

Economic Impact Study

Final Report

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Executive Summary

Jurisdictions with strong film and television and digital media production industries commonly build their sectors through a combination of domestic and guest production activity. This mixed production industry model best achieves both cultural and industrial goals – and correspondingly, support mechanisms in place usually reflect these two objectives. This model also builds industry capacity by providing year-round employment opportunities to production workers through two production streams. As is often the case, most of the employment growth in media industries is generated by successful technical and artistic talent launching their own small to medium production companies.

In spite of its isolation and relatively small population, Nunavut is home to a significant film and television production industry, including healthy volumes of domestic and guest production. In fact, on a per capita basis, Nunavut has approximately 10 times the domestic production spending of any other Canadian or international circumpolar jurisdiction. The territory's impressive self-generated production industry is a natural extension of Nunavut's rich artistic and story-telling heritage as well as a reflection of the significant production experience and talent in a few key companies.

Domestic production activity in Nunavut is currently supported by the Government of Nunavut (GN), primarily through the funding mechanisms administered by the Nunavut Film Development Corporation (NFDC), but also through other GN programs. This government investment has seen promising returns on this investment. In the 2008/09 production year, Nunavut-based producers received approximately \$1.1 million through GN production programs, but spent approximately \$6.7 million on production activity and capital expenditures in the territory. However, Nunavut's indigenous producers have achieved the impressive production volumes in the absence of any territorial training programs or significant production infrastructure. While Nunavut's producers provide some on-the-job training to willing Nunavummiut, this is far from a comprehensive training program necessary to develop the skilled technical and artistic talent necessary to support a competitive production industry.

Guest production in Nunavut is similarly substantial, yet tenuous. In 2008/09, producers from other jurisdictions spent approximately of \$6 million. This significant spend was put into the Nunavut community through accommodations, outfitters, travel costs, guides, vehicle rentals and other necessary expenditures. Virtually none of this money, however, was spent on Nunavut film worker labour or on equipment and facilities. Again, consistent use of Nunavut film workers by guest producers is critical to ensuring a viable and strong labour force that will foster self-generating industry development.

Nunavut's domestic and guest production activity have both varied significantly from year to year. With no incentives available to them in Nunavut, guest producers are highly susceptible to be drawn away by competing jurisdictions. Domestic production is more consistent, but local filmmakers still spend a significant amount of their budgets outside of the territory due to the lack of infrastructure.

Nunavut's production industry has the potential to generate tens of millions in production activity in the Nunavut economy in a given year. However, adequate investment in key areas – such as skills development, promotion, infrastructure and guest production incentives – are necessary to foster a consistent level of production activity year to year, steady growth in both domestic and guest production components of the industry and increased use of skilled Nunavut film workers. Ultimately, all three conditions are necessary to create a critical mass of talent and productions which can be globally competitive and self-sustaining.

This study represents the first ever economic impact study of Nunavut’s production industry and provides the first comprehensive glimpse of the economic and social benefits of production in the territory. It also provides a framework for future studies, as well as the initial data to use as a comparison for future studies. Because the economic impact and cost-benefit analysis of this study are based on standard research practices including the use of Statistics Canada’s provincial input-output tables, the results are comparable with economic impact studies for other production industries and other sectors across Canada. Future studies that follow the same methodology would similarly provide reliable comparisons.

Production Activity

In 2008/09, Nunavut-based producers involved in the three major production sub-segments – independent film, television and digital media production, in-house television production and other film and video production – completed 51 projects, generating a total production spending of **\$7.7 million**. This total spend was up by 18% in 2008/09 compared to 2007/08, largely because of a \$1.3 million increase in independent production. However, the 2008/09 production spend was 24% lower than the four-year peak of \$10.1 million recorded in 2005/06 – the last year in which a Nunavut-produced feature film was filmed. Between 2005/06 and 2008/09, the total spend by Nunavut-based producers was \$39.2 million; the annual average was \$9.8 million.

More than 83%, or **\$6.7 million**, of the total production spend for Nunavut producers in 2008/09 was spent in Nunavut. This total amount included \$6.4 million in current expenditures (below) and \$249,000 in capital expenditures. Over the past four years, expenditures in Nunavut’s production industry totalled \$23.9 million; the annual average level of expenditures was \$6.0 million.

Expenditure figures (below) reveal that Nunavut’s production companies are increasingly spending a larger percentage of their total budgets within Nunavut, including a greater proportion on Nunavut labour. Nunavut expenditures as a percentage of total production were 64% in 2005/06 and 57% in 2006/07; in 2007/08 and 2008/09, the percentage shares were 81% and 83%, respectively.

Nunavut labour expenditures, on the other hand remained at approximately 50% of Nunavut expenditures between 2005/06 and 2008/09.

Figure 1: Total In-territory Expenditures (\$ 000 unless otherwise specified)

	2005/06	2006/07	2007/08	2008/09	Four-year total	Average
Production spending	10,052	8,514	6,566	7,716	39,242	9,811
Nunavut current expenditures	6,454	4,845	5,324	6,406	23,029	5,757
Percentage share	64%	57%	81%	83%	59%	59%
Nunavut production labour expenditures	3,518	2,388	2,435	2,792	11,133	2,783
Percentage share of spend	35%	28%	37%	36%	28%	28%
Percentage share of expenditures	55%	49%	46%	44%	48%	48%

Guest production activity adds significantly to the overall production spend in Nunavut. However, in the absence of a permit system in Nunavut, there is no organized tracking of non-Nunavut, Canadian and foreign location shooting, let alone accounting of their local hiring and spending practices. High-level

estimates attained through consultation with producers and outfitters place guest production expenditures in 2008/08 at approximately \$6.3 million. Over the four-year period, guest-production expenditures in the territory totalled \$18.1 million, an averaged \$4.5 million per annum.

Economic Impact

The economic impact of the production industry is best measured through total contribution to GDP and employment in the territory. Economic impact measures also account for spin-off impact, or the amount of money earned through production activity that is re-spent in the Nunavut economy. In all three areas, the production industry has had a significant economic impact in Nunavut over the past four years.

Overall, production activity in Nunavut generated total annualized GDP of \$9.8 million in the Nunavut economy between 2005/06 and 2008/09. This total GDP included \$4.7 million in direct GDP and \$5.1 million in spin-off GDP. Production activity in Nunavut supported the creation of a total of 169 full-time equivalent jobs (FTEs) on an annualized basis; this total included 86 direct FTEs and 83 spin-off FTEs. The figure below breaks down the complete economic impact of Nunavut's production sector.

Figure 2: Total Economic Impact

	Direct economic impact	Spin-off economic Impact**	Total economic impact
GDP (\$ 000s)			
Wages and supplementary labour income	3,679	3,523	7,202
Other GDP components	1,019	1,553	2,572
Total GDP	4,698	5,076	9,774
Employment			
Average FTE cost (\$)	42,701	42,701	42,701
Total FTEs*	86	83	169
Educational services	0%	80%	0%
Health care and social services (i.e., community support)	0%	0%	0%
Accommodation and food services	3%	0%	0%
Other services	20%	0%	0%
Operating, Office, Cafeteria and Laboratory Supplies	2%	0%	0%
Travel, Entertainment, Advertising and Promotion	3%	0%	0%
Total	100%	100%	100%

Socio-economic and Cultural Impacts

In addition to their obvious economic benefit, production industries are recognized and supported for their ability to further social and cultural goals. The cultural and social value of Nunavut's production industry is no exception. In fact, cultural preservation imperatives are magnified in Nunavut. Nunavummiut have their own distinct culture and language. However, these are increasingly threatened by content from the United States, as well as that from the rest of Canada.

The socio-economic benefits of a strong production industry are also very important in Nunavut. Nunavut's relatively small population and isolated geographic location contribute to other negative social issues, including high rates of school drop out, unemployment, family violence, social assistance and suicide. The GN takes a broad view of economic development by "identifying issues related to the land, people and communities, in addition to more common economic concerns."¹ Further, the government identifies the cultural and economic diversification contribution of the arts sector to Nunavut.

As such, production industry benefits such as cultural preservation, language retention, youth engagement and the representation of Inuit culture to the rest of Canada and the world are key priorities. As the production sector grows, there is a need to ensure employment opportunities to all sectors of the population, including those located in the less populous regions. And because cultural preservation, language retention and youth engagement issues face more external threats, the benefits provided by increased Nunavut production become that much more significant.

While it is difficult to directly quantify the cultural and socio-economic benefits of a production industry, film and television production and exhibition have a long track record of positive cultural and social impact. This is more and more being recognized in Nunavut. Nunavut-made film and television productions represent one of the best means to retain the Inuktitut language and culture with youth, and Nunavut-raised filmmakers are best situated to share Nunavut stories with the rest of Canada and the world. Film and television production provides a viable and culturally-fulfilling career opportunity to Nunavut youth. And more importantly, digital video and multimedia production is being employed by groups such as the Embrace Life Council and the National Inuit Youth Council as a vehicle to increase community capacity to promote mental health.

Overall, more than 90% of Nunavut production industry stakeholders believe the following were important or very important benefits created by the territory's production industry:

- Films and TV programs shape the way Nunavummiut see the world;
- Films and TV programs shape the way the world sees Nunavut;
- Industry is a great employer;
- Industry contributes to the local economy and generates spin-off effects for other businesses;
- Industry can engage youth and is a leading career choice among young people;
- Industry improves the image of Nunavut in Canada and Internationally;
- Industry increases Nunavut participation in the local community; and
- Industry contributes to language retention.

¹ Source: 2008 Nunavut Economic Outlook: Our Future to Choose.

“Film, television and digital media projects are extremely important to not only ensure the survival of our culture and language but also as a way of developing ourselves and our culture. Inuit culture is not static, we must continue to explore ourselves and the world around us and be able to express ourselves in any way that moves us continuously towards healthy and positive lifestyle.” – Nunavut Filmmaker

Competitive Analysis

In the 2008/08 production year, Nunavut was generally on par with or leading all other Canadian circumpolar jurisdictions in terms of production activity. On a per capita basis, the territory’s production spending easily eclipses that of any Canadian or international circumpolar jurisdiction. However, Nunavut trails competing jurisdictions in key enablers of success – namely training, infrastructure, promotion and support activity – and these are prerequisites for the next stage in development, particularly for its foreign location services industry.

Nunavut’s competitive position in these key industry areas should not be viewed entirely as a negative trait. Rather, Nunavut’s domestic producers should be commended for their ability to establish such a substantial industry without many of the capacity building advantages found in other regions. Also, knowing that it already compares favourably with other jurisdictions in terms of production activity, Nunavut’s production industry should view the services and support mechanisms provided in those regions as clear steps in a strategy to develop Nunavut into the circumpolar film centre of excellence.

Yukon, Newfoundland and Labrador, Iceland and Alaska are all substantial production centres in their own right. The promotional and training activities, infrastructure and support mechanisms in each of these jurisdictions can be instructive for Nunavut. For example, Yukon, Newfoundland and Labrador and Iceland each host at least two annual film festivals (Iceland hosts three), which serve to draw attention to their production sector and their domestic producers. Each of these jurisdictions additionally is home to at least one college level multimedia program and multiple media or production associations.

In terms of infrastructure, Yukon, Newfoundland and Labrador, and Iceland are all home to for-rent high-definition (HD) post-production facilities, of which Nunavut currently has none. Film and recording studios are also more prevalent in these regions, with Newfoundland and Labrador being home to a 21,000 ft² sound stage.

Other circumpolar jurisdictions also provide broad suites of funding mechanisms. While the GN funds the production industry through the NFDC and other cultural departments, this funding does not target guest producers and includes no non-capped funding mechanisms. Yukon, Alaska and Iceland all make funding available to non-resident production companies through tax credits of production rebates. Alaska, particularly, is aggressively pursuing guest productions by offering a transferable tax credit incentive that

² Quotes offered throughout this report are from the confidential survey of Nunavut production industry stakeholders, and therefore the identities of the individuals being quoted remain confidential.

ranges from 30% to 44% on qualified expenditures. Newfoundland and Labrador, on the other hand, provides a 25% labour tax credit that is capped at \$3 million per project, but is not subject to an overall cap and therefore evolves to match the potential regional production activity.

Clearly, industry growth mechanisms are not restricted to funding incentives alone. As other circumpolar jurisdictions show, training, promotion and infrastructure development also play major roles in developing a sustaining production industry.

Current Industry Capacity

The current capacity of Nunavut's production industry can be measured in terms of infrastructure and film workers. In terms of the latter, Nunavut production stakeholders identify the territory as being home to good quality, adaptable workers. But as with infrastructure, they believe the overall capacity is not sufficient to support significant industry growth going forward.

While there is generally an overall lack of production infrastructure in Nunavut, one of the most persistent needs is post-production facilities. In the 2008/09 production year, Nunavut's domestic producers spent 27% of their budgets outside of the territory, largely on post production activities. That equates to more than \$2 million that was directed into another region's economy instead of Nunavut's.

There are already current plans underway to address some of Nunavut's capacity issues. The Inuit Broadcasting Corporation (IBC) is planning to build an 8,000 ft² Nunavut Media Arts Centre in Iqaluit, replete with post production facilities and studio capacity. Such a facility would greatly change the face of Nunavut's production industry by providing in-territory editing and post-production equipment for Nunavut resident and guest producers. Additional capacity building activities related to infrastructure and film workers undertaken by the NFDC and GN would only further ensure continued industry growth.

Strategic Options

Nunavut's current production industry is largely driven by the desire of Nunavut's producers to tell Nunavut stories and the choice of guest producers to film in Nunavut largely for the relative appeal of its geography and myriad filming locations. However, these existing drivers are by themselves, insufficient to ensure future growth of production in Nunavut. The majority of Nunavut production stakeholders believe the territory lacks the appropriate infrastructure to support significant growth. This infrastructure includes crews, talent, funding, facilities and equipment. Guest production is also unlikely to grow significantly without added infrastructure and support, particularly as guest producers are enticed by support mechanisms offered by competing jurisdictions, such as non-capped funding mechanisms like tax credits and production rebates.

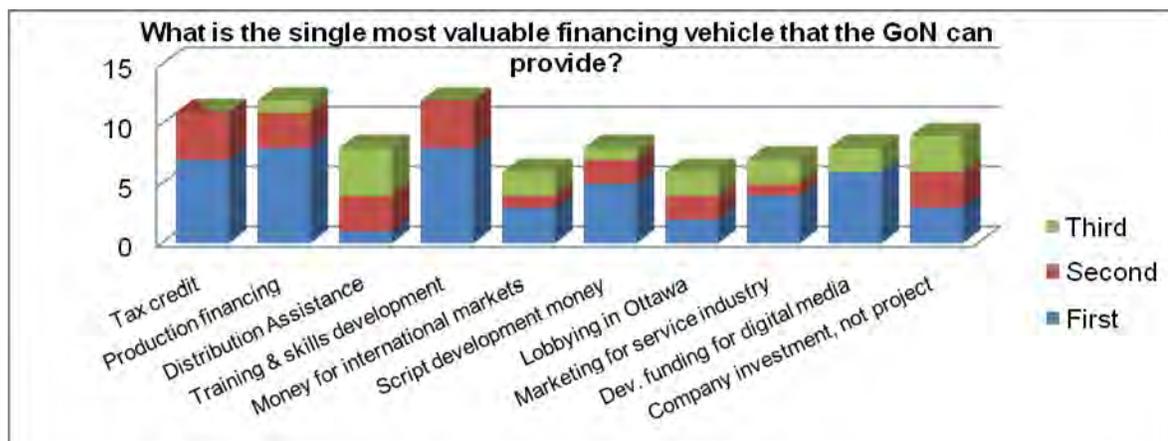
Strategic actions undertaken by the NFDC and GN should be geared to address the growth barriers faced by Nunavut producers. As the figure below clearly illustrates (based on 11 responses), production financing is widely considered to be the greatest growth barrier, followed by developing a business model that support growth and business skills.

Figure 3: Assessment of Growth Obstacles



However, when asked to identify the most valuable financing vehicles the GN could provide, Nunavut production industry stakeholders' focus is not strictly on production financing (Figure 4). Indeed, as many stakeholders identified 'training and skills development' funding (see the blue portions of the columns below) as did 'production funding.' Similarly, a large percentage of stakeholders also identified 'tax credit,'³ 'development funding for digital media' and 'script development' as being most valuable.

Figure 4: Evaluation of Potential Financing Vehicles⁴



³ Because of varying tax structures, some circumpolar jurisdictions don't use a traditional tax credit. For instance, Alaska offers producers a transferable tax credit, whereby producers won't owe taxes to the state, but they are to sell their incentives to another company that does, such as in oil, mining, or fisheries.

⁴ 15 responses. The blue portion of the columns indicate the number of respondents indicating that financing vehicle as being 'most valuable', the red and green portions indicate number of respondents indicating that financing vehicle as being second or third most valuable, respectively.

The above industry feedback, the analysis of Nunavut's current production activity, and an examination of the current policy and incentive framework were considered greatly in formulating a range of options for Nunavut and the NFDC to pursue. The support mechanisms and capacity building activities of competing jurisdictions were also very instructive in determining best competitive practices.

Going forward, Nunavut should consider the following strategic options to enhance the growth and development of both its indigenous and guest production sectors:

- Clarify the vision for Nunavut's film industry;
- Revise film funding programs to enable the development of a mixed guest-Nunavut production industry model;
- Explore the implementation of non-capped funding mechanisms;
- Assist in the development of infrastructure;
- Conduct a skill audit;
- Construct a skills development strategy;
- Develop a coherent development strategy with other territorial and federal government departments and agencies such as CLEY, Education, INAC and Tourism;
- Develop and maintain an industry tracking framework;
- Develop and maintain a social impacts/benefits tracking framework;
- Implement a 'Film Permit' registration system;
- Provide core funding to offset the costs of a film, television and digital media industry association such as Ajjiiit; and
- Explore expanding NFDC to become a film and music commission.

Through its own self-generated growth and existing support mechanisms, Nunavut's production industry is generally on par with or ahead of all other northern Canadian jurisdictions. Also, when viewed on a per capita basis, Nunavut already lines up favourably with many other international circumpolar jurisdictions. Therefore, Nunavut is well positioned to become a circumpolar film centre of excellence if the appropriate steps are taken.

1. Introduction

1.1 Background

Nunavut, as with many other Canadian jurisdictions, recognizes the ability of film, television and digital media production (hereinafter referred to as “production”) to increase economic opportunities, as well as preserve and celebrate the territory’s history, accomplishments, language and culture.

The region now known as Nunavut has a significant production history. The creation of the Inuit Broadcasting Corporation in 1981 established what is now a model broadcasting company for other aboriginal groups worldwide and spawned a new generation of independent Inuit filmmakers. Included among them was Zacharias Kunuk, who founded Igloodik Isuma Productions Inc. and produced the Inuktitut-language film *Atanarjuat The Fast Runner*, which won the Camera d’or at the 54th Cannes International Film Festival in 2001.

In addition to the film and television industry, Nunavut has a substantial arts-based economy, particularly in arts and crafts. An estimated 30% of Nunavut residents were involved in the production of arts and crafts in 2003. Annual territorial arts and crafts sales are an estimated \$30 million, which is expected to grow to \$50 million by 2013.

In the global film, television and digital media markets, there is a substantive and growing demand for aboriginal and/or northern-themed production content heightened by interest and/or concerns about global warming, indigenous communities and exotic tourist locations. Nunavut shares with other indigenous-run, autonomous territories (such as Greenland) unique cultural values and a story-telling tradition which have been manifested in the production of all forms of cultural and media expression – from sculpture to rap videos to drama productions.

Thus while Nunavut competes for guest productions with other circumpolar jurisdictions it possesses a natural competitive advantage over other jurisdictions where the indigenous values have been submerged in the European cultures. As with location and Canadian content production in the south, there are natural synergies between Nunavut resident and guest productions as production companies seek to keep their staff and facilities utilized, and outfitters, guides, technical and artistic talent seek to develop their careers in the north.

In addition to the economic benefits, film, television and digital media productions generate significant social and cultural benefits including career opportunities for vulnerable youth, platforms for the development/retention of language, improvement of the quality of life, and ‘branding’ of the territory as a vibrant and interesting place to live visit and invest.

In 2003, the Government of Nunavut adopted the Film, Television and New Media Development Policy, which outlined the establishment of the Nunavut Film Commission. In March 2008, the name of the Nunavut Film Commission was officially changed to the Nunavut Film Development Corporation (NFDC), whose purpose is “to work with organizations and individuals to realize the potential of the Nunavut film, television, and digital media industries.”

As the film commission and funding agent for Nunavut, the NFDC has taken responsibility for fostering and promoting the development and growth of Nunavut’s film, television and digital media industry. The NFDC’s objectives are to:



Grow and sustain the indigenous film, television and digital media industry by facilitating training opportunities through professional development, mentorship, co-productions and special projects;

Establish and maintain a funding program, including a Labour Rebate Program, that assists the industry in expanding its capacity to produce projects in Nunavut;

Foster the development of business partnerships between companies and individuals in key areas of the industry;

Provide production and location services, including information and support; and

NFDC is a non-profit development corporation governed by a Board of Directors whose expertise shape and direct the management of the organization.⁵

Since its inception, the NFDC has had a positive impact on the domestic production industry. Available funding from the Government of Nunavut has increased domestic production, adding jobs and contributing directly and indirectly to the Nunavut economy. Location shooting from producers in other Canadian provinces, the United States and abroad has also contributed substantial spin-off revenues to local economies throughout the territory. Finally, film, television and digital media production provide significant social benefits as a creative outlet for Nunavummiut and have been used not only to preserve and disseminate language and culture, but also for youth retention and as a means opening up community dialogue on serious social issues such as mental health and suicide.

However, although the economic and social benefits of production industry in Nunavut are apparent, they have never been comprehensively quantified, qualified and compared with similar jurisdictions. Economic and social impact data are necessary to inform and shape future policy and strategic decisions. As a result, the NFDC engaged Nordicity Group Ltd. to undertake an economic impact study of the film, television and digital media industries in Nunavut, leading to a document that becomes an effective tool for strategic planning, advocacy and industry promotion.

1.2 Scope and Mandate

The mandate of this project was to demonstrate the economic impact of the production industry on Nunavut through qualitative indicators, including:

Total production volume;

Total employment including direct and indirect FTE's;

Contribution to Nunavut's GDP including size and rate of growth in comparison to total GDP and other key sectors (Mining and arts and crafts);

Cost benefit analysis of industry's total economic impact and the value of the Government of Nunavut's assistance to determine net gain/cost; and

⁵ Source: www.nunavutfilm.ca

Summary of other social-economic industry benefits and their impact on the final Nunavut net gain/cost calculation. (Language retention, tourism, outfitting, engaging youth).

A competitive analysis was also to include:

National and international trends;

Circumpolar country comparisons – Greenland, Alaska and Iceland (including mention of Denmark, Finland, Norway)

Profile of the production industry in Nunavut including comparisons to Newfoundland- Labrador, NWT, Yukon;

Financing including, Nunavut incentives, investment from federal sources, broadcaster license fees and private funds;

Infrastructure;

Alternative revenues including digital media;

Level of capacity (experience level, infrastructure, access to capital, skills, digital media capabilities, ability to attract investment, export success and capability);

Average earnings and amount of income over time;

Skill levels for key industry jobs;

Demographic profile of film workers;

Key drivers and inhibitors; and

Key recommendations.

1.3 Approach and Methodology

As this study represents the first economic impact analysis and quantitative profile of the Nunavut production industry, there were a number of challenges in assembling data inputs. Standard reporting on consolidated production spending, employment and funding data for Nunavut's production industry was not readily available and thus data had to be gathered through a broad consultation (interviews and an online survey) with funding bodies, Nunavut producers, and other agencies. Consolidated location filming data was similarly unavailable as non-Nunavut producers do not have to register or apply for permits when filming in the territory. Location filming data was therefore assembled through consultations with outfitters and other publicly-available sources.

An online survey measuring opinions on the Nunavut production industry was distributed to producers, actors, crew personnel, directors, writers and outfitters in the territory, and those who had undertaken production activities in Nunavut. The survey sought insights on topics such as the critical success factors for Nunavut, the role of technology, skills and infrastructure, government incentives, and production financing. Approximately 23 stakeholders from Iqaluit, Rankin Inlet, Pangnirtung, Clyde River, Igloolik, as well as Toronto, Halifax, Winnipeg and Ottawa completed the supplementary online survey.



In addition to the data capture through the consultative processes with stakeholders indicated above, the study team was able to source and cross reference data from the NFDC as well as the Canadian Film and Television Production Association (CFTPA)'s annual industry profile, *Profile '09* (based on data capture and analysis by Nordicity).

Finally, the data captured for Nunavut was benchmarked against similar data for other circumpolar jurisdictions – in Canada and internationally. An analysis and comparison of the production industries in those jurisdictions was conducted using publicly-available sources and through consultation with the film commissions.

Through discussions with the NFDC and an initial scan of the Nunavut production industry at the outset of this study it was apparent that the social and cultural impacts of the Nunavut's production industry were as important, if not more so, than the straight economic impacts. As a result, additional consideration was devoted to gathering information on the social benefits of a prosperous production industry.

2. Economic Impact Analysis

2.1 Introduction

The following economic impact analysis estimates the contribution that the film, television and digital media production industry makes to Nunavut's economy in terms of jobs, wages and salaries (i.e., household income), and gross domestic product (GDP).

In Section 2.2, we begin by presenting statistics for the total spending on film, television and digital media production activity in Nunavut between 2005/06 and 2008/09. In Section 2.3, we use these production activity statistics to estimate the total economic impact that film, television and digital media production within Nunavut had on the territory's economy. We use Statistics Canada provincial input-output tables to generate estimates of the indirect economic impact.

In Section 2.4, we provide a cost-benefit analysis of the Nunavut government's financial support for the production industry, by comparing its average annual financial outlays for production-industry support to estimates of the incremental tax revenue generated by production activity in the territory.

2.2 Production Activity

Nunavut's production industry is best analyzed under the following two segments:

Nunavut production: the production of films, television programs and digital media content by persons or businesses resident in Nunavut. It also includes other activities related to the Nunavut production; and

Guest production: includes projects that were shot in part or in full within Nunavut, but developed by producers resident in other parts of Canada or outside of Canada.

2.2.1 Nunavut Production

For the purposes of this analysis, we have divided Nunavut production into three sub-segments or production activity:

Independent film, television and digital media production;

In-house television production; and

Other film and video production (commercial, government contracts or other productions ineligible for NFDC funding).

Throughout this section we present statistics for Nunavut-based production company spending and in-territory production expenditures:

Nunavut-based production company spending refers to the total dollar value of production budgets for films, television programs, and other film and video productions made by Nunavut

residents. As production this category includes the total production budget of audiovisual projects, it includes expenditures made both within and outside the territory.

In-territory production expenditures or production spend provides a more accurate indication of the economic impact of production within Nunavut. While total spending provides an indication of the total budgets of projects, it does not provide an accurate measurement of the portion of these budgets spent within the territory. In many cases a Nunavut producer will do his or her post-production work outside of Nunavut. As such, a portion of his or her production budget is spent outside of the territory.

Independent Film, Television and Digital Media Production

Independent film, television and digital media production (“independent production”) includes films, television programs and digital media content created by Nunavut producers who are independently owned and not affiliated by ownership with television broadcasters.

In 2008/09, the independent production spend by Nunavut producers was \$6.4 million. The total in-territory expenditures associated with this production was \$4.5 million. While 2005/06 and 2006/07 had a greater volume of independent production spending than 2008/09, these years both contained prominent domestic feature films, which had budgets over \$2 million each, and which greatly impacted total production spending and in-territory expenditures. In contrast, there were no feature films shot in Nunavut in 2007/08 and 2008/08. In 2002, for instance, the production of Igloolik Isuma’s first feature, *Atanarjuat*, led to expenditures of over \$1.5 million in Nunavut and employed 60 people.⁶

Nevertheless, the 2008/09 fiscal year likely had the greatest number of independent productions, as many smaller producers entered the industry. From interviews with producers, Nordicity estimates that there were an estimated 18 independent films in production in 2008/09 with an average budget of approximately \$315,000.

Figure 5: Independent Production (\$ 000s)⁷

	2005/06	2006/07	2007/08	2008/09	Four-year total	Average
Total spending on production	9,582	7,292	5,084	6,406	34,758	8,690
Total in-territory expenditures	5,794	3,657	3,478	4,539	17,468	4,367

Digital media activities generally accounted for approximately 12% of total independent production budgets, with an increase of about 10% over the last three years.

Nordicity’s estimates for independent production activity also include most of the production generated by the Inuit Broadcasting Channel (IBC). The IBC-NFB Nunavut Animation Lab, which received NFDC funding and produced four animated projects, was included under digital media in independent

⁶ Source: "Filmmaking Inuit-Style". Isuma Distribution International Inc. http://www.atanarjuat.com/production_diary/index.html.

⁷ Source: Nordicity estimates based on data from NFDC and Survey of Nunavut Film and Television Production Sector.

production. The activities of ICSL, the IBC's for-profit arm, are included below in the category, other film and video production.

The IBC has produced five Inuktitut-language series each year for the past several years. On an annual basis, the IBC's production slate includes: a children's series (20 episodes), a youth series (13 episodes), a cultural series (26 episodes), a cooking show (13 episodes), and a live phone-in program (13 episodes). In 2008, the IBC produced approximately 315 hours of television programming; however, the total number of programming hours has been declining over the past decade (the average amount of program hours per year from 2000 to 2005 was 593.7 hours).

In-House Television Production

In addition to independent production activity, there was a notable amount of in-house television production in Nunavut since 2005/06. In-house television production refers to television programs produced in television broadcasters' studios. It includes television series, current events or public affairs programming, and talk shows. In-house television production is not eligible for NFDC funding.

Most of Nunavut's in-house television production can be attributed to CBC North and the APTN. Nordicity used salary-range data of the two APTN employees who contribute to APTN news programming, and the CBC employees working on two CBC North news productions to develop an estimate of the total spending on in-house television production in Nunavut. Nordicity believes that this approach yields a very conservative estimate as it is based on CBC and APTN activity alone.

Between 2005/06 and 2008/09, in-house television production in Nunavut totalled \$1.9 million and averaged \$478,000 per year. Note that national broadcasters, such as CBC and CTV, have recently shot segments of television programs and series in Nunavut, however, these expenditures are captured as guest production.

Figure 6: In-house Television Production (\$ 000s)⁸

	2005/06	2006/07	2007/08	2008/09	Four-year total	Average
Total volume of production / Nunavut expenditures	470	470	470	500	1,910	478

Other Film and Video Production

In addition to independent and in-house television production in Nunavut, Nordicity's research indicates that there was at least another \$800,000 in expenditures in 2008/09 on other types of film and video production, namely contract video production, television commercials and advertising, as well as industrial, corporate, educational and/or government video projects. Between 2005/06 and 2008/09, other film and video production totalled \$2.5 million and averaged \$644,000 per year.

⁸ Source: Nordicity estimates based on data from NFDC and Survey of Nunavut Film and Television Production Sector.

Figure 7: Other Film and Video Production (\$ 000s)⁹

	2005/06	2006/07	2007/08	2008/09	Four-year total	Average
Total volume of production / Nunavut expenditures	n/a	752	1,012	810	2,574	644

Total Nunavut-based Production Company Spending

Across the three sub-segments of the Nunavut production industry, Nunavut producers completed 51 projects in 2008/09; these 51 projects generated total production spending of \$7.7 million. The total spend was up by 18% in 2008/09 compared to 2007/08, largely because of a \$1.3 million increase in independent production. However, the 2008/09 production spend was 24% lower than the four-year peak of \$10.1 million recorded in 2005/06 – the last year in which a Nunavut-produced feature film was filmed. Between 2005/06 and 2008/09, the total production spend was \$39.2 million; the annual average was \$9.8 million.

Figure 8: Total Nunavut-based Production Company Spending (\$ 000 unless otherwise specified)¹⁰

	2005/06	2006/07	2007/08	2008/09	Four-year total	Average
Independent production	9,582	7,292	5,084	6,406	34,758	8,690
In-house television expenditures	470	470	470	500	1,910	478
Other film and video production	n/a	752	1,012	810	2,574	644
Total Nunavut production	10,052	8,514	6,566	7,716	39,242	9,811
Total number of projects	n/a	38	49	51	138	35

Other Production Industry Activities

Outside of production-specific activities, a substantial amount of money is also spent in Nunavut on the development of new projects,¹¹ the marketing of past productions,¹² professional development programs,¹³ and industry development and training programs.¹⁴ Total budgets for these activities were only available for 2008/09 and 2007/08 and only for initiatives or projects that also received NFDC funds. As such, Nordicity considers the amounts for 2007/08 and 2008/09 to be conservative. Our research

⁹ Source: Nordicity estimates based on data from NFDC and Survey of Nunavut Film and Television Production Sector. n/a – not available.

¹⁰ Source: Nordicity estimates based on data from NFDC and Survey of Nunavut Film and Television Production Sector.

¹¹ The development of treatments of first drafts for film and television projects.

¹² Generally travel grants to qualifying filmmakers to attend festivals and film related events to which they have been invited; to support a premiere screening of a Nunavut Production; for advertising costs related to the premiere screening or broadcast of a Nunavut Production; or, for publication of promotional material for a Nunavut Production.

¹³ Advanced training opportunities and programs for film workers.

¹⁴ Adjustments were made to account for dollars spent outside the Territory (i.e. on trade missions abroad, attendance at film festivals, etc.)

indicates that local production workshops are increasing in availability and frequency in Nunavut; in 2008/09 a total of 136 participants participated in 6 workshops taught by 22 facilitators.¹⁵

Figure 9: Other Production Activities (\$ 000)¹⁶

	2005/06	2006/07	2007/08	2008/09	Four-year total	Average
Expenditures on other production activities	190	175	537	787	1,689	422

Capital Expenditures

Film, television and digital media production in Nunavut also stimulates a significant amount of capital expenditures in the territory between 2005/06 and 2008/09. Nunavut production companies collectively own eight offices in the territory and rent four more. Nunavut production companies also purchase equipment; however, our research indicates Nunavut production companies are increasingly purchasing equipment from suppliers outside the territory.

The capital expenditures related to the Nunavut production industry's office spaces and purchases of equipment totalled \$249,000 in 2008/09. Over the four-year period, capital expenditures were an estimated \$1.5 million, an annual average of \$375,000.

Figure 10: Capital Expenditures (\$ 000s)¹⁷

	2005/06	2006/07	2007/08	2008/09	Four-year total	Average
Capital expenditures	n/a	380	213	249	1,500	375

In-territory Expenditures

The following figure presents a tabulation of the total expenditures on film, television and digital media production in Nunavut. To calculate total expenditures in the Nunavut's film, television and digital media production industry, Nordicity has included the expenditures associated production activity – i.e., film, television and digital media production – as well as expenditures on other industry activities and capital expenditures made in Nunavut's production industry.

In 2008/09, total expenditures in the Nunavut production industry were equal to \$6.6 million. This total amount included \$6.4 million in current expenditures and \$249,000 in capital expenditures. The current expenditures consisted of \$5.6 million in production expenditures across the three production segments: (i) independent film, television and digital media production, (ii) in-house television production, and (iii)

¹⁵ Note their may be duplications of persons if they attended and/or taught more than one workshop.

¹⁶ Source: Nordicity estimates and calculations based on data from NFDC and Survey of Nunavut Film and Television Production Sector.

¹⁷ Source: Nordicity estimates based on data from NFDC and Survey of Nunavut Film and Television Production Sector. n/a – not available

other film or video production. The current expenditures also included \$787,000 in expenditures on other industry activities such as marketing of past productions, professional development, and industry-development and training programs.

Figure 11: Total Expenditures (\$ 000s)¹⁸

	2005/06	2006/07	2007/08	2008/09	Four-year total	Average
Production expenditures	6,264	4,670	4,787	5,619	21,340	5,335
Other production industry activities	190	175	537	787	1,689	422
Total current production expenditures	6,454	4,845	5,324	6,406	23,029	5,757
Capital expenditures	n/a	380	213	249	842	211
Total expenditures	6,454	5,225	5,537	6,655	23,871	5,968

Over the four-year period, expenditures in Nunavut's production industry totalled \$23.9 million; the annual average level of expenditures was \$6.0 million.

Total Nunavut expenditures and Nunavut labour expenditures associated with the territory's production spending are detailed in the figure below. From these figures, it is clear that Nunavut's production companies are increasingly spending a larger percentage of their total budgets within Nunavut, including a greater proportion on Nunavut labour. Nunavut expenditures as a percentage of total production were 64% in 2005/06 and 57% in 2006/07; in 2007/08, the percentage shares were 81% and 83%, respectively.

Nunavut labour expenditures, on the other hand remained at approximately 50% of Nunavut expenditures throughout the four-year period.

Figure 12: Total Spending and In-Territory Expenditures (\$ 000 unless otherwise specified)¹⁹

	2005/06	2006/07	2007/08	2008/09	Four-year total	Average
Production spending	10,052	8,514	6,566	7,716	39,242	9,811
In Territory current expenditures	6,454	4,845	5,324	6,406	23,029	5,757
Percentage share	64%	57%	81%	83%	59%	59%
Nunavut production labour expenditures	3,518	2,388	2,435	2,792	11,133	2,783
Percentage share of spending	35%	28%	37%	36%	28%	28%
Percentage share of in-territory expenditures	55%	49%	46%	44%	48%	48%

¹⁸ Source: Nordicity estimates based on data from NFDC and Survey of Nunavut Film and Television Production Sector. n/a – not available.

¹⁹ Source: Nordicity estimates based on data from NFDC and Survey of Nunavut Film and Television Production Sector.

2.2.2 Guest Production

Guest production includes projects that were shot in part or in full within Nunavut, but were developed by producers resident outside of the territory – in other Canadian provinces or countries.

Unlike some other circumpolar destinations, Nunavut provides no incentives for guest productions. The Yukon offers a rebate of 25% of the total costs incurred within the territory; Iceland offers a rebate of 20%. An established Alberta-based location scout noted that Nunavut is among the most beautiful of Canadian northern locations, but its popularity as a commercial and feature film destination is limited by high travel and other costs. Nevertheless, the Territory’s natural beauty and rich culture continues to attract crews and guest production is increasingly generating significant economic impact.

Since there is no permit system in Nunavut, there is no organized tracking of non-Nunavut, Canadian and foreign location shooting, let alone accounting of their local hiring and spending practices. To arrive at an estimate of the minimum annual number of guest productions within Nunavut, Nordicity interviewed a selection of outfitters. These interviews provided information that revealed a minimum number of guest productions (incl. television, documentary, commercial and feature film productions) that were entirely or partially shot in Nunavut. The numbers found in the figure below are thus a conservative picture of the actual level of guest production in Nunavut.

Figure 13: Number of Foreign and Canadian Guest Productions in Nunavut²⁰

	2005/06	2006/07	2007/08	2008/09	Four-year total	Avg.
Canadian (non-Nunavut) productions	n/a	8	10	11	29	10
Foreign productions	n/a	12	8	9	29	10
Total	n/a	20	18	20	58	19

The production shoots reflect in the table included an even mix of feature film, television and documentary projects, with a much smaller share accounted for by commercial and digital media production. In 2008/09, there were at least three feature films, which significantly increased the territory’s expenditures from guest productions.

Given the relatively small number of outfitters from which Nordicity was able to capture financial information, guest production expenditures could not be revealed for confidentiality reasons. Generally guest productions make expenditures on accommodation, travel, airfare and employing local non-production related crew (fixers, drivers, organizers, craft services, researcher, guide, outfitters, translators, etc.).

There is some consensus that little to no Nunavut below-the-line film and television crews are involved in these productions, especially the international ones, which rarely hire any Canadian crew at all. This is due in part to the fact that guest productions perceive that any Nunavut-based film and television workers (especially those in the smaller communities) are unavailable and/or are insufficiently skilled for large productions. Further, larger productions desire crews that cohesively and effectively work together and they tend to not find it advantageous to spend the extra time in training and employing local film and

²⁰ Source: Nordicity estimates based on data from NFDC and Survey of Nunavut Film and Television Production Sector.

television workers. The larger the production, the cheaper it becomes to transport each person and the majority of guest productions fly up their entire crew. Nevertheless, there is significant direct economic impact and employment generated from guest production.

The handful of outfitters surveyed by Nordicity reported that guest productions hire mainly local guides and generally buy the majority of required groceries locally (supporting the local Co-op store). In some cases, all revenues from outfitting production crews, with the exclusion of airfare and equipment costs, stay within the community in the form of labour, local food and local purchases, hotel costs in town, rental costs in town, camp help and kitchen help. Generally, a guest crew of roughly 20 people requires 10 local hires for on-the-land work and another five as organizational/ community co-coordinators. The ratio of guest crew to local hire would thus be 4:3. The two case studies below serve to illustrate the significant economic value and employment of local Inuit generated by a feature film project and a smaller documentary project.

Guest documentary and feature film productions can also have significant downstream economic impact in terms of the increasing international exposure of the territory and attracting new tourists to the area. For instance, tourism in Alaska has directly increased as a result of the film industry. Sean Penn's *Into the Wild* was reported to have boosted tourism in Alaska more than 100%.²¹

In addition to the 57 guest feature film, documentary, and/or television productions that were shot in Nunavut over the last three years, the table below lists 16 guest productions that were filmed at least partially in Nunavut since 2003 and have already been released.²²

Figure 14: List of Recently Released Guest Productions

Year of release/ distribution	Title	Type	Company/Country
2010	Behind the Scenes at Kinngait Studios	Documentary	Site Media Inc./ Canada
2008	Passage – A John Walker Film	Documentary	NFB/PTV Productions/Canada
2008	Inuujutiksaq/ The Necessities of Life	Feature	International
2008	Kiyoukta	Documentary Short	France/Canada
2008	The Little Red Truck	Documentary	Tree & Sky Media Arts/US
2007	Annie Pootoogook	Documentary	Site Media Inc./Canada
2007	Invisible	Documentary	Wonderdog Productions/UK
2007	Abandoned in the Arctic	Documentary	Boston Science Communications/US
2005	Is it Real: Life on Mars	Documentary	National Geographic/US
2005	Serious Arctic	Documentary	BBC/UK
2005	Tales from the Arctic Circle	TV Series	Wonderdog Productions/UK
2005	Silent Messengers	Documentary	Picture Plant/Canada

²¹ Source: "Why Golden needs the film industry", denver.yourhub.com. <http://denver.yourhub.com/Golden/Stories/Business/Story~568905.aspx>

²² Source: imdb.com

Year of release/ distribution	Title	Type	Company/Country
2004	Diet of Souls	Documentary	Triad Film Productions Ltd./Canada
2004	Make the Move Live the Movie	TV	
2004	DR-Explorer: Klimavidner i arktisk Canada	Documentary	Denmark
2003	The Snow Walker	Feature Film	Astral Media/Canada

Case Studies

As mentioned above, guest production activity has a broad impact on multiple Nunavut sectors, including accommodation, travel, outfitting, to name a few. Two case studies provided by a Nunavut outfitter illustrate exactly how guest production budgets are invested into local economies.

Case 1: Actual Economic Benefit to Nunavut from a Single Guest Feature Film Production (2 months)²³

The figure below illustrates the amounts spent on a single feature film with a total Nunavut budget of \$736,013. This production shoot in one main location and had scouting in another two locations over a two month period in 2007/08. As the figure shows, flights represent the top investment, followed by local purchases and employment.

Figure 15: Total Spend in Nunavut by a Single Feature Film Guest Production

Category	Spend	% Total Spend
Accommodations Total	\$ 25,832	3.51%
Camp Help	\$ 4,400	
Community Help	\$ 3,345	
Guides	\$ 45,966	
Guides Elders	\$ 78,578	
Outfitters	\$ 24,455	
Employment Total	\$ 156,744	21.30%
Flights Charters	\$ 155,945	
Flights Scheduled	\$142,010	
Flights Total	\$ 297,955	40.48%
Local Purchases Total	\$ 249,596	33.91%
Shipping Total	\$ 5,885	0.80%
Total Spend	\$ 736,013	100.00%

It should be noted that there was considerable employment of elder guides in the production of this feature film. In many communities, it is challenging for elders to find viable and sustainable sources of income.

²³ Source: Nordicity Research.

Case 2: Typical Economic Benefit to Nunavut from a Guest Documentary Production (2 weeks)²⁴

The second case study illustrates the revenues that would typically be generated from a documentary crew of 10 that is filming in Nunavut over a two-week period. Two external staff and five local staff are generally required to support a 14-day expedition film shoot. The figure below further illustrates the average rates for various services used by production companies and which type of company is likely to provide these services.

Figure 16: Example Economic Impact from Single Documentary Shoot

Service	Company/Supplier	Rate	Total Expenditure
Airfare	Inuit Air	\$2,300/person	\$27,600
Excess Baggage	Inuit Air	\$300/person	\$3,600
Food-mail/Arctic Venture	Inuit Air	\$20/person/day	\$4,760
Taxi/In Town Transport	Local Operator	\$80/person	\$960
Truck Rental	Local Operator	\$125/day	\$750
Wood & Supplies	Local Operator	\$50/person	\$500
Local Lodging	Local Community	\$200/person	\$4,800
Lead Guide	Local Community	\$300/day	\$4,200
Guide	Local Community	\$200/day	\$8,400
Camp Helper	Local Community	\$100/day	\$1,400
Fuel & Oil	Local Co-op	\$45/snowmobile/day	\$3,150
Groceries	Local Community	\$50/day	\$700
Snowmobile/Qamutiq Rental	Local Community	\$100/day	\$1,400
Local Art/Souvenir Purchases	Local Community	\$200	\$2,000
Expedition Leader	External	\$300/day	\$4,200
Expedition Manager	External	\$200/day	\$2,800
Total Costs			\$71,220
Total In-community Spend			\$64,220

Total Expenditures

Based on interviews and data collected from Nunavut businesses that supply services to guest productions in the territory, Nordicity prepared annual estimates of the expenditures within Nunavut associated with guest production.

Nordicity estimates that guest productions made expenditures totalling \$6.3 million in the territory in 2008/09. Over the four-year period, guest-production expenditures in the territory totalled \$18.1 million, an averaged \$4.5 million per annum.

Of the total amount, approximately 20% went to the wages and salaries of guides working on guest production shoots. The remaining 80% of expenditures was spent on the purchase of good and services, particularly air travel to and within Nunavut. As such, out of the total expenditures over the four-year

²⁴ Source: Nordicity Research.

period, \$3.6 million can be attributed to the salaries and wages of Nunavut residents employed on guest production shoots.

Figure 17: Guest Productions Expenditures in Nunavut (\$ 000s)²⁵

	2005/06	2006/07	2007/08	2008/09	Four-year total	Avg.
Nunavut expenditures	3,600	3,100	5,100	6,300	18,100	4,525
Nunavut labour expenditures	720	624	1,027	1,259	3,630	908

2.3 Economic Impact of Nunavut Production Industry

In the following section, we provide an analysis of the economic impact of film, television, and digital media production on the Nunavut economy. We quantify the **direct economic impact**, which includes employment directly in the production industry, the employment of Nunavummiut on Nunavut and guest productions.

The economic impact of the production industry also has a considerable spin-off impact on the economy, as Nunavummiut film workers and local guides and outfitters employed on guest productions spend their earnings in the local economy. We also estimate this **spin-off economic impact**.

This spin-off impact can be separated into indirect and induced impacts. **Indirect impact** is defined as the value of output that is created by the suppliers of non-labour inputs to film and television production activity in Nunavut. We use Statistics Canada provincial input-output tables to generate estimates of the indirect economic impact. The **induced impact** refers to the economic impact generated by the Nunavut residents' re-spending within the Nunavut economy of income earned at direct- and indirect-impact stages. We use multipliers from the Conference Board of Canada to estimate the induced economic impact.

2.3.1 Direct Economic Impact

Increase in Nunavut Output

The following figure summarizes the increase in output in the Nunavut economy resulting from film, television, and digital media production in Nunavut. This increase in output corresponds with the production expenditures within the territory generated by Nunavut and guest production.

In 2008/09, there were \$6.7 million of expenditures on Nunavut production, including expenditures on production activity, other production industry activities, and capital expenditures. Guest production injected an additional \$6.3 million into the Nunavut economy in 2008/09. In total, film, television, and digital media production in the territory led to a \$13.0 million increase in output in the Nunavut economy in 2008/09.

²⁵ Source: Nordicity estimates based on data from Survey of Nunavut Film and Television Production Sector.

For the purpose of the economic impact analysis, we elected to use the average level of expenditures over the four-year period, in order to mitigate the effect of year-to-year fluctuations in production activity. Between 2005/06 and 2008/09, the production industry generated average annual output (total expenditures) of \$10.5 million in the Nunavut economy.

Figure 18: Increase in Nunavut Output (\$000s)²⁶

	2005/06	2006/07	2007/08	2008/09	Four-year total	Average
Nunavut production	6,454	5,225	5,537	6,655	23,871	5,968
Guest production	3,600	3,100	5,100	6,300	18,100	4,525
Total	10,054	8,325	10,637	12,955	41,971	10,493

To estimate the direct economic impact of the increase in the territory's output, we divided total production into four industry-activity categories (independent production, other production activities, capital expenditures, and guest production), and three production-expenditure categories (Nunavut labour, mixed income and operating surplus, and purchases of Nunavut goods and services). For each industry-activity category, we developed assumptions for the allocation of total Nunavut expenditures.

For independent production, we derived estimates of production industry wages and salaries based on a detailed analysis of Nunavut spend. From this analysis, we found that spending on Nunavut labour – i.e. wages and salaries – accounted for 52% of independent production expenditures. We assumed that the mixed income and operating surplus at production companies in Nunavut was equal to 19% of the total increase in output. This assumption was based on the data in the Statistics Canada input-output tables, which indicated that mixed income and operating surplus accounted for 19% of output in the Information and Cultural Industries. We believe this assumption is reasonable because it is approximately equal to the portion of Canadian film and television production budgets allocated to producer fees (10%) and producer overhead (10%). We assumed that the production industry devoted the balance of output to the purchase of goods and services within Nunavut.

Figure 19: Allocation Model for Production-Industry Expenditures²⁷

	Independent production	Other production activities	Capital expenditures	Guest production
Nunavut labour	52%	0%	0%	20%
Mixed income and operating surplus	19%	0%	0%	0%
Purchases of Nunavut goods and services	29%	100%	100%	80%
Total	100%	100%	100%	100%

²⁶ Source: Nordicity estimates based on data from Survey of Nunavut Film and Television Production Sector.

²⁷ Source: Nordicity estimates based on data from Survey of Nunavut Film and Television Production Sector, and Statistics Canada. Based on four year average.

In the category, other production activities, we assigned 100% of expenditures to the purchase of Nunavut goods and services, in particular the purchase of educational services. In the capital expenditures category, we also assigned 100% of expenditures to the purchase of Nunavut goods and services, specifically the purchase of construction services.

Our research indicates that guest productions devote approximately 20% of their expenditures to salaries and wages paid to Nunavut residents employed on shoots. We assumed that the balance of output was accounted for guest productions' spending on the purchase of goods and services from Nunavut business.

On the basis of this expenditure allocation model, we calculated the direct economic impact of production in Nunavut. To estimate the GDP impact of film, television and digital media production, we summed the wages and salaries earned by Nunavut residents, and the mixed income and other operating surplus earned by Nunavut businesses.

Based on this approach, production activity in Nunavut generated average annual direct GDP of \$4.7 million for the territory between 2005/06 and 2008/09. Of this total amount, \$3.7 million can be attributed to wages and salaries paid to Nunavut residents, and \$1.0 million can be attributed to mixed income and operating surplus.

To estimate the total direct employment generated by film, television, and digital media production in Nunavut, we divided total wages and salaries by the Nunavut's average economy-wide FTE wage. We derived the average FTE wage (\$42,701) on the basis of Statistics Canada data for average wages in the Nunavut economy. Production activity in Nunavut led to the creation of an estimated 86 FTEs in the film, television and digital media production industry in the territory. This figure is an annual average.

Figure 20: Direct Economic Impact²⁸

Direct Economic Impact	
Output (\$ 000s)	
Total output	10,493
GDP (\$ 000s)	
Wages and supplementary labour income	3,679
Mixed income and operating surplus	1,019
Total GDP	4,698
Employment	
Average FTE cost (\$)	42,701
Total FTEs*	86

2.3.2 Indirect Economic Impact

To estimate the indirect economic impact of film, television and digital media production, we tabulated the total amount of expenditures on Nunavut goods and services that resulted from production activity

²⁸ Source: Nordicity estimates based on data from Survey of Nunavut Film and Television Production Sector, and Statistics Canada. *Equal to total wages and supplementary income divided by average FTE cost.

and developed an allocation model to distribute these expenditures across various industry groupings corresponding with the structure of Statistics Canada’s input-output tables. The allocation model is depicted in the figure below.

Our research indicates that the vast majority of indirect expenditures arising from independent production are devoted to air travel (transportation and warehousing), including scheduled inbound air travel and charter air travel within Nunavut. Other large categories of expenditures associated with independent production include other services, purchases of props and other production materials (wholesale trade), and telecom services (information and cultural). The purchase of these products generates employment for Nunavut residents and operating surplus for Nunavut business owners. But it also causes the retailers and wholesalers of the locally purchased products to purchase goods and other inputs, including imports from outside of Nunavut.

Figure 21: Allocation Model for Indirect Expenditures²⁹

	Independent production	Other production activities	Capital expenditures	Guest production
Construction	0%	0%	75%	0%
Wholesale trade	15%	0%	25%	0%
Retail trade	5%	0%	0%	28%
Transportation and warehousing (incl. air transport)	35%	0%	0%	60%
Information and cultural	10%	0%	0%	0%
Financial, insurance, real estate, rental and leasing	2%	0%	0%	2%
Administrative support	5%	20%	0%	0%
Educational services	0%	80%	0%	0%
Health care and social services (i.e., community support)	0%	0%	0%	4%
Accommodation and food services	3%	0%	0%	7%
Other services	20%	0%	0%	0%
Operating, Office, Cafeteria and Laboratory Supplies	2%	0%	0%	0%
Travel, Entertainment, Advertising and Promotion	3%	0%	0%	0%
Total	100%	100%	100%	100%

Because other production activities are largely comprised of training and professional development, we allocated 80% of expenditures to educational services and 20% to administrative support. We allocated 75% of capital expenditures to construction. We allocated the remaining 25% to the wholesale trade industry, to account for purchases of equipment.

²⁹ Source: Nordicity estimates based on data from Survey of Nunavut Film and Television Production Sector, and Statistics Canada.

Our research indicates that the vast majority of indirect expenditures arising from guest production are devoted to scheduled inbound air travel as well as charter air travel within Nunavut. Other large categories of expenditures associated with guest production include local purchases such as food, fuel, equipment and vehicle rentals, and other supplies. The purchase of these products generates employment for Nunavut residents and operating surplus for Nunavut business owners. But it also causes the retailers and wholesalers of the locally purchased products to purchase goods and other inputs, including imports from outside of Nunavut.

In total the indirect impact of production activity in Nunavut generated \$3.6 million in additional GDP on annual basis between 2005/06 and 2008/09, including an estimated \$2.5 million in indirect wages and salaries, and an estimated \$1.2 million in mixed income and other operating surplus for Nunavut businesses. The indirect wages and salaries led to the creation of 58 FTEs within the Nunavut economy, on an annual basis.

Figure 22: Indirect Economic Impact³⁰

Indirect Economic Impact	
Output (\$ 000s)	
Total output	8,488
GDP (\$ 000s)	
Wages and supplementary labour income	2,476
Mixed income and operating surplus	1,180
Total GDP	3,656
Employment	
Average FTE cost (\$)	42,701
Total FTEs*	58

2.3.3 Induced Economic Impact

The induced economic impact refers to the impact arising from Nunavut residents' re-spending of wages and salaries earned from the direct and indirect impacts of production activity in the territory. On the basis of statistics published by the Conference Board of Canada in *Valuing Culture: Measuring and Understanding Canada's Creative Economy*, Nordicity estimated the production industry's induced economic impact as equal to 17% of the combination of the direct and indirect economic impact. In other words, to calculate the induced economic impact, Nordicity applied a multiplier of 0.17 to the estimates of the GDP and FTEs generated from the direct and indirect economic impacts. In effect, we assumed that for every dollar of direct or indirect GDP generated by production activity an additional 17 cents of induced-impact GDP was also generated. We also used a multiplier of 0.17 to estimate the number of induced-impact FTEs generated by production activity in Nunavut.

³⁰ Source: Nordicity estimates based on data from Survey of Nunavut Film and Television Production Sector, and Statistics Canada. * Equal to total wages and supplementary income divided by average FTE cost.

Based on this approach, Nordicity estimates that the induced-impact GDP generated by production was equal to \$1.4 million on annual basis between 2005/06 and 2008/09. The induced economic yielded created an additional 25 FTEs in the Nunavut economy, on an annual basis, between 2005/06 and 2008/09.

Figure 23: Induced Economic Impact³¹

	Direct + Indirect Economic Impact (\$ 000s)	Induced Economic Impact** (\$ 000s)
GDP		
Wages and supplementary labour income	6,156	1,057
Mixed income and operating surplus	2,198	380
Total GDP	8,354	1,436
Employment		
Average FTE cost (\$)	42,701	42,701
Total FTEs*	144	25

2.3.4 Summary of Economic Impact

In total, production activity in Nunavut generated total annualized GDP of \$9.8 million in the Nunavut economy between 2005/06 and 2008/09. This total GDP included \$4.7 million in direct GDP and \$5.1 million in spin-off GDP (indirect GDP + Induced GDP). Production activity in Nunavut supported the creation of a total of 169 FTEs on an annualized basis; this total included 86 direct FTEs and 83 spin-off FTEs.

Figure 24: Total Economic Impact³²

	Direct economic impact	Spin-off economic Impact**	Total economic impact
GDP (\$ 000s)			
Wages and supplementary labour income	3,679	3,523	7,202
Other GDP components	1,019	1,553	2,572
Total GDP	4,698	5,076	9,774
Employment			
Average FTE cost (\$)	42,701	42,701	42,701

³¹ Source: Nordicity estimates based on data from Survey of Nunavut Film and Television Production Sector, Statistics Canada, and Conference Board of Canada.

* Equal to total wages and supplementary income divided by average FTE cost.

** Equal to 0.17 x (direct + indirect economic impact).

³² Source: Nordicity estimates based on data from Survey of Nunavut Film and Television Production Sector, Statistics Canada, and Conference Board of Canada.

* Equal to total wages and supplementary income divided by average FTE cost.

** Equal to the sum of the indirect and induced economic impacts.

	Direct economic impact	Spin-off economic Impact**	Total economic impact
Total FTEs*	86	83	169
Educational services	0%	80%	0%
Health care and social services (i.e., community support)	0%	0%	0%
Accommodation and food services	3%	0%	0%
Other services	20%	0%	0%
Operating, Office, Cafeteria and Laboratory Supplies	2%	0%	0%
Travel, Entertainment, Advertising and Promotion	3%	0%	0%
Total	100%	100%	100%

Comparison of GDP Contribution to Priority Investment Sectors

While the production industry generated \$9.8 million in incremental GDP, on an annual average basis, for Nunavut, it is still small in comparison to the overall Nunavut economy. The GDP generated by production activity accounted for 0.75% of the territory's annual average GDP between 2005/06 and 2008/09. Indeed, with annual expenditures of \$10.5 million, the production industry is small in comparison to the mining industry, where expenditures totalled \$200 million in 2006.³³

Despite the production industry's small overall share of territory's economy, when compared to other priority investment sectors in Nunavut, it is quite strong and shows considerable promise for the future. Annual sales in arts & crafts sector are estimated to be in excess of \$30 million, and this projected to increase to \$50 million by the year 2013.³⁴ When one considers that there are roughly 4,000 individuals who depend on arts and crafts revenue for their primary source of income, the impact of film and television activity in terms of spending per full time equivalent is considerable.³⁵

Figure 25: Production Industry's Share of Total Nunavut GDP³⁶

	2005/06	2006/07	2007/08	2008/09	Average
GDP at Market Prices (\$ millions)	1,137	1,224	1,386	1,497	1,311
Production Activity Contribution to GDP (\$ millions)	--	--	--	--	9.8
Production Activity as a Percent of Total GDP	--	--	--	--	0.75%

The production industry carries additional benefits over other sectors, particularly mining, in that it provides a great cultural benefit to the territory and leaves virtually no environmental footprint.

³³ <http://www.edt.gov.nu.ca/lookupnunavut/mining.htm>

³⁴ <http://www.edt.gov.nu.ca/lookupnunavut/artsandcrafts.htm>

³⁵ Film and television production generates much higher revenue on a per FTE basis than arts and crafts.

³⁶ Source: Nordicity estimates based on data from Survey of Nunavut Film and Television Production Sector, Statistics Canada, and Conference Board of Canada.

2.4 Cost-Benefit Analysis

Here we provide a cost-benefit analysis of the value of the Government of Nunavut's assistance to the industry against the industry's total economic impact. We compare the government's total outlays to the production industry to estimates of incremental tax revenues from personal income taxes, corporation income taxes, and consumption taxes.

To estimate the incremental tax revenues generated by production activity, we first developed effective average taxation rates by comparing Nunavut's tax revenues for 2008, to provincial wages and salaries, and GDP. The calculation for these effective average taxation rates are found in the figure below. According to statistics published by Statistics Canada, the Government of Nunavut collected a total of \$29 million in income taxes in 2008. This amount was equal to 3.3% of the \$871 million in salaries and wages earned in the Nunavut economy in 2008. Nunavut's consumption taxes totalled \$18 million in 2008, or 2.1% of total wages and salaries in the Nunavut economy. Corporate income taxes in 2008 totalled \$7 million, or 0.4% of GDP.³⁷

Figure 26: Effective Average Taxation Rates (Based on Taxation and Income Data for 2008)³⁸

	Personal income tax	Consumption taxes	Corporate income tax
Nunavut revenue (\$ millions)	29	18	7
Wages and salaries (\$ millions)	871	871	--
Percentage	3.3%	2.1%	--
Provincial GDP (\$ millions)	1,497	1,497	1,497
Percentage	2.1%	1.2%	0.4%

To estimate the incremental tax revenues for the Government of Nunavut, we multiplied the effective average personal income tax and consumption tax rates by the total increase in wages and salaries in the Nunavut economy that resulted from production activity. We also multiplied the effective average corporate income tax rate (as a percentage of GDP) by the total GDP impact of production activity to arrive at an estimate of incremental corporate taxes. The results of these calculations are detailed in the following figure.

To calculate the net cost or benefit of production activity to the Government of Nunavut, we compare the total amount of annual Nunavut government financial outlays³⁹ made to the production industry to our estimates of incremental taxes collected by the Government of Nunavut. In 2008/09, the Government of Nunavut made a total of \$1,144,989 in financial outlays to the production industry. Between 2005/06 and

³⁷ We note that the effective average taxation rates for Nunavut are well below those for Canadian provinces. For example, a recent analysis of taxation data for Ontario indicated the personal income taxes were equal to 10.4% of wages and salaries; consumption taxes were equal to 4.1% of total wages and salaries; and corporate income taxes were equal to 1.6% of GDP.

³⁸ Source: Nordicity calculations based on data from Statistics Canada CANSIM matrices 384-0001, 384-0002, and 385-0002.

³⁹ Labour rebate (approximately \$300,000); Development loans (approximately \$50,000); Marketing assistance (approximately \$20,000); Professional development (approximately \$45,000); and Industry development and training (approximately \$65,000).

2008/09, the Government of Nunavut's average annual outlays to the production industry were \$1,002,698. On an average annual basis, production activity within the territory in that time yielded an estimated \$398,200 in incremental tax revenues for the Government of Nunavut, including \$237,300 in personal income taxes, \$117,300 in consumption taxes, and \$39,100 in corporate income taxes. A narrow comparison of government outlays and the tax revenues generated by production activity suggest that support for the production industry led to an annual average deficit of \$611,598.

Figure 27: Cost-Benefit Analysis (\$)⁴⁰

	2005/06	2006/07	2007/08	2008/09	Average
Total NFDC Funding Outlay	406,789	475,000	488,329	406,789	444,227
Total CLEY Funding Outlay	340,000	400,000	455,668	638,200	458,467
Other Government Funding (estimate)	100,000	100,000	100,000	100,000	100,000
Total GN outlay (estimate)	846,789	975,000	1,043,997	1,144,989	1,002,698
Personal income tax	--	--	--	--	237,700
Consumption tax	--	--	--	--	117,300
Corporate income tax	--	--	--	--	39,100
Total GN Revenue	--	--	--	--	391,100
Net Benefit (Cost)	--	--	--	--	(611,598)

Generally, in a best case scenario a government may recoup its investment in its production sector through taxes, but almost never accrues a profit. One significant reason why the cost-benefit ratio of some other provincial governments' investments in production can near 1:1 is their significantly higher effective tax rate. For instance, the effective tax rates for Nunavut used in the cost-benefit analysis were: 3.3% of wages and salaries for the personal income tax level; 1.2% of GDP for consumption tax; and 0.4% of GDP for corporate income tax. Comparatively, effective average taxation rates for Ontario would be: 8.9% of wages and salaries for the personal income tax level; 4.2% of GDP for consumption tax; and 1.9% of GDP for corporate income tax.⁴¹ Each of the effective tax rates for Ontario is at least two and a half times higher than the corresponding tax rate for Nunavut.

While the GN's investment in the production sector results in a negative return in terms of tax revenue, when coupled with its cultural and social benefits (discussed later) the investment are overwhelmingly positive. Also, it should be noted that the approximately \$1.1 million investment by the GN into the production industry indirectly results in more than \$6.5 million in spending in the territory by Nunavut-based producers.

Although it is difficult to accurately forecast increases in total production spending and in-territory spending that could be related to increased investment by the GN, production spending would be likely to increase at a much greater factor than government outlay. As an example, between 2001 and 2007 the government of Newfoundland and Labrador invested \$16.8 million in the provincial production sector, which generated \$93.1 million in production activity.

⁴⁰ Source: Nordicity estimates based on data from Survey of Nunavut Film and Television Production Sector, Statistics Canada, and Conference Board of Canada.

⁴¹ Source: Nordicity calculations based on data from Statistics Canada CANSIM matrices 384-0001, 384-0002, and 385-0002.



3. Socio-economic and Cultural Impacts

The social benefits of the production industry in Nunavut were measured through an online survey distributed to producers, actors, crew personnel, directors, educators, government workers, writers and outfitters in the territory, as well as those who had undertaken production activities in Nunavut. Survey respondents indicated a broad variety of benefits attributable to the production industry, ranging from employment and economic spin-offs to language retention and the presentation of Nunavut to the rest of Canada.

The preservation of culture and language was seen as one of the greatest benefits of the production industry, with many respondents commenting that the Inuktitut language and culture are threatened by the spread of English and popular North American culture. One successful producer even described film, television and digital media as “perhaps the strongest weapons Nunavut has to defend itself” and referenced Quebec’s thriving film culture as a testament to that.

3.1 Social Benefits of the Production Industry

For more than 100 years Canada’s federal, provincial/territorial and municipal governments have taken a pre-eminent role in the promotion of culture and media industries. The benefit of an active government’s role in developing culture and media policies and institutions is well accepted in Canada and other OECD countries.⁴²

In Canada, governments relate a number of benefits to taking an active role in promoting culture and media industries, including:

- Perceptions of the public good;
- National and regional interests;
- Economic growth;
- Social benefits;
- Representation of two official languages and a multicultural society; and
- Foreign trade and investment opportunities.⁴³

Canadian cultural and media policies have evolved over time to account for the emergence of new technologies that greatly impacted the creation and distribution of cultural content, namely radio and television broadcasting and film production. The establishment of federal institutions such as the National Gallery (1880), CBC/Radio Canada (1936), the National Film Board (1939), the National Library of Canada (1953), the Canada Council (1957) and the Canadian Radio-television and Telecommunications

⁴² Even in the US where government agencies have often taken a back seat to corporations, the role of government has been recognized – e.g. most recently in ensuring access to basic broadcasting services in the context of the 2009 digital conversion process.

⁴³ Source: Compendium, Cultural Policies and Trends in Europe, Cultural Policy Profile, Canada: <http://www.culturalpolicies.net/web/canada.php?aid=1>

Commission (1969) illustrates Canada’s direct investment in national cultural initiatives to ensure the survival of Canadian culture in all art forms.

Canada’s need to preserve its own culture and cultural assets stems largely from its proximity to the world’s largest exporter of cultural content, the United States. Because of the influx of American cultural content via radio, television and film, Canada established policies such as content quotas. These policies not only help ensure the survival of Canadian cultural content, they also help guarantee the existence of a film and television production industry, providing employment and other social and cultural benefits to Canada.

Such cultural preservation imperatives are magnified in Nunavut. Nunavummiut have their own distinct culture and language which is also threatened by content from the United States, as well as from the rest of Canada. Nunavut’s relatively small population and isolated geographic location further complicate issues of cultural preservation, language retention, youth engagement and the representation of Inuit culture to the rest of Canada and the world. These factors also contribute to other negative social issues, including high rates of school drop out, unemployment, family violence, social assistance and suicide.

However, as cultural preservation and social issues are magnified in Nunavut, so too are the social benefits of a strong production industry. As the production sector grows, there is a need to ensure employment opportunities to all sectors of the population, including those located in the less populous regions. And because cultural preservation, language retention and youth engagement issues face more external threats, the benefits provided by increased Nunavut production become that much more significant.

While it is difficult to directly correlate benefits with expenditures on the Nunavut production industry, stakeholders identify a broad range of benefits from film, television and digital media production in the territory. As illustrated below, when asked “How would you rate each of the following in terms of their importance in describing the way in which the film and television production industry benefits Nunavut?” at least half of all respondents identified nine of the 10 benefits as being “very important.”

Figure 28: Perceived Importance of Impacts of Film and Television Production

	Very Important	Important	Neither Important or Unimportant	Not Very Important
Films and TV programs shape the way Nunavummiut see the world	50%	45%	5%	0%
Films and TV programs shape the way the world sees Nunavut	70%	30%	0%	0%
Industry is a great employer	60%	30%	5%	5%
Industry contributes to the local economy and generates spin-off effects for other businesses	60%	40%	0%	0%
Industry can engage youth and is a leading career choice among young people	55%	40%	5%	0%
Industry is a point of pride among Nunavummiut	50%	35%	15%	0%

	Very Important	Important	Neither Important or Unimportant	Not Very Important
Industry improves the image of Nunavut in Canada and Internationally	60%	40%	0%	0%
Productions made in Nunavut attract tourists to Nunavut	35%	45%	20%	0%
Industry increases Nunavut participation in the local community	50%	50%	0%	0%
Industry contributes to language retention	65%	30%	5%	0%

3.1.1 Representing Nunavut to the Rest of Canada and the World

A full 100% of survey respondents feel the power of film and television to shape the way the rest of the world sees Nunavut is either an important (30%) or very important (70%) benefit of the territory's production industry. Similarly, 100% of respondents feel the production industry's ability to improve the image of Nunavut in Canada and internationally is either important (40%) or very important (60%).

Nunavummiut are not alone in placing importance on these benefits. Indeed, film and television industries have long been supported by jurisdictions around the world for their ability to represent a country, region or city to outside audiences. As the Southeast Cultural Observatory in the UK notes: "Films continue to bring issues into focus, spark debate and make comments on society. There is huge potential for moving images to create cross cultural understanding and communication both within the community and throughout Britain and overseas."⁴⁴

Similarly, the mandate of the Australian film agency Screen Australia is to: "support the development of the Australian screen production industry, so that Australian screen content is accessible nationally and internationally."⁴⁵

Australia further provides a good example of the use of film and television production for the representation of a region to a broader audience as it has eight state/territorial film, television and media agencies. These agencies are generally individually dedicated to "support the retention and development of a diverse Australian voice"⁴⁶ (Film Victoria), "develop a sustainable screen industry that provides significant social, cultural and economic benefits"⁴⁷ (Pacific Film and Television

"[Film and television production] is also a great tool for soft diplomacy, [such as] lessening the negative impact of the anti-sealing pressure groups." – Non-Nunavut Producer

⁴⁴ Source: Southeast Cultural Observatory: Benefits of Film and Digital Media, http://www.seco.org.uk/film_benefits.html

⁴⁵ Source: http://www.screenaustralia.gov.au/about_us/Who-We-Are.asp

⁴⁶ Source: <http://film.vic.gov.au/www/html/32-about-film-victoria.asp>

⁴⁷ Source: <http://www.pftc.com.au/pftc/about/content.asp?pageid=6>

Commission), and “foster the growth in cultural distinctiveness, innovation and increased sustainability”⁴⁸ (Screen West).

In Canada, the Aboriginal People’s Television Network (APTN) has provided one of the best avenues of distinct cultural reflection and representation since its inception in 1999. APTN fulfils a mandate to develop, commission and acquire “distinctive Aboriginal content which reflects our pride and heritage...enabling Aboriginal people to share their stories and convey them to a domestic and international audience.”⁴⁹ Because Canada’s Aboriginal communities are geographically dispersed across the entire country, television has provided the perfect medium to share cultural content with each other and the rest of the country. As indicated previously, IBC is a significant source of programming in APTN’s schedule and its programs are recognized for their ability to convey the unique cultural values of the Nunavummiut as well for excellent production values.

Nunavut’s geographic location further increases the importance of film and television as vehicles for representing the territory to the rest of Canada and the world. Simply put, the vast majority of Canadians will never visit Nunavut and therefore their perceptions of the territory and its people, particularly from a cultural standpoint, will be highly dependent on what they see in movies and on TV.

3.1.2 Youth Engagement

A full 95% of survey respondents identified the ability of the film and television production industry to engage youth as being important (40%) or very important (55%). The ability of film, television and digital media to capture the minds and attention of youth is well documented, whether it is for the purposes of promoting creative expression or engagement in other activities. Media training has additionally been successfully employed in other jurisdictions as a tool for engaging aboriginal youth. For instance, Long House Media in the northwest United States has worked with more than 950 aboriginal youth in the past four years through its Native Lens program, which “teaches filmmaking to Native youth as a form of self-expression, inquiry, community development, and cultural pride and preservation.”⁵⁰

“I find it frustrating to watch so many Inuit youth identifying more with American hip hop and rap artists than they do with their own history. I also very much enjoy hip hop music, and think it's great to learn about other cultures. But Inuit youth are struggling to find their identity, and I think it's a shame that our own culture and history is not an option for them. Why? Because they get most of their creative content from the TV and the web. How much of that content is created by Inuit? Not nearly enough.”
– Nunavut Filmmaker

In an environment with relatively limited recreational and career opportunities, as well as a noticeable youth-elder divide and language barriers such as Nunavut, the ability of film, television and digital media

⁴⁸ Source: <http://www.screenwest.com.au/go/about-screenwest/what-we-do>

⁴⁹ Source: <http://www.aptn.ca/corporate/producers/mission.php>

⁵⁰ Source: <http://www.marchpointmovie.com/LonghouseMedia/about.html>

to engage youth becomes that much more important. A successful production industry not only provides an exciting, alternative career path for young Nunavummiut, it can also pique interest in the exploration of their own cultural history and present. For instance, Producer Norman Cohn noted that with the 2001 release of *Atanarjuat The Fast Runner*, “kids all over Nunavut [began] playing *Atanarjuat* in the streets.”⁵¹

“[The production industry] provides ability for youth to work with world class international professionals.” – Outfitter

The production industry can yet have an even greater social impact. Unfortunately, Nunavut’s suicide rate is more than eight times higher than the national average. More disheartening, Inuit between 15 and 24 commit suicide at a rate roughly 28 times greater than their non-Inuit peers.⁵² These high suicide rates were not always the case, and have increased dramatically as generations of Nunavummiut began to grow up in environments

increasingly removed from the traditional life and cultural roles.⁵³

Among many other initiatives, multi-media techniques are being used in the fight against Nunavut’s greatest social problem. The Embrace Life Council, National Inuit Youth Council and other partners have launched the Innusivut Project with the goal of increasing community capacity to promote mental health. To do so, the project team is making available digital cameras, video cameras and other multimedia equipment to local groups in Inuit communities for project activities.⁵⁴ Youth are trained on how to use the equipment and work with multimedia. The Innusivut Project also provides training and mentorship to youth in photography, video production and youth leadership. Projects like Innusivut simultaneously leverage production technology to initiate dialogue on a difficult subject while enabling youth with the skills to explore an alternative career path.

“I think it’s very telling that the Embrace Life Council, a suicide prevention group, has chosen digital media training as their core strategy to engage and support youth. They can communicate their emotions and discuss important issues with the rest of society. Digital media training is not only a strong economy that creates jobs, it’s a powerful tool for Inuit to make positive social change and retain our language and culture.” – Nunavut Filmmaker

⁵¹ “Action figures next step for *Atanarjuat*” *Nunatsiaq News*.

http://www.nunatsiaq.com/archives/nunavut020405/news/nunavut/20405_6.html.http://www.nunatsiaq.com/archives/nunavut020405/news/nunavut/20405_6.html

⁵² Source:

http://www.ctv.ca/servlet/ArticleNews/story/CTVNews/20090417/inuit_suicide_090417/20090417?hub=Health

⁵³ Source: *Ibid.*

⁵⁴ Source: <http://www.isuma.tv/lo/en/inuusivut>

3.1.3 Language and Cultural Retention

Not surprisingly, 95% of survey respondents identified the production industry's ability to contribute to retention of the Inuktitut language as being important (30%) or very important (65%). Preservation of the Inuktitut language is constantly under threat from the availability and popularity of cultural content from the rest of Canada and the United States.

If the vast majority of content Nunavummiut are exposed to English-language programming, that language becomes increasingly prevalent at the expense of Inuktitut. Rationally, one of the best ways to counteract this issue is to increase the volume of film and television content available in Inuktitut.

"[A production industry] is necessary for the preservation of the Inuit knowledge of a traditional way of life."
– Nunavut Filmmaker

One of the best global examples of the ability of film and television content to impact language and cultural retention can be found in Quebec. Surrounded by English-speaking Canada and the United States, Quebecers routinely turn to French-language made-in-Quebec content. As recently as 2005, 18.2% of overall cinema ticket sales in Quebec were for home-grown films.⁵⁵ And the vast majority of the top 10 most viewed television programs in Quebec are year after year written and created by Quebecers.

In Nunavut, the founding of the IBC in 1981 and Canada's first independent Inuit production company, Igloodik Isuma Productions, in 1980, has made strides towards contributing to language and cultural retention. Both organizations have mandates to make content that preserves and promotes Inuit language and culture. Igloodik Isuma's most successful film to date, *Atanarjuat The Fast Runner*, was the first feature film ever to be written, directed and acted entirely in Inuktitut.⁵⁶

"When we do Inuktitut production we bring back the language and culture we learn how tools were made through props and all types of clothes through costumes, make up, sets and others, when we are in productions."
– Nunavut Filmmaker

To ensure historical and cultural accuracy in making the film, elders were consulted at every step of the way. Isuma's co-founder, Paul Apak Angilirq, explained that they "went to the elders and [asked for] information about the old ways, about religion, about things that a lot of people have no remembrance of now... They are helping us write down what people would have said and acted in the past, and what the dialogue would have been like... We speak 'baby talk' compared to the elders. But for *Atanarjuat*, we want people speaking

real Inuktitut... When we are writing the script, they might jump in and say, 'Oh, we wouldn't say such a word to our in-law! We wouldn't say anything to our brother's wives! It was against the law!'"⁵⁷

⁵⁵ Source: <http://www.playbackonline.ca/articles/magazine/20090219/rendezvous.html>

⁵⁶ Source: <http://en.wikipedia.org/wiki/Atanarjuat>

⁵⁷ Source: http://www.atanarjuat.com/production/apak_interview.php

Other programs specifically leverage production for cultural retention purposes. For instance, in Clyde River, the local wellness centre, the Ilisqsiq Society, runs a program called the Elders' Oral History project, which records the life stories of elders using audio-visual equipment.⁵⁸ Projects such as these offer a means through which elders and youth can interact and exchange their experiences.

While a vibrant production industry based on location shooting can provide substantial economic benefits and some exposure of a region to outside audiences, only a strong domestic industry can tell culturally significant stories, contributing to the retention of culture and language. As such, the cultural and societal benefits of the production industry in addition to the economic impacts should be considered when forming policy designed to increase the size of the sector.

“Film, television and digital media projects are extremely important to not only ensure the survival of our culture and language but also as a way of developing ourselves and our culture. Inuit culture is not static, we must continue to explore ourselves and the world around us and be able to express ourselves in any way that moves us continuously towards healthy and positive lifestyle.” – Nunavut Filmmaker

3.2 Regional Impacts within Nunavut

The positive impacts of Nunavut’s production industry are not confined to any specific geographic area of the Territory. Domestic and visiting producers generally make use of locations across Nunavut as the diverse geography and communities lend themselves to particular story or documentary settings. Over the past three years, 14 NFDC-funded productions (i.e. films receiving a labour rebate) filmed in more than 13 different locations with six of these shooting in at least three different Nunavut communities.⁵⁹

Nunavut also has resident production companies in Iqaluit, Igloolik and Clyde River, and the IBC has offices located in Rankin Inlet, Igloolik, Baker and Taloyoak in addition to Iqaluit.

The table below highlights the variety of locations used by both guest and domestic productions over the past few years.

Figure 29: Geographic Distribution of Productions in Nunavut

Year	Project/Production Company	Location(s)
2004/05 to 2005/06	90th Parallel/National Geographic	Gulf of Boothia & Qanaaq
	Scouting for Cinema Project	Beaufort Sea

⁵⁸ Source: <http://www.ilisqsiq.ca/eng/about/programs.html#oralhistory>

⁵⁹ Iqaluit (10 productions); Igloolik (5); Baker Lake (3); Pond Inlet (3); Clyde River (3); Arviat (2); Pangnirtung (2); Taloyoak (1); Hall Beach (1); Cape Dorset (1); Grise Fiord (1); Resolute (1).

Year	Project/Production Company	Location(s)
	Ushuaia/TF1 Winter Polar Bears	Admiralty Inlet
	Blue Planet Films/NDR	Hudson Bay
	Cooking in the Danger Zone/BBC	Foxe Basin
	Qallunajatut/Igloolik Isuma	Igloolik
	Nunavut Animation Training & Production Project (NATPP)/IBC	Iqaluit, Cape Dorset, Pangnirtung
2006/07	Kugluktuk Filmmaking Workshop/Tahiuqtiit Society	Kugluktuk
	The Making of Kiviug/Drumsong Communications	Iqaluit, Arviat, Baker Lake, Pond Inlet
	Big Belly Dog and Woman/Igloolik Isuma	Igloolik, Hall Beach
2007/08	High Arctic Exile/ Igloolik Isuma	Igloolik, Grise Fiord, Resolute, Iqaluit
	Niaqqirijjuq/Piksuk Media	Clyde River, Iqaluit
	Tunniit: Inuit Tattooing/Unikaat Studios	Iqaluit, Pond Inlet, Igloolik, Taloyoak, Baker Lake, Arviat
2008/09	Tajarnitt/Tajarnitt Productions	Iqaluit, Pond Inlet, Clyde River, Pangnirtung
	The White Archer/Drumsong Communications	Iqaluit, Pond Inlet
	The Experimental Eskimo/Paunna Productions Inc.	Iqaluit, Baker Lake, Rankin Inlet
	Behind the Scenes at Kinngait Studios/Sitemedia	Cape Dorset

While the regional distribution of production companies extends the economic benefits of film and television production to many corners of Nunavut, it also exposes more Nunavummiut to the positive social impacts associated with the production industry. It presents youth with first-hand examples of the career possibilities offered by the production industry and actually provides future employment opportunities in their own communities, rather than forcing people to migrate to the more populous centres or out of the Territory altogether.

3.3 Overall Impact of the Production Industry

When the broad distribution of multiple social benefits is considered, it is clear that the production industry has an overall positive impact on Nunavut. Although as stated in the Economic Impact Analysis, the Government of Nunavut does not recover a large portion of its investment in the industry through tax revenues. However, for every dollar invested by the government more than \$6 is spent in the region on production by Nunavut-based production companies, much of which is invested in employing Nunavummiut.

There are also many tangible and intangible positive socio-cultural benefits flowing from the production sector as indicated above including: language retention; tourism; outfitting; engaging youth; and increasing community communication. As well, the production Industry is one of the most environmentally friendly sectors available to generate employment in Nunavut.

4. Competitive Analysis of Circumpolar Production Industries and Incentives

Over the past three years, Nunavut has seen notable gains in domestic productions and guest production spending.

To build on past successes by increasing total production spending and establishing Nunavut as a leading circumpolar location destination and domestic production centre, however, the territory must remain competitive with the incentives of other jurisdictions. This section assesses the competitiveness of Nunavut within international and national environments to provide insight into the steps that may be taken to ensure Nunavut becomes a production centre of excellence.

4.1 National and International Trends

Before comparing the incentives found in other circumpolar destinations, it is helpful to examine the major trends and characteristics of the global entertainment industry. In general, the global entertainment has, for the most part, been a growth industry for the past three decades, driven mainly by an increasing number of channels delivering content. While the industry can be seasonal and cyclical, technological change and the appetite of audiences have been stable engines of growth. Although the current and previous recessions impact short-term industry profits, the industry has historically demonstrated robustness during periods of recession. Nevertheless, emerging technologies can replace traditional production-distribution business models, as evidenced in the recent upset of the music industry. Producers and industry stakeholders in film, television and digital media industries must remain flexible and adaptable to current economic, political and technological forces.

In Canada, there are some noteworthy trends with respect to how the domestic industry is responding to the global recession and the increasing shift to new digital distribution platforms.⁶⁰

Economic recovery via public investment in the creative industries: In line with recent arguments that the creative industries will drive the future North American economy, the most recent Ontario budget calls for about \$100 million annually in additional tax relief and investments of about \$30 million to support the entertainment and creative industries.⁶¹

Declines in television advertising: The vulnerability and weakness of the over-the-air broadcasting business model was made apparent in 2008/09 as CTV, Global and the CBC announced record losses and underwent significant employee layoffs and station closures. The steep decline in the conventional broadcasting model has been attributed to declines in television advertising dollars, which are increasingly fragmenting across various channels and migrating to other platforms. As a result, there has been a concomitant downward demand for Canadian television programming. It is expected that for \$100 million drop in production volumes and equivalent to 1,000 full-time Canadian production jobs will be lost.⁶²

⁶⁰ Source: Nordicity, CFTPA Profile 2009, p.4.

⁶¹ Source: <http://www.fin.gov.on.ca/english/budget/ontariobudgets/2009/sectors/businesssh.html>

⁶² Source: Nordicity, CFTPA Profile 2009, p.5

Digital Media and the Dominance of Gaming: Digital media applications are increasing their importance within the entertainment industry and are beginning to gain audience traction. By 2012, online television is predicted to account for 2% of industry revenues in the UK.⁶³ Though the audience share for online video is growing, a successful revenue model still eludes producers in Canada. The video game industry has proven to be the most successful, recession-proof sub-segment of digital media.

Rise of Competition for Foreign Location Production: Historically, Canada enjoyed a competitive position for US productions as a result of relatively low exchange rates, geographic proximity, common language, tax credit incentives and quality crews and incentives. While European nations and certain US destinations have recently introduced incentives that challenge this position, Canada posted increased FLS production in 2007/08.

4.2 Circumpolar Production Industries

As a film location, Nunavut competes with seven circumpolar regions outside of Canada, namely, Greenland, Denmark, Iceland, Finland, Russia, Alaska and Norway. Within Canada, Newfoundland-Labrador, the Northwest Territories and the Yukon also offer similar services and target similar markets. Parts of northern Manitoba, Quebec and Ontario offer comparable shooting locations as well a full-suite of incentive programs and tax credits.

On a per capita basis, the total production spending by Nunavut-based producers is \$243 dollars per person, which is nearly eight to thirty times that of found in other circumpolar locations. The table below compares total production spending on a per-capita basis and as a percentage of GDP.

Figure 30: Circumpolar Domestic Production Volumes, per Capita and as % of GDP (2008) (C\$)

Country/Region	Production Spend	Population (2009) ⁶⁴	Per-Capita Production Spend	GDP in millions ⁶⁵ ⁶⁶ (2008)	Production as % of GDP
Nunavut	\$7,716,020.00	31,762	\$243	\$1,497	0.50%
Denmark	\$110,363,400	5,484,723	\$20	\$204,060	0.05%
Norway	\$102,164,976	4,644,457	\$22	\$256,523	0.04%
Sweden	\$72,992,052	9,045,389	\$8	\$341,869	0.02%
Iceland	\$7,898,890	304,367	\$26	\$12,664	0.06%
Finland	\$41,938,092	5,244,749	\$8	\$190,862	0.02%
Newfoundland & Labrador	\$12,000,000 ⁶⁷	508,990	\$24	\$31,458	0.04%
Yukon	n/a	33,442	n/a	\$2,000	n/a
Northern Ontario	\$25,000,000	760,000	\$33	\$24,20068	0.10%

⁶³ Screen Digest

⁶⁴ <http://www.statcan.gc.ca/daily-quotidien/090326/t090326a2-eng.htm>

⁶⁵ <http://www40.statcan.gc.ca/l01/cst01/econ15-eng.htm>

⁶⁶ Source: International Monetary Fund for Non-Canadian countries

⁶⁷ Source: Nordicity, CFTPA Profile 2009, p.14.

Within Canada, Nunavut primarily competes with Yukon and Newfoundland and Labrador. There is little to no data available on the Northwest Territories, but the NWT Film Commission estimates that there were only four domestic productions last year and no guest productions in the territory, meaning the total production volume for the territory is likely very low.

In terms of foreign location service (FLS) production in Canada's circumpolar jurisdictions, Nunavut's primary competition appears to come from the Yukon. Newfoundland and Labrador, and the Northwest Territories have had virtually no FLS production in the past few years.

While Nunavut is generally on par with, or actually leading, all other Canadian circumpolar jurisdictions in terms of production activity, it trails in other key comparable categories such as training, infrastructure, promotion and support activity. To highlight Nunavut's competitiveness in these and other areas, Nunavut's production industry is compared with those of the Yukon, Iceland, and Newfoundland and Labrador across multiple categories below. These jurisdictions were chosen according to data availability and the comparability in terms of population size and GDP.

Although somewhat comparable in terms of climate and geography (more so with Yukon and Iceland than Newfoundland and Labrador), Nunavut has approximately four times the landmass of Yukon, five times that of Newfoundland and Labrador, and about 20 times that of Iceland. In terms of population, however, Nunavut is about 10 times populated than Iceland, approximately 16 times less populated than Newfoundland and Labrador, and has nearly the same population as Yukon. Nunavut, Yukon and Newfoundland and Labrador are all accessible daily via flights from major Canadian centres, while Iceland's capital city, Reykjavik, receives regular flights from London, Boston and New York. Nunavut, however, does not receive regular air service from a major production centre – Canadian or international – and therefore guest producers often have to charter their own flights to the territory.

Figure 31: Production Activity Comparison

2008/09	Nunavut	Yukon	Newfoundland & Labrador	Iceland
Production Spend	\$7,700,000	\$2,200,000 ⁶⁹	\$12,000,000	\$7,900,000
Estimated FTEs	180	n/a	100 ⁷⁰	n/a
Domestic Productions	51 ⁷¹	n/a	18	8
Common Genres	Documentary TV Feature Film	TV Feature films commercials	TV	Feature film Shorts Co-productions

As is clear from the figure above, Nunavut compares favourably with Yukon, Newfoundland and Labrador, and Iceland in terms of production activity. The territory, however, lacks the promotional associations and

⁶⁸ Source: <http://www40.statcan.gc.ca/l01/cst01/econ15-eng.htm>. 2005 figure. In 2008, all of Ontario had a GDP of \$587,905 million

⁶⁹ Estimated total of production budgets for productions that received financing from Yukon's film commission.

⁷⁰ Has been as high as 400 FTEs in recent years.

⁷¹ Includes video productions.

events found in other competing jurisdictions. The figure below illustrates how Nunavut’s activity in terms of industry associations and industry events compares less favourably with those in Yukon, Newfoundland, and Labrador and Iceland, particularly in terms of events; unlike Nunavut, all of the other jurisdictions have a major film event.

Figure 32: Promotional Activities by Jurisdiction

	Industry Associations	Industry Events
Nunavut	Ajjiit Media Assn.	Ajjiit Media Assn. film premieres
Yukon	Northern Film and Video Industry Assn. Yukon Film Society	Dawson City Short Film Festival Available Light Film Festival
Newfoundland & Labrador	Film Producers Assn. of NL	St. John's International Women's Film Festival The Nickel Independent Film and Video Festival
Iceland	Assn. of Icelandic Film Directors Icelandic Filmmakers Assn. Assn. of Cinema Owners Icelandic Artists Alliance	Northern Wave International Film Festival The Iceland International Film Festival Reykjavik International Film Festival

Nunavut additionally trails the other circumpolar jurisdictions in industry training and infrastructure, two key criteria for increasing production activity and ensuring domestic production companies spend their entire budgets within the region. These two key characteristics are compared across the circumpolar jurisdictions in the following two figures.

Figure 33: Training Activities by Jurisdiction

	Training Activities
Nunavut	Network of independent workshops organized by the IBC, Nunavut production companies and wellness centres; Ajjiit media association training symposiums.
Yukon	Yukon College Multimedia Communications Program; Yukon Film Society’ Film & Media Art Workshops.
Newfoundland & Labrador	College of the North Atlantic Programs in: Digital Animation; Film and Video Production; Graphic Design; Music Industry and Performance; Video Game Design Memorial University Programs in: Communications Studies (major); Creative Writing (diploma); Film Studies (minor) Newfoundland Independent Filmmakers (NIFCO) offers workshops
Iceland	Icelandic Film Academy (2 yr. diploma) Kvikmyndaskóli Íslands (The Film School of Iceland) (2 year diploma)

Figure 34: Infrastructure by Jurisdiction

Infrastructure	
Nunavut	Limited studio space and standard definition equipment for rent
Yukon	Turn-key edit suite rentals and HD post-production suites available 4 music recording studios Most filming equipment is available for rent in the territory
Newfoundland & Labrador	21,000 ft ² sound stage studio facility feature film/television ready mobile production equipment package that can be moved across province post-production facilities film/television series-ready mobile production equipment package
Iceland	Highly skilled local crews with experience working on major feature films Several production services companies that provide HD professional equipment and post-production facilities

4.2.1 Other Circumpolar Production Centres

Very little economic data is available on the production activities in other circumpolar production centres, particularly Alaska, Greenland and the Northwest Territories. Brief profiles of these jurisdictions follow.

Alaska

The Alaskan production industry is relatively strong, being home to an estimated 28 production companies. With a high level of available infrastructure, including a \$10 million post-production studio, Alaska is able to support all necessities of domestic and visiting crews and it has become a popular location-filming destination. Major Hollywood films shot in Alaska include: *Into the Wild* (2007), *Winged Migration* (2003), *The Contender* (2000), and *Hearts in Atlantis* (2001). Alaska also hosts the Anchorage International Film festival (AIFF), North America's northernmost independent film festival.

Greenland

Greenland's unique geography has resulted in it becoming a filming location for some major Hollywood motion pictures. For instance, in 2006 Greenland doubled as Antarctica for the filming of the adventure movie *Eight Below*. The area of Greenland is larger than of Nunavut at 2,166,086 km² and there is a relatively higher population as well (57,600), although Greenland's GDP of US\$1,700 million approximates

that of Nunavut.⁷² There is no film commission and very little infrastructure available in Greenland. For access to production facilities (editing, camera/sound crews, equipment, stock shots), the Greenland Tourism and Business Council refers producers to the national radio, Kalaallit Nunaata Radio (KNR) – Radio Greenland, and television, Inuk Media, stations.

Kalaallit Nunaata Radio (KNR - Radio Greenland) is an independent public body administered by the Greenlandic Government that broadcasts both radio and television programmes. KNR employs about 120 people and is headed by a 7-man board, with its day-to-day running in the hands of a management committee. KNR, which is the most important media enterprise in Greenland, is financed by contributions from the national treasury and through advertising and sponsorship. Its range of programs include social affairs, youth programs, cultural material, entertainment, music and news, both domestic and from all over the world. In recent years, KNR has embarked on modernization and acquired its own TV building. KNR TV broadcasts about 300 hours of Greenlandic, and about 2,000 hours of Danish programming per year. Domestic production on both radio and TV are financed partly by TV advertisement earnings.

Northwest Territories

Compared to Nunavut, the Northwest Territories has a greater population (42,940⁷³) and GDP (\$5,419 million⁷⁴), but a relatively smaller area of 346,106 km². The NWT Film Commission is currently compiling production data for the first time. As there is no public funding and no requirement for production groups to report to the commission, there is very little data currently available. Though there are regular routes to Yellowknife from Edmonton, Calgary and seasonal ones from Vancouver, there is very little guest production. Infrastructure is low with stage and studio rental provided by CBC North and Yellowknife Films (the only private production house), and the non-profit film/video co-op, Western Arctic Motion Pictures (WAMP).

4.3 Circumpolar Film Commissions and Incentives

Multiple factors can influence the success of domestic filmmakers and the volume of guest production within a certain jurisdiction. These range from direct economic incentives to tax levels, promotional activities and production crews and facilities. The capacity of the local film commission can also often have a large impact on regional production. This subsection examines funding levels and film commission structures in other circumpolar jurisdictions, comparing them to Nunavut where possible. It begins with a brief look at the impact of funding on filming in European circumpolar regions, followed by a detailed comparison of the film commissions in Nunavut, Newfoundland and Labrador, Yukon, Alaska and Iceland.

⁷² <http://en.wikipedia.org/wiki/Greenland>

⁷³ Source: <http://www.statcan.gc.ca/daily-quotidien/090326/t090326a2-eng.htm>

⁷⁴ Source: <http://www40.statcan.gc.ca/l01/cst01/econ15-eng.htm>

4.3.1 European Funding and Production Spends

As the figure below outlines, European circumpolar jurisdictions achieve extremely positive ratios of government funding to production spending. For instance, for every dollar of film funding in Norway, there is \$63 in total production spending. In Finland, Sweden, and Denmark, the resultant production spending is two to five times as much as the initial funding. Iceland, which has a similar GDP per capita to Nunavut, has a production spending that is three times the amount of film funding. Of course, these ratios are also products of many other factors, which would include access to additional funding, production revenues and domestic market size. The substantially positive correlations, however, are hard to ignore.

Figure 35: Film Funding to Production Spend Ratio (\$C)

Country	Films ⁷⁵	Co-productions	Average budget	Film funding ⁷⁶	Production Spend ⁷⁷	Ratio
Finland	19	8	\$2,207,268	\$21,652,229	\$41,938,092	1:2
Denmark	28	6	\$3,941,550	\$26,960,202	\$110,363,400	1:4
Norway	27	4	\$3,783,888	\$1,623,336	\$102,164,976	1:63
Sweden	21	13	\$3,475,812	\$16,115,131	\$72,992,052	1:5
Iceland	5	3	\$1,579,778	\$2,368,608	\$7,898,890	1:3

4.3.2 Film Commission Comparison

Iceland, Newfoundland and Labrador, Yukon and Alaska offer the most competitive film incentives among circumpolar jurisdictions. To provide insight into Nunavut's competitiveness with these jurisdictions, the NFDC and Nunavut in general is compared against the film agencies from these jurisdictions and the jurisdictions themselves across multiple criteria related to funding as well as commission structures. Supplementary information on the incentives and other services performed by these film commissions, as well as those in the Northwest Territories and Northern Ontario can be found in Appendix A.

The five comparable film commissions are:

- Nunavut Film Development Corporation (NFDC);
- Newfoundland and Labrador Film Development Corporation (NLFDC);
- Yukon Film & Sound Commission (YFSC);
- Icelandic Film Centre (IFC);
- Alaska Film Office (AFO).

⁷⁵ Includes co-productions.

⁷⁶ From main national institution.

⁷⁷ (Average Production Budget)*(Number of Productions)

Profiles

Film commissions are relatively new entities to circumpolar jurisdictions. As the following profile figure illustrates, all of the profiled commissions are 12 years old or less and employ a handful of full-time staff.

Figure 36: Structural Comparison of Film Commissions

Film Office	Founded	Staff	Regional Sales Tax?	Governed By
NFDC	2003	2	No	Economic Development and Transportation
NLFDC	1997	5	14% (HST)	Dept. of Tourism, Culture and Recreation
YFSC	1998 ⁷⁸	3	No	Dept. of Economic Development
IFC	2003	4	15% (Corporate)	Ministry of Culture
AFO	2008	n/a	No	Office of Economic Development

In terms of incentives, the biggest competitor for Nunavut is likely the Yukon, which has no territorial sales tax, boasts a comprehensive incentive program, including location rebates and solid financial support for training and mentoring co-productions. Since there is no Yukon territorial tax, the YFSC employs rebates rather than tax credits. These are paid within weeks as opposed to months or years that may elapse with a provincial tax credit.

Alaska will also increasingly compete for guest productions as this year it introduced what will be one of the most substantial film incentive programs in the U.S. – a 30% to 44% transferable tax credit. As of March 2009, a Disney feature film and 3 documentaries (including one with a budget over \$3 million) have already pre-qualified for the Alaska tax credit. While the Alaskan Office of Economic Development is still establishing the Alaska Film Office, it has already developed a presence in Los Angeles and is planning an aggressive marketing and networking campaign.

This year, Iceland also made its incentives more competitive by upping its reimbursement of production costs from 14% to 20%. Since Iceland is a member of the European Economic Area, films and television programs made in Iceland generally receive European content status and therefore Iceland's industry is somewhat protected from competition with other circumpolar jurisdictions and will likely continue to grow.

Also, while filming incentives in Nunavut are limited to Nunavut-based producers and Newfoundland and Labrador limits its incentives to producers with a permanent establishment in the province, Yukon and Alaska offer incentives to non-resident filmmakers. Iceland also offers its 20% production rebate to any companies that have registered in Iceland.

The table below lists the total estimated funding outlay for 2008/09 for each of the profiled commissions, as well as each commissions' incentive programs.

⁷⁸ Yukon Film Commission became Yukon Film & Sound Commission in 2003.

Figure 37: Funding Outlay and Incentive Programs by Film Commission (\$C)

	Outlay	Programs
NFDC	\$475,000	<p>Labour rebate for 40-50% of local labour costs in pre-production, production and post (funding capped at \$300,000)</p> <p>Re-payable Development Loans (cap of \$10,000-\$25,000/project; fund at \$50,000)</p> <p>Marketing Assistance (travel grants) (\$20,000)</p> <p>Professional Development (financial support up to 50% to attend recognized film institution) (fund capped at \$45,000)</p> <p>Industry Development & Training (up to 50% of workshop costs to a maximum of \$18,000) (fund capped at \$60,000) Online and Offline</p>
NLFDC	\$4,091,890	<p>Film and Video Tax Credit: 25% of the total eligible budget or 40% of the total eligible labour expenditures (capped at \$3 million/project/ year, no total funding cap). Min. 25% of total salaries must be paid in NL</p> <p>Equity Investment Program: financial contribution up to 20% of total production budget (not to exceed \$250,000) that is repaid from earned income revenue resulting from the production</p> <p>Development Loans</p>
YFSC	\$706,000 ⁷⁹	<p>Travel Rebate: 50% rebate on travel costs to a maximum of \$10,000 or 10% of all Yukon expenditures</p> <p>Yukon Spend Rebate: 25% of Yukon spend</p> <p>Training Program: 25% of wages paid to individuals providing on-set training</p> <p>Non-repayable Development Funds: up to 50% of Yukon Spend to a max of \$35,000 or 33% of total expenses</p> <p>Non-repayable Production Funds: up to \$500,000/project. Contribution based on 30% of Yukon expenditures or 30% of total production costs.</p> <p>Training Funds: up to \$8000</p> <p>Enterprise Trade Fund for Film and Sound Industries (supports events such as festivals, tours, etc; workshops, etc)</p>
IFC	\$2,368,608 ⁸⁰	<p>Icelandic Film Fund: 50% rebate of production costs if 80% of total production costs of a motion picture or television program are incurred in Iceland</p> <p>20% Reimbursement of production costs incurred while filming in Iceland (Increased from 14% as of April 2009).</p>
AFO	1,713,542 ⁸¹	<p>Transferable tax credit incentive that ranges from 30% to 44% on qualified expenditures. Base credit of 30% (production expenditures must be made in Alaska), plus 10% for</p>

⁷⁹ For 2006/07.

⁸⁰ Source: <http://cineuropa.org/countryprofile.aspx?lang=en&documentid=63263>

⁸¹ Anticipated outlay based on 5 pre-qualified productions for 2009.

Outlay

Programs

Alaskan wages, plus another 2% for off-season shooting and another 2% for rural shoots (Producers won't owe taxes to the state, but they are to sell their incentives to another company that does, such as in oil, mining, or fisheries.)

4.4 Competitive Analysis Conclusion

In light of this competitive analysis of incentives and promotional activities in other jurisdictions, a number of incentive measures which have been successful in other jurisdictions might be considered and adapted to needs of the Nunavut production industry. This could include: restructured incentive programs to target producers from outside of Nunavut; non-capped funding programs to foster organic growth; and any number of training and promotional initiatives such as festivals and trade shows.

These potential strategic options are outlined further in Section 8: Strategic Options.

5. Capacity of the Nunavut Production Industry

Evidently Nunavut has considerable strengths (already the highest production spend per capita with among the lowest funding) in terms of its competitors, but significant gains can still be made through targeted industry support measures. This section seeks to assess the industry's level of capacity in terms of experience level, infrastructure, access to capital, skills, ability to attract investment and export success and capability.

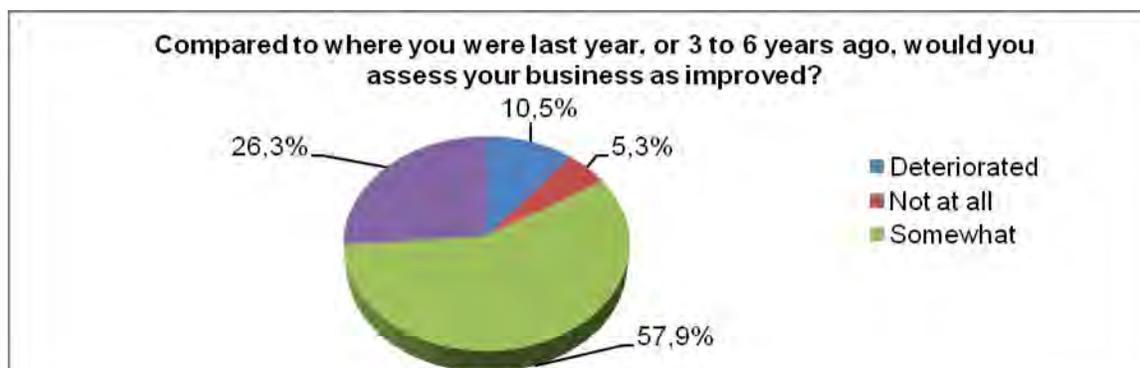
A qualitative assessment of Nunavut's production industry based on the opinions of the region's leading producers and stakeholders reveals much about the ongoing business conditions, infrastructure, access to financing and other areas of interest. Generally, Nunavut's resident producers are accustomed to the working conditions in the territory, which unfortunately includes a relative lack of available equipment, production and postproduction facilities. They are also relatively comfortable with the opportunities for funding available from the NFDC and other Canadian funds and are familiar with the processes necessary for financing production grants and tax credits.

However, the abilities and needs of future production companies and potential guest filmmakers who are less able or eligible to capitalize on available financing should be considered as part of the industry's growth strategy. Increased production volume will likely also need increased infrastructure; already many Nunavut-based production companies conduct their postproduction activities outside of the territory due to the lack of infrastructure.

"It is chicken and egg, without a growing industry no one will invest in production/post-production facilities/equipment and without the facilities most post production work will go south." – Non-Nunavut Filmmaker

5.1 Business Conditions

Figure 38: Assessment of Business Performance⁸²

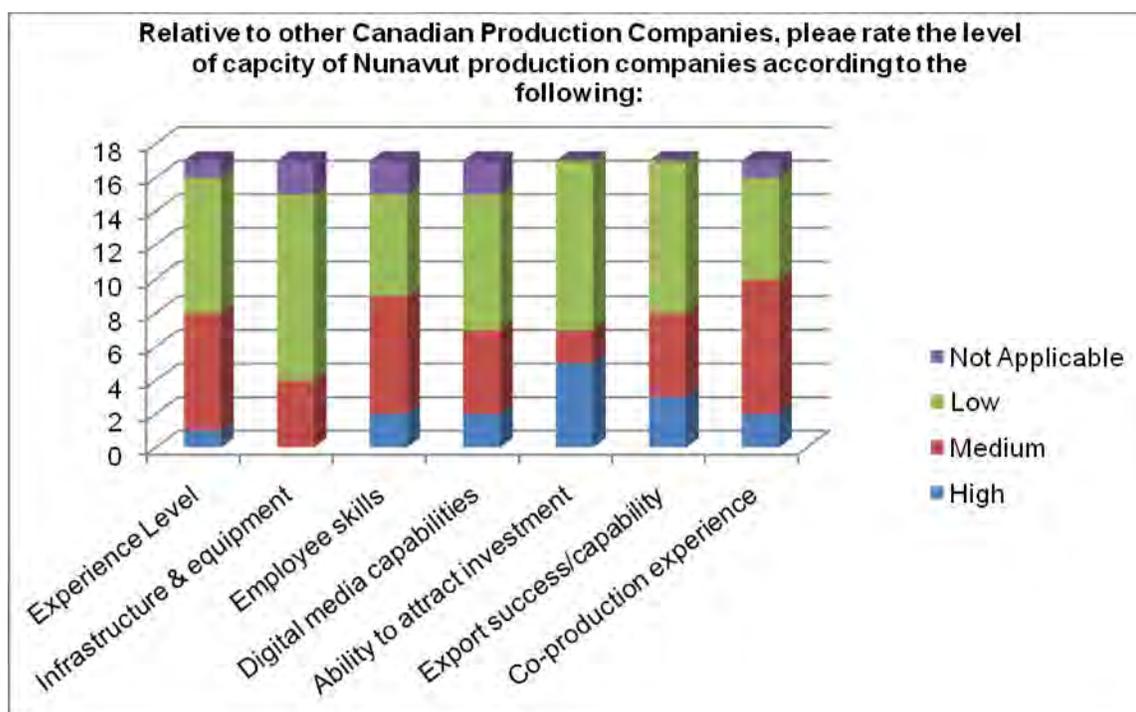


⁸² 19 responses.

Although varied in age and activity, Nunavut’s independent film and television production companies have, on average, been in operation for 9 years. As the figure above illustrates, producers are generally pleased with the current business conditions in the region; only 16% of Nunavut stakeholders feel their business has not improved or has actually deteriorated compared the previous few years. On the other side, nearly 82% of Nunavut producers feel their business has improved somewhat (57.9%) or greatly (26.3%) compared to the past few years. This is particularly encouraging considering the current state of the Canadian and global economy.

However, Nunavut producers are not quite as favourable of their ongoing business prospects when compared against those of Canadian production companies outside of Nunavut. Nunavut producers on average feel their ability to attract investment, access to infrastructure and equipment, experience levels, digital media capabilities and export success and capabilities is lower than their peers outside of the territory (below). These categories generally represent the suite of needs for producers to thrive within a production industry, and therefore illustrate some of the key focus areas for Nunavut in order to bring its industry in line with those of other jurisdictions. Some of these industry indicators – equipment, financing and export success – are discussed in greater detail below.

Figure 39: Assessment of Relative Capacity⁸³



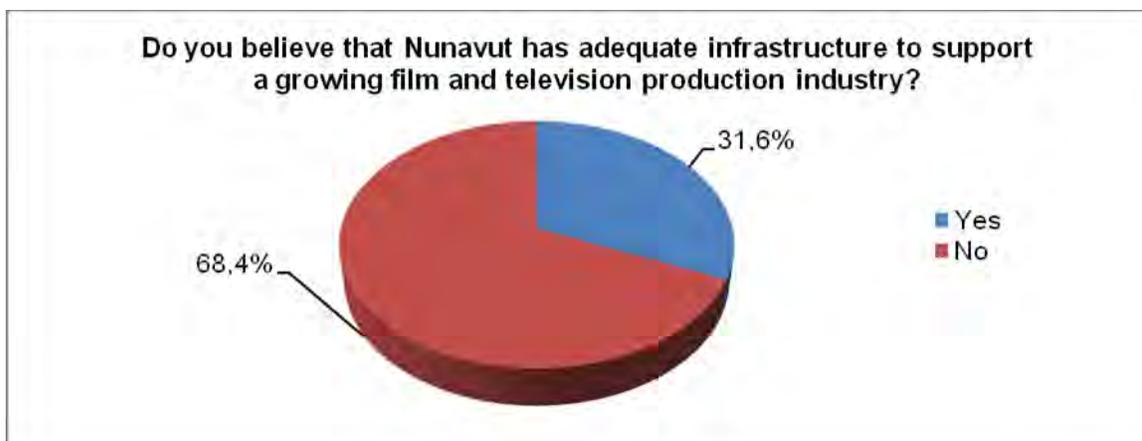
⁸³ 17 responses.

5.2 Infrastructure and Equipment

Overall, before adjusting for depreciation, Nunavut production companies report owning equipment and facilities with a value of roughly \$2.3 million. This includes the owned broadcast studios of IBC, CBC North, APTN and Igloodik Isuma, as well as satellite uplinks, HD and SD cameras and some small (often home-based) SD post-production equipment. Due to the relatively small amount of equipment resident in Nunavut, many producers report that sharing equipment with other producers is commonplace.

Much of the equipment available to rent in Nunavut is owned by IBC, but this is mostly SD equipment. Many producers therefore bring owned or rented equipment from the south when shooting in Nunavut. While Nunavut producers have found ways to make due and become successful in such an environment, the majority (68%) believe the infrastructure currently in place is not adequate to support a growing film and television production industry.

Figure 40: Assessment of Available Infrastructure⁸⁴



Nunavut's production infrastructure, however, may already be improving. IBC is planning to build an 8,000 ft² Nunavut Media Arts Centre at a cost of about \$10 million, which will cover equipment and training. Plans are for the facility to include:

- The first full-scale, state of the art, digital facility for audio/video, recording, performance and post production in Nunavut, available to local and territorial freelancers, performers, artists and production companies working in Nunavut;

- Studio production capacity, suitable for live programming, including performance space and capacity for live studio audiences;

- Office and post-production space for ICSL; and

- Inuit Film and Video Archive Centre.

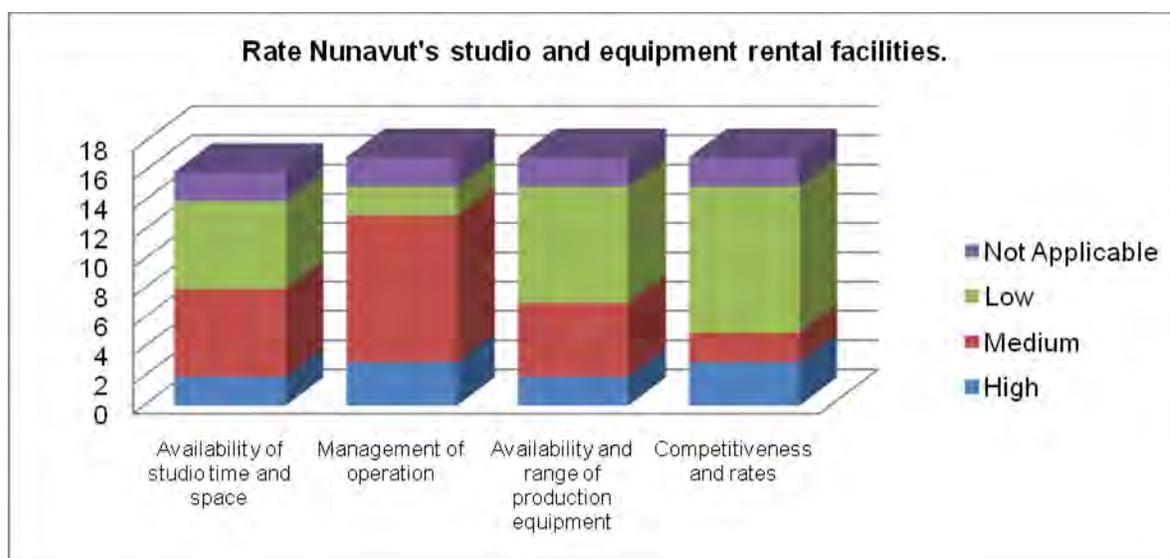
⁸⁴ 19 responses.

Such a facility would greatly change the face of Nunavut's production industry by providing in-territory editing and postproduction equipment for Nunavut resident and guest producers.

As the industry currently stands, Nunavut producers rate the availability and competitiveness and rates of studio and equipment rental facilities, and post-production facilities, as being low.

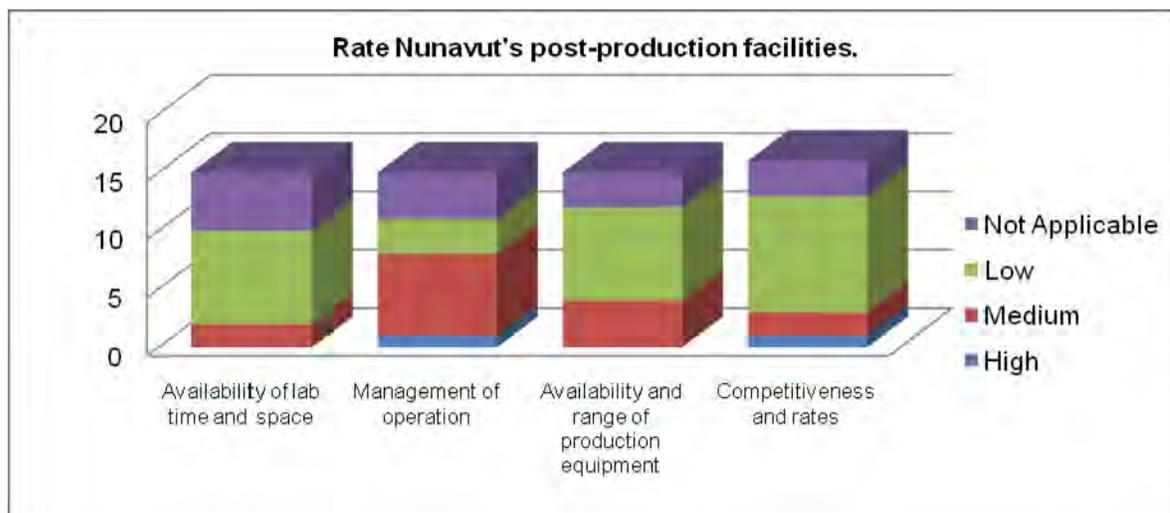
"IBC's proposed studio facility in Iqaluit, if realized, could become an important production infrastructure for Nunavut."
– Non-Nunavut Producer

Figure 41: Assessment of Production Facilities and Equipment⁸⁵



⁸⁵ 18 responses.

Figure 42: Assessment of Post-Production Facilities⁸⁶



5.3 Financing

Accessing appropriate levels of government and private financing is critical for most Nunavut producers to get their projects off the ground, and producers rate their own abilities to do so very differently. While some find it relatively easy to pull together enough funding from multiple sources to produce a feature or documentary, others feel it is difficult to attract investment. This range of opinions is normal due to the variations in project types undertaken by and the experience levels of Nunavut producers.

"I am proud that the government funds film, but we need to modify the funding program to make it more current with the changing needs of the film industry."
– Nunavut Government Official

Producers generally find it difficult to attract investment from broadcasters, and in many instances find it easier to earn financial support from federal funds than from the Government of Nunavut. Those who feel confident in their ability to attract funding point in part to the world's collective increased environmental consciousness, which focuses more attention on the Polar Regions.

One commonality among producers is the ability to access funds from a wide variety of sources, be they from Nunavut or outside, and public or private. The table below, which is based on an actual funding scenario for a documentary filmed in Nunavut by a Nunavut producer, illustrates the large number of funding avenues necessary to finance productions. It also reveals, as does the figure below it, that federal financing is extremely important to Nunavut producers.

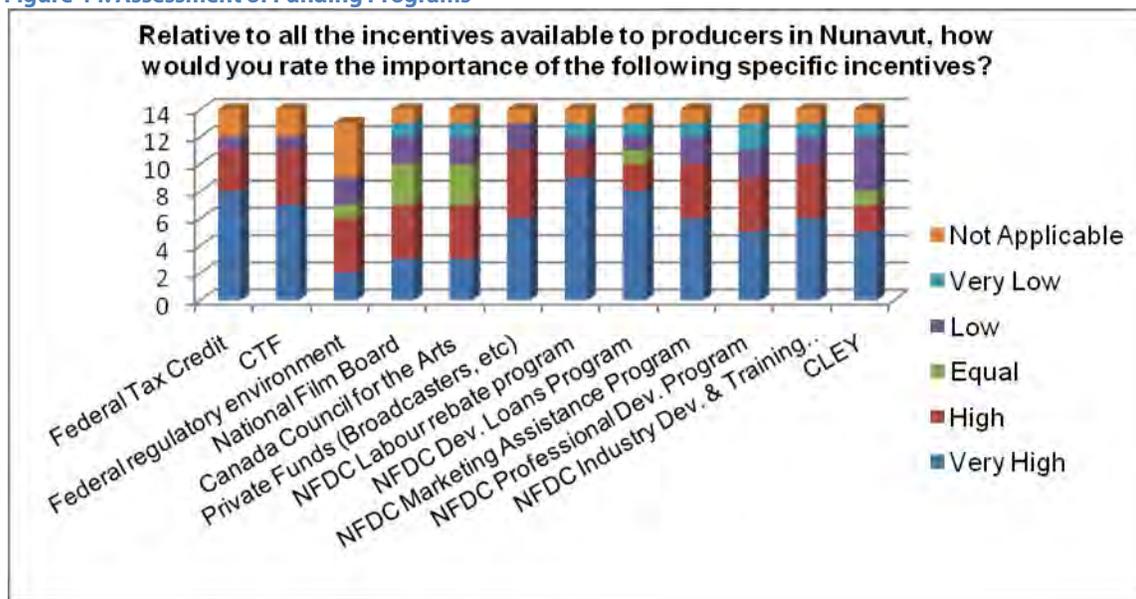
⁸⁶ 16 responses.

Figure 43: Example Funding Scenario

Funding Body	% Total Funding	Totals	% Total Funding
License Fees			
APTN	14%	Total Private Non-Nunavut Funds	25%
Rogers (Top-up)	11%	Total Private Nunavut Funds	10%
CTF (Aboriginal Language Envelope)	21%	Total Federal Public Financing	43%
Equity Financing		Total Territorial Public Financing	22%
CTF (Aboriginal Language Envelope)	9%		
CAVCO Federal Tax Credit	8%	Total Funding from within Nunavut	32%
Deferrals/Grants		Total Funding from outside Nunavut	68%
Canada Council	4%		
Producer Loan	1%		
NFDC Labour Rebate	14%		
Kakivak	4%		
KEDC	5%		
Nunavut Film	6%		
NF/SIP	2%		

As the figure above demonstrates, this particular filmmaker accessed 12 different sources of financing to complete this one documentary. As well, 32% of the film budget came from Nunavut funders, with 22% coming from the Government of Nunavut via the NFDC. The producer of this particular documentary provides a good representation of the necessary acumen developed by Nunavut filmmakers to ensure their projects are fully financed.

Figure 44: Assessment of Funding Programs⁸⁷



Similar to the funding scenario above, the preceding figure illustrates that Nunavut producers place a high priority on federal public funding as part of their financing scheme. The only avenue of financing determined to be more important than federal tax credits was the NFDC's labour rebate program. These, along with the Canadian Television Fund and the other NFDC funding programs, were identified as being the most important government incentives available to Nunavut producers.

Although the NFDC contributed only 22% of the financing in the funding scenario provided above, NFDC support was identified overall by Nunavut producers as being extremely important for completing their projects. One third of producers that responded to the online survey reported that none of their productions would have been produced without funding from the NFDC. Another third reported that half of their productions would not have got off the ground without support from the NFDC. Generally, only television content producers and those doing contract video work indicated they would still produce the same volume without the presence of the NFDC.

The variety of funding sources accessed by Nunavut producers does not run counter to the national norm. As the figure below illustrates, Canadian television program and theatrical film producers traditionally depend on a variety of private, public and public-private financing sources.

⁸⁷ 14 responses.

Figure 45: Average Financing Amounts for a Canadian Production, 2007/08⁸⁸

Source	% Total Funding
Canadian distributor	6%
Private broadcaster licence fees	19%
Production company	3%
Independent production funds	2%
CTF	11%
Public broadcaster licence fees	13%
Federal tax credit	10%
Provincial tax credit	16%
Canadian Feature Film Fund (CFFF)	3%
Other public	2%

The majority of funding for Canadian productions overall originates from private broadcaster licence fees, Canadian distributors, production companies and independent production funds. Private-sector financing sources generate nearly one half of total production financing for Canadian productions and the largest component of public-sector financing is provincial tax credits (accounting for 16%). With no tax credit available to Nunavut producers and a limited relationship to the private broadcasters, Nunavut producers have disadvantaged access to traditional financing sources.

In contrast, Nunavut producers fair well in their ability to access Telefilm production funds compared to the other Canadian competitive jurisdictions captured in this study. The table below illustrates the total outlay and the number Telefilm commitments through the Canadian Feature Film Fund and the Canadian New Media Fund. Nunavut was the only jurisdiction to receive funds from the Canadian New Media Fund out of the competitive jurisdictions. However, as noted previously, Nunavut lacks any major film event and thus has yet to fully access those Telefilm funds. Newfoundland and Labrador production companies have also accessed a comparatively larger amount of development funds. Though the Yukon has had greater number of projects funded, Nunavut received a greater amount of funds. This reflects the fact that mainly the large Nunavut productions are receiving funds.

Figure 46: Total Telefilm Commitments and (number of projects) from 2004/05 to 2008/09⁸⁹

	Nunavut	Newfoundland & Labrador	Yukon	N.W. Territories
Production Funds	\$2,450,000 (2)	\$4,208,662 (4)	\$0	\$0
Development	\$150,000 (1)	\$964,206 (25)	\$57,170 (2)	\$33,872 (1)
Event	\$0	\$336,879 (11)	\$13,750 (3)	\$0
Marketing	\$0	\$50,000 (1)	\$0	\$0
Total Projects	3	41	5	1
Total Outlay	\$2,600,000	\$5,484,747	\$70,920	\$33,872

⁸⁸ Source: CFTPA Profile 09, p. 30. Estimates based on data obtained from CAVCO.

⁸⁹ Source: Telefilm

Nunavut television production has received comparatively less funding from the Canadian Television Fund over the past four years. Newfoundland and Labrador have a stronger in-house broadcasting industry than in Nunavut where producers also claim to not have a strong relationship to Canadian broadcasters. Furthermore, some independent Nunavut producers apply for funding under different provinces and are thus registered under those jurisdictions when in fact they would otherwise be considered Nunavut productions. Currently, slightly less than a third of CTF funds are allocated to regional productions in English, French and Aboriginal languages. In 2007/08, a total of 158 hours of regional programming was funded by the CTF.⁹⁰

Figure 47: Total CTF Regional Production⁹¹ from 2004/05 to 2007/08⁹²

	Nunavut	Newfoundland & Labrador	Yukon	N.W. Territories
Total CTF \$	\$800,000	\$8,500,000	\$500,000	\$0
Total Budget \$ (in Millions)	\$1,600,000	\$20,700,000	\$1,300,000	\$0
# of Projects	4.33	16	1	0
Average % Share of Total CTF Funds	0.08%	0.9%	0.05%	0.0%

5.4 Export Success

Very few Nunavut producers boast any significant financial export success. In contrast, over the past twelve months, Canadian producers have seen considerable success at home and in the international market. For instance, two Canadian television dramas gained regular prime-time spots on American networks.⁹³ Canadian producers also maintained their international leadership status in terms of developing innovative digital media content with a nomination for an International Emmy Award for Best Interactive Programming.⁹⁴ The total export value⁹⁵ of film and television production in Canada increased by 17% in 2007/08, totalling slightly less than \$2.0 billion dollars.⁹⁶ The export value increases were seen in foreign location and service production (\$335 million) and in Canadian theatrical production (\$11), though the export value of Canadian television production decreased by 21% (\$54 million) due to reduced presales to foreign broadcasters and distributors.

⁹⁰ Source: CTF Annual Report 2007/08.

⁹¹ Includes: English, French and Aboriginal Production

⁹² Source: CTF Annual Reports from 2004/05 to 2007/08

⁹³ *Flashpoint* on CBS, *The Listener* on NBC

⁹⁴ Xenophile Media's *Total Drama Island – Totally Interactive!*

⁹⁵ The value of inward flows of foreign financing for film and television production in Canada (including total volume of FLS production, value of foreign presales and distribution advances for Canadian Production).

⁹⁶ Source: Nordicity, CFTPA Profile 09



While one Nunavut production company indicates that international sales account for 50% of its revenues, this appears to be the exception rather than the norm. However, Nunavut producers report distributing productions through festivals, museums, schools and universities around the world.

Currently, Nunavut producers report relative difficulty in distributing their productions within Canada. With the exception of APTN, they have had limited success in reaching distribution agreements with other broadcasters.

Nunavut productions sometimes suffer from the stigma of having limited audience appeal (i.e. being of interest to Inuit or Aboriginal audiences only), but the success of films like Igloodik Isuma's *Atanarjuat The Fast Runner* prove otherwise. Filmed entirely in Inuktitut and based on Inuit legend, *Atanarjuat* screened at 33 international film festivals, including 10 in the United States, eight in Canada, two in each of Australia, Norway and Brazil, as well as festivals in Sweden, The Netherlands, Greece, Austria, Belgium, Morocco, Scotland, New Zealand and the prestigious Cannes festival in France.

Focusing on developing export success furthers the aims of Nunavut producers to share Nunavut stories with not only the Inuit community, but the rest of Canada and the world.

6. Profile of Nunavut Film and Television Workers

Nunavut is home to a small, yet highly adaptable group of film and television workers. Nunavut's production industry in 2008/09 generated approximately 169 full-time equivalent jobs for Nunavut residents and roughly 86 direct jobs in the production industry. Most of these film workers have assumed multiple roles in the traditional production value chain. As noted in the figures below – which are based on a sample of roughly 50 full-time Nunavut film workers – half of Nunavut's film workers at some time in their career have filled the role of producer, a quarter have directed, and nearly half have undertaken writing duties.

The variety of roles undertaken by the average Nunavut film worker is in large part a necessity of filming in the territory. While those who work in the production industry in Nunavut are generally viewed as having quality skills, there is an overall lack of availability of film workers. As a result, the existing film workers have had to undertake many production roles.

Also, those film workers who have not left Nunavut to pursue formal training – which represents a large portion of the industry – have had to learn on the job very quickly. At the IBC, for instance, new employees are trained in all aspects of the production industry and will undertake writing, directing, crew and even acting duties almost at the outset of their careers.

While an industry of highly adaptable film workers certainly has its advantages, crews with highly specialized skills developed through formal training and extended on-the-job experience is more indicative of a mature production industry. Regional crews with such skills are often developed and maintained through a combination of education and industry growth, fuelled by both domestic and guest production activity.

6.1 Education and Experience

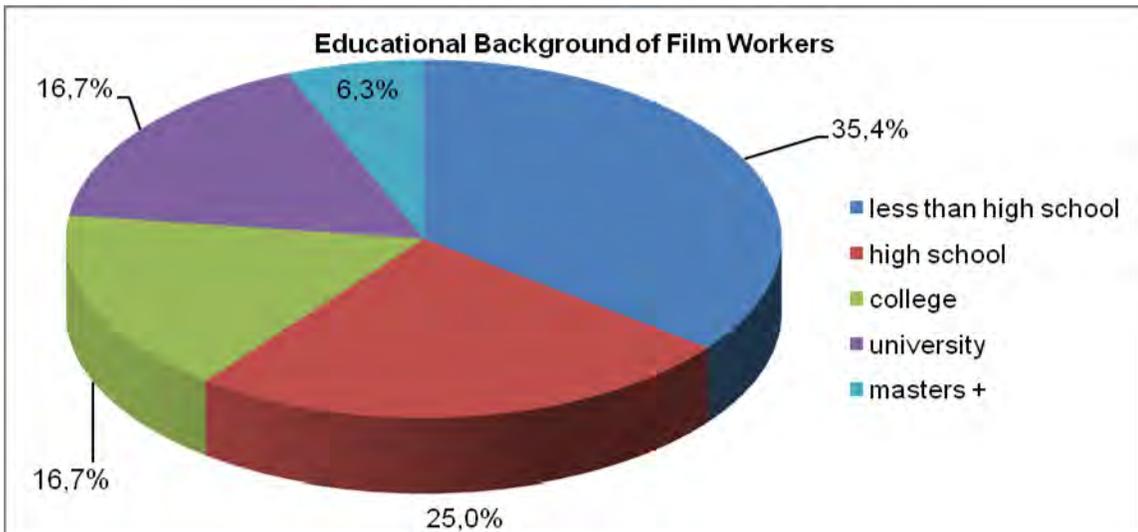
As the figure below illustrates, the majority of Nunavut film workers do not have a post-secondary education. This fact is not particularly surprising considering only about one quarter of Nunavummiut who go to school graduate.⁹⁷ In fact, when considering that figure, that nearly 65% of Nunavut film workers have a high school diploma or higher, and that nearly 40% have post-secondary education definitely trends against the territorial averages.

What also needs to be noted is that the majority of film workers in Nunavut who do not have a high school diploma are employed at IBC. In addition to reflecting Inuit culture and issues back to the Inuit community and the rest of the world, IBC also fills the mandate of training and employing Inuit in all aspects of the media industry. The broadcaster plays an extremely important role in Nunavut's skill development and youth retention by providing alternative careers for Nunavummiut, many of whom have not completed high school.

⁹⁷ Source:

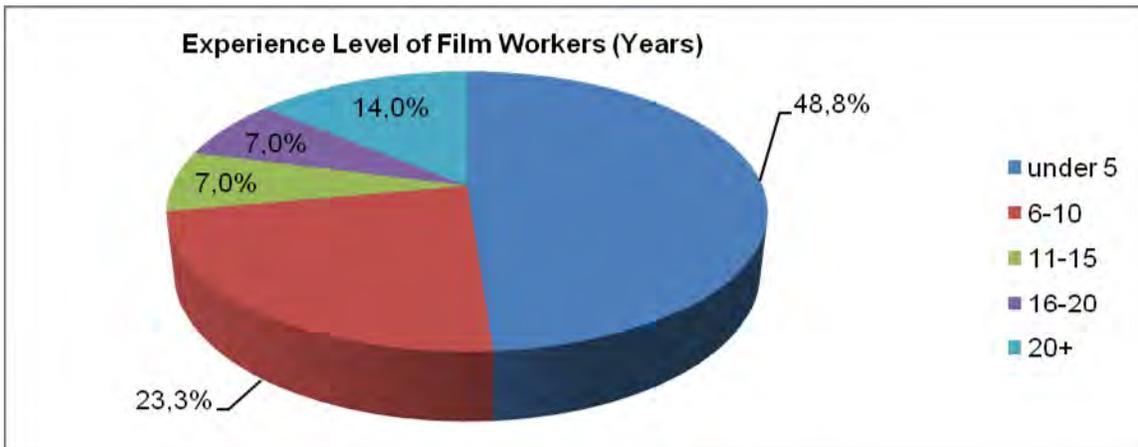
http://www.ctv.ca/servlet/ArticleNews/story/CTVNews/20090417/inuit_suicide_090417/20090417?hub=Health

Figure 48: Average Educational Background of Nunavut Film Workers



Nunavut film workers also tend to have limited industry experience; nearly 49% have fewer than five years of experience, and more than 72% have fewer than 10 years of production experience.

Figure 49: Average Experience of Film Workers (Years)



The figure above also illustrates an experience gap in Nunavut’s full-time, salaried film and television workers. While only 14% of film workers have between 10 and 20 years experience, the same amount has more than 20 years of experience. This significant level of highly-experienced film workers likely links directly to the growth Nunavut’s production experienced in the 1980’s with the foundation of IBC, and in 1990 with the formation of Igloolik Isuma Productions.

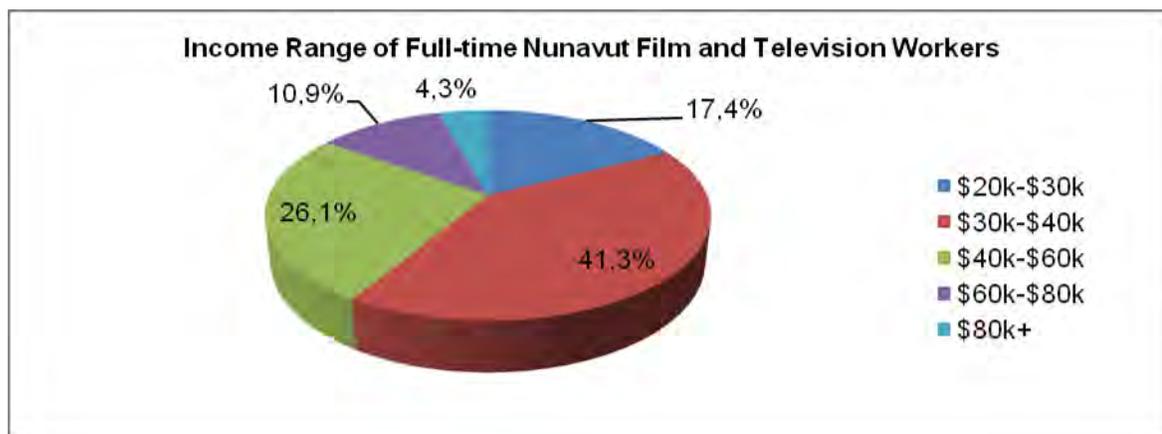
That such a significant portion of the industry currently has 10 or fewer years of experience presents an opportunity to narrow or eliminate the experience gap by ensuring jobs in the production industry for

future decades. Doing so at this time would vastly increase the portion of Nunavut’s production industry that boasts 10, 20 or more years of industry experience.

6.2 Income

Nunavut’s full-time film and television workers on average earn \$44,000 per year, with 40% earning more than \$40,000 per year. However, Nunavut film and television workers’ peers in the rest of Canada earned on average \$50,488 in 2007/08. The average FTE salary for film and television workers in Canada neared current Nunavut levels in 2001/02 with \$44,316 per year.

Figure 50: Average Income Range of Nunavut Film Workers (C\$)



As with the overall number of Nunavut film workers and their overall skill levels, average income would increase with industry growth due to increased incentives, promotion and infrastructure development. Considering Nunavut film workers earn on only about \$6,000 less than the national average for film and television workers, any substantial amount of investment in the Nunavut production industry would go a long way to bring these wages on par with the rest of the country.

6.3 Skill Levels and Availability

According to Nunavut producers, concerns with Nunavut film and television workers are more often related to availability, not skill levels. The table below highlights opinions of Nunavut’s production crews, screenwriters, directors and actors. It notes the percentage of Nunavut production stakeholders that rate skills and availability high, medium, or low.⁹⁸

⁹⁸ Where percentages do not add to 100% some respondents indicated the question was not applicable to them.

Figure 51: Availability and Quality of Nunavut Production Workers

	Availability			Quality		
	High	Medium	Low	High	Medium	Low
Crew	22%	39%	28%	24%	47%	18%
Screenwriters	6%	11%	56%	13%	25%	31%
Directors	11%	28%	39%	25%	44%	6%
Actors	17%	39%	33%	28%	61%	6%

It is clear from the table above that Nunavut production stakeholders find there is a considerable lack of availability of both screenwriters and directors. In terms of quality, however, only the existing screenwriters are found to be lacking, while crews, directors and actors are generally viewed to be of a medium or high quality level. A full, graphical representation of the table above can be found in Appendix C.

Nunavut production industry stakeholders additionally note that beyond traditional film and television production skills there is pressing need for training in writing proposals and budgets. Such activities generally require tailored English, accounting and business knowledge that Nunavut residents currently have limited access to.

Overall, existing production companies would benefit from an audit of existing skills and an identification of needs and gaps. Skill development initiatives could therefore focus on the necessary areas that would provide the greatest benefit to Nunavut's film and television workers, and the industry as a whole. For example, focusing on increasing producer skills would provide existing and aspiring producers the proficiency they need to make deals or form partnerships with larger players, such as broadcasters and potential co-production partners.

7. Industry Drivers

The guest and indigenous components of Nunavut's production industry have different drivers – even though the facilities and skill sets required are largely complementary.

Nunavut's guest production industry depends on the relative appeal of its locations, access via outfitters and the relative costs of production in Nunavut versus other circumpolar locations. Guest production contributes a significant amount to the overall production volume in Nunavut.

The indigenous production industry has been built in large part by the willingness and desire of Nunavummiut to produce film and television content in the territory. Essentially, the key industry driver to this point has been the aspirations of a select group of people to tell Nunavut stories to their own community and the rest of Canada and the world.

Funding from the Government of Nunavut has provided an additional driver to the industry. As many Nunavut producers indicate that a significant percentage, if not all, of their productions would not have been made without NFDC support, it is clear that the existing funding windows have been a key catalyst for the industry.

These existing drivers, however, will only contribute so much to the growth of Nunavut's production industry. While the desire of Nunavut's producers to tell Nunavut stories has resulted in a substantial amount of production in the past few years, many of these producers have struggled to attract enough funding for their projects and in many cases have had to spend some of that money outside of the territory due to lack of available talent or equipment.

Guest producers, on the other hand, have elected to film in Nunavut in the absence of significant financial benefits or the presence of a large crew and other infrastructure. This production volume is less likely to grow without incentives, and could easily be captured by competing jurisdictions offering significant support mechanisms. The primary competitors – Iceland, Yukon and Alaska – have all made notable changes to their incentive programs this year. Therefore, additional steps should be taken by the NFDC and the Government of Nunavut to ensure continued growth of the industry from domestic and location production.

8. Strategic Options

The strategic options for policy and incentive measures are based on our analysis of feedback from stakeholders, competitive analysis of other circumpolar jurisdictions and an analysis of the current policy and incentive framework.

An analysis of other film commissions of Northern Canada reveals there is no leading northern Canadian film industry. Through its own self-generated growth and existing support mechanisms, Nunavut's production industry is generally on par with or ahead of all other northern Canadian jurisdictions. Also, when viewed on a per capita basis, Nunavut already lines up favourably with many other international circumpolar jurisdictions.

Therefore, Nunavut is well positioned to become a circumpolar film centre of excellence if the appropriate steps are taken.

8.1 Industry Obstacles and Solutions

Analyzing the obstacles to growth faced by Nunavut producers provides insight into the best ways to foster industry growth. As the figure below illustrates, nearly 90% of Nunavut producers feel sufficient production financing is a major obstacle to growth. Other major obstacles identified are developing a business model that supports growth, and having appropriate business skills.

Figure 52: Assessment of Growth Obstacles⁹⁹



Nunavut producers also identify many reasons why the territory loses production business, including guest production, to other provinces and territories. The top reasons identified include the absence of an attractive tax credit, crew availability and quality, and facility availability and quality.

⁹⁹ 11 responses.

Figure 53: Assessment of Competitive Disadvantages¹⁰⁰

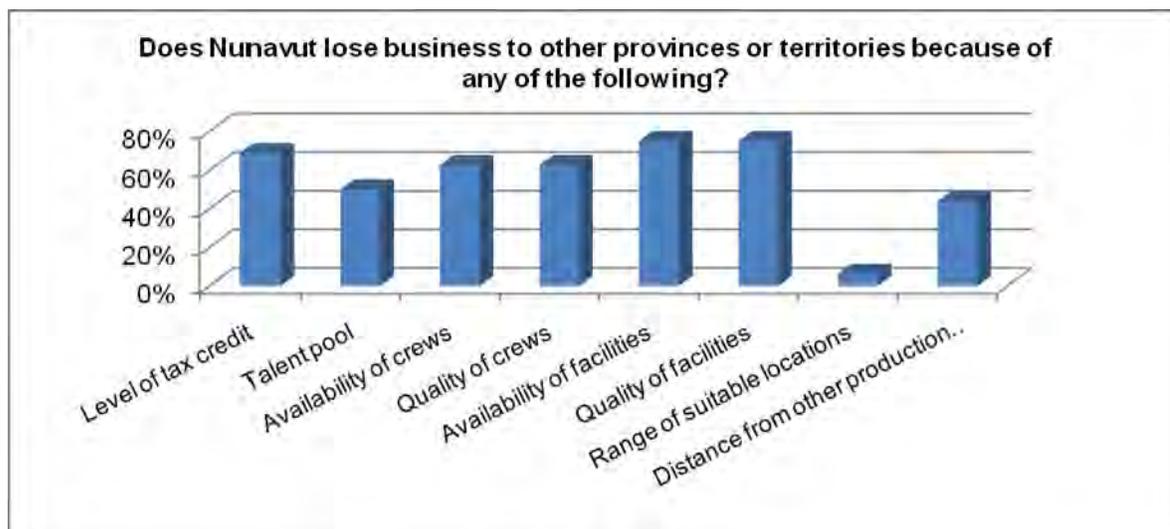
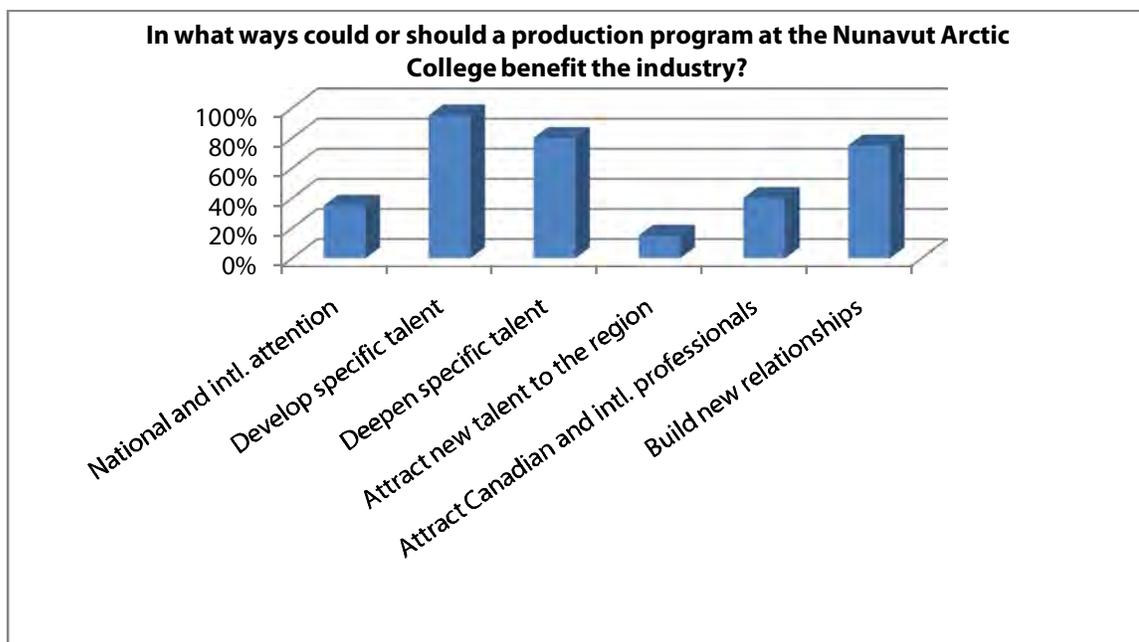


Figure 54: Assessment of Training Benefits¹⁰¹

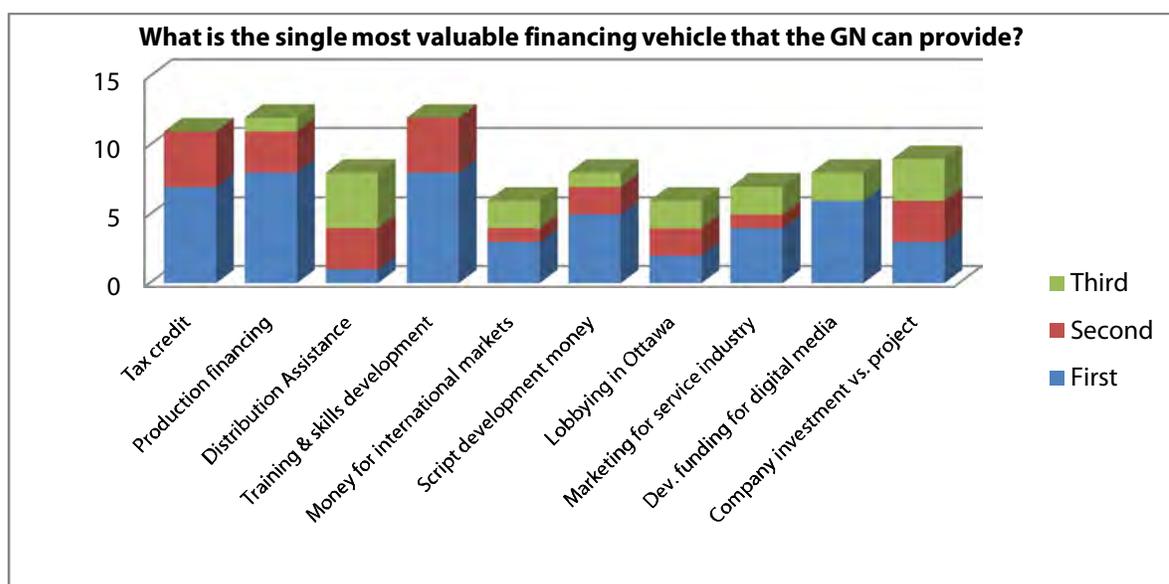


¹⁰⁰ 16 responses.

¹⁰¹ 20 responses.

Industry training and talent development is clearly viewed as a very important solution by Nunavut producers. Generally, producers did not view attracting new talent or attention to the region as a necessity of a post-secondary level production program in Nunavut. Rather, they feel the greatest asset of such a program would be to develop and deepen talent within the region. In fact, as the figure below illustrates, training and skills development funding was identified by Nunavut production stakeholders as being the most valuable financing vehicle the GN could provide (tied with production financing). Stakeholders also identified a tax credit and development funding for digital media as being very desirable.

Figure 55: Evaluation of Potential Financing Vehicles¹⁰²



8.2 Strategic Options

The following is a list of strategic options for the NFDC and the Government of Nunavut to consider as it moves towards its goal of developing Nunavut as a circumpolar film centre of excellence.

Clarify the vision for Nunavut's film industry

To move forward with a comprehensive development strategy, clarification must be sought as to the long term goals of Nunavut's film industry. Namely, the NFDC and the Government of Nunavut should

¹⁰² 15 responses. The blue portion of the columns indicate the number of respondents indicating that financing vehicle as being 'most valuable', the red and green portions indicate number of respondents indicating that financing vehicle as being second or third most valuable, respectively.

determine if they wish to develop: an industrial film, television and digital media industry capable of competing with other circumpolar film jurisdictions; or a cultural film, television and digital media community capable of providing Nunavummiut with the opportunity to retain and promote language and culture.

Fortunately, the option exists to develop both. Through the appropriate mix of development and funding initiatives aimed at supporting both cultural and industrial productions, and domestic and guest producers, Nunavut's production industry can serve both a cultural and industrial purpose. However, support mechanisms can only be put in place after a clear vision has been outlined.

Revise film funding programs to enable the development of a mixed guest-Nunavut production industry model

Other circumpolar jurisdictions have successfully developed their production industry based on the synergies between indigenous and guest production sectors and this should be a model for Nunavut. Currently, Newfoundland and Labrador, Yukon, Alberta, Iceland and Alaska offer a sliding percentage rebate on all provincial expenses, which increases or decreases based on copyright ownership, talent and location choices. Such a model would work to increase both the cultural and commercial aspects of Nunavut's industry.

Explore the implementation of non-capped funding mechanisms

Many jurisdictions employ non-capped funding mechanisms to support organic growth of their production industries. Such mechanisms allow all qualifying productions to receive funding in a given year, as opposed to distributing all available funds and reviewing allocation amounts based on the number of applications received. Newfoundland and Labrador, for example, caps its Film and Video Tax Credit at \$3 million per project, but there is not total funding cap for the program.

Assist in the development of infrastructure

Assistance should be given to companies prepared to create the infrastructure required within the territory. This would result in an immediate increase in total dollars spent in Nunavut while stemming the flow of financing currently being leaked to southern production centers.

Editing facilities, studios and broadcasting capabilities would allow a greater partition of production budgets. Infrastructure projects such as the proposed IBC Media Centre, ISUMA TV, Nunavut TV and Nunavut Broadband should be given priority consideration.

Conduct a skill audit

While there is clearly a need for more skilled film, television and digital media workers in Nunavut, a skill audit should focus on identifying levels business development skills such a grant writing, financing and

administration, in addition to the traditional production skills such as crewing, directing, producing, writing and acting.

Construct a skills development strategy

Following a skill audit, a comprehensive skills development strategy must be developed in order to ensure Nunavummiut are provided with the opportunity to learn the craft of film, television and digital media production. By interfacing a skill development strategy with a revised funding schedule a continuum of skill development and project sophistication would result.

As in other jurisdictions, a skills development strategy could also include a skills transfer component where individuals with existing skill sets could have their knowledge enhanced with industry specific knowledge. Bookkeepers, carpenters, outfitters, transportation providers, caterers, elders, economic development officers, interpreters, elders could be provided with “production specific” knowledge and skills.

Develop a coherent development strategy with other territorial and federal government departments and agencies such as CLEY, Education, INAC and Tourism

Film, television and digital media production in Nunavut has the potential to lead to substantial spin-offs into other industries such as culture and language, education and tourism. The NFDC should be encouraged to explore potential synergies.

Develop and maintain an industry tracking framework

The NFDC should be encouraged to develop an industry tracking framework to record domestic and guest production activity, total funding distributed by the GN, as well as industry employment on an annual basis. Tracking the industry and its growth will provide the NFDC with the ability to demonstrate its impact on the territory.

Develop and maintain a social impacts/benefits tracking framework

As many of the critical benefits of the production industry are not economic, a framework should be developed to capture and measure social impacts and benefits of the industry on an annual basis. Parameters for measuring social impacts could include: youth engagement; cultural reflections; and secondary and post-secondary education levels.

Implement a ‘Film Permit’ registration system



A low-cost permit or mandatory no-cost registration system should be put in place to capture the economic impact of foreign location service projects as well as to ensure cultural and environmental considerations are being taken. Use of the permit system will allow further opportunities for the NFDC to advocate the Nunavut film workers to guest producers.

As some foreign producers may not register through a permit system, the NFDC should build relationships with local outfitters and airlines as an additional means to capture guest production and build relationships with foreign producers.

Any permit system should be designed with little or no financial or administrative burden on guest producers and should be accompanied by benefits provided by NFDC such as their location library and resource centre.

Provide core funding to offset the costs of a film, television and digital media industry association such as Ajjit

Every major film, television and digital media jurisdiction in the world has a strong and vibrant industry association, which assists with the advocacy, promotion and education of their members.

Unlike the Yukon, Newfoundland and Labrador and Iceland, Nunavut does not have a consistent industry event that promotes its production industry. Like these jurisdictions, Nunavut should undertake to develop promotional events such as a film festival, conference or trade show that draws attention to its industry. A strong industry association, such as Ajjit would be a valuable asset in the promotion of Nunavut and its film, television and digital media industry.

Explore expanding NFDC to become a film and music commission

The Yukon, Manitoba and Northern Ontario have merged their film and music commissions. The NFDC should explore doing the same as the music industry has many synergies with the film, television and digital media industries that can be exploited to full benefit. Music represents a significant part of the Inuit culture, both old and new, and would benefit greatly from proper recognition and support mechanisms.

A Film Incentives of Circumpolar Film Agencies

A.1 Nunavut Film Development Corporation (NFDC)¹⁰³

NFDC is a not for profit development corporation with a mandate to increase economic opportunities for Nunavummiut in the film, television and digital media industries and to promote Nunavut as a world-class circumpolar production centre.

Commission Incentive Programs

Labour rebate for Nunavut Productions and Co-Productions

Qualifying producers of eligible Nunavut Productions or Co-productions, which employ Nunavut Labour in the film, television, or digital media industry, can receive up to the 50% of their local labour costs (for pre-production, production and post). The initial labour rebate rate is calculated at 40% for eligible Nunavut labour with a bonus of 5% for productions in Inuktitut and an additional 5% for productions in regions outside of Iqaluit.

There is no minimum or maximum per qualified applicant; however, program funding is limited and is capped at \$300,000 per year. Therefore meeting eligibility criteria for this program does not guarantee approval of financial support. Financial assistance may only be provided to those projects providing the greatest economic benefit to Nunavut. Projects may only be partially funded. Deeming provisions exist if a technical position is unavailable.

Non-Nunavut producers are not eligible unless it is a Nunavut co-production. The Labour Rebate program applies only to the following productions: Dramatic television, Feature Film, Documentary (with Broadcast agreement) and Movie of the Week – this means that non-dramatic television series and commercials, as well as guest productions are ineligible.

Development Loans Program

“This program provides non interest bearing loans to Canadian Corporation with permanent establishment in Nunavut, and with majority ownership by Nunavut residents. Qualified applicants may apply for up to 100% of eligible costs to a maximum of \$10,000.00 for the development of treatments of first drafts for film and television projects. Qualified Producers and Companies may also apply to be considered for additional assistance up to a maximum of \$15,000.00 per project. This additional assistance is subject to financial commitment from a broadcaster, distributor, pay TV service or broadcasting affiliated funding agency.”

Marketing Assistance Program

¹⁰³ Unless otherwise noted, all information gathered for this NFDC profile was attained from the NFDC website, www.nunavutfilm.ca, NFDC employees and/or Nordicity's own research.



“This program provides travel grants to qualifying filmmakers to attend festivals and film related events to which they have been invited; to support a premiere screening of a Nunavut Production; for advertising costs related to the premiere screening or broadcast of a Nunavut Production; or, for publication of promotional material for a Nunavut Production. Applicants may seek up to \$5,000.00 toward travel and/or promotional costs for marketing materials per project.”

Professional Development Program

“This program provides assistance to Nunavut residents with a demonstrable commitment to working in the Nunavut film, television and digital media industry, for advanced training opportunities. Applicants may apply for financial support, up to a cost of 50%, to attend training opportunities at a recognized film institution to a maximum of \$15,000.00 per applicant.”

Industry Development & Training Program

“This program provides opportunities for Nunavut residents with a demonstrable commitment to working in the Nunavut film, television and digital media industry, to receive training and development funding from established industry professionals. Applicants may seek up to 50% of total costs for training workshops up to a maximum of \$18,000.”

Other Commission Services

Asset Tracking and Promotion

Searchable database of Location Profiles:

The NFDC website, www.nunavutfilm.ca, provides profiles of 25 Nunavut communities. Each profile contains local population and weather information, a service and amenities guide and photo albums for the community. Amenities and communities characteristics are searchable.

Database of Talent and Film Services:

The database contains contact information for Nunavut labour in the following areas: Agent/Manager, Broadcaster/Exhibitor, Broadcaster journalist, Casting director, Director, Distribution/Program sales, Sound, Visual effects & Animation, Administrative support, Art department, Cinematography, Communications, Editor, Executive music, Performer, Producer, Screenwriter, Theatrical short & documentary, Industry services and logistics, and Equipment rental.

A.2 Newfoundland and Labrador Film Development Corporation (NLFDC)¹⁰⁴

The NLFDC is mandated to promote the development of the indigenous film and video industry in the Province, as well as to promote the Province in national and international film and video markets as a location for film, television, and commercial productions.

Commission Incentive Programs

Film and Video Tax Credit

A 14% federal-provincial Harmonized Sales Tax is applied to most goods and services in Newfoundland and Labrador. The Newfoundland and Labrador Film and Video Industry Tax Credit is a fully refundable corporate income tax credit administered by the Newfoundland and Labrador Film Development Corporation (NLFDC) for the Newfoundland and Labrador Department of Finance. The program encourages the development, training and hiring of Newfoundland film personnel in all disciplines. The credit is based on a calculation of eligible labour limited to the lesser of 25% of the total eligible budget or 40% of the total eligible labour expenditures.

Bonus Features: The NLFDC offers a Deeming Provision which allows the residency requirement to be waived when a qualified resident person is not available; and the non-resident person serves as a mentor of a resident of the province. In this case, 75% of the mentor's salary and 100% of the resident mentored person's salary is eligible for the tax credit. Requests must be forwarded to the NLFDC prior to the start of production along with the resumes of the mentor and trainee. The credit may also be considered as part of a producer's equity in a given production.

At least 25% of the total salaries and wages must be paid in Newfoundland and Labrador to eligible employees. It is capped at \$3 million per project per 12-month period, but is not capped overall. To be eligible, applicants must be incorporated under the Corporations Act or an Act of the Parliament of Canada or of the legislature of a province. They also must have permanent establishment in the province and shall primarily carry on the business of film, television or video production. Broadcasters and cable companies are not eligible.

The Film and Video Tax Credit is the NLFDC's only program available to non-resident production companies, although applicants still must have a permanent establishment in the province. The following two programs are available to incorporated Newfoundland and Labrador production companies.

Equity Investment Program

"The EIP is a financial contribution, to a maximum of 20% of the total production budget (normally not to exceed \$250,000) that shall be repaid from earned income revenue resulting from production. The objective is to support Newfoundland and Labrador based production, NLFDC will provide production assistance in the form of Equity Investment to eligible producers for the financing of productions. For the

¹⁰⁴ Unless otherwise noted, all information gathered for this profile was attained from the NLFDC website, www.nlfdc.ca, the NLFDC published Production Guide (2007-08), and/or NLFDC employees.



purposes of these guidelines, "Equity Investment" means a financial contribution by the NLFDC which shall be repaid from earned revenue resulting from the production.

Development Program

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

The following five categories of production are available for the EIP and Development financing:

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

- TV Series (dramatic, documentary, children's, variety, performing arts, animated, information, including pilot productions in these formats);

- TV Mini-Series (dramatic series of two to ten episodes with continuing plots and characters);

- TV Specials (single television programs that are dramatic, variety, performing arts, animated, informational, including pilot productions in these formats); and

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

Therefore, the following productions are ineligible:

- news, current events or public affairs programming;

- programs that include weather or market reports;

- talk shows;

- sports events or activities;

- gala presentation or awards shows;

- projects that solicit funds;

- pornography;

- advertising;

- projects produced primarily for industrial, corporate or institutional purposes; and

- projects, other than documentaries, which substantially consist of stock footage.



Sponsorship Programs¹⁰⁵

This program is designed to foster and promote the development and growth of the local film and video industry participants. This will be achieved through three distinct programs.

Promotional Travel Sub-Program (Provides funds to local film and video industry participants to assist with travel-related expenses to market their products globally);

Marketing and Distribution Sub-Program (Provides funds to local film and video industry participants to assist with marketing-related expenses to market their products or for receptions related to the marketing of these products); and

Workshop Assistance Sub-Program (Provides assistance to the various industry participants and associations to develop the local skill base).

Other Commission Services

In addition to administering the above programs: “the NLFDC facilitates and fosters the local industry. It fields many requests and enquires concerning Newfoundland and Labrador as a shooting location. The NLFDC also advises and counsels local filmmakers, production companies and crew. It provides information concerning all aspects of the film industry, including: its own programs, and those of other local organizations, as well as information regarding national funders, broadcasters, and distributors.”

Asset Tracking and Promotion

NLFDC issues a 160-page Production Guide (2007-08) listing information about filming in Newfoundland Production Companies, Crew by job title, Production Support Services, and Location photos.

Permits

“Producers are advised to contact local authorities well in advance of their planned shoot to ensure awareness of and compliance with local regulations. For example, the City of St. John's has developed specific regulations for filming that are administered by its Special Events Committee - depending on the size and location of a shoot, permits and public notices may be required. The province manages provincial parks, wilderness areas, some historic sites and the provincial museum and archives. Specific permits, licenses and regulations may apply to particular conditions where health and safety are at risk, and are outlined in detail in the provincial film industry Health and Safety Guidelines available on the NLFDC website at www.nlfdc.ca. The guidelines include detailed information on rules, procedures and regulations pertinent to the film industry, from electrical hook-ups, to permits for pyrotechnics, to animal handling. All film productions are required to assign an on-site health and safety officer to ensure compliance with the guidelines and health and safety regulations. Transport Canada regulates flight

¹⁰⁵ Available to Newfoundland and Labrador residents only.

safety, and would stipulate conditions for permitting low-level flying and other flight activity outside standard regulations.

A.3 Yukon Film and Sound Commission¹⁰⁶

Commission Incentive Programs

Yukon Film Location Incentive¹⁰⁷

The Yukon Film Location Incentive is now a rebate of 25% of total Yukon spend (monies paid to eligible Yukon businesses and Yukon Labour). It applies to feature films and television programs, movies and documentary films. The travel subsidy applies to commercials. The purpose of the program is to encourage production companies from outside Yukon to film in Yukon and hire and train Yukoners. There are three components to this incentive program:

Travel Rebate (only available to productions companies from outside Yukon): Television programs, television movies (Movies of the Week) and feature film productions are eligible for a 50% rebate of travel costs to a maximum of \$15,000 or 15% of Yukon expenditures that are not assisted under any other portion of the Yukon Film Incentive Program, whichever is the lesser. Commercial and documentary productions are eligible for a 50% rebate on travel costs to a maximum of \$10,000 or 10% of all Yukon expenditures, whichever is the lesser.

Yukon Spend Rebate: Television programs, television movies (Movies of the Week), documentaries and feature films (but not commercials) are eligible for a rebate of up to 25% of Yukon spend, provided criteria are met

Training Program Production companies shooting on location in Yukon who undertake pre-approved training of Yukon labour. Productions (not commercials) are eligible for a rebate of up to 25% of wages paid to individuals providing on-set training (techniques and equipment) to eligible Yukon labour.

Yukon Filmmakers Fund¹⁰⁸

The purpose of the program is to deliver funding to Yukon film and video professionals to assist them in developing viable careers and businesses making films and videos for broadcast or commercial release. Yukon Film Training Initiative: The purpose of the Yukon Film Training Initiative is to assist Yukon residents to undertake training in film production or post-production. Training may be:

¹⁰⁶ Unless otherwise noted, all information gathered for the Yukon profile was attained from the commission website, www.reelyukon.com, commission employees and/or Nordicity's own research.

¹⁰⁷ For Yukon and non-Yukon based producers.

¹⁰⁸ For Yukon filmmakers only. Yukon Resident: A person who has resided in Yukon for at least one year (365 days) prior to the date of application and maintains a valid Yukon Health Care Insurance Plan registration.

Course work in film production or post-production at a recognized post-secondary institution;

Short term educational pursuits - such as workshops - and informal education - such as mentoring opportunities – for Yukon filmmakers; and

Applies to tuition, required texts and consumable materials (not travel, accommodations, etc).

Yukon Film Development Fund¹⁰⁹

The purpose of this program is to encourage the growth and development of the Yukon Film industry through the provision of non-repayable financial contributions to assist with the costs of development of film projects in Yukon. Up to 50% of the actual Yukon expenditures to a maximum of \$35,000 or 33% of total project expenses (whichever is the lesser) may be available to eligible Yukon residents or Yukon corporations to assist with the costs of development of film projects in Yukon. The applicant is required to have market place support in the form of either a broadcast development agreement, or a distribution arrangement. An additional \$10,000 may be available to an applicant if the broadcaster/distributor requires more senior personnel not available in Yukon to be attached to the project.

Yukon Film Production Fund¹¹⁰

The purpose of the Yukon Film Production Fund is to encourage the growth and development of the Yukon Film industry through the provision of non-repayable financial contributions to assist with the costs of producing a film in the Yukon. Up to \$500,000/project is available to Yukon corporations who financially and creatively control projects to assist with the costs of producing a film in Yukon. Production is the period of time during which the project is being captured on film or videotape. The applicant is required to have marketplace support in the form of a broadcast license which is a commitment by a licensed broadcaster to participate financially in the production of the project, or a distribution arrangement.

For productions solely controlled by a Yukon resident or corporation, the contributions will be based on 30% of Yukon expenditures or 30% of total production costs whichever is the lesser.

For co-productions the contribution will be based on 30% of Yukon expenditures or 20% of total production costs whichever is lesser. The following are not eligible projects under these programs:

- Sport broadcasts;
- Contract driven productions;
- Talk shows;
- Game shows;
- News programming;

¹⁰⁹ For Yukon filmmakers and co-productions.

¹¹⁰ For Yukon filmmakers and co-productions.



Awards presentations;
Productions that solicit funds; and
Pornography.

Enterprise Trade Fund for Film and Sound Industries¹¹¹

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

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

Other Commission Services

Asset Tracking and Promotion

Locations: Descriptions, maps and specific sites in each region (Far North, Klondike, Interior, Southern Yukon), Photography; and

Local Crew: Commission directs to listing available at the Northern Film and Video Industry Association (www.nfvia.com/directory), includes production credits and online resumes.

Script Breakdown

Commission staff will break down filmmaker's script and provide digital images of locations that will work financially and creatively for their production.

Research Support

Production research and information, location expertise and assistance with support and technical services

Publications

Film Production Guide – Yukon Canada, 2010 (63 pages), including details on the Commission and its programs, other Yukon film Organizations, details on filming in the Yukon, community listing, population

¹¹¹ For Yukon businesses.

and contacts, location photography (32 pages) and a background to Yukon First Nations and contact information to receive permission to shoot on their lands.

A.4 Northwest Territories Film Commission¹¹²

The role of the NWT Film Commission is to provide: Location scouting assistance, including augmentation of location research; liaison services with industry facilities and services as well as with community, production companies, and government.

Commission Financial and Incentive Programs

There are no incentives or financial programs in NWT (i.e. there are no tax credits, no specific funding programs for production). At this point, the government of the NWT has other priorities and is not looking to develop the industry. Filmmakers and production companies can access seed funding via the Entrepreneur and Economic development program, which recognizes filming as an eligible activity. To receive funds, projects or production companies must make good business sense and demonstrate financial need.

Other Commission Services

The commission is essentially a location scouting and liaison office that provides industry-focused profiles of each of the NWT's five regions (North Slave, South Slave, Dehcho, Sahtu and Inuvik) and a guide to film and television professionals and potential supplier to the film and production industry.

Asset Tracking and Promotion

Tracks and promotes residents with the following skills: Actors, Animal Handler, Animation, Audio Recording And Master, Automobile Rental, Camera Operator, Carpenter, Casting, Caterer, Composer, Costume, Creative Consultant, Cultural Consultant, Director, Duplication and Conversion, Editor, Electrical Equipment, Equipment Rental, Festivals and Shows, Film and Video Sales, First Nations, Generators, Government, Graphic Design, Interpreter, Location and Props, Maps, Media, Narration, Outfitter, Photography, Printing, Producer, Production Manager, Publishing, Satellite Uplink, Set Design and Construction, Sound Technician, Special Effects, Stage and Studio Rental, Stock Footage, Telecommunications, Workshops, Writing Publication.

A.5 Music and Film in Motion (MFM)

¹¹² Unless otherwise indicated, all information for this profile was gathered from the Commission website, www.itn.gov.nt.ca/arts/crafts/filmcommission.shtml, and/or from interviews with the Film Commission.



Historically, there was a Northwestern Ontario Film Commission, however, the website is now defunct and the office is closed. Instead, there is Music and Film in Motion (MFM), a non-profit organization whose mandate is to foster and promote the development of the music and film industries in Northern Ontario. As a development agency, MFM seeks to create economic development opportunities in Northern Ontario's cultural industries.

This region's boundaries stretch from Parry Sound in the south, the James Bay coast in the north, Mattawa in the east, and west to the Manitoba border. "The region offers polar bears and sub arctic tundra, wilderness boreal forests, the world's largest fresh water lake, diverse cities and towns such as Thunder Bay, Kenora, Marathon, thriving aboriginal communities such as Fort William First Nation, and key infrastructure such as an international airport and international seaport."

Commission Incentive Programs

The Northern Ontario Media Fund

"A sector-specific incentive fund designed to assist with the development of media production in Northern Ontario. The minimum amount that can be applied for is \$5,000; the maximum contribution per project is \$150,000. It is important to note that this contribution is not a grant; it is an investment that is expected to be repaid, along with loan interest or dividends commensurate with the level of risk assessed with the project.

The Northern Ontario Music Development Program

Launched to further assist Northern Ontario music artists and businesses. This program provides assistance to artists/businesses in all career stages (emerging, mid-career and established) in the form of direct, hands on support and planning. There are three components to the program:

- Touring and Logistical Support Program (TLS);
- Project Development and Planning Support Program (PDPS); and
- Marketing and Publicity Support Program (MPS).

Northern Ontario filmmakers can also access the provincial funding incentives from the Ontario Media Development Corporation (OMDC), which include:

- Ontario's Film and Television Tax Credits;
- Ontario Film and Television Tax Credit;
- Ontario Production Services Tax Credits; and
- Ontario Computer Animation Special Effects.

Other Commission Services



Asset Tracking and Promotion

MFM maintains an updated Resource Database, a concise listing of Northern Ontario industry personnel designed to assist you in locating individuals, businesses or organizations easily and promptly. It also issues a publication: The Northern Ontario Music and Film Resource Guide (90pages).

Beyond asset tracking and promotion, the MFM focuses primarily on three areas of assistance when developing programming to help achieve its mandate and to serve the needs of the Northern Ontario industry. These areas are Industry Development, Marketing Northern Ontario and the Northern Ontario Music and Film Awards Conference Program.

Industry Development

MFM offers project consultations with their staff, to provide project and career guidance, offering the necessary resources for emerging and mid-career artists to bring their projects to completions. The Insight and Sound Seminar Series provides producers with knowledge and advice from industry professionals and help develop your craft while offering opportunities to network with others working in the industry.

Marketing

Through MFM Member Services, the commission refers individuals, businesses and organizations to those looking to hire. The Communiqué, the MFM's weekly online newsletter, promotes local news and events to over 1,100 individuals and organizations across Northern Ontario. MFM also sends out a press release on behalf of producers to media across Northern Ontario (For Members Only).

The Northern Ontario Music and Film Awards Conference

A weekend jam packed with great opportunities for Northern artists and filmmakers. The event consists of industry panels, networking and mentorship opportunities, music and film showcases and an awards ceremony which recognizes and celebrates talent in Northern Ontario.

The MFM additionally offers the following services:

- Location Support ;

- Access to our extensive Location Library, as well as location scouting services and support securing locations;

- Resource Support;

- MFM provides lists of film, television and music industry talent, technical personnel, production and ancillary service providers that respond to the specific needs of film productions or music projects;

- Logistical support;

- Organizing casting calls;

Gathering CVs and headshots;

A point of contact prior to film production;

Liaise with music venues, studios and other music industry personnel associated with any music projects coming to our area;

Advocacy support;

Arranging permits and clearances through all levels of government;

Providing information and support for regional funding program applications for all music and film projects;

Media Relations;

Circulating press releases to Northern Ontario media contacts;

A point of contact for interviews, bookings, etc.; and

Access to a temporary workspace within MFM's corporate office, including internet access, fax and phone.

A.6 Icelandic Film Centre

Commission Incentive Programs

The mandate of the Icelandic Film Centre is to introduce Iceland as an interesting location for foreign film makers and the possibility of applying for reimbursements of 14% (2007) of the costs incurred in the production of films and television programs in Iceland.

On April 2, 2009 new legislation came into place offering 20% reimbursements for film and TV production costs incurred in Iceland between 2007 and 2011. In order to “enhance domestic culture and promote the history and nature of Iceland” by temporarily supporting motion pictures and television programs.

Allocations from the 2009 national budget to the Icelandic Film Fund were ISK 667.7 million (C\$5,900,000 million) and to the Icelandic Film Centre were ISK 77.7 million (C\$688,000).

Icelandic Film Fund¹¹³

When more than 80% of total production costs of a motion picture or television programme incurs in Iceland, the reimbursement shall be calculated from the total production cost incurring within the European Economic Area. The total of a grant from the Icelandic Film Fund and a reimbursement shall not exceed 50% of the total production costs of the same motion picture or television program.

¹¹³ Source: “Film in Iceland” Brochure, Icelandic Film Commission, http://www.filminiceland.com/resources/Files/filminiceland_com/film-lcel-broch-april-2009.pdf



Only production companies registered in Iceland can apply for financial support. A specific company shall be established in Iceland for the production; an Icelandic branch or agency of a company registered in another Member State of the European Economic Area shall be considered a specific company. Also, an itemized estimate of the production costs and sources of funding shall be made available, together with confirmation by the funding parties.

Because Iceland is a member of the European Economic Area, films and television programs made in Iceland receive European content status - this entitles Icelandic productions to be classified as European material when released in Europe, without affecting any quotas on the release of non-European content.

Other Commission Services

The Icelandic Film Centre supports local film festivals, seminars and workshops where foreign and local professionals collaborate in film and production.

A.7 Alaska Film Office

Commission Incentive Programs

On June 4, 2008, the Alaska Film Office created a 30% (could be as high as 44%) transferable tax credit for qualified film production allowing. Producers can “pre-qualify” for the tax credit but ultimate qualifying spending criteria may differ from the statute which may be vetted. Five companies have already been pre-qualified (March, 2009). Regulations will be published in July 2009.

Incentive program summary:

- Must spend at least \$100,000 in consecutive 24 month period;
- 30% transferable tax credit on qualified expenditures;
- Claim an extra 10% for wages paid to Alaska residents;
- Claim an extra 2% in filming in a rural area;
- Claim an extra 2% if filming between October 1 and March 30; and
- No salary cap per employee per production.

B Glossary of Terms

Direct Employment (Jobs)

Refers to the number of jobs or Full-time equivalents (FTEs) directly involved in the production of television programs and feature films.

Direct Impact

The economic impact attributable to expenditures on film and television production in Nova Scotia.

Domestic Production

Films and television programs produced by Nunavut residents.

Export Value

The value of inward flows of foreign financing for film and television production in Canada (including total spending of FLS production, value of foreign presales and distribution advances for Canadian production).

Foreign Location and Service Production (FLS)

See Guest Production.

Film

Except where specifically indicated otherwise, film refers to productions that use film, video or digital support.

Full-time Equivalents (FTEs)

A unit of measure used to quantify the number of persons employed in an industry if all the persons employed held a full-time job.

Digital Media

All digital delivery of images, video, sounds on support like CD Rom, DVD, web site and other Internet delivery systems, and in the context of Nunavut Film policy, associated with usage that is not promotional in nature.



Guest Production

Films and television programs shot on location in Nunavut by producers who are not residents of Nova Scotia. This includes both non-Nunavut Canadian production and Foreign Location and Service (FLS) Production.

Household Income

The sum of all wages earned by persons employed in a particular industry.

Indirect Employment (Jobs)

Jobs created in other industries by the economic activity generated in the film and television production industry. It includes all jobs created outside of production companies. It includes jobs across all other sectors of the economy such as the services, retail and construction sectors.

Indirect Impact

The economic impact associated with the total value of the output generated by suppliers to film and television production activity in Nunavut.

Induced Impact

The economic impact that occurs when the wages (household income) earned at the direct and indirect impact stages are spent throughout the Nunavut economy.

In-House Broadcaster Television Production

In-house broadcaster television production refers to spending on productions conducted internally by private conventional television broadcasters, the CBC, and specialty and pay television services.

Labour spending

The amount spent by producers on the labour required to produce films and television programs. This includes labour spending associated with in-house broadcaster production and other types of production.

Local Labour

Labour performed by Nunavut residents.



Major Film Event

A festival or market event that is commonly recognized within the film, television and digital media industries as valuable to the marketing and distribution of a project and routinely attended by established distributors, broadcasters, producers and other industry players.

Major Film Project

Any project for film, television, or digital media that employs 10 or more persons and has an overall budget of \$200,000 or more.

Nunavut Co-production

A project produced by an out-of-territory or out-of-the country production company in collaboration with a production company from Nunavut. In the case of co-productions, The Nunavut Film Commissioner will only consider proposals from the production company from Nunavut.

Nunavut Expenditure

Monies paid to a Nunavut resident or company for goods or services related to the Nunavut portion of a film production.

Nunavut Filmmakers

A resident of Nunavut for whom filmmaking is at least a part-time activity that he or she does for livelihood.

Nunavut Producer

A resident of Nunavut for whom producing films is at least a part-time activity that he or she does for livelihood.

Nunavut Production

A project produced solely by a Nunavut production company. Nunavut Production Company: Is a business which complies with the legal requirements to carry on business in Nunavut, and meets any of the following relevant criteria:

Is a limited company with at least 51% of the company's voting shares owned by Nunavut Residents, or



Is a corporation without share capital with at least 51% of the members being Nunavut Residents, or

Is a cooperative with at least 51% of the residents' voting shares owned by Nunavut Residents, or

Is a sole proprietorship, the proprietor of which is a Nunavut Resident, or

Is a society with at least 51% of the memberships owned by Nunavut Residents, or

Is a partnership, the majority interest in which is held by Nunavut Residents and in which the majority benefits accrue to Nunavut Residents, or

Is an Inuit firm as verified within the approved Inuit firms list provided to the Government of Nunavut by Nunavut Tunngavik Incorporated.

Nunavut Resident

For the purposes of the Nunavut Film policy a resident is any person who is legally entitled to be and remain in Canada, and is ordinarily a resident of Nunavut, having resided in Nunavut on a continuous basis for at least one year.

Production Company

A business whose principal activity is the production of film, television or digital media programs and products.

Other employment compensation

This includes the salaries and bonuses paid by production companies to the employees and contractors outside of production budgets. These amounts often come out of production-company overhead.

Spin-Off Impact

The sum of the indirect and induced impacts generated by an economic stimulus.

Production Spending or Expenditures

Production spending refers to the total expenditures on film and TV production. (i.e., the sum of all the production budgets).

C Additional Research Results

Figure 56: Assessment of Nunavut Production Crews

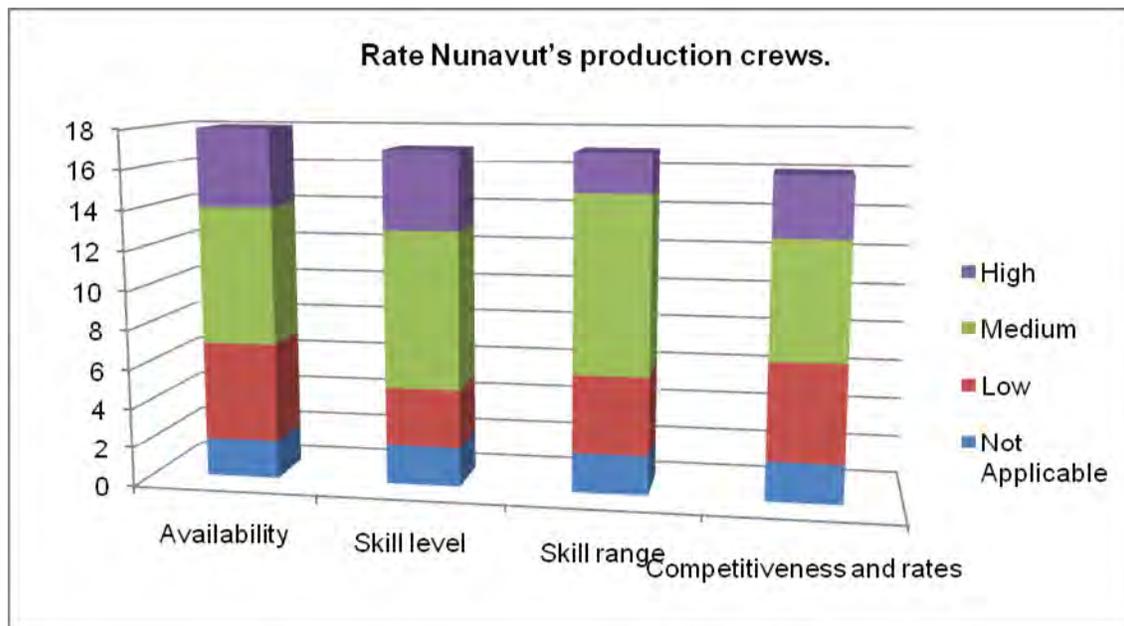


Figure 57: Assessment of Nunavut Screenwriters

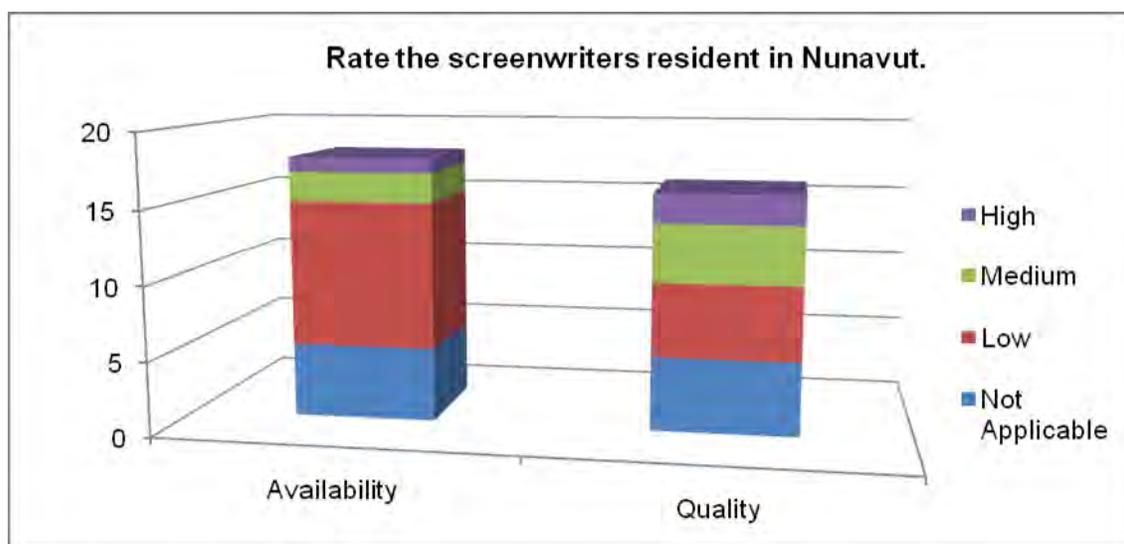


Figure 58: Assessment of Nunavut Directors

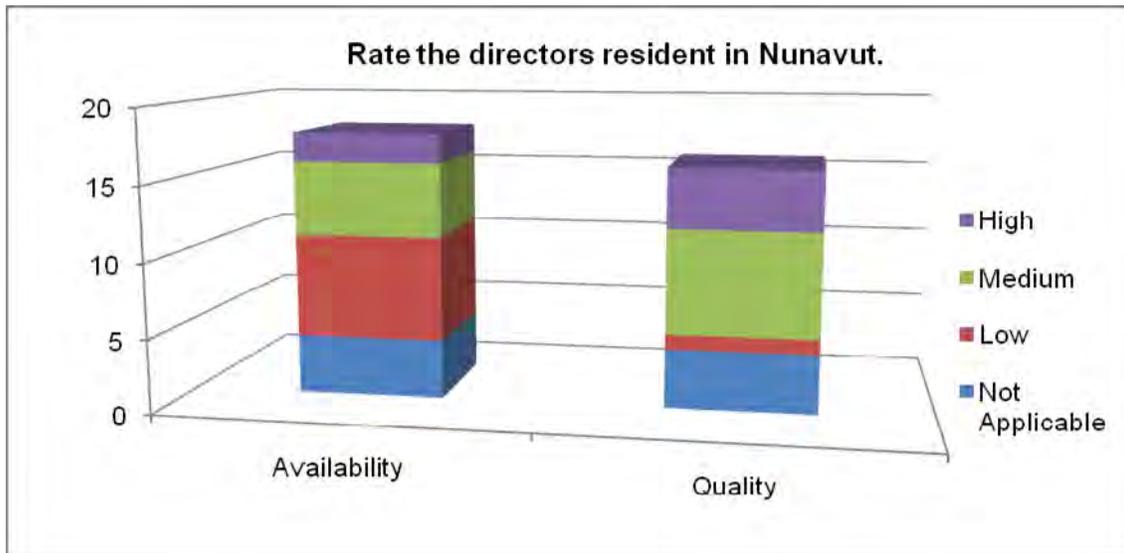


Figure 59: Assessment of Nunavut Actors

