

OLSBERG • SPI

The strategy consultancy for the creative industries

City of Toronto Film Office Industry Strategy

Progress Report to the Toronto Film,
Television & Digital Media Board by
Olsberg • SPI

20th May 2025



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Study Context

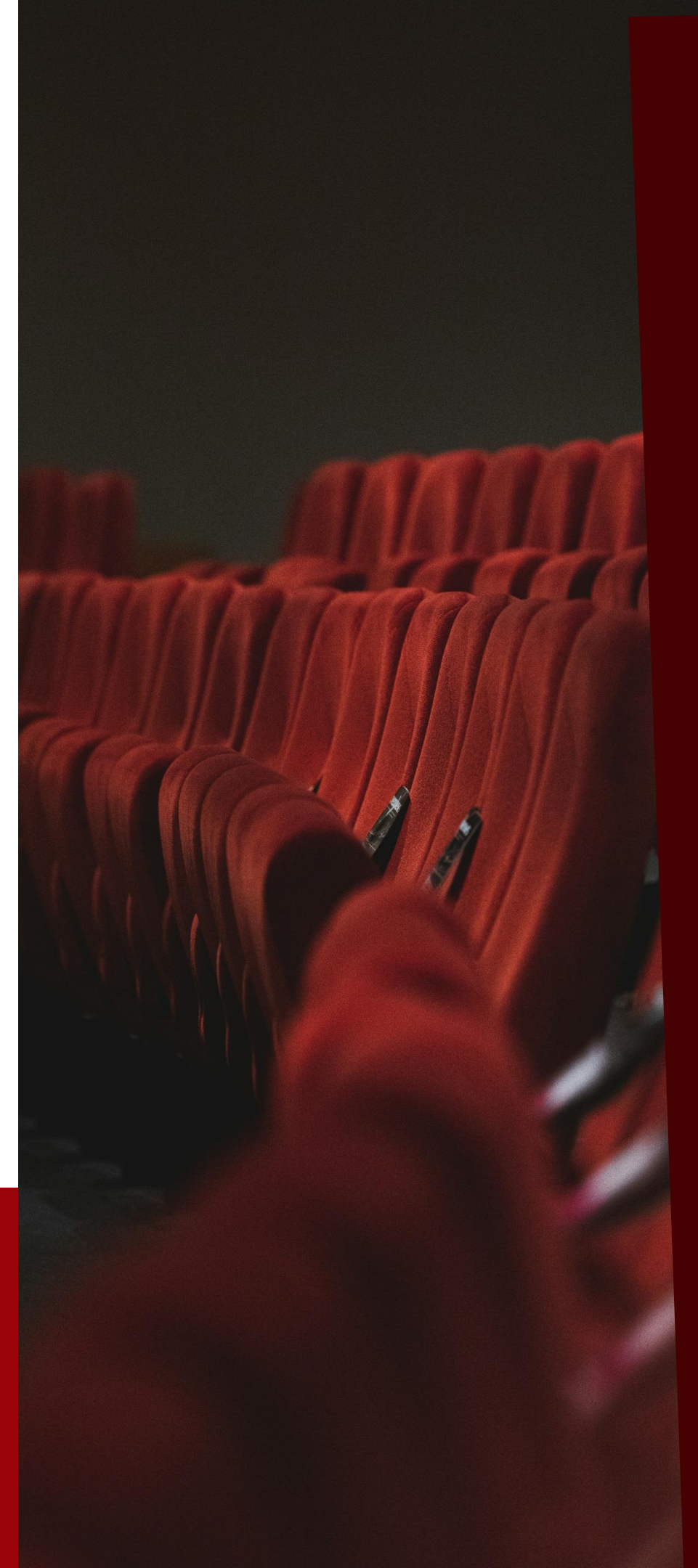
The emerging issues identified so far are primarily informed by consultations with the domestic sector. Upcoming engagement with international studios and streamers will broaden the evidence base and refine recommendations for both the domestic industry and service production.

In January 2025, the City of Toronto Film Office (“**TFO**”), part of the Economic Development and Culture (“**EDC**”) division, commissioned global creative industries consultants Olsberg•SPI (“**SPI**”) to develop a five-year Industry Strategy for Toronto’s film, television and digital media production sector.

This Study will assess the current state of the industry and recommend strategic priorities for the TFO across five key pillars identified as fundamental to Toronto’s continued growth and competitiveness:

1. Film Permitting and Concierge Services
2. Workforce Development
3. Marketing and Promotion
4. Grants, Sponsorships and Incentives
5. Film-Friendliness and Community Benefits

Building on SPI’s comprehensive review of the TFO’s foundational studies, *Spotlight on Toronto: A Strategic Action Plan for the Film, Television and Digital Media Industry* (2017) and the *Toronto Screen Industry Workforce Study* (2021), as well as high-level awareness of the Culture Plan and Economic Action Plan, this Study will extend those earlier analyses to define strategic priorities and actionable recommendations for the TFO over the next five years (2025–2030).



Sector Overview – to Date

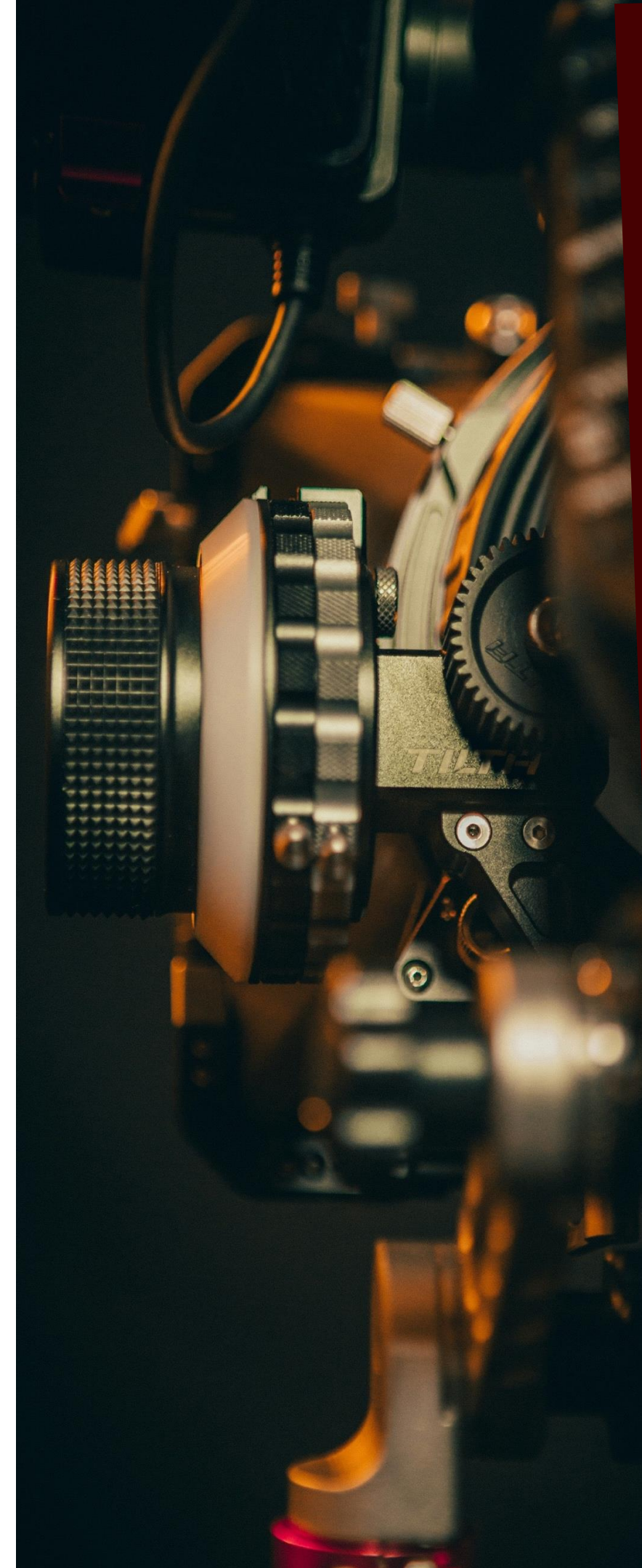
SPI's research to date notes that the TFO has met or exceeded most of the stated objectives in the 2017-2020 strategic action plan, and has consistently enhanced the City's position as a premier production hub for international service screen productions:

1. Active Advocacy:

- **Stable tax credits and growth** – Contributed to ensuring that the Ontario film tax credits remain stable, and attracted major investments (e.g., Netflix's Toronto hub)
- **COVID-19 protections (2020)** – Contributed to the establishment of safety protocols, enabling the safe resumption of production by mid-2020.

2. Strong Fundamentals in Physical Infrastructure & Workforce Development:

- **Studio expansion** – Studio space grew during this period (e.g., Showline Studios to 147,000 sq ft, Marine Terminal and the planned Basin Media Hub). Advocated successfully for the protection of key employment lands
- **Workforce initiatives** – Launched xoTO Schools (2018) and diversity programs (e.g., OYA Black Arts mentorship, 2022–23), boosting skills and inclusion. Expanded workforce development programs to include technologies such as Real Time, building access to new types of skilled jobs.



Sector Overview – to Date (continued)

3. Exceptional Customer Service Enhancements:

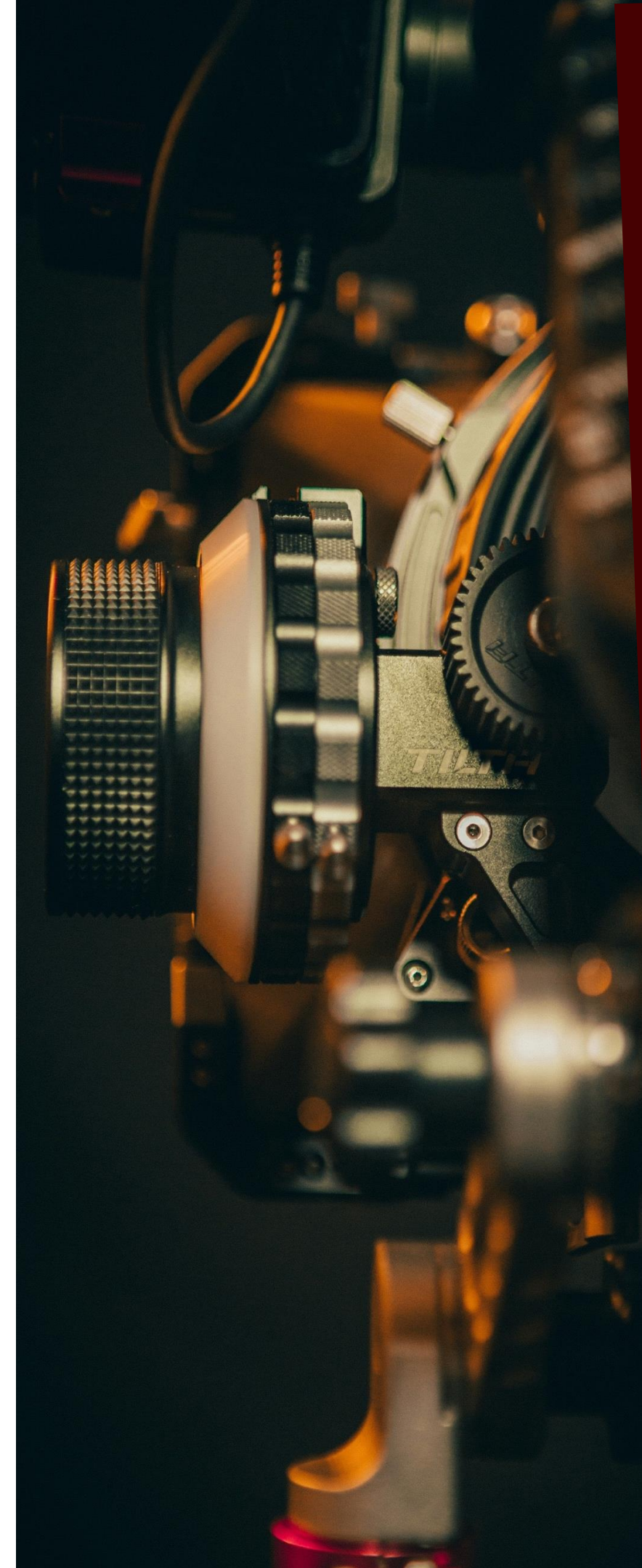
- **FilmPal permitting system** – Streamlined digital permitting platform, efficiently processing over 3,000 permits annually
- **Domestic productions** – The success in supporting incoming service productions has not been entirely matched by the support for the domestic sector; this is a key gap to address.

4. Globally Recognized, Innovative Digital Media Sector:

- **Support for animation & VFX leadership** – Takes on a proactive role in championing the VFX and animation sector. The TFO is a full member of Computer Animation Studios of Ontario (CASO) and has backed key industry research to showcase Toronto's strengths.

5. Dynamic Branding and Strong International and Business Partnerships:

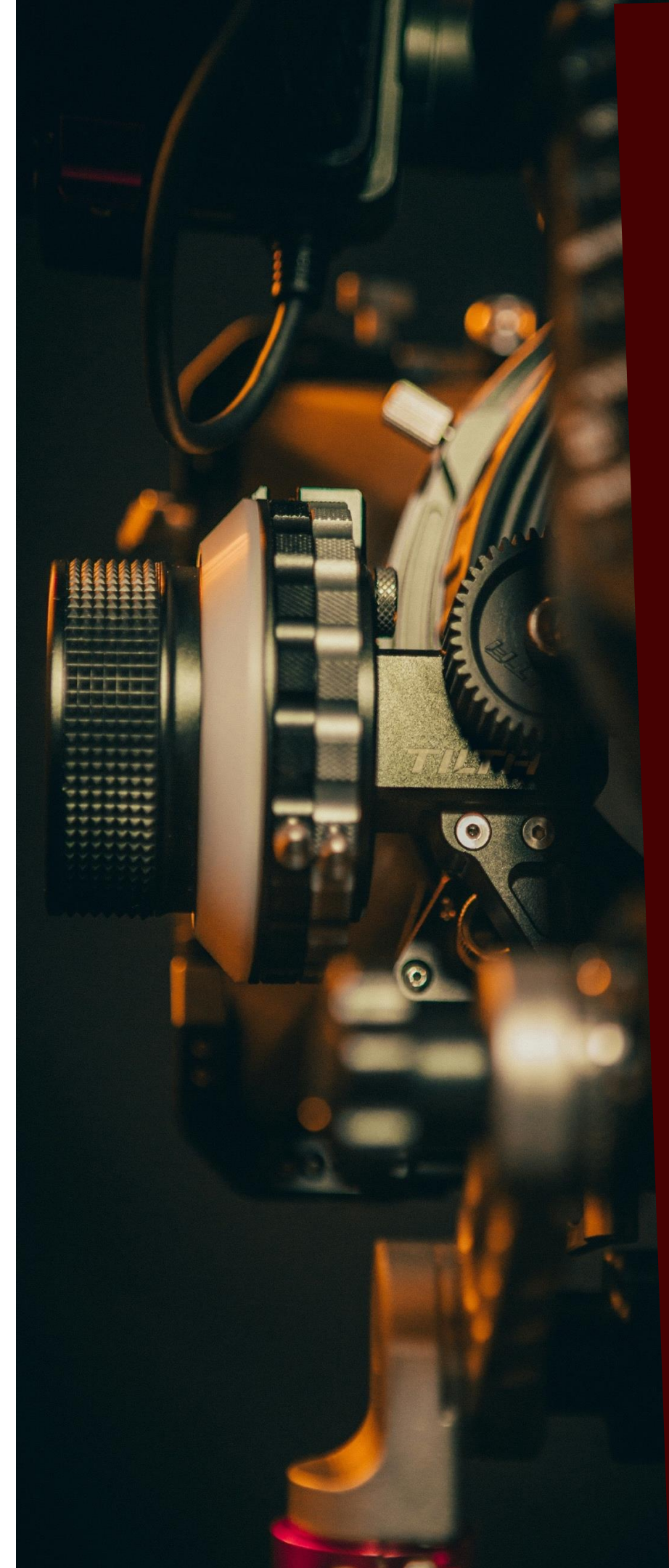
- **'xoTO' branding and promotion** – Launched successful 'xoTO' brand campaigns, including events at TIFF, enhancing Toronto's global profile in the screen industry
- **Strategic international missions** – Conducted high-profile business missions to Los Angeles (2017–2019), securing partnerships and investment commitments, reinforced by ongoing presence via Toronto/Ontario Film Office in Hollywood.



Sector Overview – to Date (continued)

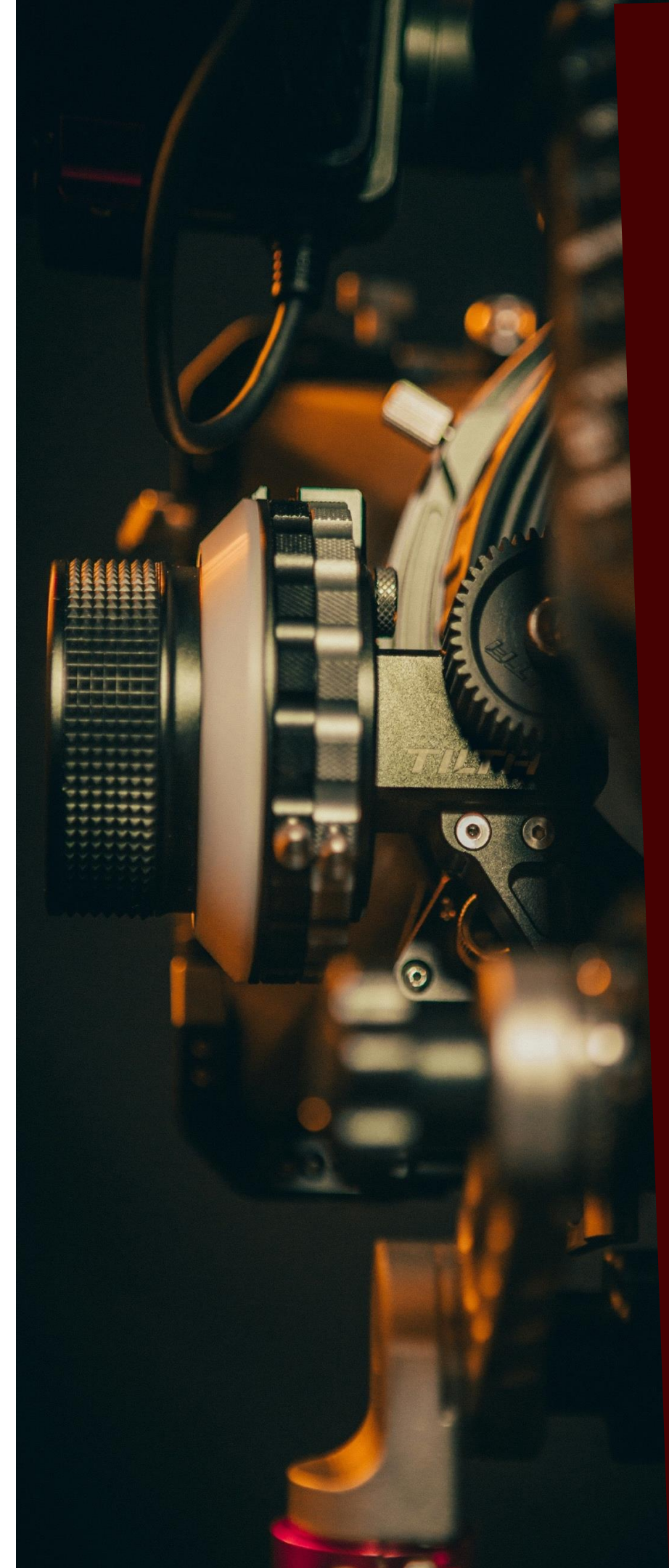
Key activities in the Toronto screen production sector, from 2019 (pre-pandemic) to present:

- **In 2019 (pre-pandemic)**, direct production spend was at \$2.2 billion for 1,567 productions
- **In 2020**, production spend fell to \$1.5 billion across 937 productions amid the pandemic
- **Record production spend (2021)** – \$2.6 billion across 1,468 productions, a 13% rise on 2019
- **Notable content surge (2022)** – Spend hit \$2.6 billion; over 1,500 productions driven by Netflix, Amazon, Apple TV+ originals
- **Significant studio expansion (2021-25)** – Soundstage capacity expanded via Pinewood, Cinespace and the planned Basin Media Hub
- **Virtual production rollout (2021-22)** – Multiple LED-wall stages opened, placing Toronto among in-camera VFX leaders
- **Enjoyed Peak TV dominance (2022)** – Streaming series and TV drama comprised nearly half of all production spend.



Sector Overview – to Date (continued)

- **Domestic production upswing (2022)** – 316 Ontario projects (38% of total film and television spending in the province); Canadian series investment at \$891 million
- **Clear workforce growth (2022)** – Crew numbers topped 35,000, nearly a 38% increase in crew members from 2019 (25,400); xoTO Pathways launched for mid-career and diversity training
- **Some slowdown in 2023** – The SAG-AFTRA strike, and global economic uncertainty cut Ontario's spend from \$3.1 billion (2022) to \$1.8 billion (-42 %)
- **Outlook (2025 target)** – With strikes resolved, the City projected a steady but gradual return to strong production volume, however, uncertainty regarding the current trade dispute may impact this.



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Project Progress to Date

In-depth Desk Research:

- **Publicly available national and provincial materials**, including the CMPA's *Profile* 2024, Toronto Global's *Film & TV guide* and the City of Toronto's *Why Film in Toronto* and *Current Productions* pages
- **Leading global industry coverage** (e.g., *The Hollywood Reporter's* March 2022 analysis of Toronto's 2021 \$2.5 billion production haul and CBC's March 2023 report on Ontario's record-high output)
- **Findings from earlier sector studies** (e.g., *Toronto Screen Industry 2021*; *Ontario Film & Television Production Statistics 2023*).

Roundtables:

- To date, SPI has held 7 in-person roundtables attended by 43 key industry stakeholders during the Market Visit to Toronto:
 - **Workforce Development** – 9 participants
 - **Producers** (two sessions) – 10 participants
 - **Post-production & VFX** – 6 participants
 - **Marketing & Communications** – 6 participants
 - **Animation** – 2 participants
 - **Studio Owners** – 10 participants.

Market Visit:

- SPI Executive Chair Jonathan Olsberg and Research Analyst Peter Cobb visited Toronto for a week in late April/early May 2025; conducted roundtables and met with the GM at EDC, and Councillor Fletcher.



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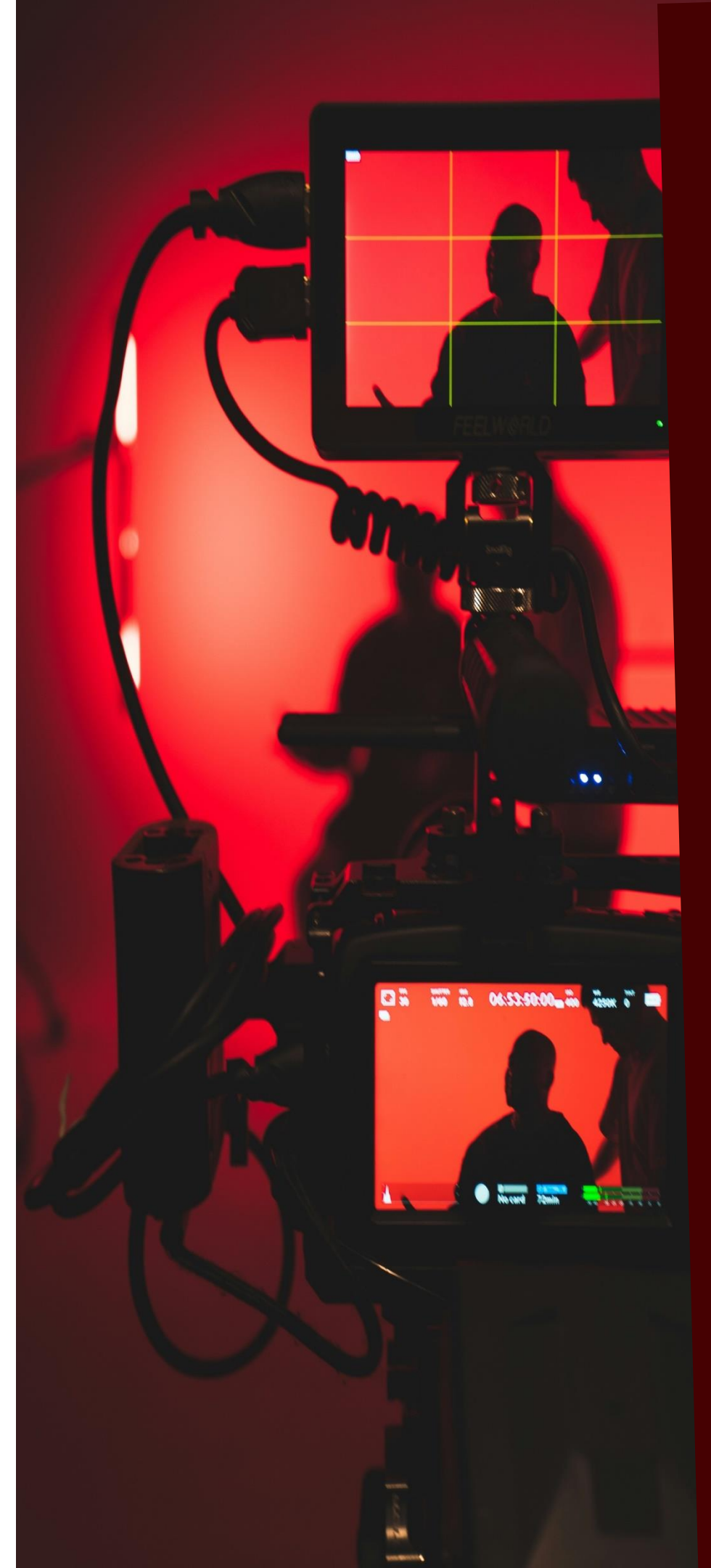
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Emerging Issues

- **Service productions dominate** – Producers are increasingly mixing high-volume service work with lower-volume domestic development to balance creative IP ambitions against steady cash flow
- **TFO's resource challenges** – The TFO may be encumbered by limited resources and by the bureaucracy of where it sits in the government structure, limiting or slowing their ability to meet industry needs at speed
- **Importance of tax credit stability** – While existing incentives underpin competitiveness, stakeholders are wary of global political shifts and long-term effects on incentives
- **Escalating cost pressures** – Location fees, urban day-rates, and general budget inflation are reshaping production economics in Toronto
- **Intense jurisdictional competition** – Other Canadian provinces and global cities are boosting competitiveness, requiring a strategic defence of Toronto's position
- **Workforce retention and skills pipeline at risk** – Cost of living, reduced junior roles, and evolving production methods may undermine workforce retention and entry-level access.



Emerging Themes for Further Investigation

As shared earlier, the TFO have largely met or exceeded 2017 targets, and there is no evidence to date that fundamental changes are needed to stay competitive.

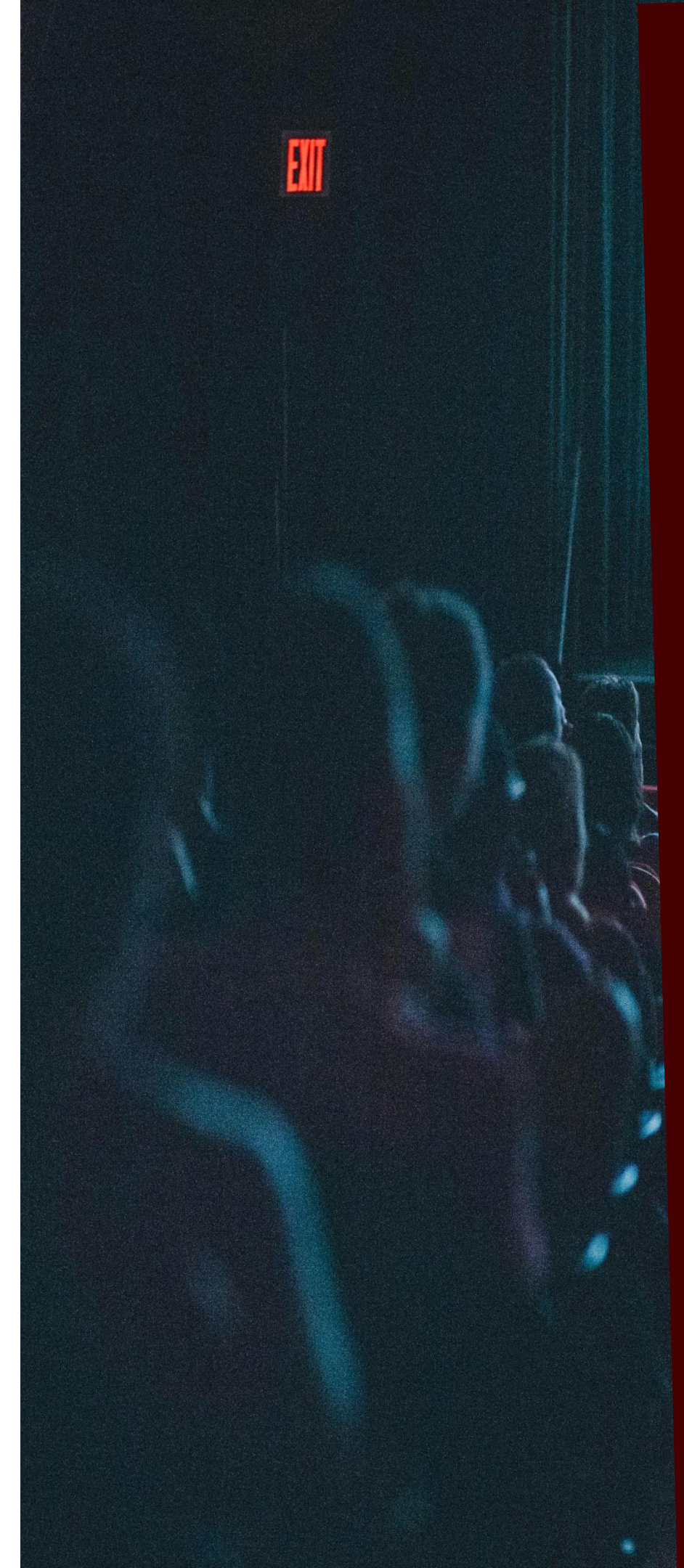
There are several emerging themes for the future:

1. Maintain Global Position

- Reinforce Toronto's competitive strengths as a leading global production and post-production hub.

2. Address Challenges Faced by the Domestic Sector

- Enhance dialogue and regular communication with domestic production stakeholders
- Demand for increased availability of accessible, cost-effective City-owned production spaces
- Growing necessity for information and intelligence services (e.g. demystifying AI).



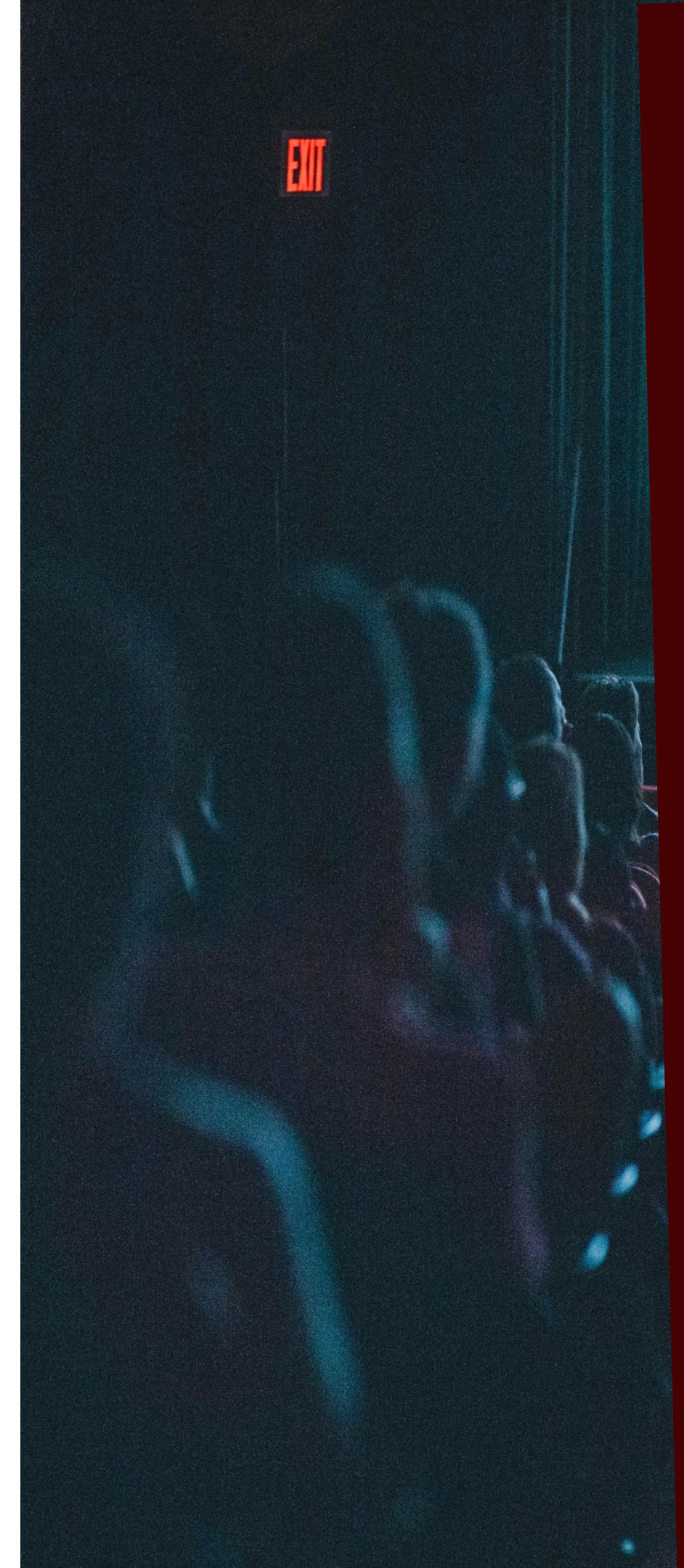
Emerging Themes for Further Investigation (continued)

3. Workforce and Competitive Positioning

- Critical requirement to understand and address workforce development needs to maintain competitive advantage
- Essential to strategically evaluate and respond to competitive pressures from other filming jurisdictions.

4. Exploring International Collaboration

- Recognition of untapped opportunities for co-production in emerging international markets beyond traditional regions
- Need for strategic enhancement in international collaboration to complement federal-level efforts.



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Schedule remaining roundtables:

- SPI will also conduct 2 further roundtables, virtually: Sustainability and Emerging Technology, with the potential of a second Animation roundtable due to low turnout.

Schedule 1:1 virtual consultations:

- In May and June, the SPI team will conduct virtual consultations with at least 10 international studios (Disney, Netflix, Amazon etc.) and key TFO-funded film festivals, including TIFF.

Continue desk research:

- Prepare up to 14 short case studies of comparable cities and their industries
- Intended to highlight additional lessons and possible strategies for Toronto.

Prepare and issue online industry survey:

- In June, the SPI team will launch an industry-wide survey designed to supply quantitative insights for the five-year strategy and to present a comprehensive overview of the current film production landscape.

Continue to monitor global political and economic uncertainties:

- Potential effects on the screen industry in Toronto.



Next Steps (continued)

Research and prepare examples of SPI's bespoke Ripple Analysis for report:

- Include examples of Ripple Analyses to underline the economic value of the incentive.

Continue regular interactions with Film Board and Film Strategy Working Group:

- Key findings and feedback meetings
- Presentations.

Draft Report and Recommendations:

- Research findings on the Toronto screen production sector
- Prepare up to 14 case studies with key lessons for the Toronto screen production ecosystem; list includes London, New Jersey, Dallas, Dublin and Madrid
- Outline recommendations for the next 5 years.

Complete Final Report and Presentation:

- Include feedback from the Draft Report into the Final Report
- On approval of the Final Report, prepare and present a Summary Presentation at the September 2025 Film Board meeting.



Thank you!

For more information on this study, please contact
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