

Saskatchewan Film/TV Production Sector Plan

Nordicity Group Ltd.

Prepared for and in association with the
Saskatchewan Motion Picture Industry Association (SMPIA) and
the Saskatchewan Film Producers Association (SFPA)

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Executive Summary

The *Saskatchewan Film/TV Production Sector Plan* that is articulated in this document was commissioned by the SMPIA (Saskatchewan Motion Picture Industry Association) and the SFPA (Saskatchewan Film Producers Association), who represent the entrepreneurs and freelance production personnel in the film and television industry in Saskatchewan. Nordicity Group Ltd., a Canadian based international media strategy and economics consulting firm, undertook this mandate and worked closely with the two sponsors to prepare this document.

Introduction – Overview of the Sector and its Benefits

The Saskatchewan film and television production sector has grown in production volume from \$17 million in 1999/00 to \$64 million in 2007/08. Throughout those years, the Government of Saskatchewan, on behalf of the people of Saskatchewan, has been a strong supporter of the production industry. As a result, the film and TV sector has contributed to the economic activity of the province and provided benefits that are often unexpected from a relatively globally-unknown region with a small population. In 2007/08, the sector's production levels stimulated nearly \$68 million of economic activity and created over 1,200 jobs in the province.

From creative jobs and youth retention to international recognition and acclaim, the sector showcases the province as no other sector can. The Saskatchewan landscapes, people and way of life appear on televisions, movie screens and on digital devices the world over. Fans of Saskatchewan productions boost tourism in pursuit of an “authentic prairie” experience. The work of Saskatchewan crews and technicians graces the credits of films that have enjoyed weeks of North American and European cinematic release. Saskatchewan youth and actors have worked and played along side names like Charlize Theron, Christian Slater and many others. The sector generates creative industry jobs and retains youth through increased employment; it attracts high-profile projects with a need for Saskatchewan's goods and services, all of which contributes to the building of Saskatchewan's international brand. Other positive contributions include the cultivation of indigenous storytellers and the fostering of a culture of innovation and entrepreneurialism. The sector's performance has truly helped to define a Saskatchewan that makes citizens of the province proud.

Going forward, the sector faces challenges in developing the industry on both the domestic and global fronts, despite shrinking broadcast markets and decreased access to financing. This sector plan provides readers with a “lay of the land” and sets out an overall plan that will address industry needs and fine-tune Saskatchewan's infrastructure.

Growing the Film/TV Production Sector

Saskatchewan-based producers attract tens of millions of national and international investment to the province every year - 70% of financing for film and TV productions originated outside the province in 2007/08. Saskatchewan producers are increasingly being recognized on the global map, not just as a cost-effective option, but also as a highly-competent one. However, long-term success is increasingly a function of the ability to maximize the global sales of a steady pipeline of copyright-owned content with high production values and strong international appeal. Given the standard development timeframe of two plus years for television, and longer for film, remaining competitive in this consolidating environment requires that Saskatchewan producers secure financing for investment in product development and improve business management capacity.

Five Pillars of the Saskatchewan Film/TV Production Sector

The predominant strength of the sector is the existence of what has been described as the “five pillars”. These pillars include SaskFilm, Saskatchewan Film Employment Tax Credit (SFETC), Canada Saskatchewan Production Studios, Saskatchewan’s quality labour base and Saskatchewan Communications Network (SCN). Each pillar is integral to the sustainability of the sector and each has areas where improvements can be made or new ideas can be implemented. Suggestions for each pillar are provided as basic concepts which will be explored in more detail when SMPIA takes the next step – the creation of a business plan to prioritize and implement the appropriate concepts. The suggested concepts outlined in more detail later in this document are:

SaskFilm

- Initiate a slate development funding program
- Boost marketing support programs within SaskFILM and supporting private sector activity

SFETC

- Adjust SFETC to a competitive level with like provinces
- Retain jurisdiction over the administration of the SFETC
- Examine opportunities to advantage ‘non-studio zone’ producers
- Explore post production, animation and digital media tax credit enhancement
- Examine instalment payment structure to tax credit
- Continue monitoring, assessing and marketing Saskatchewan’s competitive position

Studios

- Explore the value of additional features and facilities
- Use the studios to market the sophistication of the sector

Labour base

- Increase training and career development opportunities through collaborative partnerships with educational institutions, unions, guilds and SaskFilm
- Maintain the deeming provision of the SFETC
- Expand business and management training for producers
- Continue Labour base skill development and recruitment

SCN

- Expand into broadband distribution and new media
- Reinforce commissioning budgets to develop programming of broader appeal

The Future of the Saskatchewan Film/TV Production Sector

The global economic downturn and the fundamental shifts in film/TV production sector sales and distribution trends, challenge Saskatchewan producers' ability to sustain the current levels of production in the short-term. Support to maintain the industry's competitiveness could well be required to ensure that production companies capture a larger share of a weak market that characterizes the current economic downturn.

However, in spite of the effects of the recession, the economic structure of the film/TV production sector is sound; and the province's producers have proven their resilience for decades. Despite possible declines in production volume in the short term, the growth trend is projected to return over the medium term of 3-5 years. A notable sector advantage in Saskatchewan is that a modest number of new productions can have a significant impact on the sector's financial performance.

Next Steps for SMPIA/SFPA

The potential exists for SMPIA/SFPA to play a more effective advocacy and leadership role within the sector. If it is unified into a single organization, it would build on the respect it currently has among stakeholders by speaking on behalf of the industry.

In particular, SMPIA/SFPA plays a critical role with respect to lobbying, responding and influencing federal government policy by strengthening the support for the regions.

Members of Saskatchewan's film/TV production sector are cognizant of the need to continually evaluate strengths, weaknesses and levels of competitiveness while planning for continued success. A result of consultation, evaluation and strategic analysis, the *Saskatchewan Film/TV Production Sector Plan* provides insights and suggestions on how stakeholders can jointly move forward and continue to grow the sector.

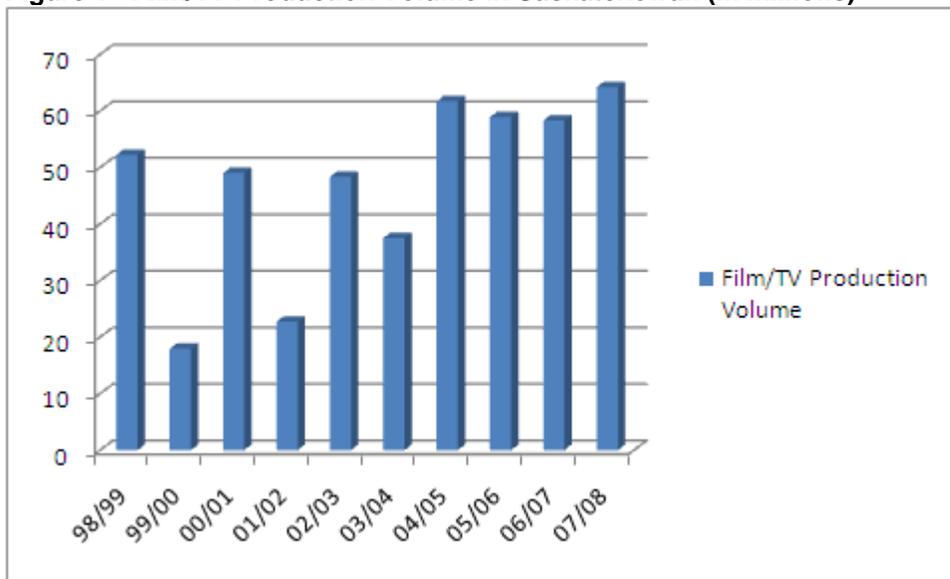
1 Introduction

1.1 Overview of Saskatchewan’s Film/TV Production Sector

Saskatchewan has created a successful and growing film and television production sector that operates in the global marketplace

Saskatchewan’s film/TV production sector has grown from a small, documentary-focused sector to one which is capable of producing quality projects in partnership with international entertainment business leaders. Over the past decade, the total volume of film/TV production in the province has reached a high of \$64.2 million in 2007/08. Saskatchewan has now stabilized around the five-year average mark of \$56.7 million, after experiencing wide swings in production levels over the previous five years – see Figure 1.

Figure 1 - Film/TV Production Volume in Saskatchewan (in millions)



Source: SaskFilm Year End Activity Report, 2007/08.

Comprised of technicians, post-production services, talent, suppliers, unions/guilds and producers, Saskatchewan’s film/TV production sector also has a number of support organizations. SMPIA, established in the mid-1980s, has helped to define the sector by providing leadership.

The sector's strength is driven by a unique collaboration of private and public interests and judicious investment in support infrastructure

The success and strength of the collaboration demonstrated within the industry is the direct result of the ongoing support and participation of various ministries in Saskatchewan's provincial government. The responsiveness of the Ministry of Tourism, Culture, Parks and Sport has been a key factor to facilitating change and anticipating opportunities that benefit the industry. That receptiveness builds on a history of effective and integrated infrastructure that is comprised of pillars of support for the sector, namely:

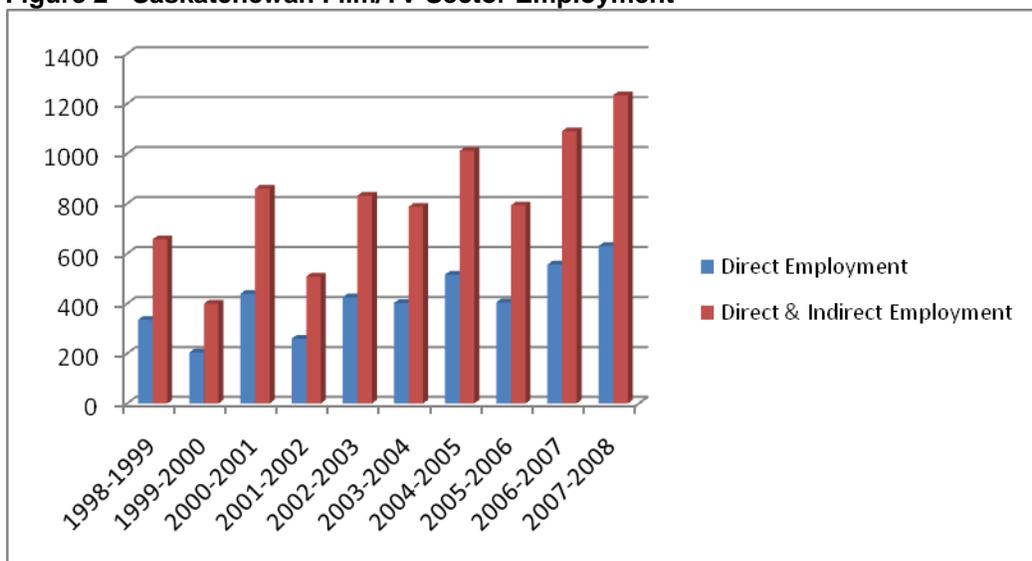
- SaskFilm;
- Saskatchewan Film Employment Tax Credit (SFETC);
- Canada Saskatchewan Production Studios (CSPS);
- Saskatchewan Communications Network (SCN), and;
- Saskatchewan's quality labour base

Continued public investment is needed to sustain and grow the level of production activity. Film/TV production is a key component of a healthy "creative cluster" in Saskatchewan, and thus a priority for future growth.

Saskatchewan's film and television industry is uniquely positioned to generate public profile, and significant economic and cultural benefits for the province

Last year's production levels stimulated approximately \$75 million of economic activity. This level of production created over 1,200 jobs (direct and indirect) in the province – see Figure 2.

Figure 2 - Saskatchewan Film/TV Sector Employment



Source: SaskFilm Year End Activity Report, 2007/08.



A strong production sector enables Saskatchewan to attract substantial investment into the province from national broadcasters and from international production partners from the U.S, Europe and around the world. It also leverages the participation of federal investment through tax credits, the Canadian Television Fund (CTF), the CBC and other federal programs.

Home-grown television series such as *Corner Gas* have placed Saskatchewan on the global television production map, and high-profile theatrical film productions have raised the province's international profile as a business partner. The industry's growing international reputation encourages future international and national co-productions. At the same time, these productions have heightened "pride of place" among residents, and acted as an all-around cultural boost. The availability of jobs in the sector and the visibility of production have provided special encouragement to young people to remain in the province.

1.2 Key Opportunities for the Sector

Saskatchewan has opportunities in domestic, international and new technology production

Saskatchewan producers will need to marshal all their resources to convert opportunities into viable productions. Three areas of focus include:

- **Global markets:** Several Saskatchewan producers have developed the contacts, relationships and international expertise to sustain and expand their pursuit of co-production partners in global markets. Producers are keenly aware of the advantages of shooting in Saskatchewan and they keep close track of competitive features offered by other jurisdictions. Maintaining and enhancing the competitive conditions in the province will help sustain production levels in Saskatchewan in this uncertain economic climate.
- **Domestic markets:** Saskatchewan has now earned its place among other producers and broadcasters outside the province, and is well positioned to seek out more projects for the Canadian market through inter-provincial co-productions or directly through Canadian broadcasters or distributors. Indeed, Saskatchewan producers have to find replacements for successful domestic television series that have come to an end, namely *Corner Gas* and *renegadepress.com*. The impact from declining advertising revenues will create a demand for skilled and experienced producers to maximize the opportunities for new production.
- **New products/new markets:** Internationally and domestically, the realities of broadcaster consolidation, distribution fragmentation and shifting programming demands require the integration of multi-platform creation and distribution. Despite the absence of established business models for new media products, Saskatchewan-based producers and suppliers¹ have adopted or are adopting digital technologies in production, post-production, distribution, and marketing. Such practices facilitate access to more media markets and allow for the expansion of product ranges, such as the development of the animation segment of the sector (e.g. *Wapos Bay* and *The Side Show Christmas*).

Maximizing these market opportunities requires continued collaboration between the Saskatchewan film/TV sector and government. To this end, SMPA/SFPA represent a range of stakeholders who share common goals and are strategically positioned to promote and implement a relevant, results-oriented sector plan for Saskatchewan's film/TV industry.

¹ Digital post-production equipment and talent is notably at an international level in Saskatchewan. For example, audio post-production facilities allow for real-time, remote participation by producers around the continent. As well, local post-production facilities are equipped with HD and audio post-production is done digitally.

Opportunities exist for SMPIA/SFPA to assist with sector development and guide future strategies in the face of changing market forces

In conjunction with the organization's central advocacy focus, SMPIA/SFPA can play a role in:

- Leading intra-industry collaboration so that Saskatchewan government and other industry stakeholders gain more confidence in the positions being put forward by the industry;
- Facilitating the development of marketing vehicles to bring attention to industry successes, needs and opportunities - including youth retention and support for equity groups;
- Promoting and extending inter-regional relationships by implementing joint ventures with Canada-wide SMPIA-like organizations;
- Assessing industry training gaps and motivating the necessary stakeholders to address training needs;

If provided the resources and infrastructure, SMPIA/SFPA could play a more effective advocacy and leadership role by providing a unified voice for the film and television industry in Saskatchewan.

2 Growing the Film/TV Production Sector

2.1 Overview

Saskatchewan-based producers have an established track record of accessing markets and securing financing to deliver high production values and internationally acclaimed products. Saskatchewan producers have proven to be very entrepreneurial in the past, but need to be particularly resourceful in the current environment to seize whatever opportunities do exist in the international markets.

While arranging the financing to produce a project is difficult enough, it is even more challenging to access financing for developing new projects, exploring new platforms or in marketing to new export territories. Having access to stable growth-driven programs and initiatives improves Saskatchewan producers' ability to develop, produce, and get products to market. Recent examples of Saskatchewan-made film and television projects which reflect regional themes, international co-production and service production include:

- *The Re-Inventors*, Partners in Motion's documentary television series,
- *Mad Cow Sacred Cow*, Karma Film's television documentary
- *The Englishman's Boy*, Minds Eye Entertainment's television mini-series,
- *Just Friends*, Infinity Pictures' feature film starring Ryan Reynolds;
- *Rabbit Fall*, Angel Entertainment's dramatic television series;
- *Surveillance*, Stephen Onda Productions' feature film;
- *Wapos Bay*, Dark Thunder Productions' and Karma Film's animated children's television series.

2.2 Saskatchewan’s Competitive Position in the International Marketplace

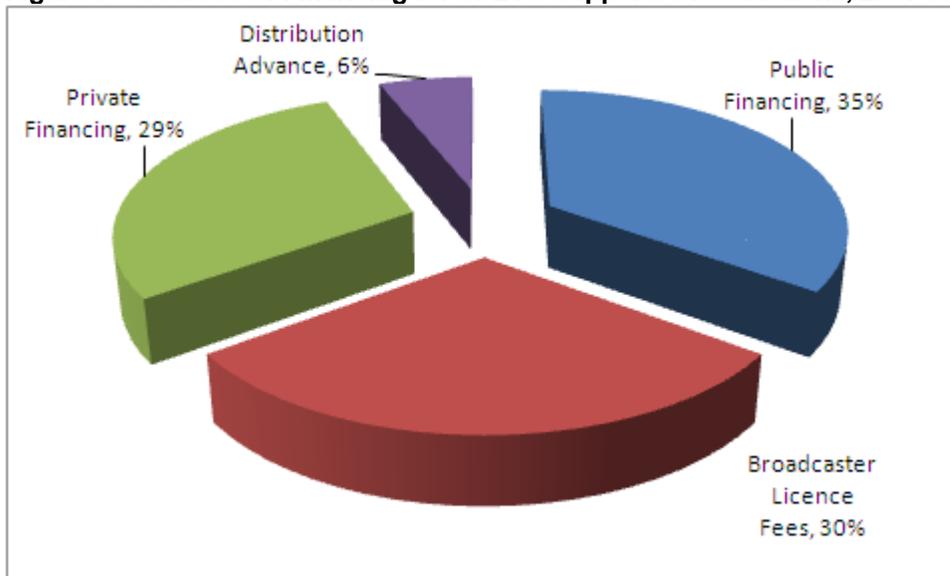
The majority of Saskatchewan’s film/TV production volume was financed from funding outside of the province in 2007/08, including a large amount of private financing

To take advantage of the market’s domestic, international and new technology production opportunities and continue the growth of the sector, Saskatchewan producers must navigate a complex financing environment. Although federal and provincial tax credits are available for all qualified projects, producers compete for limited funds from a variety of sources: for example, from broadcasters who trigger Canadian Television Fund (CTF)² funding, distribution advances typically from foreign distributors, pre-sale commitments from foreign broadcasters, and from private investors in Canada and abroad.

From these sources, Saskatchewan-based producers attract tens of millions of national and international financing to the province every year. In fact, it is estimated that 70% of financing for film and TV productions originates outside the province.

Private sector financing itself represented 29% of the total \$64 million in production volume in 2007/2008. Since only a half a million dollars is estimated to have been raised in Saskatchewan, by far the largest portion originated from sources outside the province – see Figure 3.

Figure 3 – Sources of Financing for SFETC-supported Productions, 2007/08



Source: SaskFilm Year End Activity Report 2007/08

² The CTF will soon become the Canadian Media Fund (CMF) and fuse TV and digital media content into one funding program.

Overall, the global tightening of credit markets and the current economic recession has reduced financing options - but Saskatchewan retains a competitive edge

The current economic recession is impacting the film and TV production sector. While financing and bank credit has shrunk around the world, Canadian banks continue to support lending to this sector. On the surface, Saskatchewan is part of a relatively stable Canadian industry. However, the credit crunch has hit the film/TV production sector in most major markets, and the lack of financing for foreign producers affects the ability of those foreign partners to participate in co-productions or co-ventures.

It also appears that foreign buyers and distributors are becoming more cautious in the marketplace. For example, at the recent European Film Market held in Berlin, the prices offered by some distributors for different territories were much lower than usual, and continued to decline over the course of several months. Such price declines anticipate a softening of the market for film and TV product, as distributors and broadcasters foresee declines in TV advertising, box office and DVD sales. Such market downturns put more pressure on the financing of any specific new project.

Other countries and regional/state jurisdictions are certainly aware of the importance of the film and TV production industry to their economies. However, in the midst of the economic crisis, it does not seem that many would contemplate enticements to private capital. More likely, there will be actions to provide some certainty to the current incentives, since stability is a premium to international producers. Recently, Ontario, Nova Scotia, British Columbia and Quebec did just that by committing to the continuation and enhancement of their tax credit incentives. Still, there will be fine-tuning in Canada and elsewhere to create better “sticker price” images, and Saskatchewan should be able to respond in this context where it is appropriate.

Saskatchewan producers are increasingly being recognized on the global map, not just as a cost-effective option, but also as a highly-competent one. They have demonstrated their ability to explore innovative and efficient methods of exporting film/TV services and product. They continue to foster international relationships that enable them to build the financial partnerships necessary for increased levels of competitiveness going forward.

2.3 Strengthening Production Infrastructure

The long term goal of Saskatchewan production companies is to be financially sustainable so they can build value as companies

Saskatchewan producers, like many other producers in Canada, often cannot afford to retain rights for their own projects because they need to part with most of their rights in order to complete their production's financing. This vulnerability will be exacerbated as ancillary digital rights (e.g. internet streaming, broadband rights, etc.) become more important; there will be upfront costs and it will be some time before revenue streams are established for exploiting these rights. Accordingly, there are three key areas of activity for a healthy sector: product development, market access, and access to financing. As a result, initiatives dedicated to address these areas are likely to have a highly positive impact in the production sector.

Federal and provincial tax credits were originally intended to support sector development by providing stable financing for projects and by allowing corporate capitalization. However, pressure from national broadcasters for producers to increase the production values of programs, led to higher budgets without corresponding increases in broadcaster license fees. The result is that few of producers are able to operate without using their anticipated tax credits as part of the financing structure of film/TV projects to close gaps in financing production budgets.

Lack of working capital and the development of foreign markets or multi-platform opportunities for digital media are major hurdles for production companies. Production companies need access to financing to invest in these new market areas. Thus, there is a need for production companies to improve their balance sheets so that they have adequate working capital to exploit new markets in the evolving multi-media universe.

Any deterioration of the project financing environment exacerbates the problem of financial stability of the overall industry. The long-term goal is to increase the financial stability of Saskatchewan production companies. To achieve this goal, companies will need to generate enough profits to build their equity, and thus be able to attract investment from outside investors.

To remain viable, Saskatchewan producers must secure financing for investment in development toward the creation of appealing product pipelines

Creating a steady pipeline of content with high production values and strong international appeal is a key success factor to a production company's ability to interest producing partners. Such a pipeline is needed in particular because successful product development requires a minimum of one to two years, and often longer.

A slate approach to product development, for both Canadian and international market-driven projects, is increasingly becoming the norm for successful production companies.³ There is also an emerging practice toward cross-sector slates involving book, film/TV, games and/or new media properties. Slates can be strategically combined to attract investors because they offer some diversification.

Improved management capacity is a key consideration in the development of the sector

Solid management is a key ingredient to achieving objectives for improving the financial performance of production companies. To respond to the complexities of the market and to manage a growing portfolio of projects, production companies need to continue to build internal business affairs, sales management, and other capacities. Management, as well as creative and deal-making skills are needed to create solid, profitable businesses that would attract additional public and private investment.

The most successful companies in the sector are comprised of seasoned veterans who understand the business of film/TV production and have been working together for quite some time. Eventually, these experienced producers will be succeeded by new producers capable of operating in whatever conditions exist. Improved business practices as well as management and financial training for production companies would lay the groundwork for a higher rate of future success. In light of the anecdotal and secondary research conducted, it appears that skill development and training are required at the production company level – for the newer executives as well as for others that lack training in specific functional areas.

³ A slate is simply the parallel development of multiple projects. If a production company has a rolling slate constantly in development, it can professionalize its core functions like business affairs and amortize costs over several projects in development, and ensure that enough projects do go ahead to sustain the company's operations.

3 Five Pillars of the Saskatchewan Film/TV Production Sector

3.1 The Pillars to Support an Industry Sector Plan

Given the success of the film/TV production sector to date, the sector plan going forward is focused on the instruments that have been put in place for the province. The “pillars” upon which the film/TV production sector has been based are solid foundations to help finance and support the production sector. They are the following:

- **SaskFilm** has relentlessly promoted the province in foreign markets and manages a number of highly effective support programs – including the administration of the tax credit. Further initiatives in support of development can be explored.
- The **Saskatchewan Film Employment Tax Credit (SFETC)** is the basic foundation for realizing domestic, international co-production, and some service production for the province. From time to time, it can be refined to increase its effectiveness for encouraging production and more soundly financed production companies.
- The **Canada Saskatchewan Production Studios** (also known as the “studio” or CSPS) has been instrumental in establishing the province as a legitimate and competent production location. The Regina-based studio will continue to be strategic in terms of attracting new production, and improvements in facilities and business arrangements can be explored.
- The **Saskatchewan Communications Network (SCN)** has enabled producers to leverage license fees to trigger CTF and other financing for projects over the years. It has had a significant impact on the development of indigenous series and the development of emerging producers in our community.
- **Saskatchewan’s quality labour base** is the product of nurturing and training production crews, post-production editors, talent, creative workers and entrepreneurs that comprise the sector.

While any actions to improve these supporting pillars would not be directly aimed at attracting new investment in production companies, they would help improve their stability of business. Improvements can be made to these pillars which will continue to build the Saskatchewan film and TV sector future. A major part of this Saskatchewan film/TV production sector plan rests on initiatives that could be undertaken to improve these pillars, and each is addressed in turn below.

3.2 SaskFilm

SaskFilm plays a pivotal role in enabling the film, television and emerging new media industry to enhance the quality and marketability of its products and resources

Serving as both a funding agency and a film commission, Saskatchewan Film and Video Development Corporation (SaskFilm) is a non-profit funding and administrative agency governed by a Board of Directors. In the fiscal year ending in March 2008, SaskFilm's annual budget was \$2.2 million, supported by government, industry, sponsors and reserves from past fiscal years. SaskFilm has received a fairly static annual budget. Its main responsibilities are:

- Administration of the SFETC;
- Management of the Canada Saskatchewan Production Studios;
- Administration of a wide range of industry programs and training initiatives;
- Serving as the province's film commission and providing location services for productions filmed in the province;
- Marketing Saskatchewan internationally as a film production centre with unique advantages for producers;
- Support and guidance of independent marketing through its Market Assistance program;
- Administration of certain training programs; and
- Operation of four different financial support programs.⁴

SaskFilm's budget has not increased significantly over the years and yet it has been diligent about increasing the total financing program disbursements over the last four years using past reserves – see Figure 4 below.

Figure 4 - SaskFilm's Financing Program Disbursements

	2004-2005	2005-2006	2006-2007	2007-2008	Four-year Average
DEVELOPMENT LOANS	\$190,431	\$222,423	\$180,357	\$154,790	\$187,000
DOCUMENTARY EQUITY INVESTMENTS:	\$138,250	\$169,961	\$185,500	\$264,363	\$189,519
DRAMATIC INVESTMENT FUND:	N/A	\$225,000	\$150,000	\$225,000	\$200,000
FILMMAKERS PROGRAM:	\$56,600	\$82,000	\$85,000	\$97,610	\$80,303
Total	\$385,281	\$699,384	\$600,857	\$741,763	\$606,821

Source: SaskFilm Year End Activity Reports

⁴ These programs include development loans, equity investment in dramatic and documentary productions, and a filmmakers program for small projects.

SaskFilm is a critical “one-stop shopping agency” for marketing the province to foreign co-production partners and foreign producers looking for attractive locations

SaskFilm is effectively a one-stop shopping service in foreign markets, where it can represent and market all the attractive features of Saskatchewan as a place to do business. SaskFilm promotes all of the province’s incentives, including the tax credit, the Canada Saskatchewan Production Studios and location advantages. SaskFilm is also closely familiar with the major production resources in the province who are their partners in marketing Saskatchewan.

SaskFilm is an effective monitor of trends, and uses its programming statistics to advise the provincial government on how the industry is affected

Many producers view SaskFilm as the “arms and legs of support” for the sector. While operating on a budget provided by the Province, SaskFilm is structured as an arm’s length organization. Accordingly, it is in a unique position as both a service delivery organization and provincial government advisor. The current board structure and the access to input from key stakeholders allow SaskFilm to provide a balanced perspective.

SaskFilm has played a key role in communicating sector issues with the government in times where the industry associations were very active and in times where they were less active. However, it would seem that the optimal situation would be for strong industry representation for its own positions and the continued role of SaskFilm in advising the government in its film commissioner capacity.

Opportunities exist for SaskFilm to strengthen its programs

Going forward, SMPIA/SFPA seek a continued and closer working relationship with SaskFilm and all sector pillars. Suggestions for program enhancement include:

Initiate a slate development funding program

A production company’s primary assets are its new product development and deal flow that leads to new production. These activities represent the “R&D” side of the industry, and producers need to have the resources to develop a line-up of work. Currently development is a one occasion at a time undertaking. The introduction of a “slate” approach in support of new product development would allow production companies to co-develop with strategic partners, and further strengthen the product’s marketability and financing. Slate development financing – i.e. support for multiple projects – would encourage participation in both domestic and international market-driven projects. Saskatchewan talent, writers and producers, have a history of accomplishment in developing and realizing television products which are sold and broadcast around the world. Television series, such as *Corner Gas*, which are locally developed and produced, reflect Saskatchewan pride of place, and have established an international profile and recognition for Saskatchewan and its capability for quality production.

Boost marketing support

Saskatchewan benefits from collaborative market efforts and shared goals among the government of Saskatchewan, SaskFilm, private producers and labour organizations. However, marketing of Saskatchewan and its production community is primarily undertaken by SaskFilm and a few individual producers. Promotional activity includes: print and electronic advertising, unpaid editorial coverage, strategic business development, partnership marketing and participation in specific trade missions and most major international markets and festivals throughout the year. SaskFilm has developed a strong profile for Saskatchewan by being a continued and consistent presence over a period of years. The organization is expertly positioned to lead enhanced, aggressive, and goal-oriented marketing efforts and will require additional resources to accomplish their goals.

Most producers view their marketing activity as single initiatives triggered by a specific festival or a market event. Production companies need to mount much more sustained marketing efforts. Annual marketing plans would strengthen the position of production companies in the marketplace. Increased marketing efforts by the private sector would benefit from SaskFilm's participation and guidance.

3.3 Saskatchewan Film Employment Tax Credit Program (SFETC)

Saskatchewan's film tax credit jump started the industry and was key to putting the province on the production map in Canada

The SFETC, instituted in 1998, has been instrumental in pushing the production sector from \$18 million at that time to \$64 million in 2008. Labour-based tax credits have successfully boosted production in several provinces, and have been particularly effective in Saskatchewan due to the province's unique and competitive mix of incentives.

The SFETC incentive comprised approximately 21% of total project financing in 2007-2008, and the majority of projects produced in Saskatchewan now rely on tax-credit financing. Industry stakeholders attest to the essential nature of the SFETC because it is "transparent, automatic and can be counted on in the financing package". The SFETC has a demonstrated responsiveness and effectiveness for both large and small production in all production genres.

There are significant economic benefits which result from the SFETC

Calculations of the SFETC's direct and indirect economic benefits reveal that the Province recoups a majority of the tax credit expenditure through direct tax revenues from income taxes and local expenditures. In fact, there are additional returns to the Province beyond the amount calculated from the Province's economic models. They arise from development and ancillary activities that are undertaken by production companies for SFETC-related projects.

Another economic benefit of the tax credits is the significant level of inbound financial investment from outside the province. As noted previously, Saskatchewan projects draw in significant investment from outside the province. Such financing includes federal investment from tax credits and the CTF, broadcaster license fees from the CBC and private broadcasters primarily located outside the province, as well as distributor advances, foreign sales, and funds from private investors in the rest of Canada and abroad. Thus, while US service production entails an obvious influx of capital, the domestic projects also trigger inbound investment to the province.

SFETC is our greatest tool for expansion, innovation and competitiveness

At present there are some key issues that should be addressed to maintain and enhance the SFETC as a key pillar in the film and TV production sector.

Adjust SFETC to a competitive level with like provinces

All provinces in Canada use incentives to grow and develop their film/TV sectors, and those provinces with meaningful production levels have increased and enhanced their incentive programs. This has led to a better ‘sticker price’ for competitors and diverted the attention and focus from Saskatchewan. Saskatchewan’s competitiveness requires a comparable ‘sticker price’ for the combined resources Saskatchewan provides to new business. Manitoba is Saskatchewan’s closest competitor and has succeeded in being seen as the preferred prairie province as a co-production and co-venture partner.

Figure 5 - Benefits and Challenges of Adjusting SFETC to a competitive level

Benefits	Challenges
Ability to increase production volumes in 2009 to beyond \$20M (current 2009 volume). Five year average is \$56.7M	More resources will be required for increased SFETC
Strengthen’s prospects in 2010 to reach five year average	Ability to impact 2009 production season with late date initiatives
Maintains skilled labour force	
Benefits to both small and large entities	
Threat to infrastructure is reduced	

Retain jurisdiction over the administration of the SFETC

The Saskatchewan production community considers it important that SaskFilm retain its role of managing the administration of the SFETC, rather than handing over that responsibility to the federal tax credit administration (the Canada Revenue Agency – CRA). SaskFilm’s role should be expanded to include actual delivery of the tax credit, thereby creating efficiencies at minimal cost to provincial government. This measure would also enhance the competitiveness of Saskatchewan’s producers in comparison to those producers located in other Canadian regions. Saskatchewan producers would not be subject to changes in guidelines that may arise in other parts of the country, e.g. the larger production centres. Federal guidelines don’t always align with provincial guidelines and the time it takes to settle the differences often has interest costs to the producer. While this point is further discussed in section 3.3, it is important to recognize the merits of efficiency and transparency which are retained if tax credit administration stays within SaskFilm.

Examine opportunities to advantage ‘non-studio zone’ producers

A positive impact has occurred for Regina and area-based productions due to their proximity to the Canada Saskatchewan Production Studios. While ‘studio-zone’ producers benefit, producers from areas such as Saskatoon are disadvantaged by their distance from this infrastructure. They experience either extra costs or face additional obstacles to realize a project. Further exploration of the impediments created by producing beyond the 'studio zone' is warranted.

Explore post production, animation, and digital media initiatives

In order to encourage the expansion of the digital emerging technologies and the development of animation, the tax credit could be enhanced to include expenditures beyond labour when a Saskatchewan supplier is accessed.

Examine instalment payment structure to tax credit

In view of its tax credit administrative responsibilities, SaskFilm could seek to change the current process, and the government could agree to apportion the tax credit earlier than at present. The objective would be to reduce the interim financing charges that are estimated to cost producers up to \$1.3 million of the total production budget. This suggestion is further discussed in section 3.3 *Saskatchewan Film Employment Tax Credit Program (SFETC)*.

Figure 6 - Benefits and Challenges of SFETC Advance

Benefits	Challenges
As a 'sales' tool, an advance would have great optics for those evaluating using Saskatchewan as a production partner → would attract more activity to the region	Producers must finance the remaining portion of the part A amount to complete principle photography; it may be difficult to secure lenders for relatively small loan amounts
Cost savings on fees would be transferred to the production	Producers may ended up "discounting" their contribution to the production budget by increasing the level of deferred producer fees in order to cover the shortfall
Serves as a sector stimulus, but does not require a large additional investment on behalf of the Province	Fiscal implementation at the government level may result in a one-time budget impact in year 1 of the initiative
Advantages for both larger and smaller indigenous projects	Interest impact of initiative to be considered
Rapid implementation potential	SaskFilm might require additional administrative support
Sector support among various stakeholders	

Continue monitoring, assessing, and marketing Saskatchewan's competitive position

Recognizing the value of incentives to attract footloose productions, various US states, Canadian provinces, European Union and new entrants (such as South Africa) compete for film and TV production investment.⁵ As such, Saskatchewan needs to constantly monitor and fine-tune its tax credit strategy in order to maintain its leading position in Canada.

Collaboration by the production sector, as represented by SMPPIA, and the provincial government, as represented by SaskFilm, will be vital to enhancing the relative effectiveness of the SFETC. As well, all parties need to continually market the advantages of the province's unique mix of incentives - most particularly the SFETC.

⁵ Some of those incentives have a strong "sticker appeal", but they contain features that are actually hard to access, or incur additional costs for the producer. For example, some US state programs require the sale of the credit directly to an individual tax payer and as a result trigger brokerage costs (in addition to interim financing costs).

3.4 Canada Saskatchewan Production Studios (CSPS)

The Regina production facility establishes the significance of Saskatchewan's film/TV production sector across Canada and beyond

In 2002, the Canada Saskatchewan Production Studios (also known as the “studio” or CSPS) was established in Regina through a partnership that involved all three levels of government.⁶ CSPS offers state-of-the-art production studios and support facilities, including four soundproof studios and dressing rooms. The studio has made Regina a focal point for production activity in Saskatchewan, as well as Western Canada generally. It is a key calling card for attracting productions to the province, reflects the sophistication of the industry, and demonstrates Saskatchewan’s commitment to growing its production sector.

The Regina studio is administered as a program of SaskFilm, and has provided much-needed infrastructure to facilitate production activity from both foreign and local production companies. Average production volumes in the province in the four years following the studio’s creation are approximately 50% higher than for the previous four-year period.

While utilization and operating returns have grown, the studio is vulnerable to business fluctuations

Use of the facility has grown from under 20% capacity utilization in 2003-04 to 64% in 2007-08 (see Figure 7). During the 2007-08 fiscal year, the CSPS earned net income of \$287,000 on rental revenues of \$516,000 – a margin of over 50%. However, discontinued TV series such as *renegadeexpress.com* and *Corner Gas* previously accounted for over 60% of total revenues in 2007-08 and will need to be replaced to reinstate capacity utilization and the operational record of the CSPS.

⁶ “The facility was financed with a \$10.9M loan from SPMC, which was to be repaid over a seven-year period. The federal government, through Western Economic Diversification, and the provincial government contributed \$3M each to the facility construction and the City of Regina agreed to forego \$5.5M of provincial transfers in lieu of property taxes over seven years as their contribution.” Source: 15 Years Making Pictures: A Review of the Provincial Government’s Role in the Saskatchewan Film and Video Industry (1989 – 2004).

Figure 7 - CSPS Capacity Utilization Rates



Source: SaskFilm data

The studio's return on investment will be directly impacted by on going marketing efforts

The Regina facility continues to be successful in its central role in Saskatchewan production. Nevertheless, there are two broad avenues for enhancement of this important element of the province's film/TV infrastructure.

Explore the value of additional features and facilities

There are always new features to add to facilities, whether it involves adding to existing infrastructure or building new infrastructure. Considerations at this time include storage for props, carpentry areas for set design, wardrobe work space, special effects capabilities, production offices, and additional parking for additional mobile facilities. These may all be necessary to competitively service client requirements in the future. Whether new investments would materially affect usage needs to be carefully evaluated.

Use the studio to market the sophistication of the sector

Regina is not the first place one would expect to find a talented, friendly film/TV production community or an equipped soundstage. Increased marketing efforts outside the province, with an emphasis on the availability of high-level post-production personnel, will lead to increases in capacity utilization and profitability.

The key consideration is that the studio is best used by a TV series, and successful TV series bestow all sorts of advantages to the production community because of their stability and sustainability. Thus, there is a symbiotic relationship between booking the studio and the attraction of new series productions to Saskatchewan.

3.5 Quality Labour Base

Saskatchewan's film and television labour force provides a diverse range of high quality services to local, domestic and international producers

Labour expenditures constitute a significant portion of film and TV production budgets. As a result, knowledgeable, experienced crew members can critically impact the cost-effectiveness and success of a production. An important component of Saskatchewan's competitive advantage is the province's labour base - the producers, crew technicians, post-production facilities, creative workers and entrepreneurs - which comprise a key pillar of the sector.

Ongoing skills training and professional development is critical to sustaining the sector's growth

Employment in the film/TV industry provides exciting professional opportunities. The industry requires technical and creative skills which is a priority for youth career choices. Such skills are developed through continued training and apprenticeships.

The success of Saskatchewan's film and TV sector has led to the steady growth of direct and spin-off full-time employment. In 2007-08, film and TV activity generated 1,234 direct and indirect jobs - representing an increase of 48% in five years. This number fluctuates with the level of production, and there are occasions of skills shortages when all the experienced film crews are occupied.

Saskatchewan faces global competitors and its talent pool has to be among the best to capture, retain, and grow the business. The industry requires both technical and creative talent and yet business and professional resources as well. Thus far, Saskatchewan has adroitly pursued a mixed strategy of specialized training, collaboration with local educational institutions, and on the job learning from professionals brought into the province to undertake a project.

To meet the challenges of future demands and competition, there are specific directions for the production community to improve its capabilities and capacity.

Increase training and career development opportunities through collaborative partnerships with educational institutions, unions, guilds and SaskFilm

Saskatchewan's film and TV labour force can only remain highly employable and qualified in the skills required by the marketplace through effective training for crew technicians, creative personnel and business owners. To achieve this objective, continued collaboration of the sector with educational and training organizations is essential.

Training initiatives, in partnership with educational institutions such as the Saskatchewan Institute of Applied Science and Technology (SIAST) and the University of Regina, can provide post-secondary

development opportunities within an accredited environment. Excellent prospects exist to work collaboratively to address skills shortages in the sector, and target a range of practitioners. As well, unions, guilds and of course SaskFilm are strong allies in long-term goal-setting, adapting existing training programs to fill sector gaps, and responding to technological and market changes.

Maintain the Deeming Provision of the SFETC

The industry appreciates the responsiveness of the Ministry of Tourism, Parks, Culture and Sport in renewing the deeming provision. The deeming provision in the SFETC allows producers to import skills unavailable in Saskatchewan and have the skills “deemed” to be local for the purposes of the application of the tax credit. By allowing more Saskatchewan-based film/TV workers the opportunity to train with higher-level personnel, such as Los Angeles-based department keys, the deeming provision enhances the professional development and skill-capacity of local crew. These in-demand skill-sets are then leveraged to attract international productions to the province.

As one of the key differentiators vis-à-vis other provinces, the deeming provision is an important feature to attract foreign production to Saskatchewan. It also helps Saskatchewan producers in domestic production, international co-productions or co-ventures and in inter-provincial co-productions. For example, the provision was used extensively in domestic productions, such as *Corner Gas* and *Rabbit Fall*.

There is consensus among sector stakeholders that continuing this unique and successful approach to strengthening the labour base in Saskatchewan is critical to growing the province’s level of production volume and should therefore be enhanced.⁷ Over the years as the province grows its production levels and matures, the needs may change. The deeming provision should be maintained and monitored to determine if changes would be useful.

Expand business and management training for producers

Changes in the film/TV marketplace, spurred by globalization and digitization, have led to the demand for extensive entrepreneurial skills and the need to assume a clear business and policy improvement focus. Executive training in business planning and strategic leadership development, as well as international marketing, financing and corporate services skills-building, are critical to the overall health of the sector.

Existing gaps in professional development, particularly for accounting, business affairs, sales/marketing and general management, provide a service delivery opportunity for more alignment of training services and needs. Collaborating with existing educational institutions such as the University of Regina and Saskatchewan’s extension and business administration programs tailored to the sector would advance these training goals.

⁷ In 2007, the cap on deemed labour was reduced to 25% of eligible labour from 50%. In 2008, deeming provision was extended for an additional three years.

Continue labour base skill development and recruiting

Continue to improve employment through training with an emphasis on Youth and First Nation participation. Saskatchewan's industry is gender balanced in many areas including management and key creative department heads and technicians. A continued effort to develop youth employment entry initiatives will greatly benefit the overall industry as demonstrated by past efforts.

3.6 Saskatchewan Communications Network (SCN)

SCN is a leader among Canada’s educational broadcasters, a strategic resource to Saskatchewan producers, and an integral component of the sector’s support infrastructure

SCN’s licensing of Saskatchewan content and subsequent support from national and international broadcasters, helps to increase exposure to Saskatchewan culture and foster pride in the province. Granted a non-commercial educational broadcast license in 1991, SCN has supported over 700 projects and has enabled the ongoing development of documentary and educational programming which provides an entry point for emerging content creators.

In particular, SCN has had an important role as a catalyst for the development of younger producers and emerging companies by allowing them to develop their craft, secure a broadcast credit and create a “calling card” project. As a community-wide mentor, SCN supports producers trying to get their first project made, and was of particular significance in the earlier stages of the production industry. Much of this mentorship has been able to take place because of SCN’s foresight in developing regional series. Indeed, SCN remains part of the “feeder” system to the entire sector which ultimately leads to the building capacity for big shows in the province. The film/TV sector is fortunate to have at least one broadcaster/buyer located in the province, since attracting the attention of national and out-of-province broadcasters can be challenging. An example of SCN’s influence is 291 Film Company’s documentary series, *Landscape As Muse*. Beginning as a regional series specifically for SCN, it has gone on to acquire a national license, international sales, a distributor and a line-up of awards including a Gemini Award for Best Documentary Series (2008). *Landscape As Muse* is currently in its fifth season. The dramatic series, *Rabbit Fall*, is another example of SCN’s ability to combine resources with national broadcasters to facilitate substantial production orders for Saskatchewan.

SCN triggers federal and private sector financing and thus obtains tremendous leverage from its commissioning budget

The leverage effect that is created by receiving a license fee from SCN works to the advantage of producers. One of the biggest economic benefits of Saskatchewan’s educational broadcaster is its ability to lever funds from sources outside of the province. A license fee from SCN can trigger production funds from the Canadian Television Fund (CTF), the federal tax credit and national or other provincial educational broadcasters.⁸

⁸ SCN receives an annual allotment of funds, referred to as the CTF Broadcaster Performance Envelope (BPE) – this year the envelope is about \$725,000. SCN has a certain degree of control over its envelope subject to the CTF’s guidelines, and can allocate up to 100% to producers in Saskatchewan’s envelope that local producers can access once a broadcaster is attached to a project. For example, a \$10,000 license commitment from SCN for a one-hour documentary led to securing a national broadcaster, and CTF funds have ultimately increased the total production budget of this project to \$300,000. This position

According to SCN's 2007-08 annual report, in its 16-year history, SCN has spent \$14 million in provincially-based production projects through licensing - which in turn leveraged over \$126 million in project financing from other sources. This kind of leverage significantly impacts the value of its commissioning budget.

While SCN has enabled producers to leverage license fees to trigger CTF and other financing for projects over the years, its critics maintain that the broadcaster has struggled to address market shifts and challenges to traditional broadcasting. As well, SCN faces the challenges of remaining relevant to younger audiences, and maximizing the potential of new digital platforms.

Declines in program rights purchases have challenged SCN's ability to maintain sufficient levels of Saskatchewan-originated program inventory

Over the past three years, SCN's purchase of general program rights has declined significantly – over a 50% reduction in spending occurred from 2006 to 2008. Similarly, in 2008 the number of program hours purchased reached its lowest point in five years to 410 hours – a decrease of 39% in 2006-07 and 38% 2007-08. Furthermore, less than 50% (140 hours) of these purchases were from Saskatchewan producers. While fewer hours are being purchased, a greater percentage of SCN's budget is being used to purchase those fewer hours as budget has been adjusted to overall operating factors.

These declines jeopardize SCN's ability to maintain sufficient levels of Saskatchewan-originated program inventory for its broadcast schedule and the value of the broadcaster's role to the sector. Indeed many experienced producers consider that at a certain point in their company's development SCN became relatively irrelevant as a financing source. As well, managing budgetary constraints may lead SCN to a program acquisition strategy that favours buying lower cost off-the-shelf non-Canadian content over original indigenous programming.

The broadcaster's effectiveness as a key pillar is currently compromised; however, opportunities may exist to better connect with Saskatchewan audiences

In view of the decline in appropriations to support its formerly more vigorous acquisitions, it may be opportune to rethink how SCN can support Saskatchewan production community, and indeed in the future role of SCN as an educational broadcaster. Possible areas to consider regarding this important element of the province's film/TV infrastructure are as follows:

Expand into broadband distribution and new media

Given SCN's educational focus, next generation interactive tools and products should be developed to attract the target audiences. For the production community, SCN can be a strategic place to help

could be changed as a result of the recently announced CMF (as noted earlier) which eliminates the guarantee for public broadcasters, and leaves it up to some selection criteria to be determined.

develop educational/documentary properties that can be exploited on broadband delivery systems as well as via television. SCN could become more of a test bed for multi-platform properties and thus provide valuable development opportunities for Saskatchewan producers.

Reinforce commissioning budgets to develop programming of broader appeal

Because of the enormous leverage effect in triggering CTF, federal tax credits, and other broadcasters, SCN would provide a great return to any increase of its commissioning budget. The key would be to orient the additional budgets to programming that would be relevant to other markets as well as to Saskatchewan. This approach would enable Saskatchewan producers to regain their leverage to attract other broadcasters and producers on projects that can be national or international in scope. Saskatchewan producers would gain experience in developing concepts that have a wider audience but are still relevant to SCN and the people of Saskatchewan.

4 The Future of the Saskatchewan Film/TV Production Sector

4.1 Looking Forward

Film/TV production activity varies quite widely each year throughout Canada. There are swings among provinces, often triggered by actions by provincial governments as to the financial support for production. Year by year results also vary in function with the activities of Hollywood as well, e.g. labour unrest, etc. Therefore, it is very difficult to forecast activity levels in a given year with any confidence. While largely constructed on the basis of various kinds and levels of support by the province, the following projected short and medium term scenarios also take account of local industry factors.

Short-term Projection: 1 – 2 years

- Resilient Saskatchewan producers struggle to find replacements for shows that discontinue and a new mix of domestic, foreign, and co-production projects emerges; a reduced number of producers are able to respond to the global credit crunch of 2009, some companies are lost; the Canadian dollar stays at the 80 to 85 cent level and the federal government does not move away from the film/TV support mechanisms;
- There is some training and exposure to new platform exploitation, and a 360 approach built into most TV concepts for domestic programming⁹; however, there is no current leadership in new media and little participation in the monetization of these rights;
- The Province stays committed to the SFETC, and introduces improvements to stay competitive; SCN continues at lower level of programming acquisition; SaskFilm sustains its level of support as the Province makes film and TV production a cornerstone of private sector oriented production development; one consequence is the emergence of the strategic approach characterized by large productions, mostly with no or only partial Saskatchewan rights ownership and heavily leveraged by foreign financing.
- Through extraordinary efforts, the training of crews and business skills lift the productivity of the Saskatchewan human capital infrastructure; however, there are still capacity problems, and incremental improvement in the overall infrastructure (financing, physical, post-production services, etc.)
- The result is that after a possible dip in 2009, Saskatchewan production slowly returns to the mid sixty and mid seventy millions over the next three years; the film/TV sector manages to capture more high profile domestic series and thus remain a bright spot for Saskatchewan pride.

⁹ “360” production means that a concept is planned in advance to optimize exploitation on TV, broadband, DVD, and all other platforms.

Medium-term Projection: 3 – 5 years

- Saskatchewan producers build on their past successes and manage to capture many new opportunities in the domestic and international markets; through improved and coordinated training at the technical, talent, and managerial level, new talented producers emerge to start to replace the present experienced producers, thus addressing the generational transition concerns;
- The Saskatchewan government enhances the SFETC without succumbing to a bidding war among provinces, and orients it as well as other programs toward the development of a more viable sector. Through companion financial incentive mechanisms aimed at the more commercial project and commercial levels of film/TV production, the proportion of private sector capitalization continues to grow.
- SCN assumes an important role in TV as well as exploiting broadband opportunities; other broadcasters establish a largely virtual “Saskatchewan bureau” and are so encouraged by various regional incentives of the CTF (i.e. the new CMF) and other federal tools.
- Saskatchewan producers and the rest of the community are at the forefront of the transition to digital, as new investment in facilities and “R&D” are supported by sophisticated financial incentive schemes that stimulate new infrastructure and project investment. The province grows the “creative cluster” as a central piece to make Saskatchewan as attractive a place as possible, generate pride of place and retain its youth;
- There is more year-round stability for the three to four crews which emerge as well as a growing infrastructure; a growth curve is limited in part by the infrastructure, so that there are still some zigzag patterns to the growth, but production capacity can grow organically if there is sufficient demand.

These forecasts reflect a possible dip but then stabilization of the production activity over the short term, and then renewed growth over the medium term. Therefore, production levels could grow within five years.

Although it is assumed that external market conditions will rebound from their present trough, these assumptions are made with the caveat that several factors could create challenges that are outside the control of Saskatchewan producers or decisions made by the Province.

4.2 Observations about the Projections

Although there are too many variables to make accurate forecasts based on the presumptions underlying each of the scenarios, one can draw some concluding observations from this exercise.

The national/international environment is more likely to be challenging, so Saskatchewan needs to be even more self-reliant than at present

Saskatchewan's film/TV industry and the province need to become fully apprised of the national/international environment and sustain that awareness so that appropriate responses can be considered. Intra-industry cooperation and government-industry cooperation would be essential to design specific responses to weather the external economic storm.

Public support should be sustained - and ratcheted up if necessary - but oriented toward developing value added functions for the province

There should be a subtle shift in Saskatchewan efforts to build a sustainable industry, so that in the longer term, it is more self-sufficient. Though there will always be a requirement for public sector investment for film and TV production, it can eventually be less of a percentage of the total production activity. However, this outcome will only happen if the mechanisms for support tend to favour more productivity in all the functions of the evolving production value chain. This tendency does not mean the end of programming designed specifically for Canadian audiences. However, it does mean a more open approach to production that resonates with an audience wider than Saskatchewan or Canada as a whole.

Coordination of all the elements is necessary

Saskatchewan has a very successful collaborative history, and this tradition needs to be continued and more intensively pursued by all stakeholders in order to respond to the challenges and opportunities in the national/international environment.

5 Next Steps for SMPIA

5.1 SMPIA's Unique Role in Supporting the Sector in Saskatchewan

SMPIA's leadership role in the development of the production sector in Saskatchewan is unquestioned

SMPIA was strongly supportive of the creation of the main pillars of the industry – particularly the SFETC and the Canada Saskatchewan Production Studios. The organization complemented the efforts of SaskFilm, chiefly as an advocacy organization to articulate the case for supporting the film and TV production sector.

SMPIA was created as a non-profit in 1985 by a small, but determined collection of industry members including producers, crafts people, local broadcasters and suppliers. It is governed by a Board of Directors with representatives from the main components of the industry, namely the talent guilds, and technical and crafts unions, as well as the independent producers. Established as the voice of the industry, the 400+ membership includes more than 40 production companies, close to 60 producers and hundreds of freelancing actors, writers, crew and service suppliers.

SMPIA operates via a small permanent staff with a budget of \$200 - \$300k and committees to develop common industry viewpoints as well as represent the industry interests to the main industry stakeholders at the provincial level.

SMPIA represents film, television and digital media and is proud to have helped grow one of Saskatchewan's creative industries.

SMPIA formerly functioned as a service-driven organization including the management of some elements of training programs, but in 2008 some responsibility for training was transferred to SaskFilm as a part of its development role for the sector. In the past year, SMPIA has refocused its mandate towards leadership and advocacy:

- SMPIA's vision, mission and goals were re-aligned with a focus on leadership;
- Continued to husband working relationships with industry stakeholders and government;
- Instrumental in arranging regular meetings among Canada-wide SMPIA-like organizations;
- Participation with national groups that focus on issues, policy and training (such as National Training Advisory Council (NTAC) and Canadian Film and Television Industry Council (CFTIC);
- Involved in western province collaborations for the benefit of the industry (such as combined CRTC interventions);

5.2 SMPIA After the Spin-off of the SFPA

The separation of the SFPA from SMPIA has weakened the voice of the industry in Saskatchewan

In the 1990s, Saskatchewan producers created a separate organization in order to promote the specific interests of producers. While effective in streamlining the development of the producer viewpoint, the impact was to create two organizations – neither of which could speak with one voice for the production community. However, the two organizations have cooperated in different ways, for example sponsoring the preparation of this Saskatchewan film and TV production industry sector plan.

Other similar provincial organizations have more extensive interaction with the main provincial stakeholders, and have more information at hand to make various cases to government. Of course, production volume is much larger in the three main production centres in Canada, and the next tier of provinces like Manitoba and Nova Scotia generally enjoy production levels that are almost double Saskatchewan's. Manitoba is a similar-sized western province which in addition to a comprehensive training program has an equity enhancement in addition to its labour based tax credits. If Saskatchewan is to aspire to this level of industry achievement, SMPIA's comparatively more limited human and financial resources are justified in vigorously pursuing its more recent focus.

The past year of refocusing, together with the experience of contributing to this very document, has sharpened SMPIA's sense of position and purpose. SMPIA has a number of core roles and functions:

- to identify the industry's/community's needs, opportunities and aspirations;
- to analyze and assess what resources (human, financial and otherwise) are needed to address those needs, opportunities and aspirations;
- to communicate these messages to fellow organizations and to government;
- to propose specific and tangible actions to meet and take advantage of those needs, opportunities and aspirations, and to advocate for the implementation of those actions within the industry, within the province, and nationally where necessary.

5.3 Strengthening Industry Representation in Saskatchewan

Opportunities exist for SMPIA/SFPA to assist with sector development and guide future strategies in the face of changing market forces

In conjunction with the organization's central advocacy focus, SMPIA/SFPA can play a role in:

- Leading intra-industry collaboration so that Saskatchewan government and other stakeholders gain more confidence in the positions being put forward by the industry;
- Facilitating the development of marketing vehicles to bring attention to industry successes, needs and opportunities - including youth retention and support for equity groups;
- Promoting and extending inter-regional relationships by implementing joint ventures with Canada-wide SMPIA-like organizations and national groups like NTAC and CFTIC ;
- Assessing industry training gaps and gathering the necessary stakeholders to address training needs;

If organized and resourced appropriately, SMPIA/SFPA could play a more effective advocacy and leadership role. It could build on its recently gained respect among stakeholders by providing a voice for the industry.

The reunification of the industry's two advocacy groups is one step among others that would strengthen SMPIA as an industry association.

A first step toward the strengthening of SMPIA and the industry is to merge the two organizations – SMPIA and SFPA. It would add critical mass and bring the essential producer perspective to SMPIA. The organization's committee structure could be used to reflect any specific interests of the independent production companies.

There are a number of ways for the association to re-engage with the main stakeholders. It begins by increasing the interaction with the main Saskatchewan stakeholders. Such interaction should be based on common agendas for moving forward, and include arguing for changes in the pillars where appropriate. For example, SMPIA could partner with SaskFilm in assessing Saskatchewan's relative competitive position in tax credits for both Canada and USA.¹⁰

Other stakeholder relations are equally important and steps should be taken to ensure conversations are ongoing, forward thinking and that this plan is presented to members, and the community at large as well as to key stakeholders.

¹⁰ The various programs have a variety of additional costs in their implementation. For example the provincial tax credits need to be interim-financed and as a result an interest reserve must be made within the production budget. At the same time other tax credit programs (e.g. in the US) require the sale of the credit directly to an individual tax payer, and as a result entail brokerage costs in addition to the interim financing costs.

5.4 Promoting Saskatchewan Issues at a National level

A reinforced SMPIA could more effectively represent Saskatchewan's production sector at the national level

The main challenge for SMPIA in terms of affecting federal government policy is in strengthening the “regional” support and components. It should continually influence the agenda, particularly the need for federal policy support to reflect the regions. Provincial and national public policy should be directed to support the business needs of Saskatchewan’s film and TV sector, e.g. for the following:

- Continuation of the CTF envelope for educational broadcasters (or some form of preferred position in face of the newly announced Canadian Media Fund);
- Reinforcement of the guidelines for regional bonus in the CTF/CMF envelope system;
- Responding to national issues that impact the Saskatchewan industry through CRTC intervention, consultation on policy as well as preparing for CRTC hearings and other opportunities to input.

In this environment, it is effective regional associations that can make a difference in terms of what’s good for regional production communities. This sector plan is a start in what constitutes a continuous improvement process.

5.5 Leading the way for the Saskatchewan industry

A detailed action plan will allow SMPIA to seize the opportunities articulated in this document

This sector plan provides its reader with a “lay of the land” and sets out an overall plan to address industry needs and fine-tune Saskatchewan’s infrastructure. To complement this sector plan, SMPIA will be commissioning a detailed business plan which will provide specific direction so that all of the industry’s opportunities are actionable and implemented – with community consultation.

Appendix A - List of awards won by industry members
List of accolades earned by industry members (by no means an exhaustive list):

Award	Production	Production Company
2006 DGC Awards - Outstanding Team Achievement in a Television Series - Family	renegadepress.com	Vérité Films
2006 Directors Guild of Canada Awards - Outstanding Team Achievement in a TV Series – Family	renegadepress.com	Vérité Films
2006 Chris Award - Silver	The Velvet Devil	WestWind Pictures
2006 Gemini Awards - Best Achievement in Make-Up	Prairie Giant: The Tommy Douglas Story	Minds Eye Entertainment
2006 Gemini Awards - Best Children's or Youth Fiction Program or Series	renegadepress.com	Vérité Films
2006 Gemini Awards - Best Dramatic Series	Moccasin Flats	Stephen Onda Productions
2006 Gemini Awards - Best Performance in a Children's or Youth Program or Series	renegadepress.com	Vérité Films
2006 Gemini Awards - Best Performance in a Performing Arts Program or Series	The Velvet Devil	WestWind Pictures
2006 Gemini Awards - Best Writing in a Children's or Youth Program or Series	renegadepress.com	Vérité Films
2006 Gemini Awards - Canada Award	Chef At Home – Hors d'Oeuvres Party	Trevor Grant
2006 Gemini Awards - Canada Award	Wapos Bay - There's No "I" in Hockey	Wapos Bay Productions
2006 Gabriel Award	Indecently Exposed	WestWind Pictures
2007 Accolade Award - Award of Excellence - Direction	Prairie Giant: The Tommy Douglas Story	Minds Eye Entertainment
2007 Accolade Award - Award of Excellence - Script/Writer	Prairie Giant: The Tommy Douglas Story	Minds Eye Entertainment
2007 Accolade Award - Best of Show – Lead Actor	Prairie Giant: The Tommy Douglas Story	Minds Eye Entertainment
2007 Accolade Award - Honourable Mention – Art Direction	Prairie Giant: The Tommy Douglas Story	Minds Eye Entertainment
2007 Accolade Award - Honourable Mention – Editing	Prairie Giant: The Tommy Douglas Story	Minds Eye Entertainment
2007 Accolade Award - Honourable Mention – Overall Sound Impact	Prairie Giant: The Tommy Douglas Story	Minds Eye Entertainment
2007 Accolade Competition - Best of Show – Network Television	Prairie Giant: The Tommy Douglas Story	Minds Eye Entertainment
2007 ACTRA Award - Outstanding Performance: Male	Prairie Giant: The Tommy Douglas Story	Minds Eye Entertainment

2007 Banff Rockie Awards - Honourable Mention, Hors Concourse: Family & Youth Programs "Blackout"	renegadepress.com	Vérité Films
2007 Chris Award - Bronze	The Velvet Devil	WestWind Pictures
2007 CINE Golden Eagle Award	Prairie Giant: The Tommy Douglas Story	Minds Eye Entertainment
2007 DGC Awards - Outstanding Team Achievement in a Television Series - Comedy	Corner Gas	Vérité Films
2007 Gemini Awards - Best Children's or Youth Fiction Program or Series	Wapos Bay	Wapos Bay Productions
2007 Gemini Awards - Best Comedy Program or Series	Corner Gas	Vérité Films
2007 Gemini Awards - Best Ensemble Performance in a Comedy Program or Series	Corner Gas	Vérité Films
2007 Gemini Awards - Best Writing in a Children's or Youth Program or Series	renegadepress.com	Vérité Films
2007 Gemini Awards - Best Writing in a Comedy or Variety Program or Series	Corner Gas	Vérité Films
2007 Gemini Awards - Canada Award	Little Mosque on the Prairie	WestWind Pictures
2007 Sony Amtec Award for Educational Media	Landing	Karma Film
2008 41 st Sitges International Film Festival, Catalonia	Surveillance	Stephen Onda Productions
2008 Accolade Competition - Award of Excellence: Direction	The Englishman's Boy	Minds Eye Entertainment
2008 Accolade Competition - Award of Excellence: Dramatic Impact	The Englishman's Boy	Minds Eye Entertainment
2008 Accolade Competition - Award of Excellence: Leading Actor	The Englishman's Boy	Minds Eye Entertainment
2008 Accolade Competition - Best of Show - Mini-Series	The Englishman's Boy	Minds Eye Entertainment
2008 Accolade Competition - Honourable Mention: Casting	The Englishman's Boy	Minds Eye Entertainment
2008 Accolade Competition - Honourable Mention: Cinematography	The Englishman's Boy	Minds Eye Entertainment
2008 Accolade Competition - Honourable Mention: Editing	The Englishman's Boy	Minds Eye Entertainment
2008 Accolade Competition - Honourable Mention: Supporting Actor	The Englishman's Boy	Minds Eye Entertainment
2008 ACTRA Award - Best Acting, Nicolas Campbell	The Englishman's Boy	Minds Eye Entertainment
2008 Cannes Film Festival - France	Surveillance	Stephen Onda Productions
2008 CFTPA Indie Awards - Jury's Choice Award	The Englishman's Boy	Minds Eye Entertainment
2008 DGC Awards - Best Team Achievement - TV Movie/Mini-Series	The Englishman's Boy	Minds Eye Entertainment
2008 DGC Awards - Outstanding Team Achievement in	Corner Gas	Vérité Films

a Television Series - Comedy		
2008 Gemini Awards - Best Achievement in Casting	The Englishman's Boy	Minds Eye Entertainment
2008 Gemini Awards - Best Costume Design	The Englishman's Boy	Minds Eye Entertainment
2008 Gemini Awards - Best Direction in a Children's or Youth Program or Series	Drug Class	Cooper Rock Pictures
2008 Gemini Awards - Best Direction in a Dramatic Program or Mini-Series	The Englishman's Boy	Minds Eye Entertainment
2008 Gemini Awards - Best Dramatic Mini-Series	The Englishman's Boy	Minds Eye Entertainment
2008 Gemini Awards - Best Individual or Ensemble Performance in an Animated Program or Series	Wapos Bay	Wapos Bay Productions
2008 Gemini Awards - Best Performance by an Actor in a Leading Role in a Dramatic Program or Mini-Series	The Englishman's Boy	Minds Eye Entertainment
2008 Gemini Awards - Best Performance by an Actress in a Featured Supporting Role in a Dramatic Program or Mini-Series	The Englishman's Boy	Minds Eye Entertainment
2008 Gemini Awards - Best Performing Arts Program or Series or Arts Documentary Program or Series	Landscape As Muse	291 Film Company
2008 Gemini Awards - Best Picture Editing in a Comedy, Variety or Performing Arts Program or Series	Corner Gas	Vérité Films
2008 Golden Sheaf Awards - Best of Saskatchewan	Wapos Bay: Guardians	Wapos Bay Productions
2008 HUGO TV Awards (Chicago International Film Festival) - Silver Plaque - Outstanding Mini-Series	The Englishman's Boy	Minds Eye Entertainment
2008 Sundance Film Festival – Park City, Utah	Sleepwalking	Stephen Onda Productions
2008 Sundance Film Festival – Park City, Utah	Downloading Nancy	Stephen Onda Productions
2008 US Film and Video Festival Awards - Gold Camera Award	The Englishman's Boy	Minds Eye Entertainment
Abex Award		Partners in Motion
Abex Award - Investment Award		Partners in Motion
Big Sky Documentary Festival - Special Jury Mention	Two Museums	Arid Sea Films
CAB Gold Ribbon Award - Aboriginal Programming	Wapos Bay	Wapos Bay Productions
Canadian National Youth Film Festival - Best Documentary	Queen City	David Geiss
Canadian Screenwriting Awards - Comedy & Variety Award	Corner Gas	Vérité Films
CFTPA Indie Awards - Best Documentary Series	Landscape As Muse	291 Film Company
CINE Golden Eagle Award	Prairie Giant: The Tommy Douglas Story	Minds Eye Entertainment
Crystal Awards - Creative Achievement		Virigina Thompson

National Aboriginal Achievement Award for the Arts.		Dennis & Melanie Jackson
Regina Chamber of Commerce - Export Achievement Award		Partners in Motion
Roma Fiction Fest - Best Series	Little Mosque on the Prairie	WestWind Pictures
Roma Fiction Fest - Best Writing	Little Mosque on the Prairie	WestWind Pictures
Seoul Drama Awards - Best Actor	Prairie Giant: The Tommy Douglas Story	Minds Eye Entertainment
U.S. International Film and Video Festival - Gold Camera Award	Prairie Giant: The Tommy Douglas Story	Minds Eye Entertainment
WIFT Outstanding International Achievement Awards - Excellence in Innovation (Television)	Little Mosque on the Prairie	WestWind Pictures
2006 Golden Sheaf Awards - Best of Saskatchewan	Under the Skin: Drugs, Dreams and Demons	Jayden Soroka
2006 Golden Sheaf Awards – Best Children's Production	Wapos Bay - There's No "I" in Hockey	Wapos Bay Productions