

NWT Film and Media Arts Industry: Growing the Sector

**Summary Report of March 23rd , 2011
Meeting between Industry and Government**

Facilitated and Compiled by Lutra Associates Ltd

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NWT Film and Media Arts Industry: Growing the Sector

BACKGROUND:

Film, video, and digital media are the tools that media artists use to communicate, inform, educate, and entertain. Media artists and the tools they use are the centre of a vibrant, growing, and dynamic industry in the Northwest Territories (NWT).

The growing economic force of the NWT film and media arts industry was documented in a 2011 sector study, *A Review of Film Commission Mandates* (Outcrop Communications Ltd., 2011). The study found that film and video and digital media activities, including website design, annually contribute about \$9 million to the NWT economy. This includes about \$5 million in wages. More than 100 people are estimated to be employed full time in the NWT film and media arts industry.

The Government of the Northwest Territories (GNWT) recognizes that the film and media arts industry is an economic sector that warrants the same type of incentives and support that are offered to other businesses that have growth potential. To this end, the GNWT Departments of Industry, Tourism and Investment (ITI) and Education, Culture and Employment (ECE) jointly commissioned Outcrop to review the costs and benefits of potential programs to support the film and media industry in the NWT in recognition of current fiscal constraints within the GNWT. The study focused on jurisdictions with populations of less than 500,000, namely Nunavut, Yukon, Newfoundland and Labrador and Prince Edward Island. The study involved a comparative analysis of five film commission models, including the NWT. The study also examined industry support and incentive programs including those available to support the industry in the NWT as well as a cursory examination of national programs.

FINDINGS FROM THE REVIEW:

The Outcrop Report (the Report) found that other small jurisdictions in Canada devote significant financial and human resources to supporting the film industry. A main industry support is a film commission. Film commissions are advocates and champions of the industry and its members. While their functions vary across the jurisdictions, they deliver funding programs, promote productions, offer strategic planning and marketing support, liaise with national and international industry personnel, maintain industry-specific statistical and registry data, and offer training and professional development opportunities. Film commissions are run by government, as is the case in the NWT and Yukon, or are independent as is the case in Nunavut and Newfoundland and Labrador.

Funding and incentive programs to support the film industry also vary across the country. Most often financial support includes rebates, tax credits, equity investments, developmental loans, and funding for training and professional development. The return on investments is monitored. For example, in the Yukon, it is estimated that for every dollar spent to support the industry, there is a nine dollar spin off in the Yukon economy.

In Nunavut, an estimated return of three to four dollars is realized for every dollar spent in support of the industry. The Newfoundland Film Development Corporation 2008/09 annual report states that for every dollar spent, the total Gross Domestic Product (GDP) return to the province is \$2.86. In the NWT, government financial support is not specific to the film industry. However, ITI currently provides support to NWT businesses, including those involved in film production, through its Support to Entrepreneurs and Economic Development (SEED) Policy. ECE provides support to the film industry through the NWT Arts Council and Northern Film and Media Arts Contributions programs.

In other jurisdictions, media art businesses tend to be members of active industry associations. Industry associations provide member services that include promoting member productions, promoting member services to outside producers, and professional training opportunities. The Report found that the NWT film and media arts industry is fragmented, and without a coordinating body to promote cooperation among members and champion the sector.

The Outcrop report suggested five initiatives for supporting the film and media industry in the NWT moving forward:

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

MOVING FORWARD:

Representatives from the NWT film industry met with the GNWT Departments of ITI and ECE to discuss ways to support the growing film industry at the Prince of Wales Heritage Centre on March, 23, 2011. About 25 people attended the meeting to discuss the findings and options put forth in the Outcrop report.

This conversation between film industry members, ITI, and ECE, resulted in a consensus on moving forward with some of the initiatives presented in the Report. Meeting attendees reached a consensus, while recognizing the need for further clarification of certain issues and further discussion to involve potential industry members outside of Yellowknife, who were not well represented at the meeting.

Several action items were agreed to at the March 2011 meeting. ITI committed to working with the industry to move the five initiatives forward that were indicated in the Report. ITI and ECE also committed to working more closely to support the industry. Members of the NWT film and media arts industry committed to forming an association to:

- Ensure that the industry has one unified voice to advocate for its members;
- Liaise with government; and
- Provide input on government policy and programs relevant to the industry including the development of a mandate for the NWT Film Commission and program guidelines for new industry funding available through ITI.

CURRENT STATUS:

The GNWT is committed to supporting the healthy growth of the NWT film and media arts industry by:

1. Encouraging greater collaboration efforts between ITI and ECE;
2. Dedicating SEED funding to the film and media arts industry;
3. Investing in website development;
4. Investing in the formation of an industry association; and
5. Establishing a mandate for the NWT Film Commission and identify staffing requirements.

1. Greater collaboration between ITI and ECE:

ECE supports the film arts industry through NWT Arts Council grants, Northern Film and Media Arts Contributions, and Northern Arts Mentorship Contributions. In 2010/11, the Film and Media Arts Category of the NWT Arts Council contributed \$43,045 to seven projects and \$10,000 to one film and media project under the Northern Arts Mentorship Contributions. Under the Northern Film and Media Arts Contributions, Western Arctic Moving Pictures (WAMP) received \$50,000 in funding.

Traditionally, ECE support has focused on creative endeavours without requirement for commercial success. The opportunity exists for ECE and ITI to work collaboratively to address the gaps in support for the growing media arts industry. It is proposed that the two departments formalize this relationship through a Memorandum of Understanding (MOU) that specifies their specific and complementary roles in supporting the industry. For example, creative pre-production functions might be best funded by ECE, and ITI may provide funds to help market the final product. The MOU would also identify each department's respective responsibilities for investigating federal government and other sources of funding, and how to best share this information.

2. Dedicating SEED funding to the media arts industry:

ITI administers the SEED Policy through its regional offices. SEED is designed to increase business activity and employment and support the diversification of the NWT economy. SEED provides basic contributions for business start up, capacity building, and expansion. Eligible businesses must have a chance of commercial success, a business plan, and some equity investment. Funds are available for third party expenditures and maximum annual levels of assistance apply. For example, the maximum funding available under any one Entrepreneur Support category is \$15,000 in a year and the maximum under SEED to any one applicant in a year is \$30,000. An applicant can apply for several projects, as long as the total funding provided does not exceed the maximum level of assistance. The annual SEED budget of \$3.9 million is open to all industry sectors including the film and media arts sector. In 2010/11, ITI contributed \$32,050 in SEED funding for film projects.

Beginning in 2011/12, ITI will implement new dedicated annual funding in the amount of \$100,000 for the film industry. Funding will still be based on SEED criteria.

The Outcrop Report suggested allocating dedicated industry funding in three ways, as follows:

a) The First Half-Hour Fund

The Report suggested a cap of \$10,000 per request. The fund would assist NWT media arts businesses with equipment rental, scripting, and editing costs associated with completing one project that would enable the business to gain professional recognition. Applicants would be required to demonstrate industry skills (for example, through a portfolio of work) and have a track record of self employment activity. ITI and the media arts industry association are working together to better articulate eligibility requirements and definitions, such as a better definition of “industry skills”.

b) Marketing Fund

The Report suggested a maximum of \$5,000 per request. The fund would assist media arts businesses with productions to meet the requirements of film festivals. Eligible costs would include registration fees, travel expenses, promotional materials, media/public relations, and product marketing and distribution. Eligible applicants would be accepted at a recognized festival. ITI and the media arts industry association are working together to better articulate eligibility requirements, such as considering marketing events and trade shows as well as festivals.

c) Equity Investment Fund

The Report suggested a maximum of \$15,000 per request. The fund would assist qualified media arts businesses to meet the funding requirements of other funding sources. The fund would assist in the production of one-hour television and/or digital media products. Eligible applicants would require Canadian Audio-Visual Certification Office (CAVCO) or Canadian Media Fund approval. ITI and the film and media arts industry association are working together to reconsider this fund given that few NWT film and media arts businesses may be eligible to access this funding. Also under consideration, is to allow non-NWT film and media arts businesses access to this fund if they can demonstrate a solid investment in the NWT by supporting local businesses and residents.

ITI presented the three funding options at the March 2011 meeting and received comments and input from film and media arts industry members, specifically regarding the need for:

- Maximum flexibility to accommodate multiple projects and various stages of production;
- Two, rather than one, call for applications annually;
- Quick turn-around of project approvals and fund disbursement; and
- Better articulation of SEED requirements related to commercial success and equity investment, and issues such as market disruption, as they apply to the film and media arts industry.

ITI expects to develop draft guidelines for consultation purposes by the end of May 2011, and will invite final comments from the film industry and other stakeholders prior to implementing the proposed programs.

3. Investing in website development:

A strong web presence is fundamental to a growing industry. ITI has identified funding within its 2011/12 budget to develop a fully interactive and information-rich website that will serve as a resource to the NWT film industry. ITI will seek advice from NWT film and media arts industry representatives while developing the website plan. A plan to develop the website is anticipated to be in place by September 2011.

4. Investing in the formation of an industry association:

Members of the media arts industry are currently organizing an industry association. The NWT film and media arts industry association would provide advice and petition government to provide support for NWT film projects, promote NWT film, educate the industry, liaise with national organizations, assess service gaps, navigate union relations and undertake other activities that can advance the development of the industry in the north.

While there is no funding available within the GNWT to provide ongoing funding to an industry association, ITI can provide one time funding up to \$25,000 to assist in establishing an industry association under the SEED Community Economic Development Program. Under the Northern Film and Media Arts Contributions fund, ECE may also provide limited support to the association to address such needs as board development support.

It is expected that the NWT film and media arts industry will be registered as a society in the spring of 2011.

5. Establish a mandate for the NWT Film Commission and identify staffing requirements:

The need to establish a formal mandate for the Commission was recognized by both government and industry at the March 2011 meeting. It is important that the mandate for the Commission be developed in consultation with NWT film and media arts industry representatives.

At the meeting, film and media arts industry members suggested that the Commission should be the “go to” source to provide support to, and information on the industry. The Commission would have primary responsibility for:

- Marketing the NWT as a place to do business;
- Creating and investing in programs to support the industry;
- Instituting and administering a voluntary industry permitting and registration program;
- Maintaining industry data; and
- Facilitating professional development and training.

ITI is examining possible options to discharge the mandate and the distribution of Commission responsibilities among existing positions within the Department. ITI expects to complete this work by the fall of 2011.

CONCLUSION

The film and media arts industry is growing rapidly and interest in this sector will continue to grow. As technology in the industry advances, barriers to participation have been lowered and more people are becoming interested in filming in the NWT and watching film and television shows filmed and produced in the NWT.