

FILMONTARIO
FILM · TELEVISION · INTERACTIVE

2019 REPORT

Dear FilmOntario Members:

Congratulations to all of you on what has been a very successful year for Ontario's screen-based industries, one that has been equally successful for us here at FilmOntario.

The government gave us a clear signal that our message is being heard in the 2019 Provincial Budget, which recognized the economic importance of our industry and made an all-important commitment to stability for the sector. As the business continues to grow globally, and competition remains intense, this commitment demonstrates that Ontario is a great place for the film and TV business.

The message is also being heard by our business partners and audiences around the world. This year began with the announcement that Netflix would be establishing a production hub in Toronto, and is ending with the news that even more large productions are choosing Ontario. In between, we have seen Canadian productions winning recognition at the Emmys, being profiled in the *New York Times* and the *New Yorker*, and attracting audiences both here at home and around the world.

This success is due to you, our members, and all the work you do every day behind and in front of the camera. It is also a testament to the work FilmOntario does, and our long-standing commitment to working collaboratively on behalf of the province's screen-based industries. Our unique structure, which brings together labour, management, suppliers and studios from across the industry, ensures that we present a united front to keep the sector moving forward and makes sure our message is heard.

Budget 2019

In our Budget submission, FilmOntario made two clear asks: an ongoing commitment to stable and effective tax credits, and the reinstatement of the Minister's Film and Television Advisory Panel to provide input into reducing red tape for the tax credits and other ways to grow the industry. Budget 2019 delivered on both of these asks, committing to providing "stability and support for this key industry" and announcing the creation of a Film and Television Advisory Panel that would report to the Ministers of Finance and Tourism, Culture and Sport¹. The Budget itself also directly quoted the FilmOntario submission, and highlighted the many successes of our industry over several pages. Overall, Budget 2019 was good news for Ontario's screen-based industries.

"Ontario is open for business and open for jobs, including jobs in the film and television industry. . . . the government is committed to providing stability and support for this key industry." (2019 Provincial Budget)

This good news was a direct result of the time and effort we put into making sure the government understands the benefits of our sector. As we do every year, in 2019 FilmOntario was an active participant in the Pre-Budget Consultations. Cynthia Lynch was invited to attend a roundtable at the Mississauga Board of Trade with Minister of Finance Vic Fedeli, where she highlighted the success of the industry across the province and reiterated the importance of the Government's commitment to stable and effective tax credits.

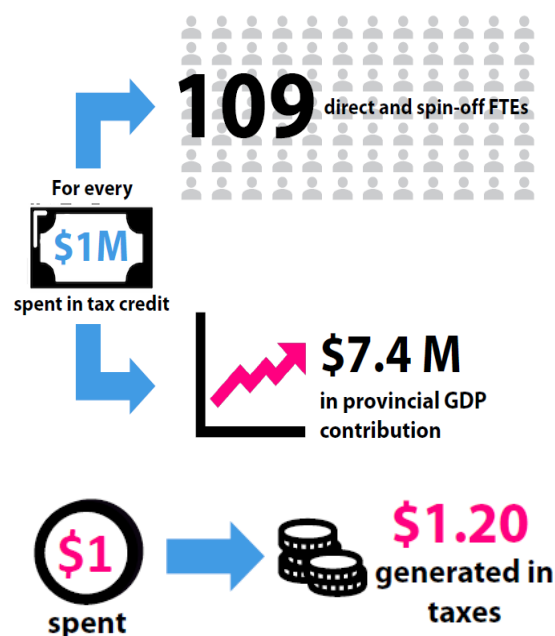
¹ Note: On October 21, 2019, the Ministry of Tourism, Culture and Sport was re-named as the Ministry of Heritage, Sport, Tourism and Culture Industries.

FilmOntario was also invited to make a presentation to the Standing Committee on Finance and Economic Affairs as part of their Budget Consultation Process. Board members Jennifer Jonas and David Rumley joined Cynthia in presenting once again on the importance of tax credit stability and the role of a long-term commitment in ensuring that our industry continues to grow. Committee members were interested in hearing about industry success across the province, the potential for reducing red tape in the sector, and studio investment. Although time was short, it was overall a successful appearance and an excellent opportunity to ensure our message was delivered to the government AND the opposition.

We also used our appearance at the Standing Committee as an opportunity to launch the study we completed in the fall of 2018: [Ontario's Screen-based Industry: An Economic Profile for 2018](#). As we told you in last year's Annual Report, we engaged Nordicity to complete a study in order to:

- estimate the employment, provincial GDP and fiscal impacts of the screen-based industries in Ontario, focusing on the independent production sector;
- forecast the sector's likely production volume for the next five years, and its related fiscal impact; and
- demonstrate the impact of tax credit changes in several competing jurisdictions: Georgia, New Mexico, Nova Scotia and Québec.

We used the study in our messaging leading up to the Budget to remind politicians that the film and television tax credits are a good investment for the province. For every \$1 million spent on the credits, 109 jobs are created and \$7.4 million is contributed to the provincial economy. In addition, the study's conservative estimates suggest that the credits aren't actually a cost to the government – for every \$1 they pay out, \$1.20 is returned to government coffers through provincial and municipal taxes and fees; a number that is expected to grow to \$1.24 over the next four years. Most importantly, the study clearly shows that changes in tax credit programs have a direct impact on production spending in a jurisdiction. All of this evidence was a convincing tool to use in our Budget submission and in our conversations with politicians leading up to Budget day.



In addition to being an effective tool for us, in recent months we have seen our study's findings cited by our industry colleagues in Alberta as they engage in their own advocacy on film and television tax credits. As was also the case with our 2017 *Studio Report*, our study has been used to argue for the economic impact of the industry and the benefits of investing in it. This is another clear sign that our advocacy work is effective and that the FilmOntario model of bringing all parts of the industry together gets results.

Keeping the Conversation Going

The government's commitment to the industry in the 2019 Budget is something we should all be proud of, but in a fast-paced political environment, there is always more work to be done. Cabinet shuffles and changes in political staff over the past year have meant that there is a continuous need to make sure that provincial politicians fully understand that the screen-based industries have a significant impact on the province's economy and quality of life. To this end, we have continued our relationship with consulting firm KTG, and again this year this is with the support and assistance of FilmOntario members the Canadian Media Producers Association (CMPA). We appreciate the support of the CMPA and all our members, which allows us to get our message across and keep doing the work that we do.

We are still waiting for the government to formalize the Advisory Panel announced in the 2019 Budget. We have assurances from both political and Ministry staff that FilmOntario will play a meaningful role on the Panel, which will "provide evidence and advice on industry trends, challenges and opportunities to grow high-value film and television production in Ontario and maximize benefits for the province." In the meantime, we continue to meet with politicians, political staff, and government employees on the issues that are important to all of us.

Roundtable with Premier Ford

As part of our ongoing dialogue with government, the FilmOntario Board was pleased to participate in a roundtable with Premier Ford on November 19. In addition to the Premier, roundtable participants on the government side included Minister MacLeod's chief of staff, and all three of her Parliamentary Assistants: Vincent Ke, Billy Pang, and Sheref Sabawy. Premier Ford opened the meeting by expressing his support for the industry and the government's ongoing commitment to certainty in our business environment. This set the tone for what was an extremely positive meeting.



During the meeting, the Board thanked the Premier for his support for the tax credits, provided examples of some recent industry successes, and discussed ongoing issues including reducing red tape in the tax credits, infrastructure needs, and workplace development. The Premier committed to working with us on these issues, and we look forward to seeing results from this work over the next year.

Red Tape Reduction

While we appreciate the government's commitment to tax credit stability, in order to ensure Ontario maintains its competitive position, we need to make sure the credits continue to be effective. This is why we will continue to push forward on a slate of suggestions for reducing red tape that will improve tax credit processing times and ensure we are keeping up with competing jurisdictions.

As we reported last year, we are continuing to work with our government partners to improve tax credit processing times. When we started this work in 2017, turnaround times at Ontario Creates were 37

weeks for the OFTTC, 34 weeks for the OPSTC, and 47 weeks for the OCASE tax credit. As of June 30 of this year, processing times were down to 27 weeks for OFTTC, 11 weeks for OPSTC, and 32 weeks for OCASE. This is great progress, but there is still work to be done. That is why we are asking the government to commit to a service standard of 12 weeks from the time you submit your application to when you receive a Certificate of Eligibility.

**We are working toward
a service standard of
12 weeks for tax credit
certificates**

We are also continuing to advocate for additional improvements to the credits. While the Ministers' Film and Television Advisory Panel announced in Budget 2019 would be the ideal mechanism for promoting this work, we have not been waiting for it to get off the ground to discuss our proposals with government, including in our meeting with Premier Ford. Our current priorities for reducing red tape are:

- update the broadcast triggers in the OFTTC and OPSTC to reflect current licensing and business realities;
- simplify residency requirements so that individuals who are residing in the province during the year of the production are eligible labour for all the film and television credits;
- reduce administrative complexity in the OCASE tax credit by allowing producers making on-set VFX claims to file their OCASE and OFTTC/OPSTC claims at the same time; and
- expand OPSTC eligibility to incorporate all location fees paid to taxable Ontario individuals and companies.

We will continue to work with members and our government partners to identify tax credit issues that may be causing delays in the system and to highlight best practices from other jurisdictions that could be implemented here.

Spreading the Message

As we outlined last year, our communications strategy targets three main audiences: (1) politicians, so that they continue to support the industry; (2) the general public, so that they understand the value that industry support brings to the province; and (3) you, our members, so that you and your colleagues and co-workers can be strong and vocal advocates on behalf of the industry. Our goals are to ensure that people are aware of the industry's economic impact and to celebrate the successes of all the shows that are made here in Ontario. To that end, we have continued to work with our communications consultant, Cass Enright, to provide timely and relevant website and social media content.

With no major events this past year, we did not see the large spikes in website traffic that were evident in 2018. Our average monthly website views in 2018 were only slightly lower than 2017, when information about the provincial and municipal elections generated great interest in the site. We will continue to update the site with useful information about our industry, our advocacy, and our industry's successes as it becomes available.

One update to the website is a refreshed FilmOntario video. The new video contains updated economic impact information and displays the great work of many of our members. We have also

made it more dynamic to reflect the nature of our industry and busy workplaces. Thank you to all the members who contributed to the video's new look.

Some of our most popular activity on Twitter continues to be our celebration of the great work that happens right here in Ontario – for example, celebrating your work at TIFF and the Canadian Screen Awards. We also see high numbers of impressions when we tweet about our political activities and government support for the industry. These stats show that we are reaching the right audience, and that key political staff and MPPs are paying attention to what we say about the industry.



Looking Ahead

It is never too early to start preparing for the 2020 Provincial Budget. We will continue to promote our industry's achievements to politicians from all parties, as well as on our Twitter account and our website. This will lay the groundwork for our Budget Submission which will continue to highlight the importance of stable and effective tax credits and our red tape reduction proposals. We will also highlight the importance of targeted support to the sector provided by Ontario Creates (particularly the Film Fund) and the Northern Ontario Heritage Fund Corporation.

To support and enhance our messaging around the 2020 Budget, we will be hosting an event at Queen's Park on March 2nd. This will allow us to reach many MPPs in a short period of time to ensure the industry continues to receive all-party support. Stay tuned for more details in the new year about how you can get involved.

Promoting Ontario

We continue to work with our partners at Ontario Creates and the City of Toronto to promote the city and the province as a world-class production jurisdiction. In July, the City of Toronto's Film, Television and Digital Media Board held its first meeting since the municipal election. Long-time industry champion Councillor Paula Fletcher was re-appointed as the Chair of the Board, which has expanded the number of industry members for this term of Council. FilmOntario has a permanent seat on the Board, which is filled by Cynthia Lynch.



Cynthia also represents the interests of the industry on several other City committees, including the Stakeholder Advisory Committees for both the Port Lands Flood Protection Plan and the developments

at Quayside. In all this work, the goal is to ensure that the needs of the industry are considered in City planning decisions, so that Toronto remains a film-friendly jurisdiction and continues to attract foreign and domestic filming.

In March of this year, Marguerite Pigott joined the City as the new Film Commissioner and Director of Entertainment Industries. Marguerite is a well-known industry professional who most recently was with the CMPA as Vice-President of Outreach and Strategic Initiatives. She definitely hit the ground running in her new role and has brought the benefit of her years of industry experience to the City of Toronto as Film Commissioner. We look forward to working with Marguerite and the rest of the City staff as we continue to promote the industry together.

We were pleased to join Mayor Tory on his annual trip to Los Angeles again this year. This was the largest delegation so far, with 30 Toronto companies spreading out across the city to participate in meetings with 32 Los Angeles companies. Over 250 LA guests then attended an evening reception at La Peer hotel. We were also a sponsor of the xoTO House event during TIFF, which this year was a one-night event held at Stackt Market.



We have also seen some new faces this year at Ontario Creates. Aaron Campbell was appointed as Board Chair in March of this year. Aaron's current position is as Chief of Staff at the LCBO; in the past he has held senior positions in the federal government with the Prime Minister's Office and the Minister of Canadian Heritage. He also spent some time working at TIFF. Since his appointment Aaron has attended many industry events and has been enthusiastic about supporting the industry and the role of Ontario Creates in delivering that support.

Also in March, Marc Fiorentino came on board as the Ontario Creates representative in Los Angeles. A native of the city, Marc brings extensive experience as a feature film and development executive at Hyde Park and Storyscape Entertainment to his new role. Marc has spent the past few months getting to know many of our members, and developing new ways to create and maintain linkages between Los Angeles and the Ontario market. We welcome both Aaron and Marc to their new roles, and we look forward to working with them.

Over the past year, our ongoing partnership with Ontario Creates included sponsoring a dinner during their familiarization tour which welcomed Los Angeles-based executives from a variety of companies to Toronto in July. The visitors met a total of 170 Ontario-based industry professionals over three days as well as visiting several studios and locations around the GTHA to get a full picture of what Ontario has to offer. FilmOntario members once again had the opportunity to network with

the visiting executives in a relaxed and informal setting over our dinner at Leña, where we also had the opportunity to hear from Susan Truppe, Minister Lisa MacLeod's chief of staff, in one of her first appearances after Minister MacLeod took over the culture portfolio. For 2020, we will be considering how best to continue to partner with Ontario Creates on the next fam tour or other LA marketing initiatives.

Cynthia also continues to sit on the Screen-based Industry Advisory Committee at Ontario Creates. The purpose of this Committee is to provide feedback to the Agency on their programs and services.

At the end of 2019, Kristine Murphy will be leaving the Ontario Public Service and her role as the Director of Industry Development at Ontario Creates. Since joining the Agency in 2000, Kristine has worked tirelessly to promote and support Ontario's creative industries and has done so in a friendly and collaborative manner. We will miss her in her current role but wish her all the best as she moves on to new adventures.

Industry Partners

We continue to work with industry partners and other organizations across the province to promote the industry. For the first time this year, Cultural Industries Ontario North (CION) organized a cocktail party at the TIFF Industry Centre, with the goal of making connections between delegates and Northern Ontario producers. FilmOntario was pleased to sponsor this event and provide access to it for our members.

**Industry partnerships
expand our influence
and help us achieve
significant results**

Work also continued this year with the Computer Animation Studios of Ontario (CASO) and the CMPA on the issue of CRA grinding the federal portion of the production tax credit received by every applicant on a show that is receiving OCASE, whether or not that producer is receiving any portion of the OCASE credit. This issue was resolved over the summer, and although OCASE will continue to be treated as assistance for purposes of the PSTC, CRA has proven to be a good partner to industry in addressing files that were already in the queue before the policy was being consistently enforced, and in agreeing to [suggested contract language](#) that will improve transparency and predictability in tax credit applications. Congratulations to CASO for this resolution and thank you for all your hard work on this issue.

While we did not take an active role in this year's federal election, we supported our national partners in two campaigns: the Just Ask campaign initiated by ACTRA, IATSE and the DGC; and the CMPA's Indie Producers Vote. We hope that all our members took these opportunities to inform themselves on industry issues and to vote in October.

As we continue to work on behalf of all our members, we will also continue to look for opportunities to partner with organizations when the need arises and where it makes strategic sense.

Sustainable Industry Growth

As the global demand for screen-based content continues to grow, we need to continue to ensure that Ontario is well situated to maintain our place as an attractive jurisdiction for both foreign and domestic productions. This means we need studio space, a diverse and well-trained workforce, and that we are doing our part to mitigate the industry's impact on the environment.

Studios

At FilmOntario, we continue to keep a close eye on the studio file. As an industry organization, our role in the studio discussion has been to bring people together to explore options and provide solutions. To this end, we have worked with the City of Toronto and other municipalities to ensure that policies allow for and encourage the development of studio spaces. In 2019, we also advocated for a by-law amendment in the City of Hamilton that would re-zone part of the Barton Tiffany Lands to allow for studio development.



We would like to congratulate our studio members who have been moving ahead on their announced studio expansions and the development of new studio spaces. It was our pleasure to attend the opening of CBS Stages in Mississauga, where Minister Fedeli reiterated the government's commitment to stability for the industry. This commitment is part of what has given studio investors confidence in Ontario's screen-based production sector and optimism about the opportunities for growth.

With previously announced studios and/or expansions planned for Ottawa, Pickering, and Toronto's Port Lands, and new spaces announced over the past year for Hamilton and Mississauga, Ontario Creates estimates that 2.3 million

square feet of new studio infrastructure will be constructed in the province through 2021, nearly doubling the existing studio facility footprint. We look forward to working with all our members to ensure that these investments in studio expansion are a success, and we are even more excited about the excellent productions that are going to come out of these new spaces!

Workforce Development

FilmOntario is also working with our government and industry partners to explore ways to expand and diversify our provincial workforce. Conservative estimates suggest that 800 jobs are created for every 100,000 square feet of studio space that comes on-line. This means that we will need almost 20,000 people to service the productions that the new studio spaces will bring. Our union members report that membership is up by an average of 40% over the past five years, but we will need to ramp up that growth if we are going to meet the increased demand for labour.

The City of Toronto and Ontario Creates have also been working with local unions and guilds, as well as other organizations, to outline pathways to joining the industry, identify barriers to entry for diverse new entrants, and to raise awareness of the employment opportunities within the industry. As we continue to grow, it is important to ensure that our industry is as diverse as the province that we live in. We will continue to support this work over the next year and encourage all our members to

get involved in job fairs, mentoring and training programs when such opportunities arise.

In addition to working on expanding and diversifying our workforce, we remain committed to maintaining respectful workplaces throughout the industry that are free from discrimination, bullying and harassment. We would like to commend our members who have signed on to the Industry Code of Conduct over the past year, [as we did in 2018](#), and we encourage all of our members who haven't yet signed on to do the same.

Sustainable Production

Finally, Ontario Creates has also been gathering together a group of interested industry stakeholders to formulate both short- and long-term strategies to make production in Ontario more environmentally friendly. The short-term initiatives are currently focussed on reducing single use plastics and food waste on set. The longer-term strategies could include the formation of an industry-led committee that will develop industry best practices, offer training, and potentially lead to green certification for productions. FilmOntario has been involved in these initial conversations, which also include the City of Toronto, and we are currently considering what our long-term involvement will be in these initiatives.

Thanks to All Our Members

In 2020, we will be stepping up our membership campaign in order to expand our membership base and maintain our position as a strong and representative voice for the industry. In the past year, we were very pleased to have welcomed the following new members:

- BFL Canada
- Dufferin Gate Studios
- House of Cool
- Stratagem Studios Inc.

We would also like to thank all of you for your ongoing support of and dedication to FilmOntario. As we are funded from membership fees alone, we truly could not accomplish anything without our members.

Board of Directors

We would like to take this opportunity to acknowledge and thank our extremely engaged and hardworking Board of Directors:

John Weber (Treasurer)
Take 5 Productions

Jayson Mosek (Secretary)
NABET 700-M UNIFOR

Paul Bronfman
Comweb / William F. White

David Carter
EP Canada

Scott Garvie
Shaftesbury

Hilary Goldstein
Buchli Goldstein LLP

Ira Levy
Breakthrough Entertainment

Jim Mirkopoulos
Cinespace Studios

Monty Montgomerie
 IATSE 873

David Rumley
 IATSE 667

Vanessa Steinmetz
 Entertainment One

Jane Tattersall
 Sim

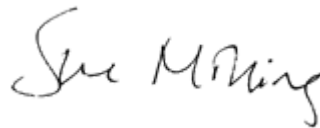
More Work Ahead . . .

2019 has been a busy year for production in Ontario and has been equally busy on the political front as the provincial government settled into its first full year in office. The work we have done with all of you has ensured that we are heading into a new decade on a stable footing, ready to take on the challenges and opportunities presented by our continuously evolving global media landscape. As we head into 2020, at FilmOntario we will continue to work with all of you to ensure that the government continues to appreciate the industry's economic impact and contribution to quality of life in the province. Thank you all for your ongoing support.

WE COULDN'T DO IT WITHOUT OUR MEMBERS



Jennifer Jonas



Sue Milling