

BRITISH COLUMBIA FILM  
ANNUAL ACTIVITY REPORT  
2007/2008



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## A | A COMPETITIVE ENVIRONMENT

**T**he film and television industry in British Columbia faced a series of significant challenges in 2007/08. The most important was the dramatic increase in the value of the Canadian dollar.

This had the effect of increasing expenses for US producers wishing to film in Canada. When coupled with the creation of lucrative filming incentives by many US States, British Columbia became an appreciatively more expensive location for American film production. In addition, a strike by the Writers Guild of America essentially shut down American controlled production for a three month period.

Given these challenges, the production numbers of almost \$950 million represent a considerable achievement by the industry and indicate its resilience in responding to difficult business conditions.

The primary reason for the overall solid production numbers is the continuing growth shown by domestic industry. 2007 represents the fifth consecutive year of growth in this sector of the industry with production of over \$400 million being generated by British Columbia based companies.

The continued growth in the domestic sector reflects the increasing ability of BC companies to develop and produce quality content that is competitive in both Canadian and international markets. This growth is essential if BC is to continue its transformation from a film location to an internationally recognized production centre.

In October of 2007 the provincial government announced its extension of the film and television tax credits for a five year period. This decision was welcomed by the industry but in December of 2007 both Ontario and Quebec announced significant increases in their tax credit rates. These increases, if not matched by British Columbia, would have resulted in an immediate and dramatic decrease in BC production and the ceding of the Canadian industry to Ontario and Quebec producers. The provincial government recognized the serious nature of this threat to the industry and in January announced that it would match the tax credit increases.

Throughout 2007/08 British Columbia Film continued to act as a catalyst for the industry by providing policy and financial support as well as by assisting the industry to understand the impact of change on its operating environment. BC Film remains committed to providing stable, focused and supportive programs that will allow the entrepreneurial skills of the industry to flourish.

In order to better define this role, British Columbia Film creates an annual strategic service plan that addresses its core responsibilities. These are to:

- support the development and marketing of high quality, commercially viable British Columbia film, television and digital media projects;
- sustain and grow a competitive BC owned and controlled film and television and digital media industry;
- enable British Columbia production companies to foster existing, and establish new, relationships with national and international co-financing partners;
- improve the ability of British Columbia production companies to secure development and production financing and retain intellectual and financial control of content produced;
- effectively administer provincial tax credit programs, ensuring that BC remains competitive as a production centre and continues to attract private sector investment; and
- assist in the development of the creative talent necessary to sustain industry growth.

The provincial tax credit programs, administered by BC Film, continue to be effective drivers of production activity and company growth. Again last year the impact of the Digital Animation or Visual Effects tax credit was notable. This program has made British Columbia internationally competitive in attracting visual effects production and has been instrumental in repatriating digital animation work that was being produced off-shore.

BC Film also recognizes its role in bringing the creative community together in order to benefit from content convergence. BC Film undertook a number of initiatives last year to encourage this understanding. These initiatives included:

- creating the Digital Readiness program to help companies develop or implement digital content strategies;
- organizing the "Opening the Book on Film" conference which brought film and television producers together with book

- publishers to explore content possibilities;
- organizing the Multi Platform Incubator conference (together with New Media BC) that looked at new media and film and television convergence; and
- sponsoring the Digital Media Lab program (with the CBC).

BC Film will continue to develop and sponsor this type of initiative over the coming years to help the industry understand the possibilities of multi-platform content creation and delivery.

During the past year, BC Film worked with Telefilm Canada and other provincial agencies to ensure a Canadian presence at international film and television markets. Financial assistance was provided to allow BC companies to attend these events in order to develop international co-productions and to sell BC product into other markets.

In keeping with our service plan commitment to identify opportunities for the film and television sector to develop markets and realize co-production agreement in Asia, BC Film encouraged and financially supported a significant Canadian presence at the Hong Kong Film Market, the largest market in Asia. The Canadian Pavilion and program in Hong Kong were successful and Canada has made an initial three year commitment to this market.

The development of British Columbia's film and television sector is the result of effective public policy supporting the creative and business skills of the industry. It is a powerful partnership.

For more than twenty years the essential support provided by the government of British Columbia has allowed BC Film to assist both government and industry achieve their goals. We look forward to continuing this role and contributing to a stronger, more sustainable industry.

MICHAEL FRANCIS  
Chair, Board of Directors,  
British Columbia Film

**BOARD OF DIRECTORS 2007/08**  
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**COLIN BROWNE, Vice-Chair + Secretary/Treasurer**  
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# B | INDUSTRY OVERVIEW

## LEVEL OF PRODUCTION

**T**otal British Columbia film and television production spending in BC was \$943 million in 2007, marking a decrease after remaining steady over the previous 2 years. This decrease was attributable to a drop in foreign production due to the consistently strong Canadian dollar, increased competition from other film jurisdictions and American film industry labour unrest. 64 service productions – with a BC production spend of \$536 million – were shot in British Columbia in 2007.

In contrast to the drop in foreign production, domestic production saw a significant increase from \$278 million to \$408 million. This impressive increase continues the trend that has seen domestic production spend grow 242% over the past five years. 138 domestic productions were shot in BC last year, including 24 feature films, 24 television series, 80 television projects and 10 animated series and projects.

The film and television industry in British Columbia is made up of two distinct yet complementary types of production – domestic and service.

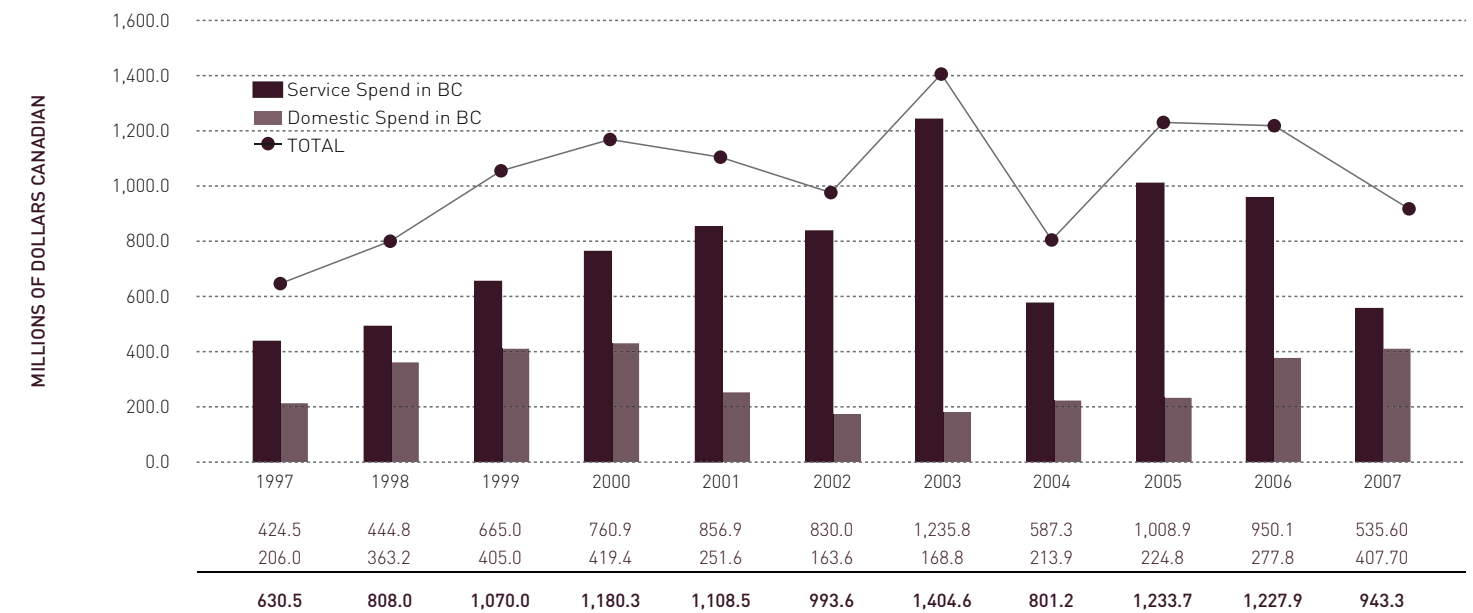
### SERVICE PRODUCTION

- initiated, owned and controlled by producers from jurisdictions outside of Canada
- primarily interested in British Columbia as a production location
- highly mobile
- expends money on a project by project basis
- hires local talent and crew
- key creative decision-making remains with the foreign producer

### DOMESTIC PRODUCTION

- created, developed, owned and controlled by British Columbia production companies
- makes long term investments in corporate infrastructure
- hires British Columbia key creative talent and crew
- contributes to stable employment levels
- provides opportunities for BC content creators to find a national and international audience

## FILM AND TELEVISION PRODUCTION IN BRITISH COLUMBIA 1997 – 2007





## ECONOMIC IMPACT

**F**ilm and television production is a desirable global commodity due to a multitude of economic impacts. There are many channels through which the film and television industry contributes to a local economy. Economic benefits of the industry can be measured in three ways - direct impacts related to the actual stages of production, indirect impacts in support of production and cross-sectoral impacts that spill over into other parts of the provincial economy.

### FILM AND TELEVISION INDUSTRY – ECONOMIC IMPACTS

#### DIRECT

##### DEVELOPMENT/ PRE-PRODUCTION

- Content creation
- Rights acquisition
- Negotiation
- Casting
- Market Access/Travel

##### PRODUCTION

- Locations/Studios
- Processing
- On set equipment (camera/lighting)
- Permits

##### POST-PRODUCTION

- Editing (picture, sound, music)
- Special effects/CGI

##### DISTRIBUTION/EXHIBITION

- Cinema
- DVD/Television
- Internet/Mobile
- Festivals

#### INDIRECT

##### SUPPLIERS

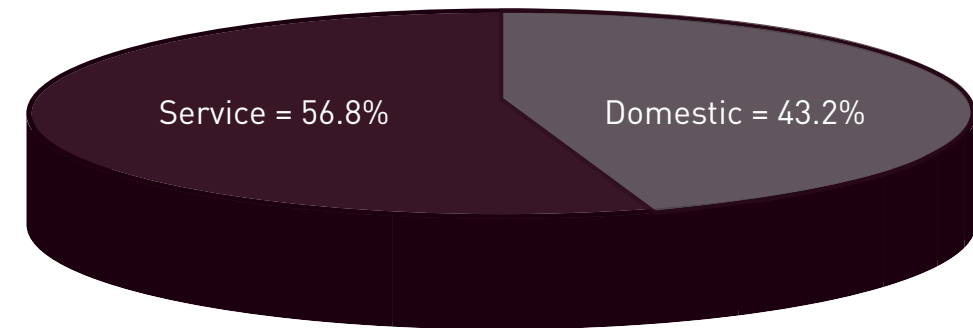
- Equipment
- Construction
- Transport
- Advertising

##### BUSINESS

- Legal
- Accounting
- Financial/Banking

#### CROSS-SECTORAL

- Labour
- Skills Development
- Tourism
- Retail/Entertainment
- Trade
- Cultural



## COMPETITIVE ADVANTAGE

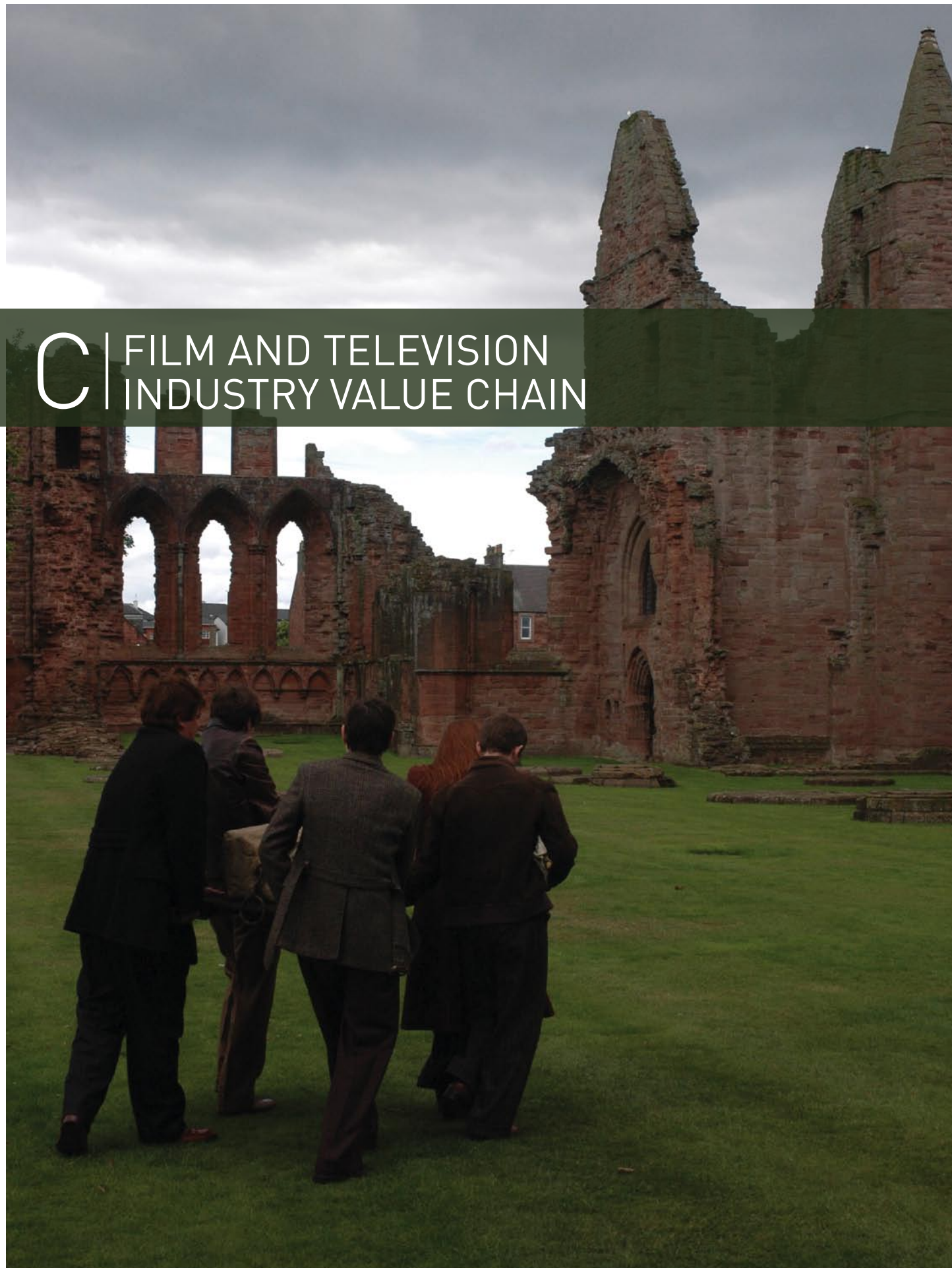
**T**ax incentives are the common currency that draws film and television production to various locations throughout the world. While international competition is intense, the British Columbia tax credit programs – Film Incentive BC and the Production Services Tax Credit – continue to act as the key determinant of film and television production in the province, serving to keep British Columbia competitive nationally and internationally and contributing to inward investment, especially from the United States.

An essential part of British Columbia's success is its ability to offer a full service production experience that meets the needs of both foreign and domestic film and television companies. With a world class infrastructure (studios, post-production facilities, equipment rental), experienced and highly skilled crews, depth of creative talent, labour stability, expertise in special effects, animation and digital media, a film friendly environment, and a diversity of locations, British Columbia continues to offer numerous competitive advantages.

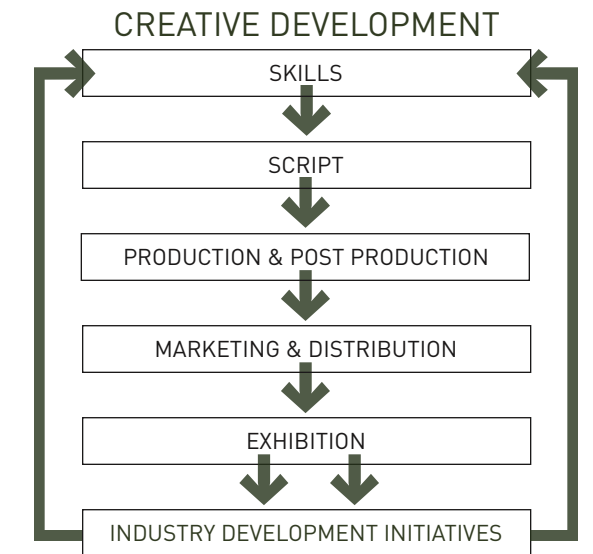
Dependence on service production carries inherent risk due to the mobile nature of the work and the influence of external forces beyond British Columbia's control (currency fluctuations, foreign incentives and labour unrest). A long term strategy to keep British Columbia's industry competitive includes a strong and sustainable domestic sector. Key elements to sustainability include the establishment of integrated companies operating across development, production and distribution, the adequate capitalization of existing companies,

securing interest from private investors, embracing new technologies, exploiting international marketing opportunities and insuring that BC talent remains in the province. While Film Incentive BC and the Slate Development programs have contributed to the impressive growth of the domestic sector, there is considerable work that needs to be done in this area if the full economic and creative potential of BC owned and controlled production is to be realized. This is an area in which BC Film will continue to work over the coming years.

# C | FILM AND TELEVISION INDUSTRY VALUE CHAIN



**N**o matter the size or scope of budget, film or television products complete the consecutive stages of the industry value chain. This progressive cycle has much in common with the more traditional business cycle of research and development, manufacturing, distribution and retail sales.



## CREATIVE DEVELOPMENT

### SKILLS

To a large degree, the strength and size of the film sector in a jurisdiction reflects the capacity of its workforce. The film and television industry relies upon highly skilled workers for both creative “above-the-line” positions (directors, writers, producers) and crew “below-the-line” positions (electricians, set designers, camera). Given the rapid pace of change in all aspects of this industry – including the push to deliver content on a wide variety of media platforms – advanced training and upgrading of both emerging and established film professionals is an important part of the process.

### SCRIPT

It is generally accepted in the industry that a successful project begins with a properly developed script. Developing a film or television project typically takes several years. Starting with a concept or idea, a script will undergo extensive rewriting before it is ready to be produced. Allocating significant resources (both time and money) to allow for the proper development of a script is critical to the success of any film or television project and can help mitigate the inherent risk. This development work takes place well before the start of principal photography.

The development process includes acquisition and writing, raising financing to move the project forward to production, negotiating agreements (actors, equipment), planning digital and marketing strategies,

and attendance at international film and television markets to pre-sell the product.

### PRODUCTION & POST-PRODUCTION

Production is a carefully orchestrated manufacturing process with all participants having a clearly defined role and purpose. A production shoot is a demanding, high stress activity – securing the production office, negotiating contracts, hiring production staff, hiring cast/crew, location scouting, ordering equipment and catering, costume design, supervising the technical aspects of post-production – these and many additional tasks are the overall responsibility of the producer. As such, film and television producers must possess extraordinary management and communication skills. A production crew can range in size from 20 to 2000 people depending on the scope and budget of the production.

Post-production involves four key activities – picture editing, sound design, music composition and/or acquisition, and digital effects. Post-production is the last step in the production process where the final story elements are shaped. These activities are capital intensive – requiring a significant investment in state-of-the-art technology and facilities.

### MARKETING & DISTRIBUTION

Marketing and distribution of a film or television production is a key element of

its economic viability. Attaching a distributor early in the development phase can be advantageous to a project in achieving both commercial and critical success. Marketing and distribution require specialized skills and experience, and sales and distribution companies exist to provide this unique service. Marketing and distribution campaigns can range from “guerilla” strategies where producers engage in grassroots self-distribution to the multi-million dollar marketing efforts of Hollywood studios. Marketing campaigns are increasingly involving potential fans and media in the production process to create a buzz well in advance of the project’s final release. Interactive websites with short film “teasers”, blogs and opportunities for fans to engage with the cast and crew – potentially even changing the outcome of a storyline – are one way to build an early and loyal fan base.

### EXHIBITION

The exhibition of a finished production has multiple platforms. The theatrical release of a feature length film in a cinema and the broadcast of a television show on pay or free services remain the most popular forms of exhibition. However, the ancillary platforms of festivals, DVD, Video on Demand, mobile and the internet are increasingly important vehicles for commercial success.

## A CHANGING ROLE IN THE INDUSTRY VALUE CHAIN

Since its inception in 1987, British Columbia Film has developed programs and services designed to support all stages of the industry value chain in support of the domestic production industry. Over the years, the Society has continually repositioned its programs in response to industry needs, fiscal realities and the ever-changing demands of the global marketplace.

British Columbia Film is cognizant of the fact that the media world is experiencing profound change that will have lasting effects on every aspect of the film and television industry. The extent of this change is unprecedented and will continue to be rapid and unpredictable.

The ability to “purpose” (create, shape and aggregate) content for multiple platforms and technologies is becoming increasingly important for film and television professionals at every stage of the industry value chain. British Columbia Film remains committed to developing programs and initiatives that will help the industry make this transition.

### TRAINING

Strengthening the domestic sector of the provincial film and television industry requires the ongoing professional development of above-the-line talent. British Columbia Film supports nationally

recognized training and, where required, develops specific initiatives that meet provincial needs.

British Columbia Film supports the skills development of above-the-line film professionals in a variety of ways:

- The Professional Internship Program creates “on-the-job” placements for emerging writers and producers;
- The Scholarship Program supports directors, writers, producers, editors and digital content creators accepted to leading national training centres including the Canadian Film Centre and the National Screen Institute;
- A number of industry partnerships in training have been developed with industry organizations including New Media BC, the Directors Guild of Canada – BC and the Canadian Film and Television Production Association.

The economic activity of creative content industries like film and television differs greatly than other sectors of the economy in terms of cost, demand, risk and behavior.

#### COST

- concentrated upfront (artistic creation, research and development)
- once master is completed, reproduction costs are minimal

#### RISK

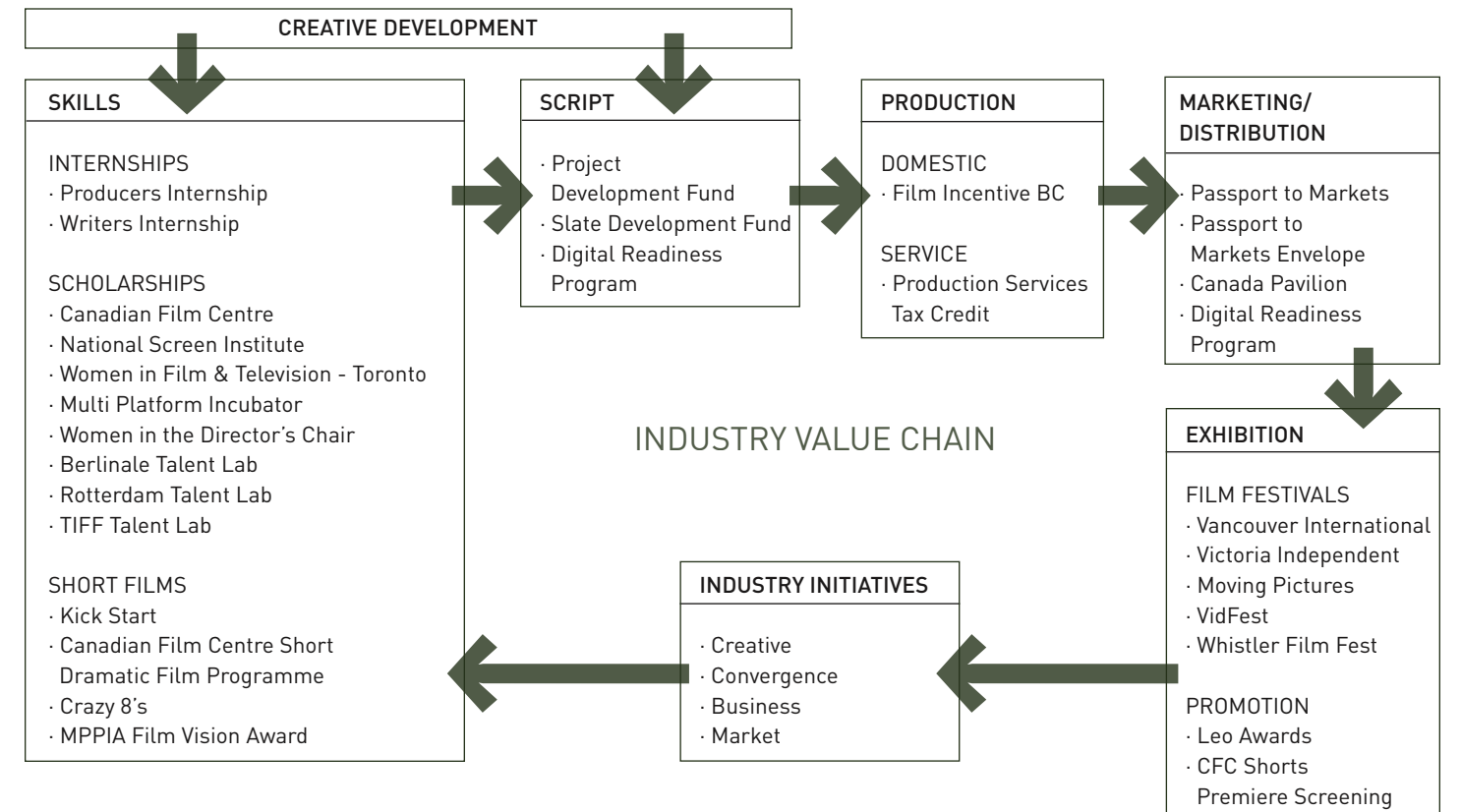
- impossible to predict commercial success
- release of a creative product in a smaller market is particularly risky

#### DEMAND

- unique and individual
- difficult to predict

#### BEHAVIOURAL DYNAMIC

- benefits from industry clusters
- collaborative effort at all stages



### SCRIPT DEVELOPMENT

A key challenge for production companies is to secure adequate monies to develop properties given the inherent risk involved. Recognizing the importance of the development process, British Columbia Film offers development support through three distinct programs.

The Project Development Fund provides development financing to film, television and digital media projects that have secured commitments from a broadcaster or distributor. Funding is “market-triggered” and does not include a creative or selective assessment of projects submitted.

The Slate Development Fund provides a financing envelope for the development and marketing of a slate of independent film and television productions. This program, targeted at more experienced production companies, offers recipients more flexibility and more capacity to effectively develop a portfolio of film and television product.

Ensuring that companies also consider digital opportunities as they begin the development process, British Columbia Film created the Digital Readiness Program in 2007/08. This program assists with the development of a strategic digital business plan and is intended to provide companies with support for the creative and business

planning necessary to take advantage of new markets and platforms and to meet audience expectations in an increasingly digital environment.

### PRODUCTION & POST-PRODUCTION

Once the development phase is completed, the greatest challenge shared by film or television companies is securing production financing. In Canada, production financing is frequently assembled from a variety of private and public sources. Currently, British Columbia Film lacks the financial capacity to offer production financing for film and television projects. However, the provincial tax credit program is a significant source of financing for both domestic and foreign film and television productions shot in British Columbia. The Digital Animation or Visual Effects (DAVE) tax credit has had a particularly positive impact on the animation and visual effects industry.

### MARKETING & DISTRIBUTION

Recognizing the limitations imposed by the size of the Canadian market for film and television product, British Columbia Film has identified the international marketplace as a vital source of inward investment and export development. As the film industry

has globalized, accessing the financing and business opportunities offered by the international marketplace is now a key part of a production company's business plan.

In support of this objective, the Passport to Markets and Passport to Markets Envelope programs enable the attendance of British Columbia production and distribution companies at internationally recognized film, television and digital media markets. In addition, through its International Markets – Canada Pavilion initiative, British Columbia Film works with federal and provincial partners to offer business centres at key international markets to facilitate sales and export development.

### EXHIBITION

Film festivals and markets are a key part of any marketing and exhibition strategy. For independent films, successful festival screenings can promote a later theatrical release or broadcast. British Columbia Film supports the major British Columbia festivals and awards that showcase British Columbia films and filmmakers including the Vancouver International Film Festival, the Victoria Independent Film & Video Festival, the Whistler Film Festival, Moving Pictures: Festival on Tour, VidFest and the Leo Awards.



# D | A CATALYST FOR INDUSTRY GROWTH

**B**ritish Columbia Film serves as a catalyst for industry development by supporting activities and company growth in both the production services and domestic sectors.



## CORE BUSINESSES

### OUR PROGRAMS

Tax Credit Delivery



Development Support



### OUR GOALS

Develop the film, television and digital media industry in BC and capitalize on emerging production opportunities

Develop BC based production capacity in film, television and digital media

Demonstrate industry leadership; provide effective legislative and policy advice; efficiently deliver program services.



### OUR IMPACT

BC positioned as a competitive, world-class production centre

## MANDATE

British Columbia Film is an independent, not-for-profit society established by the provincial government in 1987 with a mandate to expand and diversify the film, television and digital media sector in British Columbia. Its core responsibilities are to:

- support the development and marketing of high quality, commercially viable British Columbia film, television and digital media projects;
- sustain and grow a competitive BC owned and controlled film and television industry;
- enable British Columbia production companies to foster existing, and to establish new, relationships with national and international co-financing partners;
- enhance the ability of British Columbia production companies to secure development and production financing and become less reliant on public sector funding programs;
- effectively administer provincial tax credit programs designed to ensure that BC remains competitive as a production centre and continues to attract private sector investment; and
- assist in the development of the creative talent necessary to sustain industry growth.

## SPOTLIGHT ON THE DAVE TAX CREDIT

The Digital Animation and Visual Effects (DAVE) tax credit came into effect on April 1, 2003 – added as a component to the existing Film Incentive BC and Production Services Tax Credit programs. The objective was to develop the animation and visual effects industry by providing an incentive to production companies employing BC based talent to create digital animation and special effects in British Columbia.

The DAVE tax credit has surpassed expectations, leading to increased production and post production in BC and drawing new companies to the province. So far, 365 productions have accessed the DAVE tax credit, representing over \$3.75 billion in production and nearly \$390,000,000 in wages and salaries paid to BC residents.

Over the last five years, BC animation companies have been able to attract more inter-provincial and international productions, either as a partner or a service contactor. This is in part due to the fact that the DAVE tax credit has helped them become globally price competitive.

The visual effects industry has also seen impressive growth as more foreign productions being shot in BC are relying on local companies to complete their

visual effects work. This is a result of BC becoming increasingly well-known for its visual effects infrastructure and expert talent pool, along with the cost advantages, provided by the DAVE credit, of keeping this often lengthy and expensive work in BC.

Increasingly, productions that do not film in BC have been hiring BC companies to create their visual effects in order to take advantage of the competitive pricing and expertise these companies can offer. Recent examples of films that were shot elsewhere, but chose to do their visual effects work in BC, are *Passchendaele*, *The Incredible Hulk* and *Iron Man*.

The DAVE tax credit has not only drawn production and visual effects work to the province; it has motivated international visual effects companies to establish

new studios in BC. This allows them to capture some of the increased work in the province and take advantage of the attractive financial incentives for hiring BC talent. International companies that have recently opened BC offices include Zoic Studios, Deluxe Entertainment Services and The Moving Picture Company.

The DAVE tax credit, along with a deep talent pool and thriving film and television industry, has helped make British Columbia a production centre for animated and effects driven productions. Against significant competition, British Columbia has developed an industry that can compete on talent, efficiency, expertise and cost with any jurisdiction in the world.



"The DAVE tax credit has significantly helped Rainmaker compete in the highly competitive global animation market. With many Hollywood studios and producers turning to overseas companies because of their low labor costs, the DAVE credit has allowed us to compete head-to-head with these companies but with the major advantage of having a more experienced and expert talent pool. It would be a much more difficult market climate without the DAVE credit in place."

WARREN FRANKLIN  
CEO, Rainmaker Entertainment



"The DAVE tax credit is a key bonus for filmmakers and our special effects community.

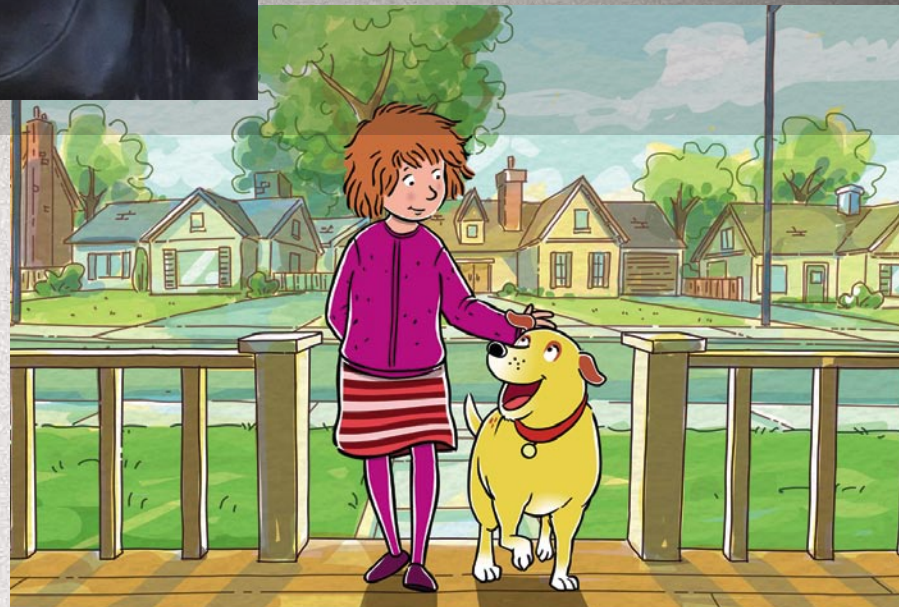
As CEO of Insight Film Studios, I can certainly vouch first hand that the DAVE tax credit has worked to Insight's competitive advantage by enticing tens of millions of dollars of new production to BC.

In 2008, Insight is producing 12 creature features for the Sci Fi Channel, including *Wyvern*, *Troglodyte* and *Goblin Shark Attack*. Each of these is an intensive visual effects dependent production that simply could not be made in Canada without the DAVE tax credit completing the financing needed to create the 3D monsters on a tight budget.

The strong investment from tax credits affords Insight a powerful advantage that has time and again removed any hint of an argument for moving visual effects to other jurisdictions and countries.

The DAVE tax credit is also a powerful lure, allowing Insight to bring new vis-effects heavy productions to BC and is equally responsible for spawning many of the thriving local visual effects businesses with the leading edge quality of the BC special visual effects community fast gaining notoriety around the world."

KIRK SHAW  
CEO, Insight Film Studios



"The DAVE tax credit has been a tremendous help to our business in two key ways.

First, the implementation of the tax credit came at a time when digital animation technology finally became a somewhat cost effective and reliable medium with which to produce our projects. The availability of the technology lowered the costs significantly compared to traditional 2D hand drawn animation which was all being done in Asia. The implementation of the DAVE tax credit on top of this resulted in the actual net costs to animate a production in B.C. to equal the net cost of using an overseas studio. As we felt that work produced in house was of a higher quality than work produced overseas, the fact that it cost the same meant that we could repatriate a lot of production work back to B.C. and in the end, create and produce a better product.

The second benefit to this was the fact that other studios like ours were all doing the same thing and this resulted in a massive need for skilled animators in BC. Over the years, animation production has worked in cycles, mostly because of economic or political factors. In BC, the animation business started in the mid 80's and has grown since then. The DAVE tax credit is responsible for one of the biggest growth cycles during that time and has resulted in hundreds of people graduating from post secondary schools and finding good paying jobs in a field they were passionate about. The spin off effect over the years resulted in new studios forming and more new work being created. Like most business, the larger the talent pool, the more we all benefit.

In BC we are always chasing other jurisdictions such as Ontario to match tax benefits and to "keep a level playing field". I know that if the province continues to think in innovative ways to maximize business here, we'll always be in great shape and will continue to lead the country in production and creative ideas."

CHRIS BARTLEMAN  
Partner, Studio B Productions



"Nerd Corps was founded on the basis of the idea of creating a BC based, owned and controlled company to create, produce and sell some of the most innovative and entertaining animated properties which are targeted to kids around the world. The DAVE tax credit has been instrumental in allowing us to succeed in our mission.

The DAVE tax credit has allowed us to employ and train the best and brightest in the digital animation industry and has led to over \$50 million in animation production to be produced in BC over the last several years. It has allowed us to own and control our intellectual properties which will pay back for years to come in the form of international TV and merchandising sales. These proceeds continue to be reinvested into ongoing property development which creates new opportunities for us and for the local industry. Additionally, we are continually approached by the best and biggest companies/children's brands from around the world for tapping into our excellent talent and our ability to contribute towards the financing and producing of great projects.

Thanks to the Dave tax credit, *Storm Hawks*, Nerd Corps' first proprietary property, now airs in over 80 countries around the world and has spawned an action figure toy line and over 20 other licensed products sold as far away as the US, India, Eastern Europe, the UK and across North America. All this based on an idea created, financed, produced and sold by a BC based private company.

The DAVE tax credit is a win-win for government, private industry and for the export of BC/Canadian made stories and culture. We cannot think of a more efficient program for succeeding on all fronts."

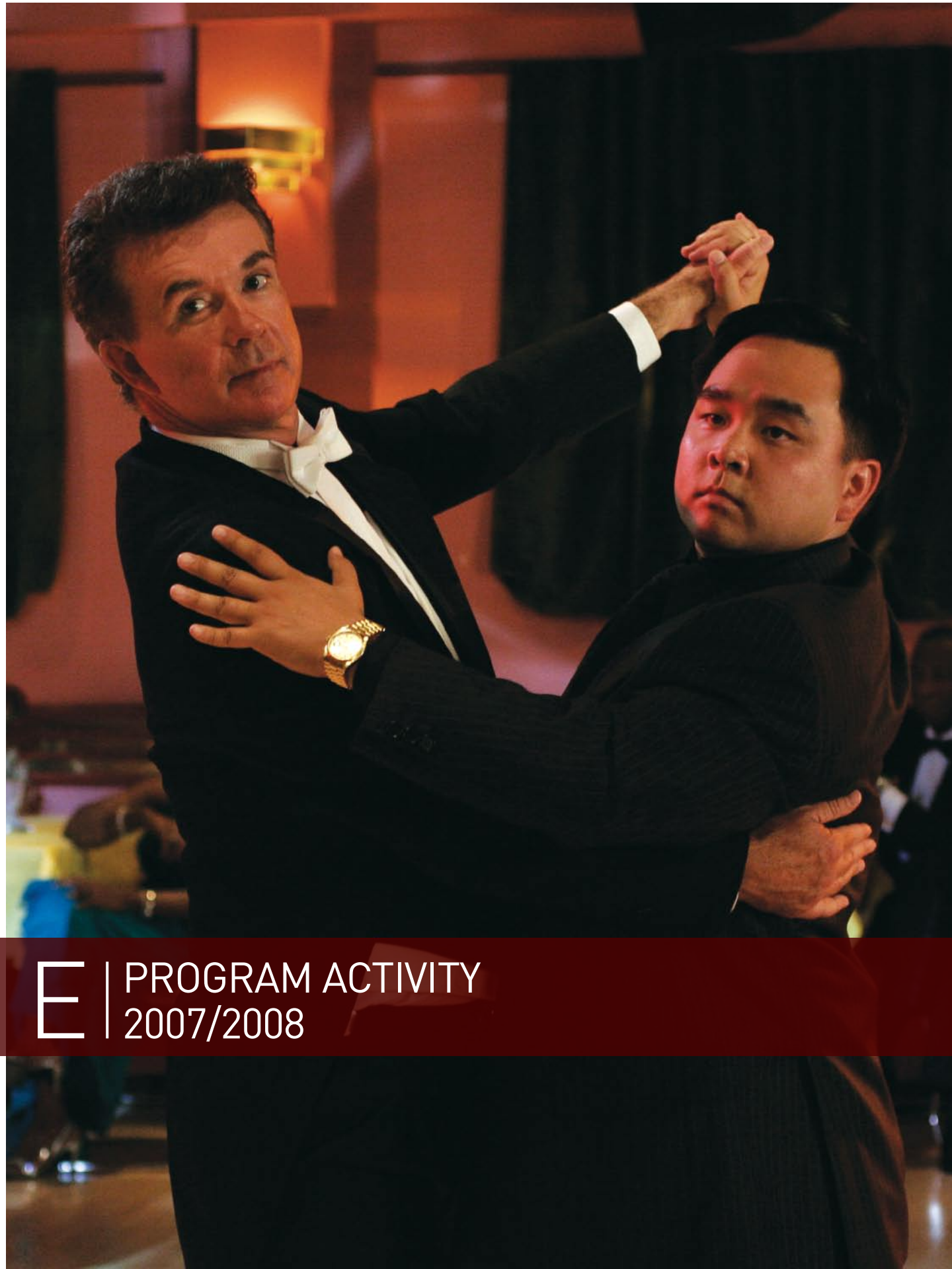
KEN FAIER  
President, Nerd Corps Entertainment



"The Digital Animation or Visual Effects (DAVE) Tax Credit has a crucial impact on every part of our business at Image Engine. Incorporating the tax incentives into our pricing and bidding strategies is a core component stance in garnering visual effects for feature films and television series. The tax credit has specifically enabled projects such as *The Incredible Hulk* and *District 9* to accomplish more work at a higher quality level in British Columbia. These productions have been able to extend their budgets and repurpose funds in creative ways that without the tax incentives simply would not be possible.

Further, the work garnered in concert with the DAVE tax credit has led to substantial employment growth within Image Engine and has been a positive stimulant to BC's visual effects industry at large. We look forward to a great many other productions, both large and small, taking advantage of our creative talent and technology via the opportunities the tax incentives provide."

SHAWN WALSH  
Visual Effects Executive Producer,  
Image Engine



# E | PROGRAM ACTIVITY 2007/2008

## PROVINCIAL TAX CREDIT PROGRAM

**P**rovincial tax credit incentives act as the key driver of film and television production in the province. British Columbia's foreign and domestic tax credits, administered by British Columbia Film on behalf of the Provincial Government, contribute to the province's ability to attract and sustain production in an increasingly competitive global market.

### FILM INCENTIVE BC

Film Incentive BC (FIBC) is a labour based tax incentive that provides refundable tax credits to British Columbia owned and controlled production companies based on eligible BC labour costs.

The package includes five specific initiatives:

- BASIC tax credit (35%)\* encourages film and television production in British Columbia;
- REGIONAL tax credit (12.5%) stimulates production outside of Vancouver;
- DISTANT LOCATION tax credit (6%)\* provides an additional incentive for productions shooting in more remote locations;
- TRAINING tax credit (3%) promotes the development of skilled workers in the industry;
- DIGITAL ANIMATION OR VISUAL EFFECTS (DAVE) tax credit (15%) assists the development of the digital animation and visual effects industry.

*\*The Basic FIBC rate increased from 30% to 35% on January 1, 2008; the Distant Location tax credit was introduced on February 20, 2008*

### PRODUCTION SERVICES TAX CREDIT

The Production Services Tax Credit (PSTC) is a labour based tax incentive that provides refundable tax credits to Canadian or international film and television production corporations that have incurred eligible labour costs in British Columbia. The company does not have to be a Canadian-owned corporation, and there is no requirement that it have an interest in the copyright.

The package includes four specific initiatives:

- BASIC tax credit (25%)\* encourages film and television production in British Columbia;
- REGIONAL tax credit (6%) stimulates production outside of Vancouver;
- DISTANT LOCATION tax credit (6%)\* provides an additional incentive for productions shooting in more remote locations;
- DIGITAL ANIMATION OR VISUAL EFFECTS (DAVE) tax credit (15%) promotes the digital animation and visual effects industry in British Columbia.

*\*The Basic PSTC rate increased from 18% to 25% on January 1, 2008; the Distant Location tax credit was introduced on February 20, 2008*

### FILM INCENTIVE BC FOR PERIOD APRIL 1, 2007 – MARCH 31, 2008

FORMAT	# OF PRODUCTIONS CERTIFIED	PROJECTED TAX CREDIT	PRODUCTION VALUE*
Animation	5	\$7,901,981	\$44,487,010
Children's Series	5	\$683,674	\$5,586,417
Documentary Series	18	\$2,093,830	\$15,728,477
Documentary	51	\$3,019,245	\$23,796,241
Educational Series	1	\$22,142	\$146,970
Feature Film	18	\$11,219,454	\$80,121,910
Lifestyle Series	4	\$1,216,469	\$8,590,481
Magazine	4	\$210,517	\$1,553,176
MOW	51	\$22,603,729	\$127,454,963
Pilot	5	\$1,001,570	\$6,903,370
<b>TOTAL</b>	<b>170</b>	<b>\$68,259,443</b>	<b>\$424,989,286</b>

*\*NOTE: Figures based on projected BC production budget totals*

### PRODUCTION SERVICES TAX CREDIT FOR PERIOD APRIL 1, 2007 – MARCH 31, 2008

FORMAT	# OF PRODUCTIONS CERTIFIED	PROJECTED TAX CREDIT	PRODUCTION VALUE*
Animation	15	\$11,528,451	\$58,674,147
Children's Series	2	\$262,943	\$943,350
Direct to DVD	8	\$6,827,953	\$55,054,978
Documentary Series	4	\$172,885	\$2,295,092
Documentary	1	\$25,200	\$422,673
Feature Film	39	\$54,013,872	\$606,936,359
Human Interest	1	\$96,512	\$1,171,092
Mini Series	3	\$3,450,028	\$31,693,258
MOW	14	\$3,797,337	\$40,061,674
Pilot	8	\$4,960,458	\$61,356,744
TV Series	19	\$29,449,307	\$315,488,338
<b>TOTAL</b>	<b>114</b>	<b>\$114,584,946</b>	<b>\$1,174,097,705</b>

*\*NOTE: Figures based on projected BC production budget totals*

## CREATIVE DEVELOPMENT

Creative development, in the form of script, skills and company development, is a key objective of British Columbia Film in support of the growth of a sustainable domestic industry.

### SLATE DEVELOPMENT FUND

Launched in 2004/05, the Slate Development Fund is targeted towards established production companies who have demonstrated the capacity to sustain production in British Columbia. The program provides a financing envelope for the development and marketing of a slate of independent film and television productions. Slate financing is producer-directed and performance-based. Applicants must be British Columbia owned and controlled production companies and international treaty or interprovincial co-productions are eligible to be included in the slate.

In 2007/08, the Society committed slate financing envelopes totaling \$500,000 to 4 British Columbia companies.

COMPANY	BC FILM
Honalee Productions Inc.	\$125,000
Make Believe Media Inc.	\$125,000
Parallax Film Productions Inc.	\$125,000
Reunion Pictures Inc.	\$125,000
<b>TOTAL: 4 COMPANIES</b>	<b>\$500,000</b>

British Columbia Film now has 31 companies that are operating under multi-year Slate Development agreements. In addition to the companies listed above, the following companies are Slate Development recipients.

COMPANY	BC FILM
Anagram Pictures Inc.	\$150,000
Atomic Cartoons Inc.	\$100,000
Bardel Entertainment Inc.	\$150,000
Brightlight Pictures Development Inc.	\$150,000
Crescent Entertainment Ltd.	\$150,000
Force Four Productions Ltd.	\$150,000
Front Street Pictures Inc.	\$150,000
Gryphon Productions Ltd.	\$150,000
H30 Filmed Entertainment Inc.	\$150,000
Haddock Entertainment Inc.	\$150,000
Howe Sounds Films Inc.	\$100,000
Infinity Filmed Entertainment Group Inc.	\$100,000
Infinity Media Canada Inc.	\$150,000
Insight Film & Video Productions Ltd.	\$150,000
Keatley Entertainment Ltd.	\$150,000
Network Entertainment Inc.	\$150,000
Nerd Corps Entertainment Inc.	\$150,000
No Equal Entertainment Inc.	\$150,000
Omni Film Productions Ltd.	\$150,000
Paperny Films Inc.	\$150,000
Rampage Entertainment Inc.	\$150,000
Screen Siren Pictures Inc.	\$150,000
Shavick Entertainment Inc.	\$150,000
Soapbox Productions Inc.	\$150,000
Studio B Development Inc.	\$150,000
Thunderbird Films Inc.	\$150,000
True West Films Ltd.	\$150,000
<b>TOTAL: 27 COMPANIES</b>	<b>\$3,900,000</b>

British Columbia Film also committed \$800,000 in performance bonuses of up to \$125,000 to 8 Slate Development recipients in 2007/08. It is anticipated that a number of additional companies will establish production credentials that will result in performance bonuses being paid in 2008/09.

## PROJECT DEVELOPMENT FUND

The Project Development Fund helps attract marketplace investment by Canadian broadcasters, distributors and funding agencies to British Columbia, encouraging support for existing and emerging British Columbia companies on a project by project basis. The program provides financing for script development to feature films, dramatic or animated television projects or documentaries that have secured development commitments from a broadcaster, distributor or other eligible triggering agent. Convergent digital media projects associated with a film or television program may also be eligible. Funding is “market-driven” and does not include a creative or selective assessment.

A non-recoupable advance, triggered by a broadcast or distribution commitment, is available. In addition, a marketing advance equal to 20% of the BC Film development advance is provided to successful applicants who can show a need to travel within North America for meetings intended to market projects in development directly to broadcasters, distributors, funding agencies and/or potential co-venture partners. Applicants must be British Columbia owned and controlled production companies and international treaty or interprovincial co-productions are eligible.

In 2007/08 British Columbia Film provided a total of \$166,896 in development financing to 30 film, television and digital media projects representing total development budgets of \$870,121. In addition, British Columbia Film provided marketing advances totaling \$33,180.

PRODUCTION	BC FILM	MARKETING ADVANCE	DEVELOPMENT BUDGET	APPLICANT COMPANY
<b>DOCUMENTARY</b>				
Art of Conflict	\$2,250	\$450	\$18,833	SOMA Television Ltd.
Bubba	\$4,000	\$800	\$20,000	Dreamfilm Productions Ltd.
Horizontal Everest	\$3,793	\$759	\$18,967	Long Tale Entertainment Ltd.
In Recovery	\$1,000		\$3,000	Wunderman Film Inc.
Longboarding	\$4,144	\$829	\$20,720	Long Tale Entertainment Ltd.
Making Hilary Whole	\$3,900	\$780	\$26,165	Dreamfilm Productions Ltd.
The Return to Byzantium - The Art and Life of Lilian Broca	\$2,500	\$500	\$7,500	Sonia Production Inc.
Ultimate Castles	\$10,000	\$2,000	\$30,000	Parallax Film Productions Inc.
We Can't See You Beating Us	\$2,500	\$500	\$7,500	Sonia Production Inc.
<b>PROJECT TOTAL: 9</b>	<b>\$34,087</b>	<b>\$6,618</b>	<b>\$152,685</b>	
<b>DOCUMENTARY SERIES</b>				
Back in the Day...	\$5,000	\$1,000	\$15,000	Chiaro Productions Inc./Sir Perphoulous Productions Inc.
<b>PROJECT TOTAL: 1</b>	<b>\$5,000</b>	<b>\$1,000</b>	<b>\$15,000</b>	
<b>DOCUDRAMA</b>				
Peak Season	\$10,000	\$2,000	\$65,000	Peak Season The Series Inc.
<b>PROJECT TOTAL: 1</b>	<b>\$10,000</b>	<b>\$2,000</b>	<b>\$65,000</b>	

PRODUCTION	BC FILM	MARKETING ADVANCE	DEVELOPMENT BUDGET	APPLICANT COMPANY
<b>FEATURE FILM</b>				
Burridge Unbound	\$5,983	\$1,197	\$34,496	Artsy Fartsy Pictures Inc.
Elvis & Mrs. Singh	\$5,500	\$1,100	\$26,500	Inner Vision Productions Inc./ Mystique Films Ltd.
Fool's Gold	\$7,500	\$1,500	\$35,536	Sheep Noir Films Inc.
Footprints in Blood	\$4,250	\$850	\$30,800	Full Regalia Enterprises Inc.
Skin to Skin	\$7,500	\$1,500	\$26,500	Brim Productions Inc.
Stay	\$5,000	\$1,000	\$15,000	Submission Film Productions Inc.
The Big Wheat	\$5,000	\$1,000	\$15,000	One Eyed Beaver Recorded Entertainment Inc.
The Good Tenant	\$7,500	\$1,500	\$77,000	Capital C Motion Pictures Inc.
The Pathfinders	\$6,000	\$1,200	\$39,903	Utopia Pictures Ltd.
The Shooting Stage	\$5,000	\$1,000	\$57,000	Optic Nerve Films Inc.
The Shot	\$7,500	\$1,500	\$48,105	Long Tale Productions Ltd.
The Sky is Falling	\$6,250	\$1,250	\$25,650	Clarity Films Inc.
The Visitor	\$6,000	\$1,200	\$59,146	Creative Engine Pictures Inc.
Vancouver Stories	\$5,000	\$1,000	\$15,000	Quadrant Motion Pictures Inc.
PROJECT TOTAL: 14	\$83,983	\$16,797	\$505,636	
<b>TELEVISION MOVIE</b>				
Avenue of the Giants	\$10,000	\$2,000	\$30,000	Chasing Pictures Inc.
Bre-X: From Gold to Dust	\$10,000	\$2,000	\$56,316	Principia Productions Ltd.
PROJECT TOTAL: 2	\$20,000	\$4,000	\$86,316	
<b>TELEVISION SERIES</b>				
Canada's Next Top Mutt	\$7,330	\$1,466	\$22,000	Koster Kovitz Productions Ltd.
My Life	\$1,996	\$399	\$9,984	Inner Vision Productions Inc.
The Mix: Programs 5-13	\$4,500	\$900	\$13,500	0796243 BC Ltd.
PROJECT TOTAL: 3	\$13,826	\$2,765	\$45,484	
<b>DEVELOPMENT TOTAL: 30</b>	<b>\$166,896</b>	<b>\$33,180</b>	<b>\$870,121</b>	

## DIGITAL READINESS PROGRAM

The Digital Readiness Program, new in 2007/08, helps companies take advantage of new markets and platforms and meet audience expectations in an increasingly competitive digital environment. Production companies work with independent expert consultants in the development of a "Digital Readiness Strategy Plan". The company must at minimum match the committed amount from British Columbia Film.

A total of \$85,500 was awarded to 9 companies in 2007/08.

RECIPIENTS	COMMITTED AMOUNTS
Anagram Pictures Inc.	\$10,000
Big Red Barn Media Group Inc.	\$8,000
Illuminated Productions Inc.	\$10,000
Image Pacific Communications Inc.	\$10,000
Force Four Productions Ltd.	\$10,000
WS Releasing Inc.	\$10,000
Red Letter Films Ltd.	\$7,500
Screen Siren Pictures Inc.	\$10,000
Zeroes to Heroes Media Inc.	\$10,000
<b>TOTAL: 9 COMPANIES</b>	<b>\$85,500</b>

## SCHOLARSHIP PROGRAM

The Scholarship Program supports the attendance of British Columbia film and television professionals in advanced training in film, television, and new media. A matching scholarship fund with key training institutions enables the participation of British Columbia writers, directors and producers selected to participate in various master class programs. British Columbia Film assistance offsets a portion of travel, accommodation and tuition costs.

In 2007/08, British Columbia Film provided \$44,500 in support to 20 filmmakers.

PROGRAM	PARTICIPANT	BC FILM
<b>CANADIAN FILM CENTRE</b>		
Film Residency Program – Director	Evan Crowe	\$2,500
Film Residency Program – Editor	Gregory Ng	\$2,500
Short Dramatic Film Programme	Evan Crowe	\$2,500
<b>CANNES MARKET ACCESS PROGRAM</b>		
	Nilesh C. Patel	\$2,500
	Nicholas Racz	\$2,500
<b>EMILY CARR INSTITUTE</b>		
Final Cut Pro Comprehensive Study	Gillian Darling Kovanic	\$1,000
<b>NATIONAL SCREEN INSTITUTE</b>		
Features First	Suzan Derkson	\$9,000 (paid directly to NSI)
	Sarah Dodd	
	Cory Kinney	
	Marlene Rodgers	
Global Marketing	Erin Brown	\$2,500 (paid directly to NSI)
Totally Television	Karen Lam	\$6,000 (paid directly to NSI)
	Karen Wong	
<b>ROTTERDAM CINEMART</b>		
Talent Lab	Matthew Cervi	\$1,500
<b>TORONTO INTERNATIONAL FILM FESTIVAL</b>		
Talent Lab	Jason James	\$1,500
<b>WOMEN IN THE DIRECTOR'S CHAIR</b>		
	Allison Beda	\$2,000
	Marie Clements	\$2,000
	Peggy Thompson	\$3,000
<b>WOMEN IN FILM AND TELEVISION TORONTO</b>		
WIFT-T Telefilm Executive Management Program	Sidney Chiu	\$3,500 (paid directly to WIFT-T)
	Nicholas Kendall	
<b>TOTAL: 20 PARTICIPANTS</b>		<b>\$44,500</b>

## PROFESSIONAL INTERNSHIP PROGRAM

The Professional Internship Program facilitates "on the job" internship placements for emerging producers and writers with BC film and television production companies. Experienced filmmakers act as mentors and participating companies provide matching funds throughout the term of the placement. Internships are for a period of up to 50 weeks. Applicants must be British Columbia residents with professional experience who show a high degree of commitment and interest in enhancing existing skills under the guidance of a veteran mentor.

In 2007/08, British Columbia Film provided \$98,050 in support to 10 interns.

DISCIPLINE	PARTICIPANT	MENTOR	BC FILM
PRODUCER	Hedeyeh Bozorgzadeh	Trish Dolman	\$8,700
	Erin Chen-Ying Offer	Carl Bessai	\$15,000
	Jessie Kergan	Ken Malenstyn	\$15,000
	Rob LaBelle	William Vince	\$15,000
	Kryssta Mills	Trish Dolman	\$6,300
	Nick Schelle	David Springbett	\$13,150
WRITER	Ken Craw	Susin Nielsen	\$5,400
	Jennifer Daley	Susin Nielsen	\$5,400
	Erin Macdonald	Sylvia Leung	\$6,000
	Karen Tulchinsky	Raymond Storey	\$8,100
<b>TOTAL: 10 PARTICIPANTS</b>			<b>\$98,050</b>

## MARKETING/EXPORT DEVELOPMENT

Success in the highly competitive and rapidly changing film industry requires that filmmakers adopt a global market approach. Filmmakers must think globally when choosing stories to develop, securing project financing, and engaging production partners. Filmmakers require market access, market intelligence and market preparedness in order to prosper in this environment.

### PASSPORT TO MARKETS

Passport to Markets supports the attendance of British Columbia film and television companies at key international markets, co-production and co-financing conferences. Applications are considered from British Columbia resident producers who have professional experience in the film and television industry and, where applicable, have been pre-selected by event organizers to participate at an

eligible market site. In addition, applications are considered from British Columbia resident sales agents or distributors. British Columbia Film support offsets a portion of travel, accommodation and registration expenses.

In 2007/08, British Columbia Film provided \$139,055 in support to 90 participants.

MARKET/CONFERENCE	COMPANY	APPLICANT	BC FILM
CANNES FILM FESTIVAL MARKET (CANNES, FRANCE)	Creative Engine Pictures	Larisa Andrews	\$2,500
	Diffusion Film Corp	Dennis Tal	\$2,500
	Industry Works Distribution	Craig Adlard	\$2,500
	L'Etranger Film Productions	Kimberley Wakefield	\$2,500
	Mortimer & Ogilvy Productions	Sharon McGowan	\$2,500
TORONTO DOCUMENTARY FORUM (TORONTO, CANADA)	Bedazzled Pics	Michaelin McDermott	\$1,000
	Big Red Barn Entertainment	Ken Malenstyn	\$1,000
	Dilemma Productions	Dan Schlanger	\$1,000
	Fovea Productions	Arlene Ami	\$1,000
	Lightspeed Productions	David Vaisbord	\$1,000
	Mars Entertainment	Gillian Hrankowski	\$1,000
	Marvellous Clouds Media	Anne Marie Slater	\$1,000
	Mountainside Films	Suzanne Chisholm	\$1,000
	Ovidian Films	Grace Yuen	\$1,000
	Pat Ferns Productions	Pat Ferns	\$1,000
	Red Letter Films	Sylvie Peltier	\$1,000
	Red Storm Productions	Erik Paulsson	\$1,000
	N/A	Lisa Jackson	\$1,000
SHANGHAI FILM FESTIVAL (SHANGHAI, CHINA)	Pristine Entertainment	Gordon Stanfield	\$1,500
NEXTMEDIA CONFERENCE (BANFF, CANADA)	blyssful PRODUCTIONS	S. Siobhan McCarthy	\$750
	Image Pacific Communications	Kerri Beattie	\$750
	Leboe & Grice Multimedia	Lynn Leboe	\$750
	Nimble Company	Sue Biely	\$750
	Shai Lah Productions	Erez Yanuv Barzilay	\$750
	VanAlive Communications	Dan Grice	\$750
	N/A	Sheilagh Cahill	\$750
SUNNYSIDE OF THE DOC (LA ROCHELLE, FRANCE)	Big Picture Media Corporation	Katherine Dodds	\$2,000
	Parallax Films	Ian Herring	\$2,000

GALWAY FILM FAIR (GALWAY, IRELAND)	Submission Films	Andrew Boutilier	\$2,000
SUNDANCE PRODUCER'S CONFERENCE (PARK CITY, USA)	Creative Engine Pictures	Larisa Andrews	\$1,500
TELEFILM'S PITCH THIS! (TIFF - TORONTO, CANADA)	Goonworks Films	Katie Weekley	\$850
REELWORLD EMERGING 20 (TIFF - TORONTO, CANADA)	Chitchat Productions	Brishkay Ahmed	\$690
INTERNATIONAL FINANCING FORUM (TIFF - TORONTO, CANADA)	Creative Engine Pictures	Larisa Andrews	\$1,000
	Orca Productions	Sidney Chiu	\$1,000
	Submission Films	Andrew Boutilier	\$1,000
STRATEGIC PARTNERS CO-PRODUCTION CONFERENCE (HALIFAX, CANADA)	Dilemma Productions	Dan Schlanger	\$1,500
	L'Etranger Film Productions	Kimberley Wakefield	\$1,270
	Orca Productions	Nicholas Kendell	\$1,500
	Utopia Pictures	Elvira Lount	\$1,320
MANNHEIM MEETINGS (MANNHEIM, GERMANY)	Purple Potato Productions	Jeff Wastila	\$1,260
FRANCOPHONE PRODUCTION FORUM (NAMUR, BELGIUM)	Witness Productions	Carole Ducharme	\$1,250
AMERICAN FILM MARKET (SANTA MONICA, USA)	At the End of the Day Productions	Rajvinder Uppal	\$1,500
	Capitol C Motion Pictures	Carolyne Stossel	\$1,500
	Florin Films	Karen Powell	\$1,115
	Full Regalia Enterprises	Annie Frazier Henry	\$1,500
	Ghost Films	Howard Dancyger	\$1,120
	Mad Hat Productions	Matthew Cervi	\$1,400
	Orca Productions	Nicholas Kendell	\$1,500
	Pristine Entertainment	Gordon Stanfield	\$1,500
ASIA FACTUAL FORUM (SINGAPORE)	SILO Entertainment	Mel D'Souza	\$2,000
AMSTERDAM FORUM (AMSTERDAM, THE NETHERLANDS)	Interfilm Productions	Boris Ivanov	\$2,000
	Reel-Myth Productions	Jill Sharpe	\$2,000
	Red Storm Productions	Erik Paulsson	\$2,000
GHUANGZHOU DOCUMENTARY FESTIVAL (GHUANGZHOU, CHINA)	Ferns Productions	Pat Ferns	\$2,000
	Mountainside Films	Suzanne Chisholm	\$1,890
NATPE (LAS VEGAS, USA)	Really Real Films	Cynde Harmon	\$1,500
AUSTRALIA INTERNATIONAL DOCUMENTARY CONFERENCE (PERTH, AUSTRALIA)	Ferns Productions	Pat Ferns	\$1,705
KIDSCREEN SUMMIT (NEW YORK, USA)	Carbunkle Cartoons	Kelly Armstrong	\$1,950
	CKS Productions Ltd.	Cathy Schoch	\$1,950
	Denman Consulting	Anne Denman	\$1,775
	Jibber Jabber Entertainment	David Bowes	\$1,750
HISTORY MAKERS SUMMIT (NEW YORK, USA)	Aarrow Productions	Barbara Hager	\$1,675
	Parallax Films	Maija Leivo	\$2,000
REEL SCREEN SUMMIT (WASHINGTON DC, USA)	Big Red Barn Entertainment	Jessie Kergan	\$1,950
	Blue Plate Productions	Alan Goldman	\$1,365
	Mystique Films	Mary Bissell	\$1,065
	Parallax Films	Ian Herring	\$2,000

BERLINALE EUROPEAN FILM MARKET (BERLIN, GERMANY)	Industry Works Distribution	Craig Adlard	\$2,000
	Optic Nerve Films	Kevin Eastwood	\$2,000
	Orca Productions	Nicholas Kendall	\$2,000
	Red Cedar Films	Henrik Meyer	\$1,700
	Submission Films	Andrew Boutilier	\$2,000
HONG KONG FILMART (WANCHAI, HONG KONG)	At the End of the Day Productions	Rajvinder Uppal	\$2,000
	New Look Film Entertainment	Jenny Li	\$1,930
	Reunion Pictures	Matthew O'Connor	\$2,000
	SILO Entertainment	Mel D'Souza	\$2,000
	Violator Films	Lori Lozinski	\$1,410
	Wesley Lowe Productions	Wesley Lowe	\$1,925
FICCI FRAMES (MUMBAI, INDIA)	At the End of the Day Productions	Rajvinder Uppal	\$2,000
	MMM Film Finance International	R. Paul Dhillon	\$2,000
	SILO Entertainment	Mel D'Souza	\$1,885
CINEMART ROTTERDAM (ROTTERDAM, THE NETHERLANDS)	Illuminated Productions	Josh Shore	\$1,830
INTERACTIVE CONTENT EXCHANGE (TORONTO, CANADA)	Big Red Barn Entertainment	Jessie Kergan	\$1,115
	Carling Communication by Design	Carling Wong-Renger	\$910
	Mooveezoo	Patti Jo Weise	\$1,500
	myfrog Media	Lisa Doyle	\$1,250
SOUTH BY SOUTHWEST (AUSTIN, USA)	NowPublic Technologies	Jarrett Martineau	\$2,000
MIPTV (CANNES, FRANCE)	Dilemma Productions	Dan Schlanger	\$2,000
	Keystone Entertainment	Nolan Pielak	\$2,000
	Picture Box Distribution	Marilyn Kynaston	\$2,000
<b>TOTAL: 90 PARTICIPANTS</b>			<b>\$139,055</b>

## PASSPORT TO MARKETS ENVELOPE

The Passport to Markets Envelope Program facilitates established British Columbia production companies with a track record in film and television in advancing their development plans and meeting business growth objectives. Applications are considered from experienced British Columbia companies who demonstrate a track record in previous production volume and existing commitments to the projects in their development slate. Applicants can apply for attendance at up to six market sites per year for support to offset a portion of travel, accommodation and registration expenses.

In the inaugural year of this program, 7 companies were awarded envelopes of up to \$15,000, for a total commitment of \$95,250.

PRODUCTION COMPANY	BC FILM
Fast Productions	\$10,200
Long Tale Productions	\$15,000
Holiday Pictures	\$15,000
Make Believe Media	\$12,100
May Street Productions	\$14,700
Raven West Films	\$14,250
Sepia Films	\$14,000
<b>TOTAL: 7 COMPANIES</b>	<b>\$95,250</b>

## INTERNATIONAL MARKETS

British Columbia Film provides opportunities for British Columbia producers and distributors/sales agents to participate at key international film and television markets. Through this program, British Columbia Film partners with other federal and provincial film agencies to provide business centres that facilitate sales and export development. Key international markets include the American Film Market (AFM), Cannes Marche du Film, MIPTV, MIPCOM and FILMART.

British Columbia Film provided \$75,000 in support for international markets in 2007/08. The following British Columbia production, sales and/or distribution companies attended the supported markets:

### AMERICAN FILM MARKET (AFM) 2007

At The End of the Day Productions Inc.  
Brightlight Pictures Inc.  
Captial C Motion Pictures Inc.  
Creative Engine Pictures Inc.  
Fast Productions Ltd.  
Florin Films Ltd.  
Full Regalia Productions Ltd.  
Ghost Films Inc.  
H30 Filmed Entertainment Inc.  
Horizon Motion Pictures Inc.  
IndustryWorks Distribution Inc.  
Insight Film Releasing Ltd.  
International Keystone Entertainment Inc.  
Long Tale Entertainment Ltd.  
Mad Had Productions Inc.  
Movie Set Inc.  
Orca Productions Inc.  
Pristine Entertainment Inc.  
Sepia Films Inc.  
Waterfront Entertainment Group

### CANNES MARCHE DU FILM 2007

Brightlight Pictures Inc.  
Creative Engine Pictures Inc.  
Diffusion Film Corporation  
L'Etranger Film Productions Ltd.  
Keatley Entertainment Ltd.  
Lexico Productions Inc.  
Long Tale Entertainment Ltd.  
Orca Productions Inc.  
Rave Film Inc.  
Raven West Films Ltd.  
Roaming Pictures Inc.  
Screen Siren Pictures Inc.  
Sepia Films Ltd.  
Submission Film Productions Inc.  
Tenare Pictures Inc.

### HONG KONG FILMART 2008

At The End of the Day Productions Inc.  
Bay Film Studios Inc.  
Kayfabe Entertainment Corp.  
Long Tale Entertainment Ltd.  
New Look Film Entertainment Inc.  
Reunion Pictures inc.  
Screen Siren Pictures Inc.  
Violator Films Inc.  
Wesley Lowe Productions Inc.

### MIPTV 2007

ATV Productions Inc.  
Bardel Entertainment Inc.  
Dilemma Productions Inc.  
Facelift Entertainment Inc.  
Infinity Filmed Entertainment Group Ltd.  
Keatley Entertainment Ltd.  
MVP Entertainment Inc.  
Nerd Corps Entertainment Inc.  
Omni Film Productions Ltd.  
Picture Box Distribution Inc.  
Thunderbird Films Inc.  
Waterfront Entertainment Group

### MIPCOM 2007

Bardel Entertainment Inc.  
Facelift Entertainment Inc.  
Horizon Entertainment Ltd.  
IndustryWorks Distribution Inc.  
Infinity Filmed Entertainment Group  
Make Believe Media Inc.  
May Street Productions Ltd.  
Nerd Corps Entertainment Inc.  
Studio B Productions Inc.  
Waterfront Entertainment Group

In addition, British Columbia Film co-sponsored a Producers' Networking Event during the Cannes Film Festival with the Association of Provincial Funding Agencies and the Atlantic Film Festival. This event complimented activities at the Canada Pavilion, promoting co-production and co-venture opportunities with Canada.

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## 2007/08 INDUSTRY SPONSORSHIPS & PARTNERSHIPS

### ACADEMY OF CANADIAN CINEMA & TELEVISION (ACCT)

British Columbia Film joined the Academy as an Industry Partner in 2007 and sponsored both the 2007 Gemini and 2008 Genie Nominee Receptions held in Vancouver.

### ATLANTIC FILM FESTIVAL – STRATEGIC PARTNERS CO-PRODUCTION CONFERENCE

British Columbia Film sponsored and participated in a series of ‘Buzz Sessions’ intended to provide delegates with the inside track on co-producing with each of Canada’s provinces. Areas of discussion included tax credits, co-production conditions, locations, studios and other facilities. These sessions highlighted the benefits of co-producing with a BC company and completing production and/or post production in BC.

### BANFF TELEVISION FESTIVAL

British Columbia Film co-sponsored a networking reception and an on-site private meeting space for BC resident film, television and digital media producers during the 2007 Banff International Television Festival.

### CANADIAN FILM CENTRE – SHORT FILM SCREENINGS

British Columbia Film co-sponsored a screening of short films produced at the Canadian Film Centre in 2006/07, as well as the reception that followed for local alumni, visiting filmmakers and industry representatives.

### CELEBRATION OF CANADIAN FILM AT PRIMETIME

British Columbia Film co-sponsored a public screening of the film *How She Move*, along with a reception for delegates and invited guests during the CFTPA’s Primetime Conference in Ottawa.

### CRAZY 8’S SHORT FILM COMPETITION

British Columbia Film co-sponsored Crazy8s 2008 – an opportunity for 8 filmmakers to each make a film in only 8 days and with \$800.

### DIGITAL DEVELOPMENT LAB

British Columbia Film co-sponsored an intensive 5-day workshop, facilitated by the CBC, for a select group of emerging content developers. Participants were inspired to develop their original interactive and/or multi-platform concepts in an exploratory and directed team environment.

### DOCUMENTARY EDITING AND RESEARCH WORKSHOPS

British Columbia Film co-sponsored two workshops in Victoria – a documentary workshop for producers and writers and a workshop on research techniques.

### DOXA - CONNEXIONS YOUTH FORUM

Held during the DOXA Film & Video Forum, the Connexions Youth Forum is a professional development opportunity meant to encourage the artistic potential of ten aspiring BC documentary filmmakers selected from around the province. British Columbia Film sponsored a series of mentorship opportunities, screenings and workshops.

### THE 2007 ELANS

British Columbia Film co-sponsored the 2<sup>nd</sup> annual Canadian Awards for the Electronic and Animated Arts (“the Elans”). This celebration recognized excellence in animation, electronic gaming and the instruction of both by digital arts educational institutes.

### FIRST WEEKEND CLUB

The First Weekend Club celebrates Canadian film and talent with a goal to build audiences and appreciation for Canadian cinema by facilitating a series of special screenings across the country, interviews with directors and media profiling.

### FTX WEST 2007

The 2<sup>nd</sup> annual FTX West Exhibition included a large trade show and professional development workshops featuring digital entertainment experts from across North America. British Columbia Film sponsored a series of workshops focused on screenwriting.

### GO WEST PROJECT LAB 2007

British Columbia Film co-sponsored this intensive 5-day lab bringing industry experts together with a select group of producers. Put on by the Whistler Film Festival in partnership with the Canadian Film Centre, this lab gave producers the opportunity to receive feedback on their feature films from the sales agents, distributors and marketing experts in attendance.

### KICK START

British Columbia Film continued this joint initiative with the Directors Guild of Canada – BC. With the participation of sponsors Rainmaker Digital Pictures, Post Modern Sound, Finale Editworks and Western Post, the program provides BC emerging directors with a calling card film that will assist in pursuing a directing career. As part of this initiative, program partners organize a yearly Vancouver premiere screening of the short films from recent Kick Start participants.

### LEO AWARDS 2007

British Columbia Film continued its sponsorship of the Leo Awards in 2007. The Leo Awards take place annually, honouring British Columbia film and television talent for their work during the previous year.

### MARKET PREP WORKSHOPS

British Columbia Film hosted two workshops dealing with the complex maze of sales agents, distributors, financiers and international buyers who attend the American Film Market and the Cannes Film Festival. Participants met with L.A. based financing and distribution consultant, Peter Wetherell, to learn the tricks of navigating two of the world’s largest film markets.

### MPPIA INDUSTRY WEEK

British Columbia film was a key partner in the Motion Picture Production Industry Association’s inaugural Motion Picture Industry Week. A highlight was the Board of Trade luncheon, co-sponsored by British Columbia Film, which featured a panel of industry leaders offering their vision for the future of BC’s motion picture industry.

### MULTI PLATFORM INCUBATOR

Presented by British Columbia Film and New Media BC, this two-day conference helped content producers across all genres better understand the rapidly changing landscapes of film, television and digital media. The conference included a series of case studies presented by senior international guests, a juried pitch competition, roundtable discussions and one-on-one matchmaking between delegates.

### OPENING THE BOOK ON FILM CONFERENCE

In partnership with the BC Book Publishers Association and the Canadian Film and Television Production Association, British Columbia Film hosted the inaugural Opening the Book on Film Conference, connecting BC literary and film & television industry professionals. The day included a keynote address by Timothy Taylor, author of *Stanley Park*, a series of case study presentations, a trade fair and a networking reception.

### PAN WESTERN FILM MISSION TO NEW YORK

Presented by the Manitoba Motion Picture Industry Association and co-sponsored by British Columbia Film, this initiative provided a small delegation of western producers an opportunity to participate in a series of pre-arranged meetings, workshops and networking events with top broadcast and distribution executives, financiers and industry organizations. The mission took place during the fifth “Canadian Front: New Films Festival” at the Museum of Modern Art and coincided with “Crossing Borders”, an immersion into the US marketplace organized by the Department of Canadian Heritage’s Trade Routes Program.

### PITCH PERFECT WORKSHOP

British Columbia Film hosted a two-day workshop with pitching coach Jan Miller. Participants had an opportunity to develop their story ideas, explore market potential, refine pitching styles and practice in a supportive and constructive environment. The workshop concluded with participants pitching their concepts to local broadcasters.

### POWER OF PLAY

British Columbia Film provided development support for a proposal by the BC Centre for Media Disability, hoping to establish a program to train individuals with significant disabilities to work in film and television.

### RUDY BUTTIGNOL WELCOME RECEPTION

In association with the Documentary Organization of BC, British Columbia Film hosted an industry reception to welcome Rudy Buttignol as the new head of the Knowledge Network of BC.

### VANCOUVER INTERNATIONAL FILM FESTIVAL & FORUM

British Columbia Film provided sponsorship to the 26th Vancouver International Film Festival in 2007. BC Film also co-sponsored the 22nd Annual Film and Television Forum, which included four days of seminars, workshops, master classes and networking events.

### VIDFEST 2008

British Columbia Film co-sponsored VIDFEST’s International Partnering Forum. Organized by New Media BC, VIDFEST is Canada’s largest digital content event aimed at international new media producers with the goal of profiling Canada’s digital media sector and encouraging new national and international partnerships.

### VICTORIA INDEPENDENT FILM & VIDEO FESTIVAL: TRIGGER POINTS PACIFIC 2008

British Columbia Film was a major sponsor of the Trigger Points Pacific Co-Production conference, held during the Victoria Independent Film & Video Festival in 2008. The conference brought together producers, commissioning editors, broadcasters and distributors to participate in a series of professional and industry development seminars.

### WHISTLER FILMMAKERS FORUM & DOC TALK 2007

British Columbia Film co-sponsored the Whistler Film Festival’s Filmmaker Forum, a 4-day series of workshops, pitch sessions, networking events and one-on-one meetings designed to provide Canadian documentary and feature filmmakers with the tools required to compete internationally.

### WIFTV SPOTLIGHT AWARDS 2008 & 3rd ANNUAL WOMEN IN FILM FESTIVAL

Women in Film and Television Vancouver’s annual Spotlight Awards Gala recognizes the achievements of women who work in the entertainment industry. British Columbia Film continued its support of the awards and the 3rd annual Women in Film Festival.

### WIFTV WORKSHOP SERIES

Presented by Women in Film and Television Vancouver and sponsored by British Columbia Film, this workshop series provided professional development opportunities for producers, writers and directors. Sessions included a discussion on how producers can grow their companies, a workshop in writing for animation and a session for directors on how to break into commercials.

### WIFTV WOMEN IN VIEW CONFERENCE 2010

British Columbia Film sponsored initial research to determine the feasibility of organizing a “Women in View” conference in 2010, intended to be a global gathering on art, scholarship, politics and women in media. The proposed conference would include an international film festival, a multi-disciplinary academic conference, a digital media trade forum, workshops, resources for the educational community, and the annual meeting of Women in Film and Television International.



# F | REPORT ON PERFORMANCE

The 2007/08 – 2009/10 British Columbia Film Service Plan identifies the role that BC Film can play in industry development, the priorities against which we intend to invest our resources and the performance targets against which our success can be measured.

The following summarizes the goals and objectives set for 2007/08, and how they were met over the past year.

## GOAL 1

Develop the film, television and digital media production industry in British Columbia

GOALS AND OBJECTIVES	MEASURES	2007/08 TARGET OR FORECAST
1.1 Deliver a fair, transparent and accountable provincial film, television and digital media tax credit program	Percentage of applicants expressing satisfaction with BC Film tax credit programs	Create survey document & establish baseline (target)
1.2 Enable film, television and digital media projects to be financed for production in British Columbia	Dollar value of projects assisted by the tax credit program	\$1.325 billion (forecast)
1.3 Support the creation of employment opportunities in British Columbia	Dollar value of salary and wages paid for by projects assisted by the tax credit program	\$595 million (forecast)
1.4 Facilitate collaboration between creators of digital media and film and television content	Participant satisfaction with seminars and information events delivered	Create survey document & establish baseline (target)

## 2007/08 RESULTS

In 2007/08, BC Film processed tax credit applications totaling \$1.6 billion in production activity, resulting in \$703 million in salaries and wages paid to British Columbians. These figures reflect BC Film's improved application processing time. Overall industry production decreased in 2007/08 due to a strong Canadian dollar, increased competition from American states and a labour dispute in the United States that curtailed production for four months.

BC Film, in conjunction with New Media BC, organized a conference to encourage collaboration between creators of digital media and film and television content. The conference achieved a satisfaction rate of 4.2/5 from participants.

Applicants to the film and television tax credit programs were also surveyed to determine satisfaction with BC Film's administration of the programs. The responses indicated a 4.3/5 satisfaction level. An area of concern identified as part of the survey process was the clarity of the tax credit information available on the BC Film website. Although tax provisions and regulations are, by their nature, complex, BC Film is working with the Ministry of Small Business and Revenue to develop a plain language version of the tax information. BC Film and the Ministry will also be identifying issues of concern and will be issuing information bulletins to provide clarity on these issues. Further, BC Film will be implementing a tax credit specific Frequently Asked Questions section to the web site.

## GOAL 2

### Develop British Columbia based production capacity in film, television and digital media

GOALS AND OBJECTIVES	MEASURES	2007/08 TARGET OR FORECAST
2.1 Deliver a fair, transparent, and accountable program of financial incentives for British Columbia companies and individuals	Percentage of BC applicants expressing satisfaction with BC Film development programs	Create survey document & establish baseline (target)
2.2 Support development of intellectual property in British Columbia	Development dollars leveraged by BC Film project funding (ratio)	4.25/1 (forecast)
2.3 Assist British Columbia companies to retain creative and financial ownership and control	\$ value of BC-owned and controlled projects by companies receiving Slate Development Funding	\$155 million (forecast)
	\$ value of BC owned and controlled productions supported by FIBC tax credits	\$235 million (forecast)
2.4 Assist British Columbia companies to develop international market, financing and partnership opportunities	Percentage of participants expressing satisfaction with opportunities supported by BC Film	Not less than 75% (target)
2.5 Strengthen and diversify British Columbia skills	Percentage of participants expressing satisfaction with training opportunities supported by BC Film	Not less than 70% (target)

#### 2007/08 RESULTS

British Columbia Film surveyed applicants to its industry assistance programs to determine client satisfaction with the programs and their administration. The results were as follows:

* Slate Development Program	4.6/5
* Project Development Program	4.8/5
* Passport to Markets Program	4.9/5
* Internship and Scholarship Programs	4.6/5

These results all exceed targets.

Both the Slate and the Film Incentive BC programs contribute to the capacity of BC companies to retain creative and financial ownership and control. In 2007, BC companies produced \$425 million in BC owned and controlled content. Companies receiving Slate Development funding have produced a total of \$700 million in productions since the beginning of the program in 2004/05, \$192 million of which is directly attributable to the Slate program.

Demand on the Project Development Fund decreased in 2007/08. This was a result of broadcaster uncertainty flowing from the proposed mergers, amalgamations and restructuring across the Canadian broadcast industry. There was a general reluctance on the part of broadcasters to commit to projects while awaiting CRTC decisions on these changes. Despite this factor, BC Film achieved 4.2/1 leveraging ratio on its project development funds.

## Goal 3

### Capitalize on emerging opportunities in digital media

GOALS AND OBJECTIVES	MEASURES	2007/08 TARGET OR FORECAST
3.1 Develop industry knowledge of new digital technology and emerging distribution platforms	Percentage of participants expressing satisfaction with events and information sessions	Baseline to be established (target)
3.2 Examine the application of the BC Film Development funding model and other potential program approaches to encourage growth in the BC owned digital media industry	Completion of assessment of funding model	Completed
	Research on other potential approaches delivered	Ongoing
3.3 Initiate incentives for the development and production of digital content	Initiatives supported	Ongoing

#### 2007/08 RESULTS

In response to emerging digital opportunities, BC Film introduced the Digital Readiness program and revised its development program guidelines to expand digital media eligibility in 2007/08.

With New Media BC, BC Film organized the Multi Platform Incubator Conference to improve the industry's knowledge of new digital technology and distribution platforms and to encourage collaboration between the film, television and digital media sectors. Additionally, BC Film, in partnership with the CBC, created the Digital Media Development Lab project to assist a select group of producers develop multi-platform concepts in a directed team environment.



**GOAL 4**

Demonstrate industry leadership; provide effective legislative and policy advice; efficiently deliver program services

GOALS AND OBJECTIVES	MEASURES	2007/08 TARGET OR FORECAST
4.1 Deliver timely, relevant policy and program advice to the provincial government	Policy advice and analysis delivered as required	Ongoing
4.2 Support the provincial tax credit review process to maintain a flexible, innovative and competitive tax credit program	Timely, relevant advice delivered	Completion of review process
4.3 Provide statistical information on industry trends to government and the industry	Reliable, timely and relevant information on production volume, employment and provincial investment.	Ongoing
4.4 Promote a strong, consistent BC perspective to federal regulatory and program delivery agencies	BC input into national policy and regulatory processes	Ongoing
4.5 Facilitate communication between industry and government on policy and program issues	Effective communication maintained	Ongoing

**2007/08 RESULTS**

BC Film played a key role in the review of the provincial tax credit program and coordinated the consultation between government and industry. BC Film was also central in the policy discussion leading to the subsequent increase in the provincial tax credit rates to match the increases announced by Ontario and Quebec.

BC Film worked with the provincial government and the industry on various policy initiatives intended to lead to a creative industry sector strategy.

BC Film provided, on request, policy and program advice as well as statistical information to the provincial government.

The CRTC review of the Canadian Television Fund was a key federal policy and regulatory issue in 2007/08. BC Film coordinated the provincial industry's response to the CRTC through two written interventions and a presentation to the CRTC regulatory hearing in Ottawa.



**GOAL 5**

Maintain a knowledge-based, efficient organization

GOALS AND OBJECTIVES	MEASURES	2007/08 TARGET OR FORECAST
5.1 Maintain efficient program administration	Administration costs as a % of programs delivered	3%
	Average time between receipt of applications and processing of tax credits	40 working days
5.2 Nurture an expert, knowledge-based organization	Number of professional development hours per employee	20 hours
5.3 Develop an on-line application process for the tax credit program	Client satisfaction with application process	On-line system for foreign production designed and operational

**2007/08 RESULTS**

BC Film increased the number of applications processed under the tax credit programs by:

- \* 54% for eligibility certificates (272 in 2007/08, 177 in 2006/07)
- \* 43% for completion certificates (40 in 2007/08, 28 in 2006/07)


The total value of applications certified increased to \$167 million from \$102 million in the previous year.

This improved processing performance eliminated the application back log and allowed BC Film to exceed its target for processing time. A new system for pre-assessing applications was also developed and implemented which will allow BC Film to meet more aggressive processing targets in the coming years.

Administrative cost and professional development targets were also exceeded. Administrative costs remained below one percent of the value of applications processed and the average number of professional development hours per employee was 48.

A new on-line tax credit application process for foreign production was also developed and launched in 2007/08.





British Columbia Film is an independent, not-for-profit society established by the provincial government in 1987 with a mandate to expand and diversify the film, television and digital media sector in British Columbia. The society gratefully acknowledges the financial assistance of the Province of British Columbia through the Ministry of Tourism, Culture and the Arts.

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2225 West Broadway,  
Vancouver, British Columbia  
Canada V6K 2E4  
p: 604.736.7997 · f: 604.736.7290  
e: [bcf@bcfilm.bc.ca](mailto:bcf@bcfilm.bc.ca) · [www.bcfilm.bc.ca](http://www.bcfilm.bc.ca)