



ESTIMATES

National Film Board

**2001-2002
Estimates**

Part III – Report on Plans and Priorities

Canada

The Estimates Documents

Each year, the government prepares Estimates in support of its request to Parliament for authority to spend public monies. This request is formalized through the tabling of appropriation bills in Parliament. The Estimates, which are tabled in the House of Commons by the President of the Treasury Board, consist of three parts:

Part I – The Government Expenditure Plan provides an overview of federal spending and summarizes both the relationship of the key elements of the Main Estimates to the Expenditure Plan (as set out in the Budget).

Part II – The Main Estimates directly support the *Appropriation Act*. The Main Estimates identify the spending authorities (votes) and amounts to be included in subsequent appropriation bills. Parliament will be asked to approve these votes to enable the government to proceed with its spending plans. Parts I and II of the Estimates are tabled concurrently on or before 1 March.

Part III – Departmental Expenditure Plans which is divided into two components:

- (1) **Reports on Plans and Priorities (RPPs)** are individual expenditure plans for each department and agency (excluding Crown corporations). These reports provide increased levels of detail on a business line basis and contain information on objectives, initiatives and planned results, including links to related resource requirements over a three-year period. The RPPs also provide details on human resource requirements, major capital projects, grants and contributions, and net program costs. They are tabled in Parliament by the President of the Treasury Board on behalf of the ministers who preside over the departments and agencies identified in Schedules I, I.1 and II of the *Financial Administration Act*. These documents are to be tabled on or before 31 March and referred to committees, which then report back to the House of Commons pursuant to Standing Order 81(4).
- (2) **Departmental Performance Reports (DPRs)** are individual department and agency accounts of accomplishments achieved against planned performance expectations as set out in respective RPPs. These Performance Reports, which cover the most recently completed fiscal year, are tabled in Parliament in the fall by the President of the Treasury Board on behalf of the ministers who preside over the departments and agencies identified in Schedules I, I.1 and II of the *Financial Administration Act*.

The Estimates, along with the Minister of Finance's Budget, reflect the government's annual budget planning and resource allocation priorities. In combination with the subsequent reporting of financial results in the Public Accounts and of accomplishments achieved in Departmental Performance Reports, this material helps Parliament hold the government to account for the allocation and management of public funds.

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**2001-2002
Estimates**

**Report on
Plans and Priorities**

Approved

Minister of Canadian Heritage

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SECTION I: MESSAGES

Minister's Message

In the face of globalization and new and converging technologies, countries throughout the world are increasingly preoccupied with how to preserve and strengthen the bonds of common citizenship and promote cultural diversity domestically and globally. For Canada, these issues are not new, given our dispersed and diverse population and, of course, our proximity to the U.S. We have never taken our cultural space for granted.



The mission of the Canadian Heritage Portfolio is to address these challenges. To accomplish this, the Department and the eighteen Agencies and Crown corporations in the Portfolio have built a strong and effective mix of policies and programs to ensure that Canadians have access to Canadian stories, Canadian choices and Canadian content, while remaining open to the best the world has to offer. Among these various strategies are subsidies, regulations, professional and technical assistance and outreach activities.

Many of the most significant undertakings of the Canadian Heritage Portfolio, including those of the National Film Board of Canada, involve partnerships. These relationships include the provinces and territories, other agencies and departments of the Government of Canada, volunteer groups, professional associations and the business community. But above all, the Portfolio takes quiet pride in playing its role in the success of individual Canadians as artists, as athletes and as citizens fully engaged in the life of their country.

This report highlights the objectives of the National Film Board of Canada for the next three years, the initiatives that will enable it to continue fulfilling its mandate and the results it intends to achieve.

Sheila Copps

COMMISSIONER'S MESSAGE

BUILDING THE FUTURE

During the next planning period, 2001-2004, the NFB will transform itself into a Web-enabled organization to better fulfill its mandate of producing and distributing point-of-view documentaries and auteur animation productions.

The last strategic plan, implemented between 1996-2000, charted a challenging course to meet the fiscal objectives brought about by the government's program review. The men and women of the NFB rose to the challenge with remarkable aplomb, commitment and determination. We not only met our objective of completing 80 productions – documentaries, animated shorts and multimedia projects – per year, but surpassed this goal each and every year. Over the past five years NFB productions continued to be honoured in Canada and abroad, collecting numerous Oscar nominations and a Palme d'or. Despite serious financial constraints, maintaining, preserving and increasing access to the NFB collection became a first-line priority as never before. As stewards of Canada's most significant film collection, we took steps to halt the vicissitudes of time on the film elements and to improve access, we digitized an important segment of our collection. We honed our marketing skills and distribution services with the result that NFB productions and co-productions garner greater audiences and are seen more widely on conventional television and specialty channels in Canada and abroad now than before the 1996-2000 planning period and continue to generate significant revenue.

In 1999 we celebrated the NFB's 60th anniversary with the knowledge that the organization had successfully navigated through the tumultuous waters of budget cuts and realignment of priorities. But we also realized that the NFB, as an organization dedicated to creativity in the service of social change, would have to reinvent the way it operates in line with the technological evolution taking place. Collectively, working across all sections and services of the organization, we developed an innovative, creative and challenging plan to transform the NFB into a truly interactive, creative and connected organization.

This report on our plans and priorities for 2001-2002 outlines the as of yet uncharted course the NFB will be taking over the next few years. At the end of the planning period the NFB should be recognized for its role in the life of Canadians, through the creativity, relevance and vitality of its productions, its broad-based accessibility, and the quality of its relationships with Canadians and communities of interest around the world. This new way of operating will demonstrate the NFB's commitment to the government's ground-breaking initiatives of citizen-centred service delivery, and widespread connectivity. By transforming its tacit knowledge banks and skill sets into an accessible, dynamic and interactive Web presence the NFB will become a leader in the sharing of knowledge and a model in user-centred technology.

At the beginning of my mandate as Government Film Commissioner in 1995, it was the deep-rooted commitment of the artists, artisans and employees of the NFB, the wisdom of its Board and the support and advocacy of the wider cultural community that permitted us to meet and eventually surpass our objectives. The creativity, energy and insight being marshalled to put in place the NFB's plan for 2001-2004 affords me great confidence that I will be leaving this organization well positioned to embrace the future.

MANAGEMENT REPRESENTATION

I submit, for tabling in Parliament, the 2001-2002 Report on Plans and Priorities (RPP) for the National Film Board.

To the best of my knowledge, the information:

- accurately portrays the institution's mandate, priorities, strategies and planned results;
- is consistent with the disclosure principles contained in the *Guidelines for Preparing a Report on Plans and Priorities*;
- is comprehensive and accurate;
- is based on sound underlying information and management systems.

I am satisfied as to the quality assurance processes and procedures used for the production of the RPP.

The Planning, Reporting and Accountability Structure (PRAS) on which this document is based has been approved by Treasury Board Ministers and is the basis for accountability for the results achieved with the resources and authorities provided.

Maryse Charbonneau
Director, Administration

Date: February 12, 2001

SECTION II: OVERVIEW OF THE NATIONAL FILM BOARD

2.1 WHAT'S NEW

During the planning period, the NFB will redefine and reposition itself in the new Internet age by becoming a truly **interactive centre of creativity and excellence**. The NFB will continue to produce and distribute auteur, animation and point-of-view documentaries but the way in which it operates will change radically.

To this end, the NFB will establish an Internet presence that will constitute not only a creative process and medium but also a product and a marketing/distribution channel. Its new Internet strategy aims for the NFB Web site to become a centre for accessibility and interaction related to the activities of production and distribution of the NFB collection, Canada's global portal for point-of-view documentary and auteur animation, and a destination for kids. The entire site will be user-centred, thus improving the quality of interactions and transactions with the NFB.

This strategic plan will enable the NFB to complete a transition that is already far advanced toward making the NFB a fully networked institution capable of responding quickly to a rapidly changing environment and of providing both creators and users with the flexibility to interact with one another in new ways. It will also position the NFB as a full participant in the Government On-line strategy.

2.2 MANDATE, ROLES AND RESPONSIBILITIES

The National Film Board of Canada (NFB) reports to the Minister of Canadian Heritage, who is responsible for administering the *National Film Act* governing this public audiovisual production and distribution agency. Pursuant to section 9 of the Act, the NFB “*is established to initiate and promote the production and distribution of films in the national interest and, in particular,*

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

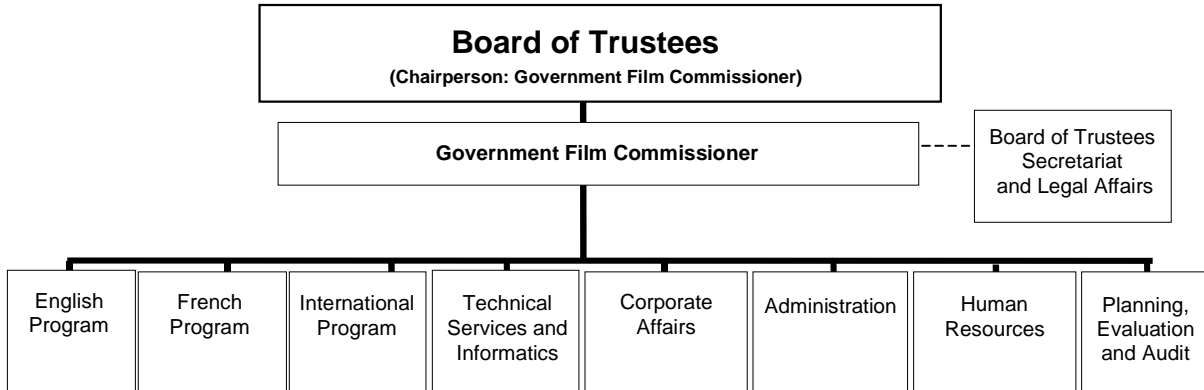
The NFB’s general mandate permits it to update its mission from time to time in order to reposition the institution’s role in Canadian society and filmmaking. The NFB 2000 plan sets forth its mission as follows:

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.*

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

Organizational Structure



2.3 AGENCY/PROGRAM OBJECTIVE

The objective of both the agency and the program is to produce audiovisual works that reflect Canadian realities and perspectives while innovating in various aspects of filmmaking, and to distribute and provide access to these audiovisual works.

2.4 PLANNING CONTEXT

2.4.1 *Technological Evolution*

The most striking feature of the environment in which the NFB will be working is the degree to which old ways of producing and distributing films are being challenged by technological innovations that are profoundly altering the relationships between content creators and content users.

In its planning for the next few years, the NFB must adjust to the reality of these new relationships being formed by the evolution of the Internet. The tools of the digital era, whether for production, for distribution or for administration, save time, reduce duplication of effort and increase choice for both creators and users and make it possible to give Canadians and the world a degree of access to the NFB and its works never before possible.

2.4.2 *Government Priorities*

Government-wide initiatives to improve the management of information, especially electronic records, will presumably benefit the NFB, at least through the development of standards for retention and disposal of records of various types (print, electronic, images, sound recordings) and possibly through some resource support for these activities.

Providing services on-line is also a key strategic goal for the government. There are a series of timetables regarding different aspects of this project which are to be met by government departments and agencies. The NFB is more advanced than most in its capacity to function on-line. However, moving ahead with its own priorities will have to be done in a way that is coherent with the broad government direction, which will require an investment of time and energy. The NFB anticipates that it will benefit from some of the government-wide investments being made in this regard, notably to support the digitization of its collection.

2.4.3 Changing Markets

Given continuing downward trends in broadcast licences worldwide, continuing financial restraint in public-sector spending affecting the educational and institutional markets, low margins in the home consumer market, and the three- to seven-year horizon experts are predicting before commercial on-demand electronic delivery is likely to emerge, earned revenue for the NFB is unlikely to grow during the planning period, and may decline slightly, although the number of transactions required to earn this revenue is likely to grow substantially.

2.5 PLANNED SPENDING

Table 2.1: Planned Spending

(\$ thousands)	Forecast Spending 2000-2001	Planned Spending 2001-2002	Planned Spending 2002-2003	Planned Spending 2003-2004
Budgetary Main Estimates**	67,118	69,496	69,496	69,496
Less: Respendable revenue	7,500	8,900	8,900	8,900
Total Main Estimates	59,618	60,596	60,596	60,596
Adjustments	5,691			
Net Planned Spending*	65,309	60,596	60,596	60,596
Plus: Cost of services received without charge	18	11	11	11
Net cost of program	65,327	60,607	60,607	60,607
Full-time equivalents	510	490	490	490

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

** Includes statutory appropriation of \$375,000.

SECTION III: PLANS, RESULTS, ACTIVITIES AND RESOURCES

3.1 NFB BUSINESS LINE DETAILS

3.1.1 *Business Line Objective*

To produce audiovisual works that reflect Canadian realities and perspectives while innovating in various aspects of filmmaking, and to distribute and provide access to these audiovisual works.

3.1.2 *Business Line Description*

The NFB is a cultural agency reporting to the Minister of Canadian Heritage. It is administered by a Board of Trustees appointed by the Governor in Council and chaired by the Government Film Commissioner.

The NFB is an integrated producer-distributor which develops, writes, shoots, finishes, promotes, markets, sells and distributes film and multimedia products. Its main production and distribution centre is located in Montreal but it also has offices in Halifax, Moncton, Ottawa, Toronto, Winnipeg, Edmonton and Vancouver and maintains offices in Paris, London and New York for the international marketing of its products. To deliver its Program, it uses in-house staff and freelancers and also works with public- and private-sector production and distribution partners when necessary.

Although it is autonomous and traditionally has an arm's length relationship with the government, this public film institution contributes in various ways to Canadian cultural policy objectives by producing socially and culturally relevant films, providing Canadian audiovisual materials for the educational sector, directly supporting various Canadian government initiatives at home and abroad, conserving and promoting access to Canada's rich audiovisual heritage, supporting new filmmaking talent, promoting the development of regional and diversity cinema, forging strategic alliances with the private and public sectors, promoting Canadian culture abroad and encouraging research and experimentation in communication technologies.

3.2 KEY RESULTS COMMITMENTS, PLANNED RESULTS, RELATED ACTIVITIES AND RESOURCES

First Key Results Commitment

To produce relevant, excellent and innovative audiovisual works that help Canadians better understand Canada and the world.

Planned Results

- Produce point-of-view documentaries on major social issues and portraits of everyday life.
- Produce animated shorts in a variety of animation techniques and forms enabling creators to give full expression to their imagination and creativity.
- Develop interactive projects for young audiences.

Related Activities

- Implement programs and policies to ensure that the productions reflect the diversity of Canadian society both on screen and behind the camera.
- Organize production programs and structures so as to respect and support Canada's linguistic duality.
- Add a new component to the Aboriginal filmmaker program to enable emerging filmmakers to make low-budget films under supervision within a professional environment.
- Continue the NFB's transition to an entirely digital creation, production and distribution environment.
- Organize resources and structures for supervising the production of first works.
- Strengthen the independent filmmaker assistance programs.
- Develop and implement an Internet strategy to integrate new media with traditional forms of production in order to offer a variety of ways of enriching programming content and the creative process and of interacting with external sources of knowledge and expertise.

Resources

Table 3.1: Actual and Planned Spending for the Related Activities

(\$ thousands)	Forecast Spending 2000-2001	Planned Spending 2001-2002	Planned Spending 2002-2003	Planned Spending 2003-2004
Production	44,709	40,496	40,496	40,496

Second Key Results Commitment

To optimize general-interest and niche audiences.

Planned Results

- Boost the presence of NFB productions in the various distribution networks.
- Develop and diversify markets in Canada and abroad.
- Ensure the conservation of the collection and make it more accessible.

Related Activities

- Conclude agreements, partnerships, co-productions, pre-sales and sales with general-interest television networks and specialty services in Canada and abroad.
- Extend new markets such as the inflight market with air carriers in association with firms specializing in the field, and videocassette duplication rights and closed-circuit broadcast rights for educational institutions outside Canada.
- As a partner in The Canadian Documentary Channel, a recent recipient of a Category 1 digital specialty service licence, prepare a hundred hours of programming for each of the next three years.
- Implement all e-commerce components for the promotion, sale and digital delivery of the film collection and stock shots.
- Continue developing CineRoute, a national cinema-on-demand service, with universities and colleges that have broadband Internet access.
- Continue digitizing the film collection to make it more accessible.
- Develop new projects in the *Mémoire* collection and exploit the collection so as to give the public new opportunities to discover and appreciate the NFB's film heritage and its artisans.
- Review library partnership agreements as they expire.
- Work within national and international committees and associations to develop standards and procedures for the preservation, conservation and restoration of audiovisual documents.

Resources

Table 3.2: Actual and Planned Spending for the Related Activities

(\$ thousands)	Forecast Spending 2000-2001	Planned Spending 2001-2002	Planned Spending 2002-2003	Planned Spending 2003-2004
Distribution	14,000	13,800	13,800	13,800

Third Key Results Commitment

To ensure efficient and responsible management of resources.

Planned Results

- Continue developing a modern, powerful and integrated information management system.
- Keep administrative costs as low as possible.
- Implement new mechanisms to permit better measurement of the performance of resources and operations.

Related Activities

- Implement the NFB's Internet strategy for making the transition to a fully Web-enabled enterprise with regard to production, distribution and administration, in line with the broad Government On-Line strategy.
- Implement a plan for making the workplace more Internet compatible and taking advantage of new skills, new relationships with users, new forms of interaction, new technological tools and a new, more horizontal, team-based approach.

- Work in partnership with other departments and agencies toward common goals, particularly in the area of service delivery.
- Develop and implement a policy and action plan for efficient management of all the NFB's information assets.
- Improve the evaluation, review and audit programs in line with the new policies and standards.
- Develop and implement an electronic copyright management system.

Resources

Table 3.4: Actual and Planned Spending for the Related Activities

(\$ thousands)	Forecast Spending 2000-2001	Planned Spending 2001-2002	Planned Spending 2002-2003	Planned Spending 2003-2004
Administration	6,600	6,300	6,300	6,300

SECTION IV: FINANCIAL INFORMATION

Table 4.1: Net Cost of Program for the Estimates Year

(\$ thousands)	
Planned spending	69,496
<i>Plus: Services received without charge</i>	
Workmen's compensation coverage provided by Human Resources Development Canada	11
<i>Less: Respendable revenue</i>	8,900
2001-2002 Net Cost of Program (Total Planned Spending)	60,607

Table 4.2: Transfer Payments

(\$ thousands)	Forecast Spending 2000-2001	Planned Spending 2001-2002	Planned Spending 2002-2003	Planned Spending 2003-2004
Grants				
Grants in support of significant film events held in Canada which are of national or international interest as determined by the Board of Trustees	12	12	12	12
Contributions				
To support non-profit organizations working in the film sector and to help promote Canadian cinematography	307	307	307	307
Total	319	319	319	319

Table 4.3: Respendable Revenue

(\$ thousands)	Forecast Revenue 2000-2001	Planned Revenue 2001-2002	Planned Revenue 2002-2003	Planned Revenue 2003-2004
Film production services	500	1,500	1,500	1,500
Print sales	2,500	2,500	2,500	2,500
Rentals, royalties and miscellaneous	4,500	4,900	4,900	4,900
Total respendable revenue	7,500	8,900	8,900	8,900

Table 4.4: Revolving Fund – Projected Use of Authority

(\$ thousands)	Forecast 2000-2001	Planned 2001-2002	Planned 2002-2003	Planned 2003-2004
Assets				
Cash	200	200	200	200
Accounts receivable	3,500	3,750	3,750	3,750
Inventories	500	625	500	625
Prepaid expenses	1,000	1,000	1,000	1,000
Equipment (net value)	8,500	8,000	7,500	7,000
	13,700	13,575	13,075	12,575
Liabilities				
Accounts payable	1,000	1,000	1,000	1,000
Equity of Canada	12,700	12,575	12,075	11,575

Table 4.5: Revolving Fund – Statement of Changes in Financial Position

Appropriation (\$ thousands)			
Authority as at April 1, 2001			25,000
Drawdown:			
Projected balance as at April 1, 2001		17,775	
Total Estimates (net cash requirement)			
Operations		60,221	
Appropriation authority in these Estimates		(60,221)	
Changes in working capital		375	
Decrease in net book value of fixed assets		(5,775)	
Projected balance as at March 31, 2002			12,575
Unused authority as at March 31, 2002			12,425

SECTION V: OTHER INFORMATION

The Report on Plans and Priorities is available on the NFB's Web site at:
www.nfb.ca/plans_and_priorities.

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
- Call Centre (1 800 267-7710)
- Web site (www.nfb.ca)

International distribution

- London
- New York
- Paris

English production centres

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

French production centres

- Moncton
- Montreal
- Ottawa

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