

Ontario Media Development Corporation
2014-15 Business Plan
February 18, 2015



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I. Executive Summary

Ontario Media Development Corporation (OMDC) encourages innovation, investment and employment in the province's \$12.4 billion Entertainment and Creative Cluster (ECC).¹ Since its creation in 2000-01, OMDC has been successful in delivering effective support to build the capacity and competitiveness of Ontario's creative media industries. Through a unique and effective toolkit comprised of tax credits, programs and services for the film and television, book and magazine publishing, music and interactive digital media industries, OMDC maximizes opportunities for growth in Ontario and abroad. The entertainment and creative cluster is one of Ontario's fastest growing sectors, outpacing overall provincial growth. Since 2000, the ECC has created over 48,000 net new jobs, an increase of 30% compared to 15% for the overall economy.² Delivering a strong menu of programs, the Agency remains central to the implementation of an economic development strategy for the Province of Ontario's Entertainment and Creative Cluster.

Here are just a few examples of how OMDC plays a vital role in driving economic activity and job creation in the Province of Ontario:

- Aided by scouting and facilitation services through OMDC's **Film Commission** and **LA Office**, and in conjunction with OMDC's toolkit of programs and tax credits, Ontario's film and television industry once again recorded its best year ever contributing \$1.28 billion to the provincial economy in 2012. This activity accounted for almost 29,000 full-time direct and spin-off jobs.³ This represents the highest level of production activity since the Agency started keeping records in 1986, and was achieved despite the continued strength of the Canadian dollar, aggressive competition from other jurisdictions and a soft global economy.
- The **IDM Fund** in 2012-13 contributed \$3.2 million of financing to 24 projects, which leveraged budgets totalling over \$9 million, resulting in nearly 5,400 weeks of work in the province. As of 2012-13, the IDM Fund has contributed approximately \$13 million to support 120 projects which have created over 800 jobs, stimulated \$49 million in production spending in Ontario, and resulted in direct revenues of over \$56 million for completed projects.⁴ In addition to these impressive economic results, our recipients are also regularly recognized for their creativity and innovation:
 - With over 50 million downloads across Android and iOS devices, Get Set Games was recently one of two Canadian mobile game developers, both Ontario-based and OMDC-supported, selected by Apple to be featured during the App Store's 5th Anniversary celebration.
 - OMDC-funded *Guidestones*, co-produced by Smiley Guy Studios and their sister-company, iThentic, is a transmedia project which was distributed online via email and on Facebook as real-time mini-episodes; as interactive on-demand webisodes; and as a linear series which just premiered on CTV.ca, the CTV App and CTV Mobile. The groundbreaking program has launched to universal acclaim, winning an International Emmy in Cannes as well as Canada's "Triple Crown" in digital media – the Banff Rockie Award, the Canadian Screen Award and the Digi-Award for Best Web Series.
 - IDM Fund-supported *Ruby Skye PI* from Story2OH: received 8 awards, including Grand Prize Winner, at LAWebfest.

¹ Statistics Canada Industry GDP, Ontario Ministry of Finance (MOF) and Ministry of Tourism, Culture and Sport (MTCS), Entertainment and Creative Cluster (ECC) Estimates.

² Ibid.

³ Ontario Media Development Corporation (OMDC), Production Statistics, 2012.

⁴ OMDC Program Statistics, September 2013.

- Since 2008-09, the **Industry Development Program** has provided support for 175 OMDC/Industry partnerships with established events and trade organizations to offer initiatives, events and activities that stimulate the growth of the cultural media industries. These events have resulted in over 66,000 business connections for participants. Industry hubs such as Game-On Finance and the Canadian Music Week International Marketplace would not have been possible without OMDC support. The Industry Development Program also supports OMDC partnerships with festivals such as Word on the Street, Hot Docs and TIFF to create new marketing and business opportunities for Ontario's cultural entrepreneurs.
- Since its inception in 2005-06, OMDC's **Film Fund** has invested over \$29 million in 212 feature films, creating over 55,000 weeks of production employment in Ontario. With this investment, Ontario's film industry was able to leverage over \$500 million in additional financing from public and private sources.
 - Five recent Film Fund films screened at the 2013 Toronto International Film Festival, including *The F-Word*, which made international headlines when it was picked up at the festival by CBS Films which paid a rumored \$2.5 million for the U.S. distribution rights.⁵
 - The OMDC-supported documentary *The World Before Her* screened at over 90 film festivals around the world, accumulating many Best Documentary and Audience Choice awards for Storyline Entertainment, including Best Documentary Feature at the 2012 Tribeca Film Festival and Best Canadian Documentary Feature at 2012 Hot Docs.
 - Film Fund-supported feature *Still Mine*, by Director Michael McGowan, surpassed \$1 Million at the Box Office, has a 92% rating on the film review aggregator, Rotten Tomatoes and is #9 on iTunes rentals in Canada.⁶
 - Earlier Film Fund films include *Splice*, which, with over \$25 million in North American box office, is one of the most successful English Canadian films ever, and the Oscar-nominated *Away From Her*, the directorial debut by Ontario's Sarah Polley.
- In 2012-13, OMDC certified an estimated \$428 million in **Tax Credits** for 2,368 projects with total production budgets of over \$4.5 billion. The Tax Credit investment by the Province leverages an additional \$9.53 for every dollar invested for the creation of cultural media content.
- In 2012-13, OMDC supported 204 companies across five creative media industries through the OMDC **Export Fund** to participate in a combined 747 business trips with the aim of exporting their content to a global market. This includes attendance at international markets as well as targeted sales trips to support a corporate strategy for export growth. Since 2008-09 these activities have generated an estimated \$680 million in sales, and represent \$116 in sales for every dollar invested by OMDC.⁷
 - Robert Rose Inc., based in Toronto, is one of North America's leading publishers of cookbooks. As a result of attending the 2012 International Association of Culinary Professionals Conference, supported by the OMDC Export Fund, the company was able to finalize a cookbook project with an author team (they originally met at the same conference 2 years earlier, also attended with Export Fund support) for publication in Spring 2013, and then confirmed a special sale of 66,000 copies of the book with an appliance manufacturer.
 - Ontario's Guru Animation Studio, whose award winning original animated content includes *The Backyardigans*, *Babar* and *Justin Time* has used OMDC Export Fund support to achieve their corporate strategy of finding international partners to license and distribute their work. They have attended important markets such as MIPCOM, MIP Jr., Kidscreen and the Licensing International Expo. As a result

⁵ McNary, Dave, *Variety*. "Toronto: Daniel Radcliffe's 'The F Word' Nears Deal With CBS Films." September 10, 2013. Accessed September 24, 2013, <http://variety.com/2013/film/news/toronto-daniel-radcliffes-the-f-word-nears-deal-with-cbs-films-1200606266/>

⁶ As of September 2013.

⁷ OMDC Program Results 2008-09 to 2011-12.

of this international market activity, the Emmy-nominated *Justin Time* airs in the U.S., Latin America, Australia, Germany and Italy. The show launched in the U.S. on the PBS kids' channel Sprout in April of 2012 and airs on Disney Junior.

OMDC will continue to build on these successes for the rest of 2014-15 through its programs and activities. Detailed interim results through the end of the Second Quarter of 2013-14 and final results for 2012-13 are included in this Plan.

OMDC programs continue to be significantly over-subscribed, as the number of applications received across the Agency continues to grow. While this is an indication that the creative media industries in Ontario are flourishing, the increased demand is reducing OMDC's ability to adequately service new growth and is leading to a decline in overall customer service levels. These pressures need to be addressed in order for OMDC to continue to meet the government's objective of building capacity in Ontario's creative media industries. The Agency gratefully acknowledges the addition of five temporary FTEs to hire Business Officers in Tax Credits. Although these additional FTEs will continue to provide much needed assistance, OMDC is still under-resourced in other program areas and, to the extent possible, we will continue to explore ways to make our business processes more efficient and reallocate resources to areas of need as other projects wind down.

In 2011-12 the Agency conducted an independent strategic review, that confirmed OMDC's effectiveness in supporting Ontario cultural media firms, and recommended ways for OMDC to improve its impact.⁸ The resulting Strategic Plan identifies the OMDC as a key tool in Ontario's strategy to stimulate innovation in the Entertainment and Creative Cluster by delivering funding programs, administering tax credit certification, promoting the province abroad, promoting export sales, and providing business intelligence and economic research into the cultural media industries. While this Strategic Plan has been approved by the OMDC's Board of Directors, and was presented to MTCS in the fall of 2012, the Plan has not yet been presented to the Minister.

The Tax Credit department is currently working with the Ministry of Finance on a risk assessment model, on track to be implemented for all tax credits by the end of 2013-14. This new process will help to clear the file backlog and reduce the application processing time. The risk assessment model has already been implemented for the Ontario Film and Television Tax Credit (Q4 2012-13), the Ontario Book Publishing Tax Credit (Q1 2013-14), and the Ontario Production Services Tax Credit (Q2 2013-14). This has resulted in reductions to the number of weeks files require for review and processing and it is expected that queue times will continue to decrease as the risk assessment model is implemented for the remaining three tax credits and as staff work through the backlog of applications.

The 2013 Ontario Budget announced the creation of a \$45 million Ontario Music Fund (OMF) to be delivered over three years (\$15 million annually).⁹ The OMF was approved by Cabinet at the end of August and was launch at the end of 2013; funding will be delivered and managed by the newly created Ontario Music Office (OMO) within the OMDC. OMDC's existing music programs will be discontinued throughout the duration of the OMF because applicants will be able to apply to the new program for similar activities. The program streams were developed by MTCS and OMDC through consultations with music industry stakeholders and funders. The new fund will support a wide breadth of music sector activities across the entire value chain as well as introduce new stakeholders that were previously unable to access OMDC funding. OMDC worked with MTCS Policy Branch to develop program guidelines and with MTCS Communications Branch on a launch strategy.

⁸ Peter Miller, David Keeble and Richard Cavanagh, *OMDC Strategic Plan: 2012-17*, April 4, 2012.

⁹ MoF, *2013 Ontario Budget*, May 2, 2013, p. 53.

The biggest challenge facing the Agency in 2014-15 is the absence of renewed government support for OMDC's Interactive Digital Media Fund. In the 2012 and 2013 Ontario Budgets the Government's prior four-year financial commitment to the IDM Fund was not renewed. Without this renewed commitment, OMDC base funding is not adequate to support all of its sectors in a predictable and strategic manner. OMDC is preparing a *Business Case* which will request renewed funding to continue the highly effective IDM Fund while maintaining funding support to other important sector funds. In the event funding is not renewed, OMDC will maintain the IDM Fund at \$3 million for 2014-15 with a drawdown from the Agency's cash reserves along with a reallocation of approximately \$1 million from the music fund programs that are being discontinued due to the new Ontario Music Fund. If the Agency is unable to secure a renewed commitment, OMDC is hopeful that the Ministry will again be able to provide a one-time contribution to the IDM Fund in support of this important and high-performing sector. In the event that there is no new support for the IDM Fund and MTCS cannot contribute to the shortfall, a decision will have to be made about a further reserve draw versus program reduction(s).

An evaluation of the IDM Fund completed in 2011 confirmed that the fund is a unique and effective tool for a key growth sector. As of 2012-13, the IDM Fund has invested \$13 million in 120 projects which have created over 800 jobs and stimulated over \$49 million in production spending in Ontario. These projects have also reported over \$56 million in direct revenue and, this number will continue to grow as more of the funded projects are completed.¹⁰ OMDC cannot continue the IDM Fund without receiving an additional investment from the Government, using some of OMDC's available cash reserves, and/or, by reducing the critical support the Agency provides to other sectors and programs. We strongly believe that investment through the IDM Fund in Ontario's dynamic and growing IDM industry will produce the greatest long-term benefit to the Province's economy and, that the IDM Fund plays a crucial R&D role for the Cluster as a whole, and will ensure all of Ontario's cultural media industries continue to be innovative and internationally competitive. Moreover, the evaluation noted that with the current level of unmet demand, projected industry growth, and potential for a broadening of eligible activities, the fund should in fact be significantly larger and would result in proportionately stronger results for the Cluster and the Province.

In response to the ongoing changes in the marketplace, the continued blending of content across sectors and platforms, and evolving business models, in 2014-15 OMDC will work with the Ministry and the industry to develop and launch a new Collaboration & Innovation Fund, with delivery of the first funding cycle planned for 2015-16. Funding to support the initiative will be reallocated from within existing resources. The early expectation is that this new fund would be open to all sectors and that companies would choose to apply for funding under this new program or under the existing program streams, whichever best fits their business model and specific project/objective. While the program will be introduced in early 2015, the first round of commitments will only be made in fiscal 2015-16. Direction for this new program stream came from the OMDC's Board of Directors and is consistent with the Agency's Strategic Plan. OMDC will meet with the Ministry and brief them on the details of the program as they are developed.

The OMDC Collaboration & Innovation Fund will promote next generation business evolution in Ontario's entertainment and creative cluster through support for projects that fit within OMDC's mandate but that currently fall outside of the Agency's existing program parameters. To meet the challenges and embrace the opportunities of the digital economy, Ontario's cultural entrepreneurs need to be constantly exploring new value propositions alongside current-state business models. OMDC has been successful in enabling digital experimentation and transformation through its existing roster of programs and funds, but recognizes that the current sector-specific funding tools are unable to respond to many worthy projects and new business proposals which cross sectors, platforms, or involve non-traditional partnerships. The new fund will respond to this emerging need and will facilitate progression of those gains to the next level; turning daunting challenges into exciting new opportunities for the province's cultural media industries, without eliminating the current tools which are both familiar to the industry and effective in achieving the

¹⁰ Ontario Media Development Corporation (OMDC), program statistics, September 2013.

Agency's economic development objectives. This fund will provide OMDC with further capacity to enhance key government strategic objectives including support for innovation and entrepreneurship; transforming ideas into goods and services; and driving growth and productivity. It will also help to maintain Ontario's competitiveness and continue to support our global position as a digital leader, demonstrating the strength of government programs in supporting business growth and job creation.

Details of OMDC's program recommendations for 2014-15 can be found in the Implementation Plan on page 59.

OMDC's 2012-13 final expenditures were \$34.9 million for accounting purposes, before adjusting for amortization and capital acquisitions. Uncommitted cash reserves at the end of 2013-14 are projected to be \$7.1 million. The value of this uncommitted cash reserve could be significantly diminished if it is necessary for the Agency to continue to finance the IDM Fund through reserves. It should be noted that OMDC's fiduciary practice has been to ensure that the reserve fund is sufficient to cover lease, legislated and severance obligations before considering allocations to support short-term program requirements. While OMDC recommends the use of uncommitted cash to maintain program and service levels until this resource is exhausted, as an alternative to deep program reductions and associated stakeholder response, options for achieving a balanced budget are also provided. Further details can be found in the Financial Forecast Summary beginning on page 45.

This document represents a status quo budget with no increase in either financial or human resources except for those related to the Province's Ontario Music Fund. However, as noted above, OMDC is requesting in its *Business Case* renewed operational funding to maintain the IDM Fund, and the Agency currently has 5 additional temporary FTEs to address inadequate organizational capacity. Together, these modest investments by the Government will ensure OMDC is well-positioned to maintain its momentum in providing effective support to a growing world-class Entertainment and Creative Cluster, which will anchor future economic growth and knowledge jobs in Ontario for years to come.

II. Mandate

OMDC is an operational service Agency of the Ontario Government. OMDC was established on December 19, 2000 by Regulation 672/00 under subsection 32(5) of the *Development Corporations Act*. (Regulation 672/00 amended and replaced Regulation 270 which established the Ontario Film Development Corporation in 1986.)

As described in the Regulation, the objects of the Corporation are to stimulate employment and investment in Ontario:

- (a) by contributing to the continued expansion of a business environment in Ontario that is advantageous to the growth of the cultural media industry and to the growth of new employment, investment and production opportunities in Ontario;
- (b) by facilitating and supporting innovation, invention and excellence in Ontario's cultural media industry by stimulating creative production, format innovation and new models of collaboration among sectors of the cultural media industry;
- (c) by fostering and facilitating co-operation among entities within the cultural media industry and between the public and private sectors to stimulate synergies in product development and the creation of products with original Canadian content;
- (d) by assisting in the promotion and marketing of Ontario's cultural media industry as a world-class leader;
- (e) by administering provincial tax credit programs and such other programs and initiatives as may be required by legislation or a Minister of the Government of Ontario; and
- (f) by acting as a catalyst for information, research and technological development in the cultural media industry provincially, nationally and internationally.

Mission Statement

OMDC's Board of Directors has developed a Mission Statement to guide the Agency in fulfilling its mandate, as follows:

Ontario Media Development Corporation is the central catalyst for Ontario's cultural media cluster. It promotes, enhances and leverages investment, jobs and original content creation.

Governance and Ministry Relationships

OMDC's mandate directly aligns with the Ministry of Tourism, Culture and Sport's (MTCS) vision of supporting the creative and cultural industries¹¹ by helping Ontario's content producers to develop globally competitive media content and to contribute to the growth of the province's knowledge-based economy. As the key delivery mechanism for providing programs and activities to the province's creative media industries, OMDC supports

¹¹ Ontario Ministry of Tourism and Culture, *Results-based Plan Briefing Book*, 2011-12, p. 6.

the Ministry's goal of encouraging expansion of the Entertainment and Creative Cluster and stimulating job creation, economic growth and innovation.¹² OMDC is accountable to MTCS for the fulfillment of its mandate.

OMDC also maintains working relationships with the Ministries of Finance and Economic Development, Trade and Employment in the delivery of programs and maintenance of stakeholder relationships.

Board of Directors

The Corporation is governed by its Board of Directors, consisting of not more than 17 members appointed by the Lieutenant Governor-in-Council (LGIC). The Board Chair and Vice-Chair are designated by the LGIC from among the appointed members. The Board of Directors meets regularly, at least six times a year. OMDC currently has 16 Board members:

Nyla Ahmad
Paul Bronfman
Susan de Cartier
Sharifa Khan
Sarah MacLachlan
Anita McQuat
Bob Richardson
Kevin Shea (Chair)

Patrick Bourbonnais
Alexandra Brown (Vice-Chair)
Nathon Gunn
Leesa Levinson
Ildiko Marshall
Marguerite Pigott
Mark Sakamoto
Blake Tohana

Annual Report, Audit and Investments

The Corporation is required to deliver to the Minister an annual report on its affairs, including audited financial statements signed by the Chair of the Board of Directors and one other Director, and such other materials as the Minister may request. The audit is conducted annually by the Office of the Auditor General of Ontario.

Paragraph 8(3)(e) of OMDC's enabling regulation restricts the investments available to the Corporation. Within these parameters, OMDC's investment strategy is developed in consultation with the Audit Committee of the Board and is approved by the Board of Directors. OMDC currently invests its funds in bankers' acceptances and bearer deposit notes of Schedule I or II banks at prevailing rates for periods as determined under the general direction of the Audit Committee.

Client Service

OMDC conforms to Ontario Public Service (OPS) quality service standards regarding telephone, e-mail and other correspondence. The Agency does not provide over-the-counter services; however, in the event a complaint about procedures or quality of service is expressed by a client we ensure a high calibre of customer service for a resolution. In general, complaints are handled individually by each department under the direction of the department manager. The department manager can exercise judgment in determining what constitutes a complaint, and whether it should

¹² *ibid*, p. 111.

be considered by Senior Managers and/or the Chief Executive Officer (CEO). It is expected that, in the vast majority of cases, the Senior Managers and/or the CEO will recommend a course of action to resolve the complaint. However, the CEO may determine that the complaint should be considered by the OMDC Board of Directors.

The Agency also adheres to all OPS Accessibility legislation and directives; the Agency's Policy on Accessibility Standards for Service to the Public is posted on the OMDC website and available at reception. OMDC supports the Government of Ontario's strategic goal of integrating multiculturalism and diversity into all OPS programs, policies and services. These underlying principles inform all OMDC activities.

The Agency is responsible for its own Information Technology support. In 2009-10 OMDC began the phased launch of an Online Application Portal (OAP) to allow online applications by the public to Agency Fund and Tax Credit programs. Applying for all Tax Credits and OMDC Funds through the OAP is now mandatory. By offering one window through which OMDC stakeholders can submit paperless applications, the Agency is directly contributing to the Government's priorities of protecting and preserving the environment and lowering the cost of doing business. OMDC is currently working to ensure that all of its web-based services meet legislated accessibility standards.

President and Chief Executive Officer and Staff

The President and Chief Executive Officer (CEO) reports jointly to the Board of Directors and the Deputy Minister of Tourism, Culture and Sport. The CEO is responsible for the management of OMDC's programs and staff. Staff are hired under Ontario's *Public Service of Ontario Act, 2007*. The current full-time staff complement is 71, which includes five temporary FTE Business Officer positions in Tax Credits. Staff succession planning, training and development strategies include: making staff and management learning plans a priority, offering cross-training opportunities for interested staff, involving staff in employee engagement activities and getting permission for non-management staff to participate in management training opportunities.

III. Environmental Scan: Assessment of Issues Facing the Sectors and the Agency

Current as of October 25, 2013

Introduction

In the face of a challenging global economic environment and the ongoing transformation of a traditional manufacturing-based economy to one centred on knowledge-based products and services, Ontario's entertainment and creative industries play a key role in driving Ontario's GDP and employment growth. These industries are among the fastest growing sectors in Ontario and between 2005 and 2011, growth in Ontario's Entertainment and Creative Cluster (ECC) outpaced overall provincial growth.¹³ The Ontario Ministry of Finance estimates that since 2000, the ECC created over 48,000 net new jobs, an increase of 30 per cent compared to 15 per cent for the overall economy.¹⁴ For example the provincial film and television industry recorded its best year ever in 2012, contributing \$1.28 billion to the provincial economy and accounted almost 29,000 full-time direct and spin-off jobs.¹⁵ From an international perspective, Ontario is ranked third behind California and New York as North America's top entertainment and media economy and is a world leader in revenue generation and job creation within the creative clusters.¹⁶

OMDC has been identified by the Government of Ontario as playing a leading role in growing the entertainment and creative industries in Ontario. The Government's confidence in the Agency was reaffirmed with the decision to have the OMDC administer the new Ontario Music Fund announced in the 2013 Budget. The Agency's support to companies in the film and television, music, book and magazine publishing, and interactive digital media sectors has positioned these industries to capitalize on global growth in new products and services and to create knowledge-based jobs in Ontario.

Current Environment

Though Ontario's Gross Domestic Product (GDP) has increased by 8.0 per cent since the recessionary low in 2009, Ontario's economy still faces some significant risks, including the ongoing debt crisis in Europe and the continued slowdown of growth in several key emerging market economies, which threatens to reverse recent gains.¹⁷ As of August 2013, the Ontario Ministry of Finance is reporting that private-sector forecasters project Ontario real GDP to be 1.5 per cent in 2013 and 2.3 per cent in 2014.¹⁸ Similarly, the Bank of Canada is cautious about risks to Canada's economy due to slow U.S. growth, the continuing debt crisis in Europe and the deceleration of growth in emerging economies. In the most recent quarterly forecast, the Bank of Canada projects that the Canadian economy will grow by 1.8 per cent in 2013 and 2.7 per cent in both 2014 and 2015, reaching full capacity around mid-2015.¹⁹ However, despite a challenging global economic environment, Ontario continues to experience modest growth and job creation.

PricewaterhouseCoopers (PwC) reports that North American entertainment and media related spending rose by 4.0 per cent in 2012. This is a slight increase over the 3.3 per cent growth in 2011, though less of an increase than anticipated. PwC also projects that from 2012 to 2017 the

¹³ Statistics Canada Industry GDP, MOF, MTCS, ECC Estimates.

¹⁴ Ibid.

¹⁵ OMDC Productions Statistics, 2012.

¹⁶ Ontario Ministry of Tourism and Culture, *Ontario's Entertainment and Creative Cluster: A Framework for Growth*, June 2010, p. 5.

¹⁷ MoF, *2013 Ontario Budget*, May 2, 2013, p. 166.

¹⁸ MoF, *Ontario Finances, Quarterly Update – June 30, 2013*, pp. 1 and 4.

¹⁹ Bank of Canada, *Monetary Policy Report Summary*, July 2013, p. 1.

North American entertainment and media industries will grow at an average of 4.9 per cent compounded annually from CDN \$540 billion to CDN \$685 billion. The projected growth rate for both Canada and the U.S. is also lower than last year. Canadian growth predictions have dropped, from 6.5 to 5.0 per cent compound annual increase and while Canada is still expected to grow at a rate faster than the U.S. (5.0 per cent compared with 4.8 per cent), the gap has narrowed considerably.²⁰

An important strategic consideration for growing Ontario's entertainment and creative industries in 2014-15 will continue to be activities that support Ontario's content producers to maintain markets in developed economies while expanding into emerging economies. The U.S. and U.K. remain Canada's two most important cultural export markets, currently estimated at 79% and 5% respectively of Canada's export trade in cultural services, but the prospects for growth there are limited. Currently Canada exports much less than 1% of its total cultural output to the emerging BRIC economies – Brazil, Russia, India, and China.²¹

Another critical factor influencing Ontario's creative industries is the ongoing disruption of traditional business revenues and the difficulty of developing new business models to meet the resulting revenue gap. The ongoing introduction of new digital platforms and services are a particular challenge for the province's creative media companies. Though traditional revenue streams will remain important, they will be undermined by the proliferation of new digital platforms and ongoing audience fragmentation. As a result, Ontario's content producers over the next five years and beyond will be required to be nimble and flexible as business models and consumers demand change.²² Content producers need support in order to react to the state of constant change in the marketplace, which means they also need access to effective and flexible sources of financing.²³

Digitization, however, also presents a major opportunity for Ontario content companies to develop new types of services, business models and consumer relationships. As digital spending continues to grow and account for a greater share of global industry revenues, Ontario will benefit due both to its strength across all creative media sectors as compared to many other jurisdictions, and to the tendency of revenue streams from new business models to complement traditional business models. However this is a short-term advantage, and will likely be eroded quickly by more competitive and innovative regions.²⁴

Sales of new media platform devices such as smartphones, tablets and e-readers continue to grow at exceptional rates. Gartner estimates that the worldwide shipments of smart connected devices will reach 2.2 billion in 2014.²⁵ In October 2012, Facebook announced that one billion people from around the world used the platform actively each month, and that 600 million did so through their mobile service – most notably seeing its fastest growth in Brazil, India, Indonesia and Mexico.²⁶ In Canada it is estimated that 21% of Canadians own a tablet computer which is three and a half times what the ownership was 12 months prior.²⁷ These examples of rapid adoption of new mobile devices and digital platforms by consumers suggest that creative media companies need to transform businesses quickly in order to successfully compete in an increasingly digital and international marketplace.²⁸

²⁰ PricewaterhouseCoopers (PwC), *Global entertainment and media outlook: 2013-2017*, Entertainment and Media Market by North American Segment, August 18, 2013.

²¹ Statistics Canada, Service bulletin, Culture Services Trade: Data Tables, 2000-2009. Catalogue no. 87-213-X, Table 12.

²² Peter Miller, David Keeble and Richard Cavanagh, OMDC *Strategic Plan: 2012-17*, April 4, 2012, p. 26.

²³ Ibid, pp. 43-44.

²⁴ Ibid, p. 26.

²⁵ "Gartner Says Worldwide PC, Tablet and Mobile Phone Shipments Grow 4.5 Percent in 2013 as Lower-Priced Devices Drive Growth", www.gartner.com/newsroom/id/2610015, October 21, 2013.

²⁶ Hayley Tsukayama, "Facebook hits milestone of 1 billion users", *The Washington Post*, October 4, 2012.

²⁷ Michael Oliveira, "Apple iPad top-selling tablet in Canada", *The Canadian Press*, June 13, 2012.

²⁸ PwC, *Global entertainment and media outlook: 2012-2016*, p. 38.

Mobile apps are another promising business model. PwC estimates that nearly 11 billion apps were downloaded in 2010, and predicts that by 2015, global spending on mobile apps will reach US \$35 billion.²⁹ Ontario and the Greater Toronto Area in particular, has a strong core of companies who are creating mobile content, so the potential for growth is enormous.³⁰

As the global marketplace for digital content continues to expand, producers face a growing challenge in the business of reaching online audiences. Canadian producers of all types of content are now creating a broad range of digital content and products in a truly global online marketplace and success is increasingly being determined by how quickly content creators are able to adopt new techniques and tools for reaching, engaging and holding audiences. The OMDC-supported research study on discoverability by the Canadian Media Production Association (CMPA) suggests that in order to improve the chances of audiences discovering content, producers must begin the relationship with their audience before production even begins and then continue to nurture that relationship well into the future. As each product and media campaign is unique, the costs associated with discoverability are considerable and increasingly carried by the content producers. Discoverability is now central to the development of production of content and producers who are unable to finance this activity may find it to be an obstacle to success.³¹

Copyright reform remains an important issue for the creative industries in Canada, even after the federal government's passage of copyright reform legislation in June 2012. While there is consensus about the need to modernize Canada's copyright provisions, various elements of the new law continue to create debate among Canadian consumers and across the various creative media industries, which hold very different views on how those provisions should be applied. The Copyright Act regulates the production, sale, distribution and consumption of content in both traditional and digital media. Among other things, the government's revisions address personal use, "fair-dealing", and digital rights management.³²

Subsequently, in July 2012, the Supreme Court of Canada ruled on several important copyright royalty disputes for song and video game downloads and "fair dealing" use of text books. Ontario's content producers are waiting to see how the new legislative changes will play out in light of the Court's rulings. It is expected that it will be several years before the new ground rules for copyright use in Canada are established in practice.³³

The Cultural Media Industries in Ontario

Ontario's individual cultural media industries are national leaders with a global reach, and together provide a strong foundation for the province's Entertainment and Creative Cluster. Each has important and unique characteristics, but they all share many of the same opportunities and challenges in facing the realities of a digital global marketplace.

Below is a brief description of Ontario's Film, Interactive Digital Media, Music, Magazine, Book Publishing and Television sectors:³⁴

²⁹ PwC, *Global entertainment and media outlook: 2011-2015*, p. 30.

³⁰ Mobile Experience Innovation Center (MEIC), *Mobile Innovation: Ontario's Growing Mobile Content, Services, and Applications Industry 2012*, pp. 49-50.

³¹ Canadian Media Production Association (CMPA), *Discoverability: Strategies for Canada's Digital Content Producers in a Global Online Marketplace*, 2013, p 4.

³² "Copyright bill finally clears Commons," *CBC News*, June 19, 2012.

³³ Meagan Fitzpatrick, "Supreme Court ruling scraps royalty for music downloads," *CBC News*, July 12, 2012.

³⁴ OMDC regularly compiles industry profiles to provide information on the size and economic impact of each of the cultural media industries, and information on trends and issues facing the sectors. These can be found at [Industry Profiles](#).

Film

- Ontario's film and television industry continues to show strong growth, nearly doubling economic activity in just five years. Film and television production contributed \$1.28 billion to the provincial economy in 2012, the strongest results ever. This activity accounted for almost 29,000 full-time direct and spin-off jobs.³⁵ In 2010, Ontario's thriving computer animation and visual effects industry reported \$156.3 million in revenues, a 60 per cent increase over 2008 figures, contributing an economic impact of \$190 million.³⁶ The Canadian Media Production Association's *Profile 2012* estimates that Canadian theatrical production reached a ten-year high; climbing by 14.1% to \$381 million.³⁷ Foreign financing of Canadian theatrical films more than doubled from \$40 million in 2010-11 to \$95 million in 2011-12.³⁸ Ontario-based productions accounted for 51% of the total volume of Canadian theatrical production.³⁹

Interactive Digital Media

- In 2008 there were approximately 1,000 digital media companies in Ontario employing more than 16,000 people and generating approximately \$1.4 billion in gross revenues.⁴⁰ This sector includes the growing video game industry in Ontario. In 2011 there were an estimated 96 video game companies in Ontario, employing 2,600 people and spending \$238 million annually in the province.⁴¹ Ontario's video game industry is expected to continue to grow in the future.

Music

- Ontario's music industry is the largest in Canada with the highest provincial revenues, \$430 million, or 82 per cent of national revenues.⁴² A 2012 report by Music Canada estimates that Ontario generated 78 per cent of Canada's 3,322 direct and indirect recording industry jobs.⁴³

Magazine

- More than half of the magazines in Canada are produced in Ontario, and almost half of those titles ship to readers outside the province.⁴⁴ Ontario's periodical publishing sector reported 56 per cent of national operating revenues in 2011 for a total of \$1.18 billion.⁴⁵

Book Publishing

- Ontario's book industry remains the largest in Canada generating operating revenues of \$1.3 billion, nearly two-thirds of the national total. Ontario publishers also accounted for 68 per cent of the industry's salaries, wages and benefits.⁴⁶ A recent study of the Ontario-based, Canadian-owned segment of the industry showed an overall decline in size over the period 2003 to 2011, reflecting closures as well as acquisitions of Canadian-owned publishers by foreign-owned multinationals. However, the study also indicates that on the whole,

³⁵ OMDC, Production Statistics, 2012.

³⁶ Computer Animation Studios of Ontario (CASO), *Economic Profile of the Ontario Computer Animation and Visual Effects Industry, 2008-2010*, p. 19 and 34.

³⁷ Canadian Media Production Association (CMPA), *Profile 2012: An Economic Report on the Screen-based Production Industry in Canada*, p. 6.

³⁸ Ibid, p. 58.

³⁹ Ibid, p. 58.

⁴⁰ Nordicity, *Canadian Interactive Industry Profile 2008*, p. 97.

⁴¹ Entertainment Software Association of Canada (ESAC), *Canada's Entertainment Software Industry in 2011*, p. 11.

⁴² Statistics Canada, "Sound Recording and Music Publishing 2010," Table 1, March 2012.

⁴³ Music Canada *Economic Impact Analysis of the Sound Recording Industry in Canada*, April 12, 2012, p. 21.

⁴⁴ TCS Management Consultants, *A Strategic Study of the Magazine Industry in Ontario*, September 2008, p. 3.

⁴⁵ Statistics Canada, "Periodical Publishing 2011", Catalogue no. 87F0005X, Table 1, January 23, 2013.

⁴⁶ Statistics Canada, "Book Publishers 2010," Catalogue no. 87F0004X, Table 1, April 2012.

Canadian-owned, Ontario-based book publishers have adjusted for the economic downturn and have maintained profit margins while adapting business models to meet the needs of a digital marketplace.⁴⁷ Moreover, while Canadian-owned book publishers in Ontario saw a decline in revenue, Ontario still compares favourably to other Canadian provinces including publishers in British Columbia and the Prairie Provinces who experienced even more significant declines in revenues over this period.

Television

- The Canadian Media Production Association's (CMPA) *Profile 2012* estimates that film and television production created 57,900 full-time equivalent jobs (FTEs) in Canada in 2011-12. Twenty two thousand eight hundred of these positions were direct jobs in television production, while 35,100 were indirect jobs created elsewhere in the Canadian economy.⁴⁸ In that year, Ontario accounted for a 48% share of Canadian television production, more than any other province.⁴⁹

OMDC's Current Situation

Ontario companies must be well-capitalized in order to be able to invest in the creation and marketing of content and to be able to find innovative solutions to the challenges of a global digital marketplace. Global market demand for cultural media products among both new and emerging economies is growing at a rate greater than the general economy. In addition, the increasing digitization of content has made it easier for Ontario content creators to reach global audiences. With their high quality and cost-competitive products, Ontario's cultural media content companies are well-positioned to take advantage of this market.

Despite enhanced opportunities to get products to the market, Ontario content companies face increasing competition from other jurisdictions that have also recognized the potential of the entertainment and creative cluster and the skilled, high-paying jobs that go with it. The creative industries now represent a significant and expanding segment of many countries' GDP. As such, Ontario's content creators are facing worldwide competition for talent, investment dollars and market access. OMDC will continue to address the needs of Ontario's content producers by ensuring that they have access to financing, support to market and distribute their products effectively, and the support and opportunity to make important business contacts abroad. The financial assistance provided through OMDC programs and services and the Province's tax credits addresses this need in part, but the Agency also needs to continue to prioritize effective means of collaboration, marketing and market intelligence in 2014-15 to fully maximize the opportunities available and to minimize risks.

Also, without an increase to OMDC's base allocation, the Agency will not be able to maintain its current sector support and maintain OMDC's IDM Fund. Therefore, in a separate *Business Case*, OMDC is seeking renewed support for the IDM Fund to ensure the Agency is effective in meeting its mandate across all the sectors it serves.

Beginning in 2013-14, OMDC will administer a new three-year, \$45 million Ontario Music Fund (OMF) which was announced in the *2013 Ontario Budget* and approved by Cabinet at the end of August. The Ontario Music Fund will be delivered and managed by the newly created Ontario Music Office (OMO), within the OMDC. OMDC's current Music Fund programs will be discontinued in 2014-15 as applicants will be eligible to apply to the OMF for similar activities. Additional work will be required to transition existing and in process OMDC music commitments into the new OMF throughout 2013-14. The OMDC has been given seven additional FTEs to support the new Fund and the FTE dedicated to the current

⁴⁷ Nordicity and Castledale Inc., *An Economic Impact Study of the Ontario Book Publishing Industry*, July 4, 2013, p. 11.

⁴⁸ Canadian Media Production Association (CMPA), *Profile 2012: An Economic Report on the Screen-based Production Industry in Canada*, p. 34.

⁴⁹ Ibid, p. 43.

OMDC Music Fund will transfer over to the OMF. The program launched in 2013-14, including development of program guideline(s), administrative processes and development of new OMF components for OMDC's Online Application Portal, internal database, website and other IT systems. High program demand is anticipated—given the breadth of the Fund, it is expected that OMF applications will more than double the average number of applications OMDC receives annually across its granting programs. OMDC is planning for the impact on agency operations including significantly increased stakeholder interaction and commitment of management time.

Also announced in the 2013 Ontario Budget, OMDC will undergo a review of all government Business Support Programs and Refundable Tax Credits to ensure they are efficiently achieving desired outcomes. The review, which is currently underway, will be completed by 2014-15 but the impact to the Agency's programs and activities, if any, is currently unknown and, depending on the outcome of the review, a shift in agency direction may be required. We are hopeful that the review will provide an opportunity to demonstrate how government support delivered through the Agency has enabled company and sector innovation, evolution and growth as well as an opportunity to modernize and update our tools to ensure that they are aligned to best meet the business needs of the sectors we support in order to achieve even better outcomes for the Province. OMDC is confident that the review will demonstrate that the Agency remains central to the implementation of an economic development strategy for growth and that our programs and refundable tax credits play a vital role in driving economic activity and job creation in the Province of Ontario.

IV. Strategic Directions

For the past three years, OMDC has been provided with a stable level of base funding of \$22.95 million with the intention of allowing the Agency to offer predictable programs and services to its stakeholders and to focus on areas of significant strategic importance to the Province's creative media industries. Beginning in 2013-14, OMDC will also administer a new \$45 million Ontario Music Fund (OMF). This new fund will provide \$15 million per year, in addition to the OMDC's base allocation, for three years.

The biggest challenge facing the Agency in 2014-15 is the absence of renewed government support for OMDC's Interactive Digital Media Fund. In the 2012 and 2013 Ontario Budgets the Government's prior four-year financial commitment to the IDM Fund was not renewed. Without this renewed commitment, OMDC base funding is not adequate to support all of its sectors in a predictable and strategic manner. OMDC is preparing a *Business Case* which will request renewed funding to continue the highly effective IDM Fund while maintaining funding support to other important sector funds. In the event funding is not renewed, OMDC will maintain the IDM Fund at \$3 million for 2014-15 with a drawdown from the Agency's cash reserves along with a reallocation of approximately \$1 million from the music fund programs that are being discontinued due to the new Ontario Music Fund. If the Agency is unable to secure a renewed commitment, OMDC is hopeful that the Ministry will again be able to provide a one-time contribution to the IDM Fund in support of this important and high-performing sector. In the event that there is no new support for the IDM Fund and MTCS cannot contribute to the shortfall, a decision will have to be made about a further reserve draw versus program reduction(s).

An evaluation of the IDM Fund completed in 2011 confirmed that the fund is a unique and effective tool for a key growth sector. As of 2012-13, the IDM Fund has invested \$13 million in 120 projects which have created over 800 jobs and stimulated over \$49 million in production spending in Ontario. These projects have also reported over \$56 million in direct revenue and, this number will continue to grow as more of the funded projects are completed.⁵⁰ OMDC cannot continue the IDM Fund without receiving an additional investment from the Government, using some of OMDC's available cash reserves, and/or, by reducing the critical support the Agency provides to other industries. We strongly believe that investment through the IDM Fund in Ontario's dynamic and growing IDM industry will produce the greatest long-term benefit to the Province's economy and, that the IDM Fund plays a crucial R&D role for the Cluster as a whole, and will ensure all of Ontario's cultural media industries continue to be innovative and internationally competitive. Moreover, the evaluation noted that with the current level of unmet demand, projected industry growth, and potential for a broadening of eligible activities, the fund should in fact be significantly larger and would result in proportionately stronger results for the Cluster and the Province.

OMDC recognizes that supporting the IDM Fund using the Agency's uncommitted cash reserves is not a long term solution. In 2010-11 when OMDC received stable funding the Agency advised MTCS that, while appreciated, the funding received was insufficient to maintain programs at the status quo level and that cash reserves would be used to make up the difference. In addition, cash reserves were used in 2011-12 and 2012-13 to finance the IDM Fund and the additional Tax Credit staff. The Board monitors cash reserves carefully and makes budget decisions in accordance with its responsibility for prudent fiscal management. The Agency has also consistently sought ways to contain costs which has successfully resulted in a reduced reliance on reserves as compared to the original projections in 2010-11.

OMDC actively supports all OPS Accessibility legislation and directives as well as the Government of Ontario's strategic goal of integrating diversity into all OPS programs, policies and services and adheres to all OPS Accessibility legislation and directives. The Agency is committed to

⁵⁰ OMDC Program Results, 2012-13.

continuing to extend its services and programs to ethno-cultural and other special interest/needs groups. For example, in the current year OMDC is supporting the Canadian Ethnic Media Association's Annual Awards, Abilities Arts Festival, Toronto Reel Asian International Film Festival and the ReelWorld Film Festival. OMDC will continue to support similar activities in the year ahead. For the Agency's recently redesigned website, accessibility was the single most important consideration for every design and function decision that was made and enhanced accessibility continues to drive ongoing improvements to the website.

Building on the strategic planning work carried out by OMDC in 2007 and 2008, in 2011-12, the Agency conducted an independent strategic review of its ability to provide the maximum benefit for Ontario's creative media industries. The review resulted in a new *Strategic Plan*⁵¹ that confirms OMDC's effectiveness in supporting Ontario creative media firms, and recommends ways for OMDC to improve its impact. This *Strategic Plan* has been approved by the OMDC's Board and a copy provided to MTCS, the Plan has not yet been presented to the Minister.

The *Strategic Plan* identifies OMDC as key to Ontario's strategy to stimulate innovation in the Creative Cluster by delivering funding programs, administering tax credit certification, promoting the province abroad, promoting export sales, and providing business intelligence and economic research into the creative media industries.

The Plan found that Ontario's creative industries are in a state of flux with equal measures of strength, opportunity and vulnerability. It identifies five key industry challenges:

- **Limited Access to Financing** for cultural media firms;
- **Continuing Instability of Business Models** as new technologies and platforms disrupt traditional revenue models;
- **Limited Revenue from Global Markets** due to a historic reliance on domestic markets;
- **Timeliness of Support** in accessing tax credits; and
- **Gaps in Access to Talent** to grow Ontario cultural media firms in a competitive global market place.

To meet these challenges the Plan identifies five key strategies, two pre-conditions and nine phased initiatives to focus OMDC on achieving continued success:

Pre-conditions:

- **Understanding Key Business Models**
 - *Initiative 1: Expand Scope of Market Intelligence*
- **Working with Government Stakeholders**

⁵¹ OMDC, *Strategic Plan 2012-2017*, April 2012.

Strategies:

A. Improve Support Delivery Process

- *Initiative 2: Engage Partners to Implement Selective Tax Credit Auditing*

B. Maximize Effectiveness (ROI) of Investment Support

- *Initiative 3: Develop ROI Measures*
- *Initiative 4: Engage Partners in Evaluating Support Mechanisms*
- *Initiative 5: Engage Partners to Re-design Support Mechanisms*
- *Initiative 5a: Engage Partners to Examine Loan Guarantees*
- *Initiative 5b: Develop "Lines of Business" Funding*

C. Achieve Greater Adaptability / Flexibility in Support Mechanisms

- *Initiative 5c: Engage Partners to Examine Simpler, More Flexible Tax Credits*

D. Facilitate Partnerships

- *Initiative 6: Develop a Collaborative Innovation Fund (CIF)*
- *Initiative 7: Create Cluster Partnerships Database*
- *Initiative 8: Explore Support for Development Activities*

E. Increase Connections to Export Markets

- *Initiative 9: Continue Export Development Support*

OMDC's programs and activities largely address these strategies and as such, much of the Agency's activities will remain the same for the coming year. However, as a result of the Ontario Music Fund, OMDC's existing music programs will be discontinued in 2014-15 as applicants will be eligible to apply to the OMF for similar activities. Additional work will be required to transition existing and in process OMDC music commitments into the new OMF throughout 2013-14.

In response to the ongoing changes in the marketplace, the continued blending of content across sectors and platforms, and evolving business models, in 2014-15 OMDC will work with the Ministry and the industry to develop and launch a new Collaboration & Innovation Fund, with delivery of the first funding cycle planned for 2015-16. Funding to support the initiative will be reallocated from within existing resources. The early expectation is that this new fund would be open to all sectors and that companies would choose to apply for funding under this new program or under the existing program streams, whichever best fits their business model and specific project/objective. While the program will be introduced in early 2015, the first round of commitments will only be made in fiscal 2015-16. Direction for this new program stream came from the OMDC's Board of Directors and is consistent with the Agency's Strategic Plan. OMDC will meet with the Ministry and brief them on the details of the program as they are developed.

OMDC will also continue to engage in research and communication activities in order to make sure that cultural media industries have access to the market information they need and that their issues are brought to the attention of all levels of government. We will also continue to publicly celebrate and promote the success of Ontario's content creators to domestic and international audiences.

2014-15 Goals

Goals for 2014-15 have been developed by management and OMDC's Board of Directors based on the directions coming from the *Strategic Plan* as outlined above. While the goals are numbered for organizational purposes, this is by no means intended to imply a prioritization of any one goal over another. That being said, the need to improve access to financing continues to be crucial for all of the cultural media industries. Without the ability to adequately capitalize their companies, content creators are not able to properly invest in new digital activities, adapt to emerging business models, produce high-quality content, or market strategically.

OMDC will continue to support the development of the province's Entertainment and Creative Cluster, specifically the book, magazine, interactive digital media, music, film and television industries, through the following five goals. The Agency will also continue to manage its resources in an effective, accountable and transparent fashion consistent with the Transfer Payment Accountability Directive.

Goal #1: Improve Access to Financing

Improve Ontario's cultural media industry's competitive position by maximizing effectiveness of OMDC investment support and enhancing additional private equity and public investment.

Strategies:

1. Monitor and continue to improve effectiveness of streamlined tax credits process.
2. Deliver programs that assist companies in accessing financing from public and private sources.
3. Maximize effectiveness of OMDC programs and services.

Goal #2: Enable Business Evolution

Promote innovation by creating opportunities for Ontario's cultural media companies to become leaders in the rapidly changing business and digital environments.

Strategies:

1. Provide support to business evolution activities and research.
2. Renew OMDC programs and services to maintain maximum adaptability and flexibility in a constantly changing business environment.

Goal #3: Support Content Development and Market Access

Support Ontario's cultural media companies in accessing international and domestic markets, developing quality content and promoting Ontario as a world-class centre of media production.

Strategies:

1. Invest in the creation of world-class content that creates jobs and furthers investment in the province of Ontario.
2. Enhance business connections for Ontario media companies to improve access to markets and platforms.
3. Promote Ontario internationally as a world-class centre of media production.

Goal #4: Encourage Collaboration

Encourage collaboration within the cultural media industries and across Ontario's Entertainment and Creative Cluster.

Strategies:

1. Facilitate partnership opportunities between and among the cultural media industries.
2. Develop opportunities to work with government stakeholders and the broader creative cluster to stimulate knowledge transfer and innovative business opportunities.

Goal #5: Provide Strong Leadership in Advancing Ontario's Cultural Media Industries

Model strong and innovative leadership through demonstrated organizational effectiveness and operating efficiency, value as an information hub for stakeholders and government, and champion for Ontario's cultural media industries.

Strategies:

1. Maximize OMDC organizational effectiveness and operating efficiency to ensure optimal resource allocation, productivity and media reach.
2. Provide timely market intelligence on evolving business environment to inform policy and programs and increase the competitiveness of Ontario companies.
3. Be a champion for Ontario's cultural media industries.

V. Overview of Agency's Current and Future Programs and Activities

Since its creation, OMDC has consistently demonstrated its ability to deliver results in the creative media industries by providing a high-impact menu of programs and services which create jobs and investment for the province of Ontario. Beginning in 2013-14, OMDC will administer a new Ontario Music Fund and OMDC's existing music programs will be discontinued because applicants will be able to apply to the new program for similar activities. Discontinuing the Music Fund and the Export Fund allocation for the music sector is anticipated to free up \$1 million that will be allocated to the OMDC's Interactive Digital Media Fund. In the 2012 and 2013 Provincial Budgets, the Government of Ontario did not renew its commitment to support OMDC's Interactive Digital Media Fund, and as a result, the Agency no longer has the financial resources within its core funding to support the dynamic and growing IDM sector in Ontario. OMDC is therefore submitting a separate *Business Case* to request renewed IDM Fund support. If that *Business Case* is not successful, OMDC will recommend maintaining the vital IDM Fund by reallocating \$1 million from the discontinued OMDC Music Fund programs in combination with a draw-down from the Agency's cash reserves to maintain the IDM Fund at \$3 million in 2014-15.

Overview of Current Programs and Activities

OMDC strives to effectively and efficiently deliver its programs and initiatives and engages in partnerships with the public and private sectors to leverage resources and services for the benefit of the sectors we serve. OMDC is committed to ongoing analysis and continuous improvement in its undertakings. OMDC staff has demonstrated its capacity to deliver meaningful, results-based initiatives to clients in all of the sectors it serves. The achievements outlined in this section reflect OMDC's 2012-13 and 2013-14 Performance Measures Results as available at the end of the Second Quarter of 2013-14. In 2013-14, in addition to delivering programs and services, OMDC staff attended client meetings, industry events and activities and professional development opportunities, and will continue to do so regularly.

OMDC works cooperatively with the Ministries of Finance (MOF); Government Services (MGS); Tourism, Culture and Sport (MTCS); and Economic Development, Trade and Employment (MEDTE) on collaborative initiatives if and when they arise. OMDC will continue these relationships and will also continue to brief MTCS prior to the launch of new initiatives and to share the Agency's research work and data. OMDC also has regular intergovernmental contact with peer organizations through national organizations such as the Association of Provincial Funding Agencies, National Tax Credits Committee, Telefilm's International Business Development Group and the Association of Film Commissioners International. OMDC also regularly meets with other MTCS Agencies in a roundtable to discuss common issues of Human Resources, Financial Services, Information Technology, and Communications.

As noted above, if the *Business Case* for renewed funding is unsuccessful, OMDC will recommend maintaining the IDM fund by reallocating \$1 million from the temporarily discontinued OMDC Music Fund programs in combination with a drawdown from the Agency's cash reserves. OMDC is hopeful that the Ministry will again be able to provide a one-time contribution to the IDM Fund in support of this important and high-performing sector. In the event that there is no new support for the IDM Fund and MTCS cannot contribute to the shortfall, a decision will have to be made about a further reserve draw versus program reduction(s). Details of OMDC's program funding options for 2014-15 can be found in the Implementation Plan beginning on page 59.

OMDC offers its programs and activities through four departments:

1. **CEO and Communications:** Encompasses the office of the President and CEO and the Communications staff, who are responsible for supporting the Agency in all its Communications activities as outlined in the Communications Plan in Section XIII.
2. **Business Affairs and Research Group:** Provides the strategic direction and operating structure to enable the Corporation to achieve its objectives, including strategic and business planning, research and statistics, financial services, information technology support and corporate operations. Supports the Ministry and industry through the collection and dissemination of industry statistics and raising awareness of industry issues to federal bodies (e.g., Canadian Radio-television and Telecommunications Commission, Canada Media Fund). HR services are provided by the Ministry of Government Services through its centralized HR Ontario service.
3. **Industry Development Group:** Comprising the Industry Initiatives, Film Unit (also known as the Film Commission), and the new Ontario Music Office, the Industry Development Group provides opportunities for the cultural media industries to create products, market completed products, undertake strategic initiatives that grow companies and help them access new markets, collaborate across and within sectors and attract and support production activities in Ontario as well as collecting statistics on those production activities. The Group provides support to industry organizations to develop and offer initiatives specific to business development as well as monitoring deliverables and results collection related to funded initiatives.
4. **Tax Credits and Financing Programs Group:** Co-administers six refundable tax credits with the Canada Revenue Agency (CRA). The Group provides input to MTCS and collects and monitors statistics related to tax credit activity that inform policy advice to the Ministry of Finance (MOF) on the status of creative media industries and the effectiveness of the tax credits.

Programs and Activities

OMDC offers programs and activities in support of the corporate goals outlined in the previous section. Below we have provided some highlights of the programs offered and activities carried out in 2013-14. The programs and activities that follow are organized by goal, however, it should be noted that all programs and activities address more than one of the Agency's goals.

For easy reference, we have also prepared an Activity Map that demonstrates the full impact of OMDC activities across the Agency's Goals and Strategies on a single sheet, found on page 24.

OMDC Activity Map

ACTIVITY	Goal #1: IMPROVE ACCESS TO FINANCING Strategies: - Streamline administration of tax credits. - Deliver financing programs. - Maximize effectiveness of programs and services.	GOAL #2: ENABLE BUSINESS EVOLUTION Strategies: - Provide support to business evolution activities and research. - Regularly renew programs and services.	GOAL #3: SUPPORT CONTENT DEVELOPMENT AND MARKET ACCESS Strategies: - Invest in the creation of world-class content. - Enhance business connections. - Promote Ontario.	GOAL #4: ENCOURAGE COLLABORATION Strategies: - Facilitate partnership opportunities. - Stimulate knowledge transfer and innovative business opportunities.	GOAL #5: PROVIDE STRONG LEADERSHIP Strategies: - Maximize organizational effectiveness. - Provide timely market intelligence. - Be a champion.
Communications Activities			✓	✓	✓
Content and Marketing Funds	✓	✓	✓		
Content and Marketing Fund Program Reviews		✓			✓
Corporate and IT Initiatives					✓
Export Fund			✓		
Film Unit			✓		✓
Industry Advisory Committees				✓	✓
Industry Development Program		✓	✓	✓	
International Business Development	✓		✓	✓	
OMDC-led initiatives (i.e., IFF at TIFF)			✓	✓	✓
Research Activities	✓	✓		✓	✓
Sector Champion Activities					✓
Strategic Plan	✓	✓	✓	✓	✓
Tax Credits Programs	✓	✓	✓		
Tax Credits Risk Assessment	✓				✓
Trillium Book Award			✓		
Ontario Music Fund	✓	✓	✓	✓	

Industry Engagement Activities

OMDC programs and activities are informed and enriched by regular stakeholder engagement that enhances the Agency's ability to successfully fulfill its mandate. Formal stakeholder engagement takes place through OMDC's five Industry Advisory Committees: Book, IDM, Magazine, Music, and Screen-based. The Advisory Committees are made up of stakeholders nominated by the various industry trade organizations for a term of up to three years. An Industry Co-Chair is nominated by each Committee and the OMDC CEO serves as the Agency's Co-Chair. The Co-Chairs alternate the responsibility for chairing the meetings, which will occur at least twice in 2012-13. The role of the Advisory Committees is threefold:

1. To provide high-level stakeholder input into OMDC planning and program development and design.
2. To support two-way communication between the Agency and its stakeholders, including the opportunity to make presentations to the OMDC Board of Directors where appropriate. Committee members are expected to represent the views of their sectors and to consult with their sector colleagues in advance of meetings.
3. To inform OMDC of emerging stakeholder issues and priorities.

On occasion, subcommittees of the larger Advisory Committees are struck to provide input on specific OMDC programs or documents.

Staff from all departments are active participants in OMDC's Industry Advisory Committees and staff conduct ongoing consultation with industry and stakeholders on issues, services and program offerings. Staff also engage in outreach activities to improve understanding of the requirements and application processes for all OMDC programs and Tax Credits. These include information sessions and participation in industry panels.

Goal #1: Improve Access to Financing

Stakeholders in the creative media industries continue to identify access to financing as the most important issue facing their businesses. OMDC will continue to work with stakeholders to identify opportunities for companies to develop improved access to sources of public and private financing.

All OMDC Funds provide financing to Ontario's content creation firms through support for content creation, domestic and international marketing activities and business development activities. Descriptions of these Funds can be found under other goals in this section.

Tax Credits

- OMDC co-administers the following six refundable tax credits with the Canada Revenue Agency (CRA) on the basis of eligible expenditures for the film, television, interactive digital media, book publishing and music industries:
 - **Ontario Film and Television Tax Credit (OFTTC):** a refundable tax credit to eligible Ontario-based Canadian corporations of 35% of qualified Ontario labour expenditures for eligible film and television productions.
 - **Ontario Production Services Tax Credit (OPSTC):** a refundable tax credit to eligible Ontario-based Canadian and foreign-controlled corporations of 25% of qualified Ontario expenditures for eligible film and television productions.

- **Ontario Computer Animation and Special Effects (OCASE) Tax Credit:** a refundable tax credit to Ontario-based Canadian and foreign-controlled corporations of 20% of qualifying Ontario labour expenditures for digital animation and digital visual effects created in Ontario for film and television productions.
 - **Ontario Interactive Digital Media Tax Credit (OIDMTC):** a refundable tax credit to eligible Ontario-based Canadian and foreign-controlled corporations of 40% of eligible Ontario expenditures for interactive digital media products created in Ontario (35% for fee-for-service).
 - **Ontario Sound Recording Tax Credit (OSRTC):** a refundable tax credit to eligible Ontario-based Canadian corporations of 20% of qualifying production and marketing expenditures for eligible sound recordings performed by an emerging Canadian artist or group.
 - **Ontario Book Publishing Tax Credit (OBPTC):** a refundable tax credit to eligible Ontario-based Canadian corporations of 30% of eligible expenditures for eligible literary works created in Ontario.
- In 2012-13, OMDC issued 1,714 eligibility certificates totalling almost \$428 million in tax credits, supporting 2,368 film, television, book, music and interactive digital media projects in the province of Ontario with project budgets totalling over \$4.5 billion.
 - The Tax Credits Group continues to work with MTCS and MOF to maximize the accessibility and effectiveness of the tax credits. In 2012-13 OMDC conducted an independent review of the Ontario Interactive Digital Media Tax Credit (OIDMTC). The study demonstrated that for every dollar rebated to IDM companies through the OIDMTC between 2008 and 2012, \$4.97 was spent on development and marketing and \$2.39 was generated in revenue.⁵² During this same period, the development and sales of Ontario Interactive Digital Media Tax Credit-supported products created 4,360 incremental full-time equivalent jobs and generated incremental GDP of \$384.6 million.⁵³ The report also included options for the continued evolution of the OIDMTC that, if implemented, have the potential to improve the effectiveness of the Tax Credit for Ontario's cultural industries.
 - In 2009-10 OMDC launched the Online Application Portal (OAP) and as of March 31, 2010 all six tax credits were available online for public access. In 2010-11 the OAP was updated with a new module to allow for yearly filings by digital game companies and enhanced for ease of use by applicants. In 2011-12, tax credit filing through the OAP was made mandatory in order to introduce efficiencies in the administrative process.
 - In 2011-12 the Agency began efforts to implement a risk assessment process in partnership with MOF to improve the effectiveness of OMDC tax credit programs for stakeholders. A significant increase in application volume over several years and the long-standing under-resourcing resulted in a backlog of tax credit files requiring review. The Agency was given permission to temporarily hire five additional Business Officers to help partially address the growing queue of unprocessed applications. During this period a risk assessment model was implemented for the Ontario Film and Television Tax Credit (Q4 2012-13) and risk modelling for the other tax credits was underway.

⁵² Nordicity, *An Analysis of the Impact of the Ontario Interactive Digital Media Tax Credit*, a report prepared for Ontario Media Development Corporation, February 2013, p. 65.

⁵³ Ibid, pp. 51, 55.

- In 2013-14 the risk assessment model was successfully implemented for the Ontario Book Publishing Tax Credit (Q1) and the Ontario Production Services Tax Credit (Q2) and this has resulted in reductions to the number of weeks files require for review and processing. It is anticipated that the risk assessment model will be in place for all six tax credits by the end of 2013-14. While successful process changes will in the long term reduce the backlog, they will take time to implement. Therefore we gratefully acknowledge the government's permission to extend the five additional temporary Business Officers.
- In 2014-15 the Agency will continue its efforts to reduce the backlog of tax credit files and to monitor the risk assessment models in order to continue to improve their effectiveness and reduce review and processing times where possible.
- The Canadian Media Production Association's 2013 *Profile* of the screen-based industries credits changes to Ontario's production services tax credit, from qualifying labour expenditures to a qualifying spend tax credit, as helping Ontario "buck the trend" towards lower foreign location services in Canada.⁵⁴ Foreign location service production in Ontario increased by 71 per cent in 2011-12, from \$224 million to \$382 million.⁵⁵

Goal #2: Enable Business Evolution

The ongoing disruption of business models by innovations such as digital distribution within the creative media industries has made it challenging for many Ontario companies across all sectors to adapt to an increasingly global marketplace. While there are growing opportunities for digital content creation and distribution, there are also corresponding threats. Stakeholders report not having enough resources to adequately invest in initiatives to keep their businesses "ahead of the curve" with regard to rapidly evolving business models. For the foreseeable future the instability of business models is the only certainty in the creative industries. The programs outlined under this goal have been specifically identified as addressing this issue, but it should be noted, however, that all OMDC programs and services speak to this issue to a certain extent.

The *Strategic Plan* identifies the need to have programs and services that are both adaptable and flexible in order to make sure that government investment in these sectors achieves maximum effectiveness even as the business environment continues to evolve. Therefore, during 2013-14 OMDC will continue to monitor our programs, activities, definitions and internal policies to ensure they are as flexible and responsive as possible in supporting the creative industries in the digital economy. This may include changes to OMDC Funds, as well as working with government partners to identify ways to introduce flexibility into tax credits. Also as noted earlier, there will be a necessary reduction of support and associated results from affected program Funds if IDM funding is not restored to the Agency.

OMDC Book Fund

- The OMDC Book Fund provides funds of up to \$100,000 for Ontario-based, Canadian-owned publishers to increase their financial viability and overall business growth by supporting marketing initiatives which profile the works of Canadian authors to both foreign and domestic markets. Applicants can also apply for activities that build on or leverage existing digital capacity that best suit their individual corporate goals.
- The objectives of this program are to provide opportunities for book publishers to build capacity, increase sales revenue and grow their companies.

⁵⁴ Canadian Media Production Association (CMPA), *Profile 2012: An Economic Report on the Screen-based Production Industry in Canada*, pp. 76-77.

⁵⁵ Ibid, p. 77.

- An independent review of the OMDC Book Fund was completed in February 2013.
- Between 2005-06 and 2012-13 the OMDC Book Fund has invested \$12.2 million to support 322 projects led by 62 publishing companies. The Book Fund helped create 166 new highly skilled jobs in the Ontario publishing sector, and contributed to the retention of over 700 direct and indirect jobs. Since its inception the Book Fund has increased publisher revenues by \$44.3M, market share by 20% and profits by 15% (on average).⁵⁶
- In 2013-14 the Book Fund received 51 applications and supported 35 projects with just over \$2.1 million for project budgets totalling more than \$3.5 million. Of those 35 projects, 94% included a digital component.
- Results for this program are measured by return on investment (ROI) which represents the value of sales generated by a project for every dollar invested by OMDC.

OMDC Magazine Fund

- The OMDC Magazine Fund provides funds of up to \$75,000 for Ontario magazine publishers proposing business development projects with clear objectives and measurable results, including circulation, newsstand and ad sales projects, magazine makeovers, the exploration and implementation of new content strategies, new magazine start-ups and digital enhancement activities for their businesses.
- The objectives of this program are to provide opportunities for magazine publishers to build capacity and grow their companies through increased competitiveness and sales to support the creation of content by Ontario companies.
- In 2012-13, OMDC implemented a number of recommendations and refinements that came out of an independent review of the Magazine Fund. New for 2012-13, the Fund introduced a Digital Magazine Pilot to provide support for a limited number of digital-only magazine publishers and an increased emphasis on innovation for applicant companies. This was renewed in 2013-14.
- Between 2005-06 and 2011-12, the OMDC Magazine Fund has invested \$7.9 million which has generated revenue of \$23.9 million for 103 Ontario magazine publishers. This activity is estimated to have created 170 new jobs, and represents a three to one return on OMDC's investment.⁵⁷
- In 2013-14 the Magazine Fund received 63 applications, and the jury awarded \$19 million to 51 projects with budgets totalling \$4.1 million.
- Results for this program are measured by the leverage value of projects supported, and the ROI which represents the value of sales generated by a project for every dollar invested by OMDC.

⁵⁶ Communications MDR, OMDC Book Fund Program Evaluation, February, 2013.

⁵⁷ TCI Management Consultants, OMDC Magazine Fund Program Evaluation, May, 2012.

OMDC Music Fund

- The OMDC Music Fund provides funds of up to \$60,000 to Ontario-based, Canadian-owned record labels, music publishers and artist management firms for the implementation of new strategic business and marketing initiatives. Applicants can also apply for projects that have a digital focus.
- The objectives of this program are to provide opportunities for companies in the music industry to build capacity and grow their businesses through increased competitiveness and sales and to support the creation of content by Ontario companies.
- In 2013-14, the Music Fund received 36 applications and supported 14 companies that received \$688,375 in support for 22 projects with budgets totalling \$1.36 million. The projects that received support in 2011-12 were able to leverage an additional \$0.99 in funding for every dollar invested by OMDC, with sales results still to come. Of the 34 projects supported, 67% involved a digital component.
- From 2005-06 to 2011-12 the OMDC Music Fund has invested a total of \$3.42 million in 117 initiatives. Recipient companies have attributed revenues of \$14.3 million to Music Fund support, and report approximately 112 new jobs. This represents a four to one return on OMDC's investment.⁵⁸
- Results for this program are measured by the leverage value of projects supported, and the ROI which represents the value of sales generated by a project for every dollar invested by OMDC.
- In 2014-15 the OMDC Music Fund will be discontinued as applicants will be eligible to apply to the new Ontario Music Fund for similar activities.

Goal #3: Support Content Development and Market Access

The following programs and activities support Ontario's creative media companies in accessing international and domestic markets, developing quality content and promoting Ontario as a world-class centre of media production. In all cases OMDC strives to make our programs adaptable and flexible in order to make sure our support is as effective as possible for the industries we serve.

OMDC Interactive Digital Media Fund

- Though funding for the IDM Fund was not renewed in the 2013 Provincial Budget, OMDC was able to maintain the Fund in the 2012-13 year at \$3 million by using a second \$1 million one-time contribution from MTCS, a \$1 million draw from OMDC's cash reserves and the reallocation of \$1 million from other OMDC programs. **OMDC is submitting a *Business Case* to request an annual allocation of a minimum \$3 million to expand support to this vital sector through the IDM Fund described here. If the *Business Case* is not successful, OMDC will maintain the IDM Fund at \$3 million through a combination of drawing from its cash reserves and reallocating funds from the music sector programs temporarily discontinued due to the new Ontario Music Fund.**

⁵⁸ Nordicity, OMDC Music Fund Program Evaluation", October 2012.

- OMDC's IDM Fund was designed to provide Ontario interactive digital media content companies with access to the final piece of funding required to move their proprietary projects into production. Successful applicants received a non-refundable contribution up to \$150,000 to create a market-ready interactive digital content product.
- The IDM Fund commenced in 2005 and was renewed in 2008 by the Provincial government to encourage growth in Ontario's innovative economy. As of 2012-13, the IDM Fund has contributed approximately \$13 million to support 121 projects which have created over 800 jobs, stimulated \$49 million in production spending in Ontario, and resulted in direct revenues of over \$56 million for completed projects.⁵⁹
- The objectives of this program are to support the creation and exploitation of original content by Ontario companies and to provide opportunities for interactive digital media content producers to build capacity and grow their companies.
- OMDC's IDM Fund recipients have been recognized for their creativity and innovation in a variety of platforms.
 - *Sound Shapes*, an IDM Fund-supported game from Queasy Games, won Best Game on the Go and Best Game Innovation at the Canadian Video Game Awards. *Sound Shapes* was also nominated for the Game Developers Choice award for Best Handheld/Mobile game.
 - IDM Fund-supported *Guidestones* from iThentic received an International Emmy Award for Best Digital Program – Fiction. *Guidestones* also received a Canadian Screen Award for Best Original Program or Series for Digital Media.
 - IDM Fund-supported *Ruby Skye PI* from Story2OH: received 8 awards, including Grand Prize Winner, at LAWebfest.
- In 2011-12 OMDC had the IDM Fund independently reviewed and the results demonstrate the Fund's ability to leverage additional economic activity in Ontario's interactive digital media sector. It found that between 2005 and 2011 the Fund has leveraged \$25.3 million in Ontario labour expenditures and generated direct company revenues of \$56 million.⁶⁰ Without the continuation of the IDM Fund, this extra economic activity and job creation would be lost.
- In 2013-14, OMDC received 77 applications with a request for \$9.2 million in funding with adjudication scheduled for November. In the previous year, 24 projects received \$3.2 million with budgets totalling \$9.1 million. The projects that received support in 2012-13 were able to leverage an additional \$1.83 in funding for every dollar invested by OMDC, with 5,369 weeks of jobs created and/or retained.
- Results for this program are measured by the number of jobs created and/or retained, and the leverage value of OMDC's contribution to each project.

⁵⁹ Ontario Media Development Corporation (OMDC), program statistics, September 2013.

⁶⁰ Revised revenue figure current as of August 2013.

OMDC Film Fund

- The OMDC Film Fund provides support to Ontario feature film projects that are ready for production or in the final stages of development. The Fund has two components:
 - Development – Provides funding in the form of an interest-free loan of up to \$25,000 for the final development stage.
 - Production – Provides funding in the form of a repayable advance of up to \$400,000 on a last-in basis to complete the production financing of a feature film.
- The objectives of this program are to increase investment and jobs in Ontario by Ontario-based feature film production companies, to assist in capitalizing Ontario-based feature film production companies and to increase the number of high quality, original feature films produced in Ontario by Ontario-based production companies.
- There are two deadlines for the Fund in 2013-14, and 76 applications were received (59 production, 17 development) for the first deadline in April. This represents a 58% increase over the amount of production applications for the first deadline in 2012-13. The total requested amounts were \$14,421,430 for production and \$425,088 for development, and \$2,165,000 million was awarded to assist in the production and development of 23 domestic feature films. A second deadline will occur later in the fiscal year.
- Since 2005-06, OMDC has invested over \$29 million in 212 feature films, creating over 55,000 weeks of production employment in Ontario with total budgets over \$500 million. Many of these films have also gained critical acclaim both at home and abroad. For example, five Film Fund films screened at the 2013 Toronto International Film Festival (TIFF), including *The Art of the Steal*, *Enemy*, *The F Word*, *The Husband* and *Watermark*. Director Michael Dowse's *The F Word* made international headlines when it was picked up at the festival by CBS Films which paid a rumored \$3 million for the U.S. distribution rights.⁶¹ Film Fund-supported feature *Still Mine*, by Director Michael McGowan, surpassed \$1 Million at the Box Office, has a 92% rating on the film review aggregator, Rotten Tomatoes and is #9 on iTunes rentals in Canada.⁶²
- Results for this program are measured by the number of jobs created and/or retained, and the leverage value of OMDC's contribution to each project.

International Business Development

- Growth of international markets has been a priority for all of Ontario's creative media sectors to offset the limited size of the domestic marketplace and shrinking shelf space for cultural products. It also leverages digital distribution opportunities which are disrupting traditional business models. OMDC's new *Strategic Plan* identifies the Agency's success in helping Ontario cultural producers reach international markets as well as the importance of continuing the development of new markets. OMDC's International Business Development activities

⁶¹ McNary, Dave, *Variety*. "Toronto: Daniel Radcliffe's 'The F Word' Nears Deal With CBS Films." 10 September 2013. (<http://variety.com/2013/film/news/toronto-daniel-radcliffes-the-f-word-nears-deal-with-cbs-films-1200606266/>)

⁶² As of September 2013.

include delivering the OMDC Export Fund as well as delivering strategic initiatives in markets where a clear business opportunity has been identified. It also includes support for collaborative initiatives such as Canada Stand support at international markets.

- In 2006-07, OMDC, in response to feedback from stakeholders, moved to a single Export Fund to support all export activities. Support is awarded to sustain a slate of activities over the course of a year, including market event attendance and targeted sales trips. The objectives of this program are to enhance support for Ontario companies to access the global marketplace, increase international sales levels, attract investment in new projects and to provide support for the commercial exploitation of cultural products.
- In 2012-13, the Export Fund supported 204 companies to attend 356 international markets. The International Business Development program organized a strategic presence at 25 markets including the Cannes Film Festival, MIPCOM, Frankfurt Book Fair, Nordic Co-production Forum, and the South by Southwest Music Festival.
- OMDC also undertakes strategic international business development activities in the form of industry missions, support for pavilions/stands at international markets, and targeted business-to-business networking opportunities.
- Results for the Export Fund are measured by ROI (which represents the amount of sales generated by a project for every dollar invested by OMDC), and the number of foreign markets attended by program participants. Results for International Business Development are measured by the number of markets at which OMDC has organized a strategic presence.

Trillium Book and Poetry Award/Prix Trillium

- The Industry Development Group delivers the Trillium Book and Poetry Award/Prix Trillium recognizing literary excellence in Ontario. A jury of peers is coordinated and managed by OMDC to select the short-listed titles and winners of four separate prizes.
- The 26th Annual Trillium Award received 390 submissions. OMDC hosted a public reading for the nominated authors the evening prior to the Awards. The winners were announced at an industry ceremony on June 18, 2013. The Minister of Tourism, Culture and Sport, Michael Chan, presented the following awards:
 - *Dear Life: Stories* by Alice Munro for the Trillium Book Award in English-language
 - *Bleu bémol* by Paul Savoie for the Trillium Book Award in French-language
 - *Probably Inevitable* by Matthew Tierney for the Trillium Book Award for Poetry in English-language
 - *Un moine trop bavard* by Claude Forand for the Trillium Book Award for Children's Literature in French-language
- The deadline for submissions for the 27th Annual Trillium Award/Prix Trillium will be in the Fourth Quarter of 2013-14 and the Award winners will be announced in the First Quarter of 2014-15.

Film Unit

- The Film Unit serves as Ontario's Film Commission and offers services to attract film and television production as well as post-production, animation and visual effects activities to Ontario. These services include complimentary location scouting to all productions, both domestic and foreign, that are considering Ontario as a location, as well as marketing missions, familiarization tours, and facilitation and troubleshooting support to productions shooting in the province. The objectives of the Unit are to increase film and television production activity in Ontario by promoting the advantages of filming in the province. The Unit also collects statistics on this production activity. In the First Quarter of 2013-14 34 projects were provided with scouting assistance by the Film Unit.
- Ontario's film and television industry recorded its strongest year ever in 2012 contributing \$1.28 billion to the provincial economy – a \$20 million increase over the previous calendar year. The \$1.28 billion in production activity accounted for almost 29,000 full-time direct and spin-off jobs. Following last year's performance, this represents the highest level of production activity since the agency started keeping records in 1986, and was achieved despite the continued strength of the Canadian dollar, aggressive competition from other jurisdictions and a soft global economy.
- OMDC, in partnership with the City of Toronto and with support from FilmOntario, maintains a full-time marketing presence in Los Angeles, providing on-the-ground marketing to attract production to Ontario and support to Ontario's screen-based content creators. The L.A. Office continues to make a significant contribution to Ontario's foreign production activity. In 2012-13, five productions which brought \$75 million in economic activity to the province were assisted by the Office. This figure refers to those film and television productions that were "leads" initially generated by the L.A. Office. OMDC is the managing partner of the Office.
- The size of the image collection in the award-winning Digital Locations Database continues to increase. As of September 24, 2013, there were 11,541 portfolios in the database, representing over 249,283 individual images. Users of the system are made up of local freelance production personnel, domestic and international producers and OMDC staff, who use the system to create marketing packages. In the First Quarter of 2013-14, 124 of these packages were created. The database continues to be improved to better serve the needs of users, including recently installed system enhancements.
- In 2013-14 an online searchable database version of the Production Guide will be made available for the first time.

Funding to the Toronto International Film Festival Group

- OMDC is the mechanism by which the Government flows annual funds (\$815,000 in 2013-14) for the care and maintenance of the Province's film collection at Cinémathèque Ontario, pursuant to a tri-partite Memorandum of Understanding between the Ministry, the Agency and the Toronto International Film Festival Group (TIFFG).
- In 2013-14, OMDC also provided \$300,000 in operating support to the Toronto International Film Festival (TIFF). The Agency also provided \$150,000 to the TIFF Sales Office during the Festival and \$30,000 to TIFF's Film Circuit through the Industry Development Program to support and promote the exhibition of Canadian films across Ontario. Finally, OMDC provided \$20,000 to TIFF Kids through the Industry Development Program in 2013-14.

Goal #4: Encourage Collaboration

OMDC's *Strategic Plan* has identified collaboration as another area where OMDC has achieved significant success in the past and where continued efforts are key to the future success of the creative media industries in Ontario. The programs and activities outlined in this section encourage collaboration within and across Ontario's content creation industries.

During 2014-15, OMDC will continue to look for new ways to support collaboration in the creative media industries. This will include developing opportunities to support collaborative activities that include technology companies that, while not in the business of creating content, are increasingly playing a role in the creative media industries.

Entertainment and Creative Cluster Partnerships Fund

- Though the 2012 Ontario Budget announced the conclusion of the Entertainment and Creative Cluster Partnerships Fund (ECCPF) in 2011-12, administration of ECCPF projects will continue for a number of years as those projects move to completion.
- ECCPF is administered by OMDC in partnership with the Ministry of Tourism, Culture and Sport.
- The Fund assisted Ontario's Entertainment and Creative Cluster stakeholders by supporting strategic partnerships that develop fresh approaches and solutions to their priorities and needs, and considered projects related to the themes of: skills development, business innovation, capacity building and domestic and international marketing.
- From its inception in 2006 to its conclusion, the Entertainment and Creative Cluster Partnerships Fund provided over \$15 million in support to 94 projects involving 576 partners with total budgets of \$38.3 million.
- OMDC staff continue to provide advice, guidance and support to former ECCP projects and organizations (e.g. 3DFlic, SIRT)

Industry Development Program

- OMDC provides targeted financial and strategic support to trade and event organizations in all six sectors for activities that provide opportunities for business development for Ontario entrepreneurs in the creative media industries.
- In 2012-13 the program supported 52 initiatives, including the Toronto International Film Festival's Film Circuit, Book Summit, InPlay, MagNet, Banff World Media Festival, Toronto International 3D Conference, digifest, Canadian Music Week, and GameOn Finance. Program participants reported that they generated 36,304 new business contacts.
- Results for this program are measured by the number of initiatives supported and number of contacts made by participants.

OMDC Initiated Activities

- OMDC works with industry stakeholders to deliver cross-sector collaborative activities. An example of such an activity is *From Page to Screen*, which brings Ontario book publishers together with film and television producers for a series of one-on-one meetings. During the past six years the program has set-up over 1900 business meetings and brokered 23 book options. In 2012-13, 66 companies participated and took over 400 meetings. At OMDC's *Music Makes It!*, 60 companies from Ontario's music publishing and screen-based media industries participated in a series of scheduled one-on-one meetings to discuss the licensing of Ontario music for placement in film, television, interactive and advertising productions. The event generated many high-quality leads for lucrative new business opportunities.
- These events encourage partnerships across the creative media industries that will lead to innovation, productivity and growth in the sectors. They also help to break down the barriers between sectors and allow them to focus on common business opportunities. Another key collaboration event is OMDC's annual Digital Dialogue conference which will be held in the Fourth Quarter of 2013-14. In 2012-13 Digital Dialogue was attended by close to 300 stakeholders and was identified by those who participated as being a valuable opportunity to connect with content creators across the sectors. Of the participants that completed feedback forms, 79% reported that they made useful, new business contacts. In 2012-13, building on the popularity of the annual Digital Dialogue conference, OMDC introduced a series of breakfast sessions over the course of the year as a forum for ongoing discussion among decision-makers in the cultural media industries.

Goal #5: Provide Strong Leadership in Advancing Ontario's Cultural Media Industries

The following programs and activities specifically model strong and innovative leadership by delivering programs effectively and efficiently, using current digital communication technologies and being an information hub for stakeholders and government. However, all OMDC activities support our goal of being a leader in the way the Agency does business as well as in the programs and services we deliver.

OMDC prides itself on its ability to provide excellent customer service and has been consistently singled out by our stakeholders as an organization that is nimble and responsive in our program and service offerings compared to the other government entities they interact with. In its ongoing effort to improve customer service, OMDC conducted a Client Satisfaction Survey in 2011-12 to identify areas of excellence and need. The results are being used to refine Agency activities in the current fiscal year and in 2014-15. In addition OMDC has completed an Organization Review to assess the Agency's optimal alignment of human resources, and a Business Process Review to maximize the effectiveness of Agency activities and productivity will begin in Q3 of 2013-14. Recommendations from the reviews will be considered for implementation in 2014-15. Throughout the year we will also continue to work with government and industry stakeholders to implement OMDC's new *Strategic Plan*.

In addition, we are committed to keeping the lines of communication open with industry stakeholders to be sure that the Agency is able to respond to the changing nature of the creative media industries as they continue to evolve. This is done formally through the Industry Advisory Committees, outlined above, as well as through regular meetings and day-to-day interactions with clients.

Communication Activities

- In 2013-14, OMDC continued to incorporate social media into its mix of communication tools, helping to brand OMDC as a leading edge cultural organization. The Agency has developed protocols to harness the power of social media providing OMDC with continuing opportunities to reach out to stakeholders, government, Ontario's diverse content creation community and consumers of cultural content. OMDC's Klout Score (a measure of the agency's online influence) has increased from 45 to 56 in the past year.

- OMDC continues to build on its very successful 2011 awareness campaign entitled “We’ve Got it Going ON”. Activities in 2012-13, included a new corporate video, featuring leaders from Ontario’s book and magazine, film and television, music and interactive digital media industries answering the question, “What does OMDC stand for?” Candid, on-camera testimonials speak effectively to the agency’s role in strengthening Ontario’s economy. The video was screened at select OMDC events and can be viewed on the agency’s YouTube channel.
- In addition, OMDC is committed to providing an active website with information on all of its programs and services seven days a week, 24 hours a day and to developing training tools to enhance learning opportunities for Ontario content producers no matter where they reside in the province.
- Communications, along with the rest of Agency, continues to extend its services and programs to the province’s ethno-cultural and other special interest/needs groups. For example, in 2013-14 OMDC is continuing to support the Canadian Ethnic Media Association’s Annual Awards, the Abilities Arts Festival, the Toronto Reel Asian International Film Festival and the ReelWorld Film Festival. Similar activities will be continued in the coming year.
- A full Communications Plan can be found starting on page 61.

Industry Research

- In 2013-14, OMDC continued to provide Research Grants to eligible not-for-profit corporations to undertake research projects that add to the knowledge base of the creative media industries; to undertake OMDC-commissioned research; and to work with MTCS on a joint performance measures project; to collect Ontario film and television production statistics; to do environmental scanning and monitoring of issues important to the creative media industries; to add documents to our Online Research Library; to provide comprehensive Industry Profiles of the six sectors, and to host an annual Research Showcase event.
- As part of OMDC’s commitment to process improvement, in 2013-14 our research grant application process is being incorporated into the OMDC Online Application Portal. The Research Grants module was activated on the OAP testing site in November 2013 and will be launched publically by the end of 2013-14.
- During the first nine months of 2013-14, 26 research grant applications were received and OMDC committed to fund 14 projects. There is one remaining application deadline set for March 2014.
- OMDC partnered with industry on eight studies that were released in 2012-2013. In Q1 and Q2 of 2013-14 the following studies were released and are available to the public through the OMDC website and Online Research Library:
 - Kidsmediacentre – *An Ethical Framework for Marketing and Monetizing Digital Content Media for a ‘self-published’ Children’s/Youth Audience* on September 12, 2013.
 - The Association for Art and Social Change – *A Re-Imagined Book Fair* on August 8, 2013.
 - Documentary Organization of Canada – *Getting Real Volume 5* on June 18, 2013.
 - ACTRA-Toronto – *TiP Legacy Project* on June 13, 2013.

- In Q3 of 2013-14 the OMDC-commissioned study of the Economic Impact of the Ontario Book Publishing Industry was released. The study provides updated economic information about Ontario's Canadian-owned book publishing industry.
- OMDC continues to work on a joint research project with MTCS to review OMDC's performance measures (the "Performance Measures Project"). OMDC will also begin work in 2013-14 on Phase 1 of a two-phase inventory and assessment of existing OMDC data sets.
- Ontario film and television production statistics for calendar year 2013 will be compiled in Q4 of 2013-14.
- OMDC's 2013 Research Showcase took place on April 9th in the Bram and Bluma Appel salon of the Toronto Reference Library. Seventy-five attendees, including research grant recipients, guests from Ontario's cultural media industries and government partners heard brief presentations on cultural media industries research and participated in cross-sector networking.
- In 2009 OMDC launched its searchable Online Research Library (ORL) with information about, and of interest to, the creative media industries. The ORL is available at no cost to researchers 24 hours a day, seven days a week. As of September 24, 2013, the Online Research Library contained a total of 281 domestic and international research studies; 268 unique visitors performed 1052 searches during the first half of 2013-14.
- In 2013-14, OMDC continues to revise and post comprehensive industry profiles for each of the creative media industries on the OMDC website, and will be instituting a new HTML publishing process to allow for more efficient and flexible updating of profiles. The profiles are updated regularly and provide information to industry and government on the size and impact of the industries, as well as summarizing key trends and issues.
- Also in 2013-14, OMDC was invited to join the Cultural Statistics Working Group led by the Department of Canadian Heritage.
- OMDC's 2014-15 Research Plan is to:
 - Continue to be a funding partner in industry research through our Research Grants program;
 - Host a 2014 OMDC Research Showcase (Q1 of 2014-15);
 - Undertake environmental scanning and monitoring of issues important to the creative media industries;
 - Regularly update our Industry Profiles;
 - Continue to add to our Online Research Library;
 - Participate in the Department of Canadian Heritage's Cultural Statistics Working Group;
 - Compile annual Ontario film and television statistics;
 - Work with MTCS to complete the joint Performance Measures Project; and
 - Undertake two OMDC-commissioned research projects:
 - 1) Phase II of the OMDC Data Analysis Project:
 - A review of OMDC data sets (including tax credits and sector funds) which will lead to recommendations regarding how OMDC can use the information to understand and serve its stakeholders.
 - 2) A comprehensive study of alternative / new distribution models across the creative media industries.

Board of Directors Performance Evaluation

The OMDC Board of Directors and its Governance Committee have identified assessment of Board Performance as a priority for 2014-15. Although it is a recognized practice of good governance, no comprehensive Board evaluation has ever been undertaken for the OMDC Board of Directors. Planned activities include a review of Board member meeting attendance and the establishment of standards, a review of Board By-Laws, and the development and implementation of an evaluation tool that assesses overall Board performance on a number of levels including leadership, strategic, operational, and member contribution. A third party expert will be engaged for the latter component in order to ensure industry standards, non-attribution, and objectivity in the process. The evaluation is intended as an internal self-assessment by the Board to guide future activities and directions and as such will not be shared broadly.

Overview of Future Programs and Activities

Ontario Music Fund

Beginning in 2013-14, OMDC will administer a new three-year, \$45 million Ontario Music Fund (OMF) which was announced in the *2013 Ontario Budget* and approved by Cabinet at the end of August. The Ontario Music Fund will be delivered and managed by the newly created Ontario Music Office (OMO), within the OMDC. OMDC's current Music Fund programs will be discontinued in 2014-15 as applicants will be eligible to apply to the OMF for similar activities. Additional work will be required to transition existing and in process OMDC music commitments into the new OMF throughout 2013-14. The OMDC has been given seven additional FTEs to support the new Fund and the FTE dedicated to the current OMDC Music Fund will transfer over to the OMF. The program will launch in fall 2013 and continue to roll out in 2013-14, including development of program guideline(s), administrative processes and development of new OMF components for OMDC's Online Application Portal, internal database and other IT systems. High program demand is anticipated—given the breadth of the Fund, it is expected that OMF applications will more than double the average number of applications OMDC receives annually across its granting programs. OMDC is planning for the impact on agency operations including significantly increased stakeholder interaction and commitment of management time.

The OMF will include four program streams:

Music Company Development: Aimed at supporting the development of strong, innovative, sustainable Ontario music companies; this program stream will be available to domestic music companies including labels, publishers, agents and managers and will support recording, production, marketing, promotion, showcasing, exports and business development. The maximum annual award per company will be \$1.5 million.

Music Futures: Aimed at stimulating entrepreneurship and new company growth and providing support to develop and leverage Ontario's diversity of music; this program stream will be available to small and diverse music businesses to develop and market their artists. It will provide an opportunity for non-mainstream genres and communities and will support sound recording, marketing and promotion, touring/showcasing and business development. The maximum award per company will be \$50,000.

Live Music: Aimed at supporting the growth of Ontario's live music sector; this program stream will provide support for promoters, presenters, managers, agents and certain venues to expand programming that features Canadian artists. Eligible activities will include

programming, staging, and marketing live performance activities at festivals, music venues and special music events. Applicants can apply for a maximum award of \$250,000 in each of the business plan based and project based streams.

Music Industry Development: Aimed at strengthening and developing the support structures and resources that will position Ontario as a global music leader by providing assistance to music industry trade associations and consortiums. Support will be given to projects that expand the industry's audience reach, professional development, digital innovation, education/training, export development and community building. The maximum award per applicant is \$350,000.

The new Ontario Music Fund program streams align with several of the Agency's goals, as noted on the activity map found on page 24. However, a separate framework of performance measures has been developed because of the size and scope of the fund.

Collaboration & Innovation Fund

In response to the ongoing changes in the marketplace, the continued blending of content across sectors and platforms, and evolving business models, in 2014-15 OMDC will work with the Ministry and the industry to develop and launch a new Collaboration & Innovation Fund, with delivery of the first funding cycle planned for 2015-16. Funding to support the initiative will be reallocated from within existing resources. The early expectation is that this new fund would be open to all sectors and that companies would choose to apply for funding under this new program or under the existing program streams, whichever best fits their business model and specific project/objective. While the program will be introduced in early 2015, the first round of commitments will only be made in fiscal 2015-16. Direction for this new program stream came from the OMDC's Board of Directors and is consistent with the Agency's Strategic Plan. OMDC will meet with the Ministry and brief them on the details of the program as they are developed.

The OMDC Collaboration & Innovation Fund will promote next generation business evolution in Ontario's entertainment and creative cluster through support for projects that fit within OMDC's mandate but that currently fall outside of the Agency's existing program parameters. To meet the challenges and embrace the opportunities of the digital economy, Ontario's cultural entrepreneurs need to be constantly exploring new value propositions alongside current-state business models. OMDC has been successful in enabling digital experimentation and transformation through its existing roster of programs and funds, but recognizes that the current sector-specific funding tools are unable to respond to many worthy projects and new business proposals which cross sectors, platforms, or involve non-traditional partnerships. The new fund will respond to this emerging need and will facilitate progression of those gains to the next level; turning daunting challenges into exciting new opportunities for the province's cultural media industries, without eliminating the current tools which are both familiar to the industry and effective in achieving the Agency's economic development objectives. This fund will provide OMDC with further capacity to enhance key government strategic objectives including support for innovation and entrepreneurship; transforming ideas into goods and services; and driving growth and productivity. It will also help to maintain Ontario's competitiveness and continue to support our global position as a digital leader, demonstrating the strength of government programs in supporting business growth and job creation.

Act as a Champion for the Cultural Media Industries

OMDC continues to work with industry stakeholders to identify relevant issues and assist them in communicating those issues to the appropriate levels of government. In 2012-13 OMDC assisted the Canadian Media Producers Association by providing comments for their consultation regarding the Canada Media Fund's policy on regional production. In 2012-13, these activities have so far included submitting comments on the Department of Canadian Heritage's lead performer policy; a letter of support to the Ontario Securities Commission's review of exempt markets; a letter to support the CMPA's inquiry into the interpretation of the Super Licence Fee clause in the Terms of Trade Agreement; and, comments on the Canadian Media Fund's consultation regarding new program guidelines.

VI. Resources Needed to Meet Goals and Objectives

The financial statements and program and service descriptions included in this *Business Plan* are based on a status quo budget for 2014-15 with no renewed funding for the IDM Fund. The increase to OMDC's base funding awarded in the 2010 Provincial Budget provided much-needed stability to the Agency's budget and an ability to engage in long-term planning for support to the creative media industries. However without renewed IDM funding, current resources do not give OMDC enough means to maintain its current slate of programs and activities.

A key concern for OMDC in 2014-15 continues to be maintaining the Interactive Digital Media Fund. The IDM Fund was established in 2004-05 and has proven itself to be a high-impact fund in an important and growing sector of Ontario's economy. Funding of \$7 million was provided by the Government for a four year period which expired in 2011-12. Funding was not renewed in either the 2012 or 2013 provincial budgets. Without this renewed commitment, OMDC base funding is not adequate to support all of its sectors in a predictable and strategic manner. OMDC is preparing a *Business Case* which will request renewed funding to continue the highly effective IDM Fund while maintaining funding support to other important sector funds. In the event funding is not renewed, OMDC will maintain the IDM Fund at \$3 million for 2014-15 with a drawdown from the Agency's cash reserves along with a reallocation of approximately \$1 million from the music fund programs that are being discontinued due to the new Ontario Music Fund. If the Agency is unable to secure a renewed commitment, OMDC is hopeful that the Ministry will again be able to provide a one-time contribution to the IDM Fund in support of this important and high-performing sector. In the event that there is no new support for the IDM Fund and MTCS cannot contribute to the shortfall, a decision will have to be made about a further reserve draw versus program reduction(s).

An evaluation of the IDM Fund completed in 2011 confirmed that the fund is a unique and effective tool for a key growth sector. As of 2012-13, the IDM Fund has invested \$13 million in 120 projects which have created over 800 jobs and stimulated over \$49 million in production spending in Ontario. These projects have also reported over \$56 million in direct revenue and, this number is will continue to grow as more of the funded projects are completed.⁶³ OMDC cannot continue the IDM Fund without receiving an additional investment from the Government, using some of OMDC's available cash reserves, and/or, by reducing the critical support the Agency provides to other industries. We strongly believe that investment through the IDM Fund in Ontario's dynamic and growing IDM industry will produce the greatest long-term benefit to the Province's economy and, that the IDM Fund plays a crucial R&D role for the Cluster as a whole, and will ensure all of Ontario's cultural media industries continue to be innovative and internationally competitive. Moreover, the evaluation noted that with the current level of unmet demand, projected industry growth, and potential for a broadening of eligible activities, the fund should in fact be significantly larger and would result in proportionately stronger results for the Cluster and the Province.

Overall OMDC has taken on a significant increase in the number, value and complexity of the programs and services offered over the past several years. The Agency's role has expanded in terms of stakeholder relations, contribution to policy development, industry research and analysis, marketing and promotion, and awareness-raising on behalf of the creative media sectors with other orders of government. Funds and tax credits have been enhanced, and application volumes and activity levels have increased significantly. In addition, since many of our programs involve multi-year commitments, each year we carry the responsibility to manage the files from prior years in addition to the new ones, so the administrative burden grows exponentially. For example, even though the Government of Ontario announced the Entertainment and Creative Cluster Partnerships Fund would conclude in 2011-12, OMDC is still responsible for ongoing years of administration and reporting as projects are completed.

⁶³ OMDC Program Statistics, 2012-13.

Staff at the Agency are highly skilled and competent in their respective service areas and have the highest levels of commitment both to public service and to the stakeholders they serve. However, these same staff members are now stretched beyond reasonable limits to deliver on program expectations. OMDC is also well aware of the standards we must meet in terms of controls and accountabilities as a public service agency and administrators of public funds. We place a great deal of emphasis on ensuring that our obligations under both the Transfer Payment Accountability Directive and our operating MOUs with the Ministry of Tourism, Culture and Sport and the Ministry of Finance are met and exceeded and the Agency has received clean audit opinions each year. However, the substantial increase in the volumes and complexity of incoming applications without a corresponding increase to the resources that manage those files puts our ability to maintain those standards and respond to increasing accountability obligations at risk.

The Agency gratefully acknowledges the addition of five temporary FTEs to hire Business Officers in Tax Credits. Although these additional FTEs will continue to provide much needed assistance, OMDC is still under-resourced in other program areas and, to the extent possible, we will continue to explore ways to make our business processes more efficient and reallocate resources to areas of need as other projects wind down. OMDC will continue to work with MTCS to improve performance and increase resources, so Ontario's position as a leading jurisdiction for content creation is not threatened.

VII. Financial Forecast Summary

AGENCY: ONTARIO MEDIA DEVELOPMENT CORPORATION	FINANCIAL FORECAST SUMMARY					
	2012-13	2013-14	2013-14	2014-15	2015-16	2016-17
	ACTUAL	BUDGET	PROJECTED ACTUAL	BUDGET	FORECAST	
PROVINCE OF ONTARIO						
MTCS Operating (including maintenance)	22,950,300	22,950,300	22,950,300	22,950,300	22,950,300	22,950,300
MTCS - IDM Fund (Note 2)	1,000,000		1,000,000	0	0	0
MTCS - Ontario Music Fund (Note 2)	0		14,870,000	15,000,000	15,000,000	0
MTCS - Deferred Revenue - ECC P-Fund	1,030,668		0	0	0	0
MTCS - Deferred Revenue - Cdn Screen Awards (Note 3)	0		75,000	75,000	75,000	0
MTCS - Deferred Revenue - Awareness Campaign	187,179		0	0	0	0
MTCS - Other (Francophone Publishing Initiative)	130,000		40,000	40,000	40,000	40,000
1> TOTAL PROVINCIAL FUNDING	25,298,147	22,950,300	38,935,300	38,065,300	38,065,300	22,990,300
OTHER GOVERNMENT						
(specify program name, government & funding period)						
2> TOTAL OTHER GOV'T FUNDING	0	0	0	0	0	0
SELF GENERATED REVENUES						
Membership Fees						
Individual Donations & Gifts (with book value)						
Corporate Sponsorships						
Admissions						
Special Events						
Facilities Rental						
Education/Program fees						
Sales of Programs/Products/Expertise						
Restaurant/Food Service						
Gift Shop/Retail						
Parking						
Investment Income	324,182	275,000	350,000	350,000	350,000	350,000
Non-Government Grants						
Other (specify source e.g. fund transfers, reserve/restricted funds):						
- Tax Credit Administration Fees	1,195,526	1,170,000	1,335,000	1,210,000	1,210,000	1,210,000
- Return of Investment Under Assistance Programs	60,963	152,500	76,000	101,000	101,000	101,000
- Other shared cost recoveries	229,377	214,000	221,500	221,500	221,500	221,500
3> TOTAL SELF GENERATED	1,810,048	1,811,500	1,982,500	1,882,500	1,882,500	1,882,500
4> TOTAL REVENUE: 1+2+3	27,108,195	24,761,800	40,917,800	39,947,800	39,947,800	24,872,800
EXPENDITURES						
Salaries & Benefits (Note 8)	6,260,017	6,622,540	6,866,250	7,076,635	6,988,668	6,428,441
Grants - Current Year	18,072,826	16,083,000	30,152,384	30,800,000	30,800,000	16,800,000
Grants - Prior Year (Note 4)	6,890,778	6,059,067	0	0	0	0
Program Delivery	1,372,362	1,502,000	1,986,500	2,046,000	2,046,000	1,756,000
Administration (Note 7)	973,507	1,067,924	1,360,708	1,199,941	1,223,940	1,183,419
Restaurant/Food Service						
Gift Shop/Retail						
Occupancy/Lease	661,570	756,915	702,923	735,861	750,578	765,590
Maintenance/Utilities						
Fleet & Security						
Fundraising & membership development						
Marketing & Communications	672,493	674,500	785,000	745,000	745,000	725,000
Other (specify):						
Deduct: Future Years' milestones in Current/Prior year Grants (Note 4)		-6,085,000				-973,176
Deduct: Reduction in Program Spending to balance budget (Note 11)						
5> TOTAL EXPENDITURES	34,903,553	26,680,946	41,853,765	42,603,437	42,554,186	26,685,273
Net Income Surplus/(Deficit): 4-5	-7,795,358	-1,919,146	-935,965	-2,655,637	-2,606,386	-1,812,473
Amortization of deferred capital contributions	0	0	0	0	0	0
Add back: Capitalized Expenditures in '5> Total Expenditures' (Note 6)	127,546	352,000	160,000	160,000	160,000	160,000
Amortization of capital assets (Note 6)	-285,701	-352,000	-160,000	-160,000	-160,000	-160,000
Net Income Surplus/(Deficit) After Amortization (Note 9)	-7,953,513	-1,919,146	-935,965	-2,655,637	-2,606,386	-1,812,473
Net assets (deficit), beginning of year	16,493,112	13,821,679	8,539,599	7,603,634	4,947,997	2,341,611
Net assets (deficit), end of year (Note 10)	8,539,599	11,902,533	7,603,634	4,947,997	2,341,611	529,137

Notes:

- (1) 2013-14 Budget column is 2013-14 Business Plan, per instructions. The final OMDC budget was approved in May 2013; as a result the Business Plan reflected only estimates for 2013-14 as they existed in January 2013. Projected Actual is based on reforecasted results at Q2 2013-14.
- (2) Ontario Music Office revenue of \$14.87 million and IDM Fund revenue of \$1 million were not included in 2013-14 business plan.
- (3) Deferred Revenue brought into income in 2014-15 is in respect of the final year of the three-year Canadian Screen Awards funding received in 2012-13.
- (4) Business plan accounting treatment of program commitments was prior to revised transfer payment policy to comply with new PSAS standards. The projected actuals assume no carry-forward commitments; full transfer payment amounts (i.e. grants and recoupable loans) are included in Grants - Current Year budget line.
- (5) Allocation of \$15 million Ontario Music Fund includes industry grants and program administration. Mid-year implementation will result in only \$0.87 million of \$1 million administration costs being incurred.
- (6) Capital acquisitions closely approximate amortization and are assumed to be equal for 2013-14 to 2016-17.
- (7) 2014-15 Administration assumes 2% increase for inflation over 2013-14.
- (8) 2014-15 Salaries and benefits assumes 2% increase for movement along existing pay grades for bargaining unit staff.
- (9) 2014-15 Deficit of \$2.655 million assumes a \$2 million draw against cash reserves to fund the IDM Fund at \$3 million. In the event that there is no renewal of government support for the IDM Fund and MTCS is not able to contribute to the shortfall, a decision will have to be made about a further reserve draw vs. program reduction(s).
- (10) Composition of Net Assets: Net Assets = Unrestricted Net Assets + Capital Assets. Unrestricted Net Assets is considered the cash reserves of the Agency. Capital Assets is projected to be \$0.529 million throughout the period; therefore unrestricted assets is projected as follows: [2013-14: \$7,604M-\$0.529M = \$7.075M; 2014-15: \$4.948M-\$0.529M = \$4.419M; 2015-16: \$2.341M-\$0.529M = \$1.812M]
- (11) A reduction in program spending of \$0.9 million from existing programs would be required to balance the budget in 2017-18, under current assumptions.

Achieving a Balanced Budget

When OMDC received stable funding in 2010-11, the Agency advised the Ministry that, while appreciated, the amount was insufficient to maintain programs at the status quo level and that, to the extent possible, uncommitted cash reserves would be used to make up the difference. Since that time, uncommitted cash reserves have primarily been used to continue the IDM Fund as well as to pay for additional, temporary FTEs in the Tax Credits department. As a result of prudent fiscal management on behalf of the Agency and its Board of Directors, OMDC has managed to control and constrain costs in spite of significantly increased application volumes and expanding activity levels. In order to maintain current program and service levels, OMDC is projecting a shortfall of revenues against expenditures in the next three fiscal years. The vast majority (77%) of this shortfall is attributable directly to the cost of maintaining the IDM fund in the absence of renewed government funding. Although a Business Case has been prepared to support renewed funding for this program, and a Minister's IDM Roundtable has been formed to explore alternative funding strategies, this Business Plan presumes a worst case scenario where no new funding is forthcoming.

The Agency is projecting that uncommitted cash reserves at the end of the 2013-14 fiscal year will be \$7.1 million. Given the sufficient capacity of that uncommitted cash, using it to fund the budget shortfall provides both a fiscally and politically responsible solution as it prevents the Agency from having to make severe program cuts that will yield considerably lower economic results for the Province and that will cause a strong negative response from stakeholders. In so doing, OMDC is making use of available resources to maintain program and service standards at a time when provincial fiscal constraints make it difficult for additional resources to be provided. OMDC proposes to maintain program levels only while the cost can be offset by uncommitted cash reserves; in fact, the financial plan recognizes that without an additional government investment, it will be necessary to make significant program reductions, and/or identify other offsetting revenues, as part of the 2016-17 plan. In the event that an alternative funding source for the IDM Fund is identified, the size of the annual shortfall will be dramatically reduced, thus extending the life of the uncommitted cash considerably.

The table on the following page demonstrates the recommended draw on uncommitted cash to balance the budget in this "worst case" scenario:

ONTARIO MEDIA DEVELOPMENT CORPORATION
2014-15 Business Plan
Use of Uncommitted Cash

	\$(000's)			
	2013-14	2014-15	2015-16	2016-17
	<i>PROJECTED ACTUAL (Note 1)</i>	<i>BUDGET</i>	<i>FORECAST</i>	<i>FORECAST (Note 2)</i>
Total Revenues	40,917.8	39,947.8	39,947.8	24,872.8
Total Expenditures	41,853.8	42,603.4	42,554.2	26,685.3
Shortfall	(936.0)	(2,655.6)	(2,606.4)	(1,812.5)
Uncommitted Cash Drawdown (Note 3)	936.0	2,655.6	2,606.4	1,812.5
Effective Deficit	0.0	0.0	0.0	0.0

Notes:

1 - Based on Q2 2013-14 reforecast

2 - Decreased deficit due to planned expenditure reductions to prevent an accumulated deficit (i.e. negative cash) position at year end.

3 - "Uncommitted cash" is the net assets of the Corporation less amounts invested in capital assets.

Should the use of OMDC's uncommitted cash reserve to offset the anticipated budget shortfall in fiscal years 2015-16 and 2016-17 not be approved by the Minister, then OMDC will work with the Ministry to explore balancing the budget through a combination of the following strategies:

- **Increases to Tax Credit Administration Fees:** Once the tax credit risk assessment implementation is complete and service standards are approaching acceptable levels, it would be a suitable time to consider moving towards a cost-recovery model.
- **Private Sector Funding:** Corporate sponsorship or other funding from the private sector could potentially be used to provide support to specific programs. The IDM Fund especially, would be a good candidate for such a strategy.
- **Program Cuts:** As a last resort, the outright elimination of certain programs, or targeted reductions to programs, could be considered in order to achieve a balanced budget.

AGENCY:		2012-13 Variance (Operating)		
ONTARIO MEDIA DEVELOPMENT CORPORATION				
	2011-12	2012-13		
	ACTUAL	BUDGET	ACTUAL OUTCOME	VARIANCE
GOVERNMENT SUPPORT				
MTCS Operating (including maintenance)	22,950,300	22,950,300	22,950,300	0
MTCS (IDM Fund)	2,000,000	0	1,000,000	1,000,000
MTCS (ECC P-Fund)	2,276,177	0	0	0
MTCS (Ontario Music Fund)	0	0	0	0
MTCS - Deferred Revenue - ECC P-Fund	1,161,150	0	1,030,668	1,030,668
MTCS - Deferred Revenue - IDM Fund	3,705	0	0	0
MTCS - Deferred Revenue - IP Development Fund	4,312,294	0	0	0
MTCS - Deferred Revenue - Awareness Campaign	108,802	0	187,179	187,179
MTCS - Other	112,859	0	130,000	130,000
SELF GENERATED				
Membership Fees			0	0
Individual Donations & Gifts (with book value)			0	0
Corporate Sponsorships			0	0
Admissions			0	0
Special Events			0	0
Facilities Rental			0	0
Education/Program fees			0	0
Sales of Programs/Products/Expertise			0	0
Restaurant/Food Service			0	0
Gift Shop/Retail			0	0
Parking			0	0
Investment Income	357,228	275,000	324,182	49,182
Non-Government Grants			0	0
Other (specify)				
- Tax Credit Administration Fees	1,306,125	1,170,000	1,195,526	25,526
- Return of Investment Under Assistance Programs	274,592	152,000	60,963	-91,037
- Other shared cost recoveries	222,111	214,000	229,377	15,377
TOTAL REVENUES	35,085,343	24,761,300	27,108,195	2,346,895
EXPENDITURES				
Salaries & Benefits	5,787,090	6,622,540	6,260,017	-362,523
Grants - Current year	18,086,316	16,083,000	18,072,826	1,989,826
Prior year Grant/Other Commitments	4,418,491	6,059,067	6,890,778	831,711
Program Delivery	1,456,130	1,502,000	1,372,362	-129,638
Administration	753,033	1,067,924	973,507	-94,417
Restaurant/Food Service	0	0	0	0
Gift Shop/Retail	0	0	0	0
Occupancy/Lease	1,193,092	756,915	661,570	-95,345
Maintenance/Utilities	0	0	0	0
Fleet & Security	0	0	0	0
Fundraising & membership development	0	0	0	0
Marketing & Communications	607,444	674,500	672,493	-2,007
Other (specify):				
Deduct: Future Years' milestones in 'Grants - Current/Prior year'	0	-6,085,000	0	6,085,000
TOTAL EXPENDITURES	32,301,596	26,680,946	34,903,553	8,222,607
Net Income Surplus/(Deficit)	2,783,747	-1,919,646	-7,795,358	-5,875,712

Note:

Per Business Plan instructions, the '2012-13 Budget' is the reported figures in that year's Business Plan. It is not OMD's actual 2012-13 Budget, which was approved in May 2013 and reflects more current financial information than that reported in the approved Business Plan. The meaning of any variances reported above are therefore of limited value.

		ATTENDANCE						
ONTARIO MEDIA DEVELOPMENT CORPORATION		2011-12	2012-13	2013-14	2013-14	2014-15	2015-16	2016-17
		ACTUAL	ACTUAL	FORECAST	REFORECAST	FORECAST		
ATTENDANCE:								
Paid								
Member								
Group tours								
Free								
Other: (Specify e.g. paid programs, camp overnights, etc.)								
Total		0	0	0	0	0	0	0

	2011-12	2012-13	2013-14	2013-14	2014-15	2015-16	2016-17
	ACTUAL	ACTUAL	FORECAST	REFORECAST	FORECAST		
FTEs							
Total FTEs	59	64	64	71	66	66	66

Note: Decrease in FTE count at March 31, 2015 is due to temporary FTE allocation re: tax credits reverting back to MTCS in the fiscal year.

VIII. Performance Measures and Targets

Performance measures for 2014-15 have been developed to provide regular feedback on whether the funds, programs, and other activities of OMDC are meeting their objectives.

These measures align with the Ministry's strategic objectives of supporting innovation, investment and job creation in the creative and cultural industries and helping Ontario become a leader in the knowledge-based economy.⁶⁴ In 2014-15 OMDC will continue to collaborate with its government partners to strengthen and grow Ontario's entertainment and creative cluster.⁶⁵

OMDC has also developed preliminary targets for these performance measures that reflect the agency's current resources as outlined in Section VI beginning on page 41. In developing these targets OMDC has also attempted to make conservative projections to take into account the economic climate for the coming year.

The 2013 Ontario Budget announced the creation of a \$45 million Ontario Music Fund to be delivered over three years (\$15 million annually). This fund was approved by Cabinet at the end of August and will launch in fall 2013. Preliminary performance measures for the new programs have been developed, as per the Treasury Board submission submitted August 14, 2013, and have been included.

OMDC is currently partnering with the Ministry of Tourism, Culture and Sport in a joint research project to evaluate OMDC's performance measures and develop enhancements where appropriate. The report is expected to be completed in Q4 of 2013-14.

The following table provides interim results as of September 30, 2013 (Q1 and Q2 only) for selected 2013-14 performance measures. It also shows trend information by outlining comparable final results from 2013-14 and 2012-13, where applicable

OMDC management also monitors performance measures that address operational efficiency and effectiveness as well as metrics in specific program areas. Monitoring these measures, while not reported in this Plan, contributes to the overall success of OMDC in achieving the agency's corporate goals and ensuring the agency's responsibilities under various accountability directives are met.

⁶⁴ Ontario Ministry of Tourism and Culture, *Results-based Plan Briefing Book 2011-12*, p. 6.

⁶⁵ Ibid, p. 7.

Goal #1: Improve Access to Financing Improve Ontario's cultural media companies' competitive position by financing their projects and companies and by enhancing their ability to attract private equity and leverage public investment.			
Performance Measures	2013-14 Interim Results	2012-13 Final Results	2011-12 Final Results
1. Average turnaround time across all six Tax Credits . ⁶⁶	42.1 weeks	39.9 weeks	26.2 weeks
2. Implement a risk assessment process for all tax credit applications.	On-going; implemented for 3/6 (OPSTC, OBPTC, OFTTC)	On-going; implemented for 1/6 (OFTTC)	New for 2012-13
3. Return on investment ⁶⁷ for the Magazine Fund .	Not available until Q4, 2014-15	Not available until Q4, 2013-14	\$1.31
4. Leverage value ⁶⁸ of OMDC investment through the Magazine Fund .	Not available until Q3, 2013-14	\$1.04	\$0.63
5. Return on investment ⁶⁹ for the Music Fund .	Not available until Q4, 2014-15	Not available until Q4, 2013-14	\$1.57
6. Leverage value ⁷⁰ of OMDC investment through the Music Fund .	Not available until Q3, 2013-14	\$0.96	\$0.99
7. Estimated value of Tax Credits .	\$146,421,642	\$427,589,593	\$270,749,713
8. Leverage value of OMDC investment through all six Tax Credits .			
OFTTC	\$4.69	\$5.56	\$5.19
OPSTC	\$12.15	\$15.00	\$13.26
OCASE	\$9.33	\$14.15	\$12.04
OIDMTC	\$2.83	\$3.51	\$3.79
OSRTC	\$4.27	\$4.20	\$4.34
OBPTC	\$2.38	\$2.72	\$2.47

⁶⁶ Please note that in previous years Tax Credits measured the amount of time it took to issue certificates from the date the application was complete. As of April 1, 2011 mandatory online filing was required for tax credit applications and the online application portal (OAP) was adapted to remove the option for applicants to submit incomplete applications. Since all supporting documentation is now uploaded at the time of application, OMDC will now report processing times from the date the application was received.

⁶⁷ Return on investment (ROI) represents the amount generated in sales for every dollar invested by OMDC.

⁶⁸ Leverage value indicates the additional amount in financing generated for each dollar invested by OMDC.

⁶⁹ Return on investment (ROI) represents the amount generated in sales for every dollar invested by OMDC.

⁷⁰ Leverage value indicates the additional amount in financing generated for each dollar invested by OMDC.

Goal #2: Enable Business Evolution Promote innovation by creating opportunities for Ontario's cultural media companies to become leaders in the rapidly changing business and digital environments.			
Performance Measures	2013-14 Interim Results	2012-13 Final Results	2011-12 Final Results
1. Percentage of Research studies funded that support business evolution	33%	2 ⁷¹ Engage Partners to Implement Selective Tax Credit Auditing	New for 2013-14
2. Number of items implemented from the Strategic Plan.	0	Engage Partners in Evaluating Support Mechanisms	New for 2013-14

Goal #3: Support Content Development and Market Access Support Ontario's cultural media companies in accessing international and domestic markets, developing quality content and promoting Ontario as a world-class centre of media production.			
Performance Measures	2013-14 Interim Results	2012-13 Final Results	2011-12 Final Results
1. Leverage value of OMDC investment in Film Fund production projects.	Interim Results available Q3 2013-14	\$24.50	\$22.86
2. Leverage value of OMDC investment in IDM Fund projects.	Not available until Q4, 2012-13	\$1.83	\$1.82
3. Jobs created/retained by IDM Fund and Film Fund production projects.	Interim Results available Q3 2013-14 ⁷²	15,693	10,900
4. Return on investment (ROI) from Book Fund projects.	Not available until Q4, 2014-15	Not available until Q4, 2013-14	\$2.11
5. Return on investment (ROI) from Export Fund projects.	Not available until Q2, 2014-15	Not available until Q2, 2013-14	\$110.40
6. Number of foreign markets at which Ontario participants are supported through the Export Fund .	135 ⁷³	356	265
7. Number of markets at which OMDC has organized a strategic presence (i.e., an event or brokered meeting) as part of International Business Development activities.	12	25	24

⁷¹ Goal #2, Strategy #2 updated from 2012-13 (Number of items implemented from the Strategic Plan that maximize the adaptability and flexibility of OMDC programs and activities for Ontario's cultural media companies to be leaders in business evolution).

Goal #3: Support Content Development and Market Access Support Ontario's cultural media companies in accessing international and domestic markets, developing quality content and promoting Ontario as a world-class centre of media production.			
Performance Measures	2013-14 Interim Results	2012-13 Final Results	2011-12 Final Results
8. Number of domestic and service film and television productions that shoot in Ontario.	Domestic: 109 Service: 24 Total: 133	Domestic: 174 Service: 62 Total: 236	Domestic: 208 Service: 37 Total: 245
9. Value of domestic and service film and television productions that shoot in Ontario.	Domestic: \$439,178,565 Service: \$164,927,694 Total: \$604,106,259	Domestic: \$739,644,273 Service: \$386,095,467 Total: \$1,125,759,740	Domestic: \$805,178,710 Service: \$417,518,976 Total: \$1,222,697,686
10. Proportion of L.A. Office -assisted projects that shoot in Ontario.	19%	7%	17%
11. Value of L.A. Office -assisted projects that shoot in Ontario.	\$147,800,000 ⁷⁶	\$75,000,000	\$183,000,000
12. Number of media impressions. ⁷⁴	22,314,273	29,612,611	23,629,662
13. Social media influence (Klout score).	56	New for 2013-14	New for 2013-14
14. Number of Trillium Book Award media impressions. ⁷⁵	67,300,000	52,200,000	47,553,539

⁷² These are interim results and only include the first application deadline for the Film Fund. The IDM Fund will have additional job created/retained numbers in Q3, 2012-13, and the second Film Fund deadline results will have results in Q4, 2012-13

⁷³ Measures 3 and 4 represent markets that have taken place in Q1 and Q2 2013-14 only.

⁷⁴ This measure was moved from Goal 5, Strategy 3 for 2013-14.

⁷⁵ This measure was moved from Goal 3, Strategy 2 for 2013-14.

⁷⁶ Estimate only.

Goal #4: Encourage Collaboration Encourage collaboration within the cultural media industries and across Ontario's Entertainment and Creative Cluster.			
Performance Measures	2013-14 Interim Results	2012-13 Final Results	2011-12 Final Results
1. Number of initiatives supported through Industry Development Program .	8	57	56
2. Number of contacts made by participants in Industry Development Program Initiatives.	6,646	36,304	22,368
3. Number of initiatives led by OMDC.	7	18	21
4. Number of contacts made by participants in OMDC led initiatives.	708	1,713	1,995

Goal #5: Provide Strong Leadership in Advancing Ontario's Cultural Media Industries Model Strong and innovative leadership through demonstrated organizational effectiveness and operating efficiency, value as an information hub for stakeholders and government, and champion for Ontario's cultural media industries.			
Performance Measures	2012-13 Interim Results	2011-12 Final Results	2010-11 Final Results
1. Number of Communications products.	191	471	554
2. Number of complete Industry Research projects and partnerships.	5	New for 2013-14	New for 2013-14
3. Updated industry profiles posted on OMDC website.	2	New for 2013-14	New for 2013-14
4. Number of outreach activities with other levels of government.	1	New for 2013-14	New for 2013-14

IX. Risk Identification, Assessment and Mitigation Strategies

OMDC regularly submits updated Risk Assessment worksheets to address future activities of the Agency and related risks factors and mitigation strategies to the Ministry of Tourism, Culture and Sport within thirty business days following the end of each quarter. This section provides a high-level review of OMDC's 2014-15 risk assessment.

For 2014-15, OMDC identifies 25 risk categories, of which the four most serious occur in the *Strategic, Policy and Performance Risks* section.

The first two high-impact risks in the *Strategic, Policy and Performance Risks* category deal with the lack of renewed support for OMDC's Interactive Digital Media (IDM) Fund. The first identifies the risk that lower support for the highly innovative and fast-growing interactive digital media industry in Ontario will lead to less economic output from this sector. The second identifies the risk that reducing support to other sector funds to maintain the IDM Fund could lead to a loss of credibility for the government and diminished economic output from the creative media industries in Ontario. To mitigate these risks, OMDC is submitting a detailed *Business Case* to request increased base funding to continue the IDM Fund.

The third high-impact risk in this section is related to the delivery of the new Ontario Music Fund. The Fund, set to launch in fall 2013, has been tasked with delivering a third of the total funding (approximately \$15 million) before the 2013-14 fiscal year end. Given the large size and scope of the Fund, as well as program launch dates midway through the Third Quarter, there is a risk that OMDC will not be able to get all of the funding out the door by March 31, 2014. Delays in committing funding in the first fiscal year may result in extending the OMF beyond the original timeline which will increase administrative costs and reduce the overall amount of funding support to the music sector. In addition, failure of the OMDC to deliver the program as committed may also result in damage to the Agency's reputation in terms of its ability to deliver on government priorities, in both the eyes of stakeholders, and partner ministries (e.g. Ministry of Finance) and could affect future decisions around the continuation and administration of funding. There are also stakeholder satisfaction and public perception risks in the *Governance and Organizational Risks* section related to the delivery of the OMF. As the funding for this program is only for three years and there will likely be high demand for the fund, there may be stakeholder expectations for continued funding beyond 2013-2016. Moreover, the increase of funding to a single sector may lead to the perception by other stakeholders that their sectors are less of a priority for the government and OMDC. OMDC will mitigate these risks by working with Ministry of Tourism, Culture and Sport to manage expectations by identifying issues and risks as they emerge and through regular communication with stakeholders.

The fourth high-impact risk in this section remains the possibility that the current OMDC administration and legislation of Ontario's Interactive Digital Media Tax Credit (OIDMTC) is not properly aligned to meet the business needs of the IDM sector. To better understand this risk, OMDC conducted a review of the OIDMTC to examine how the credit is being used by the IDM industry and to find opportunities to improve the administration of the credit. The study was completed in January 2013 and recommended proposed changes to the credit that would simplify its administration and improve its impact on applicants. Specifically, the study did note the increased amount of processing time that was required due to some of the more complicated legislative requirements that no longer align with the business needs of the sector but no legislative changes were announced in the 2013 Budget. The study also recommended making the "90% developed-by" rule more flexible was to match industry realities, in particular, allowing for applicants to take advantage opportunities to develop and produce products with domestic and international partners and still be eligible for the tax credit.⁷⁷ In September 2013, a new Framework for International Digital Media Co-Production, developed by

⁷⁷ Nordicity, *An Analysis of the Impact of the Ontario Interactive Digital Media Tax Credit*, a report prepared for Ontario Media Development Corporation, February 2013, p. 9.

the Canada Media Fund, the Bell Broadcast and New Media Fund, the Independent Production Fund, the Quebecor Fund, and the Shaw Rocket Fund, was released.⁷⁸ The Framework presents a simplified and a unified administrative approach to ease negotiations between Canadian producers and their foreign partners. Similarly, the Canada Media Fund

losing its leading edge as the best jurisdiction for the digital media industry by having outdated support tools that are not adequately aligned to meet the business needs of the sector, particularly opportunities to connect with international partners to co-develop successful digital media projects.

Another high-impact issue is in the *Governance and Organizational Risks* section which identifies that longer processing times for tax credit applications are placing a significant strain on stakeholder's finances and this is risking OMDC's hard-won reputation. This was identified as a key issue in OMDC's *Strategic Plan*, and the Agency is actively working to mitigate the risk by working with the Ministries of Finance (MOF) to implement a streamlined risk assessment system. OMDC is also using the authority for five temporary FTEs to hire additional Business Officers to address the queue of unprocessed tax credit applications. The first tax credit to launch risk assessment was the Ontario Film and Television Tax Credit (OFTTC) at the end of February 2013 followed by the Ontario Book Publishing Tax Credit (OBPTC) at the end of June 2013 and the Ontario Production Services Tax Credit (OPSTC) in September 2013. The results at the end of the First Quarter of 2013-14 indicate that risk assessment has already had positive results for the OFTTC. The impact of risk assessment on the OBPTC was not yet known for the Second Quarter at the time this draft Business Plan was submitted and the model has not yet been in place long enough to have measured results for OPSTC. Despite the fact that risk assessment is proving effective at reducing review and analysis times, it is expected that this will remain a high-impact risk until implementation is complete and the backlog of applications is reduced.

Other notable risks identified by the Agency for 2014-15 include OMDC's Customer Service Risk due to insufficient human resources, Organizational Risk of Tax Credits due to complicated multi-party systems of accountability and administration, Employee Engagement Risks due to burn-out of staff, and Labour Relations Risks due to inconsistent support from centralized payroll services to OMDC management and the Agency's necessary reliance on temporary staff and overtime. OMDC gratefully acknowledges the additional FTEs to assist with the tax credit backlog and for the implementation of the Ontario Music Office. Although these additional FTEs will provide much needed assistance, OMDC is still under-resourced in other areas and, to the extent possible, will reallocate resources to areas of need as other projects wind down.

OMDC has prepared comprehensive mitigation strategies for all the risks it has identified. It also reviews those risks incrementally every quarter, and comprehensively annually. As new risks emerge or change, OMDC will endeavor to inform MTCS, and act judiciously to minimize any negative consequences.

⁷⁸ Canada Media Fund, *Canadian funders adopt a framework to facilitate international digital media co-production*, September 9, 2013, Accessed at <http://www.cmf-fmc.ca/industry-advisory/article/2013/09/canadian-funders-adopt-a-framework-to-facilitate-international-digital-media-co-production/> on September 28, 2013.

⁷⁹ Canada Media Fund, *A New Incentive for Digital Media Coproductions*, September 12, 2013, Accessed at <http://www.cmf-fmc.ca/industry-advisory/article/2013/09/a-new-incentive-for-digital-media-co-productions/>, on September 28, 2013.

X. Initiatives Involving Third Parties

As an Agency that administers grants and tax credits on behalf of the Government of Ontario, OMDC complies with all its responsibilities under the Transfer Payment Accountability Directive. The specific processes for each program have been documented and submitted to the Ministry as per our obligations. For each program, OMDC defines expectations, establishes and implements agreements, monitors projects and takes corrective action where necessary, and reports on the results of our funding. Regular risk assessment and mitigation is done on each file by OMDC staff and referred to management when necessary. In order to improve our effectiveness and performance, OMDC works with public and private partners to deliver specific services and activities that support the creative media industries. These include:

Toronto Ontario Film Office in L.A.

- As described earlier, the Toronto/Ontario Film Office in L.A. is a partnership between OMDC and the Toronto Film, Television and New Media Office, and with support from FilmOntario. It maintains a full-time marketing presence in Los Angeles, providing on-the-ground marketing to attract production to Ontario and support to Ontario's screen-based content creators.
- The partnership, established in June 2003, has enabled the partners to pool their resources and provide a much more effective platform from which to promote the many benefits of filming in Toronto and Ontario.
- OMDC is the managing partner of the Office.

Toronto International Film Festival Group (TIFFG)

- OMDC is the mechanism by which the Government flows annual funds (\$815,000 in 2013-14) for the care and maintenance of the Province's film collection at TIFF Cinematheque (formerly Cinematheque Ontario), pursuant to a tri-partite Memorandum of Understanding among the Ministry, the Agency and the Toronto International Film Festival Group (TIFFG).
- In 2013-14, OMDC also provided \$300,000 in operating support to the Toronto International Film Festival (TIFF). The Agency also provided \$150,000 to the TIFF Sales Office during the Festival and \$30,000 to TIFF's Film Circuit through the Industry Development Program to support and promote the exhibition of Canadian films across Ontario. The Industry Development Program also provides funding to TIFF Kids (\$20,000 in 2013/14).
- TIFFG provides an annual report on its activities to the Agency which outlines how the support is used.

Producers Lab Toronto

- OMDC partners with European Film Promotion (EFP) and the Toronto International Film Festival (TIFF) to deliver *Producers Lab Toronto* (PLT). This is a co-production business development initiative in the feature film industry. OMDC participates to create new business development opportunities for Ontario and Canadian producers, to raise their industry profiles, and to raise the international profile of the Agency, the industry and the province.
- The fourth annual PLT was delivered in 2013. In 2013 the partnership was expanded to include participants from Australia and New Zealand.
- The Partnership allows OMDC to tap into a pool of Media Mundus European program funding through EFP and to get direct access to the prestigious group of European funding and marketing organizations that EFP represents.
- OMDC is the Canadian managing partner for this initiative, and maintains accountability through a contract with Europe-based partner EFP that includes delegation of financial responsibilities and requirement for a final cost report.

International Canada Stands (film, television and music)

- OMDC partners with Telefilm Canada and other provinces on Canada Stands in key international markets for the film and television sectors providing Ontario producers with access to business support, meeting space, presence on panels and invitations to networking events.
- OMDC is a major contributing partner to the Canadian presence at the following markets: Cannes International Film Festival, MIP-TV, MIPCOM (television) and the Berlin Film Festival.
- OMDC also partners with Telefilm and other provinces on international activities that do not involve a stand presence but that provide a coordinated Canadian presence and opportunity for producers to do business. Examples include the American Film Market, the Tokyo Film Festival and Power to the Pixel
- OMDC partners with CIMA (Canadian Independent Producers Association) on Canada Stands in key markets for the music industry including MIDEM and SXSW providing Ontario music companies with access to business support, meeting space and access to networking events,

XI. Information Technology / Electronic Service Delivery Plan

OMDC provides and supports its own information technology services, including maintenance of the internal network and servers, e-mail and blackberry service, an internal database for operational purposes and three outward-facing databases that provide access to industry research, filming locations and OMDC's program and Tax Credit applications. The Agency is responsible for all procurement and security related to this infrastructure.

There are currently five full-time staff who are responsible for infrastructure maintenance and operations as well as internal and external customer service support. The staff are responsible for system monitoring and enhancements as well as answering all support inquiries from OMDC staff and external users of OMDC's Online Application Portal.

For 2014-15, there is a planned upgrade of the OMDC server operating system, in part to deal with the increased demand associated with the Ontario Music Fund. There are also some planned enhancements to the Information Technology infrastructure, including further virtualization of the server environment, that will be introduced to the system in order to improve operational efficiency and keep the infrastructure in peak operating condition.

OMDC introduced an e-mail archiving system in 2009-10 that allows e-mail users to archive material seamlessly, thus opening up space in their mailboxes and improving the overall operations of the e-mail server. We no longer need to be concerned about over-capacity as archiving is now an automated process and does not rely on users having to be reminded about in-box capacity limits. It also gave staff using remote e-mail the ability to access their e-mail archive. In 2014-15, we will be upgrading our Microsoft Exchange Server. This will allow us to further improve the remote e-mail access interface for users so that it more closely resembles the on-site system.

In 2011-12, OMDC improved its emergency readiness by procuring off-site storage services for our tape back-up system, and automating running of the tape back-up system. In 2012-13 OMDC IT staff completed a website refresh project which included project managing the procurement of a Content Management System and working with department content coordinators to ensure content is refreshed prior to launch of the new corporate website. IT staff also developed and launched training videos for the Online Application Portal. In 2013-14, IT staff completed a server infrastructure upgrade to accommodate the new Ontario Music Fund as well as an upgrade to the Blackberry Enterprise Server. IT staff have also made significant enhancements to the Corporate Database and to the Ontario Application Portal for Tax Credits' Risk Assessment Projects. Other projects still to be completed in 2013-14 include launching applications for the OMDC Research Grant and Ontario Music Fund on the OAP; launching an online searchable version of the OMDC's Ontario Production Guide; and adding new pages of content to the OMDC website in relation to the Ontario Music Fund.

In 2014-15 OMDC expects to accomplish the following IT projects: 1/ infrastructure update; 2/ enhancements to file server storage; 3/ upgrades to the server operating system and Microsoft Exchange Server; and an upgrade of OAP/CRM database servers from Microsoft SQL Server 2005 to Microsoft SQL Server 2012.

There are two outward facing databases that provide services to OMDC clients: the Online Research Library and the Digital Locations Library. The content of both Libraries is kept up to date by staff in the respective departments. There is a maintenance agreement in place for these databases that provides technical support for fixing issues and also provides a guaranteed rate for enhancements to the systems. Enhancement requests are

developed by staff from the Research, Library and IT areas, who work with the external vendor to implement them. Enhancements are approved by management according to the business needs of the Agency and the funds available.

OMDC provides Electronic Service Delivery (ESD) to clients through the Online Application Portal (OAP). It is mandatory for all applicants to the Industry Initiatives and Tax Credit programs to submit their applications through the portal. It will also be mandatory for the all applicants to the Ontario Music Fund to submit applications via the OAP as well. All written communication regarding applications is also done through the OAP. The OAP also tracks and sends reminders regarding milestones and deliverables and allows clients to track the status of their applications. Maintenance and technical support of the system are carried out by IT staff. Enhancements to the OAP are carried out by the same process as described above.

There is also an internal corporate database which allows staff to interact with the OAP for the administration of programs and also to manage the Agency's contacts and mailings. As with the other systems, maintenance and technical support of the system are carried out by internal staff and enhancements are implemented through the process described above.

To ensure the ongoing operation of the Agency IT infrastructure and the personal and confidential information it contains, OMDC staff do 24-hour system monitoring. This is carried out on a rotational basis by members of the IT team. OMDC also engages in an annual security audit carried out by the Ministry of Government Services to ensure that there are no major flaws in the system and that the security of the personal and confidential data within is maintained.

XII. Implementation Plan

The financial forecast summary and program and service descriptions included in this *Business Plan* are based on a status quo budget for 2014-15, including the new funds devoted to the Ontario Music Office programs. However, OMDC is preparing a *Business Case* to accompany the *Business Plan* which will request an increase in base OMDC funding to address the end of Government support for the IDM Fund. The current level of base funding is not enough to maintain all of our 2013-14 program commitments to stakeholders in the coming year without using some of OMDC's available cash reserves, and/or, by reducing the critical support the Agency provides to other sectors and programs. OMDC believes that the investment by the IDM Fund in Ontario's dynamic and growing IDM industry is crucial to ensure future success for the Province's creative economy. Therefore, after careful analysis, OMDC has decided to maintain the IDM Fund at \$3 million for 2014-15 with a drawdown from the Agency's cash reserves along with a reallocation of approximately \$1 million from the music fund programs that are being discontinued due to the new Ontario Music Fund. If the Agency is unable to secure a renewed commitment, OMDC is hopeful that the Ministry will again be able to provide a one-time contribution to the IDM Fund in support of this important and high-performing sector. In the event that there is no new support for the IDM Fund and MTCS cannot contribute to the shortfall, a decision will have to be made about a further reserve draw versus program reduction(s). OMDC recognizes that funding the IDM Fund using the Agency's uncommitted cash reserves is not a long term solution. The Board monitors cash reserves carefully and makes budget decisions in accordance with its responsibility for prudent fiscal management.

In response to the ongoing changes in the marketplace, the continued blending of content across sectors and platforms, and evolving business models, in 2014-15 OMDC will work with the Ministry and the industry to develop and launch a new Collaboration & Innovation Fund, with delivery of the first funding cycle planned for 2015-16. Funding to support the initiative will be reallocated from within existing resources. The early expectation is that this new fund would be open to all sectors and that companies would choose to apply for funding under this new program or under the existing program streams, whichever best fits their business model and specific project/objective. While the program will be introduced in early 2015, the first round of commitments will only be made in fiscal 2015-16. Direction for this new program stream came from the OMDC's Board of Directors and is consistent with the Agency's Strategic Plan. OMDC will meet with the Ministry and brief them on the details of the program as they are developed.

The OMDC Collaboration & Innovation Fund will promote next generation business evolution in Ontario's entertainment and creative cluster through support for projects that fit within OMDC's mandate but that currently fall outside of the Agency's existing program parameters. To meet the challenges and embrace the opportunities of the digital economy, Ontario's cultural entrepreneurs need to be constantly exploring new value propositions alongside current-state business models. OMDC has been successful in enabling digital experimentation and transformation through its existing roster of programs and funds, but recognizes that the current sector-specific funding tools are unable to respond to many worthy projects and new business proposals which cross sectors, platforms, or involve non-traditional partnerships. The new fund will respond to this emerging need and will facilitate progression of those gains to the next level; turning daunting challenges into exciting new opportunities for the province's cultural media industries, without eliminating the current tools which are both familiar to the industry and effective in achieving the Agency's economic development objectives. This fund will provide OMDC with further capacity to enhance key government strategic objectives including support for innovation and entrepreneurship; transforming ideas into goods and services; and driving growth and productivity. It will also help to maintain Ontario's competitiveness and continue to support our global position as a digital leader, demonstrating the strength of government programs in supporting business growth and job creation.

As noted earlier, OMDC is currently engaged in implementing its *Strategic Plan*. Initiatives coming out of the implementation process will be focused on making sure OMDC investments are as effective as possible, by being adaptable and flexible enough to support a business environment that is constantly changing and also by getting funds into the hands of stakeholders in a more timely manner. The *Strategic Plan* also puts a strong emphasis on facilitating collaboration among stakeholders and supporting them in making connections to export markets. All of OMDC's programs and activities will embrace these priorities in the year ahead.

XIII. Communications Plan

Background

As noted in the preamble to the Business Plan, Ontario faces a number of challenges that could affect its creative industries as we head into 2014-15: uncertainty and continued slow growth in the global economy; sluggish consumer spending in the entertainment and creative cluster; and political uncertainty with a minority government in power. Additionally, Ontario's creative industries face their own problems, chief among which are the continuing struggle to access adequate financing and the challenges of expanding into global markets.

Amid this somewhat uncertain outlook, OMDC will continue to provide much-needed help to ensure that its stakeholders achieve success in their respective businesses. Awareness of OMDC and its programs and services has grown exponentially over the past several years. The number of media impressions has grown from 82 million in fiscal 2012-13 to almost 90 million in the first two quarters of 2013-14 alone – not including social media, which has extended this reach even further since its introduction in 2010-11. And demand for OMDC's programs and services has never been higher, including new initiatives like the Ontario Music Fund which will increase the number of applications OMDC receives.

As stated in OMDC's 2013-14 Business Plan, the Agency's objectives for this fiscal will remain the same: Improve Access to Financing; Enable Business Evolution; Support Content Development and Market Access; Encourage Collaboration and Provide Strong Leadership in Advancing Ontario's Cultural Media Industries. Communicating how these objectives tie into the economic health of Ontario's creative industries will remain the foundation of 2014-15 communications activities.

2014-2015 Communications Objectives

1. Champion the positive economic impact of the creative industries in Ontario and of OMDC's role in supporting them
2. Increase the association of OMDC with positive outcomes;
3. Continue to strengthen the OMDC brand

Strategies

1. Champion the positive economic impact of the creative industries in Ontario and of OMDC's role in supporting them
 - Assist industry stakeholders in promoting their products and services and continue to incorporate their 'success stories' into the overarching OMDC narrative
 - Continue to improve and build on social media success to drive awareness of OMDC's programs and services and Ontario's creative industries' success stories
2. Increase the association of OMDC with positive outcomes
 - Develop a mainstream media presence – where possible using events and targets of opportunity as news hooks around which to tell OMDC and stakeholder success stories.
 - Expand audiences by incorporating diversity into all communications tactics, including using multicultural media relations/marketing to broaden reach and relevance as well as identify outreach opportunities to promote OMDC programs and services to multicultural communities and special needs groups

- Develop and deliver consistent and compelling messages for media relations, social media, presentations, speeches, etc.
- Promote all sectors equitably in OMDC communications.

3. Strengthen the OMDC brand

- Continue to update content on the OMDC website to keep it fresh and engage audiences.
- Continue to optimize the distinctive OMDC 'brand look'

Key Target Audiences

OMDC has two distinct and equally important key target audiences: industry stakeholders and the general public (who are also consumers of cultural media products). Both groups require different communications approaches.

The two groups can be broken out as follows:

Industry Stakeholders

- Six cultural media sectors: book and magazine publishing, film and television, interactive digital media and music (including new music stakeholders for the Ontario Music Fund who could not previously access OMDC support)
- Aligned industries, e.g., animation and VFX, post-production, equipment suppliers, distribution and technology industries
- Trade media (Playback, Hollywood Reporter, Quill & Quire, blogs)
- Current and future OMDC program applicants
- Other partners in the creative industries (festivals, trade organizations, etc.)
- Governments/political staff

General Public

- Artists less familiar with the “business” of the industries
- General media, reporters, bloggers, social media engagers
- Consumers/general public

Key Considerations

- Government cutbacks and the pressures they exert on businesses are likely to be felt for the next few years. OMDC will need to continue to clearly communicate to government that its programs and services create a significant ROI.
- While service levels have improved markedly in Tax Credits (where the risk assessment model has streamlined the application process), a new program like the Ontario Music Fund will create increased demand on OMDC resources. In addition, the Fund will be targeting new stakeholder audiences that have not previously been eligible to apply for OMDC funding. It will be important to tailor key messages for existing and new audiences.
- While the strength of the Canadian dollar against U.S. currency has not been a factor in attracting U.S. investment in recent years, the fragile U.S. economic recovery and ongoing fears of a global recession may dampen investment in Ontario (e.g., service productions). It will be even more necessary to communicate the benefits of doing business in Ontario and to promote the 'toolkit' of incentives.

Program Elements and Implementation

a) Key Messages -

Key messages provide the basis for ads, brochures, briefing documents, speeches, presentations, annual reports, Q&As, news releases, backgrounders, media interviews – as well as everyday conversations. Key messages need to be focused and supported by relevant facts and success stories.

In recognition of the critical importance key messages play in communicating the agency's goals and objectives, OMDC has developed a series of 'one-pagers'—brief sector profiles that highlight key industry facts and success stories and which include positive stakeholder quotes. While primarily used for pitching media stories, these documents also can also serve as background for media interviews for OMDC spokespersons.

OMDC will continue to update its Key Messages Calendar, which highlights different sectors each month: January is IDM month (Digital Dialogue); February film & TV month (2013 production stats); March is music month (JUNOs); April is research month (Research Showcase); May is book month (Trillium lead-up); June is magazines month (MagNet); July and August are all sectors months; September is film month (TIFF); October is TV month; November is music month; December is all sectors success stories month. The Key Messages Calendar is checked against the overall OMDC Planning Calendar that outlines the Agency's key milestone dates, activities and events to help plan activities in advance. For example, in the case of social media, tweets can be written in advance, translated and sent out at the appropriate time (e.g., for program deadlines). Both the Key Messages and OMDC Planning calendars will continue to be updated on a regular basis.

Rollout:

- Review key message and success story databases, and update as required; review Key Messages and OMDC Planning calendars and distribute to SMT - Q1 and ongoing
- Develop customized key messages as required, review with SMT and copy Board members where appropriate – Q1 and ongoing

b) Public Relations Consultants –

OMDC has successfully used Public Relations consultants over the years to deliver communications tactics and services to supplement and enhance those of the agency's communications department. While the primary focus of PR consultants has been media relations, they have also assisted in identifying new communications platforms (e.g., social media, speaking opportunities, ethno-cultural media, etc.).

Following are the PR objectives:

1. Profile OMDC's critical role in supporting Ontario's creative economy
2. Reach new audiences with a focus on prominent multicultural communities and non-traditional media
3. Contribute to OMDC's social media strategy

The strategy will be to demonstrate OMDC's cultural and economic ROI in the six creative sectors it serves.

It will achieve its goals through a variety of tactics including:

- Themed pitching tied to events
- Reaching new audiences – e.g., multicultural and bloggers
- Mat newspaper stories and audio news releases
- Guiding social media strategy and execution

The PR agency will also assist in monitoring, tracking and reporting on media coverage.

Rollout:

- Recommendations and timeline developed Q1 and presented to OMDC's senior management team for input and then to the Board's Communications Committee
- Implementation ongoing from Q1

c) Media Relations –

Media relations continues to be a cornerstone of OMDC's communications strategy and has grown increasingly more effective each year. As previously noted, the number of media impressions for the first two quarters of 2013-14 stood at 90 million v. 82 million for the entire previous fiscal.

OMDC will continue to leverage high-profile news stories to showcase the agency as a leader in facilitating/supporting Ontario's creative industries. In addition, OMDC will continue to integrate social media and 'blogger relations' into its media relations strategy.

OMDC works with PR consultants to continually monitor media coverage to ensure messages are on track. Key media relations tactics will continue to include:

- Development and delivery of consistent key messages for media relations.
- Linking compelling stories about Ontario's cultural media cluster/content to economic value messages – demonstrating the role and results of OMDC support.
- Focusing on mainstream media to reach the broadest possible audience.
- Looking for targets of opportunity – e.g., purchasing advertorials in key industry trades (e.g., The Hollywood Reporter)
- Development of mat newspaper articles to reach a broader audience.
- Conducting proactive pitches to journalists offering spokespersons and case studies/success stories to maintain a continuing news narrative.
- Supporting major events (e.g., Trillium Book Awards) with a publicity team.
- Ensuring that OMDC is linked to key journalists via social media (Facebook, Twitter, YouTube).

Rollout:

- Implement media relations program – Q1 and ongoing
- Review media relations strategy and measurement – ongoing and for quarterly results roll-up

d) Social Media –

OMDC is active on four social media sites: Facebook, Twitter, YouTube and Linked In. OMDC's social media strategy is aimed at disseminating agency and stakeholder news to the broadest possible audience and creating conversations/feedback with stakeholders. Activity continues to increase: OMDC's Twitter site has over 3,600 followers. OMDC's tweets promote its programs, services, deadlines, stakeholder news, support for the six sectors, news releases, links to media coverage, highlights from events, etc. in both French and English. OMDC's Klout Score (a measure of the agency's online influence) has increased from 45 to 56 in the past year.

OMDC's YouTube channel continues to grow and postings have included: the Digital Dialogue Conference and Breakfast Series; the Trillium Book Awards; TIFF celebrity interviews and OMDC's own corporate video and 60-second spot, among others. The ongoing strategy is not only to provide a record of OMDC events, but also to keep audiences engaged and informed. OMDC provides video coverage for all its events, posts videos shortly afterwards and cross-promotes them through its Twitter and Facebook sites.

OMDC's Facebook page has attracted over 1,500 'likes' and continues to grow. Posts have included program information, links to OMDC and stakeholder media coverage and announcements, etc. The strategy will be to ensure that posts are made with sufficient frequency to maintain interest and grow engagement (OMDC's potential audience via Facebook is over 500,000 people). Monthly reports are created for all social media sites to assist in tracking successes.

OMDC continues to work with a social media consultant to help identify opportunities, to develop strategies and to ensure that news is disseminated in a timely fashion. In addition, OMDC participates actively in the Inter-Ministry Forum on Social Media, which meets every second month to discuss issues and best practices pertaining to government. OMDC will also continue to work closely with PR consultants to develop the most effective social media strategy.

The goal is to use social media to strengthen the identity of the OMDC brand.

Rollout:

- Work with PR firm and social media consultant to expand/broaden outreach – Q1 and ongoing
- Video OMDC events, upload to YouTube and cross-promote on Twitter and Facebook – Q1 and ongoing

Strengthening the OMDC Brand

e) Advertising –

OMDC has continued to seek ways to extend the reach of its advertising campaign by creating innovative partnerships with key media, including *The Walrus*, *The Hollywood Reporter* (Cannes and TIFF) and *Persian Tribune*. Paid advertising in these media also provided the opportunity to participate in prominent editorial coverage for the Trillium Book Awards and for OMDC-sponsored or supported programs like IFF (International Financing Forum at TIFF) and Producers Lab Toronto (PLT) which help heighten awareness for Ontario-published books and create financing/co-production opportunities for Ontario filmmakers, respectively. OMDC will continue to seek opportunities to push our messages out through paid, earned and social media, both as part of OMDC events and as standalone communications activities.

OMDC's 60-second TV spot is displayed on our website and linked to social media sites. It still delivers a powerful message and OMDC will continue to use it as an event 'ice breaker' to get audience attention before remarks and for sponsorship packages that require online materials. In 2013, we updated many images to extend its 'shelf life' for another few years.

The Communications Department will continue to review each advertising opportunity to ensure that its investment has maximum impact. To assist with planning, Communications has developed a Marketing Calendar to ensure that there is sufficient time for development and placement of ads. The calendar is updated as new advertising opportunities become available and established ones are reviewed to ensure they remain relevant.

In 2014-15, OMDC will continue to look for opportunities to disseminate its messages and leverage its brand to a broader audience through investigating placements in, and partnerships with key media.

Building on current communications successes and strengthening OMDC's brand identity will continue to be a cornerstone of the 2014-15 Communications Plan.

Rollout:

- Review and update Marketing Calendar – Q1 and ongoing
- Work with OMDC departments and targeted media to place ads, as required – Q1 and ongoing
- Look for targets of opportunity (key trades and consumer publications, etc.) Q1 and ongoing

f) Corporate Identity and Graphics Standards –

OMDC's dynamic 2011 awareness campaign helped to establish a brand 'look' for OMDC. This brand identity will continue to be used for all print and online materials, and has been supported by the development of a style guide and templates to ensure that ads, bulletins, email signatures, newsletter, brochures, etc. conform to the OMDC style requirements. As new products are developed (e.g., the refreshed website) Communications will continue to act as the internal 'brand watchdog' to ensure that they conform to the OMDC style guide.

Rollout:

- Maintain integrity of OMDC brand look in all materials – Q1 and ongoing

g) Keeping the Website Updated

OMDC launched its refreshed website in early 2013. The OMDC website is an essential information resource and point of connection for both industry stakeholders and the general public. In order to maintain its effectiveness as a communications tool, its content needs to be updated on a regular basis. Communications has developed a regular schedule for updating content on the website to keep it fresh and engaging for its audiences. OMDC has also engaged an outside vendor to keep stakeholder success stories and images fresh and current.

As OMDC continues to track results, Communications will work to ensure that the website achieves its objectives of keeping stakeholders both informed and engaged – and that this is reflected in the number of page views and other appropriate measurements.

Rollout:

- Update web content - Q1 and ongoing
- Track website 'hits' – Q1 and ongoing

Special Initiatives and Events –

h) Ontario Music Fund -

The Government launched the Ontario Music Fund (OMF) in October, 2013. The OMF is a \$45 million fund that will be delivered over three years via the newly created Ontario Music Office (OMO) within OMDC.

The goal of this fund is to grow and foster Ontario's strong music industry, which is an important contributor to the province's cultural and economic prosperity. The majority of the Canadian music industry is located in Ontario, with more than 80 per cent of total national revenues coming from the province. Ontario is also home to the majority of Canadian record labels (both major and independent) as well as the relevant trade associations.

Just as the OMDC has helped to grow and solidify Ontario's position as an ideal place to produce films and television shows through the Film Fund, the Ontario Music Fund will allow OMDC to help champion Ontario as an ideal place to record music, play festivals, host concerts and develop a thriving music business.

Because many stakeholders were not eligible to receive OMDC funding previously, Communications will need to work closely with OMDC's Ontario Music Office and PR consultants to ensure that messages are clear and consistent.

The communications objectives are as follows:

- Encourage qualified applicants to apply to the Ontario Music Fund
- Position the new Ontario Music Fund as part of OMDC's core programming.
- Demonstrate OMDC's strong history of success in positioning Ontario as a leader in cultural industries and effectively managing cultural grants.
- Illustrate the value of the music industry to the province.
- Keep the focus on the role of the OMF to bolster the business of music, to differentiate from other grants and programs.
- Clearly communicate who is eligible for which streams of the OMF to assist potential candidates in assessing whether to submit an application.
- Build stakeholder support for the OMF.

Rollout:

- Work with Ontario Music Office to ensure clear and consistent messaging – Q1 and ongoing

i) Pan/ParaPan American Games –

Ontario will host the Pan/ParaPan American Games in Toronto and vicinity in 2015. OMDC has already provided the Ministry with a list of recommendations on how Ontario's creative industries' products can be integrated into/showcased at the Games. Communications will work with other OMDC departments and the Ministry during the lead-up to the Games to ensure that Ontario's cultural media products have a high profile with international audiences.

In addition OMDC will seek to incorporate sports angles into its communications and to look for logical connections where sports can be promoted including ads, social media, website, etc.

Rollout:

- Work with Industry Development Group and Ministry to ensure Ontario cultural media products have high visibility in the lead-up to, and during, the Games – Q1 and ongoing

j) Multicultural/Special Needs Outreach –

OMDC is committed to continuing to extend its services and programs to ethno-cultural and other special interest/needs groups. OMDC will continue to enlist the support of Canada's ethnic media community to help communicate OMDC's programs and services to third language groups by:

- Identifying stories relevant to multicultural media and promoting broader cultural stories relevant to all audiences.
- Distributing OpEds, mat articles, photos and other existing content to multicultural outlets.
- Reviewing our advertising strategy – exploring existing and new multicultural events, sponsorships.

OMDC will work with PR Consultants to repurpose media pitches for key ethnic language media, as appropriate, and to explore other targets of opportunity; to monitor and review OMDC's communications products for Francophone communities to ensure that they are informed of Agency programs and services; and to support special needs communities (e.g., Abilities Arts Festival, ACTRA's diversity website, etc.).

Wherever possible, OMDC will continue to incorporate diversity into all communications tactics, including using multicultural media relations/marketing to broaden reach and relevance as well as identify outreach opportunities to promote OMDC programs and services to multicultural communities and special needs groups

Rollout:

- Review outreach opportunities with various communities – Q1
- Work with Sharifa Khan and Communications Committee to develop a strategy
- Work with PR firm to identify opportunities within multicultural communities– Q1 and ongoing
- Work with CEMA and similar organizations to identify ethno-cultural groups and make initial approaches - ongoing
- Develop and begin implementing communications recommendations for groups – Q1 and ongoing
- Highlight 'success stories' on OMDC website – Q1 and ongoing

k) Industry Events

OMDC sponsors or hosts a number of industry events and strategic initiatives: Celebrate Ontario, IFF (International Financing Forum at TIFF, Producers Lab Toronto, Digital Dialogue Conference and Breakfast Series From Page To Screen, The Research Showcase, The Trillium Book Award, etc. Some of these initiatives occur annually and others are targets of opportunity (e.g., special screenings). All of these activities are aimed at: underscoring OMDC's industry leadership and support; promoting OMDC's programs, funds and services; highlighting success stories or creating forums where industry stakeholders can network and develop business opportunities across the same or different sectors.

The communications objectives for events are:

- To focus on improving communications around existing events (including non-traditional outreach);
- To use the lead-up periods to events (e.g., two to three weeks or more in advance) to generate media interest in OMDC stories
- To explore new communications activities (e.g., social media) for existing or events with a focus on cross-sector collaboration.

Communications will budget for one film screening this fiscal and two other outreach ‘targets of opportunity’.

OMDC will also look into developing a more aggressive and proactive event planning process that focuses not only on OMDC led events, but industry events of which OMDC is a part – in effect to also use non-OMDC events to promote OMDC’s programs and services to broader audiences .

Rollout:

- Focus on enhancing existing events – Q! and ongoing
- Utilize lead-up periods to events to pitch media - ongoing
- Explore new opportunities – ongoing

I) Trillium Book Award –

The Trillium Book Award continues to be one of the most high-profile events in OMDC’s calendar -- generating a record 67 million media impressions in 2013. Communications will continue to work closely with Industry Initiatives and PR consultants to determine appropriate promotional and media relations activities for 2014-15

Rollout:

- Work with Industry Development and PR consultants to develop and implement 2014 Trillium Book Award publicity recommendations – Q1

Thought Leadership & Speaking Opportunities -

OMDC’s Board members and senior management consistently work to communicate the agency’s aims and objectives outlined in its *Strategic Plan* to key targets with a view to ‘influencing the influencers’—identifying individuals and groups that can help tell the OMDC story to key decision makers. Some of the proposed communications activities for profiling OMDC’s thought leadership could include:

m) Speeches/Presentations –

OMDC spokespersons are often called upon to make remarks at industry and stakeholder events. These can range from brief opening remarks at events (e.g., introductions of keynote speakers) to more detailed presentations on the agency’s mandate, programs, funds and services to various sectors. In each case, OMDC assesses individual opportunities to ensure that relevant key messages are delivered.

Speeches are often newsworthy and their key points can also be turned into news releases or articles. Remarks also invariably provide an opportunity for OMDC spokespersons to showcase the agency’s success stories. Communications will work with senior management and PR

Consultants to identify potential speech platforms and to develop some standard presentations that can be updated, adapted or customized for different occasions. Speech platforms generally have a long lead time, so it is envisaged that this activity may not begin until the end of Q2.

Rollout:

- Work with PR consultants and SMT to identify industry and other appropriate speech platforms – Q1 and ongoing
- Review existing speeches/presentations for possible updating and conversion to bylined articles – Q1 and ongoing

Publications and Communications Materials –

Media Profile undertook a communications audit of all OMDC's communications vehicles in late 2013 and the results of their findings will inform decisions on content and presentation going forward.

Existing communications products are available to convey news about OMDC's programs, services and success stories, as well as key messages from the *Strategic Plan* and *2014-15 Business Plan* to stakeholders. They include:

n) Newsletter –

The objective of the newsletter is to continue to keep stakeholders regularly informed of OMDC programs and services; to celebrate program and stakeholder success stories; to highlight the six cultural media sectors equally; to feature important industry research and to provide a calendar of industry-specific events.

Rollout:

- Distributed monthly

o) Annual Report/Year In Review –

For the past five years OMDC has produced a Year In Review document to highlight the Agency's activities and successes. With the addition of several sections required by statute (letter of transmittal, program commitments, financial statements, etc.) and a new cover design, most of the contents of the Year In Review formed the basis for OMDC's 2012-13 Annual Report—and we would envisage this being the case again this year.

The Year In Review document will be produced first in English for print and a PDF version will be posted on the OMDC website. A French version will also be required, not for print but for posting as a PDF document on OMDC's French website (it can also be printed on demand). The Year In Review is used as a marketing/informational piece and can be employed as soon as it is ready. Communications will again have the document produced by the end of Q1.

The Annual Report will continue to be produced second as a bilingual flip-flop document that will be printed and that can be posted separately in English and French on OMDC's website after it is tabled in the Provincial Legislature.

Rollout:

- Year In Review written and produced by end of Q1 to key targets in electronic and hard copy format and posted on the website.

- Annual Report materials (letters, auditor's report, financial statements, program results and commitments, etc. added in Q3 re-designed, printed and submitted to the Ministry in early Q3 – must be received 60 days after the Board receives the approved audited financial statements from the Office of the Auditor General.

n) OMDC Marketing Materials

OMDC's various departments – Industry Development, Tax Credits, Business Affairs & Research – all have publication requirements ranging from Tax Credit 'one-sheets' to booklets for Cannes, TIFF, location events in L.A. and numerous other OMDC and OMDC-supported events. Communications will continue to work with these departments to identify their needs and respond with editorial and design services.

Rollout

- Provide editorial and design services to various OMDC departments– Q1 and ongoing

o) OMDC Corporate Videography for OMDC Events

OMDC will continue to hire videographers to videotape its own events for inclusion on its YouTube channel. These videos provide an important record of events, and for those who were unable to attend (e.g., Digital Dialogue Conference) and in 2014-15, OMDC will explore further uses for these segments.

Rollout:

- Videography for OMDC events – Q1 and ongoing
- Review corporate video for editing; final product - Q1

XIV. Human Resources and Staffing

All OMDC staff are members of the Ontario Public Service, and are compensated under the terms of their collective agreements.

Appendix I. **Organizational Chart**
(as of October 25, 2013)

Ministry of Tourism, Culture and Sport
Ontario Media Development Corporation

