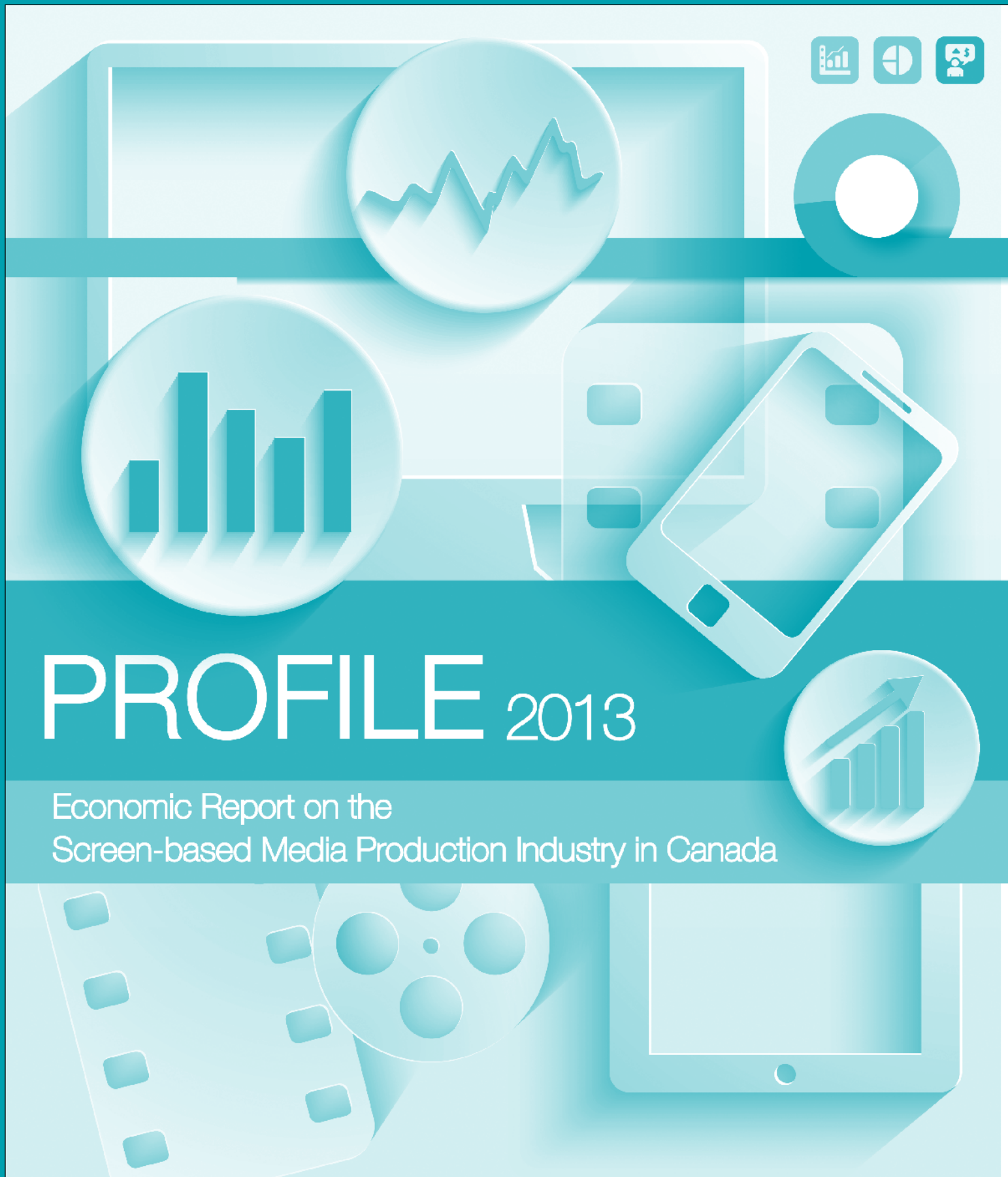




PROFILE₂₀₁₃

Economic Report on the
Screen-based Media Production Industry in Canada





PROFILE 2013

Economic Report on the
Screen-based Media Production Industry in Canada

Produced by the CMPA and the AQPM,
in conjunction with the Department of Canadian Heritage.

Production facts and figures prepared by Nordicity Group Ltd.

The report is published by the Canadian Media Production Association (CMPA). *Profile 2013* marks the 17th edition of the annual economic report prepared by CMPA and its project partners the Association québécoise de la production médiatique (AQPM), the Department of Canadian Heritage, and Nordicity Group Ltd.

Profile 2013 provides an analysis of economic activity in Canada's screen-based production industry during the period April 1, 2012 to March 31, 2013. It also provides comprehensive reviews of the historical trends in production activity between the fiscal years of 2003/04 and 2012/13.



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Nordicity is a leading international consulting firm providing strategy and business, economic analysis, and policy and regulation solutions to private and public sector clients in the culture, communications and information technology industries.

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AT A GLANCE: SCREEN-BASED PRODUCTION IN CANADA

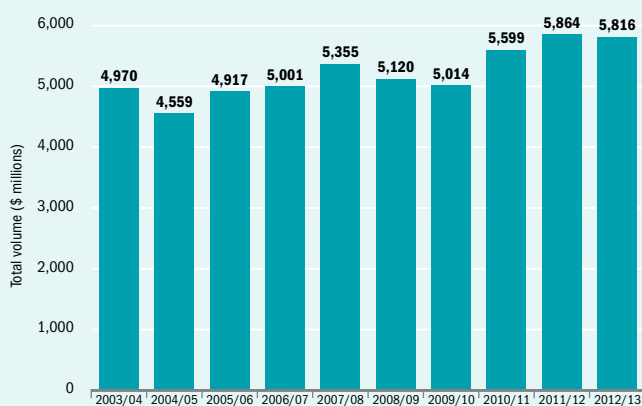
The screen-based production industry in Canada is a major source of economic activity and jobs for Canadians across the country. The industry comprises film and television production as well as convergent digital media production.

The film and television production segment comprises three key sectors:

1. The **Canadian Film and Television Production** sector is the largest of the key sectors. It can further be subdivided into two sub-sectors: **Television Production** and **Theatrical Feature Film Production**. Canadian production comprises films and television programs made largely by independent production companies, although it also includes television programs made by production companies affiliated with Canadian broadcasters. All of the television programs and films in the Canadian production sector are certified as Canadian content by the Canadian Audio-Visual Certification Office (CAVCO) of the Department of Canadian Heritage or the Canadian Radio-television and Telecommunications Commission (CRTC).
2. The **Foreign Location and Service Production** (FLS) sector is the second-largest segment and largely comprises feature films and television programs filmed in Canada by foreign producers or by Canadian service producers¹. For the majority of FLS projects, the copyright is held by non-Canadian producers; however, for approximately 10% to 15% of projects, the copyright is held by Canadians.
3. The **Broadcaster In-House Production** sector includes television programs made by Canadian television broadcasters in their own facilities, and comprises primarily news, sports and current affairs programming.

The screen-based production industry also includes **Convergent Digital Media Production**, which is an emerging sector. Convergent digital media production comprises screen-based content and applications for digital media platforms (e.g., video games, interactive web content, on-demand content, podcasts, webisodes, and mobisodes), which are associated with films and television programs. Global production statistics in *Profile* such as total film and television production and jobs in Canada do not include figures for convergent digital media production.

Total film and television production in Canada*

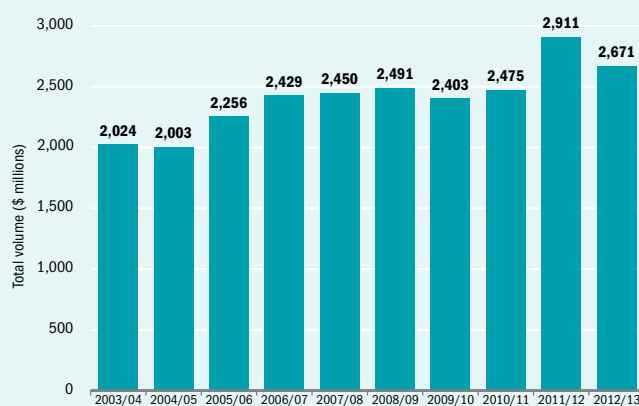


Source: Estimates based on data collected from CAVCO, CRTC, CBC/Radio-Canada and the Association of Provincial Funding Agencies.

* Excludes convergent digital media production.

- \$5.82 billion in production volume²
- 0.8% decrease in production volume from 2011/12
- \$2.3 billion in export value
- 127,700 full-time equivalent jobs (FTEs)

Canadian film and television production



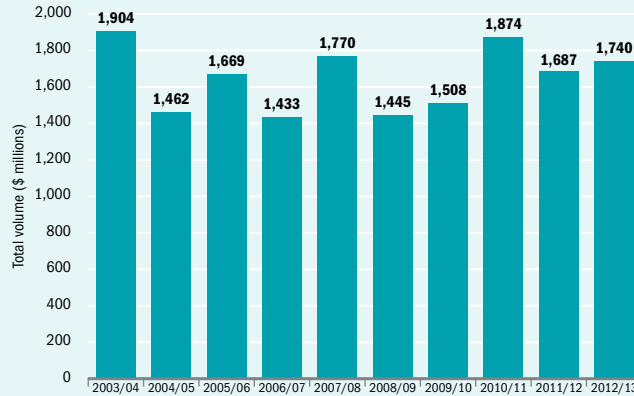
Source: Estimates based on data collected from CAVCO and CRTC.

- \$2.67 billion in production volume
- 8.2% decrease in production volume from 2011/12
- \$2.32 billion in television production
- \$351 million in theatrical feature film production
- 629 television series
- 93 theatrical feature films
- 58,700 FTEs

1. Canadian service producers include producers who provide production and/or post-production services in Canada on behalf of non-Canadian producers.

2. Production volume or volume of production refers to the sum of production expenditures (i.e., production budgets).

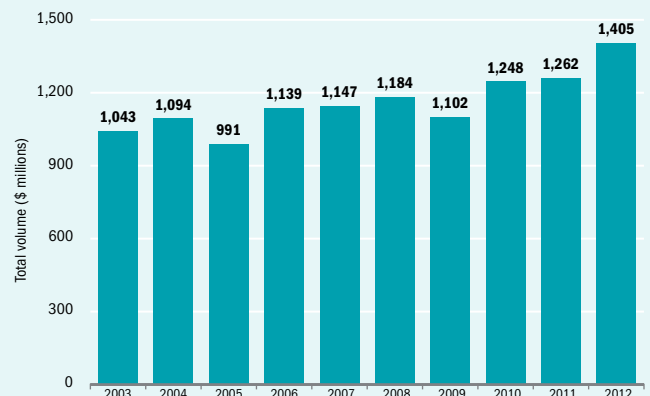
Foreign location and service production



Source: Association of Provincial Funding Agencies.

- \$1.74 billion in production volume
- 3.1% increase in production volume from 2011/12
- 93 theatrical feature films
- 85 television series
- 42 MOWs, mini-series, pilots and other types of television programs
- 38,200 FTEs

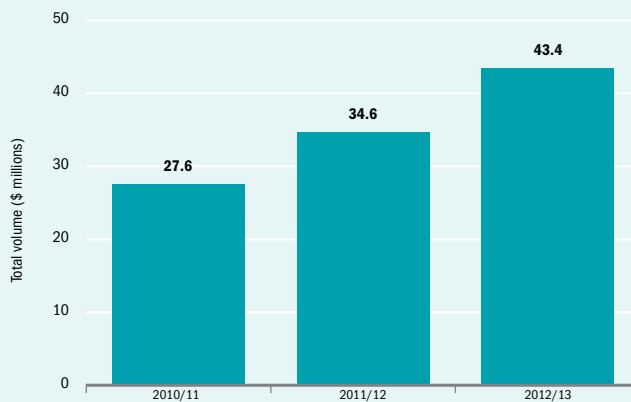
Broadcaster in-house production



Source: Estimates based on data from CRTC and CBC/Radio-Canada.

- \$1.41 billion in production volume
- 11.3% increase in production volume from 2011/12
- \$771 million in conventional television expenditures
- \$634 million in specialty and pay television expenditures
- 30,800 FTEs

Convergent digital media production*



Source: Estimates based on data from Bell Fund, Canada Media Fund (CMF), Ontario Media Development Corporation (OMDC), Shaw Rocket Fund and a survey of CMPA and AQPM members.

Note: Statistics for 2012/13 include an estimate for the production that took place without financial support from Bell Fund, CMF, OMDC or Shaw Rocket Fund, and therefore are not directly comparable to statistics for 2010/11 and 2011/12.

- \$43.4 million in production volume
- 324 projects
- Average project size: \$134,000
- 1,010 FTEs

* Convergent digital media production includes content developed for digital media platforms and integrated with a traditional audiovisual product (typically a television series) in order to enhance or deepen the audience experience of screen-based content.

THE FILM AND TELEVISION MARKET IN CANADA

- » Population of Canada (2013): 35.2 million¹
- » Per-capita volume of film and television production in Canada (2012/13): \$165
- » Number of private households (2011): 13.3 million¹
- » Number of movie-theatre screens in Canada (2010): 2,868¹
- » Number of paid theatre admissions in Canada (2010): 112.2 million¹
- » Number of television services available in Canada (2012): 744²
 - Canadian television services: 512²
 - Non-Canadian television services: 232²
- » Percentage of households subscribing to multi-channel television programming services (2012): 86%²
- » Number of subscribers to multi-channel television programming services (2012)*: 12 million²
 - Cable-television and Internet protocol TV (IPTV) subscribers: 9.1 million²
 - Direct-to-home satellite (DTH) and multipoint distribution systems (MDS) subscribers: 2.8 million²
- » Digital television penetration rate among multi-channel households (2011): 82%³

Sources: 1. Statistics Canada, 2. CRTC, 3. Mediastats.

* Includes an estimate of subscribers to broadcasting distribution undertakings that did not report financial and operating data to the CRTC in 2012. This estimate is not included in the statistics for cable, Internet protocol TV (IPTV), direct-to-home (DTH) satellite television and multipoint distribution systems (MDS).



1. SCREEN-BASED PRODUCTION IN CANADA

The screen-based production industry in Canada largely comprises film and television production made by independent Canadian producers, Canadian broadcasters and broadcaster-affiliated producers, as well as by foreign producers shooting films and television programs on-location in Canada. The Industry also comprises convergent digital media production which features screen-based content and applications for digital media platforms (e.g., video games, interactive web content, on-demand content, podcasts, webisodes, and mobisodes) associated with films and television programs.

FILM AND TELEVISION PRODUCTION

After experiencing two consecutive years of healthy growth, the total volume of film and television production was virtually unchanged in 2012/13: it decreased by 0.8% to reach \$5.82 billion. Despite the decrease in overall volume, three of the four industry sectors actually experienced increases in 2012/13. Only the Canadian television sub-sector experienced a decrease in production volume; however this decrease was enough to result in a small decrease in overall volume.

The fastest growth in 2012/13 came from the broadcaster in-house production sector. Driven in large part by higher levels of news programming at both conventional and specialty television services, as well as increased sports programming at the latter, the total volume in this sector rose by \$141 million to an all-time high of \$141 billion.

The FLS sector also experienced growth in 2012/13. After experiencing a 10% drop in volume in 2011/12, it grew by 3.1%, or \$53 million, in 2012/13. This recovery – which occurred despite the appreciating Canadian dollar – was fuelled by a significant expansion in the production of American television series in Canada, which offset a steep decline in feature film production.

Canadian theatrical feature film production³ increased \$11 million in 2012/13, bringing this sub-sector's total volume to a three-year high of \$351 million. Most of the increase in the volume of Canadian theatrical feature film production was due to higher average budgets, since the number of projects actually decreased in 2012/13.

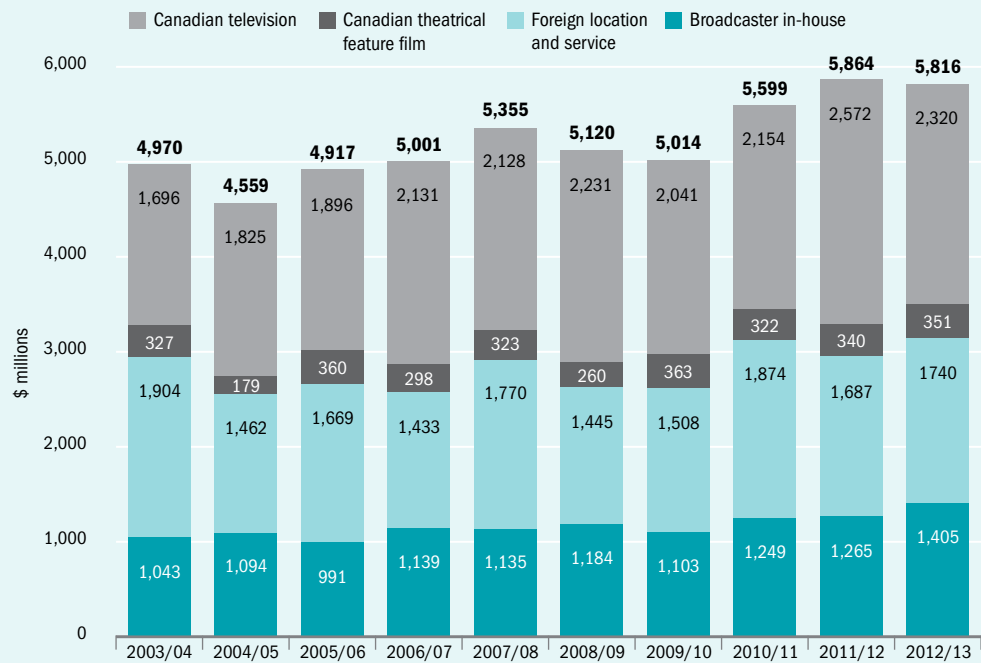
The growth in production volume in these sectors and the theatrical sub-sector was offset by a decrease in the volume of Canadian television production. After climbing to a high of over \$2.57 billion in 2011/12, lower levels of fiction, children's and youth, and variety and performing arts (VAPA) programming led to a \$252 million drop in volume – a 9.8% decrease.

3. Canadian theatrical feature film production includes films of 75 minutes or longer with theatres as their primary release window.

VOLUME

Exhibit 1-1 Total volume of film and television production in Canada

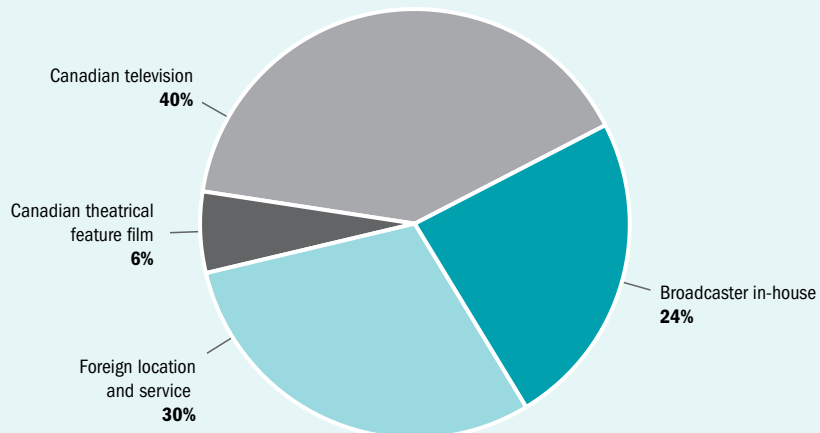
The total volume of film and television production in Canada declined by 0.8% to \$5.82 billion.



Source: Estimates based on data collected from CAVCO, CRTC, CBC/Radio-Canada and the Association of Provincial Funding Agencies.
Note: Some totals may not sum due to rounding.

Exhibit 1-2 Total volume of film and television production in Canada, share by segment, 2012/13

Canadian television accounted for 40% of total film and television production in Canada in 2012/13; it is followed in size by the FLS sector with a 30% share.

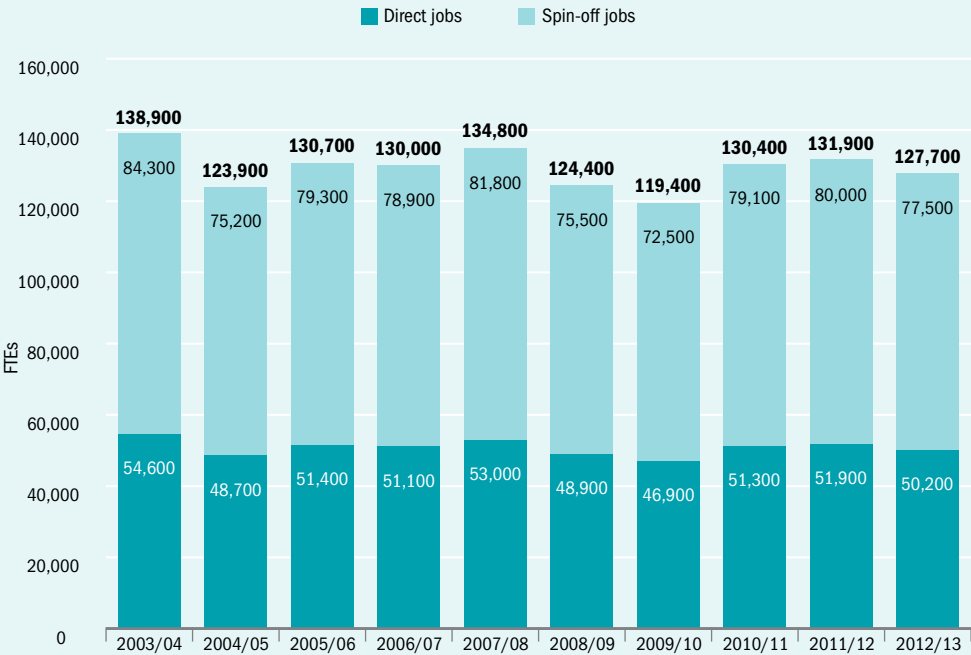


Source: Estimates based on data collected from CAVCO, CRTC, CBC/Radio-Canada, the Association of Provincial Funding Agencies and Statistics Canada.

EMPLOYMENT AND GROSS DOMESTIC PRODUCT (GDP)

Exhibit 1-3 Number of full-time equivalent jobs (FTEs) generated by total film and television production in Canada

Film and television production in Canada supported 127,700 FTEs of employment across the country in 2012/13 and generated \$7.6 billion in gross domestic product (GDP) for the Canadian economy.



Source: Estimates based on data collected from CAVCO, CRTC, CBC/Radio-Canada, the Association of Provincial Funding Agencies, Statistics Canada and the Conference Board of Canada.
Note: See the Notes on Methodology section for a description of the job-estimation methodology.

Exhibit 1-4 Summary of the economic impact of film and television production in Canada, 2012/13

		Canadian production	FLS production	Broadcaster in-house production	Total
Direct	Employment (FTEs)	23,100	15,000	12,100	50,200
	Labour income (\$ millions)	1,335	818	703	2,856
	GDP (\$ millions)	1,389	853	731	2,972
Spin-off	Employment (FTEs)	35,600	23,200	18,700	77,500
	Labour income (\$ millions)	1,388	905	729	3,023
	GDP (\$ millions)	2,069	1,430	1,087	4,585
Total	Employment (FTEs)	58,700	38,200	30,800	127,700
	Labour income (\$ millions)	2,724	1,723	1,432	5,878
	GDP (\$ millions)	3,458	2,282	1,817	7,557

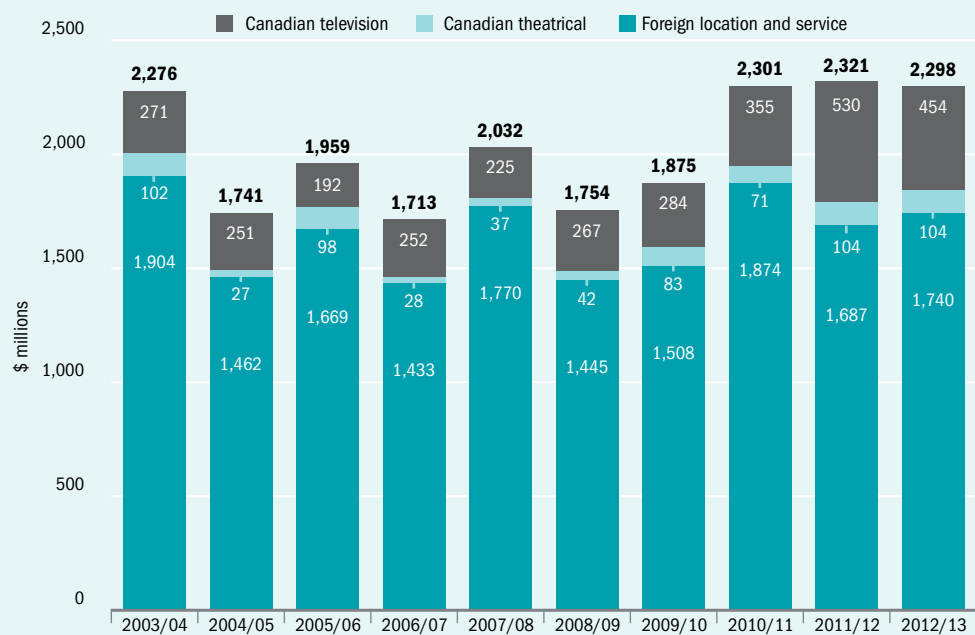
Source: Estimates based on data collected from CAVCO, CRTC, CBC/Radio-Canada, the Association of Provincial Funding Agencies, Statistics Canada, and Conference Board of Canada.
Note: See the Notes on Methodology section for a description of the job-estimation methodology. Some totals may not sum due to rounding.

EXPORT VALUE

Export value tracks the value of international financial participation in the film and television production industry in Canada. It includes foreign presales and distribution advances for all projects certified by CAVCO; estimates of presales and distribution advances for non-CAVCO-certified productions; and the total value of foreign location and service production in Canada.

Exhibit 1-5 Export value of film and television production in Canada

In 2012/13, the production of films and television programs in Canada generated \$2.3 billion in export value.

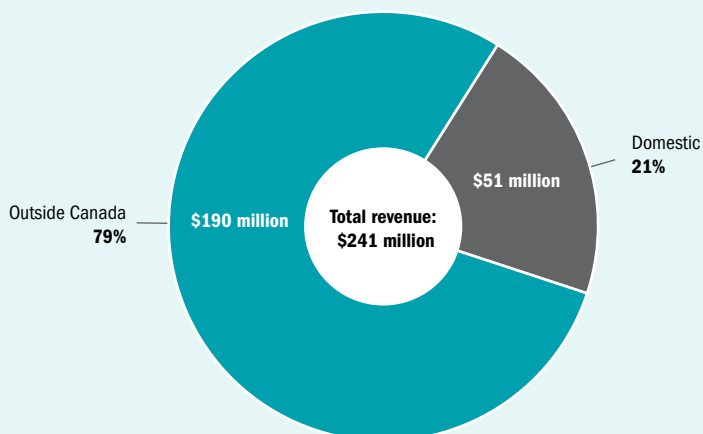


Source: Estimates based on data collected from CAVCO and the Association of Provincial Funding Agencies.

Note: Some totals may not sum due to rounding. See Notes on Methodology for the definition of export value.

Exhibit 1-6 Canadian producers' secondary sales and rights income, total and from outside Canada, 2012

Canadian producers earned approximately \$241 million in revenue from secondary sales and rights income in 2012. Of this amount, \$190 million originated from outside Canada.



Source: Estimates based on data collected from survey of CMPA and AQPM members.
See Notes on Methodology for the definition of secondary sales and rights income.

PROVINCES AND TERRITORIES**Exhibit 1-7 Total volume of film and television production in Canada, by province and territory**

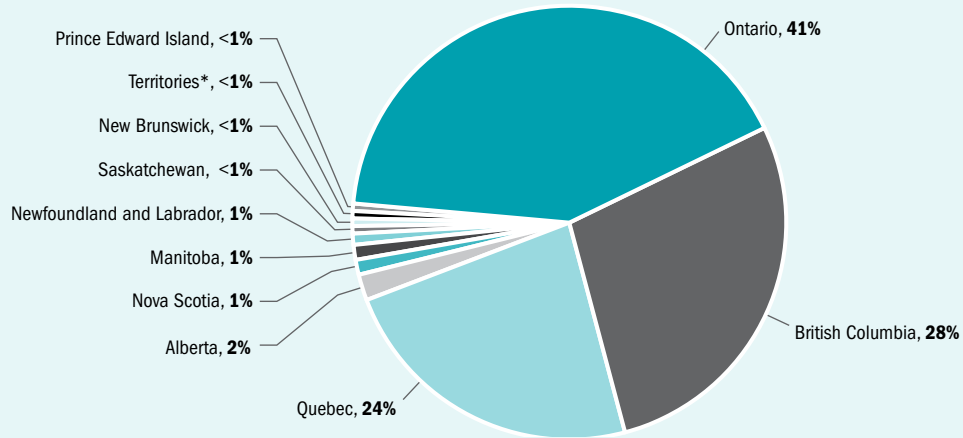
(\$ millions)	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Ontario	1,805	1,951	1,951	1,792	1,961	1,903	1,909	2,122	2,548	2,395
British Columbia	1,545	927	1,369	1,392	1,683	1,329	1,399	1,715	1,558	1,608
Quebec	1,185	1,240	1,130	1,247	1,214	1,346	1,275	1,357	1,323	1,420
Alberta	115	118	138	179	179	181	153	137	151	141
Nova Scotia	131	117	135	156	93	151	107	94	93	86
Manitoba	111	95	80	124	107	55	72	64	69	66
Newfoundland and Labrador	8	7	22	7	12	12	40	43	41	43
Saskatchewan	40	71	58	73	82	101	33	44	47	34
New Brunswick	16	27	18	19	22	30	19	16	24	16
Territories*	5	2	10	9	8	9	4	5	7	6
Prince Edward Island	6	2	5	3	6	2	1	1	4	1
Total	4,970	4,559	4,917	5,001	5,367	5,119	5,014	5,599	5,864	5,816

Source: Estimates based on data collected from CAVCO, CRTC, CBC/Radio-Canada and the Association of Provincial Funding Agencies.

Note: Various provincial film agencies in Canada also publish statistics for film and television production activity using tax and marketing data in each province. Their statistics may differ from those in Profile 2013 due to such differences as data collection periods (fiscal vs. calendar year) and production activity reported on the basis of location of spend. Some totals may not sum due to rounding.

* Territories include Yukon, Nunavut and Northwest Territories.

Exhibit 1-8 Share of total volume of film and television production in Canada, by province and territory, 2012/13



Source: Estimates based on data collected from CAVCO, CRTC, CBC/Radio-Canada and the Association of Provincial Funding Agencies.
 * Territories include Yukon, Nunavut and Northwest Territories.

Exhibit 1-9 Total direct and spin-off full-time equivalent jobs (FTEs) generated by film and television production in Canada, by province and territory

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Ontario	42,400	44,800	44,400	39,700	41,800	40,000	40,400	43,200	50,800	46,500
British Columbia	42,100	24,700	36,000	35,000	41,100	31,000	32,400	39,200	35,200	34,700
Quebec	42,200	42,800	38,100	41,000	38,000	41,100	36,900	38,900	37,000	38,400
Alberta	3,500	3,500	4,000	4,900	4,500	4,200	3,700	3,200	3,500	3,200
Nova Scotia	3,900	3,400	3,600	4,100	2,400	3,800	2,800	2,500	2,200	1,900
Manitoba	2,300	1,900	1,600	2,500	2,200	1,100	1,200	1,100	1,100	1,100
Saskatchewan	1,200	1,900	1,400	1,900	1,900	2,300	800	900	900	800
Newfoundland and Labrador	100	100	400	100	100	100	700	700	700	700
New Brunswick	400	600	400	400	400	600	400	400	400	400
Prince Edward Island	400	0	400	0	400	0	0	400	400	400
Territories*	300	300	300	300	300	300	300	300	300	300
Total	138,900	123,900	130,700	130,000	134,800	124,400	119,400	130,400	131,900	127,700

Source: Estimates based on data collected from CAVCO, CRTC, CBC/Radio-Canada, the Association of Provincial Funding Agencies and Statistics Canada.
 Note: Some totals may not sum due to rounding. See Notes on Methodology for a description of the job-estimation methodology.

* Territories include Yukon, Nunavut and Northwest Territories.

Exhibit 1-10 Direct full-time equivalent jobs (FTEs) employed in film and television production in Canada, by province and territory

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Ontario	18,900	20,000	19,700	17,800	19,000	18,000	18,000	19,400	22,500	20,800
British Columbia	16,900	9,900	14,400	14,200	16,500	12,700	13,000	15,800	14,000	14,000
Quebec	13,800	14,000	12,400	13,500	12,700	13,600	12,100	12,800	12,000	12,600
Alberta	1,200	1,200	1,400	1,700	1,600	1,500	1,300	1,100	1,200	1,100
Nova Scotia	1,600	1,400	1,500	1,700	1,000	1,600	1,200	1,000	900	800
Manitoba	1,300	1,100	900	1,400	1,200	600	700	600	600	600
Saskatchewan	500	800	600	800	800	1,000	300	400	400	300
Newfoundland and Labrador	100	100	200	100	100	100	400	400	400	400
New Brunswick	200	300	200	200	200	300	200	200	200	200
Territories*	100	100	100	100	100	100	100	100	100	100
Prince Edward Island	100	0	100	0	100	0	0	100	100	100
Total	54,600	48,700	51,400	51,100	53,000	48,900	46,900	51,300	51,900	50,200

Source: Estimates based on data collected from CAVCO, CRTC, CBC/Radio-Canada, the Association of Provincial Funding Agencies and Statistics Canada.

Note: Some totals may not sum due to rounding. See Notes on Methodology for a description of the job-estimation methodology.

* Territories include Yukon, Nunavut and Northwest Territories.

CONVERGENT DIGITAL MEDIA PRODUCTION

Digital media production refers to the creation of content and experiences across a range of digital communications platforms – from mobile devices, to computers, to smart TVs. Digital media production varies greatly: from applications used in passing, on a person's daily commute, to rich and immersive experiential content supported by multi-million dollar budgets. As audiences expand their use of digital devices (i.e., computers, smart phones, tablet devices) to find, access and enjoy screen-based content, digital media production is becoming increasingly important to the audiovisual experience.

Convergent digital media represents a particular type of digital media production: it refers to the digital media components of broadcast television projects. Such components are typically standalone products that relate to, extend, and/or enhance the associated television property. This type of product, though not dependent on, is often stimulated by the stipulations of the Canada Media Fund (CMF) with respect to the expenditures of broadcasters' performance envelopes. The CMF's *Performance Envelope Program Guidelines* indeed specify that, for a project to be eligible, it must be convergent, that is, have a television component and a digital media component which is made available to the Canadian public via a digital network (e.g. internet, mobile and wireless services) and is "rich and substantial."

In the last year, Canadian production companies and broadcasters have commissioned an increasing amount of convergent digital media projects. In 2012/13, Canadian digital media producers made a total of 324 convergent digital media projects, accounting for \$43.4 million in total volume. At the same time, however, the average project budget for a convergent digital media project fell in 2012/13 by 16% (from \$159,000 in 2011/12 to \$134,000 in 2012/13). This change suggests that while convergent digital media extensions of broadcast television projects are more commonplace, they tend to be somewhat less ambitious than in previous years.

VOLUME

Exhibit 1-11 Convergent digital media production

In 2012/13, the total volume of convergent digital media production reached \$43.4 million.

	2010/11	2011/12	2012/13*
Total volume of production	\$ 27.6 million	\$ 34.6 million	\$ 43.4 million
Number of projects	160	217	324
Average project budget	\$ 126,000	\$ 159,000	\$ 134,000

Source: Estimates based on data from Bell Fund, Canada Media Fund (CMF), Ontario Media Development Corporation (OMDC), Shaw Rocket Fund, and a survey of CMPA and AQPM members.

* Statistics for 2012/13 include an estimate for the production that took place without financial support from Bell Fund, CMF, OMDC or Shaw Rocket Fund.

EMPLOYMENT AND GDP

Exhibit 1-12 Summary of the economic impact of convergent digital media production, 2012/13

Convergent digital media production supported 1,010 FTEs in 2012/13 and generated \$73.4 million in GDP for the Canadian economy.

	Direct	Spin-off	Total
Employment (FTEs)	490	520	1,010
Labour income (\$ millions)	32.6	19.2	51.8
GDP (\$ millions)	34.3	39.1	73.4

Source: Estimates based on data from Bell Fund, CMF, OMDC, Shaw Rocket Fund, and a survey of CMPA and AQPM members.

Note: See the Notes on Methodology section for a description of methodology.

CONSUMERS' MEDIA CONSUMPTION PATTERNS

Canadians' media consumption patterns continued to change in 2012 as they increased their use of alternative digital platforms to access film and television content. Canadians can choose from a growing array of digital platforms available through broadcasting distribution undertakings (BDUs) or over the Internet. Most BDUs in Canada offer on-demand services through digital set-top boxes, which also act as personal video recorders (PVRs). Meanwhile, most Canadian broadcasters also offer programming directly through their web sites. Via the Internet, Canadians can access films and television programs through Netflix, iTunes, the National Film Board of Canada, Cineplex and video game consoles.

Among all the digital access platforms, PVRs are still the most prevalent in Canadian households. In the English-language market, 43% of Canadians used a PVR in 2012 (Exhibit 1-14); in the French-language market, the usage rate was 39%. The Internet, however, has also established itself as fully-fledged, and fast-growing, digital platform for viewing films and television content. In 2012, the percentage of Canadians in the English-language market who watched television programming over the Internet increased to 38%, from 34% in 2011. In the French-language market, the percentage rose from 33% to 34%.

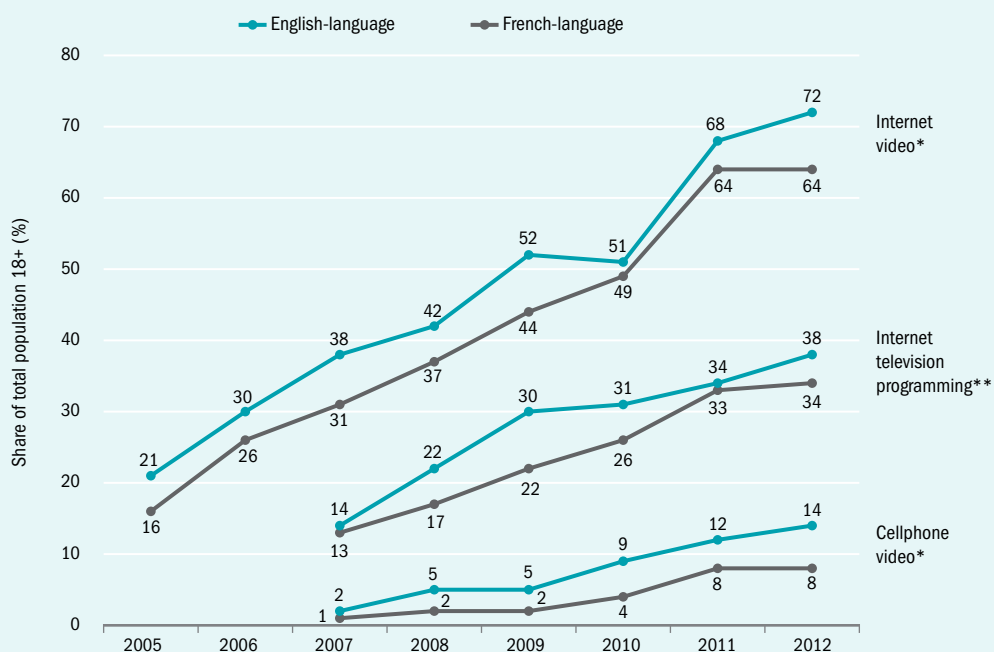
Despite the much smaller screen, cellphones are also playing a growing role in Canadians' media consumption patterns. In 2012, the use of cellphones for watching video – including video clips – increased from 12% to 14% in the English-language market, but remained unchanged at 8% in the French-language market (Exhibit 1-13). The statistics also suggest that about one-half of this video consumption over cellphones is television programming (Exhibit 1-14).

Netflix and iTunes are also popular destinations particularly in the English-language market, for accessing films and television programming in Canada. Indeed, in 2012, one in five Canadians (21%) in the English-language market had used Netflix. In the French-language market, the rate of Netflix adoption was much lower, at 5%.

While Canadians are clearly expanding their video-consumption platform options to include the Internet, actual viewing levels suggest that traditional television remains, by far, the primary platform. In 2012, Canadians (2+) spent an average of 28.2 hours per week watching television via traditional methods (Exhibit 1-15). Meanwhile, Canadians (18+) reported that they spent, on average, only 1.3 hours per week watching television on the Internet. And even among typical weekly users (18+) of Internet television, the average rate of viewing was only three hours per week. Even more interesting is the fact that the annual average level of per capita traditional television viewing among Canadians (18+) has remained virtually unchanged at just over 26 hours per week, even while the weekly rate of television viewing over the Internet has displayed a steady increase in recent years.

Exhibit 1-13 Adoption rates for Internet video, Internet television and cellphone video

The adoption of new video platforms is on the rise in Canada. Well over one-third of Canadians now watch television programming via an Internet connection.



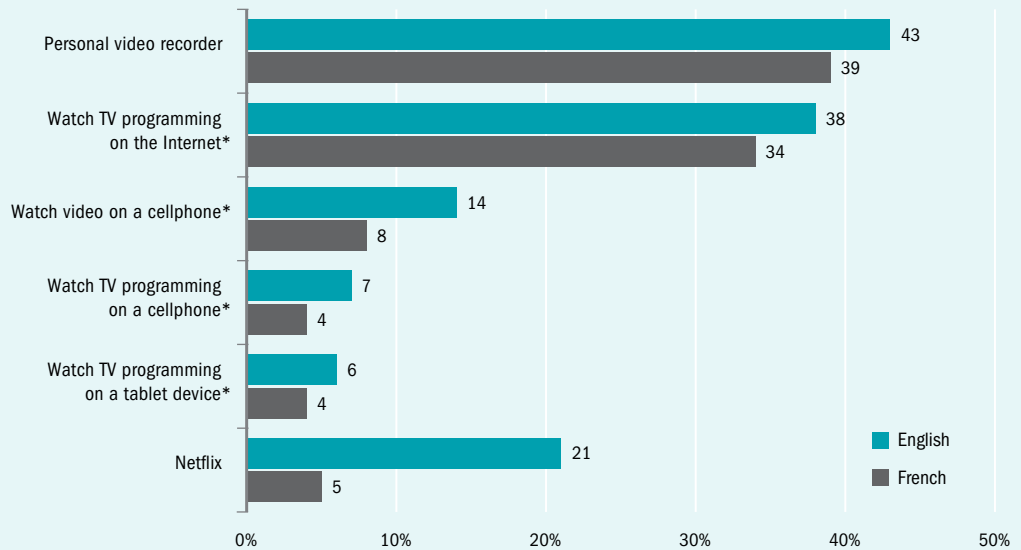
Source: Media Technology Monitor 2012 (see CRTC, Communications Monitoring Report 2013, pp. 188 and 191).

* Used in the past month

** Watched a TV program or clip from a TV program available on the Internet

Exhibit 1-14 Percentage of Canadians using new video-distribution platforms, 2012

Approximately 40% of Canadians used a PVR in 2012; one in five Canadians in the English-language market used Netflix. And while the use of cellphones and tablet devices for watching television programming continued to increase, the overall adoption rates remained under 10% in 2012.

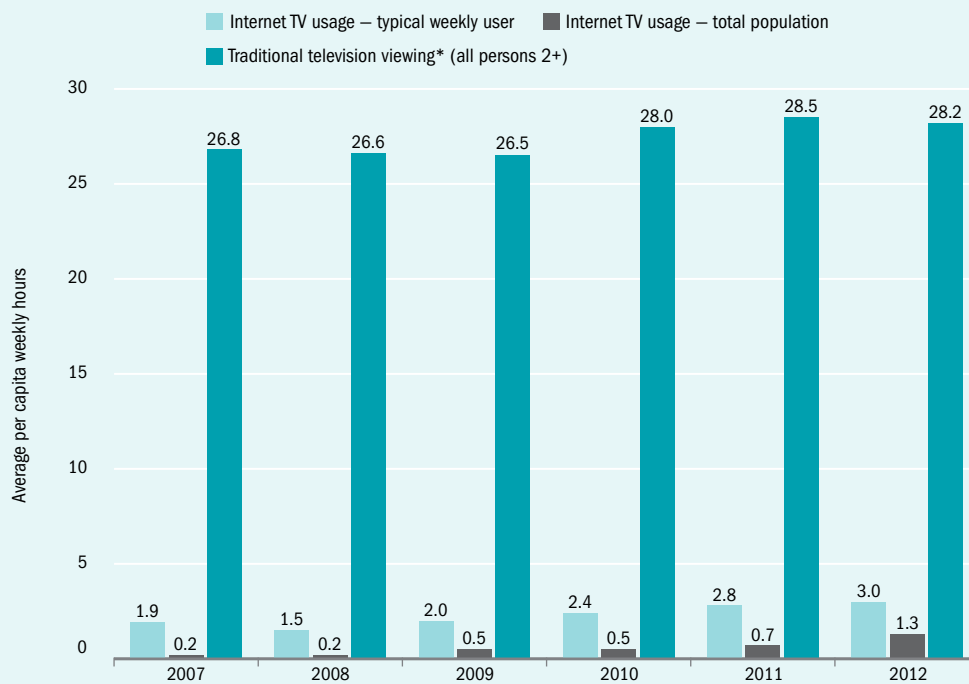


Source: Media Technology Monitor 2012 (see CRTC, Communications Monitoring Report 2013, p. 191).

* Used in the past month

Exhibit 1-15 Average weekly hours of television viewing in Canada, traditional television* vs. Internet television

In 2012, Canadians (2+) spent an average of 28.2 hours per week watching television via traditional methods. Canadians (18+) spent, on average, 1.3 hours per week watching television on the Internet. Among typical weekly users (18+) of Internet television, the average rate was three hours per week.



Source: Media Technology Monitor 2012 (see CRTC, Communications Monitoring Report 2012, pp. 77 and 189).

* Traditional television viewing includes television viewing via over-the-air signal reception, cable, satellite or multipoint distribution systems.

ECONOMIC IMPACT OF SELECTED SECTORS IN THE FILM AND TELEVISION VALUE CHAIN

Film and television production represents just one segment in the much larger film and television value chain. The film and television production segment generates the content, while the other segments of the value chain — from distribution through exhibition and broadcasting distribution — also add economic value to this content before it reaches audiences. In the table below, we present statistics for the economic contribution of some of these other segments of the film and television value chain.

Economic impact of selected sectors in the film and television value chain

	Direct	Spin-off	Total
EMPLOYMENT (FTES)			
Film and television production (2012/13)	50,200	77,500	127,700
Convergent digital media production (2012/13)	490	520	1,010
Distribution (2011)	1,100	6,400	7,500
Exhibition (2012)	8,300	10,800	19,100
Broadcasting* (2012)	6,800	15,500	22,300
Broadcasting distribution (2012)	28,600	27,000	55,600
LABOUR INCOME (\$ MILLIONS)			
Film and television production (2012/13)	2,856	3,023	5,878
Convergent digital media production (2012/13)	32.6	19.2	51.8
Distribution (2011)	89	283	372
Exhibition (2012)	219	470	689
Broadcasting* (2012)	463	785	1,248
Broadcasting distribution (2012)	2,282	1,287	3,569
GDP (\$ MILLIONS)			
Film and television production (2012/13)	2,972	4,585	7,557
Convergent digital media production (2012/13)	34.3	39.1	73.4
Distribution (2011)	432	496	928
Exhibition (2012)	415	873	1,287
Broadcasting* (2012)	1,645	1,250	2,895
Broadcasting distribution (2012)	3,754	2,307	6,062

Source: Nordicity estimates based on data from CRTC, Movie Theatre Association of Canada (MTAC), Cineplex Entertainment and Statistics Canada.

* Excludes in-house production.

2. CANADIAN FILM AND TELEVISION PRODUCTION

Canadian film and television production includes all film and television production made by Canadian production companies. Most Canadian production is made by independent production companies, although broadcaster-affiliated production companies⁴ also account for some production in this sector.

Canadian film and television production includes films and television programs with certification from the Canadian Audio-Visual Certification Office (CAVCO) and/or the Canadian Radio-television and Telecommunications Commission (CRTC). This sector excludes broadcaster in-house production, that is, television programming such as news, sports and public affairs programming, produced by Canadian broadcasters.

HIGHLIGHTS FROM 2012/13

- The volume of Canadian film and television production decreased by 8.2% to \$2.67 billion.
- Canadian film and television production generated 58,700 FTEs in Canada, including 23,100 FTEs directly in film and television production roles.
- Canadian film and television production generated GDP of \$3.5 billion for the Canadian economy, including \$1.4 billion in production-industry GDP and over \$2 billion in spin-off GDP.
- English-language production decreased by 9.1% to under \$2 billion.
- French-language production decreased by 2% to \$695 million.
- Canadian film and television production in the fiction genre decreased by 3.4% to \$1.43 billion.
- Children's and youth production fell by 25.7% to \$350 million.
- Documentary production decreased by 7.8% to \$344 million.
- The production of lifestyle programming increased by 1.9% to \$322 million.
- Production in the variety and performing arts (VAPA) genre fell by 18.6% to \$131 million.
- Production in the magazine-programming genre increased by 3.4% to \$91 million.
- Canadian animation production increased by 4.8% to \$220 million.

4. Affiliated production companies are production companies in which a Canadian broadcaster owns or controls at least 30% of the (voting) equity.

After climbing to an all-time high in 2011/12, the total volume of Canadian film and television production fell back in 2012/13 as the television sub-sector experienced a retreat from very high levels. Canadian theatrical production did experience a slight increase in 2012/13; however, because this sub-sector is much smaller than the television sub-sector, it was not enough to offset the decrease in the latter. Overall Canadian production dropped by 8.2% to just under \$2.7 billion (Exhibit 2-1), as television production itself dropped by 9.8% to \$2.32 billion (Exhibit 2-33).

The fall in Canadian production in 2012/13 appears to have been broad-based across most major genres. The fiction, children's and youth, documentary and VAPA genres all experienced decreases in production volume; only the lifestyle and magazine genres increased their production volume. In the fiction genre, a \$30 million increase in theatrical feature film production was offset by an \$80 million drop in television production (Exhibit 2-5).

The drop in children's and youth production in 2012/13 did not seem to negatively affect animation production, however. The total volume of animation production across all genres actually grew from \$210 million to \$220 million in 2012/13 (Exhibit 2-22).

Both language markets — English and French — contributed to the decrease in Canadian production, but it was the largest, the English-language market, where most of the decrease was evident. English-language production was down by 9.1% —dropping from \$2.13 billion to under \$2 billion (Exhibit 2-4).

Despite the decrease in Canadian production observed in 2012/13, the level of production was still well above the levels seen over the past decade. At close to \$2.7 billion, the total volume of Canadian film and television production was still 10.8% higher than the ten-year average of \$2.41 billion, and \$647 million higher than the level ten years earlier in 2003/04 (Exhibit 2-1).

As the statistics presented later in this report will show, Canadian television programming continues to enjoy growing popularity at home and abroad. Five Canadian English-language television series garnered average minute audience (AMA)⁵ levels of at least one million in the 2013 broadcast year (Exhibit 2-70). *Saving Hope*, *Flashpoint*, *Rookie Blue*, *The Listener* and *Motive* all surpassed the one million mark. In the French-language market, all of the top-ten television series surpassed the one million mark (Exhibit 2-72). Indeed, the television series, *La Voix*, surpassed all but one series on Canadian television — American or otherwise — with an average minute audience of over 2.7 million (Exhibit 2-67).

On the international front, Canadian children's and youth programs continued to sell well, as did many Canadian lifestyle or factual series. Canadian fiction series also had a strong year in terms of international sales. *Continuum*, *Lost Girls*, *Vikings*, *Motive* and *Cracked* were either renewed or picked-up by U.S. broadcasters in 2012/13.

In theatres, English-language Canadian films had a better year; *Resident Evil: Retribution* and *Goon* helped raise Canada's share of the English-language box office from 0.9% to 1.5% (Exhibit 2-96). In the French-language market, where Canadian films have consistently returned a market share of 15% to 25%, the share fell below 10% for the first time in the past ten years (Exhibit 2-96).

Canadian films also continued to garner critical acclaim in 2012/13. *Rebelle* was nominated for the Oscar for Best Foreign Language Film at the 2013 Academy Awards. *Hors les murs*, *Laurence Anyways*, *Stories We Tell* and *Indie Game: The Movie*, posted strong showings on the festival circuit in 2012-13 as well.

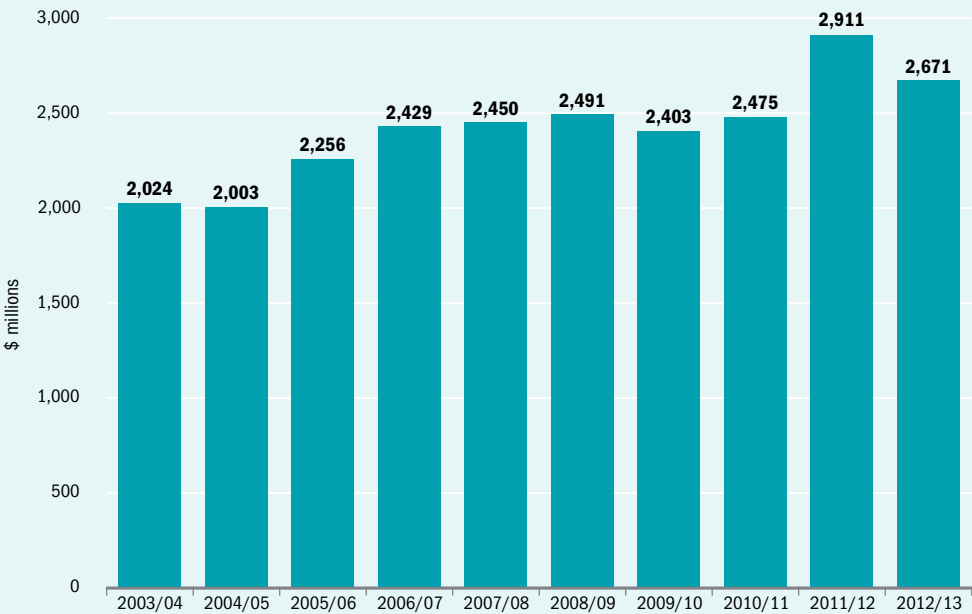
5. Average Minute Audience (Aged 2+) — the number of viewers, aged two and over, tuned to the average minute of a program.

TOTAL CANADIAN FILM AND TELEVISION PRODUCTION

VOLUME

Exhibit 2-1 Volume of total Canadian film and television production

The total volume of Canadian film and television production dropped by 8.2% in 2012/13, to \$2.67 billion, but was still 32% higher than the 2003/04 level.

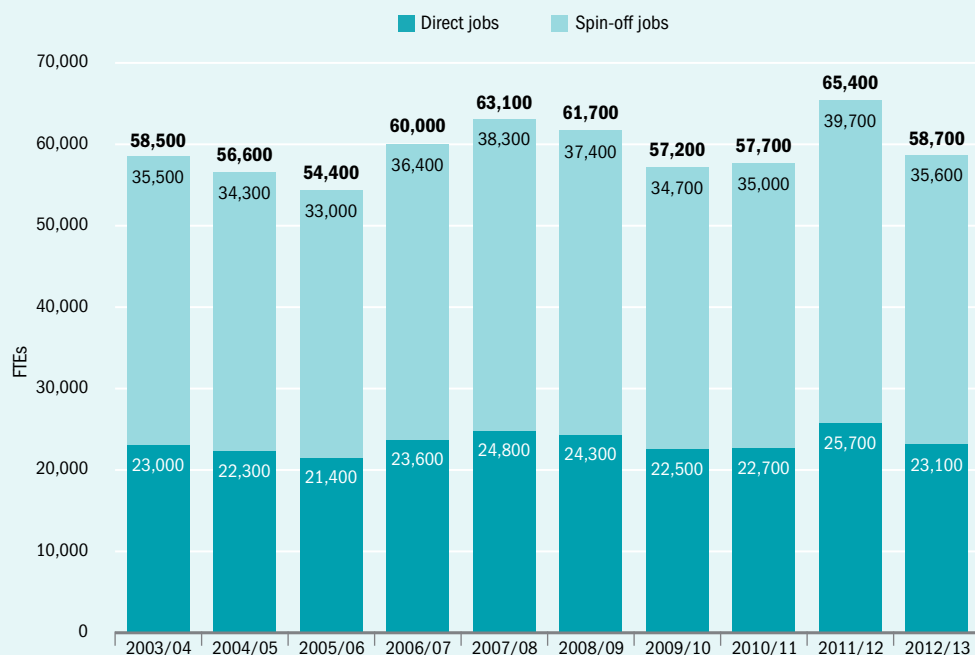


Source: Estimates based on data collected from CAVCO.
Note: Canadian production includes CAVCO-certified film and television production, and an estimate for CRTC-certified television production. See Notes on Methodology for additional information.

EMPLOYMENT AND GDP

Exhibit 2-2 Number of full-time equivalent jobs (FTEs) generated by total Canadian film and television production

Canadian film and television production supported 58,700 FTEs in 2012/13 and generated \$3.5 billion in GDP for the Canadian economy.



Source: Estimates based on data from CAVCO, Statistics Canada and Conference Board of Canada.

Note: See the Notes on Methodology section for a description of the job-estimation methodology.

Exhibit 2-3 Summary of the economic impact of total Canadian film and television production, 2012/13

	Direct	Spin-off	Total
Employment (FTEs)	23,100	35,600	58,700
Labour income (\$ millions)	1,335	1,388	2,724
GDP (\$ millions)	1,389	2,069	3,458

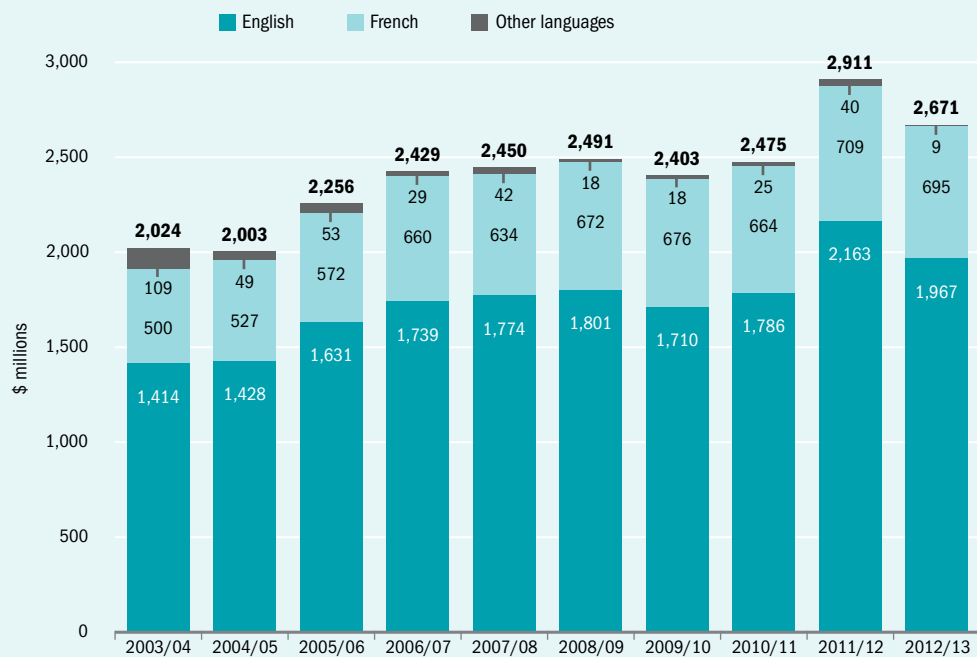
Source: Estimates based on data from CAVCO, Statistics Canada and the Conference Board of Canada.

Note: Some totals may not sum due to rounding. See the Notes on Methodology section for a description of methodology.

LANGUAGE

Exhibit 2-4 Volume of total Canadian film and television production, by language

Both language markets experienced decreases in production volume in 2012/13. English-language production was down by 9.1%; French-language production was down by 2%.



Source: Estimates based on data collected from CAVCO.

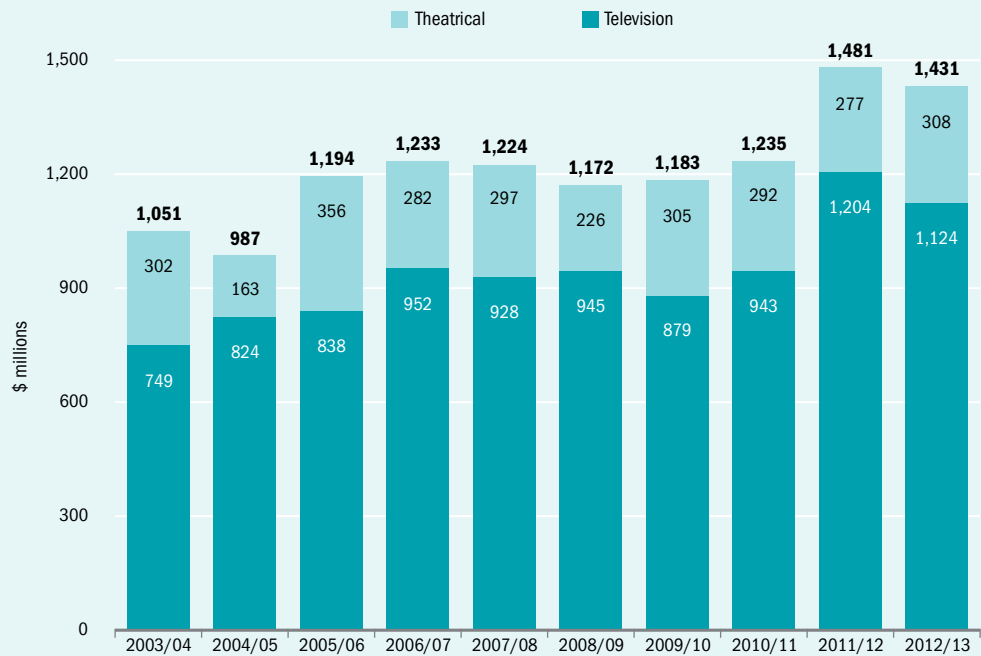
Note: Some totals may not sum due to rounding.

GENRES

Fiction (drama and comedy)

Exhibit 2-5 Volume of Canadian fiction production

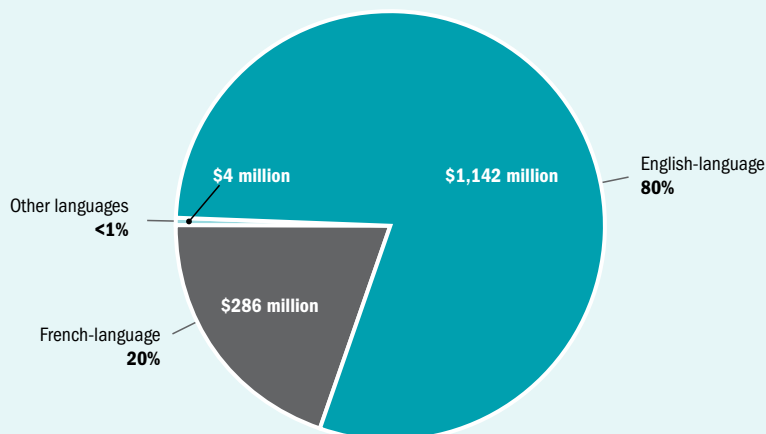
The volume of fiction production decreased 3.4%, to \$1.43 billion in 2012/13, as a decrease in television production offset an increase in theatrical feature film production.



Source: Estimates based on data collected from CAVCO.

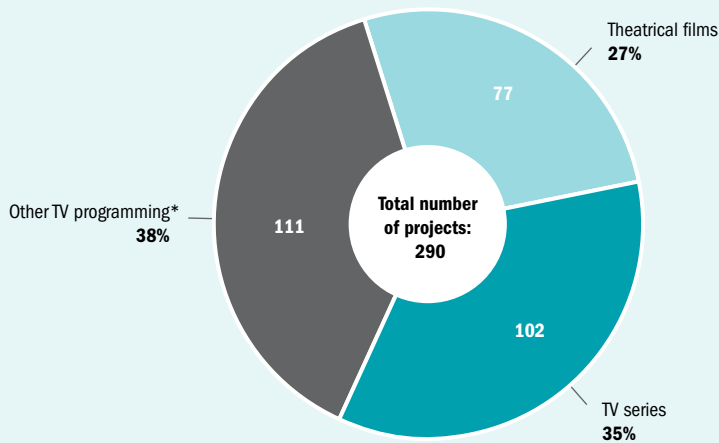
Note: Some totals may not sum due to rounding.

Exhibit 2-6 Volume of Canadian fiction production, by language, 2012/13



Source: Estimates based on data collected from CAVCO.

Note: Totals may not sum due to rounding.

Exhibit 2-7 Number and share of Canadian fiction projects, by type, 2012/13

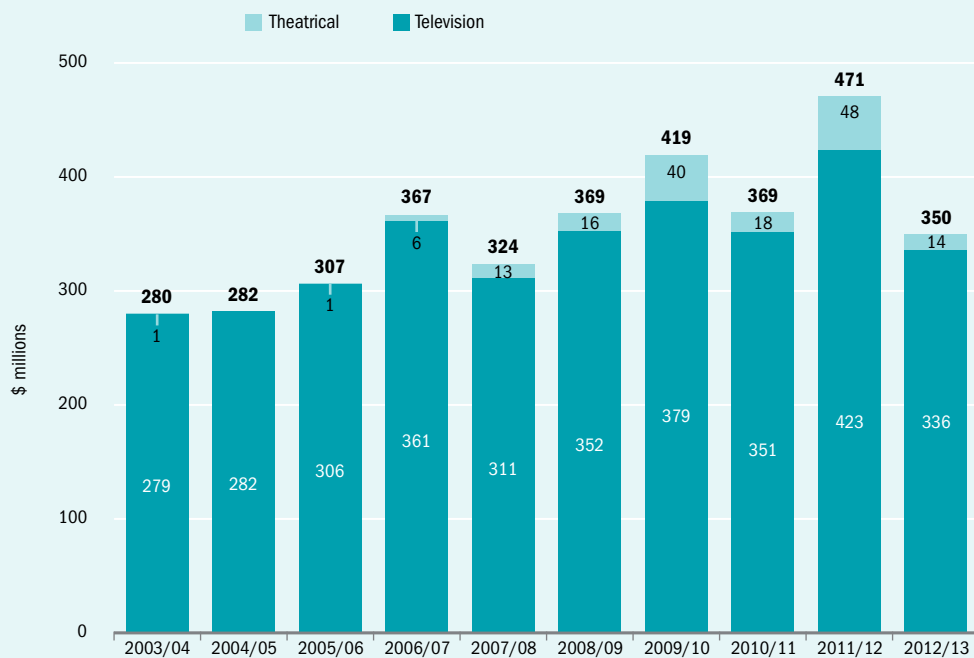
Source: Estimates based on data collected from CAVCO.

* Other TV programming category includes MOWs, mini-series, single-episode programming and pilots.

Children's and Youth

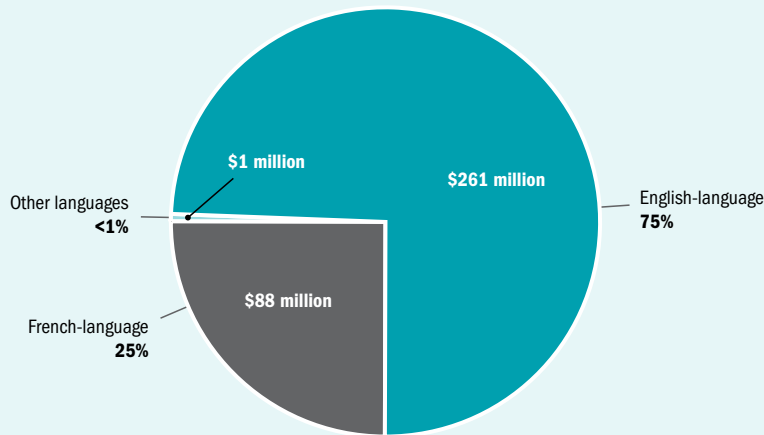
Exhibit 2-8 Volume of Canadian children's and youth production

The overall volume of children's and youth production fell by 25.7% in 2012/13, as this genre's production in both television and theatrical sub-sectors experienced significant declines from a ten-year high in 2011/12.



Source: Estimates based on data collected from CAVCO.

Note: Some totals may not sum due to rounding.

Exhibit 2-9 Volume of Canadian children's and youth production, by language, 2012/13

Source: Estimates based on data collected from CAVCO.
 Note: Totals may not sum due to rounding.

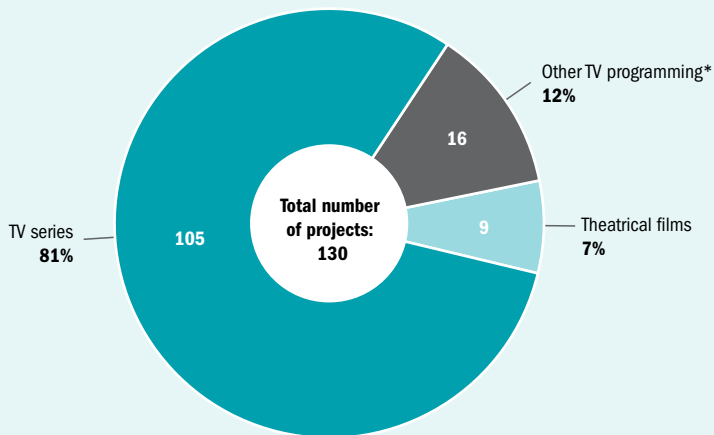
Film and television production can be grouped into two categories: live action and animation. A more detailed look at the breakdown of children's and youth production reveals that a large share of the English-language production can be traced back to the fact that most animation production in the genre is originally produced in English. The relatively low volume of animation production originally produced in French can, in part, be attributed to the fact that animation is a highly exportable commodity, and therefore there is an incentive to make the original version in English for dubbing or subtitling into other languages.

Exhibit 2-10 Volume of Canadian children's and youth production, by language and category

The total volume of children's and youth animation production decreased 8.9% to \$175 million in 2012/13. The volume of live action production in this genre fell by four times the rate of animation production—dropping 37.9%. As a result, approximately one-half of children's and youth production in 2012/13 was in animation format.

(\$ millions)	2011/12			2012/13		
	Live Action	Animation	Total	Live Action	Animation	Total
English-language	180	177	357	107	156	263
French-language	91	14	105	71	18	89
Other languages	15	1	16	0	1	1
Total	286	192	478	177	175	352

Source: Estimates based on data collected from CAVCO.
 Note: Some totals do not sum due to rounding.

Exhibit 2-11 Number and share of children's and youth projects, by type, 2012/13

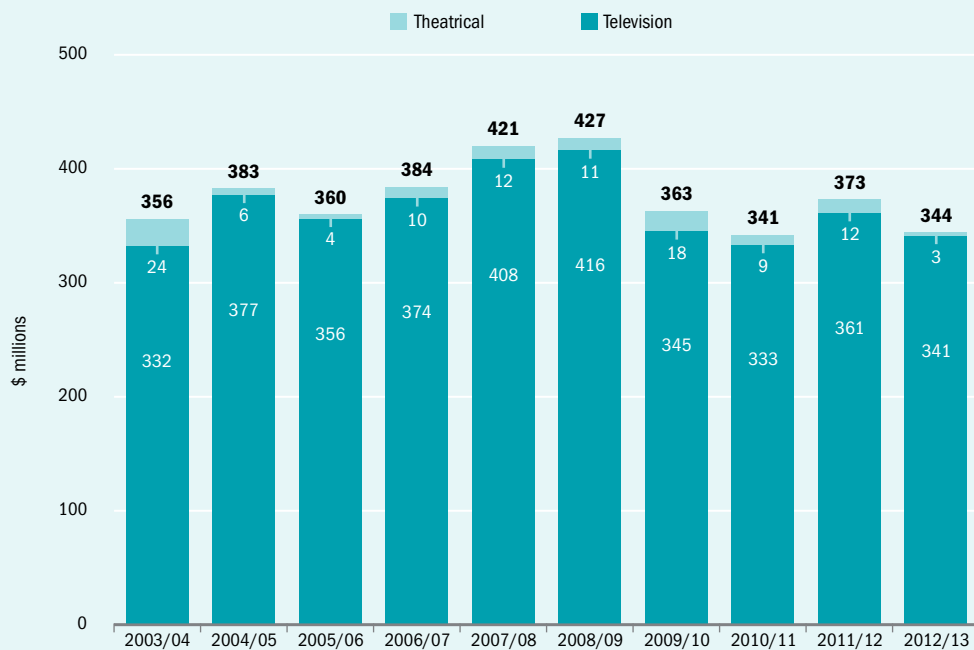
Source: Estimates based on data collected from CAVCO.

* Other TV programming category includes MOWs, mini-series, single-episode programming and pilots.

Documentary

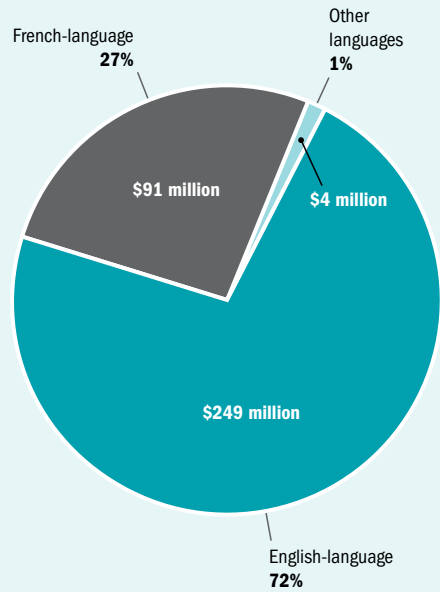
Exhibit 2-12 Total volume of documentary production

Lower levels of theatrical feature film and television production pushed the total volume of documentary production down by 7.8% to \$344 million.

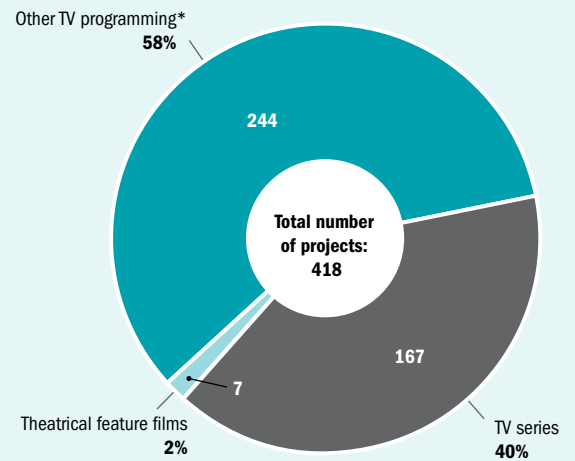


Source: Estimates based on data collected from CAVCO.

Note: Some totals may not sum due to rounding.

Exhibit 2-13 Volume of documentary production, by language, 2012/13

Source: Estimates based on data collected from CAVCO.

Exhibit 2-14 Number and share of documentary projects, by type, 2012/13

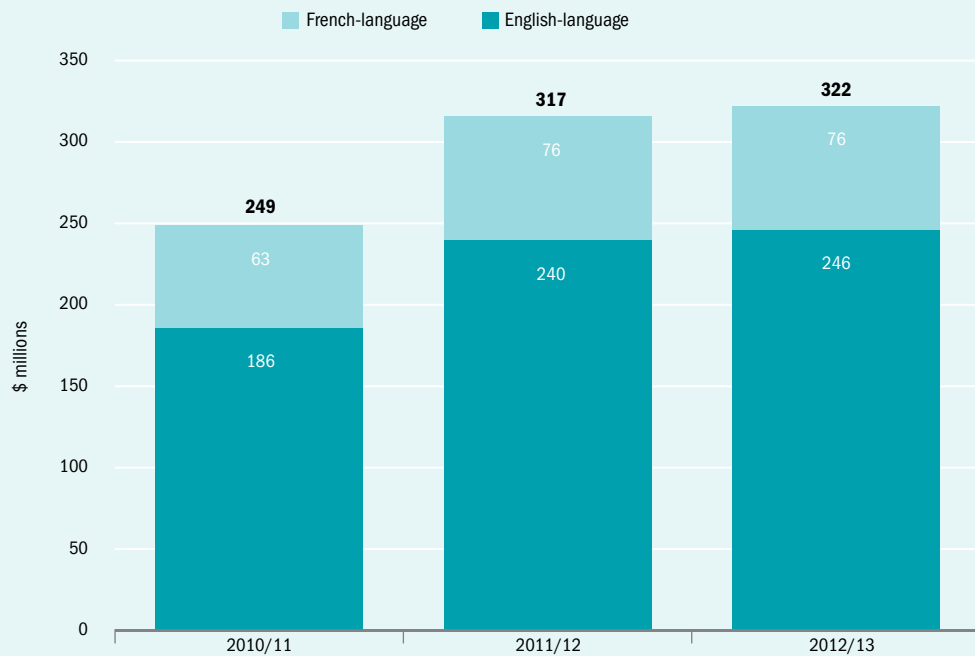
Source: Estimates based on data collected from CAVCO.

* Other TV programming category includes MOWs, mini-series, single-episode programming and pilots.

Lifestyle

Exhibit 2-15 Total volume of lifestyle production, by language

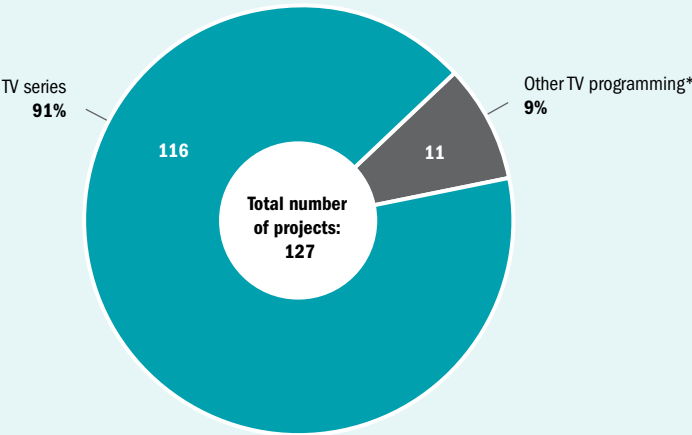
Higher levels of lifestyle programming in the English-language market led to an overall increase of 1.9% in the genre's total production volume.



Source: Estimates based on data collected from CAVCO.

Note: Some totals may not sum due to rounding.

Exhibit 2-16 Number and share of lifestyle projects, by type, 2012/13

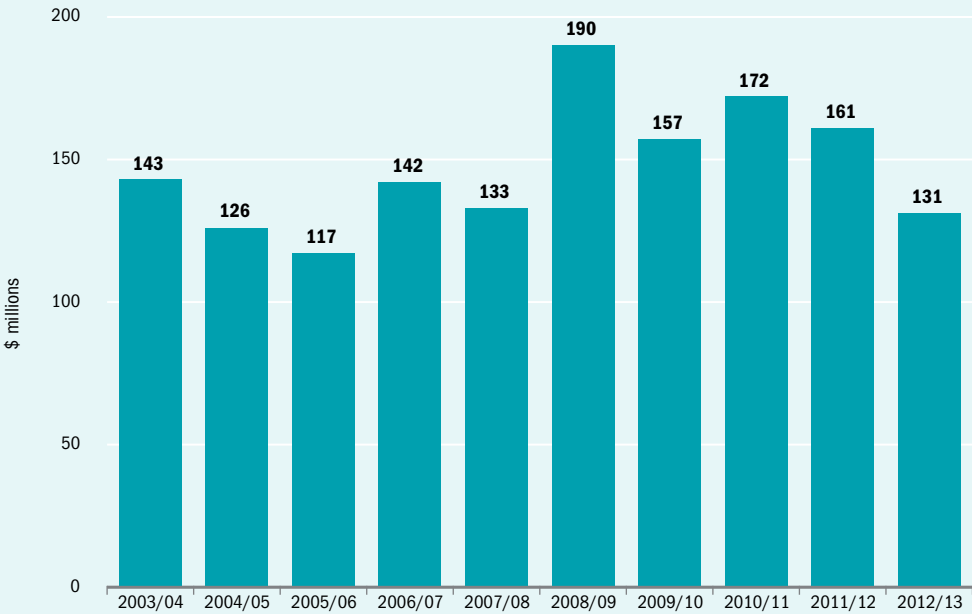


Source: Estimates based on data collected from CAVCO.
* Other TV programming category includes MOWs, mini-series, single-episode programming and pilots.

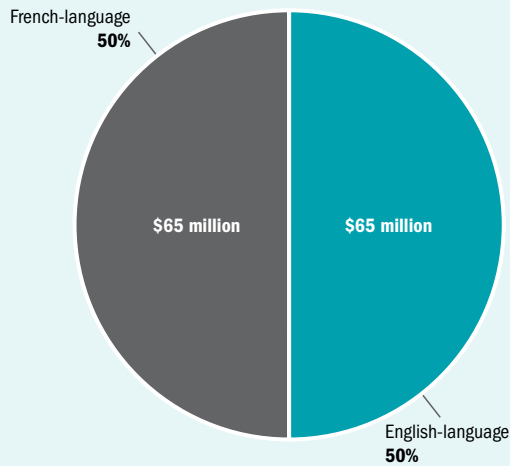
Variety and Performing Arts

Exhibit 2-17 Total volume of variety and performing arts production

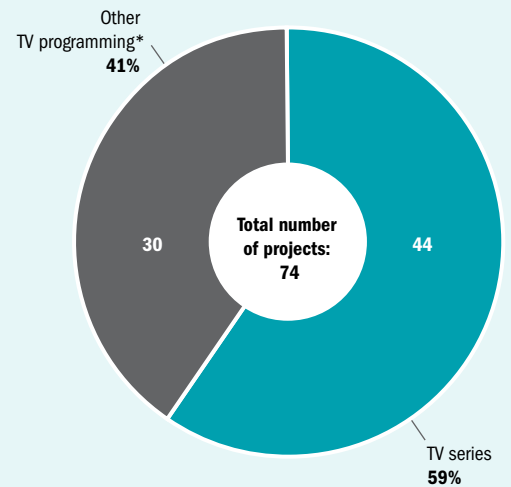
Production of VAPA programming fell by 18.6% in 2012/13 – the second consecutive annual decrease – bringing the total volume to a five-year low of \$131 million.



Source: Estimates based on data collected from CAVCO.

Exhibit 2-18 Volume of variety and performing arts production, by language, 2012/13

Source: Estimates based on data collected from CAVCO. Some totals may not match those in exhibit 2-17 due to rounding.

Exhibit 2-19 Number and share of variety and performing arts projects, by type, 2012/13

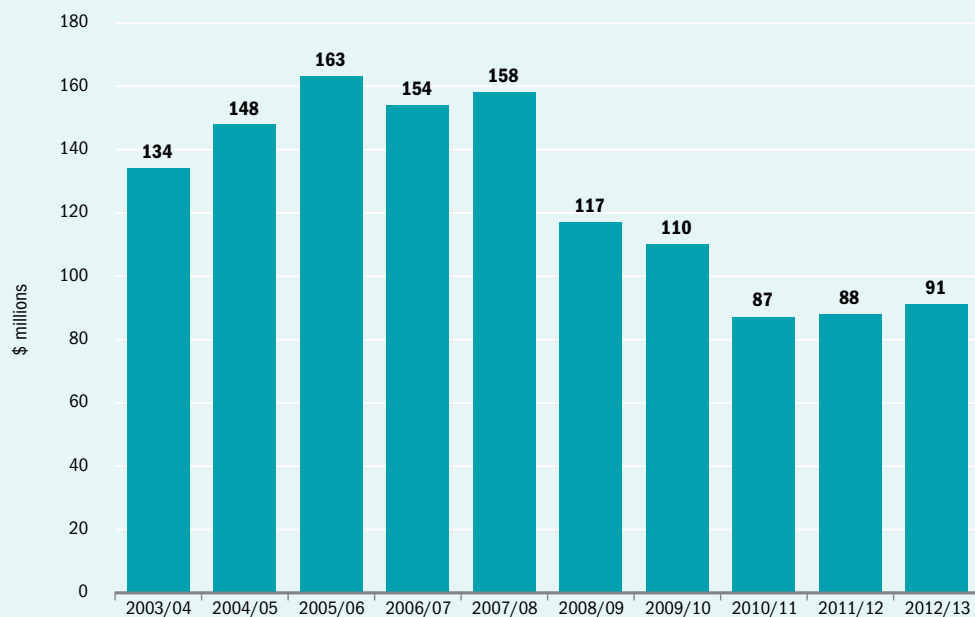
Source: Estimates based on data collected from CAVCO.

* Other TV programming category includes single-episode television programming, mini-series and television pilots.

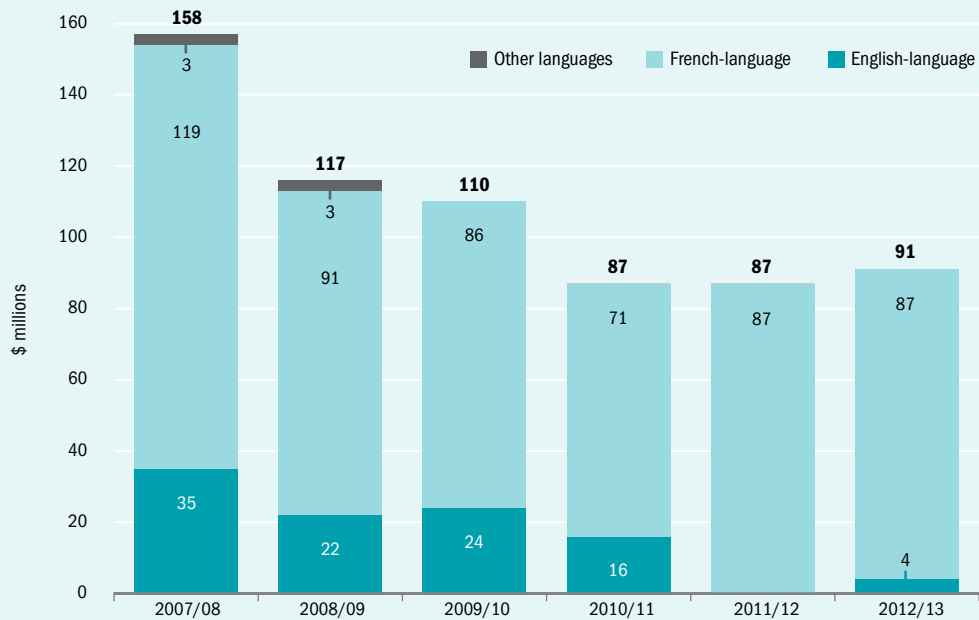
Magazine Programming

Exhibit 2-20 Total volume of magazine programming production

The total volume of magazine programming increased 3.4% in 2012/13, but was still approximately 40% lower than the levels reached between 2004/05 and 2007/08.



Source: Estimates based on data collected from CAVCO.

Exhibit 2-21 Volume of magazine programming production, by language

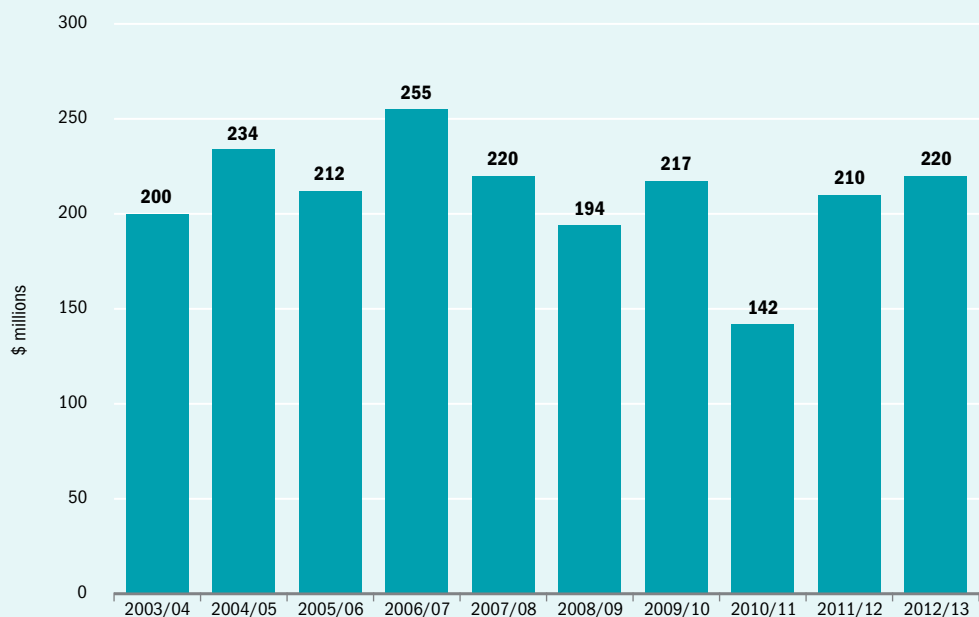
Source: Estimates based on data collected from CAVCO.

Note: Some totals may not sum due to rounding.

Animation

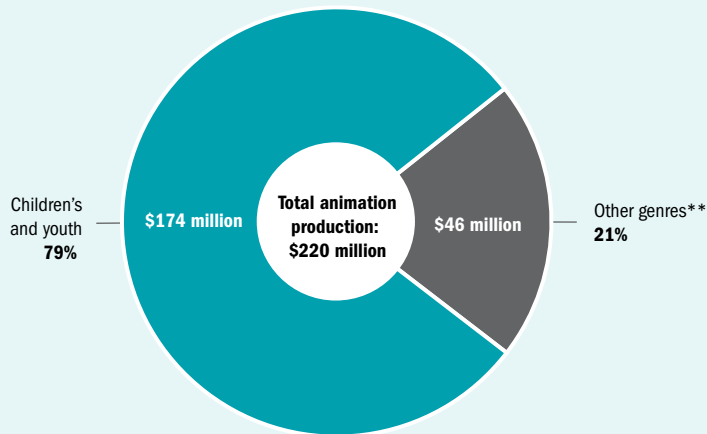
Exhibit 2-22 Total volume of animation production*

Animation production, across all genres, increased 4.8% to \$220 million in 2012/13, but was still 14% below the ten-year high of \$255 million reached in 2006/07.



Source: Estimates based on data collected from CAVCO.

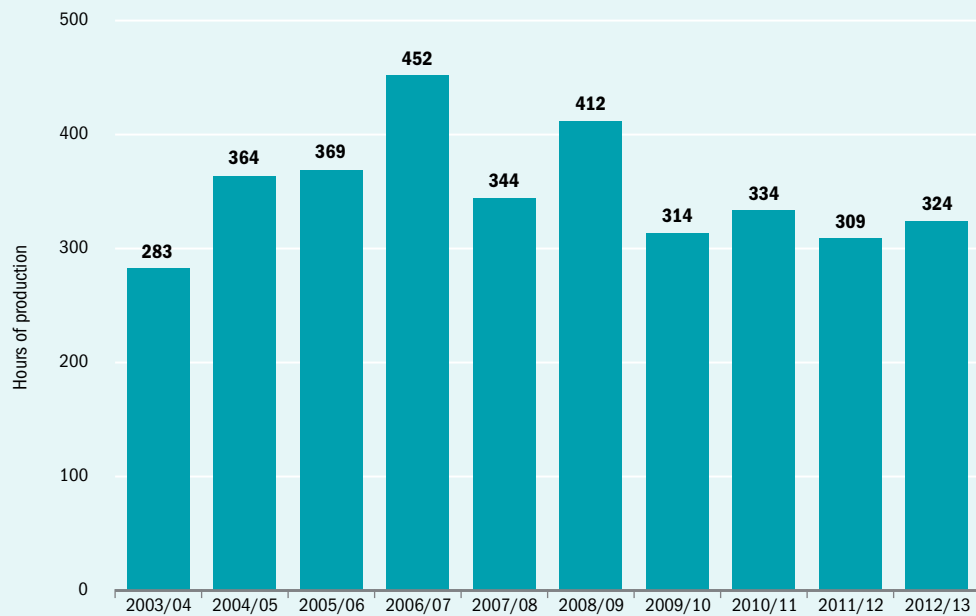
* Includes television and theatrical production.

Exhibit 2-23 Volume of Canadian animation production, by genre, 2012/13*

Source: Estimates based on data collected from CAVCO.

* Includes television and theatrical production.

** Other genres category includes production in the documentary, variety and performing arts, and educational/instructional genres.

Exhibit 2-24 Total number of hours of Canadian animation television production

Source: Estimates based on data collected from CAVCO.

Exhibit 2-25 Volume of Canadian animation television production, by language

(\$ millions)	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
English-language	152	215	183	223	192	171	178	125	163	155
French-language	17	11	15	23	16	18	35	9	23	28
Other languages	15	6	13	4	12	4	3	2	1	1
Total	184	231	210	249	220	193	216	136	186	184

Source: Estimates based on data collected from CAVCO.

Note: Some totals may not sum due to rounding.

PROVINCES AND TERRITORIES**Exhibit 2-26 Volume of Canadian film and television production, by province and territory**

(\$ millions)	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2012/13 share of total
Ontario	875	782	934	824	937	1,005	1,035	1,144	1,400	1,158	43%
Quebec	759	733	821	882	836	861	907	850	895	892	33%
British Columbia	220	276	302	440	421	340	221	261	365	434	16%
Alberta	53	57	38	59	89	92	82	64	67	58	2%
Nova Scotia	57	68	58	75	50	57	53	45	54	44	2%
Newfoundland and Labrador	3	2	15	2	7	6	31	36	34	35	1%
Manitoba	16	28	33	72	38	40	44	39	46	26	1%
Saskatchewan	27	37	38	58	51	73	15	27	29	16	<1%
New Brunswick	8	19	10	10	16	14	14	8	16	8	<1%
Territories*	0	1	3	3	1	1	2	1	2	1	<1%
Prince Edward Island	5	1	3	2	5	0	0	0	3	0	<1%
Total	2,024	2,003	2,256	2,429	2,450	2,491	2,403	2,475	2,911	2,671	100%

Source: Estimates based on data collected from CAVCO.

Note: Some totals may not sum due to rounding. Various provincial film agencies in Canada also publish statistics for film and television production activity using tax and marketing data in each province. Their statistics may differ from those in Profile 2013 due to such differences as data collection periods (fiscal vs. calendar year) and production activity reported on the basis of location of spend.

* Territories include Yukon, Nunavut and Northwest Territories.

FINANCING

Exhibit 2-27 Financing for Canadian film and television production

The financing for Canadian film and television production draws upon a variety of private and public sources. In recent years, approximately 10% of financing came directly from foreign broadcasters and distributors ("foreign").

	2008/09		2009/10		2010/11		2011/12		2012/13	
	%	\$ millions	%	\$ millions	%	\$ millions	%	\$ millions	%	\$ millions
Private broadcaster licence fees	22	541	19	455	21	510	18	532	17	463
Public broadcaster licence fees	9	221	8	199	7	183	8	222	10	258
Federal tax credit	10	241	10	229	10	239	10	290	10	266
Provincial tax credits	14	353	18	439	18	437	19	540	18	479
Canadian distributor	8	197	6	155	9	229	12	338	11	287
Foreign	11	264	9	212	8	198	10	293	10	272
Canada Media Fund	11	275	13	307	11	282	10	303	11	300
Canada Feature Film Fund – Telefilm Canada	3	65	3	67	3	65	2	58	2	65
Other public*	2	61	2	58	3	72	2	56	2	65
Other private**	11	272	12	282	11	261	10	281	8	217
Total	100	2,491	100	2,403	100	2,475	100	2,911	100	2,671

Source: Estimates based on data obtained from CAVCO, CMF and Telefilm Canada.

Note: Totals do not sum due to rounding.

* Other public includes financing from provincial governments, and other government departments and agencies.

** Other private includes financing from production companies (excluding the tax credit contribution), independent production funds, broadcaster equity and other Canadian private investors.

AUDIOVISUAL TREATY COPRODUCTION⁶

The Government of Canada currently has audiovisual coproduction treaties and Memoranda of Understanding (MOU) with 53 partner countries⁷. These treaties and MOUs are administered by Telefilm Canada on behalf of the Government of Canada. Treaty coproduction is an important avenue through which Canadian and foreign producers are able to combine their creative, technical and financial resources to coproduce films and television productions that benefit from national status in each of the partnering countries.

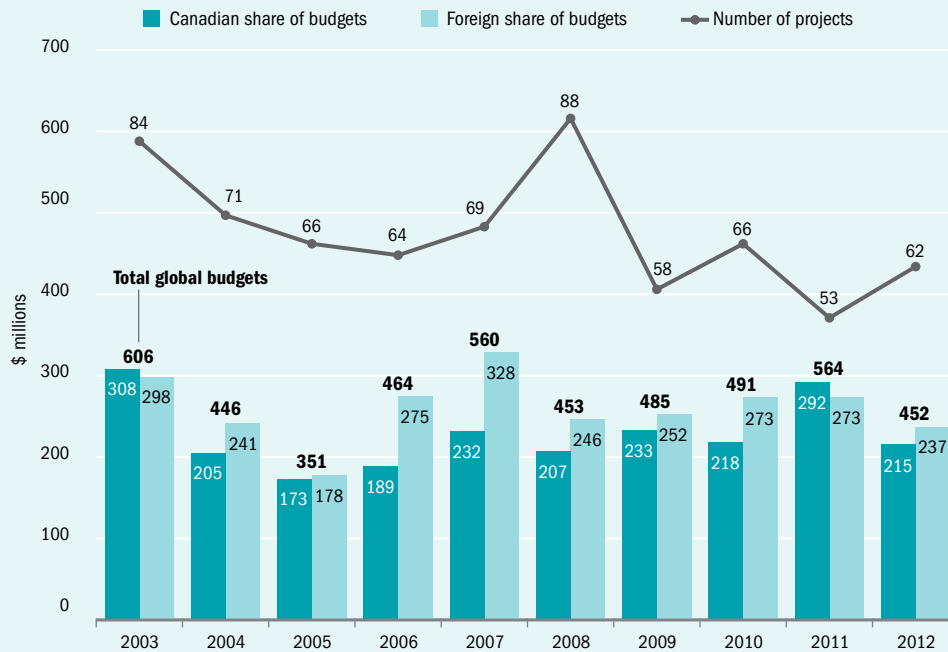
Partnering production companies can take either a majority or minority participation position in a coproduction project, depending, in large part, on the proportion of financing each producer brings to the project.

⁶ The Canadian share of total audiovisual treaty coproduction volume (or the Canadian share of total global budgets for coproductions) is already included in production volume figures throughout this report.

⁷ A list of partner countries can be found on the Telefilm Canada web site at www.telefilm.ca/en/coproductions/coproductions/agreements.

Exhibit 2-28 Total volume* and activity of audiovisual treaty coproduction

In 2012, the English- and French-language markets combined experienced a 19.9% decrease overall in total audiovisual treaty coproduction volume (i.e. total global budgets) in 2012.



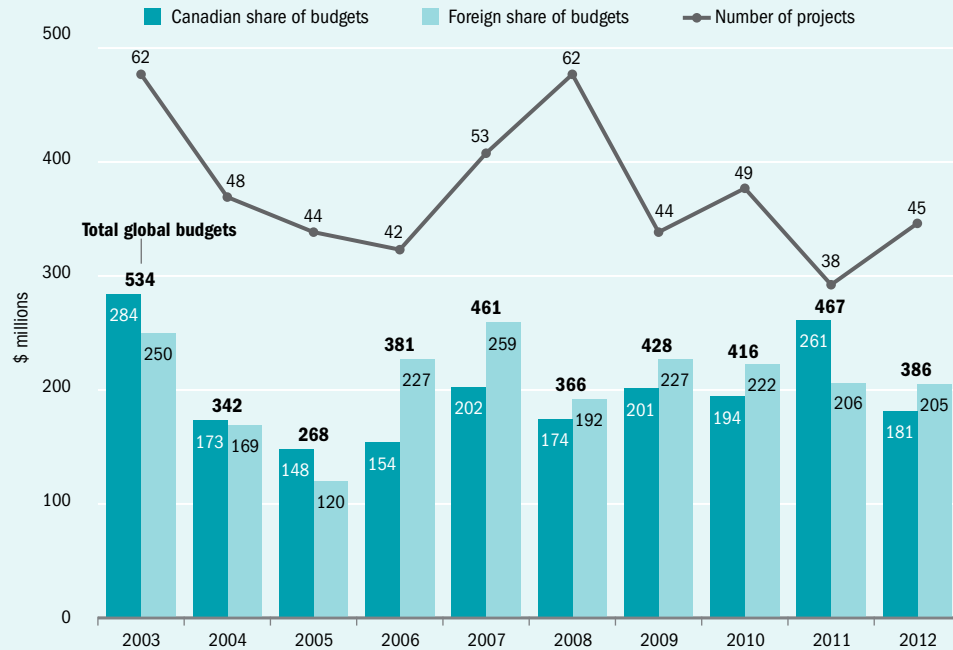
Source: Telefilm Canada.

Note: Statistics as of September 2013.

* The total volume of coproduction refers to the value of total global budgets for coproduction projects. The total volume of production includes the financial participation of Canadian producers (i.e. Canadian share of budgets) and foreign producers (i.e. foreign share of budgets). Some totals may not sum due to rounding.

Exhibit 2-29 Total volume and activity of audiovisual treaty coproduction, English-language production

The total volume of English-language audiovisual treaty coproduction declined 17.3% in 2012 to \$386 million, although the number of projects rose from 38 to 45.

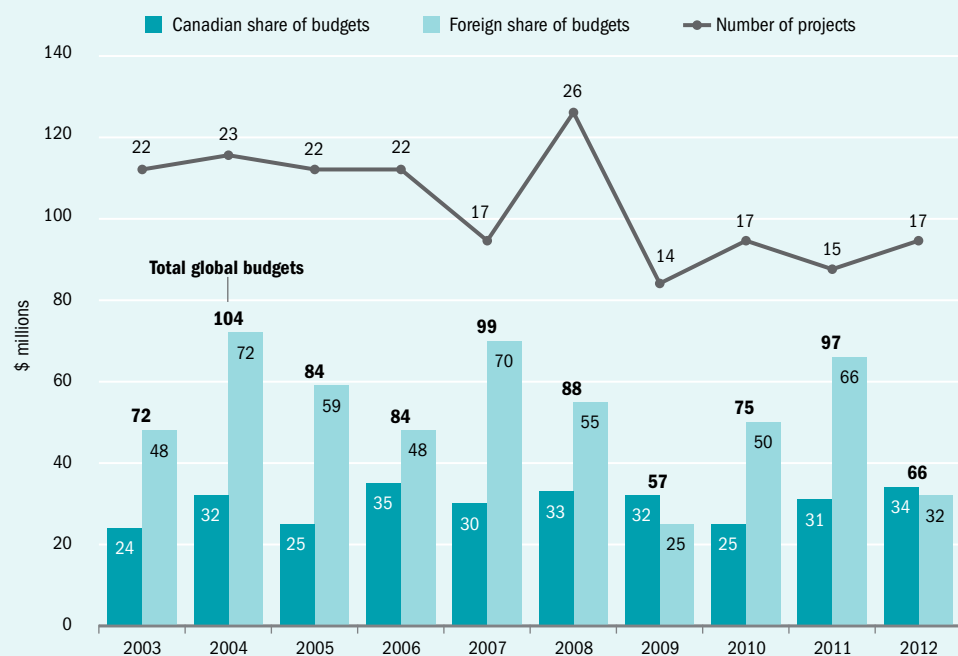


Source: Telefilm Canada.

Note: Statistics as of September 2013. Some totals may not sum due to rounding.

Exhibit 2-30 Total volume and activity of audiovisual treaty coproduction, French-language production

The total volume of French-language audiovisual treaty coproduction declined 32% in 2012 to \$66 million, however, the number of projects rose from 15 to 17.

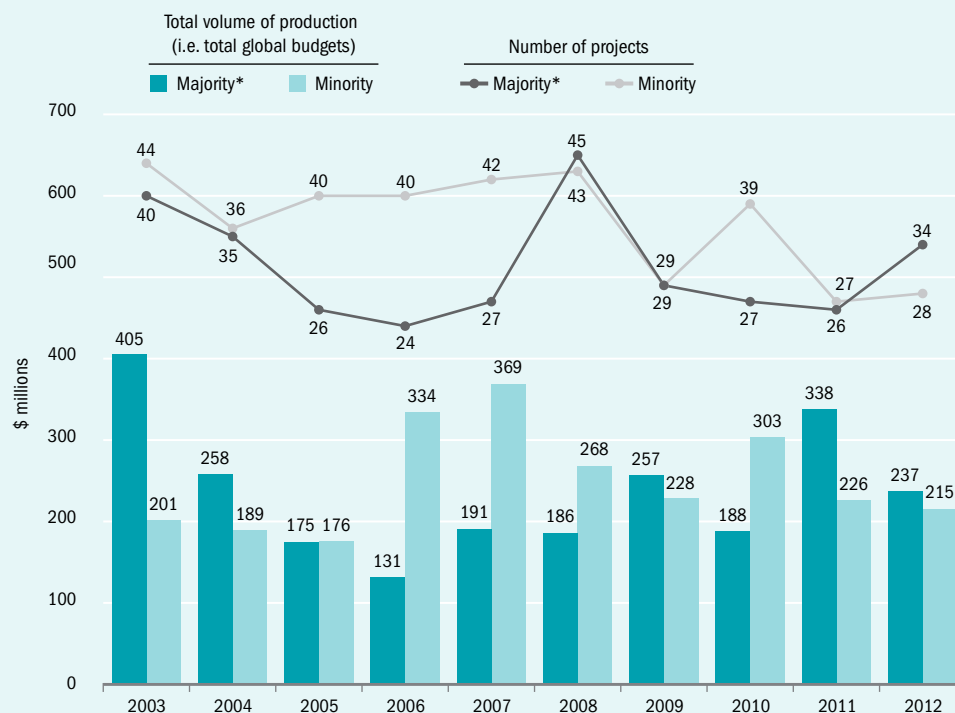


Source: Telefilm Canada.

Note: Statistics as of September 2013. Some totals may not sum due to rounding.

Exhibit 2-31 Audiovisual treaty coproduction, majority* vs. minority Canadian production

Canada was a majority (or equal) partner for most of its audiovisual treaty coproduction in 2012.



Source: Telefilm Canada.

Note: Statistics as of September 2013. Some totals may not sum due to rounding.

* Includes equal-participation projects.

Exhibit 2-32 Audiovisual treaty coproduction partner countries, 2003-2012

Between 2003 and 2012, Canada's audiovisual treaty coproduction activity was highest with France and the United Kingdom (UK). Other major coproduction partner countries included Australia, Germany and Ireland.

	Number of projects	Total volume (\$M)	Canadian share of budgets	
			\$M	%
France	247	1,557	708	45
United Kingdom	190	1,168	650	56
Australia	25	122	56	46
Germany	24	406	214	53
Ireland	19	333	100	30
Philippines	9	46	35	76
South Africa	8	89	39	44
Brazil	6	22	10	47
Japan	6	16	6	37
China	6	31	20	66
Other bipartite	77	373	210	56
Multipartite*	64	711	224	31
Total	681	4,873	2,272	47

Source: Telefilm Canada.

Statistics as of September 2013. Some totals may not sum due to rounding.

* Multipartite production includes audiovisual treaty coproduction projects where Canada has two or more partner countries.

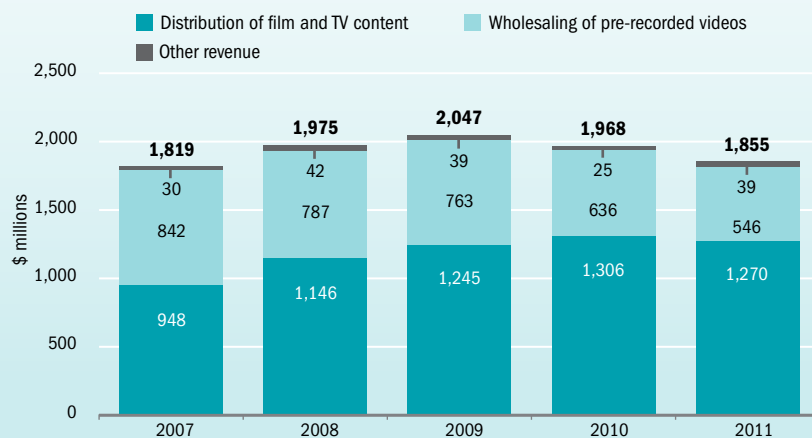
DISTRIBUTION SECTOR

Canada's distribution sector includes both Canadian-controlled and foreign-controlled companies that distribute film and television content through theatres, television broadcasters, DVD wholesaling and other video platforms. Some of the leading Canadian-controlled distribution companies include eOne Distribution and Mongrel Media.⁸ The foreign-controlled distribution companies operating in Canada include the distribution arms of major Hollywood studios.

In recent years, distribution companies in Canada have experienced a significant decline in revenue from the wholesaling of pre-recorded video (i.e. DVDs) as consumer demand for this medium has fallen. Distribution companies in Canada have, however, been able to maintain their level of revenue from the distribution of film and television content. In 2011, the majority of this revenue (56%), in fact, came from the distribution of television programming to Canadian broadcasters.

Total revenue in the Canadian distribution sector

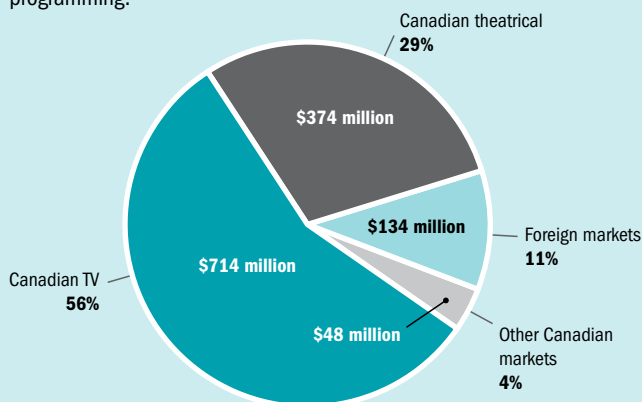
In 2011, distribution companies operating in Canada earned total revenue of \$1.86 billion.



Source: Statistics Canada, catalogue no. 87F0010X.

Revenue from distribution of film and television content, by market, 2011

The majority of distribution sector revenue in Canada (56%) in 2011 was earned from the distribution of television programming.



Source: Statistics Canada, catalogue no. 87F0010X.

⁸ MPA-Canada, CMPA, 2013, *The Economic Contribution of the Film and Television Sector in Canada*, p. 16.

TELEVISION PRODUCTION

Canadian television production includes the production of television series, mini-series, TV movies (including movies-of-the-week [MOWs] and feature-length television programs), single-episode television programming and television pilots. It consists of productions that are certified as Canadian content by either CAVCO or the CRTC.

Television production is produced across various genres, including fiction (i.e., drama and comedy), children's and youth, documentary, lifestyle, magazine programming, and variety and performing arts. This sector excludes broadcaster in-house production; that is, television programming – such as news, sports and public affairs programming – produced by Canadian broadcasters.

Canadian television production has long been popular in the French-language market, where prime time series regularly garner audiences in excess of one million viewers. In recent years, Canadian television drama in the English-language market has also attracted larger audiences.

HIGHLIGHTS FROM 2012/13

- Canadian television production decreased 9.8%, to \$2.32 billion.
- Canadian television production generated 50,900 FTEs, including 20,000 FTEs directly in the production of Canadian television programs.
- The number of Canadian television series dropped from 693 to 629, while the production volume decreased by close to 10% to \$1.94 billion.
- Both language markets experienced lower levels of production volume. English language television production was down by 11.2%.
- The volume of French-language television production also decreased, but by only 2.3%.
- In the English-language market, average per-hour budgets dropped in every genre except the lifestyle genre. The average budget for English-language fiction programming declined from \$1.54 million per hour to \$1.41 million per hour.
- In the French-language market, the average per-hour budget fell in the children's and youth genre, but was higher in all other genres.
- The average per-hour broadcast licence fee for English-language Canadian fiction productions was \$217,000; for French-language productions, the average was \$101,000 per hour – albeit on a much lower average budget.
- The Canada Media Fund (CMF) made financial contributions of \$300 million to support \$1.15 billion in television production volume.

After reaching a high in 2011/12, the Canadian television sub-sector experienced a retreat in activity in 2012/13. Despite the lower levels of production, however, Canadian television continued to perform strongly with domestic audiences.

The total volume of Canadian television production decreased 9.8%, to \$2.32 billion, in 2012/13 (Exhibit 2-33). The decline could be observed in both language markets and was more pronounced on a percentage basis in the children's and youth, fiction and variety and performing arts (VAPA) genres than in any other. Volume in the children's and youth genre dropped by \$87 million, or 20.6%, after climbing by virtually the same rate a year earlier (Exhibit 2-37). Lower levels of VAPA production in both the English-language and French-language markets led to an overall decline of \$54 million, or 33.8%, in this genre's total volume (Exhibit 2-43).

The documentary and fiction genres also experienced lower levels of production volume in 2012/13. In the case of the fiction genre, however, this recent decline should not overshadow its strong long-term growth trend. Over the past three years, the genre has grown by nearly 28% and added almost \$250 million to its total production volume (Exhibit 2-37). Despite its decline in 2012/13, the total volume of fiction production remained above \$1.1 billion for the second consecutive year.

The lifestyle genre continued its growth trend in 2012/13, increasing 1.9% to \$323 million (Exhibit 2-37). In terms of production volume, this genre is now on par with the documentary (\$341 million) and children's and youth (\$336 million) genres.

In many cases, the lower levels of production volume were accompanied by lower average hourly budgets. In the English fiction genre, the average budget decreased from \$1.54 million per hour to \$1.41 million per hour (Exhibit 2-39). The lifestyle genre was an exception. In the English-language market, its average budget increased from \$297,000 per hour to \$325,000 per hour. In the French-language market it jumped from \$106,000 per hour to \$276,000 per hour.

The 2012 broadcast year was a successful year for the Canadian English-language fiction programming in terms of its domestic audience performance. For the first time ever, seven English-language television series garnered an AMA of over one million. Much of this success carried over into the 2013 broadcast year, as five English series surpassed one million and several others were just below that threshold (Exhibit 2-70). *Saving Hope* led the way again with an AMA of over 1.7 million. Several long-running series, including *Flashpoint*, *Rookie Blue* and *The Listener* remained above the 1 million mark and were joined by a new series, *Motive*.

In the French-language market all of the top ten shows once again surpassed one million in AMA during the 2013 broadcast (Exhibit 2-72). *La Voix* was by far the most successful Canadian television series during that period. It garnered an AMA of over 2.7 million, ranking it ahead of all but one American television series, *The Big Bang Theory* (Exhibit 2-67). *La Voix* was joined in the top ten Canadian series by several long-running television series, including *19-2*, *Yamaska*, *Toute la vérité*, and *Les Parent*, as well as relatively newer series such as *Unité 9* (Exhibit 2-68).

The interest and demand for English-language Canadian television programming remained strong outside of Canada as well in 2012/13, as evidenced by strong international sales. Canadian children's and youth programming, in particular, had another strong year. *Mike the Knight*, *Rocket Monkeys* and *Almost Naked Animals* are just a few of the many long-running and new Canadian children's and youth series picked up by broadcasters around the world.⁹

Canadian lifestyle and factual programming also continued to shine in international markets. *Property Brothers* continued to be popular in the U.S. and other countries. Other Canadian series with international sales included *Top Chefs*, *Deck Wars*, *Bitchin' Kitchen*, *Restaurant Takeover*, *The Devil You Know* and *A World of Wonders*, to name just a handful.¹⁰

9 Jeremy Dickson, "New international TV deals for Mike the Knight," *Kidscreen*, July 19, 2012; Matt Sylvain, 2013, "Nickelodeon hops on Rocket Monkeys," *Kidscreen*, February 20, 2013; Jeremy Dickson, "U.K.'s CiTV snaps up more Almost Naked Animals," *Playback*, November 13, 2012.

10 Kevin Ritchie, "Tricon inks deals for Bitchin' Kitchen, Deck Wars," *Playback*, February 6, 2013.

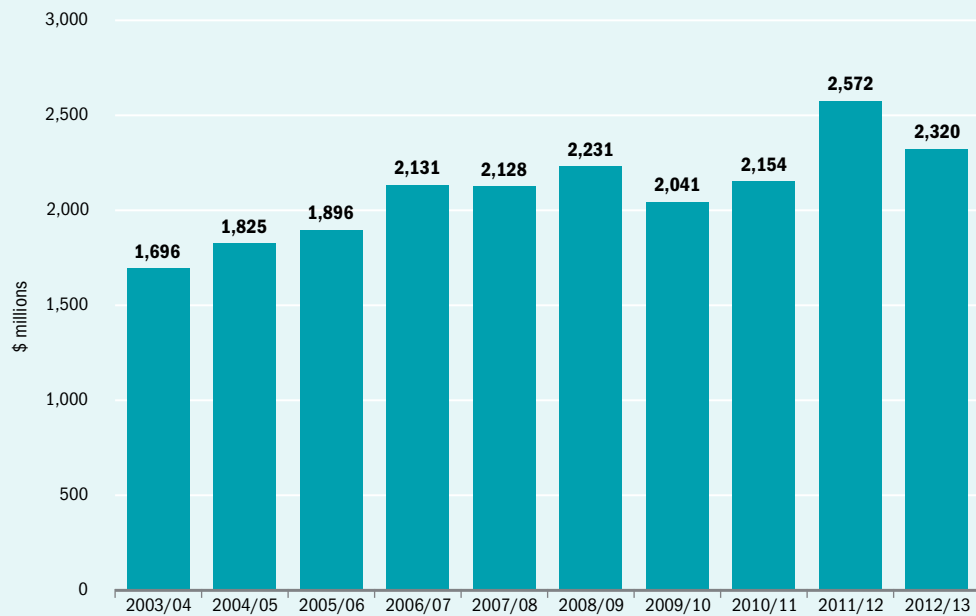
Canadian fiction is another genre that is receiving increasing attention and sales outside of Canada. In 2012/13, *Continuum*, *Lost Girls*, *Vikings*, *Motive* and *Cracked* all secured sales outside of Canada. Moreover, Canadian producers are continuing to make headway in the format sales area. In 2012/13, they sold the *Little Mosque* format into the U.S. while the *Cover Me Canada* format was sold to China.

Canadian television programs also earned international critical acclaim in 2012/13. *Degrassi: The Next Generation* received an Emmy nomination for Best Children's program.¹¹ The Canada-Ireland treaty coproduction *The Borgias* was nominated for four Primetime Emmy Awards, including outstanding music and outstanding costumes.¹²

VOLUME

Exhibit 2-33 Total volume of Canadian television production

The total volume of Canadian television production decreased by 9.8%, to \$2.32 billion in 2012/13, but was still 36.8% higher than it was in 2003/04.



Source: Estimates based on data collected from CAVCO.

Note: Canadian television production includes CAVCO-certified television production and an estimate for CRTC-certified production. Canadian television production also includes productions for non-theatrical release.

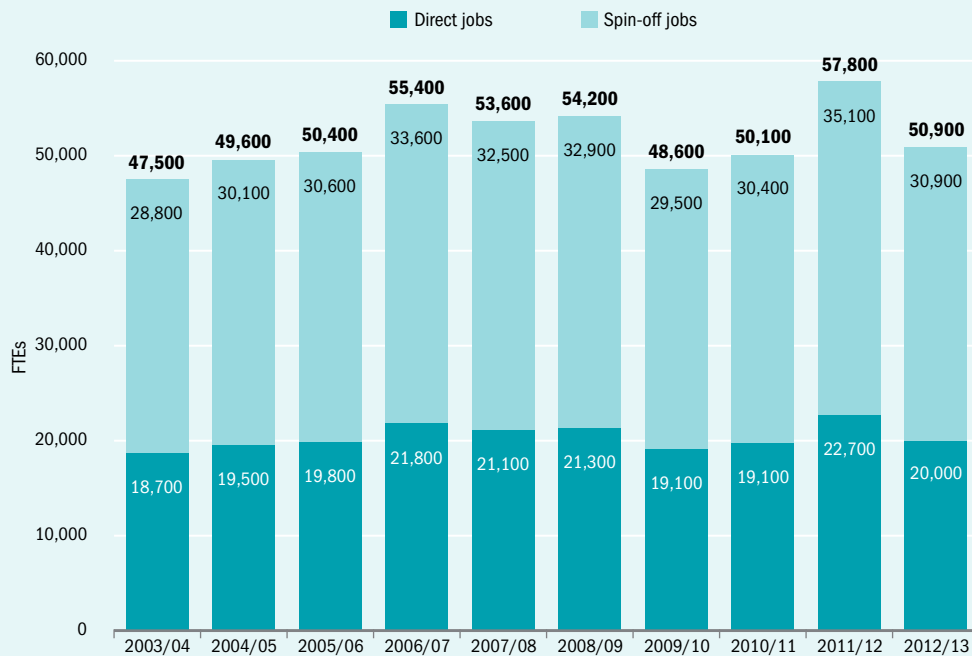
11 Danielle Ng See Quan, 2012, "Canucks nab Primetime Emmy noms," Playback, July 19, 2012.

12 Ibid.

EMPLOYMENT

Exhibit 2-34 Number of full-time equivalent jobs (FTEs) generated by Canadian television production

Canadian television production supported 50,900 FTEs in Canada in 2012/13.



Source: Estimates based on data from CAVCO, Statistics Canada and the Conference Board of Canada.
 Note: See the Notes on Methodology section for a description of the job-estimation methodology.

TYPES

Exhibit 2-35 Volume of television production, by type

The number of Canadian television series dropped from 693 to 629 in 2012/13. After climbing to a ten-year high in 2011/12, the total volume of Canadian television series production followed suit, with a 9.9% decrease.

(\$ millions)	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Series	1,336	1,371	1,320	1,497	1,586	1,743	1,630	1,801	2,156	1,942
TV movies	159	221	362	346	302	240	153	156	151	170
Mini-series	64	78	62	103	96	88	118	67	81	86
Other TV*	138	154	152	186	143	159	140	130	183	121
Total	1,696	1,825	1,896	2,131	2,128	2,231	2,041	2,154	2,572	2,320

Source: Estimates based on data collected from CAVCO.

Note: Some totals may not sum due to rounding.

* Other TV category includes single-episode television programming and television pilots.

Exhibit 2-36 Number of television projects, by type

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Series	645	683	715	710	724	717	643	636	693	629
TV movies	87	134	175	204	176	164	109	110	104	96
Mini-series	59	55	44	45	40	43	47	45	45	52
Other TV*	420	453	406	374	381	370	372	303	354	272
Total	1,212	1,325	1,340	1,334	1,321	1,294	1,171	1,095	1,196	1,049

Source: Estimates based on data collected from CAVCO.

* Other TV category includes single-episode television programming and television pilots.

GENRES**Exhibit 2-37 Volume of television production, by genre**

All genres, except lifestyle and magazine, contributed to the overall decrease in volume. The biggest percentage decreases were in the VAPA, and children's and youth genres. VAPA production dropped by one-third; children's and youth production dropped 20.6%.

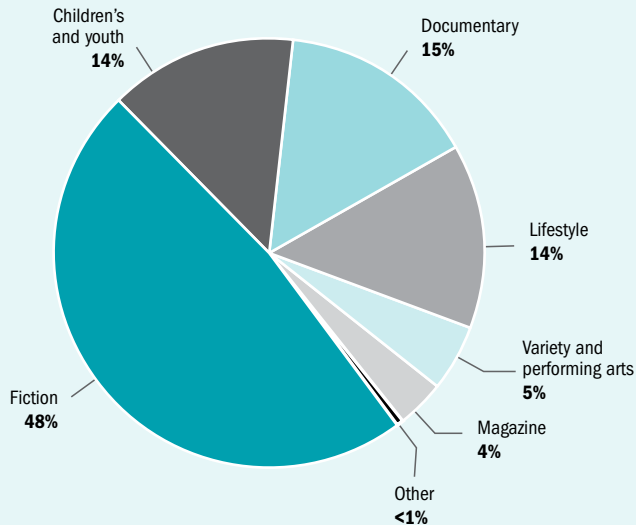
(\$ millions)	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Fiction	749	824	838	952	928	945	879	943	1,204	1,124
Children's and youth	279	282	306	361	311	352	379	351	423	336
Documentary	332	377	356	374	408	416	345	333	361	341
Lifestyle*	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	249	317	323
Variety and performing arts	143	126	117	142	133	183	157	169	158	105
Magazine	134	148	163	154	158	117	110	87	88	91
Other	59	68	115	149	190	217	172	21	21	2
Total	1,696	1,825	1,896	2,131	2,128	2,231	2,041	2,154	2,572	2,320

Source: Estimates based on data collected from CAVCO.

Note: Some totals may not sum due to rounding.

n.a.: Data not available.

* Prior to 2010/11, lifestyle programming was included in the Other genre category.

Exhibit 2-38 Share of total volume of Canadian television production, by genre, 2012/13

Source: Estimates based on data collected from CAVCO.

Note: Total may not sum due to rounding.

BUDGETS

English-Language Production

Exhibit 2-39 Budgets of English-language Canadian television production, by genre

Average budgets dropped in every genre of the English-language market except the lifestyle genre. In particular, the average budget for English-language fiction programming declined from \$1.54 million per hour to \$1.41 million per hour.

\$ 000s per hour	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Fiction										
Average	1,404	1,315	1,348	1,515	1,615	1,515	1,323	1,235	1,544	1,407
Median	1,104	1,179	1,250	1,520	1,523	1,257	1,367	1,321	1,458	1,366
Children's and youth										
Average	611	722	556	611	607	820	788	774	747	630
Median	456	550	462	638	420	496	653	413	545	425
Documentary										
Average	288	302	310	322	324	334	410	337	368	327
Median	237	250	229	252	244	291	263	278	280	283
Lifestyle										
Average	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	275	297	325
Median	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	289	296	347
Variety and performing arts										
Average	366	343	439	478	396	476	367	511	592	333
Median	230	261	350	255	295	318	262	231	490	233
Magazine										
Average	70	82	115	75	80	101	--	--	n.a.	n.a.
Median	54	56	60	34	42	55	--	--	n.a.	n.a.

Source: Estimates based on data collected from CAVCO.

--: Data not reported due to the size of the sample of projects.

n.a.: Data not available.

Note: Calculations exclude the foreign budgets of treaty coproductions.

French-Language Production

Exhibit 2-40 Budgets of French-language Canadian television production, by genre

With the exception of the children's and youth genre, average per-hour budgets were either higher or unchanged in 2012/13 in the French-language market.

\$ 000s per hour	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Fiction										
Average	458	456	526	501	520	520	621	534	383	386
Median	363	363	493	450	510	376	467	505	326	341
Children's and youth										
Average	281	238	189	213	209	243	233	196	367	166
Median	160	121	151	155	115	179	163	148	160	141
Documentary										
Average	220	207	239	209	223	234	228	245	210	222
Median	176	172	199	171	190	189	197	211	173	181
Lifestyle										
Average	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	114	106	276
Median	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	84	73	94
Variety and performing arts										
Average	192	197	174	192	278	311	212	220	212	248
Median	158	141	130	143	150	168	161	163	155	167
Magazine										
Average	41	55	48	58	57	49	67	55	72	87
Median	35	41	40	37	46	46	50	44	55	63

Source: Estimates based on data collected from CAVCO.

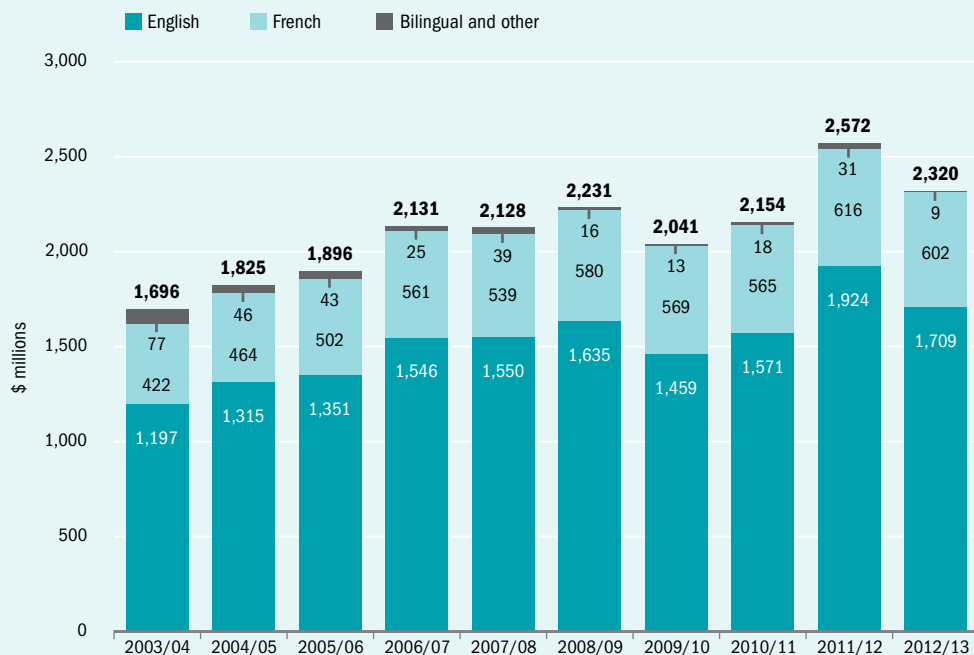
Note: Calculations exclude the foreign budgets of treaty coproductions.

n.a.: Data not available.

LANGUAGE

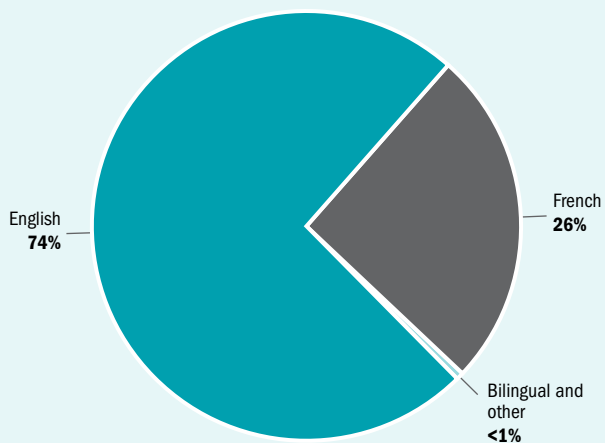
Exhibit 2-41 Volume of Canadian television production, by language

The volume of production dropped in both language markets in 2012/13. English-language production dropped by 11.2%; French-language production decreased 2.3%.



Source: Estimates based on data collected from CAVCO.

Note: Some totals may not sum due to rounding.

Exhibit 2-42 Volume of Canadian television production, by language, 2012/13 share

Source: Estimates based on data collected from CAVCO.

Note: Total may not sum due to rounding.

Exhibit 2-43 Volume of Canadian television production, by genre and language

(\$ millions)	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Fiction										
English	622	645	677	762	738	774	695	733	1,021	923
French	126	166	162	190	180	171	183	209	182	197
Other	0	12	0	0	10	0	1	1	1	4
Total	749	824	838	952	928	945	879	943	1,204	1,124
Children's and youth										
English	213	245	255	289	252	273	299	296	311	251
French	44	32	38	68	47	76	76	53	96	85
Other	22	5	13	4	12	4	4	2	16	1
Total	279	282	306	361	311	352	379	351	423	336
Documentary										
English	227	279	235	270	314	324	252	251	273	247
French	84	79	100	87	86	89	90	81	86	90
Other	21	19	21	16	8	3	2	1	3	4
Total	332	377	356	374	408	416	345	333	362	340
Lifestyle*										
English	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	186	240	246
French	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	55	69	76
Other	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	9	7	0
Total	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	249	317	323
Variety and performing arts										
English	45	44	44	51	50	77	76	73	63	39
French	66	77	67	88	77	100	75	91	91	65
Other	32	5	6	3	6	6	6	5	4	0
Total	143	126	117	142	133	183	157	169	158	105
Magazine										
English	57	48	53	44	35	22	24	16	0	4
French	76	97	107	109	119	91	86	71	87	87
Other	2	3	3	1	3	3	0	0	0	0
Total	134	148	163	154	158	117	110	87	88	91
Other genres										
English	33	55	87	130	160	164	112	17	17	<1
French	26	13	27	19	30	53	59	4	4	2
Other	0	1	2	0	0	0	0	0	0	0
Total	59	68	116	149	190	217	172	21	21	2

Source: Estimates based on data collected from CAVCO.

Note: Some totals may not sum due to rounding.

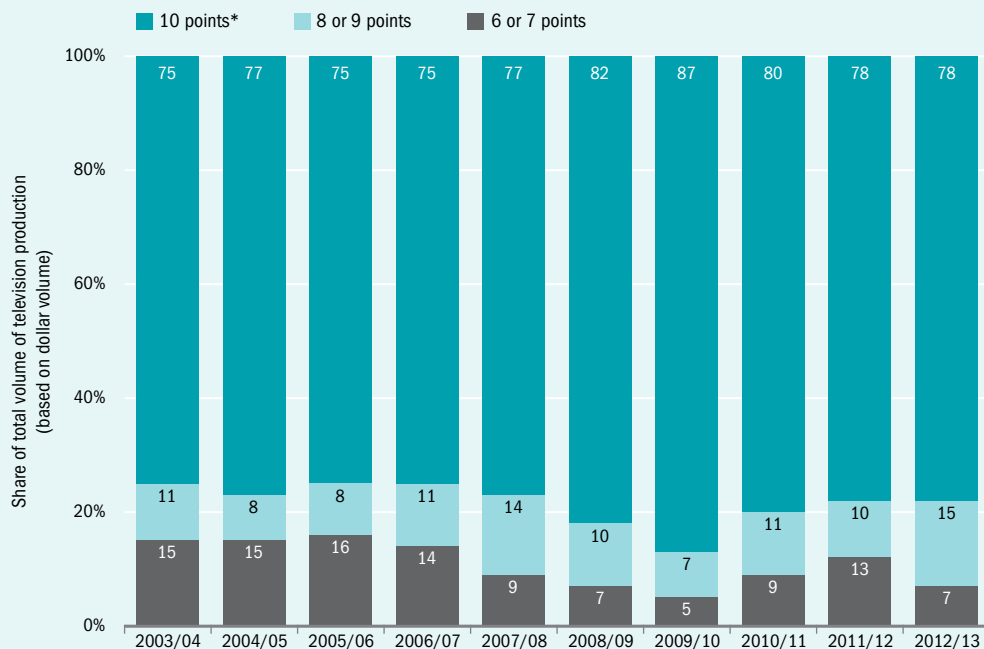
n.a.: Data not available.

* Prior to 2010/11, lifestyle programming was included in the Other genre category.

CANADIAN CONTENT POINTS

CAVCO and the CRTC use the Canadian content points scale to certify films and television programs, so that Canadian broadcasters can then use them to meet their Canadian television exhibition requirements. In general, the number of Canadian content points increases as the share of key creative positions occupied by Canadians increases. To qualify as Canadian content, a film or television program (that is not an audiovisual treaty coproduction) must obtain a minimum of six points; the maximum number of points a film or television program can obtain is ten.

Exhibit 2-44 Television production, by Canadian content points (excludes audiovisual treaty coproduction)



Source: Estimates based on data collected from CAVCO.

* Includes productions that received the maximum number of eligible points. For example, productions that scored 7 out of 7 points are included in data covering 10 out of 10 points.

Note: Some totals may not sum due to rounding.

For more information on the Canadian content points scale, please visit: www.canadianheritage.gc.ca/cavco

PROVINCES AND TERRITORIES

Exhibit 2-45 Volume of Canadian television production, by province and territory

British Columbia and Newfoundland and Labrador were the only provinces to post higher levels of Canadian television production in 2012/13.

(\$ millions)	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2012/13 share of total
Ontario	758	714	734	731	829	959	944	1,024	1,226	996	42%
Quebec	575	642	721	758	715	731	678	725	757	744	32%
British Columbia	206	265	258	398	356	287	196	226	358	410	17%
Alberta	51	56	37	54	80	92	80	62	67	58	2%
Nova Scotia	49	62	48	54	46	47	44	29	52	37	2%
Newfoundland and Labrador	3	2	15	2	6	5	31	36	33	34	1%
Manitoba	15	26	32	63	34	40	44	25	40	23	1%
Saskatchewan	27	37	38	58	42	58	11	17	20	11	<1%
New Brunswick	8	19	10	10	16	11	13	8	15	8	<1%
Territories*	0	1	0	0	1	1	2	1	2	1	<1%
Prince Edward Island	5	1	3	2	5	0	0	0	3	0	<1%
Total	1,696	1,825	1,896	2,131	2,128	2,231	2,041	2,154	2,572	2,320	100%

Source: Estimates based on data collected from CAVCO.

Note: Some totals may not sum due to rounding. Various provincial film agencies in Canada also publish statistics for film and television production activity using tax and marketing data in each province. Their statistics may differ from those in Profile 2013 due to such differences as data collection periods (fiscal vs. calendar year) and production activity reported on the basis of location of spend.

* Territories include Yukon, Nunavut and Northwest Territories.

FINANCING

Canadian television production is financed through a variety of private and public sources within Canada, as well as foreign broadcasters, distributors and other private investors. Production in the English-language and French-language markets typically displays different average financing structures. For example, as the statistics presented in this section show, English-language production attracts more financing from Canadian distributors and foreign sources (a combined 26% in 2012/13) than French-language production (under 2% on a combined basis in 2012/13). Similarly, different genres of television production also display varying average financing structures. In the fiction genre, Canadian broadcasters' licence fees accounted for 20% of total financing in 2012/13; in the lifestyle genre, in contrast, they accounted for 60%.

Exhibit 2-46 Financing of Canadian television production

	2008/09		2009/10		2010/11		2011/12		2012/13	
	%	\$ millions	%	\$ millions	%	\$ millions	%	\$ millions	%	\$ millions
Private broadcaster licence fees	24	536	22	451	23	501	21	529	20	461
Public broadcaster licence fees	10	221	10	198	8	182	9	221	11	254
Federal tax credit	10	229	10	205	10	219	10	265	10	243
Provincial tax credits	14	306	18	361	17	375	18	467	18	407
Canadian distributor	7	160	6	128	9	197	12	313	11	258
Foreign	10	234	8	156	7	159	8	213	8	197
Canada Media Fund	12	275	15	307	13	282	12	303	13	300
Other public*	1	29	1	24	2	35	1	24	1	19
Other private**	11	242	10	210	9	205	9	237	8	181
Total	100	2,231	100	2,041	100	2,154	100	2,572	100	2,320

Source: Estimates based on data obtained from CAVCO and CMF.

Note: Some totals may not sum due to rounding.

* Other public includes financing from provincial governments, and other government departments and agencies.

** Other private includes financing from production companies (excluding the tax credit contribution), independent production funds, broadcaster equity and other Canadian private investors.

Exhibit 2-47 Financing of Canadian television production, by genre, 2012/13

	Fiction	Children's and Youth	Documentary	Lifestyle	Variety and Performing Arts	Magazine	Other genres	All genres
Share of total financing (%)								
Private broadcaster licence fees	10	14	27	50	11	38	84	20
Public broadcaster licence fees	10	7	7	10	34	27	0	11
Federal tax credit	10	10	10	11	11	12	13	10
Provincial tax credits	18	23	16	14	16	16	2	17
Canadian distributor	16	10	9	6	1	0	0	11
Foreign	12	11	4	4	1	0	0	8
Canada Media Fund	15	17	17	0	17	0	0	13
Other public*	<1	1	3	1	3	0	0	1
Other private**	9	7	6	3	7	7	1	8
Total	100	100	100	100	100	100	100	100
Amount of financing (\$ millions)								
Private broadcaster licence fees	115	47	92	163	12	35	2	461
Public broadcaster licence fees	116	23	24	33	35	25	0	254
Federal tax credit	117	33	34	37	11	11	<1	243
Provincial tax credits	197	77	55	46	17	15	<1	407
Canadian distributor	175	33	32	20	1	0	0	258
Foreign	131	39	14	12	1	0	0	197
Canada Media Fund	167	57	58	<1	18	0	0	300
Other public*	2	3	12	2	3	0	0	19
Other private**	105	25	21	11	7	6	<1	181
Total	1,124	336	341	323	105	91	2	2,320

Source: Estimates based on data obtained from CAVCO and CMF.

Note: Some totals may not sum due to rounding.

* Other public includes financing from provincial governments, and other government departments and agencies.

** Other private includes financing from production companies (excluding the tax credit contribution), independent production funds, broadcaster equity and other Canadian private investors.

Exhibit 2-48 Financing of English-language Canadian television production

	2008/09		2009/10		2010/11		2011/12		2012/13	
	%	\$ millions	%	\$ millions	%	\$ millions	%	\$ millions	%	\$ millions
Private broadcaster licence fees	24	386	21	312	22	345	19	369	19	325
Public broadcaster licence fees	6	94	6	85	5	75	5	97	7	120
Federal tax credit	8	137	10	141	10	157	10	195	10	177
Provincial tax credits	16	261	18	267	18	283	19	357	18	306
Canadian distributor	9	152	8	121	12	192	16	306	15	255
Foreign	14	223	10	150	10	156	10	191	11	186
Canada Media Fund	11	183	14	203	12	183	10	199	12	197
Other public*	1	21	2	24	1	22	1	21	0	5
Other private**	11	178	11	156	10	158	10	190	8	138
Total	100	1,635	100	1,459	100	1,571	100	1,924	100	1,709

Source: Estimates based on data obtained from CAVCO and CMF.

Note: Some totals may not sum due to rounding.

* Other public includes financing from provincial governments, and other government departments and agencies.

** Other private includes financing from production companies (excluding the tax credit contribution), independent production funds, broadcaster equity and other Canadian private investors.

Exhibit 2-49 Financing of French-language Canadian television production

	2008/09		2009/10		2010/11		2011/12		2012/13	
	%	\$ millions	%	\$ millions	%	\$ millions	%	\$ millions	%	\$ millions
Private broadcaster licence fees	25	146	25	140	26	148	25	152	23	136
Public broadcaster licence fees	22	129	20	116	19	110	21	127	23	137
Federal tax credit	15	86	11	63	11	60	11	67	11	65
Provincial tax credits	8	47	16	92	16	90	17	103	17	100
Canadian distributor	1	6	1	3	0	2	1	3	<1	2
Foreign	1	7	0	2	0	1	3	17	1	9
Canada Media Fund	16	90	18	100	17	94	16	97	16	96
Other public*	1	7	0	2	3	14	1	5	2	14
Other private**	11	61	9	53	8	45	7	44	7	43
Total	100	580	100	569	100	565	100	616	100	602

Source: Estimates based on data obtained from CAVCO and CMF.

Note: Some totals may not sum due to rounding.

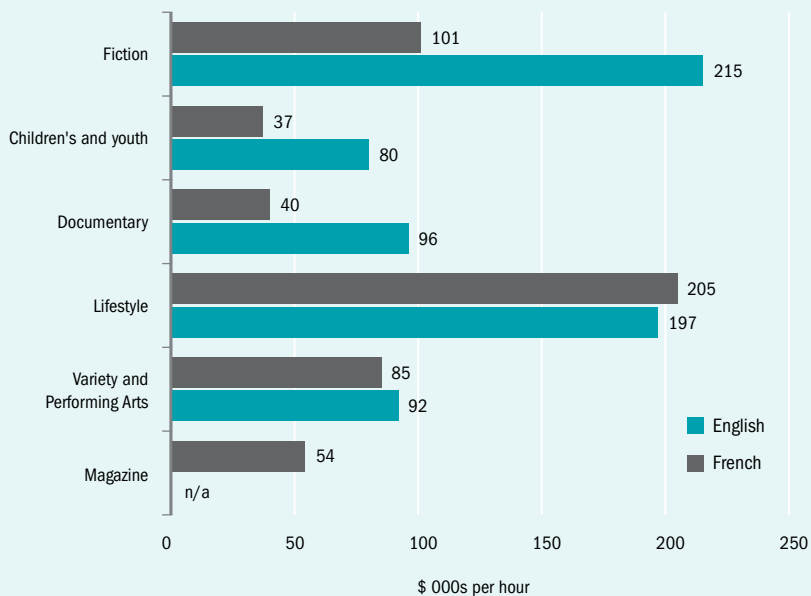
* Other public includes financing from provincial governments, and other government departments and agencies.

** Other private includes financing from production companies (excluding the tax credit contribution), independent production funds, broadcaster equity and other Canadian private investors.

BROADCASTER LICENCE FEES

Exhibit 2-50 Average per-hour licence fees paid by Canadian broadcasters for Canadian television programming, 2012/13

In the fiction genre, the average licence fee in 2012/13 was \$215,000 per hour for an English-language production and \$101,000 per hour for a French-language production – albeit on a much lower average budget. Average licence fees were also relatively high in the lifestyle genre, where English-language productions received \$197,000 per hour and French-language productions received \$205,000 per hour.

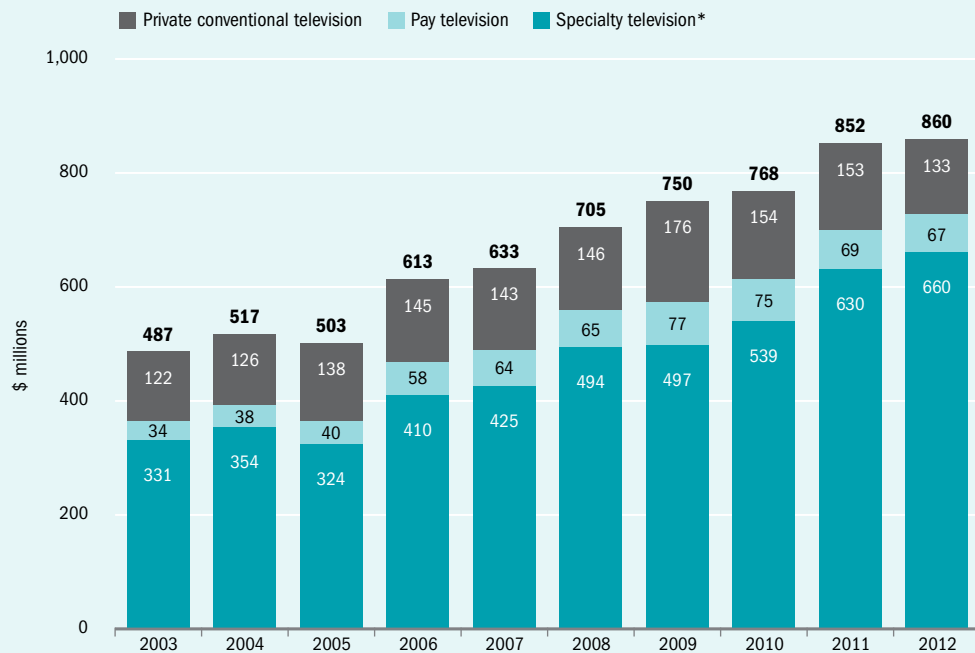


Source: Estimates based on data obtained from CAVCO for a sample of 2012/13 projects.
 n/a: Data not reported due to the size of the sample of projects.

BROADCASTER SPENDING

Exhibit 2-51 Expenditures on Canadian independent production by private Canadian broadcasters

Canadian broadcaster spending on independent production was higher in the specialty television segment during the 2012 broadcast year (September 1, 2011 to August 31, 2012), but lower in both the private conventional and pay television segments.



Source: CRTC

* Includes CBC/Radio-Canada's specialty television services.

Notes: Some totals may not sum due to rounding. Spending on Canadian independent production programming refers to programming and production expenses of conventional television licensees, and Canadian program amortization of specialty and pay television licensees.

SEGMENTS OF THE CANADIAN BROADCASTING SECTOR

The Canadian broadcasting sector comprises three key segments. The **conventional television** segment includes private and public broadcasters that maintain over-the-air infrastructure to broadcast to households, although the vast majority of Canadian households now receive conventional television signals via cable or satellite television providers. **Pay television** services are only available via cable or satellite television services. They typically feature premium programming such as recently released films and do not earn revenue from advertising; instead they rely on subscription or transactional payments (i.e., pay-per-view or video-on-demand services) from subscribers. **Specialty television** services are also only available via cable or satellite television providers. The specialty television services segment includes sports, 24-hour news, movies, arts and other thematic channels that earn revenue from a combination of subscription fees and advertising.

Canadian broadcasters license original and repeat programming from both independent Canadian production companies as well as broadcaster-affiliated production companies (production companies in which broadcasters own or control at least 30% of the [voting]equity).

Exhibit 2-52 Expenditures by private Canadian broadcasters* on broadcaster-affiliated production

Increased spending on sports programming on account of the Summer Olympics caused Canadian broadcasters' expenditures on broadcaster-affiliated production to more-than-double to \$171 million during the 2012 broadcast year.

(\$ millions)	2005	2006	2007	2008	2009	2010	2011	2012
Drama and comedy	12	9	11	4	6	1	8	10
Long-form documentary	0	0	0	0	0	5	10	7
Sport	1	0	0	1	0	161	0	86
Other genres	79	82	79	82	72	69	65	68
Total	92	92	89	86	79	236	83	171

Source: CRTC.

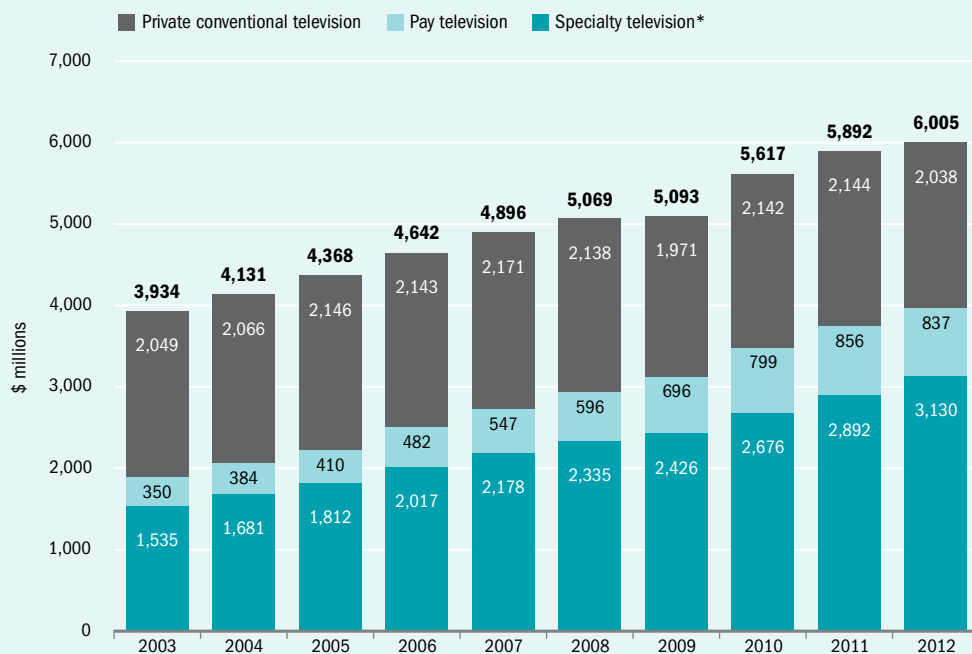
* Includes private conventional services, private pay and specialty services, and CBC/Radio-Canada's specialty services.

Note: Some totals may not sum due to rounding.

Private Television Broadcasting Revenues

Exhibit 2-53 Total revenue of private Canadian broadcasters*

Revenues in Canada's private broadcasting industry increased for the ninth consecutive year. During the 2012 broadcast year, they rose 1.9% to over \$6 billion.



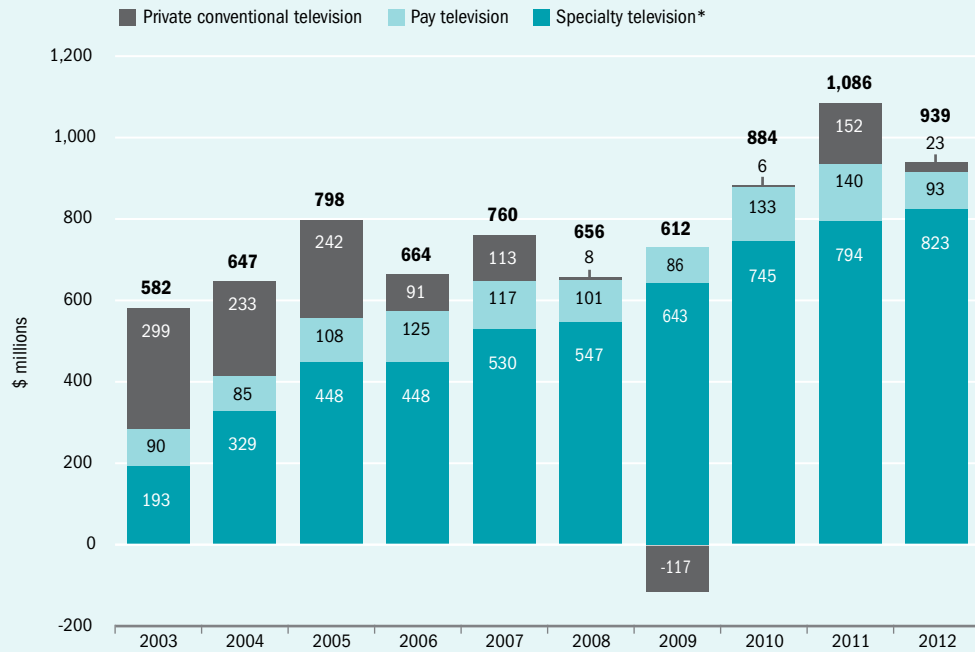
Source: CRTC.

* Total revenue differs from figures reported in Broadcasting Sector box (below) due to exclusion of CBC/Radio-Canada's conventional television services.

** Includes CBC/Radio-Canada's specialty television services.

Exhibit 2-54 Total profit before interest and taxes (PBIT) of private Canadian broadcasters*

Although total revenues were higher during the 2012 broadcast year, lower profitability in the private conventional and pay television segments pushed the industry's overall profitability below \$1 billion.



Source: CRTC.

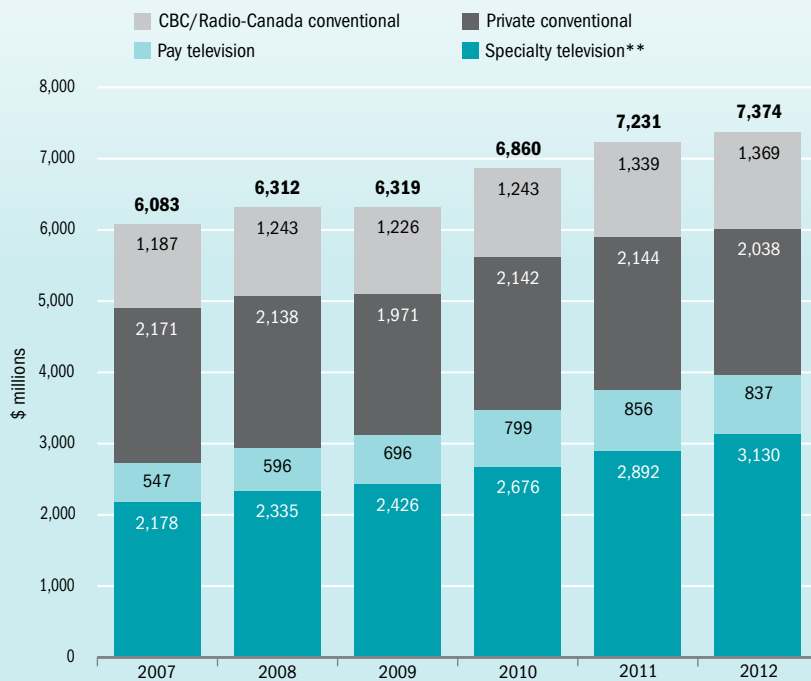
* includes CBC/Radio-Canada's specialty television services..

BROADCASTING SECTOR

Exhibit 2-53 shows that private Canadian broadcasters earned just over \$6 billion in revenue during the 2012 broadcasting year. Private Canadian broadcasters earned this revenue largely from advertising and subscriptions. The conventional television services operated by Canada's national public broadcaster, CBC/Radio Canada, also generated revenue from advertising; this revenue is supplemented by an annual parliamentary appropriation, and the proceeds from the sale of products and services. In 2012, CBC/Radio Canada's conventional services' revenue totaled just under \$1.4 billion. The addition of this revenue lifted the overall revenue in Canada's broadcasting sector to \$7.4 billion in 2012.

Total revenue* in the broadcasting sector, by sub-sector

In 2012, private and public broadcasters in Canada earned a total of \$7.4 billion in revenue.



Source: Nordicity estimates based on data from CRTC.

* Total revenue differs from figures reported in Exhibit 2-53 due to inclusion of CBC/Radio-Canada's conventional television services.

** Includes CBC/Radio-Canada's specialty television services.

CANADA MEDIA FUND

The Canada Media Fund (CMF) is a public-private partnership between the Government of Canada and cable and satellite distributors. The CMF has a mandate to support the creation of Canadian convergent digital content across multiple platforms, including television, and leading-edge new media applications, as well as experimental content applications or software for the Internet, wireless and other emerging digital platforms.

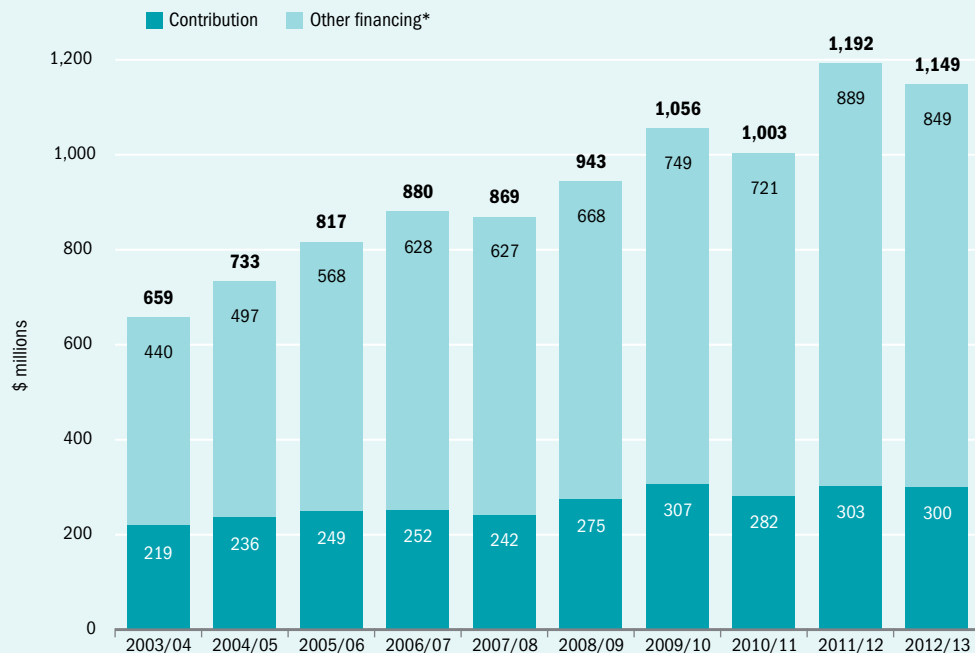
The CMF was officially launched on April 1, 2010, to respond to changes brought about by new technologies and evolving consumer demand. It replaced the former Canadian Television Fund (CTF) and the Canada New Media Fund.

During its inaugural fiscal year of operation, 2010/11, the CMF launched a new slate of programs, with an overall program budget of more than \$350 million for screen-based media across two funding streams: the Convergent Stream and the Experimental Stream. The Convergent Stream provides financial support to screen-based projects with television content and content or applications for at least one additional digital media platform. The Experimental Stream funds the creation of innovative digital media content and software applications. This section provides an overview of the screen-based production supported by the CMF's Convergent Stream.

Volume

Exhibit 2-55 Total volume of Canadian screen-based production with CMF contributions

CMF funding of \$300 million supported \$1.15 billion of television production in 2012/13 and supported 26,200 FTEs



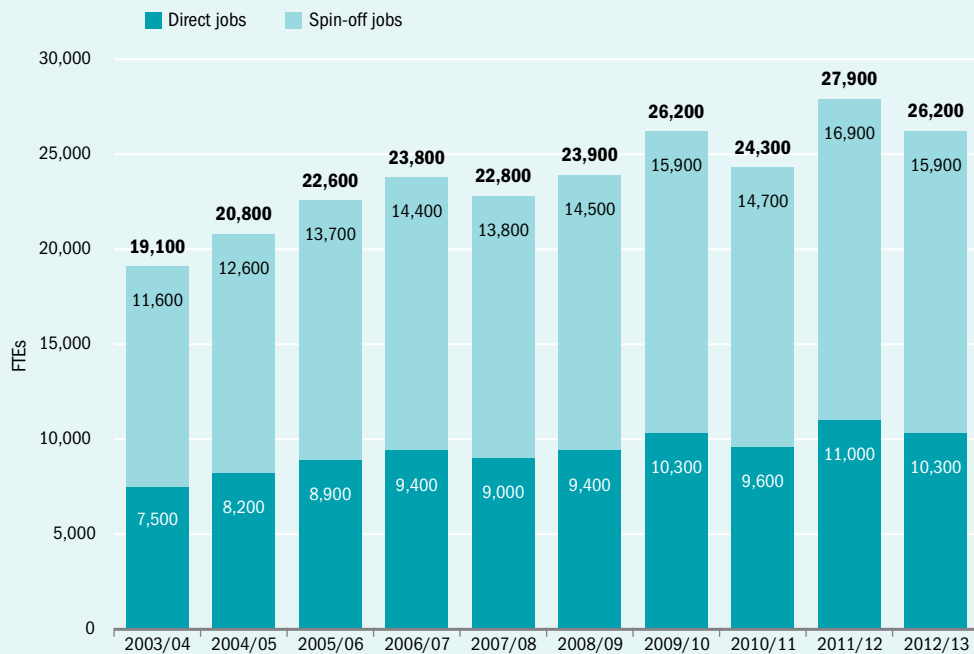
Source: CMF.

Some totals may not sum due to rounding.

* Other financing includes contributions from production companies, broadcasters, other government sources and distributors.

Jobs Generated by CMF-Supported Production

Exhibit 2-56 Number of full-time equivalent jobs (FTEs) generated by CMF-supported production



Source: Estimates based on data from the CMF, Statistics Canada and the Conference Board of Canada.
 Note: See the Notes on Methodology section for a description of the job-estimation methodology.

Hours of Television Production

Exhibit 2-57 Number of CMF-supported hours of television production, by genre

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Documentary	739	810	837	798	806	761	821	715	828	828
Children's and youth	596	782	717	681	693	646	639	695	812	785
Drama (i.e., fiction)	441	472	525	549	480	580	610	659	613	671
Variety and performing arts	367	313	197	270	217	223	352	422	549	404
Total	2,142	2,376	2,276	2,297	2,195	2,210	2,422	2,491	2,801	2,688

Source: CMF.
 Note: Some totals may not sum due to rounding.

Contributions to Television Production

Exhibit 2-58 CMF contributions to television production, by genre

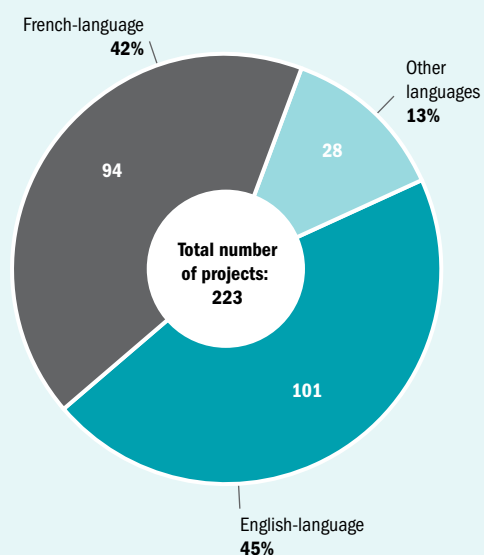
	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
(\$ millions)										
Documentary	45	47	48	52	53	55	61	56	64	58
Children's and youth	41	45	46	46	49	49	55	54	57	56
Drama (i.e., fiction)	126	134	146	143	131	162	178	160	159	167
Variety and performing arts	8	10	8	10	9	10	13	13	23	18
Total	219	236	249	252	242	275	307	282	303	300
Share of total										
Documentary	20%	20%	19%	21%	22%	20%	20%	20%	21%	19%
Children's and youth	19%	19%	19%	18%	20%	18%	18%	19%	19%	19%
Drama (i.e., fiction)	58%	57%	59%	57%	54%	59%	58%	57%	53%	56%
Variety and performing arts	4%	4%	3%	4%	4%	4%	4%	5%	8%	6%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: CMF.

Note: Some totals may not sum due to rounding.

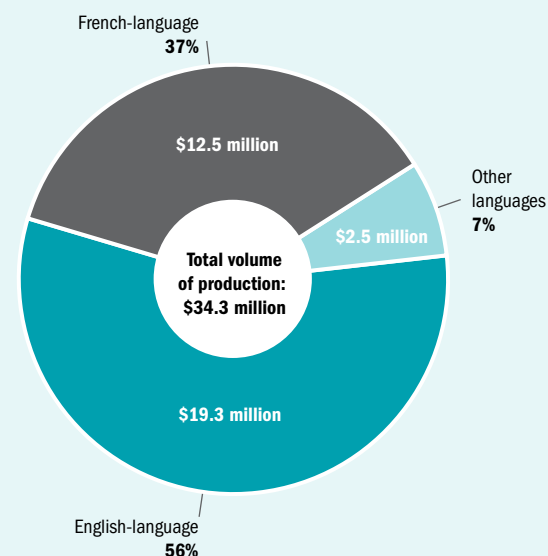
CMF-supported Convergent Digital Media Production

Exhibit 2-59 CMF-supported convergent digital media projects, by language, 2012/13

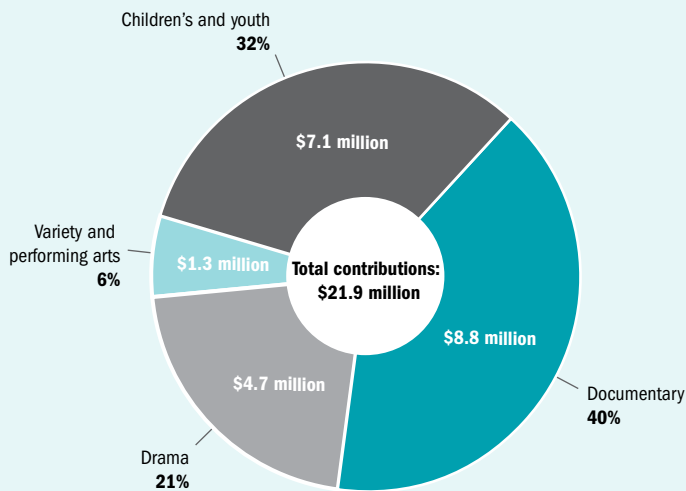


Source: CMF.

Exhibit 2-60 Volume of CMF-supported convergent digital media production, by language, 2012/13



Source: CMF.

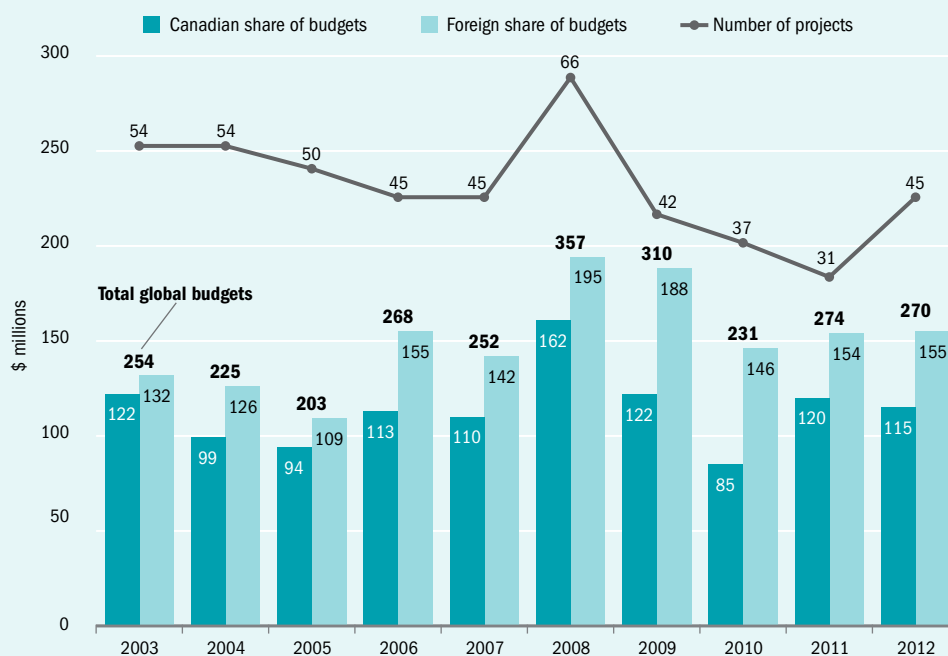
Exhibit 2-61 CMF contributions to convergent digital media production, by television genre, 2012/13

Source: CMF.

AUDIOVISUAL TREATY COPRODUCTION

Exhibit 2-62 Total volume* and activity of audiovisual treaty coproduction, television sub-sector

Canada's total volume of audiovisual treaty coproduction in the television sub-sector (as determined by the total global budgets of these projects) declined by 1.5% in 2012 – from \$274 million to \$270 million. However the number of projects increased from 31 to 45.



Source: Telefilm Canada.

Note: Statistics as of September 2013. Some totals may not sum due to rounding.

* The total volume of coproduction refers to the value of total global budgets for coproduction projects. The total volume of production includes the financial participation of Canadian producers (i.e. Canadian share of budgets) and foreign producers (i.e. foreign share of budgets).

Exhibit 2-63 Total volume and activity of audiovisual treaty coproduction, television sub-sector, by genre

While the volume of drama coproduction decreased in 2012, the volumes of documentary, and children's and youth coproduction increased.

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Total volume of production (\$ millions)										
Drama (fiction)	30	51	7	105	97	101	158	146	190	151
Documentary	27	44	61	31	48	73	48	30	33	52
Children's and youth	196	131	135	132	106	181	104	54	51	67
Total	254	225	203	268	252	355	310	231	274	270
Number of projects										
Drama (fiction)	5	4	--*	7	6	10	5	8	6	8
Documentary	27	33	--*	21	22	33	23	21	16	27
Children's and youth	22	17	--*	17	17	23	14	8	9	10
Total	54	54	50	45	45	66	42	37	31	45
Average project budgets (\$ millions)										
Drama (fiction)	6.0	12.7	--*	15.0	16.2	10.1	31.7	18.3	31.6	18.9
Documentary	1.0	1.3	--*	1.5	2.2	2.2	2.1	1.4	2.1	1.9
Children's and youth	8.9	7.7	--*	7.7	6.2	7.9	7.4	6.8	5.6	6.7
All genres	4.7	4.2	4.1	6.0	5.6	5.4	7.4	6.2	8.8	6.0

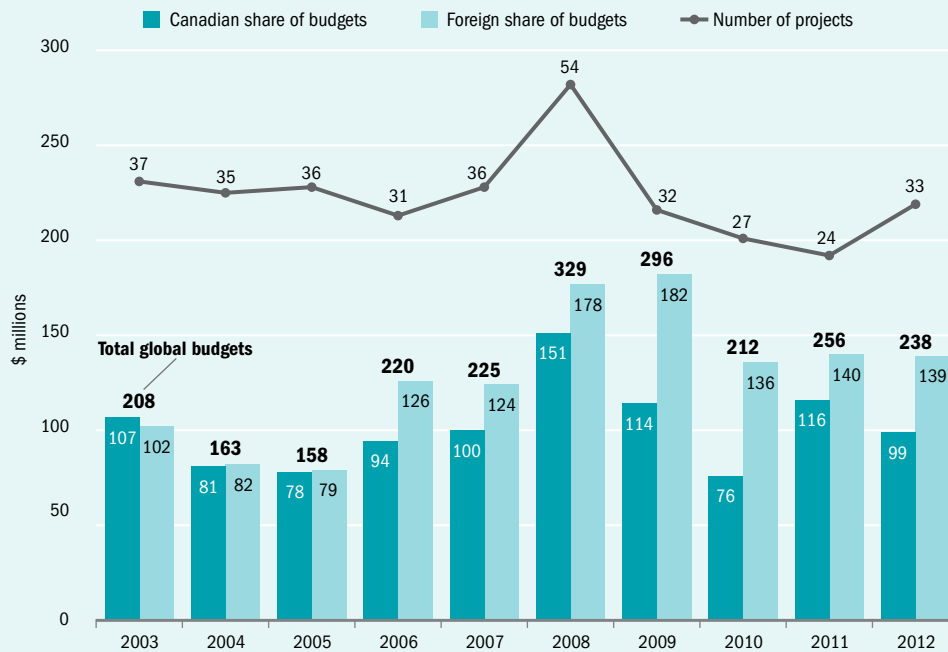
Source: Telefilm Canada.

Note: Statistics as of September 2013. Some totals may not sum due to rounding.

* Statistics suppressed due to confidentiality.

Exhibit 2-64 Canada's total number and volume of audiovisual treaty coproduction, television sub-sector, English-language production

The total volume of English-language audiovisual treaty coproduction in the television sub-sector was down by 7% in 2012, even though the number of projects increased from 24 to 33.

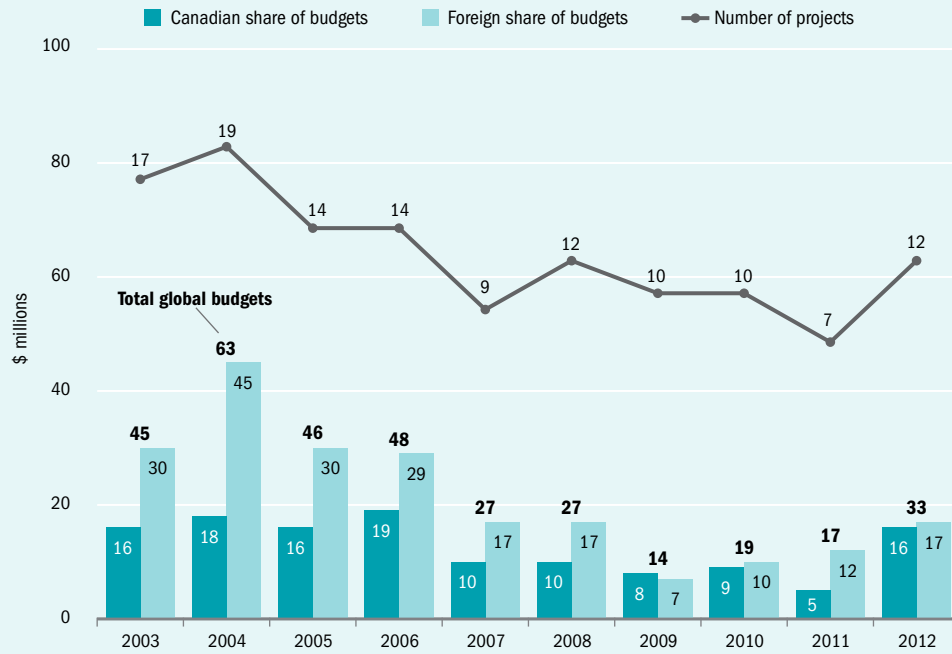


Source: Telefilm Canada.

Note: Statistics as of September 2013. Some totals may not sum due to rounding.

Exhibit 2-65 Total volume and activity of audiovisual treaty coproduction, television sub-sector, French-language production

For French-language coproduction, the total volume was up 94% and the number of projects increased from 7 to 12 in 2012.



Source: Telefilm Canada.

Note: Statistics as of September 2013. Some totals may not sum due to rounding.

Exhibit 2-66 Audiovisual treaty coproduction partner countries, television sub-sector, 2002-2011

Between 2003 and 2012, Canada's audiovisual treaty coproduction activity in the television sub-sector was highest with France and the U.K. Over the same time period, television projects with producers in Australia, Ireland and Germany also yielded over \$100 million in total production volume.

Country	Number of projects	Total volume (\$ millions)	Canadian share of total global budgets	
			\$ millions	%
France	178	808	353	44
United Kingdom	152	661	371	56
Australia	22	112	52	46
Ireland	13	292	71	24
Germany	12	124	35	28
Philippines	9	46	35	76
Singapore	8	52	30	58
Brazil	6	22	10	45
South Korea	5	24	10	42
South Africa	4	55	27	49
Other bipartite	29	129	64	50
Multipartite*	31	315	84	26
Total	469	2,642	1,142	43

Source: Telefilm Canada.

Note: Statistics as of September 2013. Some totals may not sum due to rounding.

* Multipartite production includes audiovisual treaty coproduction projects where Canada has two or more partner countries.

AUDIENCES

Top-Rated Television Programs

Exhibit 2-67 Top ten television series in Canada, 2013 broadcast year*

Only one Canadian television program, *La Voix*, was among the top ten shows in Canada during the 2013 broadcast year.

Program (country of origin)	Average Minute Audience (000s)
1. Big Bang Theory (U.S.)	3,727
2. La Voix (Canada)	2,703
3. NCIS (U.S.)	2,466
4. Under the Dome (U.S.)	2,436
5. Two and a Half Men (U.S.)	2,408
6. Grey's Anatomy (U.S.)	2,329
7. NCIS: Los Angeles (U.S.)	2,221
8. Criminal Minds (U.S.)	2,137
9. C.S.I. (U.S.)	2,014
10. Bones (U.S.)	1,997

Source: CMF Research (BBM Canada), 2013.

* September 1, 2012 to August 31, 2013. Television series include all television projects – in the drama, documentary, children's and youth, and variety and performing arts genres – with more than three episodes televised during a single broadcast year.

Note: The list of top television programs is based only on television programs in the CMF-supported genres (drama, children's and youth, documentary, and variety and performing arts).

Exhibit 2-68 Top ten Canadian-produced television series, 2013 broadcast year*

Program (language market)	Average Minute Audience (000s)
1. La Voix (French)	2,703
2. Unité 9 (French)	1,850
3. Saving Hope (English)	1,711
4. Flashpoint (English)	1,618
5. 19-2 (French)	1,575
6. Rookie Blue (English)	1,408
7. Yamaska (French)	1,384
8. Toute la vérité (French)	1,368
9. The Listener (English)	1,244
10. Les Parent (French)	1,232

Source: CMF Research (BBM Canada), 2013.

* September 1, 2012 to August 31, 2013. Television series include all television projects – in the drama, documentary, children's and youth, and variety and performing arts genres – with more than three episodes televised during a single broadcast year.

Note: The list of top television programs is based only on television programs in the CMF-supported genres (drama, children's and youth, documentary, and variety and performing arts).

English-Language Market

Exhibit 2-69 Television audience share of Canadian programming, English-language market, peak-viewing period

Canadian programming in the English-language market increased its audience share from 22% to 26% during the 2012 broadcast year.

Broadcast year	2006	2007	2008	2009	2010	2011	2012
Drama (fiction)	15%	13%	12%	13%	16%	15%	16%
Documentary	55%	48%	49%	49%	35%	35%	50%
Children's and youth	52%	30%	43%	45%	46%	44%	40%
Variety and performing arts	32%	25%	31%	29%	20%	19%	26%
All TV genres	34%	29%	31%	34%	22%	22%	26%

Source: CMF Research (BBM Canada), 2013.

Exhibit 2-70 Top ten Canadian television series in the English-language market, 2012 broadcast year*

Five Canadian drama series attracted AMAs of over one million during the 2013 broadcast year.

Program	Average Minute Audience (000s)
1. Saving Hope	1,711
2. Flashpoint	1,618
3. Rookie Blue	1,408
4. The Listener	1,244
5. Motive	1,014
6. Bomb Girls	982
7. Murdoch Mysteries	955
8. Vikings	928
9. Rick Mercer Report	880
10. Russell Peters	855

Source: CMF Research (BBM Canada), 2013.

* September 1, 2012 to August 31, 2013. Television series include all television projects - in the drama, documentary, children's and youth, and variety and performing arts genres - with more than three episodes televised during a single broadcast year.

Note: The list of top television programs is based only on television programs in the CMF-supported genres (drama, children's and youth, documentary, and variety and performing arts).

French-Language Market

Exhibit 2-71 Television audience share of Canadian programming, French-language market, peak-viewing period

Broadcast year	2006	2007	2008	2009	2010	2011	2012
Drama (fiction)	61%	56%	52%	55%	52%	48%	33%
Documentary	77%	71%	74%	77%	74%	76%	77%
Children's and youth	66%	72%	63%	75%	81%	76%	60%
Variety and performing arts	93%	93%	79%	84%	85%	87%	91%
All TV genres	65%	68%	66%	67%	63%	62%	55%

Source: CMF Research (BBM Canada), 2013.

Exhibit 2-72 Top ten Canadian television series in the French-language market, 2013 broadcast year*

All the top ten Canadian television programs in the French-language market during the 2013 broadcast year attracted audiences of over one million.

Program	Average Minute Audience (000s)
1. La Voix	2,703
2. Unité 9	1,850
3. 19-2	1,575
4. Yamaska	1,384
5. Toute la vérité	1,368
6. Les Parent	1,232
7. Un sur 2	1,206
8. Lance et compte : La déchirure	1,198
9. Trauma	1,187
10. LOL :-)	1,166

Source: CMF Research (BBM Canada), 2013.

* September 1, 2012 to August 31, 2013. Television series include all television projects – in the drama, documentary, children's and youth, and variety and performing arts genres – with more than three episodes televised during a single broadcast year.

Note: The list of top television programs is based only on television programs in the CMF-supported genres (drama, children's and youth, documentary, and variety and performing arts).

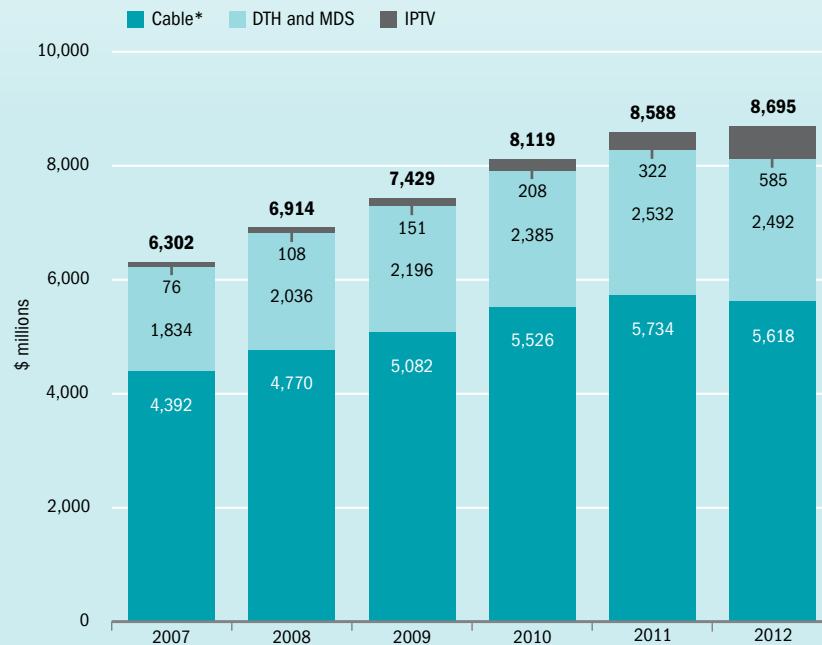
BROADCASTING DISTRIBUTION SECTOR

The broadcasting distribution sector includes cable, DTH satellite, MDS and IPTV services which allow Canadian households and businesses to access licensed television programming services, including conventional, and pay and specialty services, by subscribing to channel packages and certain à la carte services. In fact, 86% of Canadian households access television services through broadcasting distribution undertakings (BDUs) – i.e. cable, DTH satellite, MDS and IPTV.

While the broadcasting distribution sector does not directly commission or licence television content from producers, it makes important indirect contributions to the financing of Canadian television production. In 2012, the sector contributed \$506 million to funds that support the production of Canadian programming.¹³ This total included \$209 million in contributions to the CMF.¹⁴ The broadcasting distribution sector also operated video-on-demand (VOD) services and remitted over \$3 billion in carriage fees to Canadian and non-Canadian television services in 2012;¹⁵ these carriage fees ultimately help finance Canadian television production.

Total revenue in the Canadian broadcasting distribution sector

In 2012, Canada's broadcasting distribution sector earned total revenues of just under \$8.7 billion. All of the sector's revenue increase in 2012 was generated by the IPTV sub-segment; both the cable-television and DTH satellite segments experienced decreases in revenue.



Source: CRTC.

* Includes non-reporting cable-television licensees.

¹³ CRTC, *Broadcast Distribution: Statistical and Financial Summaries, 2008-2012*, p. 27.

¹⁴ Ibid.

¹⁵ Ibid., pp. 7 and 26.

THEATRICAL FEATURE FILM PRODUCTION

Canadian theatrical feature film production includes feature-length films¹⁶ made with movie theatres as the primary venue for initial release to the public. In recent years, many Canadian theatrical feature films, such as *A Dangerous Method* and *Omertà*, have had strong box office runs and earned critical acclaim.

HIGHLIGHTS FROM 2012/13

- Canadian theatrical feature film production increased by 3.2%, to \$351 million, in 2012/13.
- Canadian producers made 93 theatrical feature films.
- Canadian theatrical feature film production generated 7,700 FTEs of employment in Canada, including 3,000 FTEs in the sub-sector itself.
- English-language theatrical feature film production increased by 8% to \$258 million. French-language theatrical feature film production was virtually unchanged at \$93 million.
- The average budget of all theatrical feature films in the fiction genre was \$4 million.
- The share of theatrical feature films in the fiction genre with budgets over \$5 million increased from 22% to 23%.
- Ontario-based productions accounted for 46% of the total volume.
- Public sources accounted for 60% of total financing of Canadian theatrical feature film production. The Canada Feature Film Fund (CFFF)¹⁷, alone, accounted for 19% of all financing.
- Foreign financing of Canadian theatrical feature film production totalled \$75 million or 21% of total financing.

The Canadian theatrical feature film sub-sector has traditionally been subject to much wider fluctuations in annual volume when compared to the Canadian television sub-sector. However, over the past two years, relatively stable output in the number of feature films, combined with higher average budgets, has resulted in two consecutive years of growth in total production volume.

The total volume of Canadian feature film theatrical production edged higher in 2012/13, as public funding and foreign financing continued to fund activity in the sub-sector. In 2012/13, total production volume was up by 3.2% (Exhibit 2-73). This followed a 5.6% increase the year before.

The sub-sector's growth in 2012/13 was due almost entirely to increased spending on the production of English-language theatrical feature films. The volume of French-language theatrical feature film production was virtually unchanged, and production in other languages was nil (Exhibit 2-76). The total volume of English-language theatrical feature film production increased 8%, to \$258 million.

The growth in English-language production volume was, in part, underpinned by higher average budgets. The average budget for English-language theatrical feature films rose by 12.2%, from \$4.1 million to \$4.6 million (Exhibit 2-81). On an overall basis, the Canadian theatrical feature film sub-sector continued the trend to more higher-budget feature films observed in the last few years (Exhibit 2-83). The share of feature films with budgets over \$5 million rose from 16% in 2008/09 to 23% in 2012/13.

Public funding remained an important piece of the financing puzzle for Canadian theatrical feature film production. In 2012/13, public funding through tax credits, Telefilm Canada's CFFF and other government departments and agencies accounted for 59% of total financing (Exhibit 2-85). After public funding, foreign

¹⁶ For this report, the feature film category includes all films 75 minutes and over in length.

¹⁷ The statistics presented in this report for the CFFF only include films supported through Telefilm Canada's main production program. Canadian feature films that only received funding from one of Telefilm Canada's other production-assistance programs would be excluded from these statistics.

financing has grown to become the second single most important source. Indeed, the strong influx of foreign financing that was first witnessed in 2011/12 has been sustained for another year. Foreign financing did decrease to \$75 million in 2012/13, from \$80 million in 2011/12; however, it was still some 78.6% higher than the average level from 2008/09 to 2010/11.

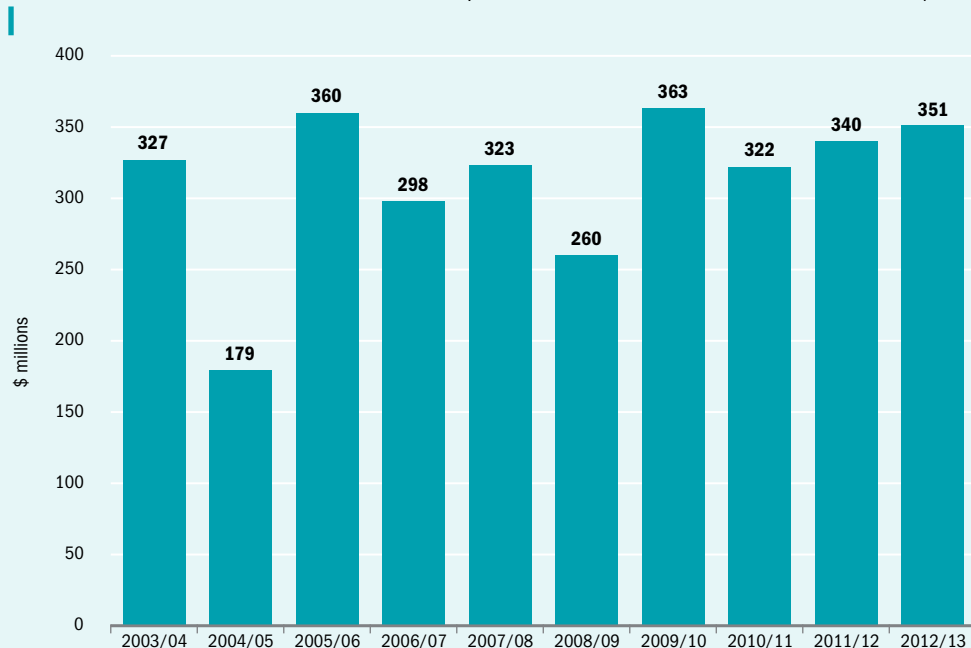
Despite the higher budgets and continued strong interest from foreign markets, Canadian films had mixed success on the home front in 2012. Canadian films increased their take of the English-language box office to \$13.9 million and thereby lifted their share of national box office revenue from 0.9% in 2011 to 1.5% in 2012 (Exhibit 2-96). *Resident Evil: Retribution* and *Goon* led the way in terms of box office earnings. Three other feature films also earned more than one million at the Canadian box office (Exhibit 2-99). *Silent Hill: Revelation*, *A Dangerous Method* and the French-language feature film, *Monsieur Lazhar* all garnered more than one million dollars in the English-language market in 2012. Canadian films, however, lost ground in the French-language market in 2012. The box office take for Canadian titles fell to a ten-year low of \$12.9 million, dragging their market share below 10% for the first time in the last six years (Exhibit 2-96). Films such as *Omertà*, *Les Pee Wee : L'hiver qui a changé ma vie*, *Goon* and *Monsieur Lazhar* did well in Canadian theatres, but it was not enough to keep the overall box office share – across both language markets – from falling to a ten-year low of 2.5% (Exhibit 2-94).

Although Canadian films in both language markets found the Canadian theatrical exhibition to be very competitive in 2012, their *long-tail* performance on television platforms remained stable. In the English-language market, Canadian films garnered an audience share of 8.1% on conventional television, 6.8% on pay television and 2.9% on specialty television (Exhibit 2-102). On all three television platforms, the audience share was well above the 1.5% box office share. In the French-language market, the audience share on pay television, 11.3%, was above the box office share of 9% (Exhibit 2-103). However, the audience shares on conventional television (7.6%) and specialty television (6.7%) were actually below the box office share (9%).

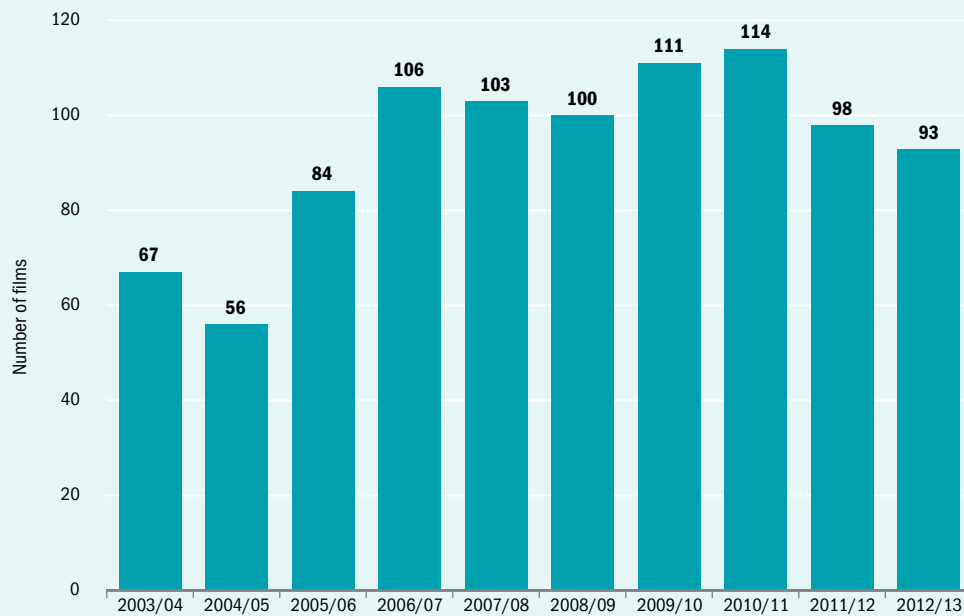
VOLUME

Exhibit 2-73 Total volume of Canadian theatrical feature film production

The total volume of Canadian theatrical feature film production increased 3.2% to \$351 million in 2012/13.



Source: Estimates based on data collected from CAVCO.

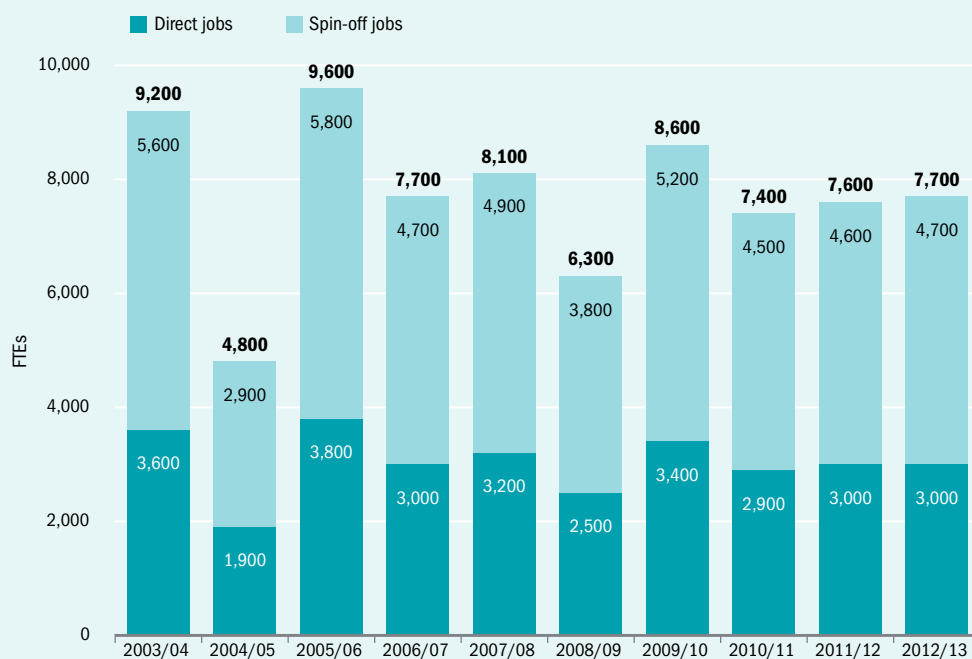
Exhibit 2-74 Number of Canadian theatrical feature films produced in Canada on an annual basis

Source: Estimates based on data collected from CAVCO.

EMPLOYMENT

Exhibit 2-75 Number of full-time equivalent jobs (FTEs) generated by Canadian theatrical feature film production

Canadian theatrical feature film production supported 7,700 FTEs in Canada in 2012/13.

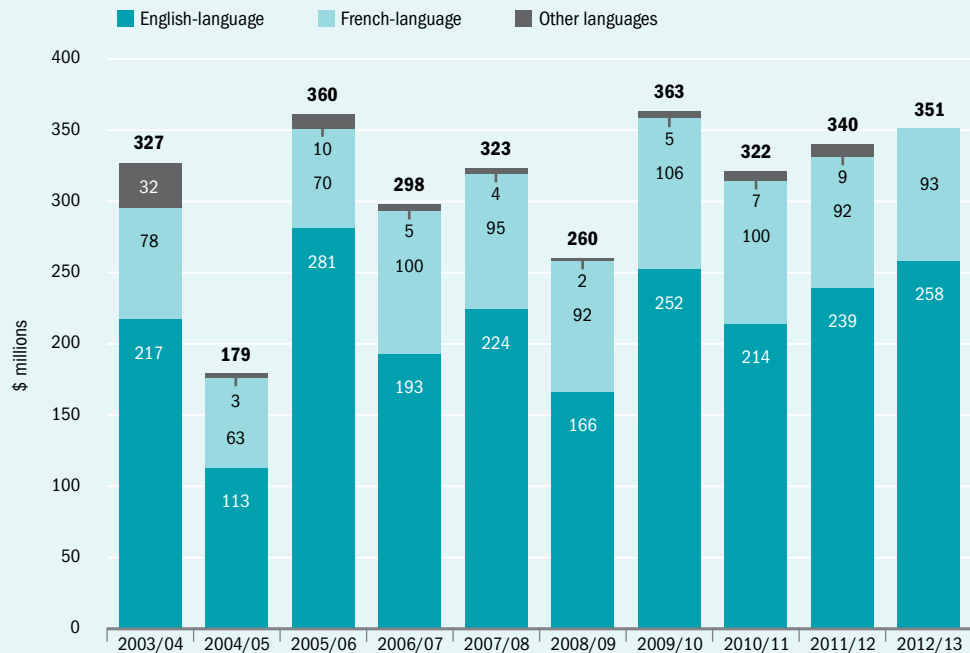


Source: Estimates based on data from CAVCO, Statistics Canada and the Conference Board of Canada.
 Note: See the Notes on Methodology section for a description of the job-estimation methodology.

LANGUAGE

Exhibit 2-76 Volume of Canadian theatrical feature film production, by language

Canadians produced 59 English-language theatrical feature films in 2012/13 with budgets totalling \$258 million. They also produced 34 French-language theatrical feature films with budgets of \$93 million.



Source: Estimates based on data collected from CAVCO.
Note: Some totals may not sum due to rounding.

Exhibit 2-77 Number of theatrical feature films, by language

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
English	39	36	57	69	63	63	70	65	62	59
French / other	28	20	27	37	40	37	41	49	36	34
Total	67	56	84	106	103	100	111	114	98	93

Source: Estimates based on data collected from CAVCO.
Note: Due to the low number of projects in the bilingual and other category, the data for this language category has been combined with the data for French-language market..

GENRES

Exhibit 2-78 Volume of Canadian theatrical feature film production, by genre

The majority of theatrical feature film production was in the fiction genre in 2012/13. Canadians produced a total of 77 fiction feature films in 2012/13, with total budgets of \$308 million. The genre accounted for 88% of total production volume in the theatrical feature film sub-sector.

(\$ millions)	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Fiction	302	163	356	282	297	226	305	292	277	308
Other genres	26	15	4	16	26	34	58	30	62	43
Total	327	179	360	298	323	260	363	322	340	351

Source: Estimates based on data from CAVCO.

Note: Some totals may not sum due to rounding.

Exhibit 2-79 Number of Canadian theatrical feature films, by genre

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Fiction	68	51	83	98	89	88	84	86	73	77
Other genres	14	10	9	15	23	25	27	28	25	16
Total	82	61	92	113	112	113	111	114	98	93

Source: Estimates based on data from CAVCO.

Exhibit 2-80 Theatrical documentary feature film production

The number of documentary feature films produced by Canadians fell from 14 to 7 in 2012/13, and the total volume of production fell from \$12 million to \$3 million.

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Volume (\$ millions)	24	6	4	10	12	11	18	9	12	3
Number of feature films	12	6	8	14	17	17	18	19	14	7

Source: Estimates based on data from CAVCO.

Note: Data for documentary films is included in the 'Other genres' category in the overall breakdown of feature film production by genre.

BUDGETS

Exhibit 2-81 Budgets of theatrical feature films (fiction genre only)

The average budget for Canadian theatrical fiction feature films edged higher in 2012/13, from \$3.8 million to \$4 million. The average budget for English-language theatrical fiction feature films was \$4.6 million, compared to \$3 million for French-language theatrical fiction feature films.

(\$ millions)	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
English										
Average	4.8	3.1	4.4	2.9	3.9	2.5	4.2	3.7	4.1	4.6
Median	2.2	1.5	2.1	2.0	2.1	1.4	1.4	1.8	1.7	2.3
French										
Average	3.2	3.6	3.3	3.1	2.8	2.7	2.6	2.9	3.2	3.0
Median	3.0	4.1	3.5	3.2	1.6	2.1	1.9	1.8	2.2	2.3
Total*										
Average	4.5	3.2	4.2	3.0	3.5	2.6	3.6	3.4	3.8	4.0
Median	2.8	1.9	2.7	2.1	2.0	1.7	1.5	1.8	1.8	2.3

Source: Estimates based on data from CAVCO.

Note: Calculations exclude the foreign budgets of audiovisual treaty coproductions.

* including other languages

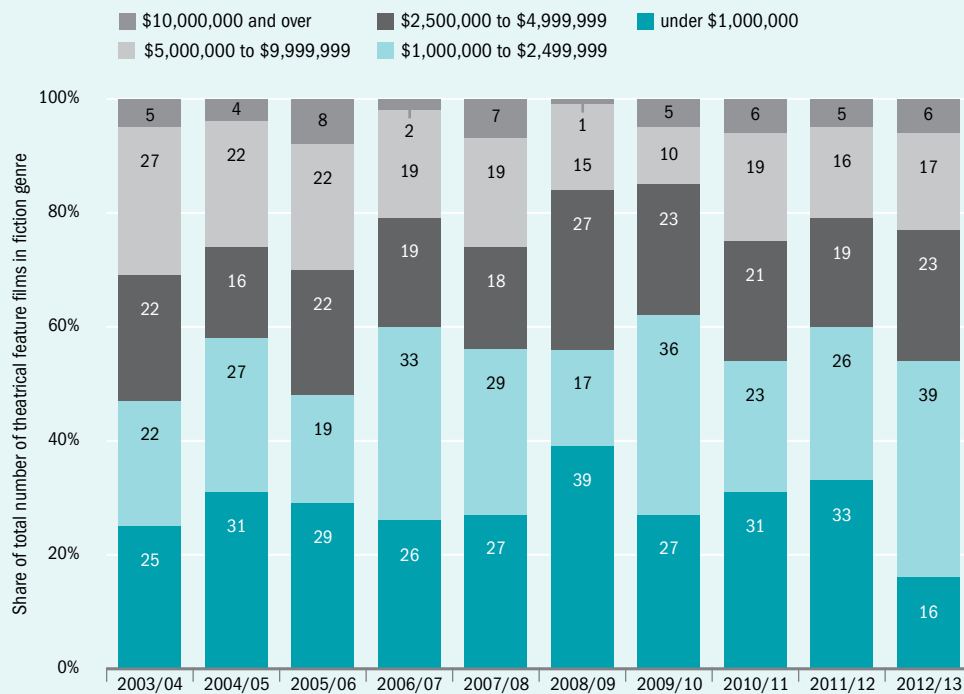
Exhibit 2-82 Average budgets of CFFF-supported theatrical feature films (fiction genre only)

The average budget for Telefilm CFFF-supported theatrical feature films was \$3.7 million in 2012/13, down from \$4.3 million.

(\$ millions)	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
English	6.8	6.3	5.4	3.8	5.9	4.6	4.1	4.7	4.5	3.9
French	4.8	4.9	3.8	3.6	4.0	4.0	4.2	4.0	4.0	3.5
All languages	5.9	5.8	4.7	3.7	5.1	4.3	4.2	4.4	4.3	3.7

Source: Telefilm Canada.

Notes: Calculations exclude the foreign share of audiovisual treaty coproduction budgets in which Canada was a minority partner.

Exhibit 2-83 Theatrical feature film projects, by budget size (fiction genre only)

Source: Estimates based on data collected from CAVCO.

Note: Budget calculations exclude the foreign budgets of audiovisual treaty coproductions. Some totals may not sum due to rounding.

PROVINCES AND TERRITORIES

Exhibit 2-84 Volume of Canadian theatrical production, by province and territory

Ontario and Quebec accounted for a combined 88% of the total volume of Canadian theatrical feature film production in 2012/13.

(\$ millions)	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2012/13 share of total
Ontario	117	68	200	93	109	46	91	120	174	162	46%
Quebec	185	92	100	124	121	130	229	124	139	148	42%
British Columbia	14	11	44	43	65	53	25	35	7	24	7%
Nova Scotia	8	5	10	21	3	10	9	16	2	7	2%
Saskatchewan	0	0	0	0	11	15	3	11	9	5	1%
Manitoba	1	2	2	8	5	0	1	14	6	3	1%
Newfoundland and Labrador	0	0	0	0	1	2	0	0	1	2	<1%
New Brunswick	0	0	0	0	0	3	1	0	1	0	0%
Alberta	1	1	1	5	9	0	3	2	0	0	0%
Territories*	0	0	3	3	0	0	0	0	0	0	0%
Prince Edward Island	0	0	0	0	0	0	0	0	0	0	0%
Total	327	179	360	298	323	260	363	322	340	351	100%

Source: Estimates based on data collected from CAVCO.

Note: Some totals may not sum due to rounding.

* Territories include Yukon, Nunavut and Northwest Territories.

FINANCING

Exhibit 2-85 Financing of Canadian theatrical production

Canadian theatrical feature film production continued to draw the majority of its financing from public sources (i.e. public broadcaster licence fees, federal tax credit, provincial tax credits, Canada Feature Film Fund – Telefilm and other public). In 2012/13, public sources accounted for 60% of total financing. Foreign financing was also significant, accounting for 21% of financing in 2012/13.

	2008/09		2009/10		2010/11		2011/12		2012/13	
	%	\$ millions	%	\$ millions	%	\$ millions	%	\$ millions	%	\$ millions
Private broadcaster licence fees	2	5	1	4	3	8	1	2	<1	1
Public broadcaster licence fees	<1	1	<1	1	<1	1	<1	1	1	4
Federal tax credit	5	12	7	24	6	20	7	25	6	23
Provincial tax credits	18	47	21	78	19	62	22	74	21	72
Canadian distributor	14	37	7	26	10	32	7	25	8	29
Foreign	12	30	16	57	12	39	23	80	21	75
Canada Feature Film Fund - Telefilm	25	65	18	67	20	65	17	58	19	65
Other public*	12	32	9	34	12	37	9	32	13	46
Other private**	12	31	20	72	17	56	13	44	10	36
Total	100	260	100	363	100	322	100	340	100	351

Source: Estimates based on data obtained from CAVCO and Telefilm Canada.

Note: Some totals may not sum due to rounding.

* Other public includes financing from provincial governments, and other government departments and agencies.

** Other private includes financing from production companies (excluding the tax credit contribution), independent production funds, broadcaster equity and other Canadian private investors.

Exhibit 2-86 Financing of Canadian theatrical feature film production, by language

Generally, foreign financing has played a much larger role in the production of English-language theatrical feature film production than it did for French-language theatrical feature film production. Public sources have played a much larger role in the financing of French-language theatrical feature film production than English-language production – 85% vs. 52% in 2012/13.

	English-language						French and other languages					
	2010/11		2011/12		2012/13		2010/11		2011/12		2012/13	
	%	\$ millions	%	\$ millions	%	\$ millions	%	\$ millions	%	\$ millions	%	\$ millions
Private broadcaster licence fees	3	7	1	2	1	1	1	1	1	1	<1	<1
Public broadcaster licence fees	<1	<1	0	1	1	3	1	1	<1	<1	1	1
Federal tax credit	8	17	8	20	8	20	3	3	5	5	3	3
Provincial tax credits	18	40	21	51	20	51	21	23	22	23	23	21
Canadian distributor	11	24	8	18	8	21	8	8	6	6	8	8
Foreign	17	37	29	70	28	73	2	2	10	10	1	1
Canada Feature Film Fund - Telefilm	19	41	14	33	16	41	22	24	25	25	26	24
Other public*	2	4	5	12	7	18	32	34	20	20	32	29
Other private**	21	46	13	32	11	29	10	10	12	12	7	6
Total	100	214	100	239	100	258	100	107	100	101	100	93

Source: Estimates based on data obtained from CAVCO and Telefilm Canada.

Note: Financing data for theatrical production is not prior to 2010/11. Some totals may not sum due to rounding.

* Other public includes financing from provincial governments, and other government departments and agencies.

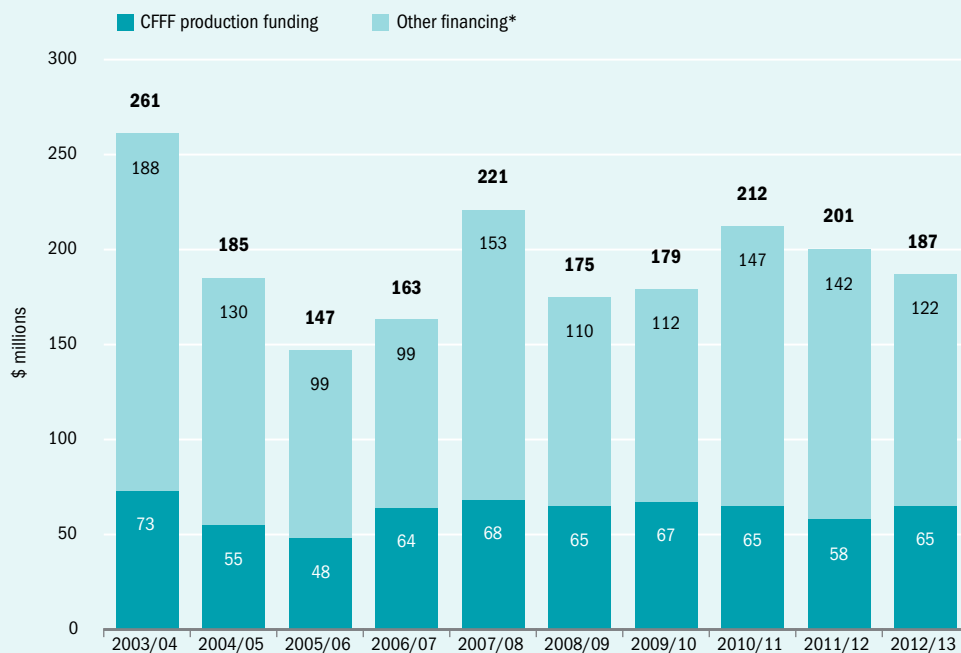
** Other private includes financing from production companies (excluding the tax credit contribution), independent production funds, broadcaster equity and other Canadian private investors.

CANADA FEATURE FILM FUND (TELEFILM CANADA)

The Canada Feature Film Fund (CFFF), established in 2000 and administered by Telefilm Canada, is the federal government's main program for the support of the Canadian theatrical feature film industry and the single largest source of financing for Canadian production in that sub-sector.

In 2012/13, the CFFF provided approximately \$94 million in financial support to the development, production, distribution and marketing of Canadian feature films. Out of this total, Telefilm Canada's main production program provided \$65 million to the production of 50 Canadian feature films. These films had combined budgets of \$187 million.¹⁸

Exhibit 2-87 Total Canadian theatrical feature film production volume with contributions from CFFF's main production program



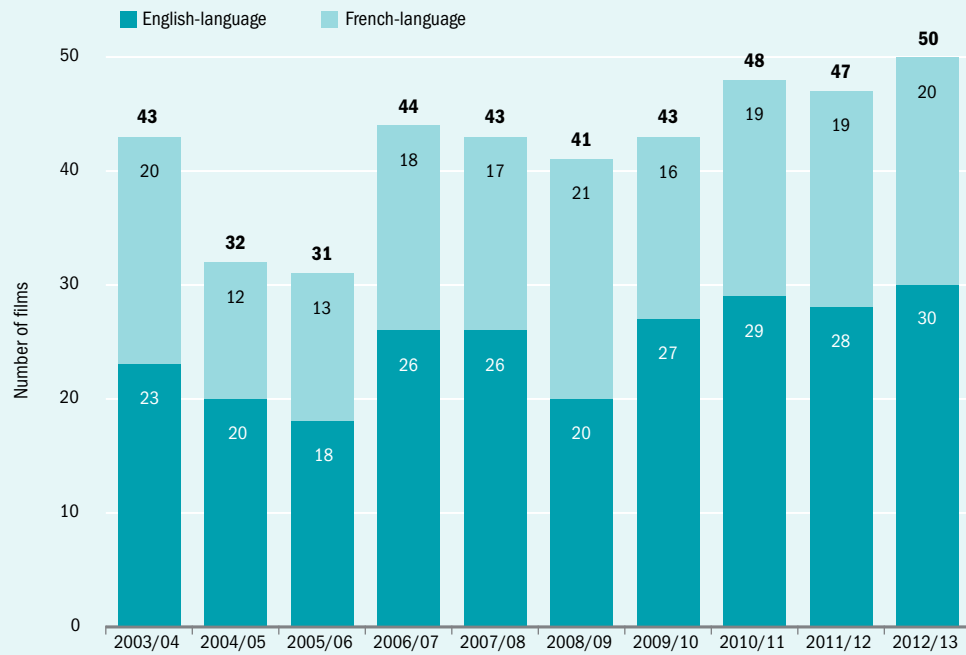
Source: Telefilm Canada.

* Other financing includes contributions from production companies, broadcasters, other government sources and distributors.

Note: Total budgets exclude the foreign portion of coproduction budgets for which Canada is a minority partner.

¹⁸ The statistics in this section may differ from statistics reported by Telefilm Canada in its annual report. Beginning with the 2012/13 Annual Report, Telefilm Canada only reports the number of productions supported by all its programs combined.

Exhibit 2-88 Number of Canadian theatrical feature films that received financial support from CFFF's main production program, by language

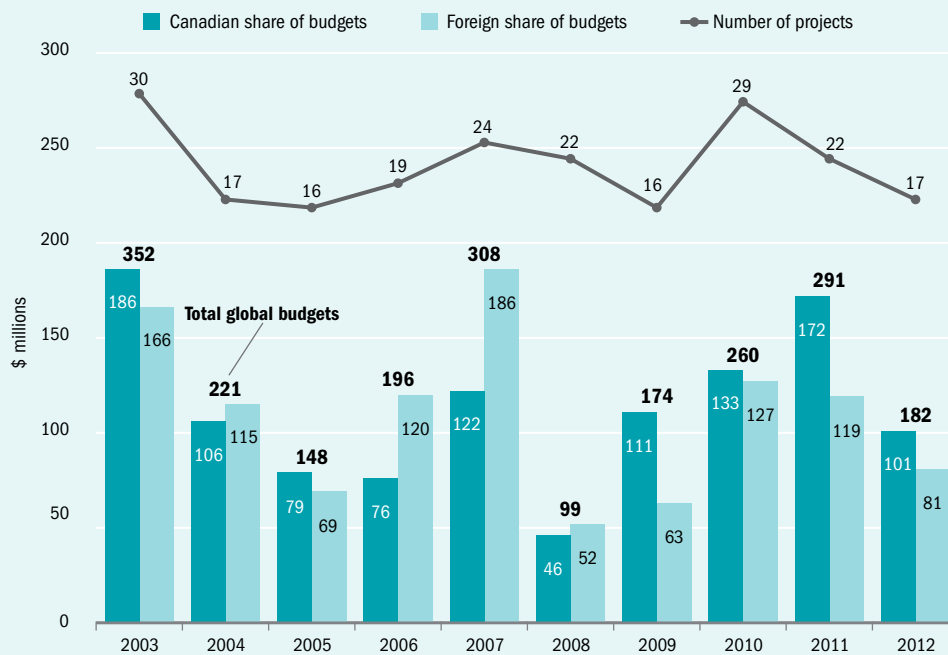


Source: Telefilm Canada.

AUDIOVISUAL TREATY COPRODUCTION

Exhibit 2-89 Total volume* and activity of audiovisual treaty coproduction, theatrical feature film sub-sector

Audiovisual treaty coproduction volume in the theatrical feature film sub-sector declined by 37% in 2012 to a total of \$182 million.



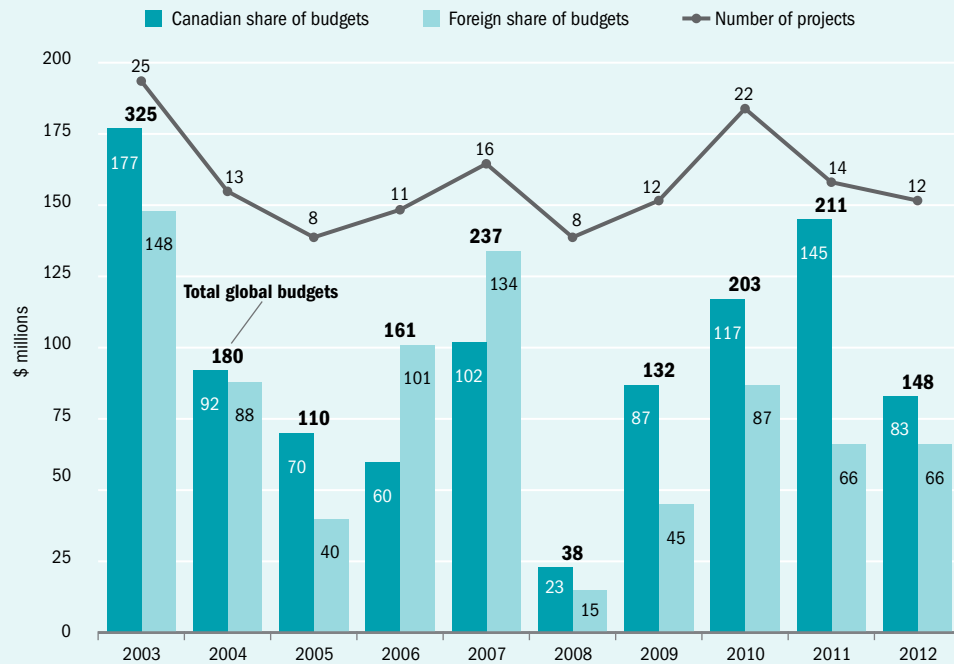
Source: Telefilm Canada.

Note: Statistics as of September 2013. Some totals may not sum due to rounding.

* The total volume of coproduction refers to the value of total global budgets for coproduction projects. The total volume of production includes the financial participation of Canadian producers (i.e. Canadian share of budgets) and foreign producers (i.e. foreign share of budgets).

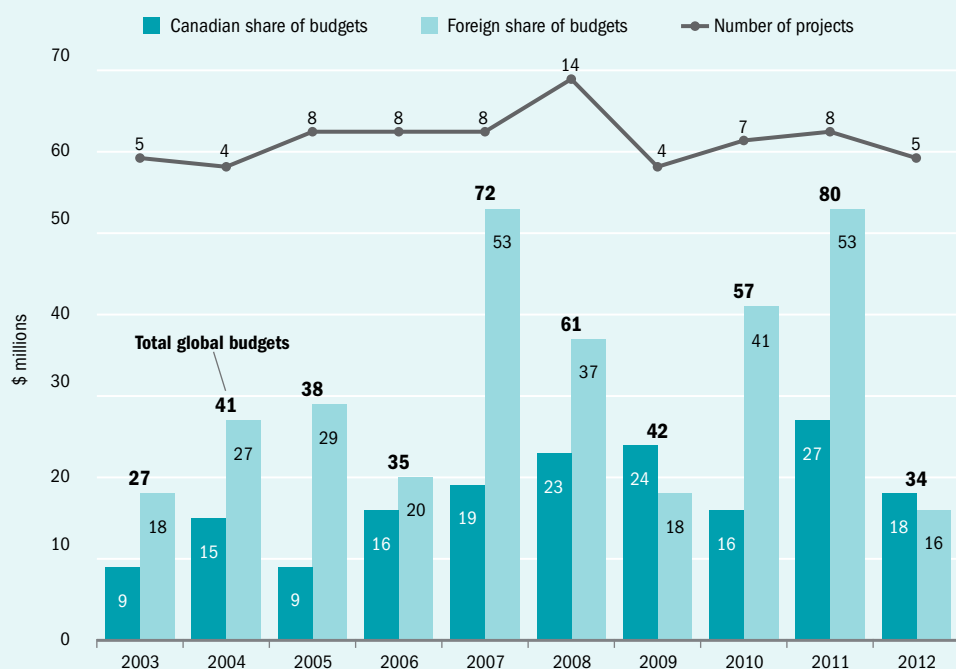
Exhibit 2-90 Canada's total number and volume of audiovisual treaty coproduction, theatrical sub-sector, English-language production

Both language markets experienced lower levels of audiovisual treaty coproduction in the theatrical feature film sub-sector in 2012. English-language production declined 29.8% to \$148 million; French-language production fell 57.5% to \$34 million.



Source: Telefilm Canada.

Note: Statistics as of September 2013.

Exhibit 2-91 Total volume and activity of audiovisual treaty coproduction, theatrical feature film sub-sector, French-language production

Source: Telefilm Canada.

Note: Statistics as of September 2013. Some totals may not sum due to rounding.

Exhibit 2-92 Audiovisual treaty coproduction partner countries, theatrical feature film sub-sector, 2003-2012

Between 2003 and 2012, Canada's audiovisual treaty coproduction activity in the theatrical feature film sub-sector was highest with France, the U.K. and Germany.

Country	Number of projects	Total volume (\$ millions)	Canadian share of total global budgets	
			\$ millions	%
France	69	749	355	47
United Kingdom	38	507	280	55
Germany	12	281	178	63
Ireland	6	41	30	73
Belgium	5	24	11	45
China	5	20	13	67
Switzerland	4	15	6	40
South Africa	4	33	12	36
Australia	3	9	4	42
Italy	3	42	34	80
Other bipartite	30	114	70	60
Multipartite*	33	396	140	35
Total	212	2,231	1,131	51

Source: Telefilm Canada.

Note: Total volume refers to the global budget rather than only the Canadian portion of the budget. Statistics as of September 2013. Some totals may not sum due to rounding.

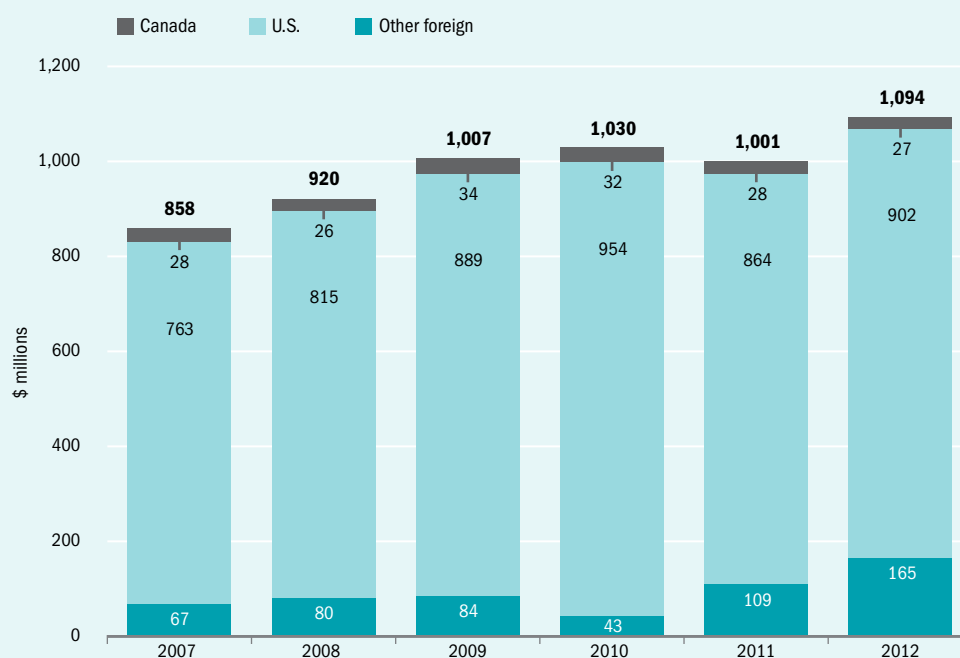
* Multipartite production includes audiovisual treaty coproduction projects where Canada has two or more partner countries.

NATIONAL BOX OFFICE TRENDS

While Canadians are able to access a growing array of digital distribution platforms, including cable and satellite video-on-demand (VOD) services, iTunes and Netflix, the statistics in this section show that Canadians still like to go to the movies.

Exhibit 2-93 Box office revenues in Canada, by origin of production

The total box office in Canada rose by 9.3% to just under \$1.1 billion in 2012.

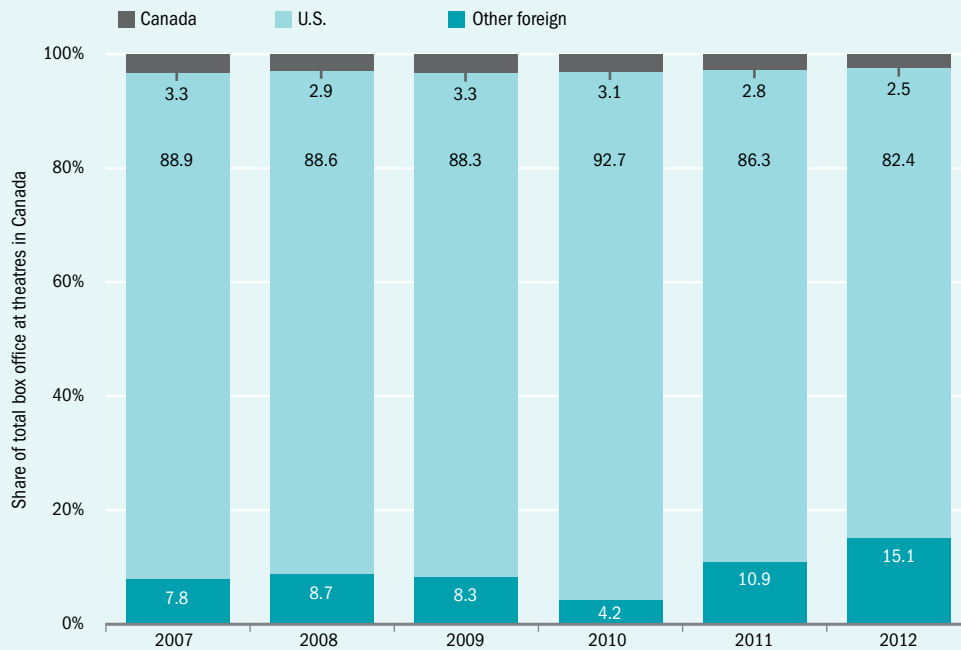


Source: MTAC.

Note: Some totals may not sum due to rounding.

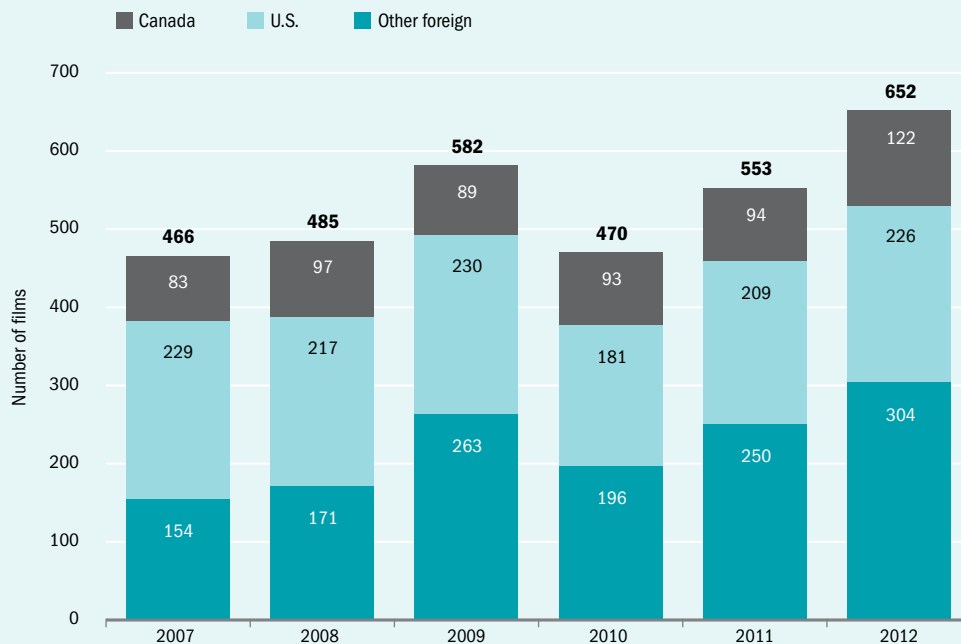
Exhibit 2-94 Share of total box office revenues in Canada, by origin of production

Canadian feature films captured 2.5% of the total box office in Canada in 2012.



Source: MTAC.

Note: Some totals may not sum due to rounding.

Exhibit 2-95 Number of feature films released in theatres in Canada, by origin of production

Source: Department of Canadian Heritage analysis of data from MTAC.

BOX OFFICE BY LINGUISTIC MARKET

Historically, Canadian feature films have displayed contrasting box office performance patterns in Canada's two major language markets. In this section, we examine separately the box office statistics for theatres in Canada's French-language and English-language markets.¹⁹

Exhibit 2-96 Box office revenues and market share at theatres in Canada, by linguistic market

In 2012, Canadian feature films' box office share in the French-language market fell below 10% for the first time in the past six years. In the English-language market, Canadian feature films' share rose from 0.9% to 1.5%.

	2007	2008	2009	2010	2011	2012
French-language market						
(\$ millions)						
Box office of Canadian feature films	20.8	17.4	27	20.1	19.8	12.9
Box office of foreign feature films	107.6	108.5	118	129.8	127.3	130.2
Total box office of feature films	128.5	125.9	145	149.9	147.1	143.1
Canadian feature films' share	16.2%	13.8%	18.5%	13.4%	13.4%	9%
<i>(Number of feature films playing in theatres in Canada)</i>						
Canadian	84	79	78	74	76	78
Foreign	328	293	316	293	279	310
Total	412	372	394	367	355	388
Ratio of foreign to Canadian feature films	3.9	3.7	4.1	4.0	3.7	4
English-language market						
(\$ millions)						
Box office of Canadian feature films	6.9	8.5	6.8	12.1	8.1	13.9
Box office of foreign feature films	722.2	786.0	855	867.9	845.8	937.2
Total box office of feature films	729.1	794.5	862	880	852.9	951.2
Canadian feature films' share	1%	1.1%	0.8%	1.4%	0.9%	1.5%
<i>(Number of feature films playing in theatres in Canada)</i>						
Canadian	63	72	71	70	76	80
Foreign	438	436	422	406	568	803
Total	501	508	493	476	644	883
Ratio of foreign to Canadian feature films	7	6.1	5.9	5.8	7.5	10

Source: MTAC.

Note: Some totals may not sum due to rounding.

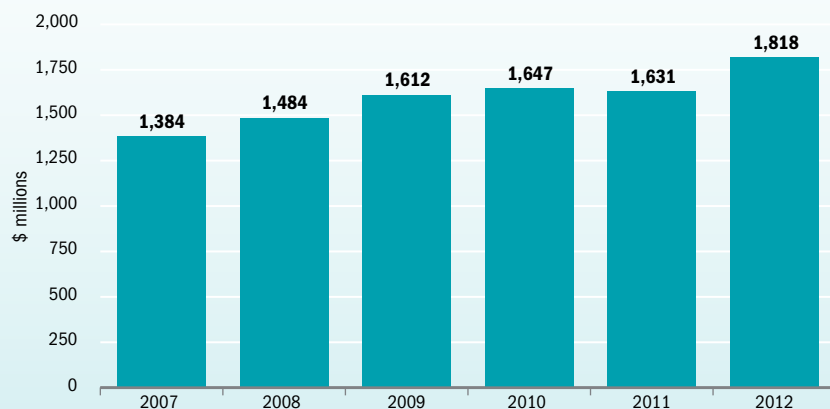
¹⁹ In Canada, the French-language market refers to all films presented in French. This includes films for which the original language of production was French, as well as other films dubbed into French, or presented with French subtitles. The English-language market refers to all films presented in English (original language, dubbed or subtitled).

EXHIBITION SECTOR IN CANADA

The exhibition sector includes theatre chains and independent theatres that exhibit theatrical feature films. Despite the growth in online digital distribution platforms, the theatrical exhibition industry remains an important window for the release of feature films in Canada. This is reflected in the fact that the sector has continued to experience growing levels of box office receipts and revenue from other sources in recent years.

Total revenue in the exhibition sector

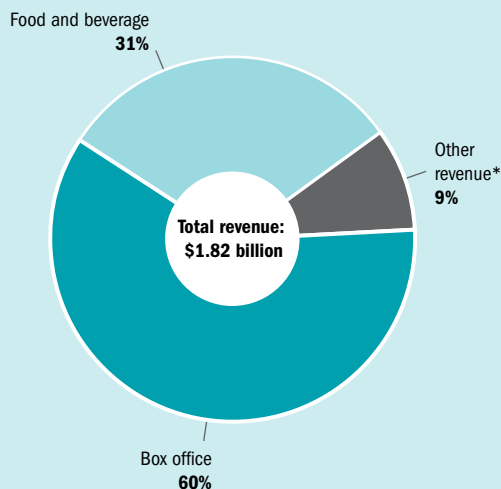
In 2012, the exhibition sector in Canada earned an estimated total revenue of \$1.82 billion.



Source: Nordicity estimates based on data from MTAC, Cineplex Entertainment and Statistics Canada, catalogue no. 87F0009X.

Sources of revenue in the exhibition sector, 2012

Total revenue in the exhibition sector in 2012 included \$1.1 billion in box office revenue, \$564 million in food and beverage sales, and approximately \$160 million in revenue from other sources.



Source: Nordicity estimates based on data from MTAC, Cineplex Entertainment and Statistics Canada, catalogue no. 87F0009X.

* Includes revenue earned from sale of in-theatre advertising.

TOP FEATURE FILMS BY LANGUAGE OF PRESENTATION

Exhibit 2-97 Top ten feature films presented in the English-language market, 2012

Title	Box office receipts* (\$ millions)	Country of origin
1. The Avengers	52.2	US
2. The Dark Knight Rises	41.2	US-UK
3. Skyfall	37.0	UK
4. The Hunger Games	36.5	US
5. The Hobbit: An Unexpected Journey	28.4	US-New Zealand
6. The Amazing Spider-Man	25.4	US
7. Twilight Saga: Breaking Dawn - Part 2	19.6	US
8. Ted	19.2	US
9. Dr. Seuss' The Lorax	18.6	US
10. Brave	16.6	US

Source: MTAC.

* Box office receipts earned between January 1 and December 31, 2012. This amount may under-represent a particular films' total box office receipts, if the film played in Canadian cinemas across two calendar years.

Exhibit 2-98 Top ten feature films presented in the French-language market, 2012

Title	Box office receipts* (\$ millions)	Country of origin
1. The Avengers	6.2	US
2. Skyfall	5.6	UK
3. The Dark Knight Rises	5.0	US-UK
4. Twilight Saga: Breaking Dawn - Part 2	4.8	US
5. Ice Age: Continental Drift	4.3	US
6. The Hobbit: An Unexpected Journey	3.8	US-New Zealand
7. The Adventures of Tintin	3.8	US
8. The Hunger Games	3.7	US
9. The Amazing Spider-Man	3.3	US
10. Intouchables	3.1	France

Source: MTAC.

* Box office receipts earned between January 1 and December 31, 2012. This amount may under-represent a particular films' total box office receipts, if the film played in Canadian cinemas across two calendar years.

Five Canadian feature films earned over \$1 million at the box office in the Canadian English-language market in 2012. Four feature films earned over \$1 million in the smaller French-language market. One feature film, *Monsieur Lazhar*, earned more the \$1 million in both language markets.

Exhibit 2-99 Top ten Canadian-produced feature films presented in the English-language market, 2012

Title	Box office receipts* (\$ millions)	Original language of production
1. Resident Evil - Retribution	4.30	English
2. Goon	2.83	English
3. Silent Hill - Revelation	1.60	English
4. A Dangerous Method	1.12	English
5. Monsieur Lazhar	1.06	French
6. Midnight's Children	0.59	English
7. Take This Waltz	0.56	English
8. Stories We Tell	0.24	English
9. In Darkness	0.19	English
10. Cosmopolis	0.19	English

Source: MTAC.

* Box office receipts earned between January 1 and December 31, 2012. This amount may under-represent a particular films' total box office receipts, if the film played in Canadian cinemas across two calendar years.

Exhibit 2-100 Top ten Canadian-produced feature films presented in the French-language market, 2012

Title	Box office receipts* (\$ millions)	Original language of production
1. Omertà	2.82	French
2. Les Pee Wee : L'hiver qui a changé ma vie	1.37	French
3. Goon	1.31	English
4. Monsieur Lazhar	1.07	French
5. Resident Evil - Retribution	0.90	English
6. Ésimésac	0.86	French
7. Dérapages	0.69	French
8. L'affaire Dumont	0.47	French
9. Laurence Anyways	0.44	French
10. Inch'allah	0.43	French

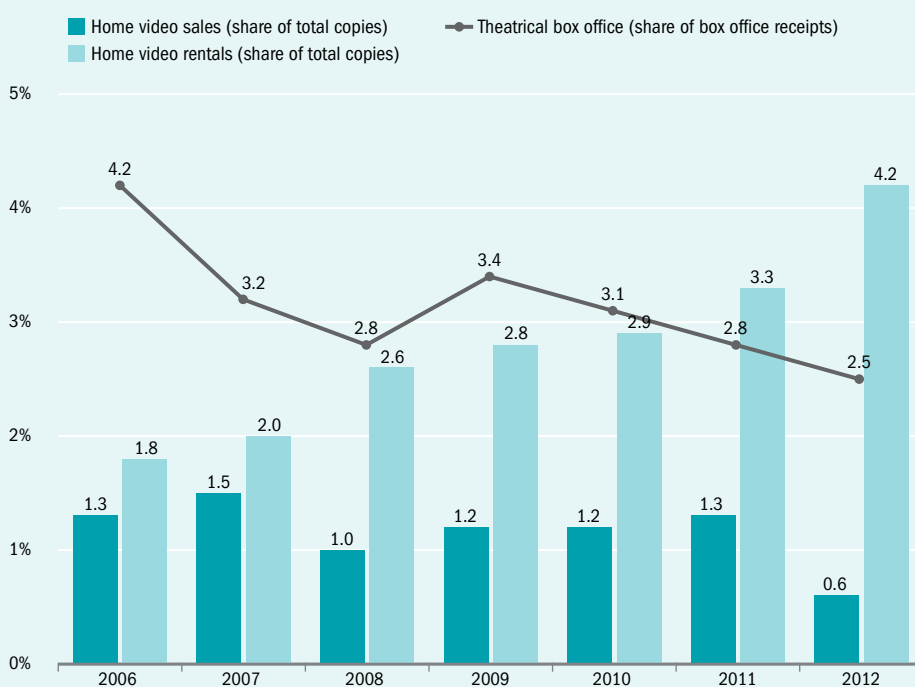
Source: MTAC.

* Box office receipts earned between January 1 and December 31, 2012. This amount may under-represent a particular films' total box office receipts, if the film played in Canadian cinemas across two calendar years.

HOME VIDEO AND TELEVISION MARKET SHARE

While the movie-theatre window represents a key platform for the exhibition of feature films, other platforms such as home video rental and sales (i.e., Blu-ray Disc and DVDs), and various television-release windows (i.e., VOD, pay-per-view, specialty and pay television, and conventional television) also account for a large share of the overall audience for feature films. In fact, these post-theatre platforms often account for the majority of viewing and revenues earned by a feature film. The statistics in this section include the market share held by Canadian feature films on home video and television platforms, and therefore, present a more complete picture of Canadian feature films' market share within Canada.

Exhibit 2-101 Market share of Canadian feature films in Canada, home video vs. theatrical box office

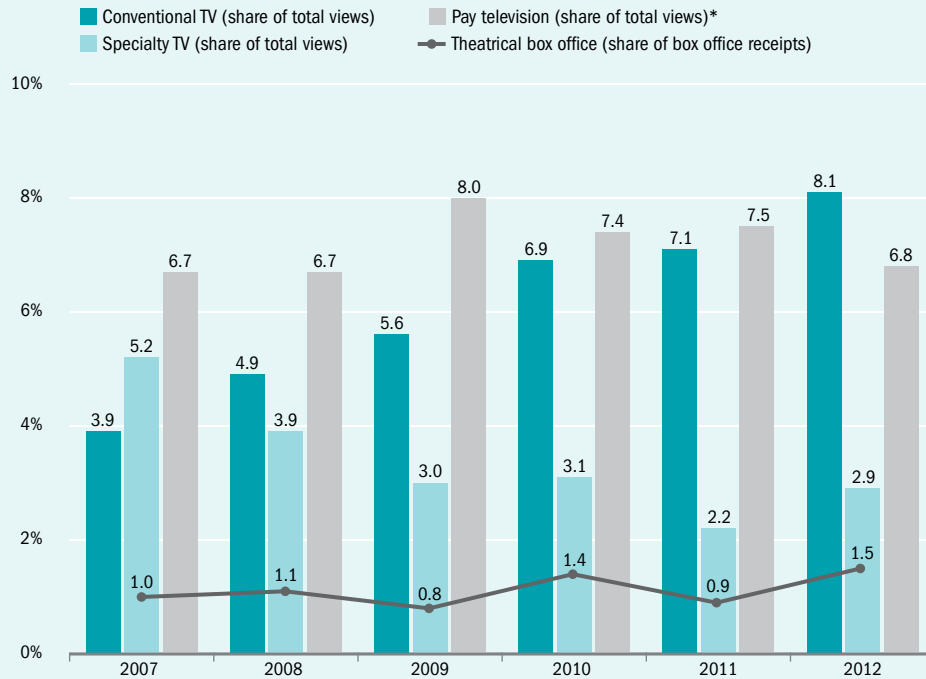


Source: Department of Canadian Heritage analysis of data from Nielsen VideoScan (sales) and Rentrak Corporation (rentals).

Note: Home video sales market share based on share of top 3,000 feature film titles that had theatrical release; home video rentals market share based on share of top 800 feature film titles that had theatrical release. Market shares are based on the share of total copies.

Exhibit 2-102 Market share of Canadian feature films exhibited in English in Canada, television windows vs. theatrical box office

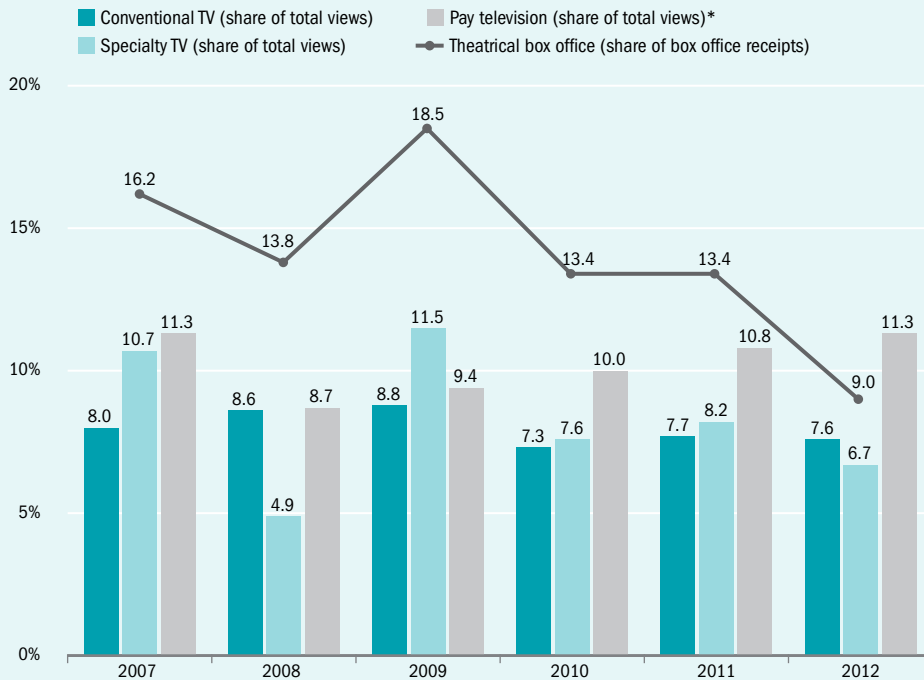
In the English-language market, Canadian feature films' share of audiences on each television platform exceeded their share of the box office.



Source: Department of Canadian Heritage analysis of data from BBM Canada.

Note: For the television markets, the total number of views was estimated by dividing the total number of minutes spent watching a feature film by the average duration of the film. Only feature films that had a theatrical release were considered in this analysis. Market shares are based on total views.

* Excludes pay-per-view and video-on-demand.

Exhibit 2-103 Market share of Canadian feature films exhibited in French in Canada, television windows vs. theatrical box office

Source: Department of Canadian Heritage analysis of data from BBM Canada.

Note: For the television markets, the total number of views was estimated by dividing the total number of minutes spent watching a feature film by the average duration of the film. Only feature films that had a theatrical release were considered in this analysis. Market shares are based on the share of total views.

* Excludes pay-per-view and video-on-demand.

3. FOREIGN LOCATION AND SERVICE PRODUCTION

The foreign location and service (FLS) production sector largely comprises feature films and television programs filmed in Canada by foreign producers or Canadian service producers²⁰. For the majority of FLS projects, the copyright is held by non-Canadian producers; however, for approximately 10% to 15% of projects, the copyright is held by Canadians.

During the past five years, Canada's FLS production sector has generated numerous films that achieved successful global box office runs. Some recent Hollywood films shot in Canada included *Pacific Rim*, *Total Recall* and *Man of Steel*. Canada has also become a destination for the filming of several American television series and mini-series, including *Supernatural*, *Once Upon a Time* and *Hemlock Grove*.

HIGHLIGHTS FROM 2012/13

- The total volume of FLS production in Canada increased by 3.1%, to \$1.74 billion, even as the value of the Canadian dollar continued to appreciate.
- There were a total of 220 FLS production projects in Canada—a 6.4% decrease.
- FLS production supported the employment for 38,200 Canadians on an FTE basis, including 15,000 direct FTEs in film and television production and a further 23,200 spin-off FTEs.
- FLS production generated GDP of \$2.3 billion for the Canadian economy, including \$905 million in production-industry GDP and \$1.4 billion in spin-off GDP.
- British Columbia accounted for 62% of all FLS production volume in Canada.
- TV series production made up over one-half of the total production volume, and 39% of projects.
- US producers were the source of 78% of all FLS projects.

²⁰ Canadian service producers include producers who provide production and/or post-production services in Canada on behalf of non-Canadian producers.

After dropping by 10% in 2011/12, FLS production edged higher in 2012/13, despite the continued appreciation of the Canadian dollar. The total volume of FLS production increased by 3.1%, to \$1.74 billion in 2012/13, even as the average value of the Canadian dollar increased from US\$0.99 to US\$1.00 (Exhibit 3-2).

The long-term trends towards more television series production and geographic concentration of the production activity in Canada continued to characterize the FLS sector in 2012/13. The total volume of television series production reached a ten-year high of \$969 million (Exhibit 3-6). Given the fact that many television series run for several years, this trend towards increasing levels of production could bode well for the year-to-year stability of the industry and help moderate the effects of the more one-off nature of feature film production.

Canada's three largest provinces for production – British Columbia, Ontario and Quebec – continued to account for virtually all of the FLS production. While Manitoba, Nova Scotia and Alberta all experience higher levels than previous years, the three largest provinces still provided 97% of the total volume (Exhibit 3-5).

British Columbia remained, by far, Canada's largest centre for FLS production in 2012/13, with a total volume of just under \$1.1 billion (Exhibit 3-5). During that time, the province hosted the production of feature films such as *Man of Steel*; however, the majority of its FLS production activity is now comprised of television series. In 2012/13, several recurring American television series and pilots shot in British Columbia. Some of the recurring series included *Fringe*, *Psych* and *Once Upon a Time*.

Ontario continued to experience benefits from its all-spend tax credit introduced in 2009. The province's volume of FLS production rose for the second consecutive year to reach \$399 million (Exhibit 3-5). As in British Columbia, FLS production in Ontario's production volume was bolstered by higher levels of television series, which offset lower levels of feature film production. Statistics published by the OMDC show that the volume of foreign television series increased from \$150 million during the 2011 calendar year, to \$271 million in the 2012 calendar year; while feature film production was down by more than half, from \$232 million to \$106 million.²¹ Ontario is now home to the filming of several American television series, including *Covert Affairs*, *Beauty and the Beast* and *Hemlock Grove*.

Quebec – which also introduced an all-spend tax credit in 2009 – also recorded an increase in FLS production in 2012/13. The province has historically experienced significant annual fluctuations in FLS production volume due to its focus on feature film production. In 2012/13, the volume of FLS production increased by 35%, after falling by the same rate a year before (Exhibit 3-5). Statistics supplied by Société de développement des entreprises culturelles (SODEC) indicate that this rebound was due to \$100 million of additional feature film production, which was partially offset by a reduction in television production.

Although the FLS production sector experienced growth in 2012/13, the total volume was still well below the levels achieved in 2003/04. On a nominal-dollar basis, it was 8.6% lower than the ten-year peak of \$1.9 billion in 2003/04 (Exhibit 3-1). On a real-dollar basis, it was still 23% below its ten-year peak.

There was a long-term decline in the real value of Canada's FLS production between 2003/04 and 2012/13; however, it took place during a period of strengthening Canadian dollar and heightened competition from other jurisdictions. Between 2003/04 and 2012/13, the Canadian dollar appreciated by 35% yet the real value of FLS production fell by 23% (Exhibit 3-2). This seems to indicate that the Canadian industry managed to counteract these factors to a certain extent.

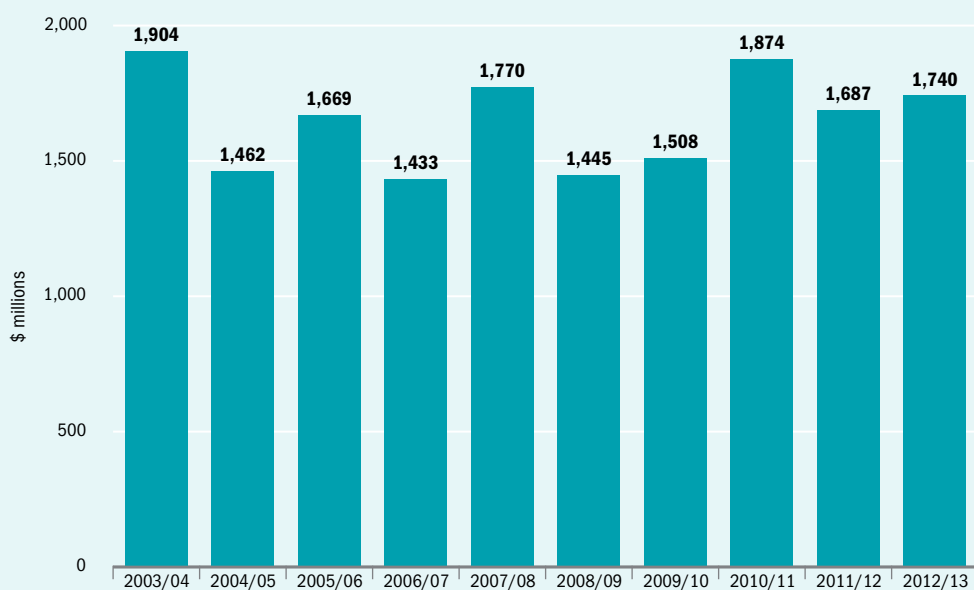
Canada's ability to mitigate the effects of the rising dollar is a testament to the quality of its crews and infrastructure and the ability of provincial governments to respond quickly with enhanced incentives for foreign producers. The skill and experience of Canadian crews means that FLS projects are more likely to be completed in an efficient manner in Canada. The enhanced incentives introduced by many Canadian provinces over the last several years have also helped to maintain Canada's competitiveness in the increasingly globalizing location-production market.

21 OMDC, "Backgrounder: Ontario Film and Television Production 2010-2012," accessed October 10, 2013, www.omdc.on.ca/collaboration/research_and_industry_information/production_statistics/Ontario_Film_and_Television_Production_in_the_calendar_years_2010_2012_sorted_by_format.htm.

VOLUME

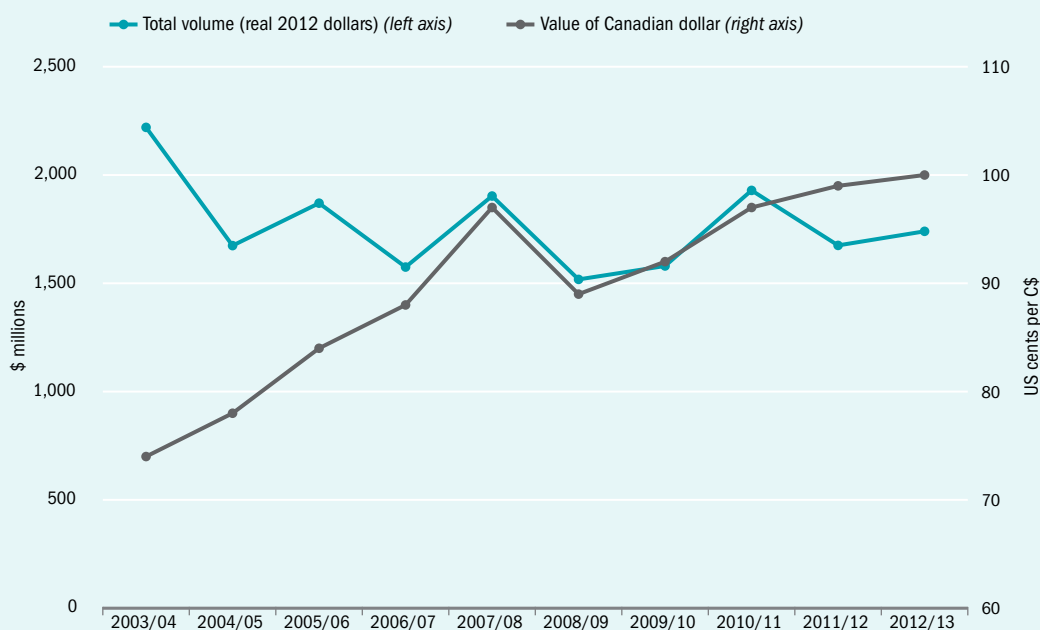
Exhibit 3-1 Total volume of foreign location and service production

The total volume of FLS production edged higher by 3.1% in 2012/13, but was still 8.6% below the ten-year high of \$1.9 billion reached in 2003/04.



Source: Association of Provincial Funding Agencies.

Exhibit 3-2 Total volume of foreign location and service production vs. Canadian dollar

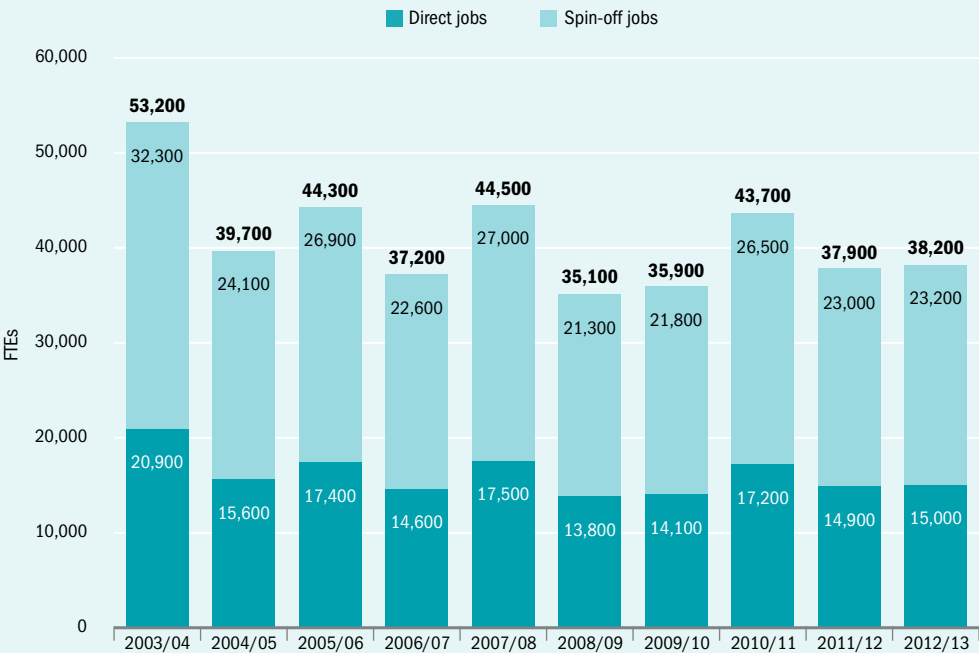


Source: Bank of Canada and Association of Provincial Funding Agencies.

EMPLOYMENT AND GDP

Exhibit 3-3 Number of full-time equivalent jobs (FTEs) generated by foreign location and service production

FLS production supported 38,200 FTEs in 2012/13 and generated over \$2.3 billion in GDP for the Canadian economy.



Source: Estimates based on data from the Association of Provincial Funding Agencies, Statistics Canada and the Conference Board of Canada.
Note: See the Notes on Methodology section for a description of the job-estimation methodology.

Exhibit 3-4 Summary of the economic impact of foreign location and service production, 2012/13

	Direct	Spin-off	Total
Employment (FTEs)	15,000	23,200	38,200
Labour income (\$ millions)	818	905	1,723
GDP (\$ millions)	853	1,430	2,282

Source: Estimates based on data from the Association of Provincial Funding Agencies, Statistics Canada and the Conference Board of Canada.
Note: See the Notes on Methodology section for a description of methodology.

PROVINCES AND TERRITORIES

Exhibit 3-5 Volume of foreign location and service production, by province and territory

British Columbia was Canada's leading province for FLS production in 2012/13 with nearly \$1.1 billion in volume and 62% of the national total.

(\$ millions)	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2012/13 share of total
British Columbia	1,236	567	973	861	1,174	900	1,092	1,364	1,102	1,076	62%
Ontario	340	521	455	288	350	206	225	224	382	399	23%
Quebec	193	261	99	125	120	211	122	240	157	212	12%
Nova Scotia	51	36	61	63	29	80	43	31	22	25	1%
Manitoba	79	54	34	38	56	2	15	11	8	23	1%
Alberta	0	n/a	37	54	24	20	7	4	13	4	<1%
Territories*	2	<1	4	3	5	6	0	1	3	2	<1%
Saskatchewan	0	23	n/a	n/a	13	9	n/a	0	1	0	<1%
Newfoundland and Labrador	0	0	0	0	0	0	0	0	0	0	0%
Prince Edward Island	n/a	0	0	0	n/a	n/a	n/a	n/a	n/a	0	0%
New Brunswick	0	0	0	0	0	10	0	n/a	n/a	2	0%
Total	1,901	1,462	1,670	1,433	1,770	1,445	1,508	1,874	1,687	1,740	100%

Source: Association of Provincial Funding Agencies.

Note: Some totals may not sum due to rounding.

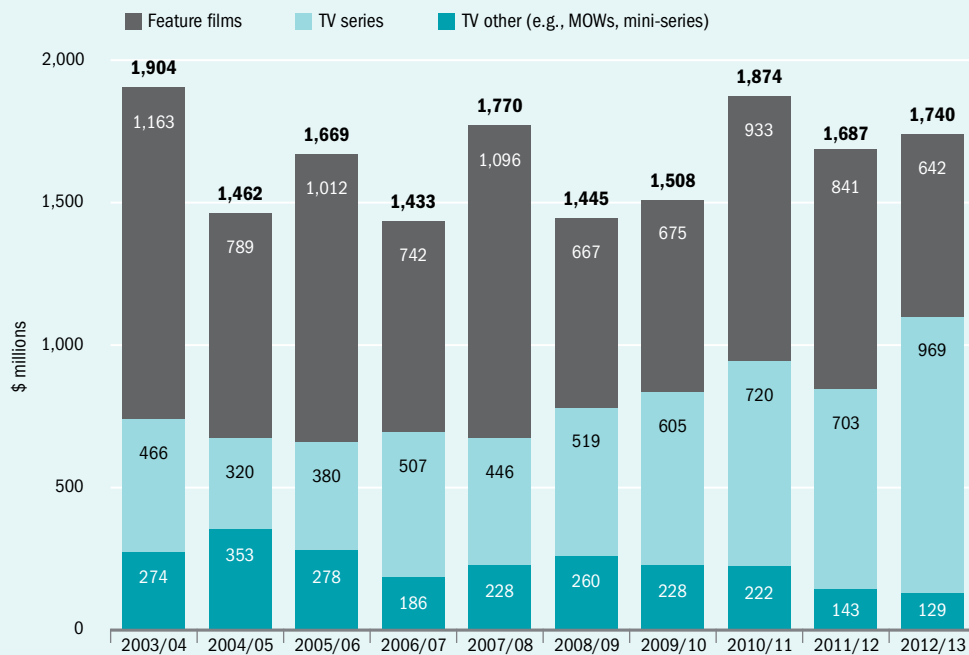
n/a – Data not available or suppressed for confidentiality.

* Territories include Yukon, Nunavut and Northwest Territories.

TYPES

Exhibit 3-6 Total volume of foreign location and service production, by type

With more American television series shooting in British Columbia and Ontario, the total volume of television series production now accounts for over one-half of total FLS production volume. In 2012/13, the total volume of television-series production in the FLS sector rose 37.8% to a ten-year high of \$969 million.



Source: Association of Provincial Funding Agencies.

Note: Some totals may not sum due to rounding.

Exhibit 3-7 Annual number of foreign location and service projects, by type

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Feature films	61	52	87	74	103	89	53	66	99	93
TV series	30	37	28	32	62	57	61	76	78	85
TV other*	75	66	92	56	63	71	67	81	58	42
Total	166	155	207	162	228	217	181	223	235	220

Source: Association of Provincial Funding Agencies.

Note: Totals are based on available data and make no allowance for unavailable data.

* Includes MOWs, mini-series single-episode programming and pilots.

COUNTRY

Exhibit 3-8 Number of foreign location and service projects, by country of copyright

	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Number of projects						
United States	165	158	139	194	185	171
France	6	1	1	7	8	9
United Kingdom	2	4	4	4	5	3
Germany	4	4	4	1	2	1
Other	14	14	18	1	8	9
Canada*	37	36	15	16	27	27
Total	228	217	181	223	235	220
Share of total						
United States	72%	73%	77%	87%	79%	78%
France	3%	0%	1%	3%	3%	4%
United Kingdom	1%	2%	2%	2%	2%	1%
Germany	2%	2%	2%	<1%	1%	0%
Other	6%	6%	10%	<1%	3%	4%
Canada*	16%	17%	8%	7%	12%	12%
Total	100%	100%	100%	100%	100%	100%

Source: Association of Provincial Funding Agencies.

* Canadian projects in the FLS sector include projects made by Canadian producers primarily for foreign audiences, or as part of international co-ventures.

International co-venture production includes films and television programs made as international coproductions, but outside of the auspices of an audiovisual coproduction treaty.

COMPUTER ANIMATION AND VISUAL EFFECTS PRODUCTION

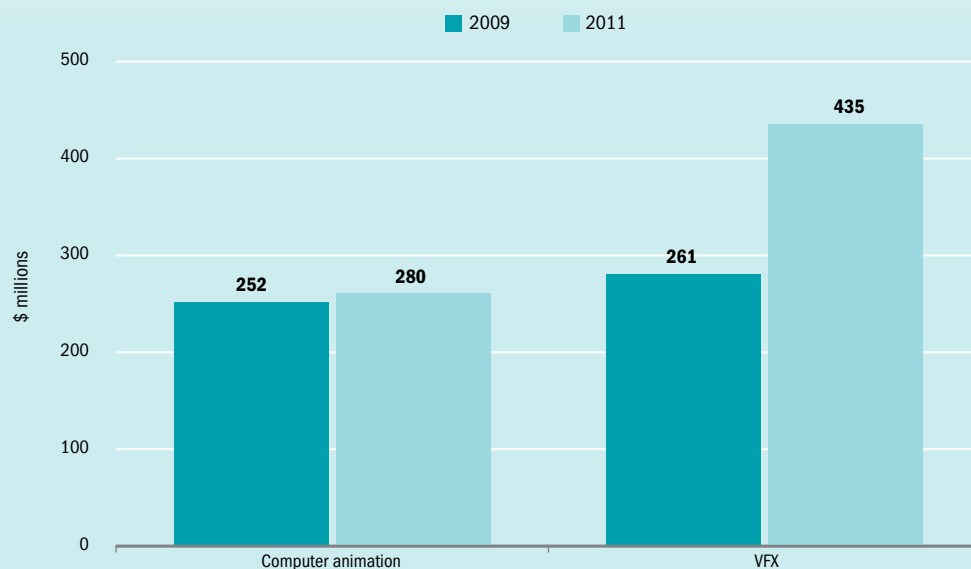
Computer animation and visual effects (VFX) production represent two areas of the film and television production sector, which are experiencing rapid growth as films and television programs incorporate more of these digital elements.

Canada has a long tradition of producing award-winning animation and highly skilled animators. Today, some of the world's leading computer animation studios, including Lucasfilm's Industrial Light & Magic and Sony Pictures Imageworks have studios in Canada.²² These global leaders are joined by numerous other smaller computer animation studios, which create their own intellectual property or conduct fee-for-service work for other domestic or foreign producers.²³

Canada is also home to dozens of VFX studios, which produce specific scenes, on a largely fee-for-service basis, for other producers' films, television programs or advertising commercials.²⁴ In recent years, Canadian VFX studios have worked on several popular films and television programs, including *The Twilight Saga: Breaking Dawn - Part 2*, *The Amazing Spiderman* and *Game of Thrones*.²⁵

Total volume of computer animation and visual effects production in Canada (estimates)

Nordicity estimates that computer animation production in Canada totalled \$280 million in 2011 – up by 11% from \$252 million in 2009. VFX production is estimated to have grown by 67% between 2009 and 2011 – increasing from \$261 million to \$435 million.



Source: Nordicity estimates based on data from BC Film + Media; Observatoire de la culture et des communications du Québec, *Statistiques sur l'industrie du film et de la production télévisuelle indépendante*, Édition 2012; Computer Animation Studios of Canada (CASO), *Economic Profile of the Computer Animation and Visual Effects Industry in Ontario, 2008-2010*

²² MPA-Canada et al., 2013, pp. 60-64.

²³ Ibid.

²⁴ Ibid., pp. 64-66.

²⁵ Ibid., pp. 64.



4. BROADCASTER IN-HOUSE PRODUCTION

Broadcaster in-house production (“in-house production”) refers to television programs made internally by private conventional television broadcasters, CBC/Radio-Canada, and pay and specialty television services. In-house production largely comprises news and sports programming, but can also include productions in other genres.

HIGHLIGHTS FROM 2012

- In-house production increased by 11.3% during the 2012 broadcast year (September 1, 2011 to August 31, 2012) to \$1.4 billion.
- Private and public conventional broadcasters increased their in-house production by 6.3%, while pay and specialty television services increased theirs by 18.1%.
- In-house production supported 30,800 FTEs in Canada, including 12,100 FTEs in the sector itself.
- The sector generated an estimated \$1.8 billion in GDP for the Canadian economy, including \$729 million of GDP directly in the broadcasting industry.
- Ontario accounted for the majority (60%) of the total volume of in-house production.
- All the provinces and territories experienced either an increase or no change in their level of in-house production.

Increased levels of in-house production in both the pay and specialty, and conventional television segments helped lift the overall level of in-house production during the 2012 broadcast year (September 1, 2011 to August 31, 2012) to an all-time high of \$1.4 billion (Exhibit 4-1).

Over the past decade, most of the growth in in-house production has come from the pay and specialty segment as opposed to the conventional television segment. Indeed, between 2003 and 2011, the net increase in conventional television services' in-house production was only \$2 million (Exhibit 4-1). In 2012, however, in-house production in that segment rose by \$46 million, to an all-time high of \$771 million.

The growth in the conventional television segment's in-house production in 2012 was driven almost entirely by increases at private broadcasters. CBC/Radio-Canada's in-house production was up by only \$3.1 million. The in-house production of human interest and VAPA programming grew by \$5.2 million and \$5 million, respectively, at private conventional broadcasters; however, the vast majority of the conventional segment's overall increase in in-house production was due to a \$35.4 million rise in news production at private conventional broadcasters.

Pay and specialty services – and specialty services in particular – still accounted for most of the increase in total in-house production in 2012. In-house production in that segment rose by 18.1%, continuing a decade-long trend of steady increases that was only briefly interrupted in 2009 by the effects of the recession (Exhibit 4-1).

Between 2003 and 2012, in-house production in the specialty television segment grew along with the expanding number of services. However, while the number of licensed specialty television services increased from 100 to 188 over this ten-year period,²⁶ higher levels of in-house production at news and sports services, which do not rely on independently produced programming, accounted for most of the growth. Canada's six largest sports and news services (TSN, Sportsnet, CTV News Channel, CBC News Network, RDI and Le Canal Nouvelles) posted a combined increase of \$107 million in their expenditures on in-house production.²⁷ Other news services, such as BNN and Sun News and CityNews, have added another \$30 million to this growth.²⁸

In 2012, the increase in in-house production in the specialty segment was broadly based – every CRTC program category except the game-shows category experienced an increase – however, the vast majority of the gains were, once again, concentrated in news and sports. The largest increases were at TSN and Rogers Sportsnet, which expanded their combined in-house production by \$33 million.³¹ Meanwhile Sun News – which launched in April 2011 – nearly doubled its in-house production, from \$7.5 million to \$14.2 million.³⁰

Over the long-term, the migration of sports programming to specialty television services has kept a lid on the growth in in-house production at conventional broadcasters. Between 2003 and 2012, expenditures on Canadian sports programming at private conventional broadcasters fell from \$19 million to just \$1 million.³¹ Competition from the Internet and 24-hour specialty television news outlets also meant that local news on conventional television has had difficulty growing over the past decade. However, the statistics for 2012 show that conventional television broadcasters are still willing to invest in news programming, even in the face of this competition.

26 CRTC, *Pay Television, Pay-Per-View, Video-On-Demand and Specialty Services: Statistical and Financial Summaries 2003-2007*, p.2; and CRTC, *Pay Television, Pay-Per-View, Video-On-Demand and Specialty Services: Statistical and Financial Summaries 2008-2012*, p.5.

27 CRTC, *Individual Pay Television, Pay-per-View, Video-on-Demand and Specialty Services: Statistical and Financial Summaries, 2008-2012*; and CRTC, *Individual Pay, PPV, VOD and Specialty Services: Statistical and Financial Summaries, 2003-2007*.

28 CRTC, *Individual Pay Television, Pay-per-View, Video-on-Demand and Specialty Services: Statistical and Financial Summaries, 2008-2012*; 2013.

29 Ibid.

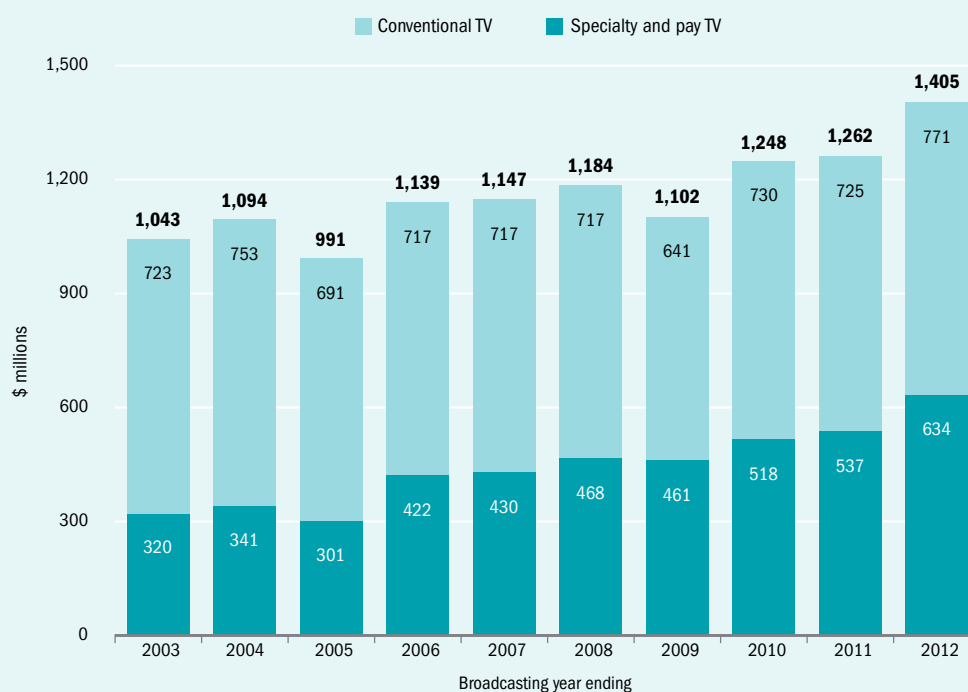
30 Ibid.

31 CRTC, *Conventional Television: Statistical and Financial Summaries 1999-2003*, p. 7; and CRTC, *Conventional Television: Statistical and Financial Summaries 2008-2012*, p. 7.

VOLUME

Exhibit 4-1 Total volume of broadcaster in-house production, by segment

In-house production rose by 11.3% to \$1.4 billion in 2012. Since 2009, it is up by 27.5%.

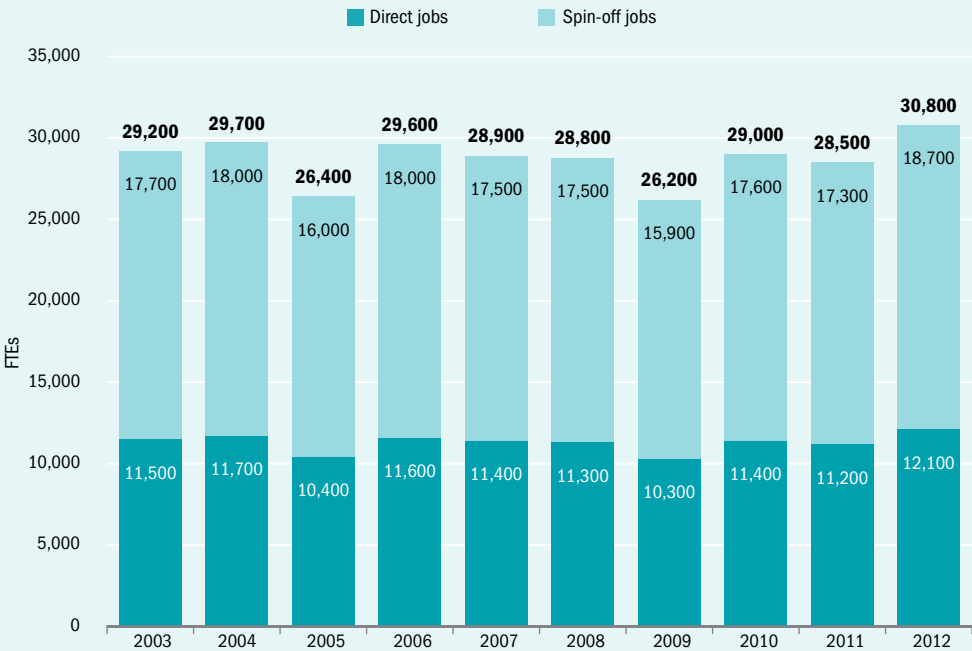


Source: Estimates based on data from CRTC and CBC/Radio-Canada.
 Note: Some totals may not sum due to rounding.

EMPLOYMENT AND GDP

Exhibit 4-2 Number of full-time equivalent jobs (FTEs) generated by broadcaster in-house production

In-house production supported 30,800 FTEs in 2012/13 and generated nearly \$1.8 billion in GDP for the Canadian economy.



Source: Estimates based on data from CRTC, CBC/Radio-Canada, Statistics Canada and the Conference Board of Canada.
Note: See the Notes on Methodology section for a description of the job-estimation methodology.

Exhibit 4-3 Summary of the economic impact of broadcaster in-house production, 2012

	Direct	Spin-off	Total
Employment (FTEs)	12,100	18,700	30,800
Labour income (\$ millions)	703	729	1,432
GDP (\$ millions)	731	1,087	1,817

Source: Estimates based on data from CRTC, CBC/Radio-Canada, Statistics Canada and the Conference Board of Canada.
Note: See the Notes on Methodology section for a description of methodology.

PROVINCES AND TERRITORIES

Exhibit 4-4 Broadcaster in-house production, by province and territory

(\$ millions)	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2012 share of total
Ontario	589	648	563	680	674	692	649	754	764	839	61%
Quebec	233	246	210	239	258	273	245	268	270	316	21%
British Columbia	89	84	94	90	88	89	86	90	89	98	7%
Alberta	63	61	63	65	67	68	64	69	71	79	6%
Saskatchewan	13	12	13	16	18	18	16	17	17	19	1%
Nova Scotia	23	14	16	17	15	14	12	18	17	18	1%
Manitoba	15	13	13	14	13	13	12	15	15	18	1%
New Brunswick	8	8	8	8	7	7	5	8	8	8	<1%
Newfoundland and Labrador	6	5	8	5	6	6	9	7	7	7	<1%
Territories*	3	1	2	3	2	2	2	3	3	3	<1%
Prince Edward Island	1	1	1	1	1	1	1	1	1	1	<1%
Total	1,043	1,094	991	1,139	1,147	1,184	1,102	1,248	1,262	1,405	100%

Source: Estimates based on data collected from CRTC, CBC/Radio-Canada, and Statistics Canada.

Note: Some totals may not sum due to rounding. See the Notes on Methodology section for a description of methodology.

* Territories include Yukon, Nunavut and Northwest Territories.

NOTES ON METHODOLOGY

Estimates of Canadian Production

The estimates of Canadian production are based on data from CAVCO of the Department of Canadian Heritage. In order to account for the 42-month CAVCO application lag, Nordicity applied a gross-up factor of 10% to the raw CAVCO statistics for 2012/13. This rate of 10% was based on historical rates of under-coverage observed in the CAVCO statistics over the past decade.

Estimates of CRTC-Certified Canadian Television Production

The estimates of Canadian television production include an estimate of CRTC-certified television production (i.e. television production exclusively certified by the CRTC). Research conducted by Nordicity and the Department of Canadian Heritage indicate that CRTC-certified television production accounts for an estimated 13.5% of total Canadian production; this rate is used in *Profile 2013* to estimate the total volume of CRTC-certified production.

Revisions to Historical Statistics

Due the 42-month application lag at CAVCO, it is possible that the data from CAVCO may not provide a comprehensive indication of production volume until up to four years after the end of a particular fiscal year. As a result, the Canadian production statistics reported in *Profile 2013* for the previous three years (2009/10, 2010/11 and 2011/12) have been revised to reflect all currently available data from CAVCO.

Short films

Short films include films under 75 minutes in length. In previous editions of *Profile*, data for theatrical short films was included in the overall statistics for Canadian theatrical production. Beginning in *Profile 2013*, data for theatrical short films has been included in the statistics for Canadian television production for 2012/13. The historical statistics for 2009/10 through 2011/12 have also been revised to reflect this change. For the years prior to 2009/10, data for theatrical short films remains within the statistics for Canadian theatrical production, since we were unable to implement historical revisions for those years.

Although the descriptor of theatrical short films would imply that they should be included in the Canadian theatrical production statistics, by removing them, we can better isolate data on theatrical feature films. Furthermore, we note that the low volume of theatrical short film production reported in previous editions of *Profile* suggests that the data for many theatrical short films had, in fact, been included with the data for Canadian television production.

Canada Media Fund

The statistics reported for the CMF include data for Convergent Stream production supported by the CMF starting in 2010/11. The data for prior years correspond with production supported by the Canadian Television Fund.

In-house Production

A complete set of provincial statistics was not available for private broadcaster in-house production in the Prairie Provinces and Atlantic Canada. For the Prairie Provinces, Nordicity developed estimates based on the historical shares observed in the CRTC statistics prior to 2001 – before the CRTC began to suppress the provincial statistics. The breakdown of private broadcaster in-house production among the provinces in Atlantic Canada was also based on the development of estimates. Because no historical data existed, each province's share of Atlantic Canada's total GDP was used as the proxy variable for the estimate.

Convergent Digital Media Production

The convergent digital media production statistics are derived from the collection of data from funding agencies in Canada supporting that type of production (i.e., CMF, Bell Fund, OMDC and Shaw Rocket Fund). Projects funded by more than one agency are counted only once in the derivation of the estimate of production volume and tabulation of the total number of projects.

The collection of the data for convergent digital media production began in 2011, therefore only three years of data are available at this time.

Beginning with *Profile 2013*, a survey was conducted of CMPA and AQPM members in order to obtain data that could be used to estimate the number of convergent digital media projects and production volume that was made without financial support from CMF, Bell Fund, OMDC or Shaw Rocket Fund. These estimates have been incorporated into the statistics for 2012/13. As a result, the statistics for 2012/13 are not directly comparable to the statistics for previous years.

Export Value

Export value tracks the value of international financial participation in the film and television production industry in Canada. Export value includes foreign presales and distribution advances for all projects certified by CAVCO; estimates of presales and distribution advances for non-CAVCO-certified productions; and the total value of foreign location production in Canada. *Export value* as opposed to just *exports* better reflects the nature of film and television production in Canada. It acknowledges that film and television productions are intangible products and portions of the copyright can be exported to foreign countries. It also accounts for the budgets of productions shot in Canada, even when the copyright is held by a foreign entity.

Secondary sales and rights income

Secondary sales and rights income includes revenue earned from other than pre-sale broadcast licence fees and includes sources such as: (i) the licensing of content to broadcasters in Canada and other territories after the Canadian premiere of the content; (ii) VOD and subscription VOD; (iii) home video sales and rentals (i.e. DVD and Blu-ray); (iv) format licensing; and, (v) merchandising, music or publishing rights.

The estimates for secondary sales and rights income are based on data collected through an online survey of CMPA and AQPM members. The survey-sample results were grossed up using a ratio based on the share of total Canadian film and television production volume accounted for by survey respondents.

Direct Jobs Multiplier

Nordicity calculated the number of direct jobs by estimating the share of total production volume that was paid as salary and wages and then divided this estimate by an estimate of the average salary of an FTE in the film and television production industry.

Nordicity multiplied total production volume by 50%, to estimate the portion of production budgets which was paid as salary and wages. This assumption of 50% is based on data provided by CAVCO on the average portion of production budgets comprised of Canadian labour expenditures.

The average FTE salary assumption for 2012/13 was \$57,900. Nordicity developed the average FTE salary assumption based on data from Statistics Canada's 2006 Census. Nordicity makes annual adjustments to the average FTE assumptions based on data from Statistics Canada's *Survey of Employment, Payroll and Hours* for annual changes in the average hourly wage of employees paid by the hour in Canada (see Statistics Canada, CANSIM Table 281-0030).

Average FTE salary in the film and television production industry

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Average FTE salary	\$45,474	\$46,793	\$47,869	\$48,922	\$50,488	\$52,305	\$53,404	\$54,578	\$56,543	\$57,900

Source: Nordicity calculations based on data from Statistics Canada, Census 2006, and Statistics Canada, *Survey of Employment, Payroll and Hours*, CANSIM Table 281-0030.

Spin-off Jobs

The number of spin-off FTEs is equal to the sum of indirect and induced FTEs.

Indirect Jobs Multiplier

Nordicity used a multiplier of 1.17 to estimate the number of indirect jobs; that is, for every direct FTE in the film and television production industry, 1.17 additional FTEs were employed in other industries supplying goods and services to film and television production.

Nordicity obtained this multiplier from Statistics Canada's 2004 multiplier tables. The multiplier is based on the ratio of indirect and direct jobs generated per \$1 million dollars of output in the industry group, *Motion Picture and Video Production, Distribution, Post-Production and Other Motion Picture and Video Industries*, which is the closest industry grouping to film and TV production (and excludes exhibition).

Induced Jobs Multiplier

Nordicity applied multiplier of 0.17 to estimate the number of induced FTEs attributable to film and television production; that is, for every direct and indirect FTE generated by film and television production, an additional 0.17 FTE was employed in other industries in the Canadian economy because of the spending of income by the direct and indirect workers.

Nordicity derived the induced-jobs multiplier by using the ratio of the total-GDP multiplier (1.87) and indirect-GDP multiplier (1.54) derived by the Conference Board of Canada and applied to its analysis of the economic impact of the Canadian cultural industries in *Valuing Culture: Measuring and Understanding Canada's Creative Economy* (2008). To adopt this approach, Nordicity assumed that the GDP-to-FTE ratio for induced jobs was equal to that for indirect jobs.

Provincial Jobs Estimates

To estimate the number of direct FTEs in each province, Nordicity used a similar approach to that used to derive the national estimates of direct FTEs. However, Nordicity adjusted the average FTE salary in each province to reflect general differences in economy-wide wages across the provinces.

Thus, for provinces where the average wage in the provincial economy across all industries was higher than the national average, Nordicity used a higher average FTE salary to estimate the number of direct jobs. The adjustment was equivalent to the province's overall wage premium or discount compared to the national average. The provincial wage adjustment factors are presented in the table below. An adjustment factor of greater than one indicates that average wages in the provincial economy are higher than the national average.

To estimate the number of indirect jobs, Nordicity used the provincial-level indirect-job multipliers available from Statistics Canada. These multipliers are based on the ratio of indirect and direct jobs generated per \$1 million dollars of output in each province in the industry group, *Motion Picture and Video Production, Distribution, Post-Production and Other Motion Picture and Video Industries*.

Provincial adjustment factor for average FTE salary

	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Alberta	1.028	1.037	1.057	1.073	1.091	1.134	1.122	1.126	1.125	1.124
British Columbia	1.008	1.003	0.998	1.011	1.008	1.005	1.013	0.999	0.986	0.997
Manitoba	0.901	0.916	0.924	0.922	0.920	0.934	0.939	0.934	0.945	0.946
New Brunswick	0.921	0.917	0.926	0.931	0.925	0.907	0.908	0.906	0.906	0.901
Newfoundland and Labrador	0.944	0.959	0.972	0.980	0.988	0.969	0.955	0.959	0.987	1.004
Nova Scotia	0.917	0.926	0.934	0.927	0.925	0.884	0.868	0.901	0.903	0.907
Ontario	1.051	1.045	1.036	1.028	1.020	1.010	0.992	1.001	1.001	0.992
Prince Edward Island	0.807	0.829	0.832	0.823	0.835	0.825	0.864	0.856	0.860	0.850
Quebec	0.947	0.948	0.951	0.945	0.948	0.945	0.984	0.971	0.972	0.971
Saskatchewan	0.915	0.926	0.942	0.950	0.958	0.996	1.019	1.025	1.029	1.048
Territories	1.131	1.137	1.134	1.118	1.124	1.124	1.172	1.179	1.185	1.173

Source: Nordicity calculations based on data from Statistics Canada, CANSIM, table 281-0030.

Nordicity then summed the estimated number of indirect FTEs and compared this total to the national estimate of total spin-off FTEs employed by the film and television production industry in Canada. Nordicity calculated the differential between these two numbers and then allocated the difference across the provinces in proportion to each province's share of the national total of indirect FTEs.

Economic Impact of Production**Labour Income**

Direct production industry labour income was derived by multiplying the number of direct FTEs by the average production-industry FTE cost of \$57,900. The estimate of spin-off labour income was derived by multiplying the number of spin-off FTEs by an economy-wide average FTE cost of \$39,000.

Gross Domestic Product

Economic modelling of the overall economic impact of film and television production, using Statistics Canada's input-output tables, indicates that direct GDP in the film and television production industry is equal to approximately 1.13 times total labour income. This ratio was multiplied by our estimate of direct labour income to arrive at an estimate of direct GDP in the film and television production industry. For broadcaster in-house production, we used a rate of 1.17, which better reflected the higher rate of profitability in the Canadian broadcaster industry.

Similar economic modelling (also based on Statistics Canada's input-output tables and analysis found in the Conference Board of Canada's Valuing Culture: Measuring and Understanding Canada's Creative Economy) points to a GDP-wage relationship of 1.49 for the spin-off impact. We used this ratio to derive an estimate of spin-off GDP by multiplying our estimate of spin-off labour income by 1.49.