

Creative Capital Gains: Arts and Culture Funding Update (Implementation Action 9)

APPENDIX 6: FilmOntario and Toronto Film Board joint submission

FILMONTARIO

F I L M · T E L E V I S I O N · I N T E R A C T I V E

(screen-based industry consortium)

and



(City of Toronto screen-based advisory Board, industry and City Councillors)

Joint Submission, April 15th, 2013 re: Recommended allocations for additional Economic Development and Culture funding from the Third Party Sign Tax.

As an Economic Development file, and as a “priority industry” as formally identified by Council, we urge Council to continue expanding capacity and international market-share of Toronto’s screen-based industries (film, television and interactive/games).

We offer two priority recommendations which will result in continued growth of jobs, businesses, and private capital attraction to Toronto’s screen-based industries.

Overview:

Toronto’s screen-based industries are for-profit corporations/businesses that engage in all activities directly involved in the development and production of creative products - screen-based content - and services.

Toronto and Ontario have enjoyed record volumes in 2011 and 2012.

Since the economic contribution of the film and television industry was last analyzed in 2004, the industry has **grown by more than 30%** - despite facing a sharply escalating Canadian dollar, economic conditions that ravaged other industries, and competition for production locations from around the world.

As Canada’s Centre of Excellence of English content, Toronto houses the majority of the country’s content producers, almost all of the country’s broadcasters, and produces the vast majority of all Canadian content, and the majority of domestic and service content combined.

Toronto is the #1 production jurisdiction in Canada, and #3 in North America after LA and NYC.

City Council has identified Toronto’s screen-based industry as the #2 employer behind financial services, and ahead of tourism.

This strong performance is tied to a number of factors. For years Toronto has been known for its stable, world-class crews and production suppliers, competitive Provincial tax credits, and excellence in client service through the Toronto Film Commissioner, Toronto Film Manager, and Toronto Film and Television Office staff. This has created strong private sector capital attraction, resulting in an explosion in studio space, a much greater capacity in the full range of post-production services, and maturing production companies - all responses to opportunity and have driven activity higher. Toronto is at the cutting edge of innovation, bringing new technologies to the production and post-production system.

Success also reflects film and television's contribution to the activity of the burgeoning interactive digital media sector, and the strengthening of the links to that vital economic growth source.

Recommendation 1

Full-time Film Commissioner with international economic development experience, which includes screen-based industry marketing and service experience, combined with a full-time Film Manager, and a dedicated TFTO office and staff to meet current and future volumes.

One of the key competitive advantages Toronto has over its competitors is that the Film Commissioner's Office is 24/7, has access to all department heads within the City including the Mayor's office, offering one-stop-shopping for clients. This service - missing since the retirement of Peter Finestone in the fall of 2012 - is crucial to staying ahead of the competition, and maintaining Toronto's status as a lead international jurisdiction for the screen-based industry, despite the rise in the Canadian dollar. Our reputation as being film-friendly depends on keeping this level of service.

In addition to an active marketing partnership with the Ontario Media Development Corporation and FilmOntario in co-funding and co-managing full-time development opportunities in LA, the Film Commissioner also reviews potential new, or potential changes to, by-laws and polices to quickly assess the impact they could have on the industry and work with stakeholders to nip potential problems in the bud.

As per our extensive work on the EDC review, **we are pleased to have received assurances from the City** that: (i) there will be an international job search to replace full-time Film Commissioner, Peter Finestone; (ii) the City will maintain a full-time Film Manager, and full-time, dedicated Toronto Film and Television Office staff to meet the existing and growing volumes; (iii) and the continuation of Film Commissioner and TFTO activities to service and attract screen-based industry volumes to Toronto (including attracting domestic and international clients, continued partnership in the OMDC/City of Toronto/FilmOntario marketing

partnership in LA – which includes a full-time development office in LA - common branding and joint marketing initiatives).

Recommendation 2

Increased investment in International Relationship building and marketing activities to increase Toronto’s international market-share and attract international investment opportunities.

At present, Canada is party to co-production treaties with over 54 countries worldwide thus providing significant access to the global market. In 2011 and 2012 the co-production and co-venture volumes increased significantly, for both television and feature film. This expansion of international market-share also included investment and business opportunities for interactive media/games companies as well. And this will only continue.

This predicted growth represents an enormous opportunity for the Toronto industry to expand its co-production and co-venture activities, and investment attraction, particularly given the unique multi-cultural diversity in the city.

In a quickly evolving and increasingly competitive international market, Toronto must not only focus on securing its brand as a leading jurisdiction but also promote that brand in additional markets or risk losing its competitive advantage.

Since 2003, the City of Toronto has been in a marketing partnership with the OMDC and FilmOntario to promote Toronto as a screen-based jurisdiction. This includes common branding, co-managing and co-funding the LA office, marketing events/activities there. This partnership - focusing on relationship marketing, creating partnership opportunities, and service/problem-solving for the industry, is a key reason for Toronto/Ontario’s success despite the dollar above par and many jurisdictions with higher incentives.

In addition to the LA market, the following markets have been identified as priorities for industry:

- United Kingdom (London)
- France (Paris)
- Germany (Munich)
- India (New Delhi)

International competition in all of these markets is increasing. In order for Toronto to reinforce and establish its position as a leading global jurisdiction, a strengthened presence will be critical.

Once the new Film Commissioner is in place, they can expand upon the FilmOntario and OMDC work internationally, and begin developing their own

working relationships with the Ontario Ministry of Economic Development and Employment offices, and Canadian consulates in those priority markets. The Film Commissioner will be a resource for them, and improve direct communications and identify event/meeting opportunities to meet competitiveness challenges and opportunities for Toronto's screen-based industry.

Developing government and industry working relationships would include, but not be limited to, identifying and attending key industry events and meetings, and also enabling Toronto business leaders to attend; creating opportunities to showcase Toronto's screen-based industry capacity and excellence; hosting 'familiarization tours' to bring potential business partners to Toronto to tour our extensive breadth and depth of infrastructure (human, technical and physical), meet potential co-production and co-venture partners, and potential investment partners.

Conclusion

We urge Council to actively pursue these two recommendations in a timely manner. Our ability to not only sustain, but to increase our capacity and international market-share without losing our excellence in client service and responsiveness is critical to Toronto's screen-based industry success going forward.

Continued growth of the screen-based sector looks to the continued health of the entire ecosystem - companies building their balance sheets, leading edge human capital development, and an attitude of constant innovation. New specialized services ranging across the entire spectrum will grow and develop services that will make the industry more effective and attract the interest of the global screen-based industry. New investment in specialized sound stages and post-production facilities, IT/software, high speed connectivity integrating special effects and animation companies, and other infrastructure and services can be expected as the payoff becomes even more evident.

We welcome the opportunity to work closely with the City as you implement these important Economic Development recommendations.

Sincerely,

Sarah Ker-Hornell
CEO & Executive Director, FilmOntario; Board member, TFB
On behalf of the Board of FilmOntario and The Toronto Film Board

FilmOntario is a non-partisan, private sector consortium 30,000 strong, of companies, producers, unions, guilds, financial services and organizations within the Ontario screen-based sector (film & television and interactive media), and over \$2.5 billion in direct economic activity annually. Our emphasis is on marketing Ontario as a screen-based content creator and production jurisdiction, and working with all levels of government to ensure the international competitiveness of Ontario's screen-based industry.