

Toronto Screen Industry Workforce Study

FINAL REPORT

March 29, 2021

Delivered to
The City of Toronto
with the participation of Ontario Creates

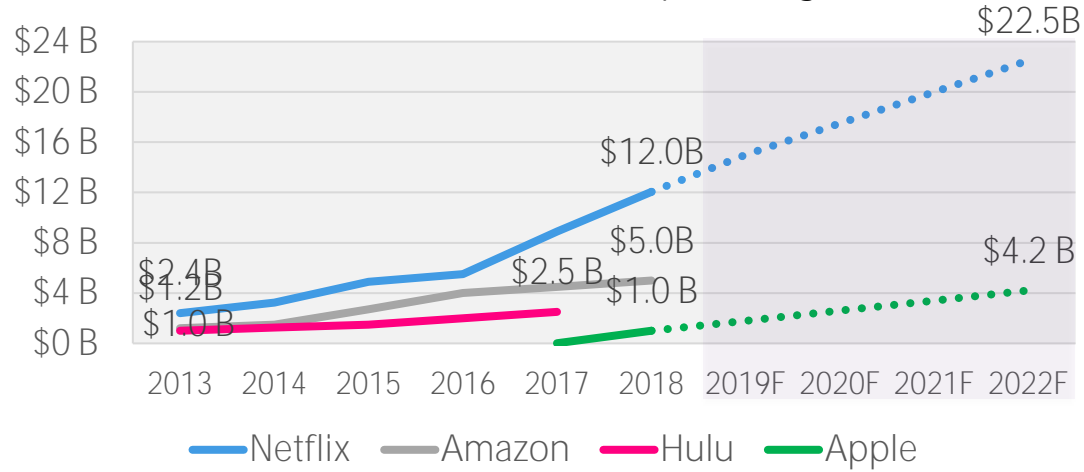
Prepared by
Nordicity

Recap: The Story So Far

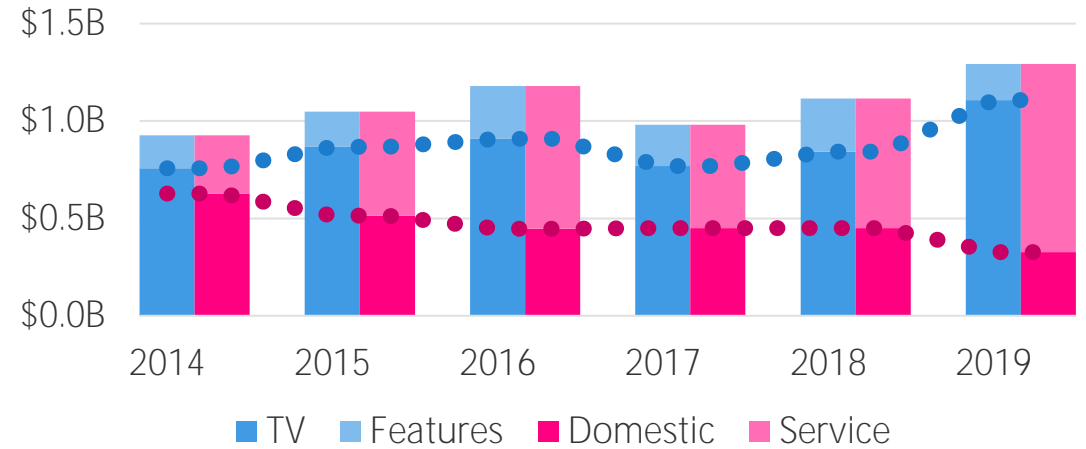
- **Nordicity's original mandate:**
 - Workforce needs for linear production in the GTHA for the next five years
 - Then COVID-19 happened
 - **Pivot to "incremental" workforce approach**
- December 2020:
 - Scope expanded
 - Now includes commercial production, VFX and animation
- This presentation covers the entire mandate.

Screen Industry Production Trends

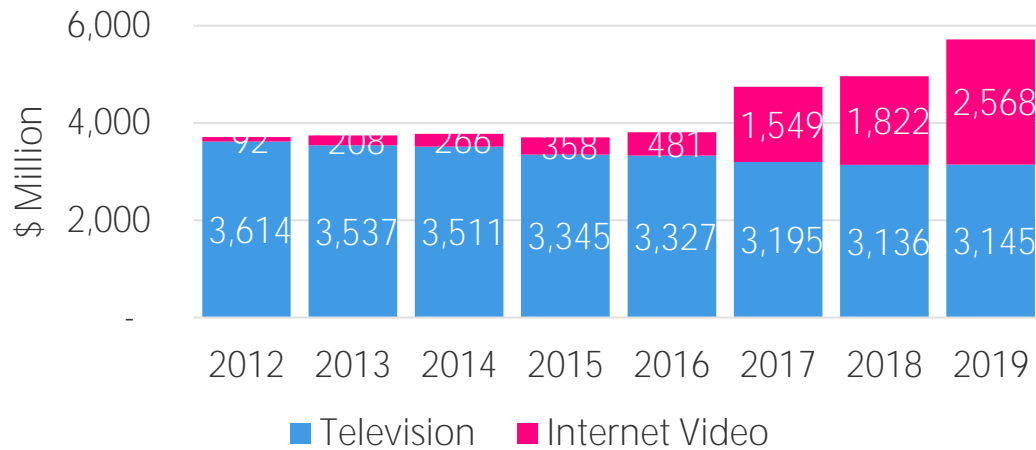
Global SVOD Production Spending (USD)



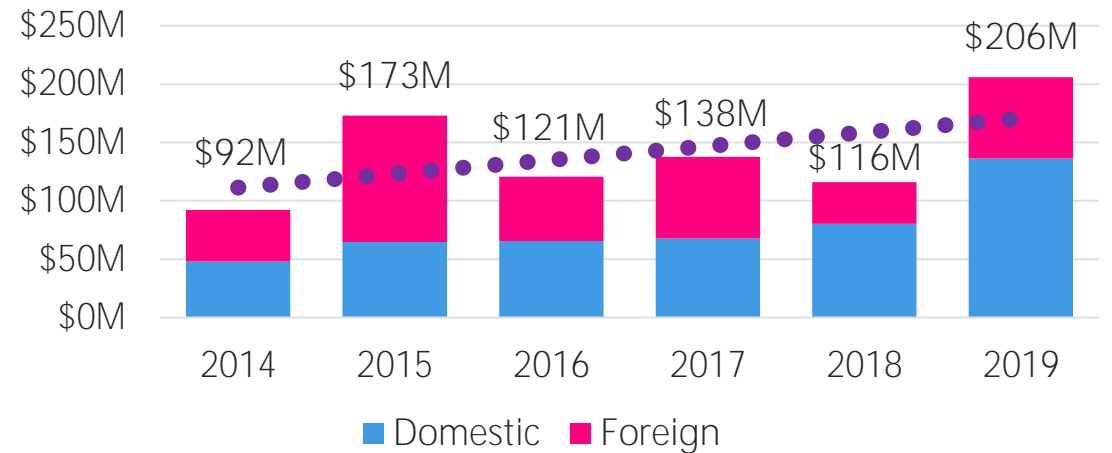
Live Action Production Volume in Toronto



Canada TV and Internet Video Ad Spend



Animation Production Volume in Ontario



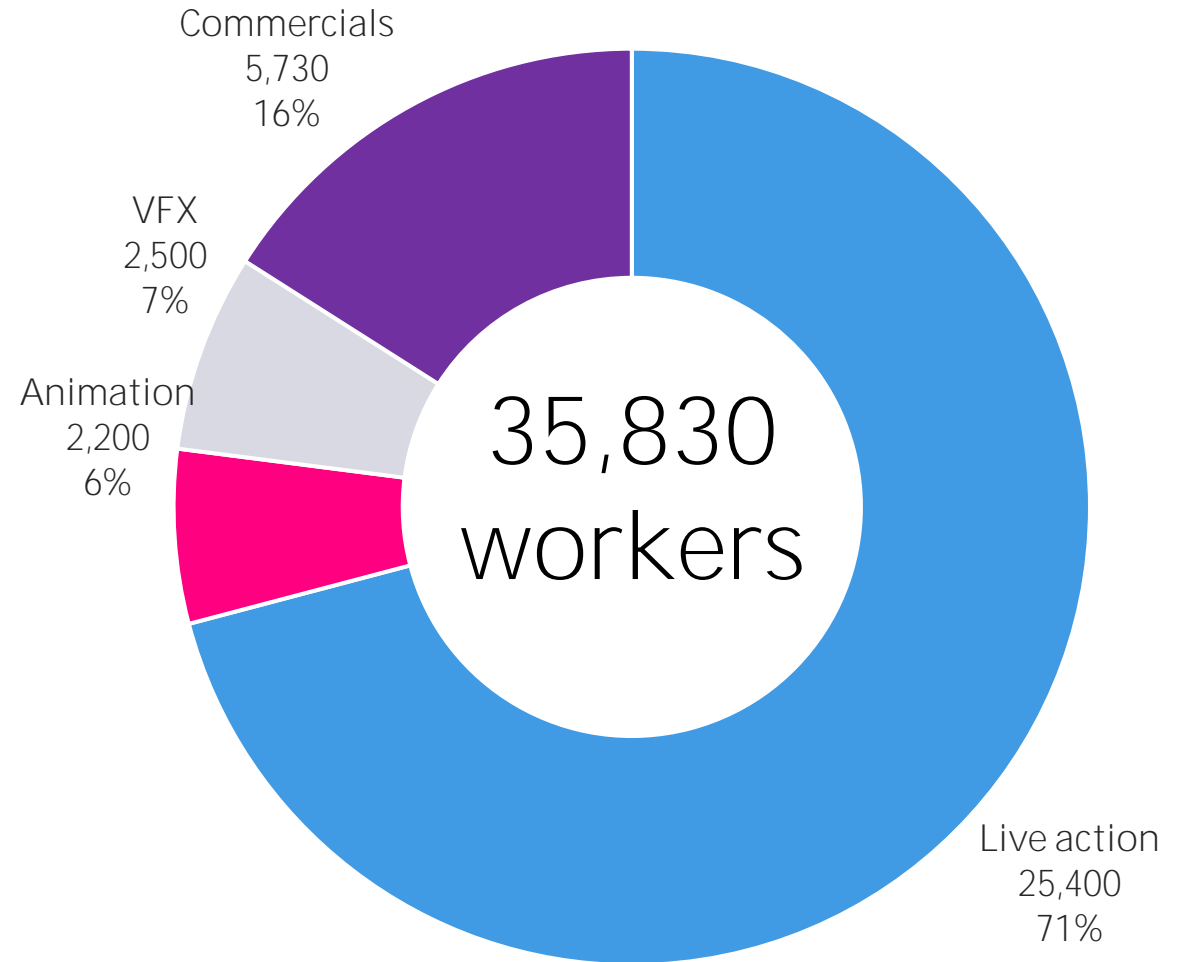
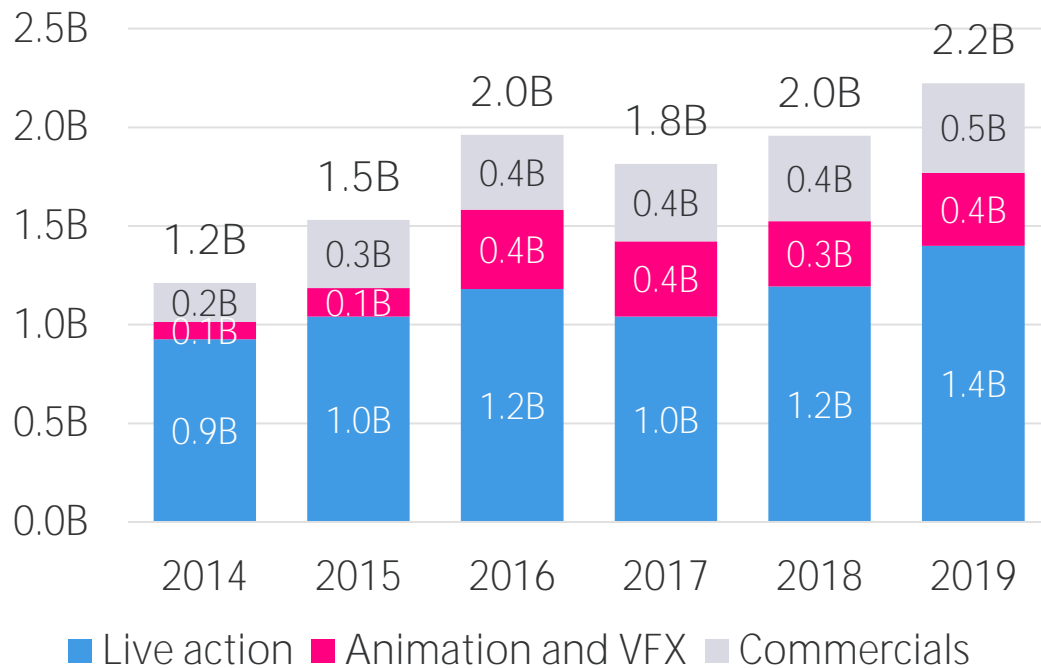
COVID-19 Impact

- Though the pandemic has required the adoption of new protocols to manage new risks, the City of Toronto has observed a strong return to production in the Fall of 2020 and is now operating at full capacity again.
- COVID-19 measures can increase production costs from 10 to 25% for live action film/TV, and about 12% for commercial production.
- Other notable trends:
 - Animation intended for adult audiences
 - VFX for large crowd scenes
 - Increased interest in virtual production
 - Looming VFX backlog
 - Working remotely (animation and VFX)
 - Creative collaboration and training
 - Work-life balance

Toronto Production Volume and Employment

Nordicity estimates that there were 35,830 individual workers **active in Toronto's screen industry** in 2019. This figure corresponds to an estimated 20,770 direct FTEs.

Total Production Volume in Toronto

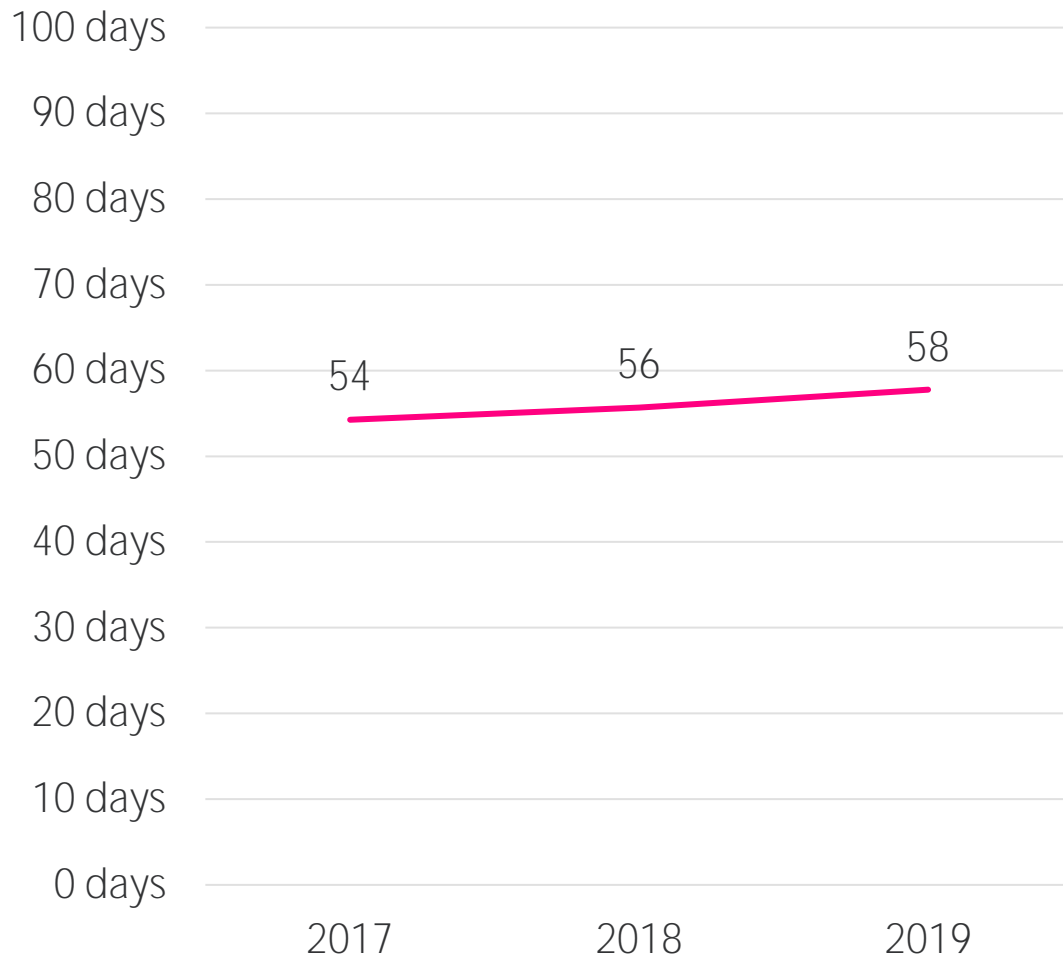


Source: City of Toronto. Totals may not sum due to rounding.

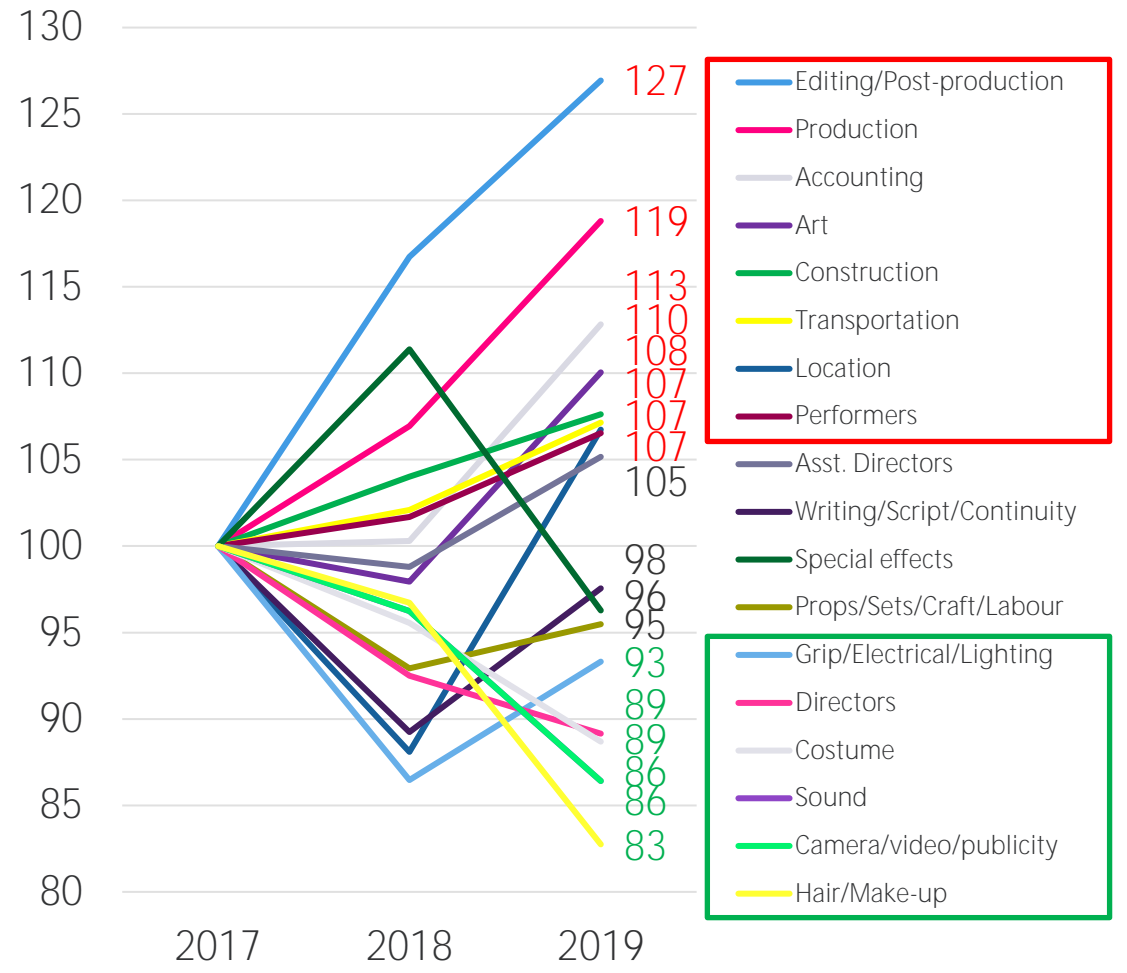
Note that the live action segment includes roles in post-production like editing.

Labour Supply and Demand

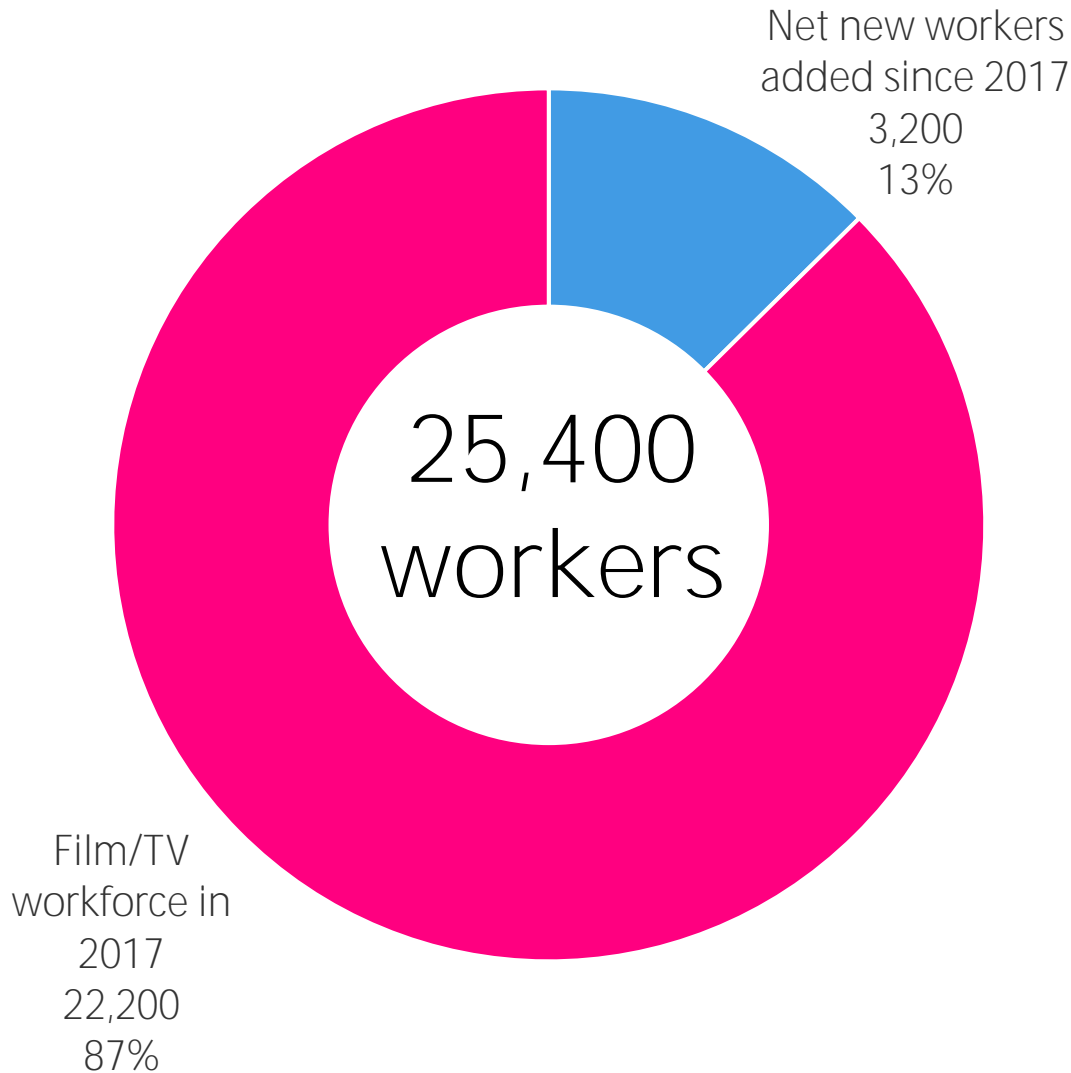
Overall average days/worker



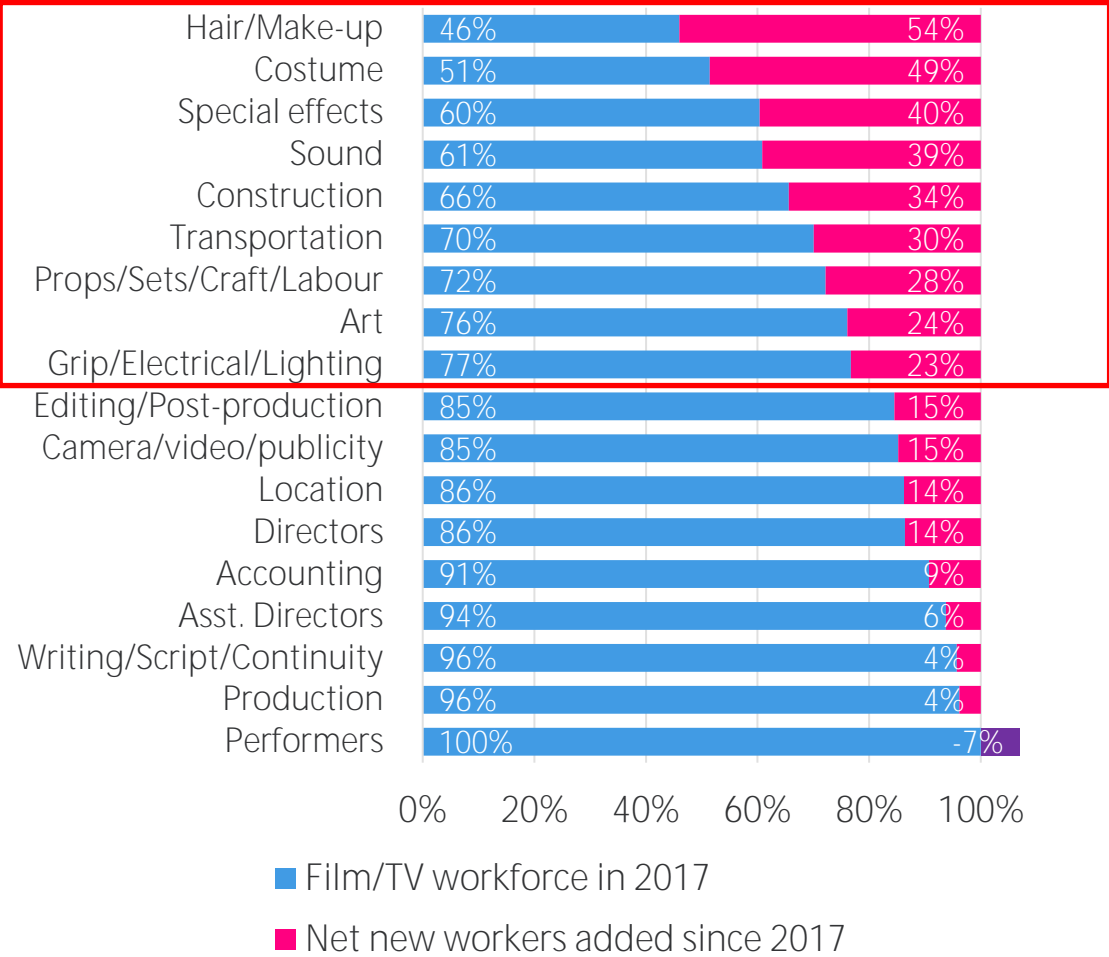
Days/worker, by occupation (indexed)



Workforce Growth and Experience



Net workers added 2017-19, by occupation



Top Labour Shortages (from Interviews)

■ Live action

1. Production accountants
2. Drivers (transportation)
3. Art department
4. Grips
5. General construction
6. Hair/makeup

■ Post-production

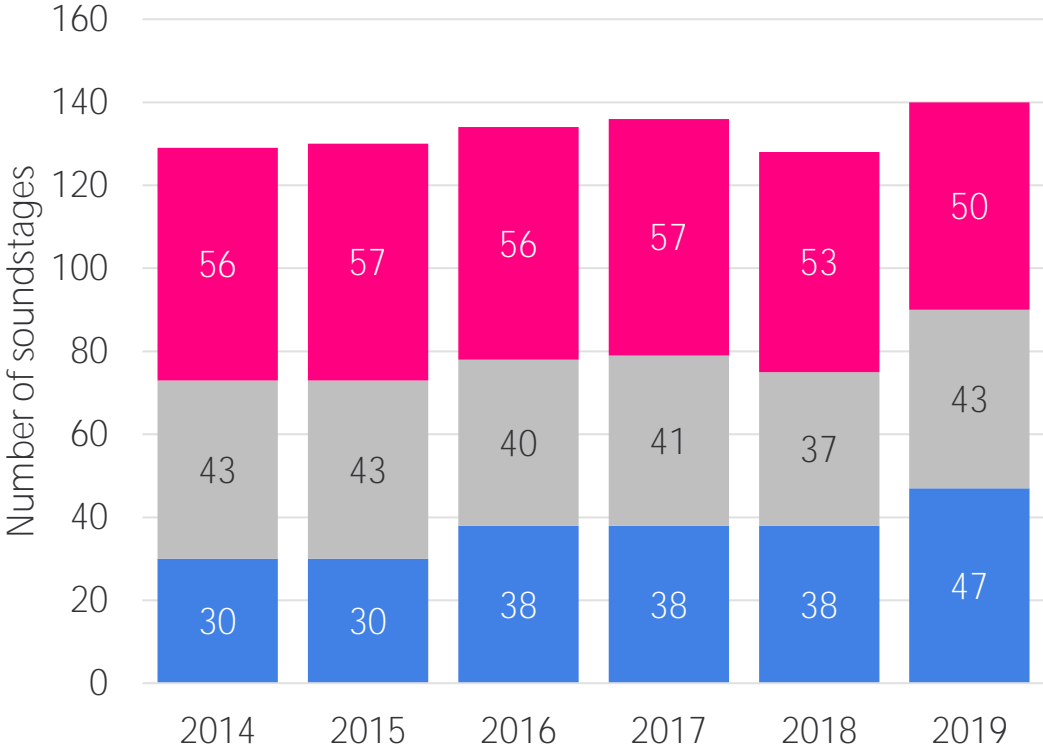
1. Experienced post-production producers and supervisors
2. Colourists
3. Sound mixers

■ Animation and VFX

1. IT-related jobs (TDs)
2. Creative roles with highly technical skill sets (riggers, groomers, physics)
3. Production accountants
4. Animators, 3D modellers, texture artists
5. On set VFX producers/supervisors

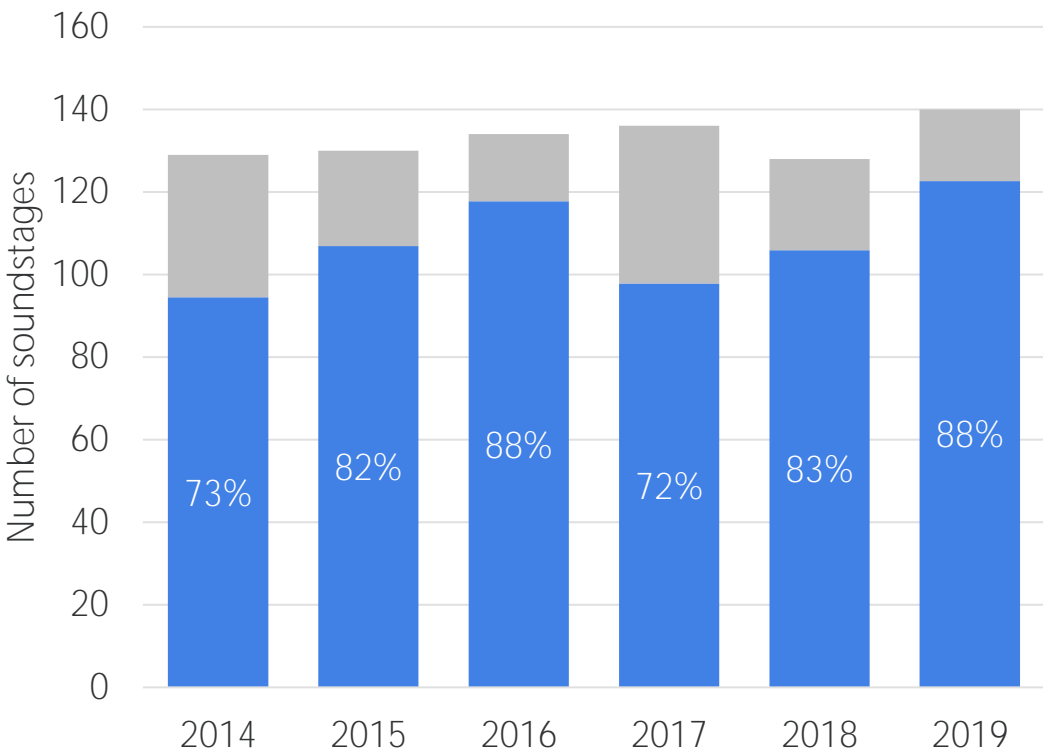
Soundstage Supply and Capacity Utilization

Number of soundstages in the GTHA



- Type 3: Stages typically used for low-budget film/TV production
- Type 2: Stages typically used for high-budget TV production
- Type 1: Stages typically used for high-budget feature production

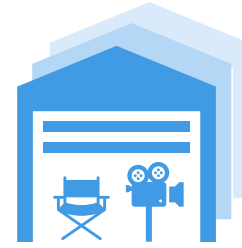
Capacity utilization
(% of available soundstage-years)



- Available (unused) capacity
- Capacity utilization (as a % of total soundstages)

Impact of Adding One Million Square Feet of Soundstages

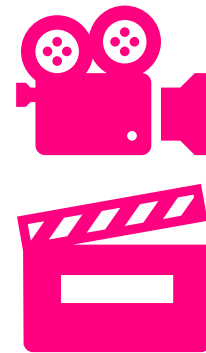
Adding one million sq. ft. of soundstage space to the current supply and keeping the same mix of **soundstage types** would lead to ...



66 individual soundstages

+ 47% from current supply

Average of 15,100 sq. ft. per new stage



\$610M additional production volume

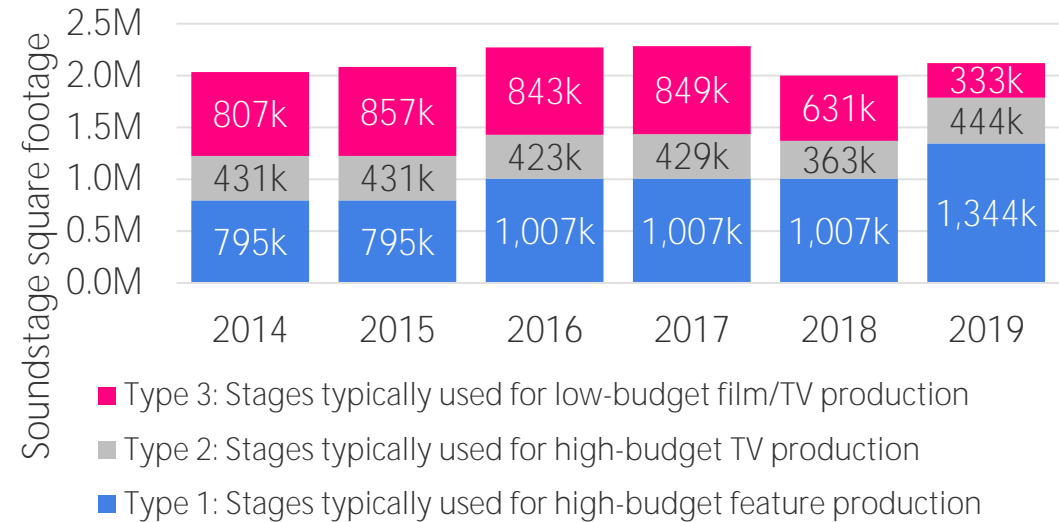


12,000 additional workers supported (6,370 FTEs)

Impact by Type of Stage

The production and employment impact varies depending on the type of stage added.

Area of soundstages in the GTHA



Production volume and employment impact of one million sq. ft. of new studio space

Studio type	Current number of stages	Average area per stage (sq. ft.)	Number of stages per million sq. ft.	Overall % increase in the number of GTHA soundstages	Estimated production volume that could be serviced by new stages	New workers required to service demand
Type 1	47	28,606	35	25%	\$266M	5.0k
Type 2	43	10,323	97	69%	\$933M	17.8k
Type 3	50	6,651	150	107%	\$1,568M	32.3k
Current mix	140	15,149	66	47%	\$610M	12.0k

Film and Television Production in Toronto



- Known for science fiction, superhero, action, and fantasy series
- Requires large crews, office space, and often, multiple elaborate sets
- Much of this work is service production for SVODs which is demanding on production/post-production workflows
- Producers anticipate increasing demand for this type of production in the next 3-5 years






- **Best known for episodic 3D animated children's content**
- Requires 100+ full-time workers for over a year, so primary constraint to growth is labour
- Production companies noted turning away work in recent years, and demand has only increased with COVID-19

The GTHA Film and Television Labour Market

- New and emerging jobs
 - Virtual production trained professionals
 - Intimacy coordinator
 - Genre specific skills (sci-fi, superhero and action series)
 - Groomers, biologically accurate musculature, and physics-based modelling
 - COVID-19 health and safety protocol positions
- Generational talent gap
 - Shortage of mid-career employees with experience
 - Specific to local challenges in the last decade (SARS, pre-2009 tax credit)
- Diversity
 - Interviewees highlighted hair and makeup talent
 - Technical positions have industry-wide gender imbalance
 - There has been increased outreach to equity-seeking communities

Recruitment and Retention Challenges

	Recruitment	Retention
	<p>Careers not seen as attainable or lucrative by the general public</p> <p>Lack of awareness of range of jobs available</p>	<p>High cost of living relative to wages</p>
	<p>Lack of awareness about entry points to on-set careers</p>	<p>Long hours and cyclical/freelance work</p> <p>Difficult to retain labour with skills that readily transfer to other industries</p>
	<p>Entry-level workers require a significant investment in on-the-job training</p> <p>Asymmetry in eligibility of Ontario vs. BC/QC tax credits regarding residency</p>	<p>Strict and often inflexible timeframes can lead to burnout</p> <p>Intermittent peak labour demands and high expectations can lead to long working hours</p> <p>High turnover of experienced talent due to competition; expensive to onboard new employees</p> <p>Vancouver and Montreal vie for Toronto talent (animated features perceived as more glamorous)</p>

Training Barriers

- Junior/emerging talent
 - Junior workers would benefit from more hands-on training on live action sets, but many jobs require experiential learning
 - Lower budget live action productions are being priced out of Toronto spaces, leaving a gap for gaining experience
 - Broad curricula for animation/VFX requires additional training for specialized on-the-job skills
- Mature talent/upskilling
 - Training gap for employees 5-15 years into careers; newly promoted workers struggle to grow into responsibilities
 - Workers become comfortable in current position and require encouragement to advance
 - Limited exposure in VFX to larger projects split across multiple companies may impede learning and career growth
- Virtual production
 - Toronto is a leader in this space, thanks to innovators like SIRT and Pixomondo
 - Educators are incorporating elements; lack of clarity on how (much) to include virtual production in curricula
 - Many existing workers are expected to need upskilling
 - Access to state-of-the-art facilities is a challenge

Toronto Production Space

- Soundstages at capacity with increasingly demanding productions
 - Production space is at capacity
 - Studio operators want to expand; perceived risk of expanding without increased workforce capacity
 - Increased interest in partnering with training programs and offering media hubs
- Leveraging multi-year lease agreements and idle space
 - Recent trend toward multi-year leases has led to idle space between seasons
 - Subleases are being offered on this idle space with revenue sharing between lessor and studio operator
 - Unions want more information about potential idle space to better forecast labour demand
- Barriers to adding production space
 - Information availability
 - Slow permit approvals (the City of Toronto has recently prioritized film/TV permit approvals)
 - **Shadow capacity (where production space doesn't conform to zoning)** prevents accurate forecasting
 - High land cost and congestion is driving new developments outside of the city
 - Retrofit existing spaces for virtual production?

Options to Address Labour Shortages

Option	Issues addressed
Programs at a high school or college level	<ul style="list-style-type: none">▪ Shortage of junior workers
Pathways for emerging talent to gain initial experience	<ul style="list-style-type: none">▪ Shortage of junior workers▪ Fewer opportunities for emerging workers to gain experience on low budget productions
Incentives for producers to train emerging talent	<ul style="list-style-type: none">▪ Fewer opportunities for emerging workers to gain experience on low budget productions
Interjurisdictional skill sharing	<ul style="list-style-type: none">▪ Shortage of experienced workers to fill supervisory/mentorship roles▪ Over-specialization (pigeonholing) in certain genres and formats of production
Labour force and soundstage information sharing	<ul style="list-style-type: none">▪ Coordinating labour and soundstage supply (recruitment/training) with demand from producers

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