well this year. *Reznikoff's Revenge* and *Blackfly* attracted audiences of 853,000 and 568,000 viewers respectively on CBC, while *Juke-Bar* was seen by 370,000 viewers on SRC.



- **Specialty services**

As existing audience ratings instruments are not precise enough to measure the many, but limited, audiences of specialty services, the number of titles presented during the year is a more meaningful indicator, given the specialty services' practice of repeating their programming three to five times during the week.

**Figure 9: Number of titles shown on Canadian television**

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1994-95	1995-96
702	1,070

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The number of titles increased 53% over the previous year, thereby confirming the richness and enduring attraction of the films in the NFB collection.

It is also important to note that the vast majority of these titles were shown on the specialty networks, which are most suited to the NFB's type of programming.

**b) Ensure a significant Canadian documentary and animation presence on television and in other distribution avenues**

- **Programming**

The NFB completed 110 new original productions and co-productions in 1995-96. This production volume represents an extremely important critical mass for the documentary and animation production industry since it contributes significantly to ensuring the maintenance and development of production, distribution and marketing structures and staff in these areas of Canadian film expertise, in addition to responding to needs often expressed by general-interest and specialty audiences, especially in the educational sector. The following table contains a breakdown of original programming for the past two fiscal years.

**Figure 10: Number of original productions and co-productions completed in 1995-96**

	1994-95		1995-96	
	NFB Productions	Co-productions	NFB Productions	Co-productions
French-language	20	6	13	18
English-language	21	30	39	36
Multilingual	8		2	1
IMAX				1
Total	49	36	54	56

The most striking observation is year-to-year variations in the number of films completed. However, this reflects production cycles rather than performance since a number of productions and co-productions were in post-production in 1995-96, whereas they had been in production the previous year.

In line with the objectives set, the bulk of 1995-96 production consisted of documentaries (86). Of the 14 dramas completed, seven were made specifically for the educational sector. The remaining production consisted of nine animated films and one IMAX film.

- ***Penetration of Canadian markets***

Most of these productions were launched and marketed in 1995-96, and the remaining ones will be in 1996-97. These original films and videos, along with some thirty versions and adaptations and several compilations, were added to the NFB's active collection which it promoted and marketed in the different distribution channels to reach Canadian audiences.

Since revenues are a good indicator of market penetration, the following table compares revenues for the past two years in each market sector.

**Figure 11: Canadian distribution revenues by market sector**

	1994-95	1995-96
Television	1,433,753	678,221
Theatrical and non-theatrical	246,413	275,939
Videocassette sales	1,970,805	1,882,584
Rentals	271,673	161,105
Sub-total	3,922,644	2,997,849
Stock shot sales	178,205	206,267
Total	4,100,849	3,204,116

The drop in overall revenues was primarily due to the decline in sales to the television market. The 1994-95 level was exceptional for two reasons. First, hundreds of hours of NFB productions had been sold to the various newly licensed specialty services for their first two years of programming. In 1995-96, the rate of acquisition slowed down considerably as the specialty services entered their broadcast cycle. Second, the NFB's change in orientation away from drama also lowered anticipated revenues. In 1994-95, for instance, the sale to television of the dramatic feature collection *Familiarité* had brought in over \$860,000.

In the theatrical market, revenues were generated mainly by the IMAX film *Mystery of the Maya*, which was sold and screened in a number of Canadian theatres.

In the videocassette market, the number of consumer sales increased, while institutional sales decreased, reflecting serious budget cuts suffered by schools and public institutions, which make up a large portion of the NFB's clientele.

Film rental revenues continued to decline. The NFB has recently decided to cease its rental operations and concentrate on sales.

Lastly, improvements in the operation of the Stock Shot Library resulted in an increase in revenues.

**c) Ensure the conservation of and access to an audiovisual heritage**

- ***Evaluation of the condition of the collection and transfer to videodisc***

Another NFB objective is to evaluate the condition of its collection and determine appropriate measures to ensure its long-term conservation. The head of Research and Technological Development participated in an National Archives working group and made recommendations in terms of using the audiovisual heritage and preserving film, video and sound materials.

A series of tests were conducted to verify the condition of the NFB collection and the National Archives collection, and a study was also conducted to ascertain the climate control in the NFB vaults. A project for developing a container to ensure long-term protection of conservation materials during storage was undertaken in co-operation with the Centre de recherche industrielle du Québec (CRIQ).

The transfer of the collection to videodisc at the CinéRobothèque continued, with 1,179 new titles transferred during the year. As at the end of 1995-96, the CinéRobothèque collection consisted of a total of 3,526 titles - 1,896 in English and 1,630 in French. Visual indexing of almost all available titles was completed, representing nearly 35,000 images and 7,000 film excerpts.

- ***Improvement of NFB collection information systems***

An internal committee was established to review the quality of information at the NFB and establish quality criteria and standards for the handling of information to ensure it is accurate, relevant and universal. The regional 1-800 lines were integrated into a single 1-800 line at the Call Centre at Montreal Headquarters, and the order-capture system was refined in order to provide the NFB's internal and external clients with a more flexible service tailored to their needs. This resulted in an increase in the number of calls and orders processed, as can be seen in the following table.

**Figure 12: Customer services activities**

	1994-95	1995-96
1-800 calls	11,242	14,214
Orders processed	24,569	31,009

The NFB also launched its Internet site at the Toronto International Film Festival in September 1995. The number of visits to the site and searches in the computerized database on the collection (FORMAT) are proof of its success. Almost from the beginning, the site has received more than 1,200 visitors a day, and during its first seven months of operation, more than 170,000 searches were conducted in FORMAT. In making this unique research tool on Canada's audiovisual heritage available in the new information technology networks, the NFB ensures the presence of Canadian content on the information highway.

- ***Promotion of the CinéRobothèque***

1995-96 was a very important year for the CinéRobothèque. The technology developed for this project received a great deal of media coverage again this year, adding to the NFB's reputation in Canada and abroad and maintaining its leadership position in the field of new technologies.

An effective promotional strategy and partnerships with other organizations increased the visibility of the CinéRobothèque, which is now one of the tourist destinations listed by the Greater Montreal Convention and Tourism Bureau. The item on the CinéRobothèque on the SRC series *Découverte* aired for the sixth time, attracting an average audience of 522,000. The number of visitors rose significantly, with group visits up 29.8%. The total number of consultations through the CinéRobothèque was 28,111.

In the second client survey, 84.4% of respondents said they had found what they were looking for at the CinéRobothèque and Videoclub, compared with 80% the previous year.

**d) Contribute to the development and growth of Canadian cinema**

- ***New means of creation***

While cinema depends on the artistic vision and personal point of view of its creators, it also, more than any other form of expression, uses leading-edge technologies in the production and post-production processes.

The first steps have been taken toward creating an integrated network for exchanging images and sound via fibre optics. The Visual Effects Section has evolved into Digital Imaging Services, producing special effects and titles in an entirely digital environment. The two animation studios are connected to it through an electronic network, thus increasing the efficiency and quality of the digital images produced. Animated films are also increasingly using these new creative tools along with traditional animation techniques. Digital editing is becoming increasingly common both at Headquarters and in the regional production centres. The sound editing suites and mixing studios and the Sound Effects Library, which contains thousands of sound effects transferred to CD-ROM during the year, can now exchange data electronically.

- ***New distribution technologies***

CinéRoute, the remote films-on-demand pilot project linking the Université du Québec à Montréal and McGill University to the CinéRobothèque, was officially launched by the Commissioner at Production 95. A real-time link was also set up between Cannes and the CinéRobothèque for the Milia multimedia market. Trials with this pilot project continued during the year and now also include the Université du Québec à Chicoutimi.

The study on establishing an express video duplication service was partly completed during the year. And, last but not least, the NFB obtained a patent for the CinéRobothèque robot from the US Patent Office.

- ***Access to the means of expression and distribution***

In addition to using its own resources for directing and shooting its productions, the NFB uses freelancers of all sorts, thus helping to create specialized jobs and develop filmmaking skills, particularly in the regions.

A recent NFB study reveals that in the past five years 58% of French Program films and 69% of English Program films were made by freelance filmmakers. The objective set in action plans over the past few years was to reach the level of 70%. In 1995-96, approximately 80% of original productions were made by freelance filmmakers.

Of the 110 new original productions completed during the year, 56 were co-produced with the independent sector across Canada. The development of a filmmaking infrastructure can also be measured by the fact that 9 of the year's co-productions originated from the Prairie, Pacific and Atlantic regions.

- ***A regional presence***

The NFB's contribution to the development of regional filmmaking was highlighted in 1995-96. The 20th anniversary of French Program's Centre ontariois was celebrated by, among other things, the prime-time broadcast of 24 of its films on the French network of TVOntario. It was also the Pacific Centre's 30th anniversary, which was marked by a weekly 10-part series broadcast on the Knowledge Network.

We should also note that efforts made in recent years to achieve greater visibility for regional productions through access to the national broadcasters have had tangible results. CBC aired an unprecedented 11 productions (5 NFB productions and 6 co-productions) from the Prairies and British Columbia, including the *Protection Force* series and *The Sterilization of Leilani Muir*. Two films produced in Moncton were aired on SRC's *Les Beaux Dimanches* slot: *L'Acadie retrouvée* and *Les Années noires*, which attracted 241,000 and 382,000 viewers respectively.

- ***A presence for emerging filmmakers***

Despite the impact of budget cutbacks on the available resources, the NFB decided to maintain its support programs for independent filmmakers: *Aide au cinéma indépendant - Canada* (ACIC) and *Filmmaker Assistance Program* (FAP). More than 230 projects across the country received NFB support under these programs.

In its regular programming, the NFB devotes a large part of its production resources to the making of first works or first professional films. In order to better reflect Canada's cultural diversity and present Canadians with other points of view in its films, the NFB continued its programs to recruit filmmakers from the First Nations and cultural communities.

English Program's *Fast Forward* documentary internship program was established to help develop a new generation of documentary filmmakers by offering them a three-year contract to direct their first film and start another. Two new filmmakers were added to the first four recruited two years ago, and four films were in post-production in 1995-96.

The *New Initiatives in Film* program ended this year and its objectives have been incorporated into regular production activities.

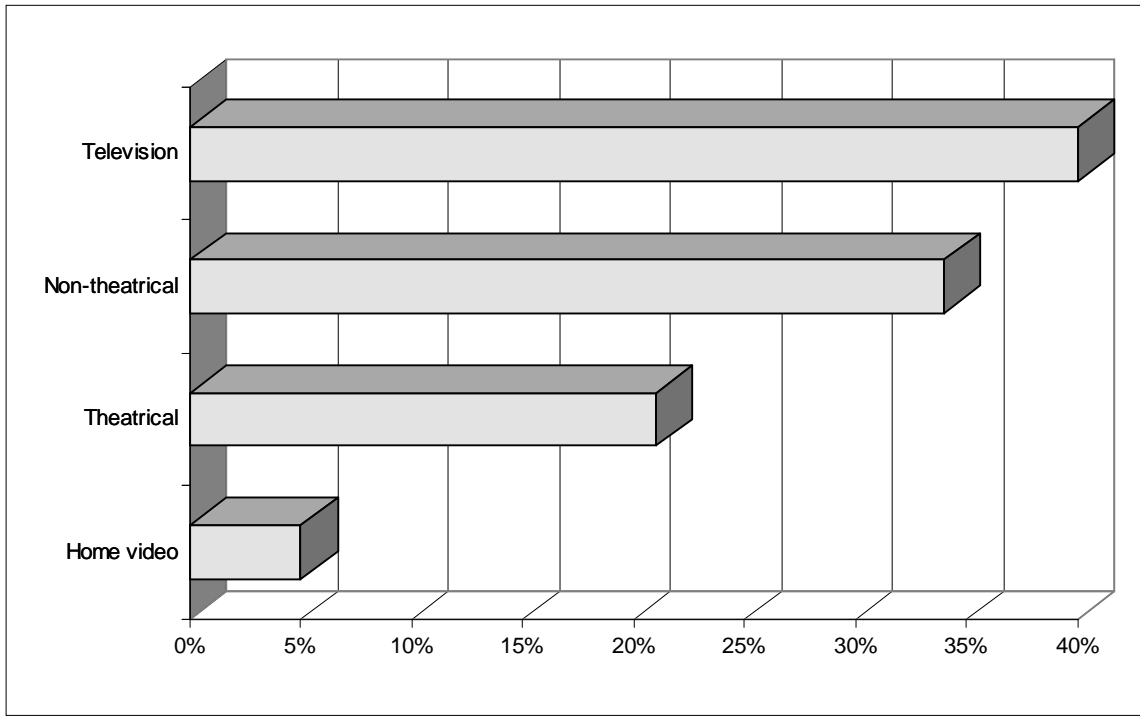
French Program continued its *Cinéastes autochtones* training program with the recruitment of a second director trainee. By the end of the fiscal year, he had already started researching his film, while the first winner of the competition was beginning to edit hers.

**e) Expand international markets and promote international visibility**

- ***Growth in exports and revenues***

International sales revenues were up 4.9% over the previous fiscal year, continuing their upward trend (in 1994-95, revenues increased by more than 30% over previous years).

**Figure 13: Breakdown of international revenues by market**



Although there was a slight drop in revenues from television sales, revenues rose in the theatrical and institutional markets, which are traditionally more difficult for Canadian products to penetrate. The increase in theatrical revenues was primarily due to sales of the IMAX films *Mystery of the Maya* and *The First Emperor of China*.



- ***Presence on international television networks***

Below are some of the outstanding results for the year 1995-96.

In England, the BBC broadcast two half-hours of animation, which attracted 2.3 million and 2 million viewers respectively, while Channel Four aired *Forbidden Love* and *When Shirley Met Florence*.

In the United States, the Arts & Entertainment Channel acquired 11.5 hours of programming; the History Channel showed 15 programs consisting of NFB films; and WNET, the biggest PBS station, aired the *Women and Spirituality* series during its fund-raising campaign.

In Asia, some 200 hours of films, worth US\$ 180,000, were sold and will be broadcast during the next 18 months on Taiwan's Network 3.

- ***Penetration of institutional, educational and theatrical markets***

NFB films are valued for their educational content by a great many foreign users and also attract the general public when shown in theatres.

Brooklyn public libraries (part of the New York State Public Library Consortium) and public libraries in New Jersey, Iowa and Maryland added 10,000 NFB videos to their collections.

In Australia, an agreement was signed with Film Australia Limited for distribution of 14 hours of films in the school and institutional networks.

In the theatrical market, *Mystery of the Maya* was shown in IMAX theatres in Tijuana, Mexico City and Papelote (Mexico), Albuquerque (New Mexico), Scottsdale (Arizona) and at the Géode in Paris.

- ***Penetration of video and new transmission technologies markets***

New markets are opening up with the advent of new video transmission technologies.

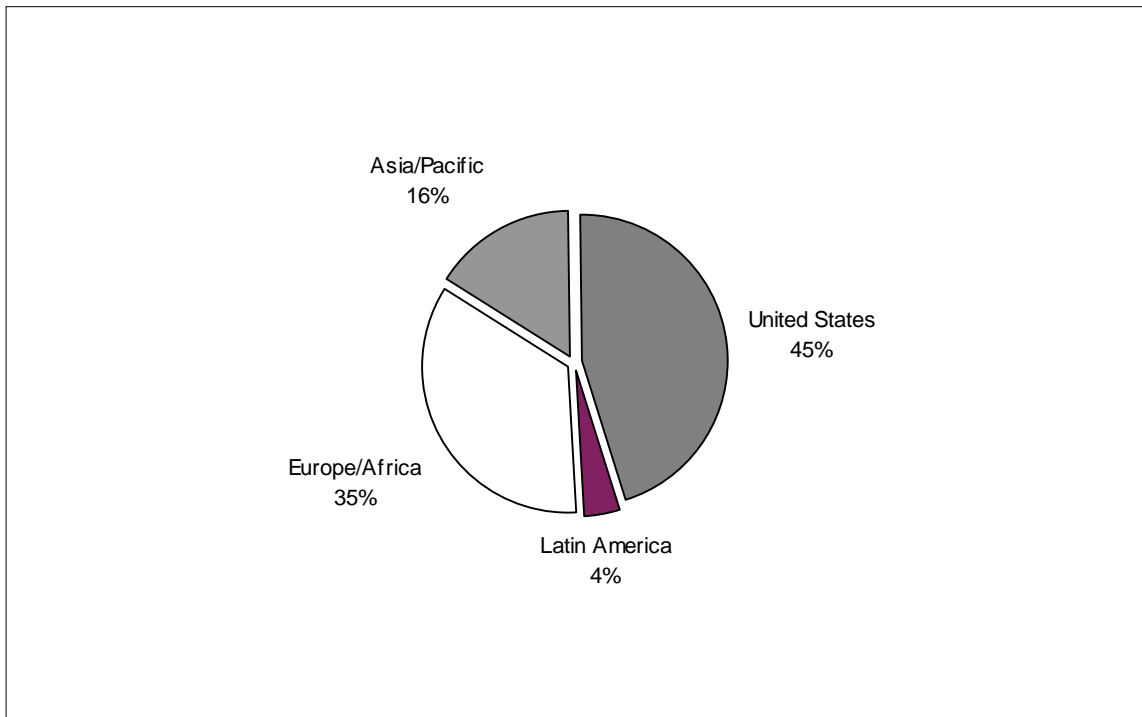
In Korea, consumers will have access to the series *The Art of the Animator* via Video Direct Telephone, while the Hong Kong firm of Cincrown will use VOD (video-on-demand) to distribute 120 NFB titles.

A number of NFB productions will be broadcast in China under an agreement with an American cable distributor operating there.

Consumer video distribution agreements have been signed in Argentina, the United Kingdom, Hong Kong and China, and French youngsters can obtain Part 1 of the *Droits au coeur / Rights from the Heart* collection through the Nathan distribution network in Paris.

The following chart shows 1995-96 revenues generated in all markets, broken down by territory.

**Figure 14: Breakdown of international revenues by territory**



While the United States is still the most profitable territory, accounting for 45% of total revenues, there is a significant upward trend into the European and Asia-Pacific territories. It was only in 1994-95 that the NFB first decided to participate in the MIP-ASIA market held in Hong Kong, and Asia-Pacific revenues have been rising ever since.

- **Participation in international festivals**

In 1995-96, the NFB received a total of 80 international awards, confirming the excellence and international competitiveness of Canadian cinema.

**Figure 15: Participation in international festivals**

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	1994-95	1995-96
Festivals participated in	265	259
Awards won	89	80

---

The NFB won a George Foster Peabody Award for the film *Fat Chance*, the first time it has received this coveted award presented in New York.

Seventeen NFB films were presented at the prestigious Annecy International Animated Film Festival, the only such festival with a thematic market attracting some 4,000 professionals from 70 countries. Three of these films picked up a total of five awards, including the short film award for *Bob's Birthday*, the UNICEF Prize for *Ex-enfant / Ex-Child* and a mention of special distinction for *Divine Fate*.

Two media and audience favourites continue to garner honours. The co-production *The Boys of St. Vincent*, which has gathered over 20 awards and prizes since its launch, won the award for best TV mini-series presented by the National Board of Review of Motion Pictures at a ceremony in New York. The films of the *Droits au cœur / Rights from the Heart* collection, inspired by the UN Convention on the Rights of the Child, picked up 11 more international awards this year, bringing to 29 the total number of awards won to date.

A number of documentaries took honours at the 25th National Educational Film & Video Festival in Oakland, California, where 10 films won a total of 10 awards, and at the 31st Chicago International Film Festival, where NFB films picked up 7 awards.

- **Participation in special events**

A number of prestigious events paid tribute to the NFB and its films and filmmakers.

The Los Angeles-based Association of Motion Picture Arts and Sciences held special screenings of several NFB Oscar-winning animated films.

La Cité des Sciences et de l'Industrie de La Villette, in Paris, presented 17 films as a tribute to NFB achievements in animation, while the Vidéotheque de Paris marked the centenary of cinema with a screening of *Le Jardin oublié - La Vie and l'œuvre d'Alice Guy-Blaché*.

New York's Columbia University presented six evenings of NFB feature films and shorts which had won or been nominated for an Oscar.

The 20th Annecy International Animated Film Festival, in France, paid special tribute to the cinema of Norman McLaren, presenting his unreleased experimental films and the work of three other NFB animators.

Filmmaker Pierre Perrault was granted an honorary doctorate, along with Andrzej Wajda and Carlos Saura, by the Université Lumière in Lyon, France.

The NFB attended the 4th United Nations Conference on Women, in Beijing, China, and two of its recent films were shown at the Canadian Embassy there.

In Belgium, the films *Le Mouton noir* and *L'Art de tourner en rond* served as discussion-starters at a seminar on the impact of the constitutional debates held at the Centre d'études canadiennes at the Université de Bruxelles.

The film *Dinosaurs: Piecing It All Together* was part of an exhibition at the American Museum of Natural History in New York City and was also available for purchase on video at the museum gift shop.

- ***Promoting filmmaking excellence and expertise abroad***

Animator Jacques Drouin was invited to give a series of workshops on pinscreen animation at Annecy, Lausanne and Paris. He also appeared on a program broadcast by Télévision Suisse Romande.

In addition to selecting two NFB films, the Siggraph international trade fair for new imaging technologies, which was held in Los Angeles, invited NFB animators to give workshops on leading-edge techniques used in the animation studios.

The technological developments at the CinéRobothèque have built an international reputation, attracting such distinguished foreign visitors as the chargés de mission for the future Cité Image et Son in Paris.

- **World premieres**

Two Canadian films had world premieres on the international scene in 1995-96.

*Thân in the Invisible War*, the English version of *Thân, dans la guerre invisible*, about the problem of anti-personnel mines, was shown at the United Nations in New York in the presence of the Executive Director of UNICEF, the Cambodian Ambassador and the NFB Commissioner.

To mark 100 years of diplomatic relations between Canada and Australia, the film *Marco Polo* was launched in Canberra, in close co-operation with the Canadian High Commission.

**f) Ensure efficient and responsible management**

In the major re-engineering of its business processes in 1995-96, the NFB tried to protect its production capacity as much as possible by planning considerable reductions in its infrastructure and administrative expenses, proposing measures to make its production process more efficient, and instituting cost-recovery programs in different areas of activity.

In implementing these major changes, the NFB will achieve a very significant improvement in its efficiency and productivity.

**2. Change Management Issues**

**a) Diversifying the means of service delivery**

**Audiovisual libraries** - For some time now, in an effort to improve its efficiency and effectiveness, the NFB has been phasing out its audiovisual libraries and replacing them with partnership agreements with public libraries and educational institutions and a film and video sales service via its toll-free number. During 1995-96, the Vancouver, Edmonton, Winnipeg, Moncton and Halifax audiovisual libraries were closed and their sales services were centralized at the Call Centre at Montreal Headquarters.

Following these changes, 16 new agreements were negotiated and signed with public libraries, educational institutions and cultural associations in British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick and Nova Scotia to enable local residents to borrow NFB films, usually at no charge. A publicity campaign to inform customers and the general public was conducted in cities where the audiovisual libraries closed down, which helped limit the negative impacts and maintain the NFB's clientele. A standard partnership agreement was drawn up and implemented. Integrating the regional 1-800 lines into the Montreal Call Centre, training Call Centre staff and extending the hours of operation have improved the quality of service to the public.

## **b) Impact of the government Program Review**

Just before the beginning of the 1995-96 fiscal year, the Government of Canada announced that the NFB's budget would be cut by 5% that year, and that it was appointing a special committee to review the mandates and financial resources of the NFB, the Canadian Broadcasting Corporation and Telefilm Canada. The NFB therefore took the following initiatives:

- ***1995-96 budget cuts***

The reduction plan for this first phase (5%) was based on reducing administrative costs, (including accommodation and tenant services), streamlining the production, marketing and technical services infrastructure, and closing down five audiovisual libraries. Early retirement and departure incentive programs were established, resulting in some 40 employees voluntarily leaving the NFB, in addition to the 15 or so in the audiovisual libraries who were laid off.

- ***Mandate Review Committee***

In May 1995, the three-person committee chaired by Pierre Juneau undertook its review, in which the NFB collaborated closely by providing the necessary information, studies and analyses and making available to the committee the findings of its internal review of its role, activities and resources with a view to a further round of budget cuts.

The Juneau Committee tabled its report at the end of fiscal 1995-96, confirming the relevance of the NFB's mandate and recommending changes to its activities and management. The NFB took these recommendations into account in developing its long-term plan, known as the NFB 2000 plan.

- ***NFB 2000 plan***

On the arrival of the new Commissioner in April 1995, and with the support of management consultants, the NFB undertook an exhaustive exercise of strategic planning and in-depth re-engineering of its programs.

Three factors warranted such an extensive review:

- the expectation of major reductions in the Parliamentary appropriation of up to 25% over 3 years;
- the review of the NFB's mandate and resources by the Mandate Review Committee;
- the need to reinvent the NFB to enable it to function more efficiently in the audiovisual industry of the 20th century.

The process which resulted in the NFB 2000 plan consisted of three phases:

- An initial period of reflection and strategic positioning during which a discussion paper was prepared and distributed to all personnel at the NFB and certain key stakeholders in the independent sector. Based on the comments received, the discussion paper was revised and served as a framework for directing the ensuing exercise.
- A second phase consisting in an in-depth review of existing practices and the different options for the future in the key sectors of Production, Technical Services, Collection Management and Administration. Four committees were established, consisting of over 50 employees from the different NFB sectors and regions. The members of these committees worked intensively on developing a set of recommendations for implementing the NFB's mission and vision, taking into account the financial context and technological environment of the next 5 to 10 years.
- A third phase leading to the adoption of the final decisions, following negotiations with the unions and minor changes to the initial recommendations. The plan, which was implemented as of the beginning of the 1996-97 fiscal year, and whose main elements are outlined at the beginning of this document, will constitute the frame of reference for the NFB's strategies and activities in the coming years.

### 3. Financial Table

**Figure 16: Planned and actual spending by sub-activity**

(thousands of dollars)	Actuals		Main	
	1993-94	1994-95	Estimates 1995-96	Actuals 1995-96
Programming	58,973	61,880	55,039	57,312
Distribution	8,870	7,483	7,333	6,563
Technical Research	1,138	993	1,037	893
Training	2,926	1,826	2,426	2,400
Administration	11,520	9,891	9,654	10,089
	<b>83,427</b>	<b>82,073</b>	<b>75,489</b>	<b>77,257</b>
Change in the Revolving Fund	(2,661)	2,901	375	(1,847)
<b>Total</b>	<b>80,766</b>	<b>84,974</b>	<b>75,864</b>	<b>75,410</b>

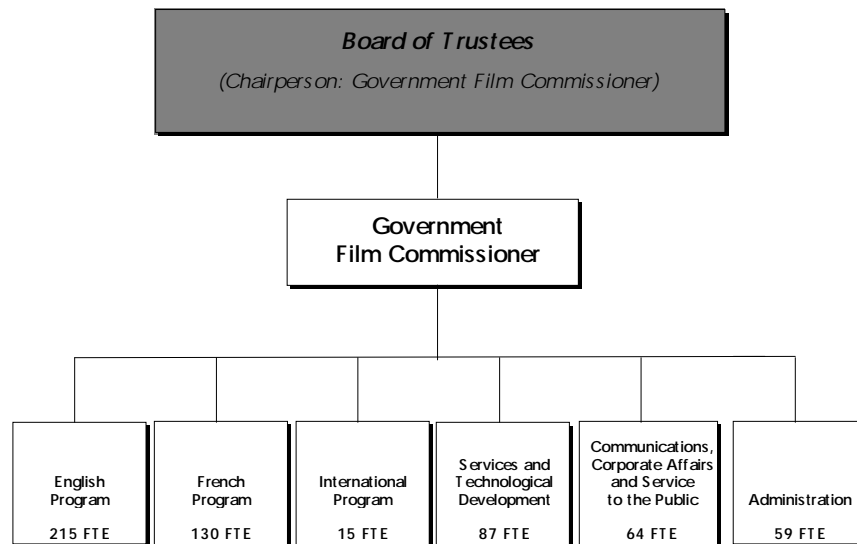
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## SECTION IV - SUPPLEMENTARY INFORMATION

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### A. ORGANIZATION

**Figure 17: 1997-98 resources by sub-activity and by area of responsibility**



							<u>Total by Sub-Activity</u>
<b>Programming</b> 428 FTE	25,264	13,432	(930)	6,600			<b>44,366</b>
<b>Distribution</b> 59 FTE					4,988		<b>4,988</b>
<b>Technical Research</b> 4 FTE				813			<b>813</b>
<b>Training</b> - FTE	170	80					<b>250</b>
<b>Administration</b> 79 FTE				1,508	858	4,532	<b>6,898</b>
<b>570 FTE</b>	<b>25,434</b>	<b>13,512</b>	<b>(930)</b>	<b>8,921</b>	<b>5,846</b>	<b>4,532</b>	<b>57,315</b>



## B. PERSONNEL REQUIREMENTS

**Figure 18: Details of personnel requirements - FTE**

	Actual 1994-95	Actual 1995-96	Main Estimates 1996-97	Main Estimates <b>1997-98</b>	Planned 1998-99	Planned 1999-00
Senior Levels	1	1	1	<b>1</b>	1	1
Management	27	24	22	<b>16</b>	16	16
Administration and Foreign Services	160	160	150	<b>96</b>	96	96
Scientific and Professional	15	12	11	<b>8</b>	8	8
Administrative Support	190	169	143	<b>125</b>	125	125
Operational	25	17	16	<b>12</b>	12	12
Technical	323	315	300	<b>307</b>	307	307
Locally Engaged	9	7	7	<b>5</b>	5	5
<b>Total</b>	<b>750</b>	<b>705</b>	<b>650</b>	<b>570</b>	<b>570</b>	<b>570</b>

## C. ADDITIONAL FINANCIAL INFORMATION

**Figure 19: Presentation by standard object**

(in thousands of dollars)	Actuals 1994-95	Actuals 1995-96	Estimates 1996-97	Estimates <b>1997-98</b>	Planned 1998-99	Planned 1999-00
<b>Personnel</b>						
Salaries and wages	38,673	34,143	32,044	<b>29,071</b>	29,076	29,287
Contributions to employee benefit plans	5,414	4,691	4,646	<b>4,676</b>	4,677	4,711
Other personnel costs	4,950	4,945	1,858			
<b>Total Personnel</b>	<b>49,037</b>	<b>43,779</b>	<b>38,548</b>	<b>33,747</b>	<b>33,753</b>	<b>33,998</b>
<b>Goods and Services</b>						
Transportation and communications	4,889	4,053	4,500	<b>4,000</b>	4,000	4,000
Information	15,667	12,193	10,879	<b>10,524</b>	10,027	10,016
Professional and special services	1,910	2,244	1,600	<b>2,500</b>	2,500	2,500
Rentals	10,527	10,085	8,975	<b>8,000</b>	6,400	6,400
Purchased repairs and maintenance	1,348	1,201	1,600	<b>1,000</b>	1,000	1,000
Utilities materials and supplies	5,153	5,418	4,800	<b>6,500</b>	6,500	6,500
Other subsidies and payments	252	754	-	-	-	-
<b>Total Goods and Services</b>	<b>39,746</b>	<b>35,948</b>	<b>32,354</b>	<b>32,524</b>	<b>30,427</b>	<b>30,416</b>
<b>Capital</b>						
Minor Capital	6,668	5,143	2,813	-	-	-
<b>Total Operating</b>	<b>95,451</b>	<b>84,870</b>	<b>73,715</b>	<b>66,271</b>	<b>64,180</b>	<b>64,414</b>
Transfer payments	362	494	319	<b>319</b>	319	319
Total expenditures	95,813	85,364	74,034	<b>66,590</b>	64,499	64,733
Less: Revenues credited to the vote	10,839	9,954	8,850	<b>8,900</b>	8,900	8,900
<b>Net expenditures charged to appropriation authorities</b>	<b>84,974</b>	<b>75,410</b>	<b>65,184</b>	<b>57,690</b>	<b>55,599</b>	<b>55,833</b>

**Figure 20: Transfer payments**

(dollars)	Actual 1994-95	Actual 1995-96	Main Estimates 1996-97	Main Estimates <b>1997-98</b>	Planned 1998-99	Planned 1999-00
<b>Grants</b>						
Grants in support of significant film events of national and/or international interest held in Canada, as determined by the Board of Trustees	8,012	7,500	15,000	<b>15,000</b>	11,000	11,000
<b>Contributions</b>						
To support non-profit organizations engaged in film training programs and to participate in the promotion of Canadian cinematography	352,878	376,778	304,000	<b>304,000</b>	308,000	308,000
	<b>360,890</b>	<b>384,278</b>	<b>319,000</b>	<b>319,000</b>	<b>319,000</b>	<b>319,000</b>

**Figure 21: Revenue by class**

(thousands of dollars)	Actual	Actual	Main	Main	Planned	Planned
	1994-95	1995-96	Estimates	Estimates	1998-99	1999-00
			1996-97	1997-98		
<b>Revenue credited to the vote</b>						
Film production services	2,456	2,157	1,600	1,650	1,650	1,650
Print sales	2,911	2,637	2,500	2,500	2,500	2,500
Rentals, royalties and miscellaneous	5,472	5,160	4,750	4,750	4,750	4,750
<b>Total</b>	<b>10,839</b>	<b>9,954</b>	<b>8,850</b>	<b>8,900</b>	<b>8,900</b>	<b>8,900</b>

**Figure 22: Projected use of revolving fund 1997-98**

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(thousands of dollars)

Authority April 1st, 1997		25,000
Drawdown:		
Projected balance April 1st, 1997	14,275	
Total Estimates (net cash required)		
Operations	57,315	
Appropriate authority in these estimates	(57,315)	
Working capital changes	375	
Increase in net book value of fixed assets	2,000	
Projected balance March 31st, 1998		<u>16,650</u>
Unused Authority as at March 31st, 1998		<u>8,350</u>

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**Figure 23: Statement of revolving fund position**

(thousands of dollars)	Actual	Actual	Main	<b>Main</b>	Planned	Planned
			Estimates	<b>Estimates</b>		
	1994-95	1995-96	1996-97	<b>1997-98</b>	1998-99	1998-99
<b>Assets</b>						
Cash	91	286	100	<b>100</b>	100	100
Accounts receivable	3,697	2,495	2,500	<b>2,500</b>	2,500	2,500
Inventories	2,443	1,332	2,200	<b>2,200</b>	2,200	2,200
Prepaid expenses	1,184	840	600	<b>600</b>	600	600
Equipment (net value)	18,281	17,193	13,000	<b>15,000</b>	15,000	15,000
	25,696	22,146	18,400	<b>20,400</b>	20,400	20,400
<b>Liabilities</b>						
Accounts payable	2,033	1,418	4,125	<b>3,750</b>	3,375	3,000
Equity of Canada	23,663	20,728	14,275	<b>16,650</b>	17,025	17,400
<b>Equity of Canada - made up of:</b>						
Appropriation Authority used from Treasury Board	<b>23,663</b>	<b>20,728</b>	<b>14,275</b>	<b>16,650</b>	<b>17,025</b>	<b>17,400</b>

## REFERENCES

### National Film Board Offices

#### **HEAD OFFICE**

- Ottawa

#### **OPERATIONAL HEADQUARTERS**

- Montreal

#### **CANADIAN DISTRIBUTION**

- CinéRobothèque - Montreal
- Call Centre  
1 800 267-7710
- Internet site  
<http://www.nfb.ca>

#### **INTERNATIONAL DISTRIBUTION**

- London
- New York
- Paris

#### **ENGLISH PRODUCTION CENTRES**

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

#### **FRENCH PRODUCTION CENTRES**

- • Moncton
- • Montreal
- • Toronto

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