



A REVIEW OF  
**FILM COMMISSION MANDATES**

and support for the film, video and digital media industry in  
Canadian regions with 500,000 population or less.

February 2011



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# Executive Summary

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Film, video and digital media are fundamental communications tools that tell stories and provide northern people a voice in the outside world. The sector also has a significant economic impact, contributing approximately \$9 million to the NWT economy annually. This includes wages paid of approximately \$5 million dollars annually. Full time employment is estimated at more than 100 persons evenly distributed between digital media and film/video platforms.

The study included a comparative review of film commission mandates, support programming, commission organizations and structure of Canadian jurisdictions of similar needs with a population base of less than 500,000. In general these jurisdictions devote significant financial and human resources to supporting the industry. In some cases their film commissions are run by government, in other cases they are independent. They also offer a host of funding and incentive programs designed to support the industry through all phases of product development. These programs include rebates, tax credits, equity investments, developmental loans and funding for training and professional development.

It is recognized that film, video and digital production is a business across Canada and in the NWT. Therefore it merits the same type of encouragement offered to other businesses that have growth potential. Existing programs may need to be targeted and enhanced to meet industry needs and encourage diversification of the NWT economy.

The NWT film, video and digital media industry is currently fragmented and there is no coordinating body to promote cooperation between members and champion this sector. To ensure the industry receives the credit it deserves, we believe the industry must organize to represent itself effectively to the NWT government.

Industry associations in other jurisdictions provide essential services to their members, and to domestic and foreign producers. Their level of service may include organizing festivals to promote member productions, promote member services to outside producers and sponsor and organize professional training seminars.

Finally, the activities of a Film Commission are key to the success of filmmakers throughout their careers, but particularly when they are starting out. If no assistance is offered to homegrown producers for a first film, it is highly unlikely those producers will ever qualify for support from national programs.

The report includes a number of options designed to promote discussion and establish a future direction for the industry. These include:

- Develop a fully interactive and information rich website.
- Encourage and support the development of an active industry association.
- Institute a voluntary permitting/registration system.
- Regularly attend industry marketing events relevant to the North.
- Modify and/or enhance existing funding sources offered by the GNWT.

The long term goal is to create a sector that is forward looking, dynamic and creative.

# Introduction

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Outcrop was engaged by ITI to review the costs and benefits of potential programs to support the NWT film industry “in the current fiscal environment”.

This included conducting a comparative analysis of Film Commission models and support programs including incentive programs in smaller jurisdictions (less than 500,000 population).

Topics to be covered included:

- Film Commission structures, reporting authority, budgets and level of activity
- Types and costs of incentives available to the film industry in small jurisdictions
- Size and economic impacts of the film industry

We looked at five Film Commissions, including NWT, Nunavut, Yukon, Newfoundland & Labrador and Prince Edward Island.

We were also asked to review programs available to support the industry in the NWT, as offered by the Departments of Education, Culture and Employment and Industry, Tourism and Investment. We had a brief look at national industry support programs as well.

Our investigations led us to producer groups among the various competing jurisdictions, which we support.

Finally, we were asked to come up with some models for the future direction of the NWT Film Commission for discussion by the industry.

We would like to thank everyone we talked to for helpful advice and assistance in tracking down information. We would particularly like to thank Cheryl Ashton, CEO of the Nunavut Film Development Corporation, Iris Merritt, Film Officer of the Yukon Film and Sound Commission, Chris Bonnell, Executive Director, Newfoundland & Labrador Film Development Corporation and Valerie Creighton, CEO of the Canadian Media Fund for their valuable contributions to this report.

# Film Commission Mandates

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Our review included comparisons between five smaller Canadian jurisdictions, Yukon, Nunavut, NWT, PEI and Newfoundland & Labrador.

## **Yukon Film and Sound Commission**

<http://www.reelyukon.com>

Staff: 4, Annual O & M budget, \$563,000, program budget, \$710,000

Funding Source: Yukon Economic Development

The Yukon Film and Sound Commission invests in filmmakers through incentive programs. The goals of all Film and Sound programs are to:

Maintain and ultimately increase the level of total independent film and sound recording production and expenditure in Yukon;

Maximize Yukon employment opportunities resulting from film and sound recording production in Yukon;

Encourage sustainable growth in the Yukon film and sound recording production sector resulting in a stronger infrastructure of skills and services.

## **Nunavut Film Development Commission**

<http://www.nunavutfilm.ca>

Staff: 2, Annual program budget, \$800,000

Funding Source: Nunavut Economic Development and Transportation

NFDC has the mandate to increase economic opportunities for Nunavummiut in the film, television and digital media industry, and to promote Nunavut as a world-class circumpolar production centre.

**Core responsibilities are:**

- To ensure all activities undertaken will be carried out under the principles of Inuit Quajimajatuqangit.
- To sustain and grow a competitive Nunavut owned and controlled film, television and digital media industry.
- Enable Nunavut production companies to foster existing and to establish new relationships with national and international co-financing partners.
- Enhance the ability of Nunavut production companies to secure development and production financing.
- Effectively administer territorial funding programs to ensure that Nunavut becomes competitive as a production centre and continues to build the ability to attract private sector and federal investment.

**Northwest Territories****Film Commission**

<http://www.iti.gov.nt.ca/artsandcrafts/filmcommission.shtml>

Staff: 0.25 of one full time person. Annual program budget, \$50,000

Funding Source: Industry, Tourism and Investment

**No published mandate**

"The NWT Film Commission was taken over from the City of Yellowknife by RWED in 1998, to promote this sector. It focuses on promotion of the NWT as a unique filming location, and promotes individual artists and businesses for hire as local resources. Its marketing tools include a website, brochures, a handbook, and trade magazine advertisements or listings.

"The GNWT will consult with the arts sector to develop a limited incentive program that attracts filmmakers to the north and encourages participation of NWT-based filmmakers and related support. Options that may be considered are labour rebates or transportation assistance for location scouting." (The GNWT Response to A Vision for the Arts in the NWT, 2003)

**Newfoundland & Labrador****Film Development Corporation**

<http://www.nlfdc.ca>

Staff: 5. Annual Program Budget:  
\$2 million

Funding Source: Departments of Industry and Tourism

The Newfoundland and Labrador Film Development Corporation's funding programs are designed to assist and promote the development of the indigenous film and video industry in Newfoundland and Labrador. The eligibility criteria are designed to ensure maximum employment and growth in the Newfoundland and Labrador film and video industry.

The mandate is to foster and promote the development and growth of the film and video industry in Newfoundland and Labrador, and to increase the national and international visibility of Newfoundland and Labrador as a location. This mandate will be achieved by pursuing the following objectives:

- To support, assist and develop the growth of the private sector film and video industry using sound business principles in the areas of funding, marketing, promotion and infrastructure development;
- To promote the province within the worldwide film and video industry as a location for film, video, television and commercial productions;
- To serve as a focal point of liaison between industry and all levels and sectors of government in support of industry development; and
- To ensure that appropriate pools of investment and equity capital are available to assist in the growth of the indigenous industry.

According to Chris Bonnell, the commission has studied the digital sector and is considering a program to support it.

### **Prince Edward Island**

<http://www.PEIbusinessdevelopment.com>

No staff, programs

### **Innovation PEI**

The Prince Edward Island Film Commission has been abandoned entirely in favour of an emphasis on growing hi-tech businesses, and businesses supporting digital projects. The rationale for the demise of the Film Commission was that an existing labour rebate was paying for the same jobs repeatedly, due to the limited number of companies applying for the rebate. The film program, when it was running, also included a development loan program, equity investment program and marketing assistance. (personal communication, Nancy Roberts)

PEI has an Island Media Arts Coop, which is member driven and loans equipment and provides training. Their website has not been updated since 2006.

Innovation PEI has some involvement with digital projects. For example, together with Bell Alliant, Innovation PEI has supported six projects in the past year, including a lobster tracking system using smart phone technology, a multimedia community archive web portal, a web development tool for smaller tourism businesses, and an interactive tele-presenting program for rural education.

Innovation PEI's website declares: "Prince Edward Island's Information and Communications Technology sector is experiencing sustained growth across many verticals including healthcare, independent software vendors, financial services, aerospace, wireless and mobile applications, and gaming. From applied research and new product development through to supporting expansion requirements, technology companies will find everything they need in Prince Edward Island.

"As an ideal near shore location situated between major North American and European cities, Prince Edward Island offers a compelling package of benefits to prospective ICT companies."

For the purposes of this report Prince Edward Island was excluded from further analysis.

# Industry Support & Budgets

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Competing film commissions and governments market their respective areas, and spend hundreds of thousands of dollars to encourage producers to use regional facilities and locations. Their budgets are devoted to boosting the image of their region and to supporting marketing and ongoing training for local producers.

There is a return realized on this investment. The Yukon rebate system is easy to track and for every dollar spent to support the industry, the Yukon Film and Music Corporation estimates a nine dollar spin off in the Yukon economy.

The Nunavut Film Development Corporation estimates a more conservative return of three to four dollars for every dollar spent in support of the film, video and digital media industry.

The Newfoundland Film Development Corporation 2008-09 annual report, states that for every \$1 spent, the total GDP return to the province is \$2.86.

\*Note: Chris Bonnell, Executive Director, NLFDC, mentioned it is unlikely the equity investment will be recovered in full. However, since the corporation is funded together with Newfoundland Tourism, it allows them to "play the cultural card, as well as economic benefit".

**Funding and Incentive Programs by Film Commission**

Outlay	Programs
<p>Yukon \$706,000</p>	<p>Travel Rebate (Note, this is a cash rebate, not a tax credit): 50% rebate on travel costs to a maximum of \$10,000 or 10% of all Yukon expenditures</p> <p>Yukon Spend Rebate: 25% of Yukon Spend</p> <p>Training Program: 25% of wages paid to individuals providing on-set training</p> <p>Non-repayable Development Funds: up to 50% of Yukon Spend to a max of \$35,000 or 33% of total expenses</p> <p>Non-repayable Production Funds: up to \$500,000/project. Contribution based on 30% of Yukon expenditures or 30% of total production costs.</p> <p>Training Funds: up to \$8,000</p> <p>Enterprise Trade Fund for Film and Sound Industries (supports events such as festivals, tours, workshops, etc)</p>
<p>Nunavut \$475,000</p>	<p>Labour rebate for 40-50% of local labour costs in pre-production, production and post (funding capped at \$300,000)</p> <p>Re-payable Development Loans (cap of \$10,000-\$25,000/project; fund at \$50,000) Marketing Assistance (travel grants) (\$20,000)</p> <p>Professional Development (financial support up to 50% to attend recognized film institution) (fund capped at \$45,000)</p> <p>Industry Development &amp; Training (up to 50% of workshop costs to a maximum of \$18,000) (fund capped at \$60,000)</p>
<p>Northwest Territories \$50,000</p>	<p>There are no funds specifically allocated to the Film Commission for the development and encouragement of the industry. There are some small pots available under ITI's SEED program, the NWT Arts Council and under Education, Culture and Employment Cultural Contributions programs.</p> <p>Some NWT Film Commission funding is used for advertising in program guides at the Toronto International Film Festival and at Cannes.</p>

Outlay	Programs
Newfoundland & Labrador \$4,091,890	<p>Film and Video Tax Credit: 25% of the total eligible budget or 40% of the total eligible labour expenditures (capped at \$3 million). Min. 25% of total salaries must be paid in NL</p> <p>\$2 million Equity Investment Program: financial contribution up to 20% of total production budget (not to exceed \$250,000) repaid from earned income resulting from the production. Must be NL controlled business and meet CAVCO content requirements.</p> <p>Development Loans</p>

Additional detail on The Film Commission Incentive Program is included in the following table:

Film Commission Incentive Program Summary

FUND	FUNDING	PURPOSE	ELIGIBILITY	USE OF FUNDS	ELIGIBLE COSTS	INTAKE
Yukon YFSC Incentive programs \$706,000 Yukon Spend Rebate	Up to 25% of Yukon spend	to attract productions to shoot in Yukon, to support training and development of the local film industry.	Production company with broadcast or distribution agreement, Yukon labour is 50% of person days.	rebate on below the line spend in Yukon	rebate on below the line spend in Yukon, up to 25% of Yukon spend	Ongoing
Training Program	Up to 25% of wages paid to trainers for training Yukon labour in Yukon	to attract productions to shoot in Yukon, to support training and development of the local film industry.	Production companies from outside Yukon	applies to wages for trainer while training a Yukon resident	training Yukon labour, up to 25% of trainer wages	Ongoing
Travel Rebate	up to \$15,000 for travel from Edmonton, Calgary or Vancouver to Whitehorse	to attract productions to shoot in Yukon, to support training and development of the local film industry.	Production companies from outside Yukon	travel for essential crew members where Yukon expertise is not available	maximum equivalent of \$2000/day, less other eligible rebates	Ongoing
Yukon Filmmakers Program	Up to \$8000	To assist Yukon professionals to develop viable careers and businesses	Yukon resident or business with career commitment to the industry	development of domestic filmmaker's skills	development activities including research and funding search, hard costs, subsistence, childcare, tuition, texts, consumables, travel, accommodation and fees for visiting instructors	Deadlines: June 1, December 1
Yukon Film Training Initiative	Up to \$3,000 matching funds per person per year	to assist Yukon residents to undertake film production or post production technical training	Yukon resident, registered non-profit society	recognized training courses, workshops, mentoring		Ongoing
Yukon Film Development Fund	Up to \$35,000 or 33% of total project expenses to assist with the costs of development of film projects in Yukon	development of projects that have commercial potential, development of domestic producer's skills and development of a competitive industry	Yukon resident or resident business that owns at least 51% of the project, and has commitment from broadcaster or distributor	property acquisition, script drafts, budgeting, packaging, creative personnel, production funding search	cash expenditures in Yukon, research, scripting, casting, scheduling. Overhead and producer fees to a limit of 15% each of budget, certain services not available in Yukon	Ongoing
Yukon Film Production Fund	Up to \$500,000 or 30% of Yukon expenditures, 20% for co-production	develop local skills and expertise at the director/producer level and increase the number of films produced in Yukon	Yukon film company, with broadcast or distribution agreement	production expenses for filming in Yukon	cash expenditures in Yukon. Mentoring creative positions. Overhead and producer fees to a limit of 15% each of budget. Potential to shoot some locations outside Yukon	Ongoing
Enterprise Trade Fund	75% of eligible marketing costs to \$50,000, 75% of eligible event attendance, web site or business skills to \$10,000, \$2,000 per showcase, 50% of eligible business plans to \$10,000	to open new markets, or significantly expand existing ones	Yukon filmmakers, businesses with a proven track record and export ready product, or non government agencies that can prove activities will significantly develop the industry	events, such as trade shows, festivals, conferences, marketing including research and analysis, business development and strategic plans, business training	Yukon contribution cannot exceed 75% of costs	Ongoing

Film Commission Incentive Program Summary

FUND	FUNDING	PURPOSE	ELIGIBILITY	USE OF FUNDS	ELIGIBLE COSTS	INTAKE
<b>Nunavut NFDC \$475,000 (2010)</b>						
<b>Creative Content Development</b>	Up to \$7500, 75% in advance	to encourage cultural representation, screen writers and content creators, digital media, plus use of Inuktitut and Nunavut landscapes	Nunavut production companies, that own 100% of the copyright, with two production credits of not less than 30 minutes total	film, television or digital media convergent projects in pre-production	rights, research, writing, scheduling, pre-production, demotaping, airfare, accommodation, 3rd party scripting, consultation, plus 40% of these costs for producer fees and overhead digital media also includes creative, technical leads, writer, production manager, webmaster, systems integrator	Deadline: April 19
<b>Digital Explorations</b>	up to \$12,500, 75% in advance	explore multipatform potential, needs assessment and planning for digital capacity	Nunavut production company with two production credits of not less than 30 minutes total, having two film, television or digital projects in development	fees and travel expenses of independent consultant to conduct exploration	fees, airfare to Nunavut, accommodation, per diem, ground transport.	Deadline: April 19
<b>Entry Level Film Experience</b>	Up to \$5000, 75% in advance	for Nunavumit to explore opportunities for employment in the industry	entry level opportunity	film camps, lectures, festivals	film camps, lectures, festivals	Deadline: April 19
<b>First Half Hour Fund</b>	up to \$30,000 in costs and \$10,000 in services. 50% on completion of film camp	intensive training for emerging filmmakers	emerging resident filmmaker, with not more than 30 minutes of on screen credits	film camp and one year of professional support. Project to develop: under 30 minutes, drama, comedy or animation, broadcast	eligible expenses for completion of First Half Hour (*insurance and legal counsel provided by Nunavut Film)	(summer 2010 film camp)
<b>First Short Film Fund</b>	up to \$25,000 in cash and support	intensive training for emerging filmmakers	emerging resident filmmaker, with not more than 30 minutes of on screen credits	film camp and one year of professional mentorship. Project to be developed: under 10 minutes, drama, comedy or animation, broadcast ready	eligible expenses for completion of First Short Film (*bookkeeping, insurance and legal counsel provided by Nunavut Film)	(summer 2010 film camp)
<b>Market Endowment Program</b>	up to \$5,000	to encourage marketing relationships	producer related credits of not less than 30 minutes, with one project in development	to attend international markets, co-production conferences or forums	eligible list of market events, registration, airfare, accommodation, per diem, packaging	Ongoing
<b>Nunavut Spend Incentive</b>	27% rebate for Nunavut owned resident company, 17% rebate for equal or minority owned resident company. Bonus points for training key personnel. Minimum Nunavut expenditure \$25,000	support development of strong indigenous industry, nurture local talent and cultural promotion	Canadian production company owning 100% of copyright in production.	eligible Nunavut costs per schedule	feature length films, television programming, digital media projects	Deadline: April 19

Film Commission Incentive Program Summary

FUND	FUNDING	PURPOSE	ELIGIBILITY	USE OF FUNDS	ELIGIBLE COSTS	INTAKE
<b>Newfoundland NLDC \$4,091,890</b>						
<b>Equity Investment Program</b>	up to 20% of total production budget (not to exceed \$250,000) to be repaid from earned income	To support NL based production	incorporated NL film and video companies, 51 percent ownership	Feature films: dramatic, documentary and animated  TV Series: dramatic, documentary, children's variety, performing arts, animated, incl pilots TV Mini Series: dramatic series of two to ten episodes with continuing plots and characters TV Specials: single television programs that are dramatic, variety, performing arts, animated, informational, incl pilots  Non-Theatrical: non-commercial programs designed for schools, libraries, etc.	script development, optioning/purchase of literary materials  research for production and marketing, project related overhead and office expenses, travel, preparation of budget pre-production, production, post-production, distribution and marketing	Deadlines: March 15, October 18
<b>Development Program</b>	Phase One: loan of up to \$15,000 or maximum of 33 percent of budget  Phase Two: loan of up to \$20,000 or 33 percent of budget  Optional one time loan \$35,000 or 33 percent for a series	To support development from research to costing	incorporated NL film and video companies, 51 percent ownership	Feature films: dramatic, documentary and animated  TV Series: dramatic, documentary, children's variety, performing arts, animated, incl pilots TV Mini Series: dramatic series of two to ten episodes with continuing plots and characters TV Specials: single television programs, drama, variety, performing arts, animated, informational, Non-Theatrical: non-commercial programs designed for schools, libraries, etc.	Phase One: development of production from research, writing, market analysis to costing  Phase Two: script writing, travel, shooting schedule, shooting script, production budget	Deadlines: March 15, August 2, October 18, January 10.
<b>Film and Video Tax Credit</b>	lesser of 40% of eligible NL labour expenditures or 25% of total production costs, no maximum, \$3 million cap per annum	Provincial corporate tax credit to provide incentive to create economic growth in the province	incorporated company, permanent establishment in province.	labour costs	At least 25% of salaries and wages must be paid to eligible employees, resident and non-resident mentor salaries eligible	Financial statements, audit on completion of program

Film Commission Incentive Program Summary

FUND	FUNDING	PURPOSE	ELIGIBILITY	USE OF FUNDS	ELIGIBLE COSTS	INTAKE
Sponsorship Program - Promotional Travel	written request to executive director, once per year	To assist local industry to market products globally	Resident, recognized industry professional, or 51% ownership	travel related expenses	travel related expenses	
Sponsorship Program - Marketing and Distribution	written request to executive director, once per year	to assist local industry to market products or for exhibitions related to marketing	Resident, recognized industry professional, or 51% ownership	marketing	marketing, distribution	
Sponsorship Program - Workshop Assistance	written request to executive director, once per year	to assist industry to develop the local skills base	Resident, recognized industry professional, or 51% ownership	courses, workshops	courses, workshops	

### Tax Credits, Deductions and Rebates

There are three different methods of providing benefits to the film industry, in addition to direct funding programs. These are tax credits, tax deductions and rebates. All three are used in different jurisdictions to reward productions that spend dollars on local labour or local purchases. Tax credits and tax deductions are only useful to the production company if the company is making a profit on operations, and if the company is based in the jurisdiction where the credit or deduction applies. A rebate, on the other hand, can be claimed by any film company that has eligible expenses in the jurisdiction.

Tax credits lower, directly, total taxes paid (i.e. a tax credit reduces the total tax liability, dollar-for-dollar).

Tax deductions lower taxable income (i.e. a tax deduction is subtracted from income before total tax liability is computed). Hence, what matters in regards to a tax deduction is the marginal tax bracket – a high marginal tax bracket means the deduction is worth a lot while a low marginal tax bracket can render the deduction almost meaningless.

Thus, in general, a tax credit is usually considered more valuable than a tax deduction. Both the tax credit and the tax deduction will result in a decrease in tax revenues, from profitable film companies, to the government.

A rebate, which is a percentage cash refund on expenditures in the jurisdiction, is a direct expense for the film commission or the government. It offers a greater degree of leverage to the government as the level of rebate can be directly tied to expenditures; this also improves the tracking of activity for the government as expenditures have to be submitted for purposes of earning the rebate. The administrative costs of application are higher for producers but it (the rebate) also offers a greater degree of benefit to producers as a marginally profitable, or money losing, production can access the rebate.

# Film Commission vs Film Development Corporation

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Independent Film Commissions have the benefit of removing from departments what may be challenging funding decisions, and handing them over to a body supervised by industry representatives.

## **Independence**

Independence comes in the form of a board composed of members who are at arms length from the funding authority, and who may represent other responsible organizations. Film corporations usually operate on a fixed budget, with annual reporting to the funding body, which is usually the government. In some cases the corporation has the potential to source funding from others, for example the European system outlined below.

The Sociétés pour le Financement du Cinéma et de l'Audiovisuel (SOFICA), permits establishment of limited liability companies whose sole activity is the financing of films through partnerships or capital investment in France. The NWT at one time had a Venture Capital Program, which provided an incentive for investors to assist a northern company. The current Venture Capital Program under the Business Development and Investment Corporation of the NWT is tied to full time jobs and would not be appropriate for the film business.

## **Objectivity**

An independent film commission is less likely to be influenced by political expediency, which allows board members to make recommendations based on objective criteria, set out in their terms of reference. Politically motivated assistance can be provided by other funding programs.

## **Effectiveness**

A Film Commission requires a knowledgeable staff that can actively assist members of the industry to develop projects and pursue film/video and digital business activities. The staff are the front people for both sponsors and the industry, providing liaison, smoothing the way for development of the industry and encouraging training.

## Film Commission Organization

### A. Independent Examples

The Newfoundland and Labrador Film Development Commission

#### *Lines of Business*

The NLFDC offers five funding programs they call five lines of business. These include an Equity Investment Program (EIP) which must be repaid from earned revenue, a tax credit administered on behalf of the Department of Finance by the NLFDC, a Sponsorship Program which assists qualified individuals and organizations with funding to promote their productions and fulltime support for specific workshops, training opportunities and job placements.

The NLFDC was set up to market the local industry and the province as a filming location nationally and internationally.

The Executive Director (Film Commissioner)

The executive director reports to the NLFDC Board, composed of five members from business and industry. The board receives its funding from the Government of Newfoundland and Labrador and reports back annually.

As the Chief Executive of the NLFDC, the Executive Director prepares policies and procedures for the Board's consideration, acts as an advisor to the Board, and manages all aspects of Board meetings. The Executive Director also consults with other funding agencies, with officials of other government agencies, with film agencies and organizations from across Canada at the national, provincial and municipal level, and with the Corporation's clients.

The Executive Director operates within the provisions of the Crown Corporations Act.

### **Nunavut Film Development Corporation**

The Nunavut Film Development Corporation is an independent legal entity incorporated under Part 2 of the Canada Corporations Act.

The purpose of the Nunavut Film Commission is to undertake the following five core functions:

1. Market Nunavut's current and emerging film, television and digital media industry sectors to national and international industry associations, jurisdictions, the private sector, and key stakeholders;
2. Develop strategic plans and marketing priorities to support Nunavut's role as a world-class circumpolar filming location;
3. Ensure that national and international location managers and production crews are made aware of permit requirements, cultural sensitivities, service suppliers, community capabilities etc.;
4. Maintain a location library, and offer a location scouting service; and,
5. Collect data and statistical information for annual reporting on Foreign Location Service Projects in the territory, and document and evaluate the economic impact of FLS production within the territory.

The NFDC CEO (Film Commissioner) is responsible for implementing the programs under the policy, as well as staffing, leveraging additional operational and program funds, developing new alliances and partnerships, communications, as well as day-to-day management of the Corporation.

The Corporation has a board of directors of no fewer than nine voting members, as follows:

- One representative of a Nunavut-based Chamber of Commerce
- One representative of a Nunavut broadcaster or public producer
- One representative of a film agency from outside Nunavut
- One representative of each of the three regions of Nunavut, selected from nominations by the Regional Inuit Organizations
- Three representatives of the Ajjit Nunavut Media Association and/or other Nunavut-based industry association(s) of record

In addition, there are two non-voting members:

- One representative of the Department of Economic Development & Transportation
- One representative of the Department of Culture, Language, Elders & Youth

Board members normally are not involved in funding decisions, and may not in any circumstance participate in a decision concerning a funding application by an organization in which they hold an office or other interest.

## **B. Government Run Film Commissions**

### **The Film Commissioner – Yukon**

The Yukon Film and Sound Commissioner is responsible for leading, directing, implementing, and evaluating the development and provision of Yukon film and sound programs and services on behalf of the Yukon government.

The position is responsible for reviewing existing plans and programs and developing, implementing, controlling and evaluating innovative film and sound plans, programs and marketing strategies to encourage and support the sustainable development and growth of both the Yukon film and sound recording industries. This position is a key member of the senior management team responsible for developing and implementing departmental policies and programs.

The commission has an annual budget, and reports to the department. Along with the Director Business and Trade, the Director Strategic Industries, the Director Regional Economic Development, the Commissioner reports to the Assistant Deputy Minister Operations, who reports to the Deputy Minister of Economic Development. The Film and Sound Commission has two staff.

### **Film Commissioner – Northwest Territories**

The current NWT Film Commissioner has a similar job description, with the addition of fine arts and crafts. This combination role the NWT Film Commissioner must fulfill does not appear to be in line with the strong business development role practiced by Film Commissions in the other small jurisdictions studied. The encouragement of fine arts and crafts would appear to be a development role more suited to a cultural environment than to the very tough and competitive business of telling stories in film, video and digital media.

The job description includes:

- Promote the NWT as a unique filming location as well as promoting development of NWT filmmakers through locally-produced projects or through promotion of use of local skills in non-NWT productions using the NWT as a location.
- Develop and coordinate film support programs as appropriate.

- Contact person for filming in the NWT and provide location information to non-NWT filmmakers.
- Facilitate filming projects by linking proposed productions to local suppliers and locations.
- Review funding requests related to film projects, which are outside any other support policies, and make recommendations to the Director.

In addition, the NWT Film Commissioner provides administrative support for the arts and fine crafts and filming sectors development:

- Participate in trade shows and at other venues that promote the NWT as a place to visit or invest for both the fine arts and crafts sector as well to promote the NWT as viable filming location.
- Review and co-ordinate assessment of financing proposals, make recommendations on the approval of funding requests that have an impact on contributing to the development and promotion of both sectors.
- Monitor and report on arts, crafts, culture, filming and investment activity.

# The Business of Film

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The business of film is often dismissed in government circles across the north as an “artistic” and “part time” activity. While film/video experimentation is a hobby for some, there are over 50 professionals working in this field in the Northwest Territories. Over half are working in broadcasting. The remainder are independents, some with excellent track records in the industry, and some start-ups. Unfortunately, mistaking professional film producers and crews for members of a cottage industry does not adequately describe the size or impact of film/video production on the NWT economy.

As Iris Merritt of Yukon writes: “One of the core issues in the local industry is whether or not cultural considerations or economic considerations should be the primary basis for making decisions about the industry. The industry throughout the country follows the dictates of an economic imperative. The arbiters of the marketplace are broadcasters and the distributors. Without a broadcast license or a serious letter of intent from a broadcaster, funding should be denied. We should not engage in an assessment of artistic merits of the work. We should rely on the marketplace (broadcasters and distributors) to determine eligibility for funding.

“For the local industry to maximize its economic growth, it needs serious producers ready and willing to undertake projects with commercial potential. Local producers need to get work into production to leverage federal dollars. Producers who consistently demonstrate an inability to get projects past the development stage and into production should lose consideration for territorial funding.

“Television accounts for 75% of the \$5 billion Canadian film/video industry. While movie productions are an important contributor, their one-off and sporadic nature makes it difficult to sustain an industry on movies alone. Television keeps crews working.” (e-mail, Oct 21, 2010)

Current data for the impact of the NWT industry is not available in report form. However Nordicity was commissioned by the Nunavut Film Development Corporation to provide an economic impact study, which was released in 2009.

It provides insight into the various industry sectors in Nunavut and estimated dollar values of the industry. Basically, there are five sectors – independents, broadcasters, contract productions, guest, and digital productions.

#### Independent Film, Television and Digital Media Production

- content created by Nunavut producers who are independently owned and not affiliated by ownership with television broadcast networks.
- In 2008, IBC produced approximately 315 hours of television programming

#### In House Television Programming

- in house television production refers to television programs produced in television broadcaster's studios.
- In Nunavut programs produced by CBC and APTN were estimated to have expended \$500,000 in 2008/09

#### Other Film and Video Production

- includes contract video production, television commercials and advertising as well as industrial, corporate, educational and /or government video projects. Research indicates the expenditures in 2008/09 were in excess of \$800,000 in Nunavut.

Together, 51 Nunavut projects are estimated to have generated expenditures of \$7.7 million in 2008/09.

#### Guest productions

- Guest, or foreign, productions originate outside the territory and utilize northern locations and services including air transport, hotels, outfitters, rental equipment and food services. They may also utilize northern film and video crews.

Approximately 20 guest or foreign productions were counted in Nunavut in 2008/09, a mix of feature film, television and documentary projects plus some commercial and digital media productions. It was estimated that a feature film might spend \$736,013 in Nunavut, while a documentary might spend \$64,220. Nordicity estimated that guest productions spent some \$6.3 million in Nunavut in that year, with \$1.259 million expended in wages.

Nordicity concluded the largest percentage of indirect or spin off expenditures resulting from film and video production in Nunavut involves inbound and charter air travel.

E&B Data, working for the Canadian Film and Television Production Association (CFTPA) in 2001, reported on the value of foreign location shooting in Canada. At that time (not a bumper year for foreign film production in Canada) the volume of foreign location filming exceeded \$1 billion dollars. Benefits to the Canadian film industry, they concluded, included acquisition of expertise, transfer of revenues, and a positive impact on infrastructure. In a later report to CFTPA, Nordicity estimated a full time equivalent salary in the film and television industry in 2007/08 in Canada was \$50,488.

#### Digital Programming

What is often overlooked in a discussion of film and video is a discussion of online digital media and animation projects. Federal government funding programs are moving to support this industry sector. In fact, the Canadian Television Fund, as of April 2010, has been renamed the Canadian Media Fund and plans to devote 100 percent of its support to digital media projects in 2011. A much quoted Ipsos Reid study (October 2009) found that Canadians are now spending more time online than watching television. Federal funding programs are taking this into account, encouraging parallel development of video and digital programming.

#### The Business of Film in the NWT

From a quick survey conducted with key film/video people in the NWT, we can identify at least 50 full time jobs in the film/television and broadcast industry. Salaries alone for this group of people at an average of \$50,000 per annum would total \$2.5 million annually. This does not include any visiting crews, travel costs or other overhead costs.

As an example of foreign or guest projects in the NWT in recent years, there's the filming of seasons one and two of the *Ice Road Truckers* and the ongoing *Ice Pilots* series, now in season three production. Conservative estimates place the value to the NWT of this type of production at approximately \$100,000 in direct expenditures, each year.

In April, 2010, Yellowknife hosted a crew of 40 filming a Zott Yoghurt commercial. The crew spent a total of 120 days in the city, which would amount to a minimum expenditure of \$12,000.

The Town of Inuvik estimates the filming of the Tropicana television spot in January 2010 brought \$250,000 to Inuvik. (Industry rumour says the total budget for that one spot was \$800,000 to \$900,000, so the estimate seems reasonable). Inuvik also hosted a crew of six from London, England filming "Smart Car stories" for broadcast in England. They would have spent, at a minimum, another \$15,000 in the NWT on accommodation and other local supplies.

The Government of the Northwest Territories spent some \$332,446 on video/film production in 2009-10, in part developing materials for showing at Northern House during the Vancouver Olympics. This represents a four-fold increase over GNWT expenditures the previous year (ITI, 2010). However, the ITI report does not include productions not contracted by the department. For example, ECE contributes \$80,000 to \$100,000 to artistic film/video projects annually through grant programs.

Various NWT corporations, the federal government and aboriginal governments produce a number of programs each year, ranging in cost from \$5,000 to \$50,000 and up. The NWT Legislative Assembly is broadcasting its activities on its own television channel. Native Communications Society and Inuvialuit Communications Society develop a variety of productions each year for the national aboriginal network APTN. ICS estimates documentaries cost in the range of \$60,000. They produce four to six documentaries per year depending on the amount of travel involved in the Inuvialuit region (Topsy Cockney, personal communication). Amos Scott advises there are currently three staff involved in television at NCS, with two more to be added in the new year, for planned 50 days of production, involving translators, camera operators, sound techs and production assistants.

Without attempting a thorough survey of expenditures on film and video in the Northwest Territories we can come up with an approximate annual value in the range of some \$4.25 million in direct expenditures on wages and production costs. This does not include indirect or induced spending. Nor does it include the value of digital media – animation, internet ready products, websites, portals, online advertising and marketing. There are more than 50 full time jobs in digital media businesses alone in the Northwest Territories, with annual salaries (at an average of \$50,000) estimated to total \$2.5 million. Media convergence is creating new opportunities and exponential growth in the old film/video industry.

# Associations – Supporting the Industry

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In support of film and video production at various levels, jurisdictions competing with the NWT encourage active industry associations. These provide skills enhancement and equipment to take full advantage of local and visiting film and video productions.

## Yukon

The Northern Film and Video Industry Association (NFVIA.com)

- Provides a focus for crews and equipment. Members have the skills to manage production in extreme environments and weather
- Membership directory includes film/video credentials and resumes
- Grip and Electrics Rentals include member expertise with equipment
- Post production services – facilities and technicians including editors
- NFVIA was set up in 1999 with grip and electrical equipment, which they rent and manage to provide income. For the past two years they have also received \$30,000 from the Film Commission to provide training.

## Yukon Film Society:

- film and media art workshops, local training projects: funded by Yukon Tourism and Culture, Lotteries Yukon, Canada Council, Indian and Northern Affairs and local sponsors
- Available Light Film Festival - annual
- Firehall Films – monthly, weekly screenings of films
- Picturing the Yukon – DVD sampler distributed across Canada

## Dawson Film Festival

- annual event

## Nunavut

### Isuma.tv:

The Halifax-based Genesis Group conducted a skills audit of the Nunavut industry in 2010. Their recommendations include a discussion of a unique opportunity for Nunavummiut that might be adapted to the NWT:

“Over the past several years, the cost of professional quality production equipment has gone down dramatically. Isuma.tv has utilized this economical reality with a stunning innovation - a dead simple solution to low bandwidth. They are placing servers with large hard drives in six communities, loading them up with the contents of isuma.tv, and “broadcasting” at the community level via wireless modems. Any aboriginal person in the world can upload to isuma.tv, and they do. The content comes from every corner of the earth. And on a local basis, Inuusivut has a channel and Inuit youth across the territory are encouraged to produce their own items - what’s going on in my community - and broadcast it to the world via isuma.tv. It’s a mind-expanding experience based on a Nunavut innovation.”

In essence, isuma.tv has created its own broadcasting network, and a forum for local producers. Digital communication has replaced the single-sideband radio as the means for young people to communicate. As in the past, the need to communicate is paramount for northerners - access to this technology is necessary today and should be supported by government.

In Nunavut as well, Ajjit, the Nunavut Media Association is the industry organization that advocates with government for film, television and new media, and acts as a point of contact for outside productions. The group also hosts film festivals.

## Newfoundland and Labrador

One staff member on the Newfoundland & Labrador Film Development Commission has responsibility for training. In a discussion related to the need for facilities, Genesis Group reported: “Without facilities, there is a skills gap in post (editing, audio, etc.)...Canada’s oldest film coop, the Newfoundland Independent Filmmakers Cooperative several years ago raised funds to establish a state-of-the-art post facility. They rent it out at commercial rates and staff it with their own members. At least three feature films and now a highly successful CBC-TV series (Republic of Doyle) have gone through their doors over the past year. The profits from the facility go to support the activities of the coop, which includes training and professional development for its membership, which includes nearly all the filmmakers in the province.”

The types of activities industry associations engage in listed below, are adapted from Nordicity’s Nunavut Economic Impact Study.

<b>Promotional Activities by Jurisdiction</b>		
	<b>Industry Associations</b>	<b>Industry Events</b>
NU	Ajjiit Media Assn.	Ajjiit Media Assn. film premieres
YT	Northern Film & Video Industry Assn.  Yukon Film Society	Dawson City Short Film Festival Available Light Film Festival
NL	Film Producers Assn. of NL	St. John’s International Women’s Film Festival  The Nickel Independent Film and Video Festival
NWT	Western Arctic Motion Pictures	Yellowknife Film Festival

**Training Activities by Jurisdiction**

**Training Activities**

NU	Network of independent workshops organized by the IBC, Nunavut production companies and wellness centres Ajjit media association training symposiums
YT	Yukon College Multimedia Communications Program Yukon Film Society Film & Media Art Workshops
NL	College of the North Atlantic Programs in: Digital Animation: Film and Video Production; Graphic Design; Music Industry and Performance; Video Game Design  Memorial University Programs in: Communications Studies (major); Creative Writing (diploma); Film Studies (minor) Newfoundland Independent Filmmakers (NIFCO) offers workshops
NWT	Western Arctic Motion Pictures offers: one and two day workshops once a year, largely directed at providing support for non-commercial films. There is no training available in lighting, sound or other technical fields.

**Infrastructure by Jurisdiction**

**Infrastructure**

NU	Limited studio space and standard definition equipment for rent
YT	Turn-key edit suite rentals and HD post-production suites available Four recording studios Lighting, gaffer equipment is available for rent
NL	21,000 ft <sup>2</sup> sound stage studio facility post-production facilities film/television series-ready mobile production equipment available
NWT	WAMP has an assortment of equipment available for rent, as do various members of the NWT industry.

# Funding Available for the NWT Film and Video Industry

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There are currently two sources of NWT government support for businesses engaged in film in the Northwest Territories. These are the Support for Entrepreneurs and Economic Development (SEED) programs under Industry, Tourism and Investment, and an assortment of programs under the Culture and Heritage banner of the Department of Education, Culture and Employment.

The ITI programs are designed to support commercial efforts, while the Culture and Heritage Programs are directed at arts projects and training exclusively.

In 2010/11 Arts Council grants for film and new media projects totaled \$43,045. Contributions to WAMP for a film festival and training programs totaled \$50,000.

No film or video projects qualified for SEED funding.

## Department of Education, Culture and Employment

### NWT Arts Council – Annual Budget - \$500,000

The NWT Arts Council has one funding deadline each year on February 28. All projects are considered, and the following priorities apply. Funding is distributed according to demand.

- Projects that enhance an applicant's personal creative growth in an art form,
- Projects that encourage others to pursue this art form or direction (ie. Workshops)
- Projects that encourage the creative development, as opposed to the sole financial gain of an artist
- Projects that enhance awareness of the NWT arts community
- Projects that support a number of individuals (ie. Workshops)

Disciplines covered are:

- Audio recording: music and voice
- Performing arts: Dance, music, storytelling and theatre
- Writing and publishing
- Visual arts
- (Traditional) crafts
- Film and media arts (includes photography, digital and web)

Businesses that will receive financial gain from the project are not eligible. Travel costs outside the Northwest Territories are not eligible. Marketing costs and equipment costs are not eligible.

### **Cultural Contributions Programs, Annual Budget \$200,000**

There are 4 programs under this general heading, which apply or could be applied to film/and media arts. These are:

- Northern Arts Mentorship Funding Contributions - could be used for a community training project in film and media;
- Northern Film and Media Arts Funding Contributions – funding goes primarily to WAMP for programming;
- Northern Literary Arts Funding Contributions –used for Northwords Festivals and for the development of emerging Aboriginal and Northern writers;
- Northern Theatre Arts: Focus on Youth Funding Contributions – used primarily for youth training for theatre.

Contributions are typically made on a matched funding basis for eligible project costs. Applicants must have written verification of community support for projects.

For more information on these programs:

Boris Atamanenko  
 Manager, Community Programs,  
 Education, Culture and Employment .  
[www.nwtartscouncil.ca](http://www.nwtartscouncil.ca)

## Department of Industry, Tourism and Investment

### **SEED (Support for Entrepreneurs and Economic Development) – Annual Budget \$3.6 million**

There are three programs that could be used to support film/video projects in smaller communities. In Yellowknife, film producers at times experience difficulty qualifying because;

- a) they have another job so the film is therefore relegated to the status of a hobby, and
- b) market disruption rules may apply if the granting of a contribution will likely adversely and significantly impact the revenues earned by another business in the region.

Under the SEED program, Micro Business provides contributions for self-employment activities to a maximum amount of \$5,000 over a five year period.

Entrepreneur support: Up to \$15,000 for startup funding, market and product development. Applicants are required to prove some experience or expertise in the field.

Up to \$15,000 is available for asset acquisition in any community except Fort Smith, Hay River, Inuvik and Yellowknife.

Community Economic Development: Up to \$25,000 for community based business research or support for arts festivals/community economic projects. Must be driven by the community/band.

For more information:

Kevin Todd,  
Director, Investment and Economic Analysis,  
Industry, Tourism and Investment

# Options

## for NWT Government Support of the Film, Video and Digital Media Industry

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A number of incentive measures which have been successful in other jurisdictions should be considered and adapted to needs of the Northwest Territories production industry. These might include: incentive programs to target producers from outside; funding programs to foster local growth in the industry, funding for training programs and funding for marketing activities including trade shows.

Direction for this study requested options to suit today's financial situation. In line with that, we have outlined options taking advantage of available opportunities at minimum cost and some suggestions for the future.

### **Initial Phase – Establishing a Presence**

The Office of the Film Commission in cooperation with industry should

- 1) Develop a fully interactive and information rich website for the NWT Film Commission. Producers and location hunters will be using the web, not print materials in 2011. The new website should contain location information and photos, a guide to filming in the NWT including current regional and municipal contact names, a registration form for film productions, information on government assistance available, and information on the industry.
- 2) Encourage and support the development of an active industry association. Each jurisdiction covered in this report relies on an industry association to promote local skills and talent. Requests to Film Commissions for industry contacts are referred to these associations. Industry professionals need to determine among themselves how to organize, strong industry representation is required to move forward. Funding might be available if the association was set up as a non-profit with a mandate to represent industry and provide services.
- 3) Institute a voluntary permitting/registration program to ensure film that industry activities in the NWT are recorded and given the credit they deserve. Currently there is no system anywhere in the NWT for recording

the impact of the industry. Data on activities in the NWT could only be sourced by personal interview. The cost of online registration and a database may be included in the cost of the website development.

- 4) Attend marketing events in Banff and California together with Yukon and Nunavut partners. These two events are considered essential to recruiting southern based companies to work in the north. Face to face discussions are a large part of the business dealings of the industry. The argument is that if you are not making an appearance at these shows, your region/location does not exist.
- 5) Identify existing GNWT funding sources by accessing ITI and ECE funding programs to meet the needs of professional northern filmmakers. Existing funding programs may be modified and/or enhanced to assist northern residents to meet national funding requirements for broadcast or distribution, to market their productions and ideas and to provide professional northern producers with top-up funds to bring a production to the national market.

#### **First Half Hour Fund**

Assist NWT producers to complete one project that could be used to establish the track record of completed productions that is necessary to qualify as a professional for federal programs.

Target: expenses such as equipment rental, scripting, editing services etc.

Suggested limit per request: \$10,000 per project..

Model: Nunavut First Half Hour Fund. Funding to be used for expenses such as scripting, editing services, etc.

#### **Marketing Fund**

Several NWT Filmmakers already develop productions that meet the requirements for film festivals. Acceptance of a film or video at a recognized festival is proof of a certain level of professional skill. Some national funding programs, including the National Film Board, the Canadian Media Fund, Canwest Hot Docs and Telefilm may accept a festival showing as part of the requirement a producer must meet to enter some national funding competitions

Target: registration fees, travel, accommodation, promotional material, media / public relations, distribution & marketing product.

Suggested limit per request \$5000 per applicant.

Model: Nunavut Market Endowment Fund. Funds to be used for expenses to enter, travel to a festival, or produce promotional material, including digital material.

### **Equity Investment Fund**

Larger projects require complex funding arrangements on many levels in order to meet their objects. This fund would assist qualified producers to meet "other source" funding requirements for a one hour television program and/or digital media production.

Suggested investment limit per request: \$15,000 for any one CAVCO or Canadian Media Fund *approved* project.

Model: Newfoundland & Labrador Equity Investment Program.

Eligibility: requires CAVCO approval or Canadian Media Fund approval.

The **Community Economic Development Program** under SEED may be an option for certain types of film and digital productions that document activities at the community level. The program provides funding of up to \$25,000 for a wide range of economic initiatives including community events that promote economic development.

For example, film projects that document community events, traditional knowledge and unique skill sets to promote tourism and business opportunities.

Following the successful implementation of the initial start-up phase, the GNWT should undertake an evaluation to ensure the priorities and objectives implemented are valid and industry needs are being met.

### **Long Term Options /Outlook**

- **Review and / or refine services provided by the Office of the Film Commission to reflect needs and demands as the industry matures;**
- **Actively pursue affiliation with NWT based associations, NGO's and other GNWT departments. For example NWT Tourism and the film industry may be a good fit. Areas of cooperation could include marketing and promotional activities, FAM tours and linking websites and publications;**
- **Enhance and / or develop programming as needs become evident;**
- **Develop a cooperative (industry/government) long-term media arts strategy for industry which is not limited to existing platforms.**

# Appendix A

## Film Commissioner – Job Outline/Requirements

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### CEO Nunavut Film Commission

#### A. Education and Experience

1. Equivalent to graduation from a four-year college or university with major coursework in a related field such as film, theater, multi-media, marketing, etc.

AND

2. Two (2) years of experience in a related field.

OR

3. An equivalent combination of education and experience.

#### B. Required Knowledge, Skills and Abilities

1. Considerable knowledge of general marketing and public relations practices.
2. Understanding of technical, organizational and financial aspects of film and video production, including skills associated with acting, directing, producing and line producing for various types of programming.
3. Familiarity with Territory, familiarity with government rules and regulations relevant to provide permitting and location guidance to production companies and other parties.
4. Ability to organize information; prepare long and short range plans and to work with a variety of individuals and groups in carrying out the essential functions of the position; ability to communicate effectively orally and in writing.

5. Familiarity with other Canadian film jurisdictions and the film incentives they provide.
6. Considerable knowledge on how film projects are financed.

### **Film and Sound Commissioner, Yukon**

The Film and Sound Commissioner is responsible for leading, directing, implementing, and evaluating the development and provision of Yukon film and sound programs and services on behalf of the Yukon government. The position is responsible for reviewing existing plans and programs and developing, implementing, controlling and evaluating innovative film and sound plans, programs and marketing strategies to encourage and support the sustainable development and growth of both the Yukon film and sound recording industries. This position is a key member of the senior management team responsible for developing and implementing departmental policies and programs.

Reviews and assesses the opportunities and challenges for film and sound in consultation with the industry, and develops, implements, and evaluates strategies and plans that would provide the necessary support and contribute to the growth and expansion of the industries. Areas of work may include physical facilities, training, networks...

Acts as a key member of the departmental Senior Management Team and participates in the development of departmental policies, programs and strategies.

### **Executive Director/Film Commissioner Newfoundland and Labrador Film Development Corporation**

Duties and responsibilities:

- Monitors and evaluates trends and precedents in the film, television and new media industry on a provincial, national and international level.
- Provides for research and statistics, analysis of documents and reports, and preparation of briefing papers.
- Promotes activities of the NLFDC and provides close liaison with representatives of the film, video and new media industry on a provincial, national and international level.

- Acts as an advocate on behalf of the NLFDC with clients, all levels of government and the public at large.
- Attends conferences, meetings and events on the film, television and new media industry at the provincial, national and international level.

**Knowledge and Skills:**

- Demonstrated knowledge and awareness of film, television and new media industry issues on a local, provincial, federal and national level.
- Demonstrated knowledge of the mandate, functions and activities of the Corporation.
- Demonstrated knowledge of provincial and federal legislation, policies and programs affecting the film, television and new media industry.
- Extensive knowledge of the provincial film, television and new media industry.

**Education and Experience:**

- University degree in arts and/or administration
- Minimum of five years management experience
- Demonstrated experience at a senior level in the film, television and new media industry.

# Appendix B

## Financing a Canadian Production

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### **CAVCO Points System**

The Canadian Audio-Visual Certification Office (CAVCO) certifies Canadian productions from eligible genres. This certification allows the productions to access the Canadian Film or Video Production Tax Credit, and is the standard producers must meet to qualify for most federal and provincial government funding.

There are several criteria involved in meeting the CAVCO requirements, including a previous track record, Canadian content determined by a point system, a Canadian director or screenwriter, and 75 percent Canadian content for production services. In addition the production must be completed within two years, and be shown in Canada by a distributor or broadcaster within two years.

Eligibility criteria for most federal government support programs and other industry funds include a requirement for a signed commitment by a broadcasting network or distributor. This means that without CAVCO certification and a broadcast licence, film/video productions are unlikely to receive federal government support.

Canadian broadcast networks are funded by the federal government to develop Canadian content. In turn, the networks allocate this funding to various productions they believe will be successful. To access additional funding, since a distributor or network is not likely to provide sufficient funding to finance a production, there's a range of programs available to those that qualify. However the market is highly competitive. In some cases perhaps six of some 70 applications will be successful.

Provincial Film Commissions also fall in line with these requirements. As a rule, regional governments do not attempt to determine which projects might or might not be a future commercial success. However, provincial governments do provide top-up programs for resident companies for productions that meet CAVCO requirements and broadcaster needs. These top-up programs can take the form of grants, or equity investment.

### **Funding to grow local production capability**

Most provincial and territorial film commissions also provide funding to encourage local participation in the industry. Programs might include seed funding to establish producer groups and training programs, funding to assist local producers to develop a proposal to meet federal/broadcast criteria, or funding to assist a promising producer with a first or second film project.

For NWT film/video producers, assistance is extremely limited or simply non-existent. There is a possible one time only grant under the Micro Business program, for self employed activities. A film producer might qualify for Entrepreneur Support if the business is based in one of the smaller communities and not in competition with a similar business. A producer might be able to develop a project that qualifies for support in partnership with a band council, or land claim organization. There may also be some funding available from BDIC.

For a non-commercial or experimental production, funding is available under ECE's arts grants, in competition with visual artists, museums and performers. In these competitions it might be possible to obtain up to \$20,000 to support creative development, training or some capital costs towards a final film or video, but there is a requirement that the project not provide financial returns.

### **How Canadian Film and Television Productions are Financed**

Typically, film and video projects, and more recently, digital media projects are financed by a combination of private and public funds.

*Canadian broadcast licence fees* This is the amount paid by a broadcaster to air programming. The fee varies, but is typically between 5 and 10 percent of the production budget for English language productions.

*Foreign Sales* This includes broadcast licence fees, and distribution advances on international sales.

*Tax credits* Federal and several provincial governments provide tax credits for local production, which can be worth between 10 and 23 percent of a Canadian production budget.

*Private Production Funds* These may provide financing for part of a production, with an eye to future revenues.

*Other public sources* Canada Council, provincial arts councils, and provincial development agencies.

*Producers* raise capital for a project through corporate or personal lines of credit, mortgages on personal property and deferral of producer fees. The

producers' contribution to production budgets is at a minimum between 25% and 35%. Producers also must organize domestic and foreign distribution and bank financing.

### **National Competitions Open to NWT producers**

(NFB, CBC subject to confirmation)

There are many public and private purses available for productions that qualify under CAVCO rules. However, many NWT productions would not qualify for this funding, as it is geared to specific types of programming designed for national broadcast. There are, however, some national competitions NWT producers might look into to gain experience.

### **The Canadian Film & Television Production Association (CFTPA)**

Offers training in the film industry.

*National Production Program – 15 spots, 26 weeks:*

*Technical Internship Program*

Working directly for a mentor company in a technical field, participants are exposed to a variety of activities including camera, sound, lighting, editing, in house and on location

*Administrative/Management Internship Program*

Working with production management personnel, participant develops production skills, including management, business affairs, communication and marketing.

*Telefilm Producer Trainee Program – 6 spots, 26 weeks*

Directed specifically at members of minority groups and aboriginals, this program emphasizes one-on-one mentoring in producing to create employment prospects for the participant at a mid-level in the industry. Applicants must co-apply with a mentoring company to participate.

For information: [www.cftpa.ca/mentorship](http://www.cftpa.ca/mentorship)

The Atlantic Region of the CFTPA also sponsors programs, funded in part by Nova Scotia, New Brunswick and Newfoundland & Labrador.

### **National Film Board of Canada**

The NFB English and French program centres across Canada work with independent filmmakers and producers to increase the representation of emerging, culturally diverse and aboriginal filmmakers. NFB support might include \$3,000 to \$5,000 worth of technical assistance, co-production (30%

to 49% of total budget) or distribution assistance both in Canada and for sales abroad. NFB also supports digital productions, and may take the lead in financing and managing the project, if an idea meets their criteria for support.

For information: <http://www.onf-nfb.gc.ca>

### **The Canadian Media Fund**

Three programs under the fund could offer opportunities for NWT producers.

The *Convergent Stream* provides broadcasters with funding to develop digital media. Under the Aboriginal component, in 2010, some \$5.5 million went to 15 programs, including two Nunavut projects. In 2011, it is planned that there will be a requirement for 100 percent digital media.

The *Experimental Stream* includes games, alternate reality games, websites, portals, web series, mobile applications and software applications. Production budgets range from \$62,000 to \$3.2 million. 241 projects were competing for funding in 2010. The fund deadline occurred during the writing of this report.

*Point of View documentaries* allow applications from producers who have not yet obtained a broadcast licence. Digital media is a component of these productions, and 21 projects, including some from Nunavut received funding in 2010 pending receipt of broadcast licences.

The Canadian Media Fund is looking for a return on its equity program investments. Since broadcasters are successfully attempting to roll all rights into a licence there are few opportunities for returns on the CMF investment. CMF is reviewing this situation with the aim of ensuring there are possibilities for rights sales to iTunes, Netflix and video on demand and other non-traditional broadcast vehicles.

The CMF is willing to consider a northern bonus and a predevelopment program that could assist northern producers to meet the criteria for funding support.

For more information: [www.cmf-fmc.ca](http://www.cmf-fmc.ca)

### **Canwest Hot Docs**

The Hot Docs Development Fund and Completion Fund provide initial advances for promising projects (up to \$15,000) and completion grants of up to 20 percent of the total production costs to a maximum of \$100,000. Projects must be owned by the applicant, have commitment from an eligible partner and have creative merit and market potential.

For information: [www.hotdocs.ca/canwest/](http://www.hotdocs.ca/canwest/)

### **Telefilm Canada**

Offers support for larger budget projects.

#### *Aboriginal Stories Program*

Aboriginal writers and producers with a track record of productions can qualify for Telefilm Canada assistance. The aim is to support Aboriginal Canadian feature film projects through repayable advances for projects in the \$1.5 million to \$2 million range. There are various stages to the support program, from draft scripts to development costs, and tailored coaching and mentoring.

#### *Low Budget Independent Feature Film Assistance*

This program is aimed at directors who have a track record in the festival circuit. The project must be 75 minutes in length, with a total production budget of between \$250,000 and \$1.25 million. Support is in the form of repayable advances, with Telefilm receiving 10% of sales until the loan is reimbursed, and 5% thereafter.

APTN does not have any programs open to northern aboriginal filmmakers specifically, but can provide advice and perhaps links to training programs for aboriginal producers.

Contact Danielle Audette, Manager of Programming, [daudette@aptn.ca](mailto:daudette@aptn.ca)

# Appendix C

## References

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### Personal Interviews:

<b>Ashton, Cheryl,</b>	CEO, Nunavut Film Development Corporation
<b>Atamanenko, Boris,</b>	Manager, Community Programs, Government of the NWT EC&E, Culture and Heritage
<b>Audette, Danielle,</b>	Manager of Programming, APTN
<b>Bonnell, Chris,</b>	Executive Director, Newfoundland & Labrador Film Development Corporation
<b>Cockney, Topsy,</b>	Producer, Inuvialuit Communications Society
<b>Creighton, Valerie,</b>	President and CEO, Canada Media Fund, 2010 Industry Consultation
<b>Emerson, Jeremy,</b>	Executive Director, Western Arctic Moving Pictures (WAMP)
<b>Merritt, Iris,</b>	Film Officer, Yukon Film and Sound Commission
<b>Peckford, Larry,</b>	Community Economic Development Manager, Town of Inuvik
<b>Roberts, Nancy,</b>	Program Analyst, Innovation PEI
<b>Scott, Amos,</b>	Director of Television, Native Communications Society
<b>Saunders, Sonya,</b>	Director, Policy, Legislation and Communication, Government of the NWT, ITI
<b>Todd, Kevin,</b>	Director, Investment and Economic Analysis, Government of the NWT, ITI
<b>Valpy, Leslie,</b>	Economic Development Officer, City of Yellowknife

**Wallis, Carla,** Film Commissioner, NWT Film Commission,  
Government of the NWT, ITI

**Woolf, Terry,** Owner, Lone Woolf Productions

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**Education, Culture and Employment, Cultural Contributions:**

Northern Film and Media Arts Contributions  
Support to Northern Performers Program

**Industry, Tourism and Investment:**

Support for Entrepreneurs and Economic Development (SEED)

**NWT Arts Council Funding Guidelines**

**On-line Research:**

**Ajjiit, Nunavut Media Association:**

Objectives

**APTN: Eligibility and Rating Criteria for Development and Licensing**

What We're Looking For

**Association of Film Commissioners International:**

Professional Development Program

Locations Trade Show

Cineposium International Conference

**Atlantic Studios Cooperative,**

Production equipment and expertise, Newfoundland and Labrador

**Beachwalker Films Inc.,**

Mark Sandiford

**Bell Broadcast and New Media Fund:**

Producing for Mobile, A guide for documentary producers moving into the mobile space, Janice Dawe, City Sonic.

**Bravo! FACT,**

A Foundation to Assist Canadian Talent

**Canadian Film & Television Production Association:**

Technical Internship Program

Telefilm Producer Trainee Program

**Canwest, Hot Docs Funds**

**Cogeco Program Development Fund:**

Pre-development, Development and Production (Equity) Funding

**GNWT ITI Arts and Crafts Section, Film Commission:**

Regional Descriptions

Film Commission Introduction

Suppliers Guide

**Harold Greenberg Fund,**

Guidelines for Script Development Fund

**Independent Production Fund,**

Web drama series pilot program guidelines

**ITAP, Innovation and Technology Association of Prince Edward Island:**

Rural Broadband Funding Announcement, 2010

**Newfoundland and Labrador Film Development Corporation:**

- Mandate
- Equity Investment Program
- Development Program
- Film and Video Tax Credit
- Professional Development
- Film Commissioner Job Description

**Newfoundland Film Producers Association:**

- Members guide

**Nunavut Government, Film, Television & Digital Media Development**

- Contribution Policy
- Nunavut Film Development Corporation Operations Fund
- Film, Television and Digital Media Development Fund
- Nunavut Film Commission Operations Fund
- Nunavut Film Development Corporation Governance and Program
- Accountability Requirements

**Nunavut Film Development Corporation:**

- Creative Content Development Fund
- Digital Explorations Fund
- Entry Level Experience Fund
- First Half Hour Fund
- First Short Film Fund
- Market Endowment Program
- Nunavut Spend Incentive Program
- Library

**Rogers Cable Network Fund:**

- Documentary Fund Guidelines

**Telefilm Canada:**

- Alternative Distribution Program,
- Featuring Aboriginal Stories Program,
- International Marketing Program,
- Low Budget Independent Feature Film Assistance
- Program – English
- Telefilm news release: Canada Pavilion at MITPV 2010

**Western Arctic Moving Pictures (Wamp.ca)**

- Equipment rental list

**Yukon Film and Sound Commission:**

- Yukon Film Production Guide, 2010

Yukon Film Production Fund  
Yukon Filmmakers Fund  
Yukon Film Training Fund  
Yukon Film Locations Incentive  
Yukon Film Development Fund  
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Yukon Production Registration Form  
Yukon Sound Recording Program (and CanNor, CBC news reports  
on hosting 2011 Western Canadian Music Awards)  
Enterprise Trade Fund

**Yukon Film Society**

Film and Media Art Workshops  
Festivals

**(Yukon) Northern Film and Video Industry Association (NFVIA)**

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Productions Incentives, North America

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Film or Video Production Services Tax Credit  
Application for Accredited Film or Video Production  
Certificate (CAVCO)

**PriceWaterhouseCoopers, The Big Table:**

Film and Video Incentives in Canada 2010  
Digital Media and Animation Incentives in Canada 2010

# Appendix D

## Film Commission Program Outlines

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# ENTERPRISE TRADE FUND

## FILM AND SOUND INDUSTRIES

YUKON ECONOMIC DEVELOPMENT | [REELYUKON.COM](http://REELYUKON.COM)



The Enterprise Trade Fund (ETF) was established by Yukon Economic Development to stimulate and support the growth of Yukon business activity through market penetration and expansion and business development.



## PURPOSE

The purpose of the Enterprise Trade Fund is to stimulate Yukon business activity through market expansion and business development.

## OBJECTIVES

- To open up new markets or significantly expand existing markets, particularly export markets.
- To support the development of Yukon businesses.

## ELIGIBLE APPLICANT

These guidelines apply to Enterprise Trade Fund (ETF) applications from:

- Yukon filmmakers and sound recording artists (must be registered with Corporate Affairs and be in good standing with Yukon government)
- Yukon businesses or non-governmental organizations whose primary activities are related to film or sound production (not-for-profits must be registered under the Societies Act and be in good standing with the Yukon government).
- Specific ETF funding is also available to small businesses not related to the film and sound industries. Please refer to the Enterprise Trade Fund Small Business guidelines for more information.

## ELIGIBLE ACTIVITIES

- Events such as trade shows, festivals, conferences, tours, markets, showcases
- Marketing, including research, analysis and materials
- Business development, including marketing plans, business plans and strategic plans
- Business skills development, including training, workshops and seminars

Multi year funding will only be considered where the need for a sustained marketing effort is substantiated.

## INELIGIBLE ACTIVITIES

- Purchase of capital assets
- Undertaking of leasehold improvements
- Regular and routine business expenses, including operating and maintenance costs
- Any cost or expenses incurred prior to application approval
- Events where the Department of Economic Development has offered a competitive intake for attendance – and the applicant was not a successful candidate of the intake
- Prizes or awards

## FUNDING

The cost and scope of the project must have a reasonable relationship to the business and to the potential return on investment. Project maximums may be further restricted by overall funding availability.

- The maximum eligible for ETF funding for any application is:
  - 75% of eligible costs for marketing activities to a maximum of \$50,000
  - 75% of eligible costs for event attendance, web site or business skills development to a maximum of \$10,000
  - \$2,000 per showcase (applicant must provide confirmation of selection under a competitive process)
  - 50% of eligible costs for business plans to a maximum of \$10,000
- For-profit organizations must contribute 25% of the total project costs, and this contribution must be in cash.
- Not-for-profit organizations must contribute 25% of the total project costs, 10% of this contribution must be in cash, up to 15% may be in kind.
- Funding from other government programs must be declared.
- Government of Yukon's contribution cannot exceed 75% of the total project cost.

## APPLICATIONS

ETF applications for the film and sound industries may be submitted to the Yukon Film & Sound Commission at any time during the fiscal year.

Applications should describe the operations and objectives of your business or organization, the project, its goals and expected outcomes, the impact of the project on your organization and/or the industry overall, and measures by which the economic value of the project can be evaluated against ETF objectives. Applications must include a budget and marketing plan.

- All application approvals will be merit based.
- Applicants must have a proven track record, demonstrating the experience and qualifications to successfully implement the project.
- Applicants must demonstrate that their products are export ready or, for NGOs, that their marketing activities will significantly develop the Yukon film or sound industry.
- For second and subsequent applications, applicants must clearly demonstrate the value of previous ETF funding to the marketability of their products or to the development of the Yukon film or sound industry (i.e. outcomes such as number of new markets opened, new marketing alliances formed, improvement in business knowledge and networks, value of any new investment in Yukon businesses, revenue, employment, change in business reliance on government.)

## EXPORT READINESS

### FILM

Export readiness is judged by a combination of:

- A current commercial product available for sale—may include a film, a script or a fully developed treatment where partial funding is in place
- Demonstrated filmmaking experience, exhibition history and exposure
- Marketing plan and professional promotional materials
- Projected outcomes from the project
- A confirmed buyer or investor.

### SOUND

Export readiness is judged by a combination of:

- A current commercial product available for sale and for digital download on iTunes, PureTrax or other major download site
- Verifiable and significant previous product sales over at least six months, including commercial CD releases
- Demonstrated performance history and exposure, preferably at a national or international level
- Marketing plan and professional promotional materials
- The inclusion of a centre, large festival, arena or other significant venues in the current tour – for tour funding
- Projected revenues from the project – for tour funding

## APPLICANT NOTIFICATION

Applicants will be notified of a decision within 25 business days from the receipt date of a fully complete application for requests above \$10,000, or 15 business days from the receipt date of a fully complete application for requests of \$10,000 or below.

## REPORTING REQUIREMENTS

Upon completion of the project, a detailed project report must be submitted, including:

- A description of the activities and outcomes of the project
- A statement of expenses
- Copies of all invoices and receipts

## CONTACT:

**You may contact or submit your application to:**  
Yukon Film & Sound Commission  
Economic Development, Government of Yukon

101 Elliott St.  
Box 2703 F-3  
Whitehorse, Yukon  
Y1A 2C6

[info@reelyukon.com](mailto:info@reelyukon.com)  
[www.reelyukon.com](http://www.reelyukon.com)

P: 867-667-5400

F: 867-393-7040

Toll Free in Yukon: 1-800-661-0408 ext. 5400





nunavut film development corporation  
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## FIRST HALF HOUR FUND 2010-2011

### 1. WHAT IS THE 'FIRST HALF HOUR FUND'?

The First Half Hour Fund is an initiative by Nunavut Film to provide an opportunity for emerging filmmakers to participate in a mentored program that will:

- provide successful participants with a 5 day film camp which will provide training opportunities that will enhance the knowledge base and skill sets they will need to make their first half hour program;
- provide successful participants with a year of professional support while they develop and produce a half hour program in their own community (maximum up to 30 minutes in length) through mentoring from established industry leaders; and
- provide up to \$30,000 in cash support and up to \$10,000 in services.

### 2. PURPOSE

Nunavut Film developed this program to build a continuum of learning and opportunity. Emerging filmmakers will be put through an intensive training program.

### 3. DEFINITIONS

A few select terms have been defined for the purpose of these guidelines: '**Emerging filmmaker**' and '**resident of Nunavut**'. Applicants should refer to the definitions in Appendix A.

### 4. APPLICANT ELIGIBILITY

#### 4.1 The Applicant

To be eligible to apply for assistant under the First Half Hour Fund, the applicant must:

- be a resident of Nunavut;
- graduated from school or demonstrate sufficient life skills and a sincere desire to learn;
- be at least 18 years of age;
- maintain creative and financial control over the project as well as all copyright in the project;
- not have more than 30 minutes of on-screen credit for dramatic production;
- be able to commit to the 5-day film camp all taking place in Iqaluit, June 2010; and
- work with the First Half Hour program manager and assigned mentor to plan milestone dates for project development, a budget, production and delivery.

## 4.2 The Project

- Projects must have a finished running time of under thirty minutes.
- Projects must be dramatic in nature, which includes comedies. Animation is eligible.
- Projects can be completed in any medium provided it meets standard broadcast requirements.
- Theme and subject matter are up to the applicants although Nunavut Film will not accept any project that contains excessive language, violence, sexual violence or sexual exploitation.
- Commissioned works are ineligible.
- Projects produced in Inuktitut or Inuinnaqtun or produced with the ability to subtitle in Inuktitut or Inuinnaqtun will be given priority.

## 5. Nunavut Film Contribution

A recipient will receive:

- professional training delivered by some of Canada's top industry professionals during the 5-day film camp. Producing, writing and directing workshops will be offered; and
- after successful completion of this training and the development of a production budget recipients will receive:
  - a. access to an established industry professional who will act as their mentor, offering advice, expertise and support
  - b. up to \$25,000 in the form of payment by Nunavut Film upon receipt of appropriate invoices to be used to complete their First Half Hour
  - c. in-kind services worth over \$10,000 in the form of equipment rental and post-production facilities. Insurance and legal counsel will be provided through Nunavut Film.

## 6. APPLICATION PROCESS

- Only fully completed applications will be considered.
- A script with a projected running time of no more than 30 minutes and or a story board.
- Fifty word synopsis on story idea.
- Provide details on stylistic approach, setting, overall tone, language(s) used.
- Expectations. A short paragraph describing what you are hoping to gain by participating in the First Half Hour program.
- A letter of reference from a recognized industry professional. This could be someone you would look to as a mentor in the industry or someone who can speak to your readiness to participate in this program.

## 7. APPLICATION ASSESSMENT

- All applications will be assessed for eligibility and completeness. Incomplete applications will be rejected.
- Complete applications will be reviewed by a selection committee consisting of four individuals: the CEO of Nunavut Film, together with two qualified independent film and television professionals and one qualified resident of Nunavut, operating at arm's length.
- The Selection Committee will choose up to two individuals to participate per year.
- Because Nunavut Film is a territorial-wide organization, regional representation will be considered in the selection process.

Applicants will be notified of Nunavut Film's decision via email. Recipients will be forwarded a Contribution Agreement for review and execution in a timely fashion.

An applicant cannot be guaranteed success even if its application substantially meets the eligibility and assessment criteria. The decision making process is fair, explicit and without conflict of interest. Nunavut Film reserves the right to commit less than the amount requested or to reject application.

The unsuccessful applicant may appeal the decision of Nunavut Film, in writing, no later than 30 days following the date that the applicant receives notification of the decision (for more information see the *Film, Television and Digital Media Development Contribution Policy* posted on the website: [www.nunavutfilm.ca](http://www.nunavutfilm.ca)).

All information submitted to Nunavut Film will be strictly confidential.

## 8. PAYMENT OF FUNDS

Applicants selected to receive financing under this program will receive confirmation of the award by email. The successful applicant will then enter into a Contribution Agreement with Nunavut Film who will advance the funding, by way of a grant, pursuant to the drawdown conditions outlined in this Agreement including:

- an initial advance (50%) paid upon execution of a Contribution Agreement with Nunavut Film and the successful completion of the five-day film camp;
- 25% upon satisfactory evidence that the applicant has met any outstanding drawdown conditions; (other conditions may apply and will be added, if applicable);
- a Final Advance (25%, or less in the event that the total development committed is not fully spent) paid upon receipt and acceptance of a copy of the content created together with a final accounting of costs and the corresponding financing structure; and
- a completed Economic Impact Statement.

Other conditions may apply and, if applicable, will be outlined in the Contribution Agreement with Nunavut Film.

Prior to payment of this Final Advance by Nunavut Film, recipients will be required to complete an Economic Impact Statement ( the "EIS). An EIS form may be downloaded from the Nunavut Film website ([www.nunavutfilm.ca](http://www.nunavutfilm.ca))

## 9. NUNAVUT FILM RIGHTS

Nunavut Film will retain the right to exhibit (non-commercially) completed productions for promotion and will use best efforts to notify producer of any such screening prior to its occurrence.

Nunavut Film will have the right to screen completed productions at a show case event if so chosen. Nunavut Film will also use productions' publicity materials to promote the First Half Hour program.

Nunavut Film encourages the producer to develop a marketing plan with a target audience in mind and to initiate activities that will generate audience interest.

All copyright in the project shall belong to the applicant. Nunavut Film reserves the sole right to disqualify a producer that does not fully own all rights in and to the project.

Any drawdowns not fully spent at the end of the Agreement will be deemed a surplus repayable to the Government of Nunavut.

Questions? Please visit website at [www.nunavutfilm.ca](http://www.nunavutfilm.ca), or contact:

Cheryl Ashton, CEO, [cheryl@nunavutfilm.ca](mailto:cheryl@nunavutfilm.ca) or

Sarah Brown, Director of Programs, [sarah@nunavutfilms.ca](mailto:sarah@nunavutfilms.ca)



# APPENDIX A

## FIRST HALF HOUR FUND

### DEFINITIONS

#### **Emerging Filmmaker**

Individuals who are at a critical juncture in their careers for which an intensive professional development program will make a marked difference in bringing their work to the next level of achievement.

A '**resident of Nunavut**' is a Canadian Citizen or Permanent Resident who is:

- a person resident in Nunavut and in possession of a valid Nunavut Health Card number or a corporation with at least 51 per cent of its members being persons resident in Nunavut and in possession of a Nunavut Health Card number.



nunavut film development corporation  
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## MARKET ENDOWMENT PROGRAM 2010–2011

### 1. WHAT IS THE 'MARKET ENDOWMENT PROGRAM'?

The Market Endowment Program is an initiative that awards an individual producer financial assistance up to \$5,000 to cover his/her costs to attend international markets, co-production conferences or forums annually.

Any one international market, co-production conference or forum will be referred to as the **"Market Event"**.

The Nunavut Film Development Corporation will be referred to as **"Nunavut Film"**.

The applicant who has been awarded 'Market Endowment' under this program will be referred to as the **"recipient"**.

### 2. PURPOSE

This program has been founded to encourage and support the establishment of relationships and the marketing of indigenous film, television and digital media projects to buyers, commissioning editors and co-financing/co-production partners in Canada and abroad.

### 3. DEFINITIONS

A few select terms have been defined for the purpose of these guidelines: **"co-production"**, **"digital media"**, and **"resident of Nunavut"**. Applicants should refer to the definitions in Appendix A.

### 4. ELIGIBILITY APPLICANT

The applicant must meet the following minimum criteria:

- be a Resident of Nunavut;
- be an independent producer of film, television and/or digital media project(s);
- be the owner/operator of a company or sole proprietorship incorporated or registered in the territory of Nunavut or Canada with a head office in Nunavut;
- have at least one producer-related credits on a film, television and/or digital media project with a running time of not less than 30 minutes;
- have at least one film, television or digital media projects in development;
- have a demonstrated commitment to work professionally within the Nunavut film, television and/or digital media industry;

- be committed to business activities which respect the Inuit societal values outlined in the *Film, Television and Digital Media Development Contribution Policy*, posted on the website: [www.nunavutfilm.ca](http://www.nunavutfilm.ca); and
- be in good standing with Nunavut Film.

## 5. ELIGIBLE MARKET EVENTS

The Market Events eligible under this program include the Cannes Film Festival, the American Film Market, European Film Market, HotDocs, NextMEDIA, Real Screen Summit and many more. A list of Nunavut Film supported **Market Events for 2010-2011** has been posted on the website: [www.nunavutfilm.ca](http://www.nunavutfilm.ca). Applicants are encouraged to research these opportunities, take advantage of “early bird” registration discounts and apply to Nunavut Film for Market Endowment well in advance.

Some Market Events, like Strategic Partners, require the producer to apply to participate. This is usually a very competitive process. The producer may only attend if he/she has been selected by the event organizers. A call for submission is usually sent out several months in advance of the conference or forum. Interested producers should be sure to monitor website(s) and have his/her name put on the event’s email notification list.

Other Market Events may be considered throughout the year and added to the posted list of **Market Events for 2010-2011** if they are deemed to meet the objectives of this program and if resources permit.

## 6. ELIGIBLE COSTS

The following costs will be eligible for consideration:

- registration fees (if applicable; see paragraph below);
- return airfare (based on economy rates);
- accommodation for up to five nights (to a maximum of \$200 per night in Canada & \$350 per night outside Canada unless pre-approved in advance, in writing);
- per diem of \$90 per day (for up to 6 days, including 2 travel days); and
- promotion and packaging, ground transportation and overhead allowance (equal to 25% of the total ‘Base Costs’, being the total of the above eligible expenditures).

Any complimentary registration passes or other benefits provided to an applicant who has been ‘selected’ to attend a Market Event, should not be included in the applicant’s proposed Budget.

***Nunavut Film and/or the Government of Nunavut may, upon request in writing, inspect and audit the records of the recipient of funding under the Market Endowment Program.***

## 7. NUNAVUT FILM CONTRIBUTION

Nunavut Film will expedite review of the application for Market Endowment. If necessary, adjustments will be made to the producer’s estimated Eligible Costs to ensure compliance with these guidelines. Nunavut Film will provide up to \$5,000 towards the total final approved ‘Eligible Costs’ to attend a Market Event. The amount committed and the terms will be outlined in a Contribution Agreement and paid to the recipient upon receipt and approval of his/her final report and accounting of costs (see Section 9 below) together with a completed Economic Impact Statement (see reference below), after return from

the Market Event. Nunavut Film reserves the right to reduce the amount originally committed upon reviewing the recipient's accounting of final costs.

***Any funds not fully spent at the end of the term of this Contribution Agreement will be deemed a surplus repayable to the Government of Nunavut.***

***Prior to advance of the Nunavut Film contribution, recipients will be required to complete an Economic Impact Statement (the "EIS"). An EIS form may be downloaded from the Nunavut Film website ([www.nunavutfilm.ca](http://www.nunavutfilm.ca)).***

## 8. APPLICATION PROCESS AND ASSESSMENT

Application forms may be downloaded from the website: [www.nunavutfilm.ca](http://www.nunavutfilm.ca), or picked up at the Nunavut Film office in Iqaluit.

Applications must be submitted in at least four weeks in advance of the Market Event taking place. Applicants must provide the documentation requested on the application including a **Proposal** that clearly outline his/her goals and the anticipated benefits of attending the Market Event.

Applications which meet the Eligibility Criteria and are complete will be reviewed by a Selection Committee consisting of four individuals: the CEO of Nunavut Film together with one qualified independent film and television professional, one qualified independent digital media professional and a resident of Nunavut, operating at arm's length. The Selection Committee conduct a detailed and comprehensive evaluation taking the following into consideration:

- eligibility;
- experience and track record of the applicant;
- opportunities afforded the applicant;
- feasibility of the applicant's Proposal; and
- budgeted costs.

The decision making process will be fair, explicit and without conflict of interest.

Applicants will be notified of Nunavut Film's decision via email and forwarded a Contribution Agreement for execution on a timely basis.

The resources available to support this program are limited. It is unlikely that Nunavut Film will be able to provide Market Endowment for every individual wanting to attend a particular Market Event. The decision-making process will be fair, explicit and without conflict of interest. Nunavut Film reserve the right to commit less than the amount requested or to reject an application.

The unsuccessful applicant may appeal the decision of Nunavut Film, in writing, no later than 30 days following the date that the applicant receives notification of the decision (for more information see 'Government of Nunavut Policy' posted on the website: [www.nunavutfilm.ca](http://www.nunavutfilm.ca)).

All information submitted to Nunavut Film will be strictly confidential.

## 9. REPORTING

Producers will be required to submit a final report within 30 days of return from the Market Event. Nunavut Film will provide a template for this purpose. This report must include a written description of the benefits and outcomes resulting from attendance at the Market Event and copies of all receipts for registration, airfare and accommodation.

Questions? Please visit website at: [www.nunavutfilm.ca](http://www.nunavutfilm.ca), or contact:

Cheryl Ashton, CEO, [cheryl@nunavutfilm.ca](mailto:cheryl@nunavutfilm.ca)

Sarah Brown, Director of Programs, [sarah@nunavutfilm.ca](mailto:sarah@nunavutfilm.ca)



# APPENDIX A

## MARKET ENDOWMENT PROGRAM

### DEFINITIONS

A '**co-production**' is one which is not 100% owned and controlled by the applicant or his/her production company. The beneficial and equitable ownership granted to the Applicant is commensurate with the Applicant's level of corporate control, management and creative decision-making and investment as outlined in a Co-Production Agreement entered into with the out-of-territory or out-of-country partner(s).

A '**digital media**' project is one which integrates existing and emerging media technologies (text, graphics, audio, video, animation and interactivity) and is delivered digitally on multi-platforms using diverse methods of exploitation (website/internet applications, iTV and mobile).

A '**resident of Nunavut**' is a Canadian Citizen or Permanent Resident who is:

- a person resident in Nunavut and in possession of a valid Nunavut Health Card number or a corporation with at least 51 per cent of its members being persons resident in Nunavut and in possession of a Nunavut Health Card number.



HOME PROGRAMS TAX CREDIT SPONSORSHIP ON LOCATION PRODUCTION GUIDE PROFESSIONAL DEVELOPMENT LINKS SITE MAP CONTACT

## Funding Programs

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  - 1.2 Use of Funds
  - 1.3 Who May Apply
  - 1.4 Non-Eligible Productions
  - 1.5 Application Procedures
  - 1.6 Application Process
  - 1.7 Evaluation Process
  - 1.8 Financial Participation
  - 1.9 Repayment Terms
  - 1.10 Terms and Conditions
  - 1.11 Applicant's Commitment
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  - 2.1 Objectives
  - 2.2 Who May Apply
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  - 2.7 Terms and Conditions
- 3.0 Application Forms & Deadlines
  - 3.1 Required Documentation and Application Forms  
  - 3.2 Application Deadlines

### Introduction

The Newfoundland and Labrador Film Development Corporation's funding programs are designed to assist and promote the development of the indigenous film and video industry in Newfoundland and Labrador. The eligibility criteria are designed to ensure maximum employment and growth in the Newfoundland and Labrador film and video industry.

### Mandate

The mandate of this corporation is to foster and promote the development and growth of the film and video industry in Newfoundland and Labrador, and to increase the national and international visibility of Newfoundland and Labrador as a location. This mandate will be achieved by pursuing the following objectives:

- to support, assist and develop the growth of the private sector film and video industry using sound business principles in the areas of funding, marketing, promotion and infrastructure development;
- to promote the province within the worldwide film and video industry as a location for film, video, television and commercial productions;
- to serve as a focal point of liaison between industry and all levels and sectors of government in support of industry development; and
- to ensure that appropriate pools of investment and equity capital are available to assist in the growth of the indigenous

industry.

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## 1.0 Equity Investment Program (EIP)

### 1.1 Objective

To support Newfoundland and Labrador based production, NLFDC will provide production assistance in the form of Equity Investment to eligible producers for the financing of productions. For the purposes of these guidelines, "Equity investment" means a financial contribution by the NLFDC which shall be repaid from earned revenue resulting from the production.

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### 1.2 Use of Funds

Equity Investment may be used to assist in the financing of costs that are normally associated with a film or video project and may include:

- script development;
- the optioning and purchasing of literary material;
- research for production and marketing;
- project related overhead and office expenses;
- travel;
- preparation of budget;
- pre-production;
- production;
- post-production;
- distribution and marketing.

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### 1.3 Who May Apply

Only incorporated Newfoundland and Labrador film and video production companies may apply. Individuals, non-incorporated groups or licensed broadcasters are not eligible. Corporations must demonstrate that their primary focus is on the development, production and distribution of film and video products and must be at least 51% owned by a resident or residents of Newfoundland and Labrador as described for individuals. For the purposes of these guidelines, a "Newfoundland and Labrador Resident" is a person who has maintained a principal residence in Newfoundland and Labrador for at least 12 consecutive months immediately prior to the date of application to a funding program. (*Individuals who have worked outside the province during the year prior to application may be considered eligible applicants if they can demonstrate that their permanent place of residence is Newfoundland and Labrador.*)

Five (5) categories of production are eligible for EIP financing.

- *Feature Films*

dramatic, documentary and animated programs intended for exhibition on the theatrical screen, television (including pay and pay-per-view), video or other mode of transmission.

- *TV Series*

dramatic, documentary, children's, variety, performing arts, animated, information, including pilot productions in these formats.

- *TV Mini-Series*

dramatic series of two to ten episodes with continuing plots and characters.

- *TV Specials*

single television programs that are dramatic, variety, performing arts, animated, informational, including pilot productions in these formats.

- *Non-theatrical*

individual programs or series whose primary exhibition will be in a non-theatrical, non-commercial setting such as schools, universities, libraries or exhibited on non-traditional modes of transmission.

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#### 1.4 Non-Eligible Productions

- news, current events or public affairs programming;
- programs that include weather or market reports;
- talk shows;
- sports events or activities;
- gala presentation or awards shows;
- projects that solicit funds;
- pornography;
- advertising;
- projects produced primarily for industrial, corporate or institutional purposes;
- projects, other than documentaries, which substantially consist of stock footage.

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#### 1.5 Application Procedures

The NLFDC will accept applications on an on-going basis with the NLFDC analysis of the applications commencing on the application deadline following the receipt of the application. Documents required for various phases are indicated on the application form.

COMPLETE and ACCURATE DOCUMENTATION is required for all applications. If the application is not complete when it is received, it will not be reviewed. Applicants may re-submit completed applications at a later date.

Applications received by NLFDC will not be returned irrespective of whether they receive support from the agency.

NLFDC has the right to refuse to consider an application which it considers is incomplete.

Before a production is evaluated by NLFDC for Equity Investment, it must be supported by:

**Television** - a letter of intent or written commitment for telecast on broadcast, specialty pay, pay-per-view television specifying the amount of license fees.

**Cinema / Video** - a commitment from a theatrical or video distributor or eligible broadcaster for release in Canada, and / or a distribution advance, equity investment or distribution guarantee from such a distributor

**Non-theatrical release** - supporting documentation showing sales potential and distribution arrangements.

**All projects must include a financial structure (in an acceptable format as outlined in the NLFDC's application form) projecting the sources of 100% of the required financing as well as a completed marketing plan developed in consultation with NLFDC.**

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#### 1.6 Application Process

Applicants are advised to take into account the length of time involved in the process of obtaining, completing and filing the required documentation when scheduling their cash-flow projections. The time period will vary according to the circumstances surrounding each individual project.

The critical path that an applicant will follow is:

- consultation with NLFDC
- submission of an application form
- assessment of project
- notification of NLFDC decision

If NLFDC agrees to participate in the project, it will provide a conditional Letter of Commitment pending the fulfillment of the requirements specified in the letter.

In the event NLFDC declines to participate, the applicant will be notified in writing of the decision. Applications may be re-submitted subject to consultation with NLFDC.

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#### 1.7 Evaluation Process

Applications will be assessed in the following manner:

- Following consultation with the Management Staff, completed applications are submitted to the NLFDC.
- The Management Staff analyze the business and creative aspects of the application, according to the NLFDC guidelines, policy and assessment requirements.
- This information is circulated to the Board of Directors.
- The Board of Directors make the final decision on all applications to the EIP.

Evaluation of a project includes consideration of the following:

- track record of the production company
- experience of individual producers and other senior managers
- experience of key creative personnel (e.g. Writer, Director, Director of Photography, Production Designer, etc.)
- proportion of personnel who are residents of Newfoundland and Labrador
- proportion of local corporate ownership and control (minimum being 51%)
- feasibility of production schedule
- feasibility of proposed financing structure
- accuracy and feasibility of proposed production budget
- feasibility of marketing and distribution commitments and/or plans
- potential for recoupment of investment and eventual profit
- economic benefit and job creation potential within Newfoundland and Labrador
- potential to leverage funds from sources other than the NLFDC
- potential to contribute to the development of local industries.

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### 1.8 Financial Participation

The NLFDC will normally provide a maximum of 20% contribution of the overall costs of the project. The schedule of payments will be based on the individual project needs and production schedule.

Within genres, NLFDC Equity Investment will normally be subject to the following maximums:

- Dramatic series – maximum \$250,000
- Theatrical feature film, television feature length movie (MOW) – maximum \$250,000
- Documentary (single or series), children's, other – maximum \$150,000

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### 1.9 Repayment Terms

EIP funding under this component will be provided in the form of Equity Investment and bearing no interest. Return on investment will normally be on a pro-rata and pari passu basis with other investors based on 100% of Production Revenues until the principal is repaid in full. Subsequently, the NLFDC will receive a perpetual share of Production Revenues at a rate equivalent to 1/2 its original pro-rata share percentage.

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### 1.10 Terms and Conditions

Funding may be provided with rights and conditions determined in accordance with a business plan and set forth in a Memorandum of Agreement between the NLFDC and the applicant. Normally, the NLFDC will require the following terms and conditions:

- continuing security interest for NLFDC in the project;
- in the event that the film or program is produced, it will have sufficient Canadian content according to Canadian Audio Visual Certification Office (CAVCO) standards;
- should the film or program be produced, the NLFDC will receive a pro-rata share of 100% of the Production Revenue, based on the percentage of the Corporation's investment in relation to other investors;
- terms of repayment will be set on a project-by-project basis which will be part of the Memorandum of Agreement. Normally, the NLFDC will negotiate terms for recoupment and profit participation that are no less favorable than any terms and conditions negotiated by any other equity investor;
- funding will be repaid in full on the optioning, sale or transfer of the project to any third party. The NLFDC will reserve the right to continue to participate in such a transferred property subject to its own review.

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### 1.11 Applicant's Commitment

The amount of investment required by an applicant will vary from project to project and will be dependent on client needs and the overall assessment made by the NLFDC.

The applicant's equity investment may be defined to include net equity in the production company, cash commitment, deferred salaries or fees, or any combination thereof. In cases where the equity investment is in the form of deferred salaries or fees, there must be sufficient cash flow to meet both the company's and the project's obligations. Deferrals in all categories should not exceed 30% of the total project financing structure.

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### 1.12 Project Reports

The NLFDC will require a report on the state of the project and proof of bona fide expenses of 100% of the production budget, within three months of the Corporation's final disbursement. As well, regular cost reports on the status of the project will be required.

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### 1.13 Interprovincial Co-production

Co-productions with other provinces may be considered if there is a qualified Newfoundland and Labrador producer (as previously defined) who is sharing in the financial and creative risks and rewards throughout the development, production, and distribution of the production. The Newfoundland and Labrador producer must, at minimum:

- be the applicant for EIP financing;
- receive shared credit as a Producer in the project;
- participate in any re-write / polish of the script undertaken after the NLFDC has provided a written expression of interest or commitment;
- control or share control of hiring, location selection and management of project expenditures in Newfoundland and Labrador;
- guarantee that the Newfoundland and Labrador producer's portion of the fees and corporate overhead should not be less than 25% of total combined producer's fees and overhead for the entire production.

The Newfoundland and Labrador co-producing company must retain an ownership position in the copyright of the project equal to the value it brings to the project, but cannot be less than 33% in the case of Canadian interprovincial co-production, or an amount commensurate to the financial value it brings to the project in the case of an interprovincial co-production.

NLFDC reserves the right to approve all financing and distribution arrangements in the project. NLFDC will deal primarily with the Newfoundland and Labrador producer with respect to the co-production.

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### 1.14 International Co-production

International co-productions must meet the conditions noted in section 1.13, with the following exceptions:

- the Newfoundland and Labrador co-producer must retain no less than a 20% ownership position in the copyright of the production;
- the Newfoundland and Labrador co-producer must satisfy relevant international co-production treaties determined by Canadian co-production authorities.

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### 1.15 Intra-provincial Co-production

Production companies within the province who wish to co-produce must retain an ownership position in the copyright of the project to the financial value they bring to the project.

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## 2.0 Development Program (an element of the Equity Investment Program)

### 2.1 Objectives

The Corporation will provide a loan to qualified applicants to support the essential process of development which takes an idea through the stages of research, writing, market analysis and costing. Support for the development of a project does not, in any way, guarantee funding by the Corporation in later stages of the project.

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## 2.2 Who May Apply

Only incorporated Newfoundland and Labrador film and video production companies may apply. Individuals, non-incorporated groups or licensed broadcasters are not eligible. Corporations must demonstrate that their primary focus is on the development, production and distribution of film and video products and must be at least 51% owned by a resident or residents of Newfoundland and Labrador as described for individuals. For the purposes of these guidelines, a "Newfoundland and Labrador Resident" is a person who has maintained a principal residence in Newfoundland and Labrador for at least 12 consecutive months immediately prior to the date of application to a funding program. (Individuals who have worked outside the province during the year prior to application may be considered eligible applicants if they can demonstrate that their permanent place of residence is Newfoundland and Labrador.)

Five (5) categories of production are eligible for Development Program financing.

- *Feature Films*

dramatic, documentary and animated programs intended for exhibition on the theatrical screen, television (including pay and pay-per-view), video or other mode of transmission.

- *TV Series*

dramatic, documentary, children's, variety, performing arts, animated, information, including pilot productions in these formats.

- *TV Mini-Series*

dramatic series of two to ten episodes with continuing plots and characters.

- *TV Specials*

single television programs that are dramatic, variety, performing arts, animated, informational, including pilot productions in these formats.

- *Non-theatrical*

individual programs or series whose primary exhibition will be in a non-theatrical, non-commercial setting such as schools, universities, libraries or exhibited on non-traditional modes of transmission.

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## 2.3 Non-Eligible Productions

- news, current events or public affairs programming;
- programs that include weather or market reports;
- talk shows;
- sports events or activities;
- gala presentation or awards shows;
- projects that solicit funds;
- pornography;
- advertising;
- projects produced primarily for industrial, corporate or institutional purposes;
- projects, other than documentaries, which substantially consist of stock footage.

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## 2.4 Application Procedures

The NLFDC will accept applications on an on-going basis with the NLFDC analysis of the applications commencing on the application deadline following the receipt of the application. Documents required for various phases are indicated on the application form.

COMPLETE and ACCURATE DOCUMENTATION is required for all applications. If the application is not complete when it is received, it will not be reviewed. Applicants may re-submit completed applications at a later date.

Applications received by NLFDC will not be returned irrespective of whether they receive support from the agency.

NLFDC has the right to refuse to consider an application which it considers is incomplete.

## 2.5 Evaluation Process

Applications will be assessed in the following manner:

- Following consultation with the Management Staff, completed applications are submitted to the NLFDC.
- The Management Staff analyze the business and creative aspects of the application, according to the NLFDC guidelines, policy and assessment requirements.
- This information is circulated to the Board of Directors.
- The Board of Directors make the final decision on all applications to the Development Program.

Evaluation of a project includes consideration of the following:

- track record of the production company
- experience of individual producers and other senior managers
- experience of key creative personnel (e.g. Writer)
- feasibility of proposed financing structure
- potential for recoupment of investment and eventual profit
- potential to leverage funds from sources other than the NLFDC

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## 2.6 Financing

The Corporation will apportion its development funding in two phases for non-series projects as follows:

### *Phase One - Conception and Development of First Draft Script*

At this stage, the Corporation will normally advance a maximum of \$15,000 for the option or acquisition of rights, scriptwriter's and editor's fees, research, required travel expenses, normal overhead, and producer's fees. At the end of this phase of development, the producer will be required to provide a completed first draft script and a cost report. The Corporation's contribution cannot exceed 33% of the budget.

### *Phase Two - Shooting Script and Production Development*

At this stage, the Corporation will normally advance a maximum of \$20,000 for pre-casting and preliminary search for shooting locations as required for script writing, required travel expenses, normal overhead, producer's fees, preliminary shooting schedule, preparation of a marketing plan, preparation of the final budget, and completion of a shooting script. At the end of this phase, the producer will be required to provide a shooting script, a production budget, a marketing plan, and a cost report. The Corporation's contribution cannot exceed 33% of the budget.

A producer may apply for Phase Two development without having received Phase One development.

The Corporation requires the corporate guarantee of the applicant. The Corporation may, at its discretion, require other guarantees. The Corporation will hold a secured interest in the project until the loan is repaid. The Corporation will acquire a proportional interest in the project with a first option / last refusal to participate in the production.

For series projects, the full \$35,000 of funding may be accessed in one stage. All of the criteria outlined for non-series projects in Phase One and Phase Two apply for series applications.

\* It should be noted that if the intention is to apply for an equity investment, an application must be made at least 60 days prior to the loan maturing. If the Corporation does not wish to participate as an equity investor, the loan is due as per the original contract.

Projects in development will be reviewed periodically. When a development budget has been approved, but the Producer is unable to demonstrate that the funds advanced by the Corporation have been used for the stated purpose, the Corporation will cancel or reduce its participation in the project and funds already advanced will become repayable, in whole or in part.

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## 2.7 Terms and Conditions

The Producer agrees to repay the Corporation the total Development loan amounts owing on the earlier of:

1. the first day of principal photography of the Film or of any cinematographic, video or audio-visual work based in whole or in part upon the Screenplay or any other use of the Screenplay;
2. the sale, transfer, assignment or other disposition of the Screenplay.

The Producer shall pay interest on any overdue Development loan from the date that such amount became payable to the Corporation as determined in accordance with the provisions of this Agreement or any other agreement which amends the repayment provisions of this Agreement at the Royal Bank of Canada's rate announced from time to time as its prime rate per annum for Canadian dollar commercial loans made in Canada (the "Prime Rate") as on the first day of each month to be applied at the same rate during that same month plus two percent (2%) per annum calculated on the daily balance of such overdue payment(s) remaining outstanding (with overdue interest on overdue interest at the same rate) compounded monthly

and payable monthly, not in advance from the respective original date(s) of the overdue payment(s). Changes in the Prime Rate shall cause an adjustment to the interest rate referred to above from the first day of each month without the necessity of any notice to the Producer from the Corporation.

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### 3.0 Application Forms & Deadlines

#### Newfoundland and Labrador Film Development Corporation Application Guidelines for Fiscal 2007/2008

##### Guidelines and Application Forms

Guidelines and Application Forms may be obtained by accessing our web site or by contacting this office at the address below.

##### Application Process

You must submit separate applications for each project **complete with all required documentation** to the address below.

##### 3.1 Required Documentation and Application Forms

The application, attachments and documents listed on page 3 of the application form must be submitted with each project in its entirety by the deadlines noted below in order for your application to be considered complete. Incomplete applications will not be assessed and will be returned. The same application form is used for both development and equity applications:

 [Download Development/Equity Application – use this application form if you wish to print the application, fill it in by hand and submit it.](#)

 [Download Development/Equity Application – use this application form if you wish to fill it in on your computer, print it and submit it.](#)

##### 3.2 Application Deadlines

###### EQUITY INVESTMENT PROGRAM

<b>First Application Deadline</b>	March 15, 2010	<b>Decision Date</b>	April 20, 2010
<b>Second Application Deadline</b>	October 18, 2010	<b>Decision Date</b>	November 23, 2010

###### DEVELOPMENT PROGRAM

<b>First Application Deadline</b>	March 15, 2010	<b>Decision Date</b>	April 20, 2010
<b>Second Application Deadline</b>	August 2, 2010	<b>Decision Date</b>	September 8, 2010
<b>Third Application Deadline</b>	October 18, 2010	<b>Decision Date</b>	November 23, 2010
<b>Fourth Application Deadline</b>	January 10, 2011	<b>Decision Date</b>	February 15, 2011

##### Newfoundland and Labrador Film Development Corporation General Address

12 King's Bridge Road  
 St. John's, NL A1C 3K3  
 Phone: (709) 738-3456  
 Toll free within Canada: 1-877-738-3456  
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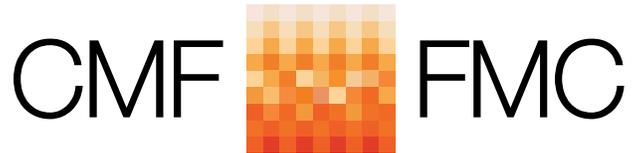
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# Appendix E

## 2011 Changes to Canadian Media Fund

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# **SUMMARY OF CHANGES**

IN THE  
**2011-2012  
GUIDELINES**

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Note: *All references are to 2010-2011 Guidelines unless otherwise stated.*

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# 1. CHANGES TO THE EXPERIMENTAL STREAM

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## CHANGES TO THE EXPERIMENTAL STREAM GUIDELINES

1. More detailed description of development, production, and marketing support
  - The Experimental Stream provides support for Development, Production, and Marketing & Promotion. The CMF has now included a more detailed description of what these activities entail, so applicants can better determine which type of support is most appropriate for their project.
    - > See [section 2.1](#)
2. Greater clarity on the types of funding support provided
  - Previously, the Experimental Stream Guidelines stated only that support for production would be in the form of an equity investment. Now, the Guidelines specify which type of activity—Production, Development, or Marketing & Promotion—receives which form of funding.
    - > See [section 2.2](#)
3. Changes to amounts of funding support provided
  - Previously, the Guidelines stated a single Maximum Contribution amount applicable to all Experimental funding. Now, the Guidelines provide new Maximum Contribution amounts for Development and Marketing & Promotion, namely, \$500,000. The Maximum Contribution applicable to Production funding remains unchanged.
    - > See [section 2.3.1](#)
4. Producer fees and corporate overhead (PFCO) information moved and enhanced
  - Previously, section 2.3.2 of the Guidelines contained rules related to PFCO. This information has now been removed from the main Guidelines document and is presented in more detail in Appendix “B”.
    - > See [Appendix “B”, PFCO Policy](#); and
    - > CMF standard budget templates
5. Evaluation Matrix adjusted
  - Previously, the Evaluation Matrix, which guides the CMF’s selective decision-making process in the Experimental Stream, contained only one set of “weightings”—i.e. the weight placed on each of four factors expressed as a percentage of the overall evaluation—applicable to all Experimental projects. Now, the CMF has split out different weightings for each of Production, Development, and Marketing & Promotion support. The factors themselves are unchanged.
    - > See [section 2.4](#)
6. Language of projects expanded
  - Previously, the Experimental Stream was limited to projects created in English or French. The CMF has now removed this limitation. As long as the project is otherwise eligible, the language of the project is irrelevant.
    - > See [section 3.2](#)
7. All projects must be connected to the Canadian cultural sector
  - Previously, the Guidelines stated that Eligible Projects had to be “intended for the general public and/or is connected to the Canadian cultural sector.” The CMF has now removed the word “or”. As such, all projects must be both intended for the general public and have a Canadian cultural sector connection.
    - > See [section 3.2.2](#)

8. Clarifications for film-convergent and TV-convergent projects
  - Previously, the CMF specified that “TV-Convergent” projects were not eligible in the Experimental Stream. This raised questions about film-convergent projects and the consistent treatment of such projects with TV-convergent ones. The CMF has now specified that film-convergent projects are also ineligible in the Experimental Stream.
  - In addition, the CMF has clarified what a film- or TV-convergent project is where a particular character or brand is involved. In some cases, a character or brand may exist in a variety of media, including TV or film, and an interactive project making use of that character or brand may wish to apply to the Experimental Stream. The CMF will consider whether or not the application is truly an integrated component of a film or TV project, and as such the transmedia nature of the character or brand will not, by itself, disqualify the project.
    - > See [section 3.2.2.1](#)
9. Expanded definition of “innovation”
  - The CMF has expanded its definition by outlining four separate degrees of innovation.
    - > See [section 3.2.2.2](#)
10. “Market channel partner” clarified, and additional flexibility added
  - The CMF has clarified that a market channel partner is only required for Production and Marketing & Promotion applications—no market channel partner is required for Development funding.
  - The CMF has clarified that it will waive the market channel partner requirement where the Applicant can demonstrate that it has the ability to effectively self-distribute the project.
    - > See [section 3.2.3](#)
11. First Closing Date information
  - The CMF has now specified that no more than 60% of this year’s allocation to the Experimental Stream will be provided to projects that apply to the First Closing date.

## **CHANGES TO THE EXPERIMENTAL STREAM RECOUPMENT POLICY**

1. No IP ownership interest
  - Previously, the CMF took an undivided ownership interest in the intellectual property of the funded project as a way to secure its revenue recoupment position. The CMF will no longer do this. Subject to the following change, the CMF will continue to recoup and participate in profits in proportion to its financing in the project, but will do so by terms of contract and not as a part-owner of the project’s IP.
2. CMF profit participation reduced
  - Previously, the CMF participated in profits from the funded project at the same level as it recouped its original investment. Now, upon recouping its full investment, the CMF will forego 25% of its profit participation for the benefit of the applicant. In addition, where the CMF recoups 100% of its investment within the first 2 years, the CMF will forego an additional 25% of its profit participation for the benefit of the applicant for a total of 50% of the CMF’s initial recoupment position in the project.
    - > See [Recoupment Policy: Experimental Stream](#)

## 2. CHANGES TO THE CONVERGENT STREAM

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### CHANGES TO ALL PROGRAMS IN THE CONVERGENT STREAM

1. Definition of variety programming adjusted
  - The CMF's definition of variety programming makes reference to portions of the program that are "acts or performances", and portions that are non-performance content, with at least 50% of the program's running time being comprised of acts or performances. Starting in 2011-2012, material that is directly related to the acts or performances (such as interview segments with performers) will count towards the 50% performance component.
  - In addition, the presence of "ineligible elements" will no longer render the program ineligible. Previously, the CMF did not consider as eligible programs those that included ineligible elements, whether or not such elements were contained within the more-than-50% performance component. Such ineligible elements included contests, prize presentations, promotional activities or commentary, sponsored presentations, video clips, awards, tributes, special event celebrations, reality TV elements, etc. Now, such elements will no longer render the program ineligible. The program must still be comprised of at least 50% acts/performances or material directly related to the acts/performances. The program must still be a variety program—tributes, awards shows and other programming described at section 3.2.TV.2 remain ineligible.  
> See [Appendix "A"](#)

### CHANGES TO ALL PRODUCTION PROGRAMS<sup>1</sup>

1. Certain marketing expenses are now eligible
  - Previously, marketing and promotion expenses (other than some unit publicity expenses) were not eligible costs for CMF-supported productions. Now, specified marketing costs—e.g. costs related to digital media marketing campaigns, attendance at markets, and search engine optimization—are Eligible Costs. Eligible marketing expenses cannot exceed 3% of Categories B+C of the television production budget and 15% of Categories B+C of the digital media production budget. In addition, Eligible marketing expenses in the production budget must be spent on marketing activities, and cannot be reallocated to other expenses.  
> See [sections 2.3.2TV.2](#) and [2.3.2.DM.1](#)
2. Clarification on the treatment of VOD
  - VOD may be treated as a Television Component or a "2nd platform" depending on the circumstances. The CMF has now clarified that where fees for the Canadian VOD Right are included within the Eligible Licence Fees, the VOD exploitation associated with those fees is considered part of the Television Component, and therefore cannot be used to meet the "2nd platform" requirement.  
> See [section 3.2](#)
3. VOD, streaming and 18 months
  - The CMF now requires that, when relied upon to meet the "2nd platform" requirement, CRTC-licensed VOD and non-simulcast digital distribution must be made available to Canadians within 18 months of completion and delivery to the broadcaster of the Television Component.  
> See [section 3.2](#)
4. Other Rights: Clarification of "electronic sell-through" and "digital rental"
  - The CMF has clarified the definition of "electronic sell-through and/or digital rental" as being where an electronic copy of the Television Component is sold or rented, via digital distribution, for repeated private offline viewing on a local device(s) by an end user.  
> See [section 3.2.TV.5.3](#)

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<sup>1</sup> Performance Envelope Program, Francophone Minority Program, Aboriginal Program, English POV Program, and Diverse Languages Program.

5. Other Rights: 12-month “use it or lose it” and limitation on restriction rules extended to licence fee top-up-only projects
  - Previously, the CMF applied the following two rules only when it had an equity investment in the project: 1) Other Rights acquired by a Canadian broadcaster or Canadian VOD service must be subject to a “use it or lose it” provision that requires the broadcaster/VOD service to exploit the right(s) within 12 months; and 2) For Other Rights not acquired by a Canadian broadcaster or Canadian VOD service, the broadcast licence agreement cannot restrict the Applicant’s ability to exploit the Other Rights for longer than 12 months. Now, these two rules apply to all CMF-funded convergent production projects, not just those in which the CMF has an equity investment.  
> See [section 3.2.TV.5.3](#)
6. Other Rights: New CMF objective added
  - Previously, the CMF had two stated objectives guiding its approach to Other Rights: promoting transparency in the rights market and maximizing the CMF’s return on investment when the CMF is an equity investor. The CMF has now added a third objective: maximizing the availability of CMF-funded content on multiple platforms for the benefit of Canadian audiences.  
> See [section 3.2.TV.5.3](#)
7. All Digital Media Components must be rich and substantial
  - In 2010-2011, the CMF recognized two types of digital media content: 1) Basic content (e.g. Rudimentary “Web 1.0” applications, simple “pamphlet” websites, and analogous content/applications); and 2) Rich and substantial content (e.g. “Web 2.0” and higher applications; highly immersive or highly interactive websites, mobile applications/content, or videogames; content or applications that meet or exceed current market standards for richness; or analogous content/applications). An Eligible Project could have a “basic” Digital Media Component to satisfy the “2nd platform” requirement (though the CMF would not fund that basic content). Now, to be considered an eligible Digital Media Component, the content must be rich and substantial. “Basic” content will not qualify. Eligible Projects can still meet the “2nd platform” requirement with VOD or non-simulcast digital distribution, as per section 3.2.  
> See [section 3.2.DM](#)
8. Projects containing preexisting rich and substantial Digital Media Components will count at 50% for minimum spending requirement purposes
  - Currently, broadcasters with performance envelopes are required to direct a minimum of 50% of their envelope to projects whose non-television component under 3.2(2) meets the CMF’s standard for rich and substantial digital media content. Now, if a convergent project includes a preexisting rich and substantial component, contributing broadcasters will only receive credit towards this commitment obligation at a rate of 50% of the value of their performance envelope contribution. Only projects that include new rich & substantial components or preexisting ones that are sufficiently modified (post-application) will be given 100% credit.  
> See [section G.6 of the Performance Envelope Manual](#)
9. Digital Media Components need not be 100% fully financed at application
  - The CMF has clarified that Digital Media Components need not be 100% fully financed at application. 100% of the financing of all components must be confirmed, however, by the Final Closing Date.  
> See [section 5](#)

## CHANGES TO SELECTIVE PRODUCTION PROGRAMS<sup>2</sup>

1. Treatment of tax credits clarified when provincial tax credits increase after application
  - Currently, the CMF has a rule for selective programs requiring the inclusion of 90% of the estimated federal and provincial tax credits in their financial structures. The CMF has now clarified what happens if the provincial tax credit rate increases between the entering into of a CMF Financing Agreement between the CMF and the Applicant, and the final “Phase 2” payment of the CMF to the project: namely, the CMF will not require the tax credit entitlement that has increased by virtue of the rate increase to be reflected in the 90% calculation.

> See [Appendix “B”, Treatment of Tax Credits Policy](#)

## CHANGES TO THE PERFORMANCE ENVELOPE PROGRAM

1. Maximum Contributions simplified
  - Previously, a variety of Maximum Contribution amounts applied to the Television Component of a project depending on its genre and budget level. Now, many of those amounts—and all amounts for French-language projects— have been removed, and an overall Maximum Contribution amount of 49% of the Eligible Costs of the Television Component implemented.

> See [sections 2.2](#) and [2.4](#)
2. Digital Media Component caps raised
  - Previously, the Maximum Contribution for a Digital Media Component was 50% of a component’s Eligible Costs or \$200,000, whichever was less. Now the dollar cap has been increased from \$200,000 to \$500,000. The 50% cap remains unchanged.

> See [section 2.3.1](#)
3. Treatment of Tax Credits Policy no longer applies to French-language Performance Envelope Program projects
  - Previously, all projects funded through the Performance Envelope Program were subject to a rule limiting the inclusion of federal and provincial tax credits to 90%, except where the producer advised the CMF that it was necessary to exceed 90%. Now, this rule applies only to English-language projects—French-language projects are not limited to 90% and need not advise the CMF when exceeding 90%.

> See [Appendix “B”, Treatment of Tax Credits Policy](#)

## CHANGES TO THE FRANCOPHONE MINORITY PROGRAM

1. All shareholders of the applicant company must have resided outside Quebec for 3 years
  - Previously, the CMF required that, for a production company to be an eligible applicant to the Francophone Minority Program, its “major shareholder” must have resided outside Quebec for at least three years. Now all shareholders must reside outside Quebec for three years prior to the date the CMF funding application is submitted.

> See [section 3.1\(a\)](#)

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<sup>2</sup> Francophone Minority Program, Aboriginal Program, English POV Program, and Diverse Languages Program.

## CHANGES TO THE ABORIGINAL PROGRAM

1. Television Components must be broadcast in peak viewing hours
  - Previously, the CMF did not expressly state that Television Components funded through the Aboriginal Program must be broadcast during peak viewing hours. The CMF has now clearly stated this requirement.  
> See [section 3.2.TV.5\(d\)](#)
2. Digital Media Components must be presented in an Aboriginal language
  - Previously, the CMF did not expressly state that a Digital Media Component must, like the Television Component, be made available in an Aboriginal-Canadian language. The CMF has now stated this requirement.  
> See [section 3.2.DM](#)

## CHANGES TO THE ENGLISH POV PROGRAM

1. Combining funds from the English POV Program and the Performance Envelope Program
  - When the English POV Program launched in 2010-2011, it did not permit projects to receive funding from both the POV Program and the Performance Envelope Program. The CMF reversed this approach during the 2010-2011 fiscal year. Now, projects can combine funds from the two programs; this fact and how it is done is now described in the Guidelines.  
> See [section 2.3.1.1](#)
2. Licence Fee Threshold reduced
  - Previously, the Licence Fee Threshold in the English POV Program was 20% of the Television Component's Eligible Costs. This year, the threshold has been reduced to 15%.  
> See [section 3.2.TV.5.1](#)

## CHANGES TO THE DIVERSE LANGUAGES PROGRAM

1. Licence fee top-up calculation clarified
  - Previously, the Guidelines stated that the licence fee top-up amount was calculated on CMF contribution to the project. This is now been corrected—the licence fee top-up is calculated based on the Television Component's Eligible Costs.
2. Evaluation Matrix adjusted
  - The weighting of the factors used to evaluate projects in the selective decision-making process has been adjusted. Previously, "Broadcaster Interest" as reflected in the level of licence fees in the project was worth 40% of the evaluation; it has now been decreased to 30%. Previously, the "Creative Elements" factor was worth 20%; it has now been increased to 30%.
3. The Television Component must be broadcast in the original language of production
  - Previously, the CMF required that a Television Component funded through the Diverse Languages Program must be produced in a language other than English, French, or a Canadian Aboriginal language, but it was not expressly stated that the program must also be broadcast in one of these languages. Now the CMF has clarified that the Television Component must also be aired in its original language of production—i.e. other than English, French, or a Canadian Aboriginal language.  
> See [section 3.2.TV.5\(e\)\(i\)](#)

4. Digital Media Components must be presented in the original language of production
  - Previously, the CMF did not expressly state that a Digital Media Component must, like the Television Component, be made available in a language other than English, French, or a Canadian Aboriginal language. The CMF has now stated the requirement that the Digital Media Component must be made available in the original language of production of the Television Component.
    - > See [section 3.2.DM](#)

## **CHANGES TO THE ENGLISH PRODUCTION INCENTIVE**

1. The incentive is calculated by province/territory
  - Previously, the English Production Incentive was based on five “areas” of Canada: Atlantic Canada, Ontario and Nunavut, Quebec, the Prairies, and British Columbia, the Yukon, and Northwest Territories. Now, the incentive relates to each province and territory of Canada.
2. The CMF has discretion for which province(s)/territory(ies) qualify(ies)
  - Previously, an English Production Incentive was available where production activity fell more than 20% below a 5-year average in any area. Drops of 19% or less did not qualify. Now the CMF will maintain the same 20% benchmark, but will retain discretion to implement an incentive for provinces or territories whose production activity drops less than 20% provided that the drop is meaningful in the view of the CMF.
3. Provinces and territories with less than 1% of overall production volume will get a minimum English Production Incentive allocation
  - The English Production Incentive formula requires a drop in production activity of 20% or more. However, some provinces and territories with historically low production volumes cannot fall 20% lower than where they are now. As such, these provinces and territories will be allocated a minimum amount.
4. Provinces/territories that qualify will get 50% of the previous year’s allocation if they do not again qualify for the incentive
  - In order to help modulate the impact of a province/territory no longer qualifying for the English Production Incentive, once a province or territory becomes eligible for the incentive in one year, it will receive 50% of that incentive in the following year if the province/territory does not qualify for the incentive in that following year.
5. Returning series are not eligible
  - Previously, the CMF did not restrict eligibility for the English Production Incentive by programming type. Now, no returning series—i.e. a series in its second or subsequent cycle/season—can apply for English Production Incentive funding.
6. Two closing dates
  - Previously, the English Production Incentive was awarded to eligible projects on a first-come, first-served basis until the earlier of: 1) resources for the incentive being depleted; or 2) a single application deadline towards the end of the CMF fiscal year. Now, the English Production Incentive will have two closing dates, with funding uncommitted by the first closing date being made available to projects from other incentive-eligible provinces/territories until the final closing date. The English Production Incentive remains a first-come, first-served program.

## CHANGES TO THE DEVELOPMENT PROGRAM

1. Pre-development costs are eligible
  - Previously, pre-development costs (such as very early-stage development costs and costs incurred to pitch projects to broadcasters) were only supported by the CMF in the French Regional Project Pre-Development sub-program. Now, these costs are eligible in all CMF-supported development projects.  
> See [section 2.3.2.TV.1](#)
2. Concurrent funding for Television and Digital Media Components clarified
  - In the Development Program the CMF requires that all projects have both a Television Component and a rich and substantial Digital Media Component. The CMF has clarified that work on, and/or CMF funding of, both components is not necessary for every phase of development, as long as the two components exist and are meaningfully integrated with each other.  
> See [section 3.2.DM](#)
3. Canadian costs clarified
  - Previously, there was an apparent contradiction in the Guidelines between a statement at section 2.3 that “only Canadian costs are Eligible Costs”, and a statement at section 3.2.DM.1(b) that an Eligible Project is “produced in Canada with at least 75% of its Eligible Costs being Canadian costs.” In fact, this was not a contradiction because the two sections referred to different things. Section 2.3 refers to the development costs that the CMF will support in the Development Program, while section 3.2.DM.1(b) refers to the project that the CMF expects will ultimately be produced as the end goal of the development process. Nevertheless, to minimize confusion, the reference to the 75% at section 3.2.DM.1(b) has been removed. Nevertheless, Digital Media Components that are produced and funded through the CMF’s production programs must still meet the 75% Canadian costs requirement.  
> See [sections 2.3](#) and [3.2.DM.1\(b\)](#)

## CHANGES TO THE VERSIONING PROGRAM

1. Cap on administrative expenses in the versioning budget increased
  - Previously, the CMF allowed reasonable administrative expenses incurred by the versioning company, up to a maximum of 5% of the versioning budget. This has now been increased from 5% to 10%.  
> See [section 2.3.2](#)
2. Digital Media Components are eligible for versioning support
  - Previously, only television projects were eligible for CMF funding to be versioned into other languages in the Versioning Program. Now, Digital Media Components may also receive funding in the Versioning Program.  
> See [section 3.2.1](#)