

# ONTARIO CREATES BUSINESS PLAN 2021-22



December 30, 2020

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## I. EXECUTIVE SUMMARY

More than ever, audiences at home and around the world are embracing compelling and award-winning Ontario-made content – a result of our first-rate infrastructure, world-class talent, dynamic and competitive business environment, and supportive government.

COVID-19 and the associated health restrictions have hit Ontario's culture sector harder than most. Travel and event cancellations, supply chain disruptions, production and live music shutdowns, and social distancing measures have all resulted in significant losses in revenue, employment and business opportunities for Ontario's creative industry businesses. And yet, the pandemic has also created an even greater global demand for content, making the creative industries a vital part of Ontario's economic recovery.

Despite these challenges, content made in Ontario continues to be a critical and commercial success at home and abroad:

- **Schitt's Creek** made history when the Ontario-made Canadian series swept the 2020 Emmy Awards, while the Ontario-shot Netflix Production **The Queen's Gambit** was seen by 62 million households in the first 28 days of release, making it Netflix's most popular scripted limited series ever.
- Past **Trillium Book Award** recipient, Souvankham Thammavongsa's **How to Pronounce Knife** won the 2020 Giller Prize, and is currently the number one best-selling fiction book in Canada.
- Ontario is now Canada's top producer of videogames, boasting companies like **Big Blue Bubble** and **Capybara Games** whose award winning games are played around the world.
- Home to chart-topping, Juno and Grammy-nominated artists **Jessie Reyez**, **Lido Pimienta**, **The Weeknd**, and **Shawn Mendes**, Ontario is an undeniable powerhouse of musical talent.

Prior to the pandemic, Ontario's creative industries were having a very strong year, contributing record growth to the economy:

- Aided by scouting and facilitation services through Ontario Creates' **Film Commission** and **LA Office**, and in conjunction with the agency's toolkit of programs and tax credits, film and television production contributed a record-breaking **\$2.16 billion** to the provincial economy in 2019. The sector accounted for **44,540 jobs**—representing a 36% increase in jobs since 2017.
- Recipients of Ontario Creates' **IDM Fund** and Film Fund created nearly **33,000** weeks of work in 2019-20.
- **Export Fund** support helped Ontario companies to generate **\$246 million** in international sales, equivalent to \$169 for every dollar invested by Ontario Creates.
- Ontario music companies secured nearly **\$14 million** in additional private sector investment as a result of support from the **Ontario Music Fund**.
- In 2019-20, each **tax credit** dollar **leveraged nearly \$14 in additional product/production spending** for the 2,500+ book, film, television and interactive digital media products certified by Ontario Creates.

This Business Plan addresses how Ontario Creates will use its existing resources to support the expectations set out in the Minister's 2021-22 mandate letter, and will be implemented in conjunction with the government's ongoing pandemic response as well as the Ministry of Heritage Sport, Tourism and Culture Industries' (MHSTCI) recently released White Paper – *Reconnecting Ontarians: Re-emerging as a Global Leader* – that will inform a five-year plan designed to ensure the medium- and long-term recovery of its sectors.

The Plan represents a status quo balanced budget with no requested increases for additional financial or human resources. Ontario Creates' 2021-22 expenditures are projected to be \$38.7 million. Revenue for 2021-22 is also expected to be \$38.7 million (this includes a total of \$35.4 million in MHSTCI operational funding and \$3.3 million in self-generated revenue including tax credit administration fees, interest, and other income).

As a result of careful fiscal management, Ontario Creates has accumulated a small amount of uncommitted cash reserves, providing the capacity to respond to emerging opportunities and industry development needs which cannot be addressed within the parameters of core funds. The agency has committed to a balanced budget (effective deficit of zero) each year, and has consistently performed better than planned, allowing an annual contribution to cash reserves.

In 2021-22, Ontario Creates is prepared to utilize approximately \$1 million of these reserve funds to activate a series of time-limited initiatives that will leverage and extend existing programs without creating unsustainable stakeholder expectations and with limited additional strain on human resources. These three important initiatives include an extension of the Diversity Enhancement, Ontario Author Touring Support (OATS), and support of Canada's Guest of Honour spot at the 2021 Frankfurt Book Fair.

Ontario Creates' core programs and services continue to deliver strong results for the Province and for the creative industries in Ontario. Throughout the Business Plan, the agency's programs and services have been focused on three additional MHSTCI priorities, especially critical to ensuring a prosperous creative economy in Ontario: COVID-19 recovery; workforce development; and diversity and equity initiatives. As always, Ontario Creates will strive to provide flexible, customer-focused support to the Province's creative industries, especially as they navigate the challenges of recovery and rebuilding in a pandemic.

## II. MANDATE

The Ontario Media Development Corporation (operating as Ontario Creates) is an operational service agency of the Ontario Government. Ontario Media Development Corporation 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).

### CORPORATE OBJECTS

As described in the Regulation, the objects of Ontario Creates 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.

### GOVERNANCE AND MINISTRY RELATIONSHIPS

Ontario Creates is accountable to MHSTCI for the fulfillment of its mandate. The agency's mandate directly aligns with the ministry's vision to create a strong and stable culture sector and prosperous creative economy by helping Ontario's content producers to develop globally competitive media content that creates jobs in Ontario's knowledge economy. As the key delivery mechanism for providing programs and activities to the province's creative media industries, Ontario Creates supports the ministry's goal of encouraging expansion of Ontario's creative industries, stimulating job creation, economic growth, and innovation.

Ontario Creates also maintains working relationships with the Ministry of Finance (MoF) and the Ministry of Economic Development, Job Creation and Trade (MEDJCT) in the delivery of programs and maintenance of stakeholder relationships. The agency is actively engaged in strengthening partnerships with other ministries as appropriate in order to best leverage opportunities for stakeholders and access resources that assist in fulfilling its mandate.

### BOARD OF DIRECTORS

Ontario Creates is governed by a 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, typically six times a year. The Board also has four Standing Committees (Governance, Audit, Strategic Planning, and Communications). Ontario Creates currently has 7 Board members. Note: A Vice-Chair has not yet been designated:

Diana Arajs	Philip Forte
Aaron Campbell, Chair	Nyla Innuksuk
Michael Ceci	Edith Myers
Tina Cole	

## **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 Heritage, Sport, Tourism and Culture Industries. The CEO is responsible for the management of the agency's programs and staff. Staff are hired under Ontario's *Public Service of Ontario Act, 2006*. The current full-time staff complement is 78.

## **ANNUAL REPORT, AUDIT, AND INVESTMENTS**

Ontario Creates 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 the agency's enacting regulation restricts the investments available to Ontario Creates. Within these parameters, the agency's investment strategy is developed in consultation with the Audit Committee of the Board and is approved by the Board of Directors. Ontario Creates 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.

## **ACCESSIBILITY AND DIVERSITY**

Ontario Creates actively supports all Ontario Accessibility legislation and directives including the *Accessibility for Ontarians with Disabilities Act* (AODA). The agency's policies and multi-year accessibility plan are posted on the corporate website. As part of its Employee Engagement Committee activities, and in line with Strategic Plan commitments, the agency has developed a Diversity action plan. Ontario Creates is committed to integrating diversity into all programs, policies, and services and to continuing to extend its services and programs to underrepresented groups. Proactive outreach to ensure that the agency's services are communicated and accessible to individuals and companies across Ontario will continue.

## **RESPECTFUL WORKPLACES**

In 2018, in consultation with other funding agencies and industry trade organizations across Canada, Ontario Creates updated program guidelines to require that all program applicant organizations sign an affidavit to confirm that their organization has in place both guiding principles and a process for maintaining a respectful workplace. Ontario Creates expects that all funding recipients maintain the principles of a respectful workplace including taking every reasonable step to:

- Cultivate and sustain a respectful, positive, inclusive and supportive work culture;
- Provide a safe mechanism for staff to report incidents or allegations of inappropriate behavior; and
- Take action to prevent, identify and eliminate workplace harassment and discrimination in a timely manner.

As an organization, Ontario Creates holds itself and its employees to this same standard.

## **ACCOUNTABILITY**

Ontario Creates' relationship and obligations to MHSTCI are laid out in a Memorandum of Understanding (MOU). The MOU is an internal document that is reviewed every five years and when there is a change of Minister or agency Chair. The MOU, as well as the agency's business plans and annual reports are posted on the corporate website as required by the Agencies and Appointments Directive (AAD). In addition to these documents, Ontario Creates also posts the travel, meal and hospitality expenses of its Board of Directors (appointees), President and CEO, and staff at the Senior Management Group Level 3 and above. Expenses are posted on the corporate website on a quarterly basis following appropriate approvals and reimbursement. Under Ontario's Open Data Directive, an inventory of the agency's datasets has been posted on the website. The agency continues to proactively release datasets in a machine readable format as per Ontario's Open Data directive. Ontario Creates complies with the *Occupational Health and Safety Act*, including maintaining a Joint Health & Safety Committee of staff and management.

### III. ENVIRONMENTAL SCAN

#### THE CREATIVE INDUSTRIES IN ONTARIO

Ontario's culture sector generates \$26.7 billion annually, accounting for approximately 3.3% of Ontario's GDP. This is the highest level of culture GDP, both overall, and on a per capita basis, among all Canadian jurisdictions. The culture cluster includes the Entertainment and Creative Cluster (ECC), alongside other disciplines such as heritage & libraries, natural heritage, visual and applied arts, and more. In Ontario alone, the culture sector is responsible for generating more than 277,000 jobs.<sup>1</sup>

The ECC comprises individuals or companies whose primary occupation is the creation, production and monetization of creative content.<sup>2</sup> Data from the most recent MoF analysis showed this cluster has been a key driver of economic growth for Ontario, outpacing overall provincial growth during the period of 2005-2011.<sup>3</sup> Prior to the pandemic, PwC anticipated that Canada's entertainment and media industries would see steady growth at a compound annual growth rate (CAGR) of 2.3%, from 2020 through 2024, from US \$46 billion to US \$54 billion, a rate that is on par with the CAGR for all of North America.<sup>4</sup>

Ontario is home to Canada's largest creative industry sectors, including book publishing, film and television, interactive digital media, magazine media, and music. These industries help to make Ontario a better place to live, work, and invest. The most recent data from Statistics Canada shows that the six sectors supported by Ontario Creates contributed over 61,500 Canadian jobs and more than \$6.8 billion to Ontario's GDP in 2018<sup>5</sup> — larger than the air transportation industry, and the forestry and logging sectors.

The six sectors supported by Ontario Creates are national leaders in job creation and GDP contribution. All sectors have been significantly, negatively impacted by COVID-19. The bullets below describe the relative size and economic impact of these industries before the pandemic; the next section, "Early Impacts of COVID-19" (p. 10) describes the effect of COVID-19 on Ontario's creative industry businesses.

#### BOOK

- According to Statistics Canada, the Ontario book publishing industry reported \$1.1 billion in operating revenues in 2018, with an operating profit margin of 11%. At 67%, Ontario's book publishers had the largest share of national revenues.<sup>6</sup> The Ontario book publishing sector contributed \$766 million to Ontario's GDP and employed more than 7,700 people in 2018.<sup>7</sup>
- In 2018, Canadian international book exports were estimated at \$728.8 million, \$610.6 million of which went to the United States.<sup>8</sup> Ontario generated more than half of the national figure, at \$474.2 million worth of exports in 2018. According to the last recorded data in 2016, Ontario

<sup>1</sup> Statistics Canada, "Provincial and Territorial Culture Indicators, 2014 to 2018," October 22, 2020.

<sup>2</sup> Ontario Ministry of Tourism and Culture, *Ontario's Entertainment & Creative Cluster: A Framework for Growth*, p.3

<sup>3</sup> Ontario Ministry of Finance (MoF), *Entertainment and Creative Cluster Statistics*, 2013

<sup>4</sup> PwC, *Global Entertainment & Media Outlook, 2020-2024*, September 2020.

<sup>5</sup> Statistics Canada, Table 36-10-0452-01, *Culture and sport indicators by domain and sub-domain, by province and territory, product perspective (x 1,000)*, released November 22, 2020. (accessed: November 3, 2020).

<sup>6</sup> Statistics Canada, Table 361-0088 - Book publishers, summary statistics, every 2 years, CANSIM (database). (accessed: October 16, 2018).

<sup>7</sup> Statistics Canada, Table 12-10-0117-01 *International trade of culture and sport products, by domain and sub-domain, and trading partner (x 1,000,000)* (accessed: November 3, 2020).

<sup>8</sup> Statistics Canada, Table 12-10-0117-01 *International trade of culture and sport products, by domain and sub-domain, and trading partner (x 1,000,000)* (accessed: November 13, 2020).



exported a further \$217.2 million worth of books to other provinces. Quebec, B.C., and Manitoba are the primary importers of Ontario books.<sup>9</sup>

- Canadian-owned publishers are responsible for 80% of the new books written by Canadian authors each year, according to the Association of Canadian Publishers. A study released by BookNet Canada demonstrates the vast majority of Canadian book buyers are interested in reading books by Canadian authors (84%)—this is up from 75% in 2012.<sup>10</sup>
- While print books are still the most popular format, audiobook listening in Canada is growing, with 37% of Canadians identifying themselves as audiobook listeners. Frequency of audiobook use has also increased, with 24% of audiobook listeners listen to a book at least once per day, up from 7% in 2018.<sup>11</sup>
- Participants in a Canadian diversity study by BookNet Canada indicated at a fairly high rate that they were interested in increased diversity in books. Thirty-one percent of respondents indicated that they would read more often if they could access more diverse books, and 62% stated that they actively seek out books with diverse subject matter and authors. Furthermore, 61% of underrepresented readers and 40% of well-represented readers stated that they would be “very interested” or “interested” in reading books by authors who are Black, Indigenous or other people of colour.<sup>12</sup>

## FILM AND TELEVISION

- Ontario is one of the largest film and television production centres in North America, with the economic contribution of film and television productions supported by the Province of Ontario valued at approximately \$2.16 billion in 2019.<sup>13</sup>
- According to Canadian Media Producers Association (CMPA)’s latest economic report on the screen-based media industry in Canada, in 2018-19, the production industry generated almost 181,000 full time equivalent jobs (FTEs), including direct (i.e. cast and crew) and spin-off impacts. This was up 2.4% from 2017-18. Of these jobs, approximately 56,000 (31%) were located in Ontario.<sup>14</sup>
- The full screen sector value chain (including production, distribution, film festivals, and broadcasting) generated \$23.7 billion in GDP for the Canadian economy, including \$12.8 billion directly within the value chain and an additional \$10.8 billion in other industries within the Canadian economy.<sup>15</sup>
- In 2019, film and television production in Ontario increased 14.5% (over 2018), contributing \$2.16 billion to Ontario’s economy. The number of full time direct and spin-off jobs increased by 7,500 over the previous year, to approximately 44,500. 2019 production figures show a

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<sup>9</sup> Statistics Canada, Table 12-10-0116-01 *International and inter-provincial trade of culture and sport products, by domain and sub-domain, provinces and territories* (x 1,000,000) (accessed: September 27, 2019).

<sup>10</sup> BookNet Canada, *Canadians Reading Canadians 2017*, July 2017.

<sup>11</sup> BookNet Canada, *Press Play: Audiobook Use in Canada 2020*, 2020, p. 3.

<sup>12</sup> Booknet Canada, *Demand for Diversity: A Survey of Canadian Readers*, April 2019, p. 5.

<sup>13</sup> Ontario Creates, 2019 Production Statistics, 2020. Data represents expenditures of all productions using Ontario Creates-administered incentives and services. Data does not include television commercials, corporate videos, music videos, or broadcaster in-house production.

<sup>14</sup> CMPA, *Profile 2019*, p. 13.

<sup>15</sup> CMPA, *Profile 2019*, p. 15.

healthy balance between domestic and foreign production, with \$1.1 billion in foreign production and \$815.7 million in domestic production.<sup>16</sup>

- Subscription rates to traditional cable packages decreased between 2013 and 2017, from 81.5% to 72% of Canadians, while over the same period, home internet access rates grew from 83.9% to 89.0%.<sup>17</sup> Canadians view an average of 2 hours 23 minutes of linear TV daily, as of Q2 2019, tied with the Netherlands in 10<sup>th</sup> place among the largest linear TV markets worldwide based on daily consumption. The average varies significantly by age group, from a low of 1.6 hours among Francophone Canadians aged 16-24, to a high of 3.14 hours on average among Anglophone 55-64 year-olds.<sup>18</sup>
- Canadian over-the-top (OTT) video revenue is rapidly climbing, with a predicted 10.7% CAGR, from US \$1.6 billion in 2018 to a projected US \$2.7 billion in 2023. Subscription video on demand (SVOD) is also expected to climb dramatically, with a projected CAGR of 11.9% between 2018 and 2023.<sup>19</sup>
- In 2017, Ontario made up 32.9% of Canada's \$8.3 billion in film, television and video production revenue; 31.2% of the \$1.4 billion in post-production revenue; and 90.0% of the \$2.3 billion in distribution revenue.<sup>20</sup>

#### **INTERACTIVE DIGITAL MEDIA (IDM)**

- IDM in Canada is a growth industry that is quickly changing, driven by shifts in consumer behaviour and technology. The broader IDM sector includes companies that produce interactive content as well as firms that provide various types of products and services to enable the production of interactive content. Core IDM content includes but is not limited to video games, cross-platform entertainment, virtual and augmented reality content, web series, e-learning, and training products. In 2018, Ontario's interactive media industry contributed over \$3.2 billion to Ontario's GDP and employed over 21,000 people.<sup>21</sup>
- The Ontario IDM industry generated \$1.66 billion in revenue in 2017 with a profit margin of 15.7%. The majority (over 90%) of this revenue comes from export. The largest markets are the United States and Continental Europe, with 37% and 34% respectively.<sup>22</sup>
- A 2019 report by the Entertainment Software Association of Canada (ESAC) estimates that Canada's video game industry employs 27,700 FTEs directly, as well as generating an additional 20,300 FTEs in the wider economy. Ontario's video game industry has the largest number of studios in the country. By number of employees, it is the third largest in the country after Quebec and British Columbia, with 235 firms directly employing 5,000 people.<sup>23</sup>
- Canadian video game revenue grew by 15% between 2017 and 2019, to \$3.6 billion.<sup>24</sup> The national video game industry spent \$3.2 billion in 2019, an increase of 24% from 2017. Ontario

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<sup>16</sup> Ontario Creates, 2019 Production Statistics.

<sup>17</sup> CRTC, *Communications Monitoring Report 2019*, p. 11.

<sup>18</sup> CMF, "The State of Linear Television in Canada," CMF Trends, April 5, 2019.

<sup>19</sup> PwC, *Global Entertainment & Media Outlook 2019-2023 - Canada*, "OTT video," June 2019.

<sup>20</sup> Statistics Canada, *The Daily – Film and video distribution, 2017*, April 26, 2019.; Statistics Canada, *Film, television and video post-production, 2017*, April 26, 2019; Statistics Canada, *The Daily – Film, television and video production, 2017*, April 26, 2019.

<sup>21</sup> Statistics Canada, *Provincial and Territorial Cultural Indicators*, 2018, November 22, 2020.

<sup>22</sup> Interactive Ontario, *Measuring Success: The Impact of the Interactive Digital Media Sector in Ontario – 2<sup>nd</sup> Edition*, May 2019, p. 3.

<sup>23</sup> Entertainment Software Association of Canada (ESAC), *The Canadian Video Game Industry 2019*, November 2019, pp. 12, 19, 20.

<sup>24</sup> *ibid*, p. 29.

video game industry expenditures increased, from \$522 million in 2017 to \$572 million in 2019.<sup>25</sup>

- An emerging segment of the IDM economy is esports, with a global esports industry year on year growth rate of 26.7% between 2018 and 2019.<sup>26</sup> According to Solutions Research Group, 16% of Canadians online 12 years and older engage in esports activities, making Canadians enthusiastic players.<sup>27</sup> In Ontario, esports leagues are responding to rapid growth by facilitating organized, social, and competitive esports tournaments and events.
- Video game and console companies are beginning to look at streaming models instead of requiring players to buy new consoles to play new games. A number of new services will allow users to stream games for a monthly fee, much like television streaming services.<sup>28</sup>

## MAGAZINE

- Ontario's periodical publishing sector contributed nearly \$476 million to Ontario's GDP and employed almost 4,500 people in 2018.<sup>29</sup> In 2017, Ontario's magazine industry generated \$801.1 million in operating revenue, which accounted for 61.3% of national operating revenues. Revenues declined 14.6% from 2015, but at a lesser rate than the national average of 17.8%. Operating expenses were valued at \$705.4 million, bringing the operating profit margin to 12.0%, which is over the national average but below 2015's profit margin of 15.7%.<sup>30</sup> Ontario-based periodical publishers pay \$264 million a year in salaries and benefits.<sup>31</sup>
- In 2018, Canadian international periodical exports were valued at \$35.5 million, with the United States the primary market (\$31.0 million).<sup>32</sup> Ontario was responsible for \$16.5 million in international exports. In 2016, \$89.8 million in periodicals were exported interprovincially, more than half to Quebec.<sup>33</sup>
- Print magazines still have a strong place in the market, with 63% of magazine readers age 18 and over stating a preference for print versions of magazines, 29% liking to read in both print and digital formats, and 8% reading only in digital formats.<sup>34</sup>
- Breaking down total sales by activity, the greatest percentage of Canadian sales can be attributed to advertising, followed by circulation. However, advertising sales have decreased over time, from 61.8% of total sales in 2013 to 52.9% in 2017. In comparison, circulation sales have increased, from 27.9% in 2013 to 34.0% in 2017.<sup>35</sup>

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<sup>25</sup> *ibid*, p. 33.

<sup>26</sup> François Dominic Laramée, "Esports: Canada, a Player in the Gaming Arena," CMF Trends, July 3, 2019.

<sup>27</sup> Solutions Research Group Consultants Inc., "Millennials Driving eSports Popularity," June 13, 2017.

<sup>28</sup> Todd Martens, "Can streaming and subscription models do for games what they've done for TV?," *Toronto Star*, June 24, 2019.

<sup>29</sup> Statistics Canada, Table 36-10-0452-01, Culture and sport indicators by domain and sub-domain, by province and territory, product perspective (x 1,000), released October 22, 2020 (accessed: November 3, 2020).

<sup>30</sup> Statistics Canada. Table 361-0032 – Periodical publishers, summary statistics, every 2 years (dollars unless otherwise noted), CANSIM (database). (accessed: September 27, 2019). Statistics Canada includes activity from advertising periodicals, newsletter publishing and other types of periodicals.

<sup>31</sup> Statistics Canada. Table 21-10-0053-01 – Periodical publishers, summary statistics, every 2 years (dollars unless otherwise noted), CANSIM (database). (accessed: July 31, 2019).

<sup>32</sup> Statistics Canada, Table 12-10-0117-01 International trade of culture and sport products, by domain and sub-domain, and trading partner (x 1,000,000) (accessed: November 13, 2020).

<sup>33</sup> Statistics Canada, Table 12- 10-0116-01 International and inter-provincial trade of culture and sport products, by domain and sub-domain, provinces and territories (x 1,000,000) (accessed: November 3, 2020).

<sup>34</sup> Vividata, *Overview of Results: Spring 2019 Study*, April 2019, p. 7.

<sup>35</sup> Statistics Canada, Table 21-10-0053-01 – Periodical publishers, sales by activity. (Accessed August 2, 2019).

## MUSIC

- The Ontario music industry is the largest market within Canada. Ontario generated \$432 million in record production and integrated record production and distribution revenues in 2017, representing 75% of total national industry revenues. Sound recording studios are responsible for \$64.9 million in operating revenues, with an operating profit margin of 14.4%. Music publishing revenue data is not available at the provincial level.<sup>36</sup>
- Ontario's sound recording and music publishing sector generated over 4,000 jobs in 2018, nearly half the 9,000 jobs created nationally.<sup>37</sup> These figures do not include the live music sector.<sup>38</sup>
- Canada's music publishing industry has seen steady increases, with an 8.6% average annual increase between 2016 and 2020, with revenues of \$277 million in 2020. The vast majority of these revenues (92%) are generated in Ontario.<sup>39</sup>
- In 2018, 91% of Canadians listened to recorded music. A significant majority of teens (93%) and millennials (91%) are streaming music online, along with 71% of all Canadian music listeners. Radio listening (both satellite and over-the-air) remains significant, playing a key role in music discovery, and over half of Canadians (58%) are attending live events (at large and small venues, and at festivals).<sup>40</sup>
- Streaming is dramatically replacing the sale of music in Canada. In 2019, there was a 31.2% increase in on-demand audio song streams, and a 59.7% increase in on-demand video song streams. In contrast, there was an overall decline in sales in most formats, including physical album sales (-23.3%), digital album sales (-24.5%), CD sales (-26%), and digital track sales (-27.6%). The only sale format which increased was vinyl LP sales, by 2.2%.<sup>41</sup>

## EARLY IMPACTS OF COVID-19

- **Revenue Losses:** Revenue has declined in all sectors. Factors include loss of contracts/inability to find new contracts, reduced sales, and unexpected COVID-related business expenditures.
  - Association of Canadian Publishers (ACP) sales sampling data indicates that in April 2020, book sellers of print books experienced a 56% decline in net sales revenues for Canadian publishers have declined sharply as a result of COVID-19. Nearly half of publishers interviewed in an Association of Canadian Publishers survey were projecting at least a 40% drop in revenue compared to 2019, and ten percent were preparing for a drop of at least 60%.<sup>42</sup>
  - Ontario IDM companies have seen an average revenue decrease of 38%, and an average anticipated loss per company of \$168,400 in 2020.<sup>43</sup>
  - It is predicted that global music revenue will drop by 25% this year due to COVID-related fiscal and operational challenges. The majority of this is tied to the live music sector, with earnings estimates dropping by over 75% from pre-pandemic projections.
  - Publishing revenue is expected to drop by 5%, and recorded music revenue by 8%.<sup>44</sup>

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<sup>36</sup> Statistics Canada. Table 21-10-0055-01- Sound recording and music publishing, summary statistics, every 2 years (dollars unless otherwise noted), CANSIM (database). (accessed: April 1, 2019)

<sup>37</sup> Statistics Canada, Table 36-10-0452-01, Culture and sport indicators by domain and sub-domain, by province and territory, product perspective (x 1,000), released October 22, 2020. (accessed: November 3, 2020).

<sup>38</sup> Statistics Canada, Provincial and Territorial Cultural Indicators, 2018, November 22, 2020.

<sup>39</sup> Circum, *Profile of Members of MPC and APEM, 2020*, July 2020, pp iii, 7.

<sup>40</sup> Nielsen Canada, *Music Canada 360 2018 - Report Highlights*, 2019.

<sup>41</sup> External sources, "By the Numbers: Canada 2019 Year End Music Report," FYI Music News, January 9, 2020.

<sup>42</sup> Association of Canadian Publishers, Survey Results: Impacts of COVID-19, April 21, 2020, p. 2

<sup>43</sup> *Interactive Ontario, Measuring the Impact of COVID-19 on the IDM Industry*, April 15, 2020, pp. 1, 5

<sup>44</sup> Dylan Smith, "Goldman Sachs: Global Music Revenue Will Drop 25% in 2020," *Digital Music News*, May 19, 2020.

- Domestic film productions are unable to close financing and go to camera as a result of not being able to secure production insurance.
- **Employment Losses:** Revenue decline and the inability to perform some jobs remotely, has meant that many companies/organizations have had to make significant layoffs. These layoffs disproportionately affect freelance workers and others operating in the gig economy, particularly performing artists.
  - In a study by Cultural Industries Ontario North (CION) of the impact of COVID-19 in Northern Ontario, 81.5% of participants said they had definitely lost work, contracts, or sales due to the pandemic, with another 16.2% saying maybe. Fifty per cent also said that they had lost over 20% of their annual income as a result of COVID-19.<sup>45</sup>
  - Magazine companies have needed to let go of staff in the face of lost revenue, many of whom may not be brought back to work. In cases where staff are not let go, employees are still seeing work hour reductions.
  - As of May 2020, 70% of Canadian Live Music Association members were not eligible to receive government assistance. Ninety-six per cent of music venues were at risk of business failure, and 70% had already begun to lay off staff.<sup>46</sup>
- **Sunk Costs:** Many companies have lost money on projects that have now been cancelled or halted or that have to be significantly revised. In many cases these costs are not recoupable.
  - As of late April, it was estimated that the book publishing industry has lost almost \$2.2 million in non-recoverable costs, with an estimated future cost of \$1.9 million. By far the largest area of loss is in printing of books that cannot be shipped or are expected to be returned, with over \$1.3 million to date and a further projected \$1.25 million.<sup>47</sup>
  - A Nordicity study from April 2020 on the impact of COVID-19 on the Canadian screen-based media production sector estimated that between March-June 2020, \$2.5 billion in screen-based media production volume would be at risk of either disruption or permanent loss. Information from FilmOntario in April suggested that in Ontario alone during the same time frame, \$713 million in production volume would be lost.<sup>48</sup>
- **Market Access:** Travel restrictions and cancellation of foreign markets has negatively affected business networking, development of new contracts, international sales, and the ability to reach existing and new audiences. These impacts will be felt far into the future.
  - In July, Canada's Guest of Honour presence at the 2020 Frankfurt Book Fair was formally postponed to 2021. While Canada will have a virtual presence at the market, it anticipated that strategic and business development opportunities will be diminished.<sup>49</sup>
  - Ontario IDM companies have identified a number of key issues impacting their work, with almost half saying that they have seen a loss of business development opportunities due to partners and stakeholders facing their own COVID-19 related difficulties. Thirty-four per cent also flagged major markets being cancelled, and 30% identified a decrease in sales due to loss of advertising budgets and decreased purchasing power of consumers.<sup>50</sup>
- **Physical Distancing:** Closure of physical stores and live events/venues, as well as loss of income, has significantly reduced consumer spending on products and experiences across sectors; the publishing industries have been particularly impacted by closure of physical stores

<sup>45</sup> CION, *COVID-19 Northern Impact Survey Results*, March 2020, pp. 5, 7.

<sup>46</sup> Nordicity, *Re:Venues: A Case and Path forward for Toronto's Live Music Industry*, 2020, pp.6-7.

<sup>47</sup> Association of Canadian Publishers, *Survey Results: Impacts of COVID-19*, April 21, 2020, p. 6.

<sup>48</sup> Nordicity, *COVID-19 Impact Analysis*, April 8, 2020, p. 1; Data provided by Film Ontario.

<sup>49</sup> Canadian Heritage, "Canada's Guest of Honour Role at the 2020 Frankfurt Book Fair Postponed," *CISION*, July 7, 2020.

<sup>50</sup> *Interactive Ontario*, *Measuring the Impact of COVID-19 on the IDM Industry*, April 15, 2020, p. 10.

and the music sector has been profoundly impacted by touring and performance restrictions. Many live music venues, companies and artists are at high risk of failure if social distancing measures continue.

- The publishing industries faced significant negative impacts early in the pandemic, with the closure of all Chapters Indigo locations from late March. With some relaxing of COVID restrictions these stores have opened again, but customer flow is still much lower than usual. Seventy-five per cent of Magazines Canada's independent retailers were also closed at this time.<sup>51</sup> A second lockdown pre- and post-Christmas requiring the closure of non-essential retail will further impact these businesses.
- A study by Abacus Data indicates that COVID-19 will have a lasting impact on people's comfort with going to public venues. Between 33-47% of Canadians said they wouldn't feel comfortable going to a domestic live show depending on the type of venue, and up to a quarter said they will probably never feel comfortable doing so again.<sup>52</sup>
- **Increase in Online Sales:** Many companies have experienced an increase in online sales and product consumption including a surge in audiobook and ebook purchases; increased streaming of music, film and television; and an increase in video game use. However, these revenues do not make up for the losses in other areas.
  - Although sales have decreased for book publishers since the beginning of the pandemic, net sales of digital books increased by an average of 9% in March-April 2020.<sup>53</sup>
  - Lockdown measures have increased interest in digital video games, with revenue increasing dramatically on a global level and reaching a record-breaking \$10 billion in March.<sup>54</sup>
  - Canadians report consuming more music and watching more music videos and online concerts than ever before, in numbers ranging from 24% to 35%, depending on the type of music media. Almost 80% also identify listening to music as a way to help relieve stress.<sup>55</sup>

## CREATIVE INDUSTRIES: GROWTH FORECAST<sup>56</sup>

- PwC anticipates that spending on entertainment and media in Canada will grow an average of 2.3% compounded annually from 2019-2024 with Canadians spending approximately US\$52 billion annually on entertainment and media products. This growth rate factors in a negative change for 2020, presumably as a result of COVID-19. Growth in Canada is on par with anticipated North American CAGR, with the North American market forecast to be worth US\$855 billion annually by 2024.<sup>57</sup>
- The fastest projected growth in spending globally is for virtual reality (24.9% CAGR) though it has slowed significantly from last year, and OTT video (13.4% CAGR). Esports as a segment of games is growing at a 14.7% CAGR but remains a comparatively tiny market.<sup>58</sup>

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<sup>51</sup> *Magazines Canada*, "Magazines Canada Retail Distribution Update," *Magazines Canada Member Bulletin*, April 15, 2020.

<sup>52</sup> David Coletto, "The Locked-Down Blues: Canadians, Live Music, and the Pandemic," *Abacus Data*, May 14, 2020).

<sup>53</sup> Association of Canadian Publishers, *Survey Results: Impacts of COVID-19*, April 21, 2020, p. 2.

<sup>54</sup> Matt Perez, "Report: Digital Video Game Revenue Hit \$10 Billion in March, Its Best Month ever," *Forbes*, April 22, 2020.

<sup>55</sup> David Coletto, "The Locked-Down Blues: Canadians, Live Music, and the Pandemic," *Abacus Data*, May 14, 2020.

<sup>56</sup> Data is latest available but does not take into account COVID-19 impacts.

<sup>57</sup> PwC, *Global Entertainment and Media Outlook 2020-2024*, September 2020.

<sup>58</sup> Ibid.

- PwC forecasts that in Canada, the fastest growing segments will be OTT video (11.5% CAGR) and video games and esports (4.7% CAGR). Data is unavailable for virtual reality in Canada.<sup>59</sup>
- Segments with the highest projected annual global spend in 2024 are traditional TV and home video (US\$231 billion), video games and esports (US\$179 billion), and OTT video (US\$87 billion).<sup>60</sup>
- In Canada, the segments with the largest spend are traditional TV and home video (at US\$6.8 billion by 2024 – however, growth in this segment has been declining slightly since 2012 as viewership moves to online platforms and PwC forecasts -2.1% CAGR through to 2024); OTT video (US\$3.3 billion); video games and esports (US\$2.9 billion); and music (US\$1.7 billion).<sup>61</sup>
- Canadians' spend on internet access far outpaces spend on all other entertainment and media related productions. PwC forecasts that Canadians will be spending US\$19.1 billion a year on internet access by 2024, while global spend will reach US\$848 billion.<sup>62</sup>

## **CREATIVE INDUSTRIES: CHALLENGES AND OPPORTUNITIES**

- COVID-19 has created an unprecedented demand for global content, though there are accompanying challenges to produce and distribute content during the pandemic. There are significant opportunities for Ontario, if the rate of transmission of the virus remains low and people can work safely.
- As both technology and business models evolve at an increasingly rapid pace, there is an acute need for skilled workers to drive innovation and leverage new and emerging digital technologies effectively.<sup>63</sup> In particular, there is a demand for a more diverse workforce to fuel the creation of content by diverse voices. Supporting the creation of a more diverse cultural workforce will help boost Ontario's economy.
- Discoverability of Canadian content continues to be of concern to stakeholders. As advertising revenues have increasingly shifted to new players including digital platforms and service providers, there is increased interest in foreign platforms contributing to the Canadian content system and a desire for more transparency regarding data gathered by the platforms.<sup>64</sup> Additionally, greater emphasis on marketing and distribution strategies are needed to help content find audiences.
- The Government of Canada introduced Bill C-10 *An Act to amend the Broadcasting Act* and to make related and consequential amendments to other Acts for first reading in the House of Commons. These are the first significant changes to the Act since 1991. Bill C-10 includes proposed amendments to the *Broadcasting Act* that aim to bring digital media into the broadcasting regulatory framework, specifically by making various digital media broadcasters contribute to the Canadian broadcasting system through the creation and promotion of Canadian content.
- The Canadian Radio-television and Telecommunications Commission has just launched a consultation on the future of AM and FM radio which seeks to understand the importance of Canadian content regulations (both music and news-related) and whether multinational streaming services should have to contribute to the system.

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<sup>59</sup> Ibid.

<sup>60</sup> Ibid.

<sup>61</sup> Ibid.

<sup>62</sup> Ibid.

<sup>63</sup> "The Great Canadian Skills Mismatch", Miner Management Consultants, 2014.

<sup>64</sup> Broadcasting and Telecommunications Legislative Review Panel, *What We Heard Report*, June 2019.

## GENERAL ECONOMIC ENVIRONMENT

Economic indicators are predicting slow growth for Ontario over the next several years amid unprecedented uncertainty caused by the pandemic:

- The Fall 2020 *Ontario Budget* forecasts a \$38.6 billion deficit for 2020-21 and a slightly smaller deficit in each of the following two years (\$33.1 billion in 2021-22 and \$28.2 billion in 2022-23).<sup>65</sup>
- COVID-19 remains the greatest risk to the global and economy.<sup>66</sup>
- Ontario's employment decreased by 15.3 per cent between February and May 2020, a far sharper decline than past major recessions.<sup>67</sup>
- Ontario's real GDP is projected to decline by 6.5 per cent in 2020 and rise by 4.9 per cent in 2021. Economic growth is expected to continue after 2021, with real GDP projected to rise 3.5 per cent in 2022 before moderating to 2.0 per cent in 2023.<sup>68</sup>
- The Canadian economy is rebounding more quickly than the US economy, as a result of federal stimulus support. The National Bank of Canada is forecasting that the Canadian dollar (CAD) will strengthen in relation to the US dollar (USD), at \$0.80 or more, bringing the value of the CAD close to purchasing-power parity for the first time since 2018.<sup>69</sup>

## ONTARIO CREATES – INTERNAL

- The agency has already seen program demand rise in response to COVID-19 and the expectation is that this will continue throughout 2021-22 as more companies require additional support during this time.
- The agency will continue measures implemented at the start of the pandemic to be responsive and flexible to stakeholder needs including supporting new types of virtual activities as they navigate the challenges of COVID-19.
- Various streamlining efforts and process improvements have led to significant reductions in the backlog of tax credit applications. The agency will be exploring further business process improvements and recommendations from the MNP review of tax credit business processes, including bringing the MoF's tax credit risk scoring model in house.
- COVID-19 impacted the agency's revenues, primarily through a decrease in tax credit administration fees. As a result, uncommitted cash reserves have reduced in size, as it was used to offset the deficit. Uncommitted cash reserves have been used to help offset budget reductions and to fund a series of time-limited strategic initiatives (industry-related and operational).
- The agency will ensure that its strategic directions and activities are aligned with MHSTCI's recently released White Paper that will inform a five-year plan designed to ensure the medium- and long-term recovery of the heritage, sport, tourism and culture industries.

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<sup>65</sup> Ontario Ministry of Finance. (2020). Ontario's Action Plan: Protect, Support, Recover. <https://budget.ontario.ca/2020/pdf/2020-ontario-budget-en.pdf> (Accessed November 17 2020).

<sup>66</sup> Ibid.

<sup>67</sup> Ibid.

<sup>68</sup> Ibid.

<sup>69</sup> National Bank of Canada. Forex Economics and Strategy November 2020. <https://www.nbc.ca/content/dam/bnc/en/rates-and-analysis/economic-analysis/forex.pdf> (Accessed November 17 2020).



- Ontario Creates is increasingly focused on fostering diverse creative industries in Ontario, recognizing that increasing diversity in both content and the talent pipeline will be a key driver in positioning Ontario's creative companies for continued economic success in the future.

## IV. STRATEGIC DIRECTIONS

### INTRODUCTION

Ontario Creates' strategic plan *Lead. Connect. Grow*, aims to build globally leading and competitive creative industries that benefit and engage all Ontarians through high-value jobs, compelling cultural content and significant economic activity. The process for developing the plan included extensive consultation and validation with industry stakeholders and experts, government partners, and Ontario Creates' Board of Directors.

As Ontario Creates enters the final year of its five-year strategic plan, the agency has reviewed the plan and confirmed that it remains a highly relevant framework for the work ahead. Given the impacts of COVID-19 across Ontario's culture sector, the Board of Directors has agreed to delay the creation of the agency's next strategic plan by at least a year to allow time to better understand what the "new normal" looks like for Ontario's creative industries. This timing will also ensure alignment with the MHSTCI's recently released White Paper that will inform a five-year plan designed to ensure the medium- and long-term recovery of the heritage, sport, tourism and culture industries.

Achievements from the first four years of the Strategic Plan are summarized in the section XIII of the Business Plan, alongside a list of key priorities and tactics for 2021-22.

## ONTARIO CREATES STRATEGIC FRAMEWORK



## MISSION & VISION

Ontario Creates wants Ontario to be a globally leading jurisdiction, recognized for innovative local companies producing exceptional content as well as a competitive destination for investment and development.

### VISION

*An Ontario where our creative industries are globally leading and competitive; celebrate Ontario's cultural vitality; and drive economic growth and development in the province.*

Ontario Creates' role is to work collaboratively with private and public sector partners to drive economic development, including GDP and employment in Ontario's book publishing and magazine media, film and television, music, and interactive digital media industries.

### MISSION

*To be a catalyst for economic development in Ontario's creative industries through investment, promotion, and facilitation of innovation and collaboration, both domestically and internationally.*

## VALUES

Five core values embody the attitudes and behaviours Ontario Creates promotes and encourages across the organization and that are fundamental to relationships with stakeholders and the agency's internal culture. The Ontario Creates' team demonstrates its commitment to these core values through its decisions, daily activities and interactions with partners, stakeholders, and each other.

- **Flexible:** Be open to new ideas and approaches and proactively adjust based on our environment.
- **Smart Risk-Taking:** Take risks that support our vision based on good information and learn from investments that do not meet expectations.
- **Collaborative:** Work with each other and our partners to achieve the best possible outcomes.
- **Accountable:** Deliver on our commitments, be open and transparent about our progress and hold ourselves responsible for our actions.
- **Inclusive:** Value, celebrate and support diversity.

## STRATEGIC GOALS AND ENABLERS

Currently Ontario Creates is delivering a suite of programs and services including funding programs, tax credits and industry development. These programs have been impactful and will continue to remain a focus for the organization in the future. Despite this progress, there are still gaps in the industry that the agency can work to address through its strategic goals. Additionally, as Ontario Creates works to meet these strategic goals while maintaining the valuable programs and services currently delivered, it will need to reinforce its strong foundation by focusing on its internal enablers.

### **Strategic Goal #1: Stimulate Economic Growth and Employment**

Ontario Creates' focus is on stimulating economic development through the creative industries. To support the continued growth of the sector Ontario Creates needs to have an effective set of investment tools that support high potential companies to grow and compete in the global creative industry.

*For Ontario Creates, this means:*

- Invest in high potential companies to help them grow and compete domestically and internationally
- Deliver targeted programs and services that add value and have impact
- Embrace new opportunities and tools to support content development in all sectors

*The ways in which Ontario Creates will achieve this include:*

1. Champion the modernization of Ontario's tax credits
2. Regularly update program parameters to ensure they are modern and responsive and to optimize the impact of Ontario Creates' role across the value chain.
3. Explore new sources of investment capital and/or financing models to support industry growth (e.g., loan guarantee, bridge financing, angel/venture capital)

### **Strategic Goal #2: Promote the Industries**

In an increasingly globalized and competitive industry, awareness of the high-potential and achievements of Ontario-based creative companies will grow new markets, domestically and internationally. Additionally, building Ontario's brand as a leading international jurisdiction for production and development will help bring financial investments and knowledge-based jobs to the sector.

*For Ontario Creates, this means:*

- Build awareness, encourage development and attract investment into Ontario's creative industries
- Generate excitement about the achievements of Ontario's creative industries
- Support the promotion of Ontario's creative industries domestically and internationally

*The ways in which Ontario Creates will achieve this include:*

1. Promote Ontario as a place for inward investment and development in the creative industries
2. Amplify domestic and international exposure and export opportunities for Ontario companies and content
3. Refresh the agency's branding and communications to support promotion activities

### **Strategic Goal #3: Encourage Collaboration & Innovation**

The creative industries are in a constant state of change. For companies to compete in this environment they need to be at the forefront by developing innovative products, services, and business models. Collaboration and information sharing can help support and enable this type of innovation and Ontario Creates, as a catalyst for industry development, can help encourage and connect organizations from across and outside of the sector.

*For Ontario Creates, this means:*

- Build and foster collaborative relationships among the creative industries to encourage innovation
- Facilitate relationships between creative industries and the broader public and private sectors, domestically and internationally
- Actively seek out opportunities to generate and share knowledge and ideas

*The ways in which Ontario Creates will achieve this include:*

1. Stimulate innovative cross-sector collaboration within the creative industries and with broader public sector partners
2. Optimize the impact of the agency's programs through incorporating business intelligence and leveraging partnerships

3. Facilitate domestic and international business partnership opportunities for Ontario-based companies

**Enabler #1: Ensure Service and Operational Excellence**

Ontario Creates is continuously working to be a better organization. The agency will build on the foundational work that has already been completed to ensure the agency's operations are more efficient and focused to support excellent customer experience and effective use of resources. As Ontario Creates concentrates on these areas, robust data and effective monitoring and reporting will be essential to maintain the agency's commitment to accountability and continuous improvement.

*For Ontario Creates, this means:*

- Ensure a respectful customer experience for everyone that interacts with Ontario Creates
- Be informed by evidence to continuously improve the quality of programs and services
- Be fiscally responsible, accountable and transparent in our operations to ensure that public funds are invested effectively

*The ways in which Ontario will achieve this include:*

1. Continue to streamline internal processes and procedures
2. Review program priorities and capacity to deliver across the agency to ensure a continued focus on high-value activities
3. Streamline reporting to focus on transparent performance measurement and outcomes

**Enabler #2: Empower People and Teams**

Ontario Creates recognizes that our people are our strength – the team at Ontario Creates is made up of experts in their fields who are passionate about the creative industries and the potential these industries have to contribute to Ontario. In this rapidly evolving industry, the agency must support its people and culture to be flexible, nimble and respond to change. We will build this capacity to ensure that the agency's organizational culture and corporate systems support staff to achieve excellence and are aligned to our mission and contribute to our vision.

*For Ontario Creates, this means:*

- Actively ensure Ontario Creates' culture reflects the diversity of Ontario and contributes to our vision, mission and values
- Be an employer of choice to recruit and retain the best people in an inclusive work environment
- Support agency staff to be expert leaders through continuous professional development

*The ways in which Ontario Creates will achieve this include:*

1. Maintain focus on evolving Ontario Creates' culture to align with our values
2. Attract and retain the best people and support them to achieve excellence

## V. OVERVIEW OF AGENCY'S CURRENT AND FUTURE PROGRAMS AND ACTIVITIES

### INTRODUCTION

Ontario Creates strives to deliver its programs and initiatives effectively and efficiently and engages in partnerships with the public and private sectors to leverage resources and services for the benefit of the sectors served by the agency. Ontario Creates is committed to ongoing analysis and continuous improvement in its undertakings. Agency staff has demonstrated its capacity to deliver meaningful, results-based initiatives to clients in all of the sectors it serves. Ontario Creates programs and services support a range of different objectives that can generally be categorized as: content creation, business development, international market development, broad industry development, and marketing/promotion.

Ontario Creates offers its programs and activities through four departments:

1. **Industry Development Group:** Provides support for creative media companies to create and market content, undertake strategic business development activities, access new markets and grow their businesses. The three units of the Industry Development Group (IDG) are Industry Initiatives (investment funding, international support and strategic initiatives); the Ontario Music Office (investment funding across the music ecosystem and strategic initiatives), and the Film Commission (marketing, promotion and inward investment services), and collectively they encourage and support collaboration across and within sectors contributing to the economic growth of Ontario's creative industry businesses.
2. **Tax Credits and Financing Programs:** Co-administers six refundable tax credits<sup>70</sup> with the Canada Revenue Agency (CRA). The Group provides input to MHSTCI and collects and monitors statistics related to tax credit activity that inform policy advice to government on the status of creative media industries and the effectiveness of the tax credits.
3. **Business Affairs and Research:** Provides the strategic planning and operating supports to enable the Corporation to achieve its objectives, including strategic and business planning, business intelligence and statistics, financial services, information technology, performance results reporting, and corporate operations. The group supports MHSTCI and the industry through the collection and dissemination of industry statistics and follows federal policy developments (e.g., Canadian Radio-television and Telecommunications Commission, Canada Media Fund). Human resources (HR) support to the agency is provided by the Ministry of Government and Consumer Services (MGCS) through its centralized HR Ontario service.
4. **CEO and Communications:** Encompasses the office of the President and CEO, Ontario Creates Board of Directors, and the Communications staff, who are responsible for supporting the agency in all its Communications activities as outlined in the Communications Plan in Section XIV.

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<sup>70</sup> The 2015 Ontario Budget announced that the Ontario Sound Recording Tax Credit would be phased out. A qualifying corporation may claim an OSRTC for eligible sound recordings that commenced before April 23, 2015. However, a tax credit can only be claimed on eligible expenditures incurred before May 1, 2016.

## COVID-19 RESPONSE

When it became clear that the pandemic was going to impact Ontario's creative industries, the agency quickly implemented a suite of changes and new measures intended to provide immediate relief to companies. These strategies included:

- Increased program flexibility, including shifting delivery dates where events, projects or initiatives were postponed, allowing activity changes where markets or planned travel was cancelled, allowing non-refundable costs, and adding a second application deadline for the Export Fund.
- Fast-tracked milestone payments to clients to provide immediate cash flow.
- Considered and approved time sensitive industry initiatives in response to COVID-19, within parameters of current investment programs.
- Allowed applicants to defer payment of tax credit admin fees.
- Implemented electronic notification of tax credit certification in lieu of physical certificates.
- Expedited tax credit reviews where possible.
- Made significant changes to the Export and Global Market Development Funds to extend eligibility for costs related to participating in virtual activities and events that facilitate international business and audience development. Eligible costs extended to include staff and operational costs associated with the preparation of marketing materials and virtual meetings.
- Adjusted the Film Fund Development program to fast-track launch and increased the funding available to support development of new intellectual property while shooting was suspended.
- Amended application deadlines, moving to continuous application intake or adding additional application rounds.
- Assisted companies to register for electronic direct deposit.
- Film Commission:
  - Quickly changed focus of activities to monitoring and reporting on the impact of the pandemic and securing additional large filming locations and sound stages, expected to be in higher demand when production reopens.
  - In partnership with industry stakeholders and the Ministry of Labour, contributed to drafting health and safety guidelines.
  - Initiated weekly town hall meetings to convene 20+ regional and municipal film offices across Ontario to share COVID-19 policy updates and discuss health and safety best practices.
  - Launched the *Ready to Roll* marketing campaign, including a website housing key government and safety information as well as a marketing strategy to showcase Ontario talent.
  - Worked closely with MHSTCI and the Ministry of Health to clarify the mechanics of asymptomatic COVID-19 testing on location and in studio.

The agency also transformed its delivery of services and events to adapt to a virtual environment. The examples below demonstrate some of the innovative approaches that will continue to be a model for program and service delivery as the pandemic continues:

- **Trillium Book Award:** The Trillium Book Awards were delivered entirely virtually, including using Facebook Live to deliver the awards ceremony, replacing the author in-person readings with author videos, and augmenting the program with live winner interviews. Between the shortlist and the winner announcement, the agency's promotional work generated 471 stories, which in turn achieved more than 59 million impressions.
- **Breakfast Panel Sessions:** Ontario Creates moved its series of breakfast panel sessions to a virtual format and changed the programming to be relevant to the new environment. The first panel featured content creators from across the sectors discussing strategies to successfully market content and find audiences despite the challenges of COVID-19. The

second session focused on approaches to longer-term recovery. Both sessions included an opportunity for virtual networking.

- **Shop. Stream. Support:** After months of marketplace closures and the cancellation of live events and festivals, Ontario-owned companies and artists are facing an uphill climb to get back on track. *Shop. Stream. Support* is an advertising and online marketing campaign geared at building awareness and pride and connecting consumers to great made-in-Ontario content. The campaign provides easy ways for the public to support and consume Ontario content online.
- **Music Together:** Ontario Creates participated in a 50/50 partnership with industry to support artists to perform in an online concert series, safely, from their own homes.
- **Virtual Cannes Film Festival:** Ontario Creates collaborated with the New Zealand Film Commission, Screen Australia, the British Film Institute, Screen Ireland and Screen Scotland on a virtual alumni CoCreate initiative including business-to-business (B2B) information sharing and a live panel discussion.
- **Virtual Toronto International Film Festival (TIFF):** Ontario Creates' International Financing Forum (IFF) was delivered virtually at this year's festival. The festival offered online industry programming and in addition to IFF, the agency was able to host an Ontario "stand" at the virtual industry marketplace.

As a result of the ongoing pandemic and its impact on Ontario's creative industries, the agency has reconsidered and revised targets for program results accordingly.

## DIVERSITY, EQUITY, AND INCLUSION

Ontario Creates has long recognized the significant value of funding diverse stories by a range of creators, the potential strong return on investment in developing local talent, and the domestic and global audience demand for a greater representation in the media they consume. Diversity and inclusion are also found to be key to a healthy business model; companies with higher levels of diversity report increases in creativity, innovation, and openness, and a better assessment of consumer interest and demand.<sup>71</sup>

In 2018-19, encouraging diversity in the companies and content supported by Ontario Creates was identified as a priority. To that end, a bonus system was introduced to all investment programs to encourage proposals that included elements of diversity and ultimately, to ensure content and companies that are more representative of Ontario's population – an approach that also makes good business sense.

Launched in 2017-18 as part of the Film Fund, the Diversity Enhancement provided an additional investment over three fiscal years (ending in 2019-20) through the Film Fund and Industry Development Program that meet the provincial definition of diversity, encompassing: ancestry, culture, ethnicity, gender identity and expression, language, physical and intellectual ability, race, religion, sex, sexual orientation and socio-economic status. The funding, now in its fourth year, has been highly successful in allowing the agency to reduce the barriers to entry and to support a greater number of important projects and initiatives than would have been possible under traditional selection systems.

The initial \$4.5 million Diversity Enhancement invested between 2017-18 and 2019-20 has supported the production and development of nearly 100 domestic feature films. This funding has leveraged spending of approximately \$142 million in the Province (a return of \$10 for every dollar invested through Ontario Creates). Support through the Diversity Enhancement has also helped to create 15,000 weeks of work for Ontario residents. A further 50+ industry development events supported by the program have provided vital career building and business development

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<sup>71</sup> Catalyst, *Workplaces that Work for Women, Why Diversity and Inclusion Matter: Quick Take*, June 2020



opportunities for Ontario's creative industry entrepreneurs. Ontario Creates believes the Diversity Enhancement has successfully delivered on its important program goals and after MHSTCI's funding expired in 2019-20, the agency has continued to support the program using its uncommitted cash reserves.

Within the programs and services described below, the agency remains committed to priorities that will improve access and support for content created by and for underrepresented groups.

## **PROGRAMS AND ACTIVITIES**

Ontario Creates offers programs and activities in support of its mandate outlined in the previous section. The agency's programs and services provide Ontario companies with the tools and support to remain competitive nationally and internationally. Ontario Creates programs and services are enabling Ontario's creative industries to make important contributions to Ontario's economy and its cultural vitality.

### **WHAT WE FUND: KEY PRINCIPLES**

Ontario Creates' programs include two main categories of funding: selective investment programs and tax credits. Most selective investment programs are juried by a panel of external jurors with senior industry knowledge and experience. Ontario Creates ensures that program juries are diverse in their make-up, free from conflict of interest, and are regularly refreshed.

Ontario Creates invests in new activities, not core operations. The agency shares the risk with successful applicants; funding is always limited to a percentage of the total project budget, with the company leveraging other public and private financing, and contributing its own resources in order to undertake the activity.

The decision criteria used to determine which applications are funded focuses on several factors, namely:

- financial stability of company and its track record;
- contribution the project will make to company growth and stability;
- potential for revenue generation and success;
- benefit to Ontario economy (based on labour spend; employment; leverage value);
- innovation, quality and creativity of proposal and; the
- diversity of project and creative team.

In 2018-19, encouraging diversity in the companies and content supported by Ontario Creates was identified as a priority. To that end, a bonus system was introduced to all investment programs to encourage proposals that included elements of diversity and ultimately, to ensure content and companies that are more representative of Ontario's population – an approach that also makes good business sense.

The pages that follow demonstrate that in addition to the above-mentioned selection criteria, in the year ahead, our programs, services and strategic initiatives will place particular emphasis on emergent and ongoing industry priorities related to: 1) workforce development, 2) diversity, 3) marketing, discoverability and export, and 4) sustainable production practices. These continue to be priorities for 2021-22 and the next three years and various measures across each program area has been identified to address these pressing industry needs.

The programs and activities that follow are organized by department; it should be noted that each addresses more than one of the agency's strategic objectives and supports multiple activities.

## INDUSTRY DEVELOPMENT GROUP

### FILM FUND

The Film Fund provides support to Ontario feature film projects that are ready for production or in development.

#### PROGRAM OBJECTIVES:

- To increase investment and jobs in Ontario by Ontario-based feature film production companies.
- To assist in capitalizing Ontario-based feature film production companies.
- To increase the number of high quality, original feature films produced in Ontario by Ontario-based production companies.

#### THE FUND HAS TWO COMPONENTS:

- **Development** – Provides funding in the form of an interest-free loan for development activities.
- **Production** – Provides funding in the form of a repayable advance on a last-in basis to complete the production financing of a feature film.

#### FILM FUND DIVERSITY ENHANCEMENT:

- Launched in 2017-18 as part of the Film Fund, the Diversity Enhancement provided an additional \$4.5 million over three fiscal years (ending in 2019-20)<sup>72</sup> to films that meet the provincial definition of diversity, encompassing: ancestry, culture, ethnicity, gender identity and expression, language, physical and intellectual ability, race, religion, sex, sexual orientation and socio-economic status. Non-traditional coproduction partners and jurisdictions are also considered. Ontario Creates recognizes the significant value and impact of dedicated funding for projects with a diversity component and used uncommitted cash reserves to support the program in 2020-21. The agency will continue to prioritize this activity through the allocation of uncommitted reserves to the extent possible in 2021-22.

#### PROGRAM RESULTS:

In 2019-20, every dollar invested by Ontario Creates through the Film Fund, leveraged an additional \$18 in spending in the economy. The program also created an estimated 21,000 weeks of work. Results for this program are measured by the:

- Number of jobs created and/or retained.
- Leverage value of Ontario Creates' contribution to each project.

#### 2021-22 PRIORITIES:

- Ontario Creates will continue to deliver the Film Fund and will top-up the core program with funds dedicated to diverse projects for another year by accessing the agency's cash reserves.
- Notional allocation to development activities will increase, recognizing the need to develop intellectual property (IP) while producers continue to face challenges going to camera as the result of the COVID-19 pandemic.
- To better support diverse projects and teams, the agency will increase the relative weighting of the diversity score.
- In order to increase awareness of the films throughout the release cycle and extend audience reach, Ontario Creates will incorporate the Distribution and Marketing initiative

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<sup>72</sup> In 2018-19 and 2019-20, \$250,000 of the Diversity Fund has been allocated to the Industry Development Program for initiatives across the book, film, television, and magazine sectors.

into the core Film Fund. This program provides targeted support for innovative distribution and marketing strategies.

**FILM FUND SUCCESSES:** Many Film Fund-supported projects have achieved critical and commercial acclaim both at home and abroad:

- Ontario Creates had two Film Fund-supported films in TIFF's main screening program: *Falling* (a Canada-UK coproduction produced by Scythia Films and starring Viggo Mortensen, which premiered at Cannes and Sundance) and *Akilla's Escape* (produced by Jake Yanowski and Charles Officer's Canesugar Filmworks), and two Film Fund-supported films in the TIFF Selects program – highlighting additional films for buyers that, should the festival have been its usual size, would have been selected: *Like a House on Fire*, and *The Kid Detective*, both from Woods Entertainment.
- Babe Nation, a boutique indie production company that champions female and emerging voices behind and in front of the camera has seen much success for their Film Fund-supported feature, *The Rest of Us* which has screened at over nine festivals, including TIFF, and was one of two films this company successfully released during the pandemic. The company was named by Playback in their yearly 5 to Watch (2018) and nominated for the Emerging Producer Award from the CMPA (2019).
- **Diversity & Inclusion:** In 2019-20, 45 films received the Diversity Enhancement across the Film Fund Production and Development streams, including 13 projects from female producers, 10 from POC producers, and 4 Indigenous projects.

## INTERACTIVE DIGITAL MEDIA FUND

The Interactive Digital Media Fund (IDM Fund) was designed to provide a range of programs and resources to provide financial, strategic, and research support to Ontario's cultural entrepreneurs and established trade and event organizations from the interactive industry.

### PROGRAM OBJECTIVES:

- To support the creation and exploitation of interactive original content by Ontario companies.
- To provide opportunities for interactive digital media content producers to access existing and new markets, build capacity, and grow their companies.
- To provide support for established trade and event organizations for activities that stimulate the growth of Ontario's interactive industry.

### THE FUND HAS SIX PROGRAM STREAMS:

- **Concept Definition** – Provides support for early stage activities that assist companies in moving towards the production of market-ready content projects.
- **Production** – Provides support for the creation of a market-ready content project that will be released to end users.
- **Marketing Support** – Provides support for marketing activities that will amplify the visibility and financial viability of Ontario Creates-funded interactive digital media projects when they are released/available for sale in the marketplace.
- **Global Market Development** – Provides Ontario companies with funding to participate in international activities that support company growth and produce measurable business and market development results.
- **Industry Development** – Provides support for business development activities and trade organization initiatives.
- **IDM Fund Futures** – Provides training and support via a selective grant to emerging producers.

### PROGRAM RESULTS:

In 2019-20, the program created 12,000 weeks of work and leveraged spending in the economy of more than twice the amount invested by Ontario Creates.

Results for this program are measured by the:

- Number of jobs created and/or retained.
- Leverage value of Ontario Creates' contribution to each project.
- Number of contacts/business leads made by participants.

### 2021-22 PRIORITIES:

- Ontario Creates will continue to deliver the IDM Fund.
- Implementation of recommendations from an external review of the IDM Fund, including program design changes aimed at assisting companies with discoverability; support for live operations of video games following the launch of the initial product to maximize commercialization and revenue potential; creation of a separate program stream in Concept Definition and Production for web series; as well as administrative changes including extending project delivery deadlines and other efficiencies for applicants.
- To better support diverse projects and teams, the agency will increase the relative weighting of the diversity score, and explore opportunities to mentor and provide training opportunities to emerging and mid-level content creators through the IDM Futures program and new initiatives in partnership with trade organizations such as Women In Film and Television - Toronto (WIFT-T), Hand Eye Society, and Interactive Ontario.

**IDM FUND SUCCESSES:** IDM Fund recipients have been recognized for their creativity and innovation in a variety of platforms:

- 3-D Puzzle game, A Fold Apart has earned over \$150,000 with 90,000 players on Apple Arcade and 5,000 on PC/console. The additional coverage generated through activities performed through Ontario Creates' Marketing Support Program contributed to a higher profile for the company that helped generate additional business deals worth over to \$1.8M CAD. The game also won the "Best In Play" award at the prestigious Game Developers Conference (GDC).
- The PaddleTV YouTube channel by Ontario company Hellconia Press is thriving. PaddleTV videos have been watched 1.7 million times, and the channel has over 53,000 subscribers.
- Ontario studio GLOAM won the 2019 Ubisoft Indie Series Grand Prize for their game *Bravery Network Online*.
- Unlock Math's e-learning program Unlock Geometry has achieved remarkable success with students, and the course is being used by school systems and parents who are home schooling. As a result, Unlock Math's revenues are projected to increase four-fold over the last three years.
- **Diversity & Inclusion:** In 2020-21, Ontario Creates supported the production of diverse web series including *Topline*, *Revenge of the Black Best Friend*, and *Avocado Toast*, as well as concept definition activities for *Black Community Mixtapes* and *Aunty B's House*.

## **BOOK FUND**

The Book Fund provides funding for Ontario-based, Canadian-owned publishers to increase their financial viability and overall business growth by supporting marketing initiatives that 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.

### **PROGRAM OBJECTIVES:**

- To provide opportunities for book publishers to build capacity, increase sales revenue, and grow their companies.

### **PROGRAM RESULTS:**

Support provided through the Book Fund is anticipated to assist publishing companies to expand their market share through new digital marketing initiatives, by creating online stores to reach global markets, and by forging relationships with booksellers through key incentives and promotions. These projects help Ontario publishers compete with large, multinational firms and help audiences discover Ontario books and authors. In 2018-19, the most recent year results are available, Book Fund recipients reported earning an average of \$7 for every dollar invested by Ontario Creates.

Results for this program are measured by the:

- ROI which represents the value of sales generated by a project for every dollar invested by Ontario Creates.

### **2020-21 PRIORITIES:**

- Ontario Creates will continue to deliver the Book Fund; and in recognizing the challenges publishers have faced as a result of the pandemic, will expand eligible costs to include operational costs for activities that are in line with overall program objectives.
- To better support diverse projects and teams, the agency will increase the relative weighting of the diversity score.
- The agency will continue Ontario Authors Tour Support (OATS) on a time-limited basis, and will support virtual events through the program during COVID-19. The initiative provides targeted support for independently published Canadian authors to connect directly with readers at events and festivals in order to promote their books and ultimately increase sales.

**BOOK FUND SUCCESSES:** In 2019-20, Book Fund recipients reported earning an average annual return of \$7 in sales for every dollar invested by Ontario Creates. Books published by Ontario-based, Canadian-owned publishers have received significant critical and commercial acclaim:

- ***Shut Up You're Pretty***, by Tea Mutonji, was the first title published under Vivek Shraya's imprint VS. Books, dedicated to new and emerging writers from Black, Indigenous, and people of color (BIPOC) communities. The book won the 2020 Trillium Book Award, the Edmund White Award for Debut Fiction and was a finalist for the Writers' Trust of Canada Fiction Prize.
- A title published by Windsor-based independent publisher Biblioasis was on the 2019 international Booker Prize shortlist, Lucy Ellmann's *Ducks*, ***Newburyport***. The company credits Ontario Creates with their growth. Support from the agency provided Biblioasis with the flexibility to try many different approaches to exporting their titles to the US. This strategy has meant that export sales now make up 40% of the company's sales. Buyers have responded to the variety in the publisher's titles which include books about being Canadian, sports, and books about regional history.
- House of Anansi earned the Global Certified Accessible™ (GCA) certification for ebooks by Benetech, a recognition that Anansi's ebooks will be accessible to readers with print disabilities. The certification exists not only to signal accessibility but to encourage publishers worldwide to make "born accessible" content the standard going forward. House of Anansi Press titles have received much commercial and critical acclaim, including Zalika Reid-Benta's ***Frying Plantain*** which was a Trillium and Toronto Book Award nominee and the winner of Danuta Gleed Literary Award, the 2019 Byblacks People's Choice award and was longlisted for 2019 Giller Prize.
- Through a Book Fund project to improve connections with readers using new online services and paid social media, ECW Press increased sales of print books online by 37%, representing nearly \$700,000 in sales.
- **Diversity & Inclusion:** Kids Can Press's Feminist Books for Young Readers Campaign successfully promoted five feminist Young Adult and nonfiction titles to over 200,000 teachers and librarians through an extensive digital and traditional marketing campaign, resulting in over \$300,000 in sales revenues.

## **MAGAZINE FUND**

The Magazine Fund provides support to 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.

### **PROGRAM OBJECTIVES:**

- 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.

### **PROGRAM RESULTS:**

Support provided through the Magazine Fund will continue to help Ontario magazine media companies expand business opportunities and mitigate the risks of exploring new content strategies and revenue diversification while maintaining traditional lines of business. It is anticipated that sales reported by fund recipients will continue to provide a return on the Ontario Creates investment. In 2018-19, the most recent year results are available, Magazine Fund recipients reported earning \$0.93 for every dollar invested by Ontario Creates.

Results for this program are measured by the:

- Leverage value of Ontario Creates' contribution to each project.
- ROI which represents the value of sales generated by a project for every dollar invested by Ontario Creates.

### **2021-22 PRIORITIES:**

- Ontario Creates will continue to deliver the Magazine Fund; and in recognizing the challenges magazine companies have faced as a result of the pandemic, will expand eligible costs to include operational costs for activities that are in line with overall program objectives.
- To better support diverse projects and teams, the agency will increase the relative weighting of the diversity score.



**MAGAZINE FUND SUCCESSES:** Ontario has the largest magazine industry in the country. Ontario magazine media are frequently recognized for their excellence in content, design and production:

- With Magazine Fund support, *Inuit Art Quarterly* was able to conduct their first-ever targeted online advertising campaign and build a Customer Relationship Management system, resulting in an 11% increase in subscriptions and a 68% increase in reader donations to the magazine.
- Maple Media is on the vanguard of digital publishing. Having launched *29secrets.com* a fashion and beauty site for women, in 2010, it has grown into an online publisher of several successful online properties: *AmongMen.com*, *BabyPost.com*, *RecipeGeek.com*, *SavvyMom.ca*, *UrbanMoms.ca*, and its most recent, *Pursuit.ca*. All of its sites combined have over half a million visitors a month. Ontario Creates has been a part of their success, providing funding to get off the ground by leveraging the IDM Fund and most recently, to hire a social media manager through the Marketing Support Program.
- Ontario companies were well represented at the 2020 Best Magazine Awards. Nominees included: *Explore Magazine*, *Inuit Art Quarterly*, *Toronto Life* (Lead with 15 nominations), *Maclean's* in second with 14 nominations, *The Walrus* in third with 12; Report on Business and Chatelaine both had 5 nominations. Magazine Fund-supported *Broadview Magazine's* Jocelyn Bell was the recipient of the Grand Prix Editor Award.
- **Diversity & Inclusion:** The Magazine Fund supports magazine media aimed at a wide range of audiences, including *Culture Magasin*, which reflects the diverse and dynamic cultures of Canada and Vietnam, *Inuit Art Quarterly*, the only publication dedicated to the advancement and appreciation of Inuit and circumpolar Indigenous arts, and *Brazilian Wave*, which strengthens the Brazil-Canada cultural link and connects the Brazilian community.

## **EXPORT FUND & INTERNATIONAL BUSINESS DEVELOPMENT**

The Export Fund provides support for Ontario book publishers and film and television content producers to sustain a slate of activities over the course of a year, including market event attendance and targeted sales trips. Export activities for the music and interactive digital media sectors are also supported through the Ontario Music Fund (OMF) and the IDM Fund.

Ontario Creates 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.

### **PROGRAM OBJECTIVES:**

- To support Ontario companies to access the global marketplace, increase international sales levels, and attract investment in new projects.
- To provide Ontario companies with support for the commercial exploitation of cultural products.

### **PROGRAM RESULTS:**

Support provided through the Export Fund will assist Ontario cultural industry entrepreneurs with forging critical relationships to help grow their revenues through international sales. In a typical year, funding recipients report earning approximately international sales of more than \$300 million. In 2018-19, the most recent year results are available, Export Fund recipients reported earning \$169 for every dollar invested by Ontario Creates.

Results for this program are measured by the:

- ROI which represents the value of sales generated by a project for every dollar invested by Ontario Creates.
- Number of foreign markets attended by program participants.
- Number of markets at which Ontario Creates has organized a strategic presence.

### **2021-22 PRIORITIES:**

- Ontario Creates will continue to deliver the Export Fund and International Business; and in recognizing the challenges companies have faced as a result of the pandemic, will formalize expanded eligibility to include virtual export activities and marketing initiatives targeted to building international sales and business contacts.
- Ontario Creates will deliver high-impact opportunities for publishers at the Frankfurt Book Fair 2021, where Canada will be the Guest of Honour.
- While international travel is not possible, Ontario Creates will continue to spearhead virtual initiatives for Ontario companies seeking potential export and partnership opportunities. For example, in 2020-21, the agency led a virtual trade mission to Germany for interactive digital media companies where producers participated in a curated program of business to business meetings with their German counterparts.
- Assuming ongoing travel restrictions, Ontario Creates will host a virtual activity for participants of the 2020 Canada-Australia documentary content trade mission at Hot Docs, and plan ahead for the Ontario portion of the in-person trade mission when it is safe to do so. The first portion of the trade mission took place at the Australia International Documentary Conference in March 2020, with Ontario Creates leading a Canadian delegation of 13 producers.
- Staff will continue to work with the federal trade commissioner services and staff to augment and amplify export opportunities for Ontario creative businesses.

#### EXPORT SUCCESSES:

- Ontario Creates supported the Babe Nation producer team to the first virtual edition of the Production Finance Market at the London Film Festival.
- At the first-ever virtual Cannes in 2020, Ontario Creates, Telefilm Canada, and the New Zealand Film Commission presented a virtual panel on the Indigenous coproduction ***Night Raiders***. This helped spur on conversations for the Canadian producers with other international territories interested in partnering with Canada on Indigenous coproductions.
- By screening an early cut of the film ***Broken Hearts Gallery*** at an Export Fund-supported trip to the American Film Market, No Trace Camping sold worldwide (excluding Canada) rights to Sony in a multi-million dollar deal.
- In 2019-20, **Cream Productions** reported almost \$25 million in confirmed deals as a result of Export Fund-supported activities, including a sales trip to L.A., the Science Congress in Tokyo, and Real Screen in East in New Orleans. In the months before the pandemic hit, most notably Cream secured a deal for a new limited series with CNN.
- **Brain Power Studios** secured international deals during 2019-20 for their primetime series *The Wedding Planners*, and was featured in publications including Huffington Post, TV-EH.com, People, Variety, Parade, and International Business Times.
- **Owlkids Books** completed a series of in-person and virtual activities in 2019-20 with support from the Export Fund – Book. Over \$1 million in confirmed deals includes the sale of the title ***What if Soliders Fought With Pillows*** to the major German publisher Oetinger/Dressler after a bidding war precipitated by the enewsletter Owlkids distributed as part of the virtual Frankfurt Book Fair.

## INDUSTRY DEVELOPMENT PROGRAM

Ontario Creates provides targeted financial and strategic support to Ontario's established trade and event organizations to offer initiatives, events and activities with long-term impacts on growth and sustainability in the book, magazine, film, television, and interactive digital media sectors. Industry Development activities for the IDM and music sectors are provided through the IDM Fund and the OMF: Music Industry Development program, respectively.

### PROGRAM OBJECTIVES:

- To provide opportunities for business development that expands skills, business capacity, market share, sales, and innovation for Ontario entrepreneurs in the creative industries.

### THE PROGRAM HAS TWO STREAMS:

- **Business Development** – support to organizations for B2B industry activities and business to consumer (B2C) audience development activities that offer opportunities for new business leads, sales and relationships.
- **Capacity Building** – support for strategic activities that address challenges and opportunities or environmental changes that contribute to either the capacity of the applicant organization or its stakeholder group.

### INDUSTRY DEVELOPMENT PROGRAM DIVERSITY ENHANCEMENT:

- From 2018-19, Ontario Creates allocated a portion of the Diversity Enhancement offered for the Film Fund to the Industry Development Program for projects that meet the provincial definition of diversity, encompassing: ancestry, culture, ethnicity, gender identity and expression, language, physical and intellectual ability, race, religion, sex, sexual orientation and socio-economic status. Ontario Creates recognizes the significant value and impact of dedicated funding for projects with a diversity component, so in the event that the funding is not renewed by MHSTCI, the agency will prioritize this activity through the allocation of uncommitted reserves to the extent possible.

### PROGRAM RESULTS:

In 2019-20, Ontario Creates supported 76 initiatives. Next year, approximately 60 initiatives supported and/or led by Ontario Creates will contribute to creating over 10,000 business leads for Ontario creative industry entrepreneurs. These leads will help create new partnerships that will generate new projects and revenue growth for companies. The program will also provide participants with opportunities for skills development, knowledge transfer and other guidance that will be valuable for growing competitive businesses.

Results for this program are measured by the:

- Number of initiatives supported.
- Number of contacts/business leads made by participants.

### 2021-22 PRIORITIES:

- In line with government priorities and identified corporate objectives, in 2021-22, the Industry Development Program will continue to target three priority areas. This three-fold lens will be applied on a project-by-project basis to ensure enhanced support for the following types of activities:
  - Skills development, mentorship and increased workforce capacity
  - Diversity and inclusion
  - Marketing and discoverability, including high impact B2B opportunities
- Ontario Creates will continue to deliver the Industry Development Program, including a cross sector anti-racism training program, and will top-up the core program with funds dedicated to diverse projects for another year by accessing the agency's cash reserves.

### INDUSTRY DEVELOPMENT SUCCESSES:

- In 2019-20, Ontario Creates supported 62 initiatives, 25 of which included support from the Diversity Enhancement. These activities created over 12,000 new business leads for creative media industry entrepreneurs. These leads will create future partnership and collaboration opportunities which will contribute to product development and company growth.
- Business-building initiatives supported by the Industry Development Program in 2019-20 included: the first ever Canadian Audiobook Summit, TIFF's Industry Centre, WIFT-T's Production Accounting and Tax Credit Workshop , Hot Docs virtual industry program. The Industry Development Program also supported collective marketing initiatives such as the 49th Shelf website undertaken by Association of Canadian Publishers, Magazines Canada's Newsstand Distribution project, and Ontario Book Publishers Organization's collective stand for Ontario publishers at the virtual Ontario Library Association Superconference.
- **Diversity & Inclusion:** In 2020-21, via the Industry Development Program, Ontario Creates is supporting a number of mentorship and workforce development activities for diverse communities, including marketing the Access Reelworld database to help find Black, Indigenous and People of Colour (BIPOC) professionals in the creative industries; the Being Black in Toronto mentorship and training program presented by the Toronto Black Film Festival; the Toronto Reel Asian International Film Festival's Reel Ideas Industry Program; imagineNATIVE's Indigenous Development Day and industry program; the Inside Out Lesbian and Gay Film Festival's finance forum; the International Film Festival of South Asia's masterclass series; the 2020 Festival of Literary Diversity; Carribean Tales Creators of Colour incubator; and the Ontario Book Publishers Organization's diverse internship initiative. In 2020-21, Ontario Creates is supporting the Indigenous Screen Office to lead an Indigenous mentorship program. The Ontario Creates-supported Festival of Literary Diversity (FOLD) and its founder Jael Richardson received the 2019 Freedom to Read Award from the Writers' Union of Canada.

## **ONTARIO MUSIC INVESTMENT FUND**

The Ontario Music Investment Fund (OMIF) was launched in 2020-21, replacing the Ontario Music Fund. The program is designed to provide targeted economic development and investment to the province's vibrant and diverse music industry.

### **PROGRAM OBJECTIVES:**

- Support Ontario music companies with strong growth potential to maximize ROI; and
- Create more opportunities for emerging artists to record and perform in Ontario.

### **KEY PROGRAM GOALS:**

- Focus resources on music companies with strong growth potential by:
  - Providing investment to high-potential companies to drive long-term growth;
  - Maximizing ROI and enhancing opportunities for emerging talent; and,
- Strengthen support at critical stages in the careers of artists.

### **PROGRAM STREAMS:**

- There are three program streams, tailored for different parts of the industry:

#### **Music Creation**

Supporting businesses that take risks discovering and developing talent – particularly emerging artists – and bringing it to market through recording and production, marketing and promotion, touring and showcasing, and publishing.

- Eligible applicants include domestic and multinational record labels, and domestic music publishers.

#### **Music Industry Initiatives**

Supporting collective industry initiatives to undertake professional development/training and export activities, conduct industry analysis/data gathering and build regional capacity.

- Eligible applicants include music industry trade associations and music service organizations.
- Export/market development funding available for music managers.

#### **Live Music**

Supporting businesses and organizations that produce or promote live music events featuring Canadian artists including eligible music festivals and concert series.

- Eligible applicants include live music promoters and presenters.

### **PROGRAM RESULTS:**

As the OMIF was introduced in 2020-21 (formerly the Ontario Music Fund), some notional performance targets have been developed and will be further refined as needed in 2021-22 and beyond. Metrics for this program include:

- Number of jobs created and/or retained.
- Company growth (net revenue/income).
- Private investment and equity secured.
- Leverage value of Ontario Creates' contribution to each project.
- Number of contacts/business leads made by participants.

Industry Results after 6 Years of support from the Ontario Music Fund (OMF):

- 23.9 million+ units of OMF-supported music recordings sold worldwide.
- 14 million+ people attended OMF-supported live music events.
- 2,800 artists directly supported.
- 51,700+ business leads and deals from export missions and B2B meetings.

**2021-22 PRIORITIES:**

- Ontario Creates will deliver the Ontario Music Investment Fund; and in recognizing the challenges music companies have faced as a result of the pandemic, will continue to expand eligible costs to include operational costs for activities that are in line with overall program objectives.
- The agency will introduce a new BIPOC music entrepreneur initiative and a new live music marketing initiative.
- The agency will continue to explore ways to leverage innovative and non-traditional partnerships for the music sector including re-imagining the “Music Makes It” cross-sector initiative to maximize impact by creating smaller, targeted bespoke events, and exploring opportunities with sectors outside Ontario Creates mandate (e.g. performing arts, corporate Canada).
- Ontario JUNO Nominee Event: The JUNO Awards will return to Toronto for its 50th anniversary. Ontario Creates will partner with the Canadian Academy of Recording Arts and Sciences (CARAS) on a celebration event/marketing campaign to honour and promote Ontario JUNO nominees ahead of the JUNO awards broadcast on May 16, 2021. The event will increase the profile for Ontario artists and the music companies that support them, and if progress has been made on the public health front, could be an important event to generate excitement and kick start a return to live music performances when it is safe to do so. Format (i.e., online or in-person/socially distanced) will depend on public health protocols/guidelines at that time.

### ONTARIO MUSIC FUND SUCCESSES\*:

- Ontario artists were well represented at the 2020 JUNO Awards with more than 100 nominations. Among the nominees was Alessia Cara, who was also to host the awards show's live broadcast in Saskatoon on March 15, 2020, but the event was cancelled due to COVID-19. Winners were announced on June 29, 2020 in an online special from CARAS and the Canadian Broadcasting Corporation (CBC). OMF-supported artists who took home awards include Jessie Reyez, iskwē, REZZ, PUP, Meghan Patrick, Lee Harvey Osmond, and The Glorious Sons.
- Ontario Creates supported **Music Together**, a partnership between Ontario's music industry leaders and the OMF to support artists in need in performing online concerts from their homes from May through August 2020. 310 participating artists were paid \$1,000 each for their live streamed performances.
- When the OMF-supported TD Toronto Jazz Festival was unable to present their annual 10-day festival due to COVID-19 restrictions, the Ontario Music Office provided flexibility, advice and connections that enabled the organizers to adapt with speed and innovation to create the TD Toronto Jazz Festival Concert Series at Casa Loma. As a result, three beautifully produced live concerts – Queer Songbook Orchestra, Sass Jordan & Molly Johnson – were filmed at the majestic castle for future broadcast on various online platforms including the Toronto Star website.
- **Diversity and Inclusion:** The new 2020-21 OMIF Music Creation stream had a total of 60 approved applications. Of the approved applicants, 38% (23) have self-identified as being BIPOC-owned companies. 9 are Black-owned, 7 are Indigenous, 7 are helmed by People of Colour and 17% (10) of the approved companies are female led. Additionally, 3 Franco Ontarian applications were supported.

Ontario Creates partnered with Music Publishers Canada to develop an important new resource for the music industry: **Indigenous Protocols for Songwriting and Music Production**. This initiative follows on a similar successful project that the agency helped develop for the screen industry in 2019. (Support for this project provided via the Business Intelligence Program).

\*As this is the first year of the OMIF, these examples relate to the funding provided under the former OMF.



## FILM COMMISSION

Ontario's Film Commission offers a suite of services to domestic and foreign film and television companies to attract production, post-production, animation and visual effects investment to Ontario. The Film Commission is a key point of contact for most of the film and television projects in Ontario. These services include the leading-edge Digital Locations Library website, complimentary scouting assistance to all productions considering Ontario as a location, familiarization tours, and facilitation and troubleshooting support to productions shooting in the province through the Production Liaison Service. The Film Unit serves as the primary promotional body selling Ontario's advantages to the global film industry, through strategic B2B initiatives and international advertising campaigns. The Unit also collects statistics on this production activity. In 2020, the Film Commission was pivotal in helping ensure a safe return to work for the production sector, working with partners to establish the *Ready to Roll* website and campaign.

In 2019, Ontario had another record-breaking year, with \$2.16 billion in film and TV in production activity and 343 domestic and foreign projects shot in the province. With the help of Film Commission Services, and thanks to growing availability of studio space, Ontario is well-positioned for continued growth. As demand grows, ensuring our labour force can keep up with demand will be strategically important. As a proactive measure, in 2019-20, Ontario Creates formed a Workforce Development Committee, alongside regional and municipal representatives, unions and guilds.

The Film Commission has convened a Green Screen Committee to discuss strategies for sustainable production that will save both environmental and monetary costs for productions and provide a value add to choosing the Ontario as a filming jurisdiction. Sustainability is a growing area of awareness and concern across all industries as well as among consumers and households. Productions are seeking ways to reduce the environmental impact of their activities and welcome resources to make doing so easier to implement. The program launched in 2020 and aims to provide the tools necessary to empower the motion picture industry in Ontario to incorporate and scale up environmentally sustainable best practices that lead to the well-being of our environment.

In 2021-22, Ontario Creates plans to further its leadership role by continuing to facilitate meetings with industry partners around opportunities such as workforce development and sustainable production. The agency will also explore ways to expand our role as a centralized provider of production resources by offering enhanced listings and services. Taking a leadership role on both the workforce development and sustainable production fronts will further enhance Ontario's value proposition as a jurisdiction for filming.

### PROGRAM RESULTS:

In 2019, film and television productions supported by the province contributed \$2.16 billion to the economy and accounted for approximately 44,540 full-time direct and spin-off jobs.<sup>73</sup> While production was stopped for several months as a health and safety measure during the beginning of the pandemic, Ontario has seen a robust return to production once the province allowed provinces to resume filming. Global demand for film and television content has increased even more as a result of the pandemic and this suggests that 2021-22 and beyond will be strong years for production.

Results for the Film Commission are measured by the:

- Number and value of domestic and foreign film and television productions that shoot in Ontario.
- Number of actively scouting domestic and service productions accessing Ontario Creates location services.

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<sup>73</sup> Ontario Creates, 2019 Film and Television Production Statistics.

- Number of leads developed by the LA Office.
- Proportion and value of LA Office-assisted projects that shoot in Ontario

## 2021-22 PRIORITIES:

- The Film Commission will continue to deliver high value service to stakeholders and to reinforce relationships with both new and existing international clients to maximize inward investment opportunities.
- **Ontario as an Industry Leader:** The Film Commission will continue to lead two results-oriented industry committees:
  - **Workforce Development:** In partnership with film and television industry members, regional and municipal representatives, unions and guilds, Ontario Creates will address labour force challenges through the development of a multi-faceted strategy that includes documenting the categories of work that exist and the particular career pathways for each type of film and television occupation; layered onto this mapping is information on regional job fairs, academic institutions that provide training, and second career opportunities available. Efforts will also include enhancing opportunities for, and awareness of, Ontario's on-screen talent in partnership with the Alliance of Canadian Cinema, Television and Radio Artists (ACTRA). Work will be done in cooperation with external parties, the support of the Business Affairs and Research Unit of Ontario Creates, and will include outreach to potential government partners including the Ministries of Labour, Training and Skills Development, Education, and Colleges and Universities.
    - As a Strategic Initiative, workforce development tactical activities will be undertaken in 2021-2022, which may include co-hosting digital job and recruitment fairs.
  - **Green Screen Initiatives:** The Film Commission will continue to facilitate the development of an Ontario Green Screen Program, working with industry members and regional partners. The initiative launched on September 10, 2020, along with its inaugural Carbon and Sustainable Production and Carbon Calculation training program. The advisory committee is currently drafting its first two year strategic plan and seeking a program delivery agent who can offer industry-leading carbon literacy training in Ontario that will create a value add for producers and studios considering Ontario.
    - As a Strategic Initiative, and with the support of the Business Affairs and Research team, a research project will be undertaken as determined/defined by the Sustainable Production Working Group, commissioned to a third party.
- Ontario's film and TV industry contributed a record-breaking \$2.16 billion to Ontario's economy in 2019, creating 44,540 high-value full-time equivalent direct and spin-off jobs for Ontarians.
- Ontario Creates, in partnership with the City of Toronto, maintains a full-time marketing presence in Los Angeles (LA), providing on-the-ground marketing to attract production to Ontario and support to Ontario's screen-based content creators. Ontario Creates is the managing partner of the Office.<sup>74</sup> The LA Office continues to make a significant contribution to Ontario's foreign production activity. In 2019-20, prior to the COVID-19 shutdown, 110 leads were generated through the LA Office, 50 of which converted to scouting and 33 of which ended up shooting in Ontario, with total budgets valuing \$654 million.

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<sup>74</sup> Ontario Creates, Annual Results, 2017-18.

- Ontario Creates' award-winning Digital Locations Database image collection continues to grow. As of the end of 2018-19, the database held approximately 9,000 portfolios, representing nearly 263,000 individual images. The database services 6000+ users, including property owners, local freelance production personnel, domestic and international producers and Ontario Creates staff, who use the database to create digital image packages that are used to both market the province and convince productions to shoot in Ontario.
- The Film Commission regularly organizes specialized marketing familiarization tours that target international feature film and television production executives, with the goal of promoting Ontario's production and post-production assets for the eventual investment in the province. The 2019-20 familiarization tours brought 10 production executives from companies including Netflix, Disney, Paramount and Warner Brothers to Ontario to take part in B2B programming over three days. The guests met with 170 business reps from Ontario's film industry, reinforcing and strengthening 1,700 key production relationships. The tour has generated investment leads from all executives in attendance.
- The Film Commission works closely with municipal, provincial and federal partners to create a fluid production experience across regional lines within Ontario. To support these efforts, the Film Commission hosts a weekly town hall call with over 20 regions and municipalities, the DGC Ontario's Location Caucus Representative and the LA Office Business Officer, on a weekly basis to discuss filming guideline best practices, investment leads business trends and policy updates. The Unit also presents a bi-annual Regional Film Forum to discuss production trends and best practices regarding the creation and enforcement of film policies and permitting procedures. Over 40 regional film liaisons were in attendance at the 10<sup>th</sup> edition held in January 2019.

#### FILM COMMISSION SUCCESSES:

Made-in-Ontario film and television productions receive significant critical and commercial acclaim and have made a significant economic impact in Ontario:

- Film and TV production boosts the economy in regions across Ontario. Hamilton saw a 14% increase in filming days in 2019 from the prior year. Approximately \$50 million was spent on production across the city's 901 film-related businesses which altogether created 9,000 jobs. Among the 141 Movie and TV projects shot in Hamilton or in part: *The Umbrella Academy*, *Mrs. America*, *The Handmaid's Tale*, *Self-Made: Inspired by the Life of Madam CJ Walker*.
- *Schitt's Creek* took top honours at the 2020 Emmy Awards with a sweeping win in nine categories breaking the record for the most wins in a single season for a comedy. The win also represents the first time a Canadian show has won an Emmy for best comedy series.
- Amazon Prime Original *The Boys*, which filmed in Hamilton, Oshawa and Toronto, was released in July 2019 to popular acclaim. It is the streaming service's highest rated series on IMDb and is one of the most-watched Amazon Originals, according to the company.<sup>1</sup>
- Season 4 of the Canadian series, *Cardinal*, shot in North Bay, worked directly with over 650 Ontario vendors. The production spent nearly \$3 million per episode and employed 1,008 Ontario residents directly.
- In its first two seasons filmed in 2017 and 2018, CBS' *Star Trek: Discovery* spent \$257 million in Ontario, with 4,199 jobs created. The production supported more than 100 businesses in each of the two seasons. Spending was split approximately evenly between crew and labour costs (53%) and local goods and services (47%).<sup>1</sup>
- The made in Ontario limited series, *The Queen's Gambit* hit number one on Netflix's ranking in more than 60 countries and set a record for the most streams in the first four weeks; exceeding 62 million viewers worldwide. The project shot predominantly in Cambridge, Hamilton and Toronto.

## COLLABORATIVE INITIATIVES

Ontario Creates works with industry stakeholders to deliver cross-sector collaborative activities. These events encourage partnerships within and 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. Examples of these initiatives include:

- From Page to Screen is a B2B initiative that brings Ontario book publishers together with film, television, and interactive digital media producers for a series of one-on-one meetings. To date, the program has set up over 4,000 business meetings and brokered over 75 book options. In 2020-21, the program was delivered virtually. At a prior year's version of the event, *The Breadwinner* by Deborah Ellis, published by Groundwood Books, was optioned by Aircraft Pictures. The film, financed in part via the Ontario Creates Film Fund, was a 2018 Oscar Nominee for Best Animated Film. *The Breadwinner* is a Canada/Ireland/Luxembourg co-production with Angelina Jolie as Executive Producer.
- To date, over 100 films have been successfully financed through Ontario Creates' International Financing Forum including: *Castle in the Ground*, *Maudie*, *Tokyo Story*, *Book of Negroes*, *Citizen Gangster*, *Midnight's Children*, *The Husband*, *The Whistleblower*, *Coriolanus*, *Born to Be Blue*, *Wadjda* and the Oscar-nominated *Incendies*.<sup>75</sup> In September 2020, Ontario Creates successfully transitioned IFF to a virtual event that was featured in a *Globe and Mail* article, and highly regarded by the participants: "This was an exceptional experience. The enthusiasm from the fellow producers and from the executives we met with was invaluable. I will highly recommend this forum to other producers." (Summer Shelton, Story Farm)
- The Discussion Series (formerly known as the Digital Dialogue Breakfast Series) is a year-round forum for conversation among leaders in media, culture and technology. Four sessions were organized in 2020-21. All sessions were delivered virtually and the invite list was expanded to include contacts across the province. All panel discussions are made available by Ontario Creates as podcasts.
- Ontario Creates facilitates a Content Exchange Day in alternate years. This event provides an opportunity for all sectors to meet, learn (through roundtables and speakers), and participate in one-on-one meetings to explore new business and format opportunities. The program design is modeled on the first phase of the Collaboration and Innovation Fund program which concluded in 2016-17. This event launched in 2017-18 and takes place every other year, with the next event planned for 2021-22.
- In 2020-21, Ontario Creates will continue the cross-sector strategic marketing initiative highlighting diverse projects supported by Ontario Creates, in order to grow audiences for regional, Francophone, Indigenous, and other projects that meet the provincial definition of diversity. In 2020-21, this initiative promoted 85 pieces of content via the *Shop.Stream.Support.* campaign, and highlighted Black Ontario companies and artists by supporting ByBlacks #BlackHistory365 campaign.
- Building on the success of Music Together, in 2020-21 the Music Office is supporting Ontario musicians of all genres whose careers been impacted by COVID-19, by partnering with [33dot3.ca](http://33dot3.ca) to produce a deluxe vinyl LP featuring 33 songs by 33 Ontario musicians and curated by 33 diverse, high profile Ontario writers, artists and athletes who will also

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<sup>75</sup> Ibid.

contribute to the album's liner notes and jacket art. This cross-sector compilation will be released in spring 2021.

- In addition, in 2021-22, Ontario Creates will work with the other MHSTCI agencies to identify ways to leverage one another's programs and communication strategies to strengthen the overall positioning of the province's cultural assets and impact on the quality of life and economic well-being of Ontarians.

## **TRILLIUM BOOK AWARD**

The Industry Development Group delivers the Trillium Book Award/Prix Trillium to recognize Ontario's literary excellence and foster the promotion of Ontario-authored books. A jury of peers is coordinated and managed by Ontario Creates to select the short-listed titles and winners of four separate prizes.

Trillium Book Award winners in English-language and French-language receive \$20,000 each. Publishers of the winning books each receive \$2,500 towards book promotions. The winners of the Trillium Book Award for Poetry (English-language) and the Trillium Book Award for Poetry (French-language) receive \$10,000 each; their publishers receive \$2,000 each. The awards for Children's Literature (French-language) and Poetry (French-language) are awarded in alternate years.

In 2020-21, The Trillium Book Awards were delivered entirely virtually, including using Facebook Live to deliver the awards ceremony, replacing the author in-person readings with author videos, and augmenting the program with live winner interviews. Between the shortlist and the winner announcement, the agency's promotional work generated 471 stories, which in turn achieved more than 59 million impressions.

- In 2021-22, Ontario Creates will deliver the Trillium Awards virtually.
- The agency will deliver Year 3 of multi-year federal funding under the Canada-Ontario Agreement on French Language Services for Trillium Book Award - French title promotion.

## **FUNDING TO TORONTO INTERNATIONAL FILM FESTIVAL, INC.**

In 2020-21, Ontario Creates provided \$300,000 in Operating Support to TIFF. In addition to these operational funds, Ontario Creates provided \$815,000 in support for the care and maintenance of the Province's film collection at the Film Reference Library. In 2019-20, the agency also provided \$150,000 to the TIFF Industry Office, which supports international sales opportunities for producers during the Festival and where Ontario Creates has a shared marketing stand with Telefilm Canada. The stand is used to promote Ontario as a leading production jurisdiction to international decision-makers and to provide a hub where Ontario stakeholders can schedule meetings with international delegates. The agency provided \$30,000 via the Industry Development Program to TIFF's 2019 Film Circuit.

Ontario Creates also delivers various industry development initiatives during TIFF in order to leverage the presence of industry executives and producers from around the world converging in Ontario. The 15th annual IFF brought Ontario, Canadian and international film producers together with international financiers. Twenty-one Canadian producing teams and fifteen international teams from countries including Denmark, Finland, Germany, Iceland, Ireland, Israel, the Netherlands, New Zealand, South Africa, the United Kingdom, and the United States participated, taking part in over 500 one-on-one meetings that resulted in significant business leads for producers. The group included 12 female directors who were invited to participate in the competitive, curated program. Since 2006, more than 100 projects launched at IFF have secured financing and gone on to be produced.

In 2020, TIFF mounted a virtual festival as necessitated by the pandemic. Ontario Creates' marquee industry development event, the IFF, was delivered virtually. The agency was also able to host an Ontario "stand" at the virtual industry marketplace.

## TAX CREDITS AND FINANCING PROGRAMS

Ontario's creative media tax credits are a major incentive for doing business in Ontario. Tax credits provide Ontario's content creators with predictable and stable support which helps companies finance innovative new products, explore new business models, develop new revenue streams, and expand sales and distribution in the international marketplace.

A first-of-its-kind study examining the impact of tax credits on the UK screen sectors found that tax relief supported screen sectors delivered a total of £7.91 billion in Gross Value Added for the UK economy. Together production spend and its job creation led to the generation of significant tax returns for the government. It is estimated that the screen sectors delivered £2.04 billion in tax revenues in 2016. These revenues are also growing. Total tax revenues grew by 67% in the four-year period between 2013 and 2016.<sup>76</sup>

New global over-the-top players like Netflix and Hulu are contributing to a significant expansion in content production. Ontario is well-positioned to continue to capitalize on the worldwide expansion of the screen-based industries. Global competition for production dollars remains strong and jurisdictions around the world are implementing new and innovative tax incentives in order to grow these industries at home. Ontario must maintain its competitive advantage in order to take advantage of the opportunity that this brings.

Ontario Creates currently co-administers six refundable tax credits with the CRA based on eligible expenditures for the film, television, interactive digital media, book publishing and music industries. In 2015, the Ontario Sound Recording Tax Credit (OSRTC) was discontinued; however, Ontario Creates will continue to administer the credit until all eligible applications are processed. Tax credit legislation falls under the responsibility of MoF. Ontario Creates works collaboratively with MoF and MHSTCI on issues related to tax credits.

- **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. An enhanced rate of 45% is available for productions that are eligible for the regional bonus, while a rate of 40% on the first \$240,000 of qualifying labour expenditure is available for eligible for first-time producers.
- **Ontario Production Services Tax Credit (OPSTC):** a refundable tax credit to eligible Ontario-based Canadian and foreign-controlled corporations of 21.5% of qualified labour and non-labour Ontario expenditures for eligible film and television productions.
- **Ontario Computer Animation and Special Effects Tax Credit (OCASE):** a refundable tax credit to Ontario-based Canadian and foreign-controlled corporations of 18% of qualified 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).

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<sup>76</sup> BFI. 2018. "Screen Business". London. <https://www.bfi.org.uk/sites/bfi.org.uk/files/downloads/screen-business-full-report-2018-10-08.pdf>, p. 16.



- **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 by Canadian authors.
- **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. The 2015 Ontario Budget announced that the OSRTC will be phased out. A qualifying corporation may claim an OSRTC for eligible sound recordings that commenced before April 23, 2015. However, a tax credit can only be claimed on eligible expenditures incurred before May 1, 2016 and the qualifying corporation cannot receive an amount from the OMF in respect of the expenditures claimed under OSRTC.

#### **PROGRAM OBJECTIVES:**

- To increase investment and jobs in Ontario and to incent content creation by Ontario-based film, television, interactive digital media, and book publishing companies.
- To assist in the capitalization of companies in order to help companies in Ontario grow their businesses, invest in the creation of new content, and to maintain and exploit their intellectual property assets.

#### **PROGRAM RESULTS:**

In 2019-20, support provided through tax credits leveraged product and production spending of more than \$9 billion dollars (or more than \$13.50 for every dollar invested by Ontario) while encouraging the creation of domestic content and attracting significant international investment through foreign service production.

As a result of several process improvements, the Ontario Creates' Tax Credits and Financing Department saw significant year-over-year progress in reducing tax credit queues:

- Processing time for film and television credits was improved by 10-32%, depending on the individual credit.
- 2019-20 marked the third year in a row that Ontario Creates reviewed more products than it received, reducing the backlog of files awaiting certification.

Results for this program are measured by the:

- Leverage value of Ontario Creates' contribution to each project (the additional amount in financing generated for each dollar invested by Ontario Creates).
- Estimated value of tax credits.
- Number of products reviewed/certified.
- Average turnaround time across all tax credits.
- Average time tax credit files spend in analysis.

#### **PRODUCTIVITY & CUSTOMER SERVICE IMPROVEMENTS:**

Ontario Creates has made a number of aggressive changes in recent years to improve productivity that include: moving from paper-based systems to a fully online system for application and processing; comprehensive Business Process Review and continuous improvements/refinements; implementation of a risk-based assessment methodology (with MoF); cross-training and redeployment of staff resources; increasing staffing levels and opportunities for paid staff overtime; revised application forms (to improve the quality and relevance of information received); application deadlines and time limits to receive requested material from slow and non-responsive applicants; and additional pilots of risk-based processing modifications to evaluate impact.

Focusing on improvements is of paramount importance, as Ontario Creates recognizes that continuing high turnaround times for tax credit processing increases financing costs for producers, delays access to capital that would otherwise be reinvested in the creation of new intellectual property, threatens company sustainability, and erodes the value of the province's investment to cover interim financing costs. Reducing turnaround time will better leverage Ontario Creates' investment and significantly improve access to capital for Ontario content companies.

#### **IN 2020-21:**

- As part of ongoing business improvement, Ontario Creates developed a new intake process to address incomplete files before they enter the queue to ensure that when files are picked up for review they are complete and ready to process.
- Ontario Creates improved customer service and efficiency by offering tax credit administrative fee payments via Electronic Funds Transfer (EFT).
- Ontario Creates launched new client tools for increased online application portal functionality and also revised communications materials for improved clarity and functionality. The agency issued HTML guidelines to standardize format/sections across all credits. Two new tools are available on the agency's corporate website: an OPSTC/OFTTC calculator to estimate tax credit value, and a regional bonus address lookup tool to identify whether a filming location is within or outside of the Greater Toronto Area (GTA) boundaries and qualifies for a bonus. A project to provide plain language version of the guidelines will also begin in 2020-21.
- Ontario Creates introduced the pilot project "Going Paperless", in which printed review packages were replaced by digitized versions for final review by the Team Leader, in one team of Business Officers in Q1 2019-20. Due to COVID-19 and the current work-from-home protocols, this project was accelerated and the paperless approach was adopted by all Business Officers and Team Leaders in Q4 2019-20.
- Ontario Creates accepts digital copies of products/productions for applications for OCASE, OFTTC and OIDMTC. This was expanded to include digital copies of books for the OBPTC due to COVID-19 restrictions.
- Ontario Creates continued to implement enhancements to the application process to help ensure that applications are complete when submitted. For example, a fillable Corporate Schedule was introduced to the application submission in Q1 2020-21 to address the deficiency in corporate documentation found in more than 30% of OFTTC applications.
- Ontario Creates is committed to streamlining the tax credit application process through the use of technology and has a strong foundation to build upon through the agency's OAP. A CRM update is currently underway, due to launch Q4 2020-21, will provide improved search functionality and reporting capabilities to enable increased data collection and analysis.

As a result of these process improvements, the average total processing time at the halfway mark in 2020-21 is down to 29.6 weeks (of which time spent in active analysis represents only 3.2 weeks with the remainder being weeks spent in queue), which is the lowest it has been in more than five years. In addition to processing applications faster, the agency is also processing more of them. The number of products reviewed at the halfway mark of 2020-21 represents 73% of the total products reviewed in the prior fiscal; at this rate, we are on pace to process 70% more products in 2020-21 than in the previous year.

Ontario Creates worked with MHSTCI and MNP LLP on a review of Ontario's Cultural Media Tax Credit Certification Programs. The agency is committed to continuous process improvements and had already implemented several of the report's recommendations when the final report was shared with the agency in October 2020. Ontario Creates will continue to implement additional recommendations from the report as detailed in this Plan.

The Fall 2020 Ontario Budget introduced amendments to four tax credits to help stakeholders mitigate against the impact of COVID-19. Ontario Creates will act on these changes and update the agency's materials (application forms and guidelines) accordingly.

### **2021-22 PRIORITIES:**

Ontario Creates is proud of the significant gains the agency has made on processing times in recent years thanks to business process improvements and additional staff. Ontario Creates has reviewed the "Ministry of Heritage, Sport, Tourism and Culture Industries: Review of Ontario's Cultural Media Tax Credit Certification Programs" Final Report of MNP LLP dated August 20, 2020. The agency welcomes the observations and recommendations and is committed to an ongoing continuous improvement process to deliver the highest level of customer service possible with the resources available, while ensuring the necessary due diligence and accountability for government funds. Many of the actions recommended in the report were already implemented or underway at the time of the review (included in the points listed above for 2020-21) and have resulted in significant improvements to overall processing times. In the coming year, the agency will continue to act on and implement the remaining recommendations of the report and further efforts to reduce processing times and find ways to make client interactions more streamlined.

- Ontario Creates will continue to develop plain language versions of all tax credit guidelines as part of a continuing focus on customer service improvements.
- Ontario Creates will highlight opportunities and options to modernize tax credits and will actively participate in the government's ongoing consultation and review processes. The agency will explore and model options that are modern, responsive, and simpler for users, aligned with the current market realities and the government's Open For Business objectives.
- The Tax Credits team will increase outreach to stakeholders by offering more information sessions and/or panels.
- The agency will explore bringing the risk assessment scoring function (currently undertaken by MoF) in-house as well as the IT implications of doing so.
- Ontario Creates will investigate appropriate service standard targets with regard to turn-around times for complete applications and make them public by 2021-22.
- Ontario Creates will continue to be an active member of the National Tax Credits Committee (NTCC) where Ontario Creates represents and advances Ontario's interests. In 2017-18, a working group of the NTCC was formed and Ontario Creates began working with the Canadian Audio-Visual Certification Office (CAVCO) and other provinces to investigate information sharing and harmonization possibilities. This work is expected to continue into 2021-22.
- The agency continues to chair monthly calls and an Annual General Meeting with MoF and CRA to address issues of administration of the tax credits. In 2017-18, Ontario Creates began discussions with CRA to look at information sharing and harmonization possibilities to streamline the administration of tax credits. This work will continue into 2021-22.
- As the Tax Credit team moves to establish service standard targets, potential challenges are anticipated around an increase in irregular files which may require additional processing time and may have higher potential for disputes. As a mitigating strategy, Ontario Creates is committed to working with partners to recommend a privative clause which would formalize the review process in the event of a dispute.
- Since 2019-20 Ontario Creates has been working to digitize key process documentation in order to streamline the review process and remove duplication of effort. By integrating the Business Officer's review package with the data collected in the OAP, accuracy and analysis time will be improved.
- In 2021-22, Ontario Creates will work towards a future state where physical media is not required for any tax credit application, thus streamlining the submission process for applicants as well as future reduction in storage space and expense for the agency.

- Building on temporary electronic signatures and tax credit certificate solutions that were implemented during COVID-19, Ontario Creates is undertaking an agency-wide project to allow for a secure digital signature on all contractual documentation and tax credit certificates. This will allow for electronic certificates to be provided via the secure OAP, removing the need to print copies and send them by mail. This project will be completed by Q1 2021-22.
- Ontario Creates will leverage an internal CRM feature to allow for improved visibility into process performance. This feature will track the actual time spent on analysis of applications and enable better insight into the time spent waiting for the applicant to respond.
- Potential opportunities in leveraging artificial intelligence (AI) within the application process will also be explored.

## BUSINESS AFFAIRS AND RESEARCH

### BUSINESS INTELLIGENCE PROGRAM

Ontario Creates offers financial support to incorporated not-for-profit industry organizations undertaking business intelligence initiatives relevant to the growth of one or more content-creating sectors in Ontario. Completed business intelligence projects are made publicly available on the agency's corporate website and in the Online Research Library.

#### PROGRAM OBJECTIVES:

- To support projects that provide information, data, and/or insights that Ontario's creative companies need to increase their capacity and effectiveness.
- To provide Ontario companies with competitive market advantages.
- To level the playing field between Ontario's creative companies and global multinationals that have the capacity to conduct their own market research and business intelligence.
- To provide Ontario Creates with valuable information about the industry to inform and improve programs and services offered by the agency.

#### PROGRAM RESULTS:

In 2021-22, the Business Intelligence Program (BIP) is anticipated to support five to ten new studies that will provide information and data to help Ontario creative industry companies remain competitive with larger scale multinational companies operating around the world. Business Intelligence studies are also anticipated to raise the profile of Ontario Creates and the Province as a trusted partner and a catalyst for information and research in the creative media industries. In 2019-20, eight BIP-funded projects were released, leveraging spending that was approximately double the amount invested by Ontario Creates. In 2019-20, the program guidelines were updated to include accepting applications from the music sector. Results for this program are measured by the:

- Number of projects released.
- Leverage value of Ontario Creates' contribution to each project.

#### 2021-22 PRIORITIES:

- Given the recent demand on this small program, in the next year the agency will prioritize BIP applications that focus on COVID-19 recovery, workforce development, or diversity and inclusion in the creative industries.

### ONTARIO CREATES' INTERNAL AND COMMISSIONED RESEARCH

Where the agency identifies a particular knowledge gap or strategic growth opportunity which is not being addressed through the BIP, the agency will directly commission studies or conduct research internally. These Ontario Creates-led projects allow for forward-thinking, 'big picture' intelligence on emerging issues facing the sectors, and support the agency's programming, strategic planning and business planning activities. Current projects include:

- **Production Statistics Methodology Review:** Ontario Creates is conducting a study in partnership with other members of the Association of Provincial Funding Agencies (APFA) to better understand how different Canadian jurisdictions captures and reports on film and television production statistics.
- **Sustainable Production:** In 2021-22, the Business Affairs and Research team will provide support to the Film Commission and Sustainable Production Working Group's research and planning efforts, as needed.

## **PARTNERSHIPS**

Ontario Creates undertakes targeted research initiatives with third parties, allowing the agency to extend its in-house research capacity to generate high value business intelligence for stakeholders.

- Since 2013-14, Ontario Creates has participated in the Culture Statistics Strategy, an initiative led by the federal Department of Canadian Heritage and including provincial, territorial, municipal and other partners. This partnership supports the release of key Statistics Canada culture data such as culture jobs, contribution to GDP, and trade of cultural products and services.
- In 2019-20, Ontario Creates partnered with VICE Media Group to conduct a joint research study on the habits, behaviours and preferences of Generation Z consumers and on best practices from content creators successfully reaching these audiences. The partnership model allowed Ontario Creates to leverage VICE's unique expertise to deliver a piece of market intelligence of value to our stakeholders across sectors. In 2020-21, the agency again partnered with VICE to undertake a new partnership exploring creative industries workforce opportunities and challenges specific to Gen Z.

## **ONLINE RESEARCH LIBRARY**

The Online Research Library (ORL) is a resource created and maintained by Ontario Creates which contains domestic and international studies specific to the creative industries and serves as a valuable repository of research for industry stakeholders, academics and the agency's own planning needs. The ORL is used by researchers, research institutions, and industry stakeholders who have indicated that this "one-stop shop" information source is an exceptionally valuable resource. In 2019-20, the ORL was overhauled to improve user experience and functionality. Preliminary data demonstrates an increased use in the ORL since the update.

- The ORL contains over 800 research studies.
- In 2019-20, the ORL was visited by over 2,000 unique users.
- The studies in the ORL are also used to inform the development of the agency's semi-annual industry profiles which received nearly 13,000 unique views last year.

## **BUSINESS INTELLIGENCE BULLETIN**

Ontario Creates issues a quarterly business intelligence bulletin. The Bulletin offers a platform to inform interested industry stakeholders about Ontario Creates-funded research, industry profiles, events and third-party data releases and industry consultations. The bulletin is read by over 1,500 people a year.

## **OPERATIONAL ACTIVITIES**

Ontario Creates regularly pursues a number of operational activities to oversee the strategic direction of the agency and make business process improvements aimed at increasing efficiency, effectiveness and provide better client services.

Operational activities in 2021-22 will include the following:

- **Transfer Payment Modernization:** As part of Ontario Creates' plan to modernize transfer payments process, the agency will implement business process improvements including transitioning to fully electronic processes. Ontario Creates will also work with MHSTCI and MGCS on meeting the requirements of Ontario's recently released Transfer Payment Consolidation Operational Directive.

- **Results Measurement:** Explore and implement further automation of quarterly results and reporting to make results management and responding to data requests required for briefing and event notes more efficient.
- **Open Data:** identify, prepare, and maintain datasets in compliance with Ontario's Open Data Directive. In 2021-22, the agency will publish a new historic dataset containing the In Production listings.
- **Production Statistics:** compile annual film and television production statistics.
- **Strategic Planning:** monitor implementation of the strategic plan and coordinate annual agency business planning.

## INDUSTRY ENGAGEMENT ACTIVITIES

Ontario Creates 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 Ontario Creates' five Industry Advisory Committees: Book, IDM, Magazine, Music, and Screen-based. Beginning in 2017-18, and at the request of industry representatives on these committees, Ontario Creates established and formalized cross-sector meetings of Industry Advisory Committee members.

The Advisory Committees are made up of stakeholders from creative industry companies and trade organizations who serve a term of up to three years. Each Committee nominates an Industry Co-Chair and the Ontario Creates CEO serves as the agency's Co-Chair. The Co-Chairs alternate the responsibility for chairing meetings.

The role of the Advisory Committees is threefold:

1. To provide high-level stakeholder input into Ontario Creates 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 Ontario Creates 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; and
3. To inform Ontario Creates of emerging stakeholder issues and priorities.

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

Staff members from all departments are active participants in Ontario Creates' 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 Ontario Creates programs and tax credits. These include information sessions and participation in industry panels.

## ACT AS A CHAMPION FOR THE CREATIVE INDUSTRIES

Ontario Creates continues to work with industry stakeholders to identify relevant issues and assist them in communicating those issues to the appropriate levels of government.

- In 2019-20, and moving into 2020-21, Ontario Creates will participate on the MHSTCI/MoF Film and Television Advisory Panel.
- In 2019-20, Ontario Creates made a submission to the Ontario Government's Intellectual Property in the Post-Secondary Education Sector consultation.

- Ontario Creates intends to monitor, and contribute as appropriate to activities stemming from the recently completed review of the *Copyright Act* as well as the ongoing review of the *Broadcasting Act*, *Telecommunications Act*, expected to be finalized by January 2020.
- Through the Business Intelligence Bulletin, Ontario Creates is able to communicate with stakeholders about opportunities to contribute to policy consultations taking place at all levels of government.

## STRATEGIC INITIATIVES

As a result of careful fiscal management, Ontario Creates has accumulated a small amount of uncommitted cash reserves, providing the capacity to respond to emerging opportunities and industry development needs which cannot be addressed within the parameters of core funds. The agency has committed to a balanced budget (effective deficit of zero) each year, and has consistently performed better than planned, allowing a small annual contribution to cash reserves.

Strategic initiatives leverage a portion of the agency's cash reserves to support timely opportunities that further enhance the impact of programs, to develop skills and partnerships, and to advance the strategic priorities of diversity, workforce development, partnership, discoverability, marketing and export, while ensuring a balanced budget for core program delivery.

In 2021-22, Ontario Creates is prepared to utilize approximately \$1 million of these reserve funds to activate a series of time-limited initiatives that will leverage and extend existing programs without creating unsustainable stakeholder expectations and with limited additional strain on human resources. The initiatives are as follows:

- **Diversity Enhancement:** Ontario Creates has observed significant benefits from supporting diverse projects, including critical acclaim, workforce development and box office success. The Diversity Enhancement will be delivered through three key activities in 2021-22: (1) Film Fund Diversity Enhancement for films with diverse key creatives, voice, and story; (2) Industry Development Program towards initiatives that support diverse workforce development and increased inclusion in industry mentorship and professional development opportunities; and, (3) A new cross-sector marketing initiative that will highlight Ontario Creates-supported diverse content across the province.
- **Ontario Author Touring Support (OATS):** Recognizing the changing marketplace for books, OATS provides publishers with funding to support Ontario-published author appearances at key domestic and international literary festivals and events to garner media exposure and increase book sales. In 2021-22, the program will again be delivered through the Book Fund in order to streamline delivery and assist with the planning cycle for publishers.
- **Frankfurt Book Fair 2021: Canada Focus:** Canada has been selected as the Guest of Honour at the Frankfurt Book Fair 2021. The Frankfurt Book Fair is the international hub of the publishing world and being its Guest of Honour will provide opportunities to showcase Ontario literature, film, interactive digital media, and music across Germany and to an international audience. The agency's lead up programming for this event began in 2018-19 and in this focus year will support B2B activities across the creative industries, an expanded presence for Ontario book publishers at the fair, a program highlighting Ontario film producers across Germany, and an interactive digital media presence to build business opportunities and audience engagement.



## VI. RESOURCES NEEDED TO MEET GOALS AND OBJECTIVES

- The programs and activities identified in this plan are based on status quo financial and human resources.
- Key financial resources include operating funds from MHSTCI of at least \$35.4 million per year in 2021-22, 2022-23, and 2023-24. The Plan also requires estimated self-generated revenues of approximately \$3.3 million per year. Total operating costs are estimated to be \$38.7 million over the next three years.
- The agency's budget reduction strategy has always been to mitigate the direct industry impact of cuts through timing adjustments, cost containment, program modifications, revenue increases, and program reductions while ensuring the long term financial and strategic sustainability of the agency's strategic and business planning. The budget for core programs and services is balanced and cash reserves are used to support time-limited initiatives which do not create long-term stakeholder expectations. As such, the agency has contained costs and operations are lean and efficient.
- As a direct result of COVID-19, the agency is anticipating a lower than average revenues from tax credit administrations fees due to production stoppages and delays. The forecast has been adjusted accordingly.

## VII. MITIGATING RISK: RISK IDENTIFICATION, ASSESSMENT AND MITIGATION STRATEGIES

Ontario Creates regularly updates and submits a quarterly risk register MHSTCI. The risk register addresses current and future activities of the agency and environment with respect to related risk factors and their impacts. Ontario Creates has prepared comprehensive mitigation strategies for all of the risks that it has identified and as new risks emerge or change, Ontario Creates will endeavor to inform MHSTCI and act judiciously to minimize any negative consequences.

COVID-19 has had a tremendous impact on the tourism and culture sector in Ontario. This has meant new and unexpected risks facing the agency and creative industries. The agency's highest risks and accompanying mitigation strategies are detailed here and the full risk register has been attached as Appendix A.

### **INSUFFICIENT FUNDS (HIGH)**

- Many Ontario companies in the creative sector are struggling with work stoppages and serious revenue losses as a result of COVID-19 and are looking to Ontario Creates for help. Ontario Creates may not have sufficient funding to support companies with strong, eligible applications. This presents a reputational risk to the agency and government.
- Ontario Creates' selective funding program are much more oversubscribed than usual as a result of the pandemic; current program allocations will not provide the necessary industry support for essential business, marketing, and content development activities which will prevent the agency from fully delivering on its mandate for economic development of job creation.
- Ontario Creates has implemented several strategies to advance milestone payments, provide flexibility to grant recipients as well as to expedite tax credit processing in order to help clients access support quickly. Given the breadth of the impact from the pandemic, it is unclear whether this approach is sustainable; if companies fail Ontario's competitive position and reputation as an international leader in creative industries may be at risk.

### **SHIFTS IN PROGRAM AND SERVICE NEEDS (HIGH)**

- Shifts in program and service may be required as Ontario Creates' existing programs and services may not be geared towards delivering the type of support most needed by companies as a result of the pandemic.
- Clients and industry stakeholders have had to pivot their business models due to the health restrictions of COVID-19, which has meant the cancellation of live concert events, production shoots, industry events and the temporary shutdown of many businesses.
- Ontario Creates has managed to adapt quickly by implementing measures that include: flexibility on delivery dates of products or events that may need to be postponed, supporting a shift in activities that have had to be cancelled, accommodating non-refundable costs, and supporting time-sensitive industry initiatives that respond to COVID-19. Programs will continue to shift as needed.
- Ontario Creates continues to propose and develop medium and long-term strategies in order to aid in both the recovery and sustainability of creative sectors.

### **LACK OF CONTROL OVER FACTORS IMPACTING RECOVERY (HIGH)**

- While the agency has moved quickly to shift programs and services to accommodate current economic crisis caused by pandemic there may be uncontrollable factors such as a second wave of virus and a return to restrictions that could hamper sector recovery and rebuilding plans.

- Ontario Creates will have to remain nimble to shift programs due delivery dates of products or events that may need to be postponed, supporting a shift in activities that have had to be cancelled, accommodating non-refundable costs, and supporting time-sensitive industry initiatives that respond to COVID-19 further health restriction closures.
- Recipients of Ontario Creates investment in feature film may be unable to proceed with production until an insurance solution is in place; as insurers have exempted pandemic costs from coverage, an illness on set could result in an unrecoverable loss of funds and the termination of the production.
- The agency will have to remain in ongoing discussions with government ministries, and industry associations and firms to respond to any ongoing economic impacts from restrictions caused by global pandemic, and any unforeseeable economic downturns due to future lockdowns.

#### **APPLICANTS UNABLE TO FULFILL TAX CREDIT REQUIREMENTS (HIGH)**

- Due to pandemic health restrictions, applicants may be unable to fulfill requirements to receive tax credits.
- As production companies have had to halt due to health restrictions it is difficult to fulfill certain requirements to flow cash into production companies such as starting principal photography before submitting an application.
- This could jeopardize the ability of Ontario remaining a leading jurisdiction for film and television production once restrictions lessen.
- Ontario Creates y has already made an agreement with CRA for allowing electronic notification of certification without the need for hard copy certificates which has allowed money to be flowed to companies that need it more quickly.
- Tax credit administration fees have been deferred for applications where necessary, such that reviews will proceed and certificates will be issued without advance payment of fees.
- With support from MHSTCI and MoF, tax credit reviews are being expedited by streamlining processes and fast-tracking applications based on risk rating.
- In Q1 of 2020-21, Ontario Creates issued tax credit certificates with an estimated value of \$240 million to companies in the film, television, book publishing and IDM sectors.

Ontario Creates will continue to work with government partners to explore strategies to address COVID-19 legislative complications such as allowing applications to be submitted before principal photography to reflect new realities due to the pandemic.

#### **OTHER JURISDICTIONS RETURN SOONER OR PROVIDE BETTER SUPPORT (HIGH)**

- Other jurisdictions that are able to restart live events or return production workers to sets and studios sooner may have a competitive advantage over Ontario. In addition, jurisdictions that provide better support and incentives, may entice productions to move out of Ontario in favour of better or safer opportunities.
- The Film Commission is working to provide the film and television sector with the information and tools they need to return to set. A key strategy is the agency's *Ready to Roll* campaign that includes:
  - A website with up-to-date health and safety protocols and resources, key information about locations and studios (including newly available properties), international travel restrictions, government supports, and film commission services.
- Ontario Creates is also working with government and industry partners on tools and guidelines for re-opening when it is safe to do so. Where possible, the agency is also supporting alternative ways for live events to happen virtually or by other means.

## VIII. HUMAN RESOURCES AND STAFFING

Staff at Ontario Creates 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. Ontario Creates meets or exceeds all required controls and accountabilities as a public service agency and administrators of public funds. Ontario Creates places a great deal of emphasis on ensuring that all obligations under the Transfer Payment Accountability Directive (TPAD) and operating MOUs with MHSTCI are met.

All Ontario Creates staff are members of the Ontario Public Service (OPS). Staff members who are represented by a union are compensated under the terms of their collective agreements.

Ontario Creates is continuously working to be a better organization and workplace. The Strategic Plan includes two internal enabling commitments: to ensure service and operational excellence and to empower people and teams. This means that the agency will continue to work to improve processes and technology; to provide a superior customer service experience; and to ensure accountability and the effective use of resources.

In a 2019 survey of all OPS employees, Ontario Creates staff had a strong participation rate of 87% (as compared to 57% across the OPS) and a high engagement index of 75.8 (as compared to 66.2 across the OPS). While the overall results were positive and demonstrated strong results in inclusion, learning and development, quality of service, organizational communication and management of performance barriers, there is always room for improvement and the agency is committed to working with staff in the year ahead to further improve the Ontario Creates workplace. An Employee Engagement Committee was established in 2018 which has developed a detailed action plan for further engaging staff.

Below is the staff complement broken down by bargaining unit classification:

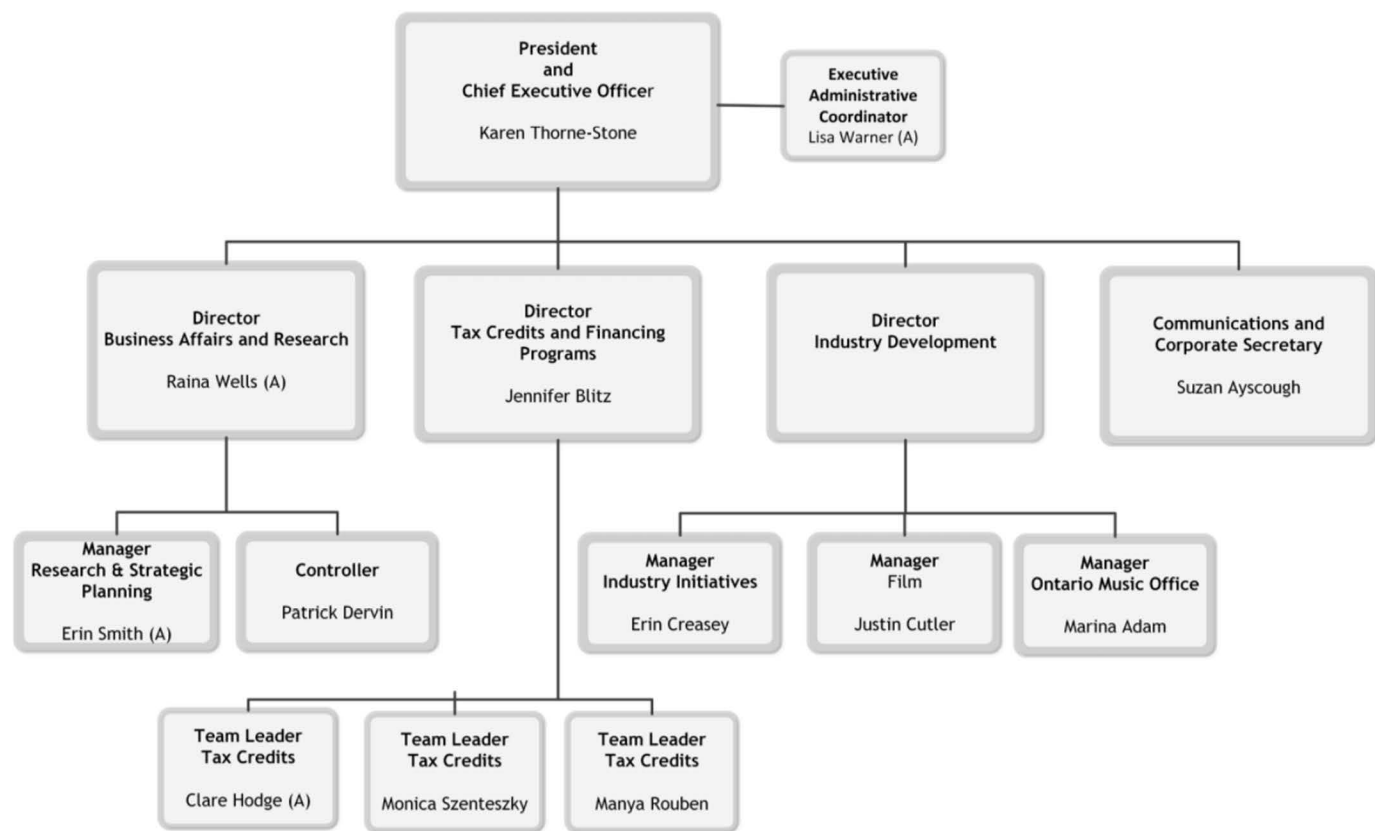
### FTE CAP

SMG/ITX	MCP	Excluded	OPSEU	AMAPCEO	TOTAL
3	6	0	62	7	78

# ORGANIZATIONAL CHART

As of November 11, 2020

Ministry of Heritage, Sport, Tourism and Culture Industries  
**Ontario Creates**



## IX. PERFORMANCE MEASURES

Performance measures for Ontario Creates provide regular feedback on whether agency programs and activities are meeting their objectives and provide some insight into the overall health of Ontario's creative industries.

The agency's outcome and output-based performance measures align with MHSTCI's strategic objectives of fostering a sustainable and prosperous creative economy, supporting innovation, investment and job creation, helping Ontario's creative companies compete in the domestic and international marketplace, and helping Ontario become a leader in the knowledge-based economy.<sup>77</sup> In 2021-22, Ontario Creates will continue to collaborate with its government partners to strengthen and grow Ontario's entertainment and creative cluster.<sup>78</sup>

A number of new performance measures were added in 2017-18 and 2018-19. The following table provides interim results as of September 30, 2020 (Q2) for key 2020-21 performance indicators. Targets for 2020-21 were revised in the agency's 2019-20 Business Plan Addendum as a result of the impacts of COVID-19.

Ontario Creates recognizes that the diversity of Ontario's creative sectors is key to their future economic success. Ontario Creates is currently engaged in developing additional metrics to track this priority.

In addition to these key performance indicators described below, Ontario Creates' management 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 Ontario Creates in achieving the agency's corporate goals and commitment to continuous improvement as well as ensuring the agency's responsibilities under various accountability directives are met.

Ontario Creates met or exceeded most 2019-20 performance targets, noting the following:

- Not all leverage value targets were met in 2019-20. Leverage value indicates the additional amount in financing generated for each dollar invested by Ontario Creates. Smaller leverage values indicate that across most sectors, project budgets in 2019-20 were slightly smaller than anticipated.
- Nearly all of the targets for the Film Commission were exceeded in 2019-20, with the exception of the number of actively scouting domestic and service productions in Ontario, which fell short by 5 productions (140 instead of the targeted 145). This was likely due to production being at or reaching capacity for most of the year. The total value of production in 2019-20 was \$1.6 billion, exceeding the target by over \$3 million.
- The number of business connections/leads made by participants at Ontario Creates-led or supported initiatives fell short of the target by about 1,000 connections. This result was impacted by the postponement and/or cancellation of events in February and March as a result of the pandemic.
- The number of markets where Ontario Creates organized a strategic presence and the number of collaboration events also fell short as a result of pandemic-related cancellations and postponements.
- Tax Credit review and processing results remained consistent over the prior year. The average turnaround time across all tax credits was 35.1 weeks in 2019-20, a 5-week improvement over the target.

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<sup>77</sup> Ontario Ministry of Tourism and Culture, *Results-based Plan Briefing Book 2014-15*, p. 4.

<sup>78</sup> Ibid, p. 7.

Key Performance Indicator	2020-21 Quarterly Results		Targets		Past Years' Results			Notes
	Q1	Q2	2020-21	2021-22	2019-20	2018-19	2017-18	
					Actual	Actual	Actual	
Strategic Goal #1: STIMULATE ECONOMIC GROWTH AND EMPLOYMENT								
1. Estimated value of Tax Credits (millions)	\$240	\$177	\$600	\$600	\$621	\$840	\$747	
2. Leverage Value (additional amount of financing generated for each dollar invested by Ontario Creates)								
a) Investment through all six Tax Credits	\$12.94	\$20.69	\$10.00	\$10.00	\$13.59	\$20.64	\$17.80	
b) Investment through Book Fund	N/A	-	\$0.60	\$0.60	\$0.60	\$0.57	\$0.72	
c) Investment through Film Fund (Production)	\$17.27	\$0.00	\$18.00	\$18.00	\$18.49	\$20.66	\$17.82	
d) Investment IDM Fund (Production)	N/A	\$0.00	\$2.00	\$2.00	\$2.17	\$1.96	\$2.21	
e) Investment through Magazine Fund	N/A	-	\$0.70	\$0.70	\$0.70	\$1.01	\$0.72	
f) Investment through Ontario Music Fund (OMF)	N/A	\$0.00	\$4.50	\$4.50	\$5.84	\$4.18	\$4.83	
g) Investment through Business Intelligence Program	\$1.01	\$0.80	\$0.90	\$0.90	\$0.91	\$1.75	\$1.73	
3. Return on Investment (sales earned for every dollar invested by Ontario Creates)								
a) Book Fund	-	-	\$2.00	\$2.00	N/A	\$7.10 NF	\$4.79	18/19 not final
b) Export Funding (Export Fund and IDM Fund: Global Market Development)	-	-	\$100.00	\$100.00	N/A	\$169.05	\$177.86	
c) IDM Fund: Marketing Support	-	-	\$2.00	\$2.00	N/A	\$3.69 NF	\$1.55	18/19 not final
d) Magazine Fund	-	-	\$0.75	\$0.75	N/A	\$0.93 NF	\$1.19	18/19 not final
4. Ontario Music Fund Economic Growth and Employment Indicators								
a) Increased company gross revenue as a result of the OMF (millions)	Annual Result		\$45.00	\$45.00	N/A	\$30.23	\$97.77	Note 10
b) Private sector investment and equity secured as a result of the OMF support	Annual Result		\$12.75	\$12.75	N/A	\$13.56	\$12.00	Note 10
(millions)								
c) Jobs created and/or retained through OMF projects (FTEs)	Annual Result		500	500	N/A	611	551	Note 10
5. Other Economic Growth and Employment Indicators								
a) Weeks of work created and/or retained through IDM Fund and Film Fund projects	3,929	0	14,000	20,000	32,625	35,280	22,962	

Key Performance Indicator	2020-21 Quarterly Results		Targets		Past Years' Results			Notes
	Q1	Q2	2020-21	2021-22	2019-20	2018-19	2017-18	
					Actual	Actual	Actual	
Strategic Goal #2: PROMOTE THE INDUSTRIES								
1. Film and Television Production								
a) Number of <b>film and television productions</b> that shoot in Ontario	0	28	36	80	170	152	137	
Domestic	0	22	21	20	102	92	74	
Service	0	6	15	60	68	60	63	
b) Value of <b>film and television productions</b> that shoot in Ontario (millions)	\$0	\$131	\$330	\$924	\$1,638	\$1,316	\$1,480	
Domestic	\$0	\$88	\$130	\$124	\$674	\$512	\$525	
Service	\$0	\$44	\$200	\$800	\$964	\$803	\$955	
c) Number of actively scouting domestic and service productions accessing Ontario Creates scouting services	24	42	38	75	140	154	150	
2. Los Angeles Office								
a) Number of leads developed by <b>L.A. Office</b>	9	49	60	60	110	120	216	Note 6
b) Proportion of <b>L.A. Office-assisted projects</b> that shoot in Ontario	0%	67%	60%	60%	60%	32%	34%	Note 6
c) Value of <b>L.A. Office-assisted projects</b> that shoot in Ontario (millions)	N/A	\$218	\$125	\$400	\$654	\$343	\$953	Note 6
3. Social Media Influence								
a) Sysmos score	8/10	8/10	8/10	8/10	8/10	8/10	58.4	
b) Number of new subscribers to Ontario Creates social media channels	1,363	1,399	1,500	2,000	2,822	3,996	1,443	
4. Media Impressions								
a) Number of media impressions (millions)	0.3	22.8	50.0	50.0	71.7	184.6	31.7	
b) Number of <b>Trillium Book Award</b> media impressions (millions)	59.5	-	60.0	60.0	126.5	4.5	172.0	Note 5
c) Pick up on news releases ( <b>Trillium Book Award</b> only)	471.0	-	475	NEW	New Measure as of 20/21			



Key Performance Indicator	2020-21 Quarterly Results		Targets		Past Years' Results			Notes
	Q1	Q2	2020-21	2021-22	2019-20	2018-19	2017-18	
					Actual	Actual	Actual	
Strategic Goal #3: ENCOURAGE COLLABORATION AND INNOVATION								
1. Industry Development Support (Industry Development Program, Sector Marketing Support, other Ontario Creates support to industry development)								
a) Number of industry development initiatives led or supported by Ontario Creates	21	19	60	60	64	64	69	
b) Number of business connections/leads made by participants at Ontario Creates-led or supported initiatives	N/A	N/A	10,000	10,000	12,706	35,359	24,436	19-20 not final
c) Number of business connections and/or leads made as a result of OMF Music Industry Development Support	Annual Result		6,000	6,000	N/A	13,141	12,111	
2. International Business Development								
a) Number of markets at which Ontario Creates has organized a strategic presence	1	2	11	8	7	6	17	
b) Number of foreign markets at which Ontario participants are supported through export activity support	44	19	150	150	181	241	346	
3. Collaboration Initiatives								
a) Number of Collaboration events led by Ontario Creates	0	1	4	4	5	4	7	
b) Number of business connections made through meetings at Collaboration events	0	0	900	900	772 NF	1,167	1,757	19/20 not final
c) Number of deals/options arising from Collaboration events after 12 months	3	1	4	4	4	6	6	
d) Value (when applicable) of deals/options arising from Collaboration events after 12 months	\$15,250	\$7,250	\$5,000	\$5,000	\$13,750	\$23,000	\$29,100	Note 7
3. Business Intelligence								
a) Number of Business Intelligence projects released	1	0	8	8	10	10	9	
b) Number of Industry Profiles updated	5	1	8	8	8	8	7	
c) Number of unique views of Industry Profiles on corporate website	2,698	1,103	15,000	15,000	N/A	14,816	15,128	
d) Number of new documents added to the Online Research Library	21	5	150	100	N/A	92	116	
e) Number of unique visitors to the Online Research Library	880	1,401	3,000	3,000	N/A	2,094	3,662	
f) Number of Business Intelligence Bulletin unique views	558	0	1,500	1,500	TBC	1,297	New Measure for 2018-19	

Key Performance Indicator	2020-21 Quarterly Results		Targets		Past Years' Results			Notes
	Q1	Q2	2020-21	2021-21	2019-20	2018-19	2017-18	
					Actual	Actual	Actual	
Strategic Enabler #1: ENSURE SERVICE AND OPERATIONAL EXCELLENCE								
1. Program Delivery								
a) Number of applications received (funds and tax credits)	782	539	1,800	1,800	2,588	2,464	2,287	Note 1
b) Average turnaround time across all tax credits (weeks)	33.6	23.8	30.0	25.0	35.1	33.8	41.9	
c) Average time tax credit files spend in analysis (weeks)	3.2	3.3	4.0	3.5	5.2	3.9	5.3	
d) Total number of tax credit products reviewed	1,263	903	2,700	2,700	2,947	3,183	3,047	
2. Service								
a) Number of service calls and emails	1,382	0	4,600	4,600	4,186	4,521	4,779	
b) Number of MHSTCI inquiries	11	0	100	100	144	97	136	
c) Client satisfaction survey (approximately every 5 years)	Annual Result		Annual Result		N/A	Completed	New Measure for 2017-18	Note 4

Strategic Enabler #2: EMPOWER PEOPLE AND TEAMS								
1. Percentage of staff that have been at organization 5+ years	Annual Result		55%	55%	N/A	62.9%	62.5%	
2. Percentage of staff with Performance Development and Learning Plans	Annual Result		95%	95%	N/A	94.3%	94.4%	
3. Percentage of staff who engaged in 1+ professional development activities within the year	Annual Result		80%	80%	N/A	98.6%	94.4%	
4. OPS Employee Survey (positive or negative variance between Ontario Creates and OPS results on Employee Engagement Survey - when issued)								
a) Engagement Index	Annual Result		+9.0	+9.0	+9.6	+7.7	+4.4	
b) Inclusion Index	Annual Result		+5.0	+5.0	+5.2	+5.3	+4.1	Note 8
c) Performance Barriers	Annual Result		+3.5	+5.0	+3.4	+12.4		Note 9
d) Independence & Innovation	Annual Result		+2.0	+2.0	+1.7	-2.5		Note 9
e) Learning & Development	Annual Result		+9.0	+10	+9.1	+11.6		Note 9
f) Leadership Practices - Directors/Senior Managers	Annual Result		+12.0	+3.0	+11.6	+2.3		Note 9
g) Quality of Service	Annual Result		+14.0	+12.0	+14.2	+10.6		Note 9

h) Organizational Communication	Annual Result	+19.0	+10.0	+19.0	+14.4		Note 9
i) Survey Response Rate	Annual Result	+15.0	+12.0	+29.8	+12.0		Note 9

Key Performance Indicator	2020-21 Quarterly Results		Targets		Past Years' Results			Notes
	Q1	Q2	2020-21	2021-22	2019-20	2018-19	2017-18	
					Actual	Actual	Actual	
<b>COVID-19 Tracking Measures</b>								
a) Number of investment commitments that were modified to reflect new COVID-19 related priorities	Annual Result		NEW	NEW				New for 20-21
b) Value of funding that was flowed ahead of schedule to provide COVID-19 support	Annual Result		NEW	NEW				New for 20-21
c) Improvement in tax credit analysis time due to mitigation strategies	40%	39%	NEW	NEW				New for 20-21
(d) Amount of new warehouse/studio space OC helps facilitate for film production (sq. ft)	235,000	TBC	NEW	NEW				New for 20-21
e) Importance Ontario Creates' COVID-19 support strategies to sustaining client organizations	Annual Result		NEW	NEW				New for 20-21
f) Enabling People and Teams: staff ability to work from home	100%	100%	NEW	NEW				New for 20-21

#### NOTES:

ROI represents the amount generated in sales for every dollar invested by Ontario Creates.

Leverage value indicates the additional amount in financing generated for each dollar invested by Ontario Creates.

(1) Target is relative to the number of Tax Credit applications certified.

(2) Results not yet available.

(3) Results not yet available, baseline results from survey, not directly comparable to future years.

(4) Ontario Creates Client Satisfaction Survey was issued in 2017-18. Surveys are issued approximately every five years.

(5) Elevated results in 2017-18 due to additional activities and advertising spend related to Trillium's 30th anniversary.

(6) LA Office in Redevelopment mode - new marketing consultant in place from Q4 2018-19 after position was vacant for 2 quarters.

(7) Results not yet final.

(8) Inclusion Index was revised for the 2018 Employee Engagement survey and as a result, is not directly comparable to indices from previous years.

(9) Due to change in OPS Employee Survey reporting, not all historical indicators were available and additional indicators developed for 2018-19.

## X. FINANCIAL BUDGET

This Business Plan represents a status quo budget with no increases for additional financial or human resources. Specifically:

- Ontario Creates' 2021-22 expenditures are projected to be \$38.7 million for accounting purposes, before adjusting for amortization and capital acquisitions. These expenditures include \$1.15 million in planned time-limited initiatives to be funded from cash reserves.
- Ontario Creates' annual revenue for 2021-22 is expected to be \$38.7 million which includes operating funding from MHSTCI of \$35.4 million and \$3.3 million in self-generated revenue (tax credit administration fees, interest, and other income).
- Uncommitted cash reserves at the end of 2021-22 are projected to be \$1 million. Ontario Creates' fiduciary practice is to ensure that the reserve fund is sufficient to cover lease, legislated and severance obligations before considering allocations for strategic initiatives.

AGENCY:  
ONTARIO CREATES  
(\$ Thousands)

DRAFT FINANCIAL FORECAST SUMMARY  
2021-22      2022-23      2023-24  
*OC Business Plan*      *FORECAST*  
*Budget*

**REVENUE**

MHSTCI Funding (Note 1)	35,412.3	35,412.3	35,350.3
Self-generated (Note 2)	3,278.0	3,278.0	3,278.0

**TOTAL REVENUE**

<b>38,690.3</b>	<b>38,690.3</b>	<b>38,628.3</b>
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**EXPENDITURES**

Salaries & Benefits (Note 3)	8,119.4	8,114.9	8,110.4
Operations (Notes 4, 5)	2,194.1	2,208.2	2,222.6
Grants	27,278.0	27,278.0	27,238.0
Program Delivery	1,098.9	1,089.2	1,057.3

**TOTAL EXPENDITURES**

<b>38,690.3</b>	<b>38,690.3</b>	<b>38,628.3</b>
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<b>Net Surplus/(Deficit) before Other Items</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
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**Other Items (funded from uncommitted cash):**

<b>- Time-limited Strategic Initiatives</b>	<b>1,125.0</b>	<b>0.0</b>	<b>0.0</b>
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<b>Net Deficit</b>	<b>-1,125.0</b>	<b>0.0</b>	<b>0.0</b>
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**Notes:**

(1) Base allocation \$28.45 million; Ontario Music Investment Fund \$7 million; Canada-Ontario Agreement on French-Language Services \$0.062 million; deferred revenue OMIF (\$0.1 million)

(2) Includes tax credit administration fees, interest, and other income

(3) Includes known bargaining unit increases

(4) Includes occupancy, administration, marketing and communications costs, and annual 2% inflation on operations and information services

(5) current premises lease expires on October 31, 2023. For purposes of this projection, occupancy costs are assumed to extend to the end of the 2023-24 at the lease rate in effect at that date.

## **XI. IT AND ELECTRONIC SERVICE DELIVERY PLAN**

Ontario Creates provides and supports its own information technology services, including maintenance of the internal network and servers, email service, an internal database for operational purposes and three outward-facing databases that provide access to industry research, filming locations, and the agency's funding programs and tax credits applications. The agency is responsible for all procurement and security related to this infrastructure.

Staff are responsible for infrastructure maintenance and operations as well as internal and external customer service support. They are also responsible for system monitoring and enhancements as well as answering all support inquiries from agency staff and external users of Ontario Creates' OAP. The in-house model offers the agency much-needed flexibility to provide a high level of customization and responsiveness to client needs in a timely fashion.

### **CLIENT SERVICES**

Ontario Creates is proud to be advanced in its efforts to provide electronic service delivery to clients, which supports the broader government's digital service plans. The agency's corporate website is its primary client interface. Ontario Creates clients access the OAP, the Digital Locations Library (DLL) and the Online Research Library (ORL) through the website. It is also the agency's communications portal to provide information about the agency's programs and services and to share news for and about stakeholders.

Two outward-facing databases (ORL and DLL) provide services to the agency's clients. The content of both libraries is kept up to date by staff. 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, Film Commission, 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.

### **SECURITY AND SYSTEM MONITORING**

The agency has robust security protocols in place. To ensure the ongoing operation of the agency IT infrastructure and the personal and confidential information it contains, agency staff do 24-hour system monitoring. This is carried out on a rotational basis by members of the IT team. Ontario Creates engages in an annual security audit carried out by MGCS to ensure that there are no major flaws in the system and that personal and confidential information is secure. The agency has built a strong track record of promptly addressing any security vulnerabilities identified in annual audits, and there have been no major security breaches over the years.

### **ELECTRONIC SERVICE DELIVERY**

Ontario Creates provides Electronic Service Delivery to clients through the OAP. It is mandatory for all applicants to the Industry Initiatives, Ontario Music Fund, Business Intelligence Program, and Tax Credit programs to submit their applications through the portal. All written communication regarding applications is done through the OAP. The OAP 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.

The agency's internal corporate database 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 implemented through the process described above.

## RECENT ACCOMPLISHMENTS

In the last three years, a number of significant IT projects and systems upgrades have been completed:

- A full visual refresh and expansion of the cutting-edge DLL site was completed in 2017. The user experience upgrade and new promotional pages offer users a sophisticated location scouting solution, improving jurisdictional competitiveness. The Film Commission Production Guide was also successfully migrated from the corporate website to the DLL.
- The agency completed the first phase of transitioning to cloud-based Office 365, including SharePoint, as part of its efforts to modernize IT systems, supporting efforts to ensure they conform to the highest security standards.
- A new corporate website was launched in 2020 which meets or exceeds requirements of the *Accessibility for Ontarians with Disabilities Act* that come into force on January 1, 2021.
- New tools to improve user experience for tax credit applicants were created and are available on the website, including an online tax credit estimate calculator and a tool to assist in determining whether a particular region qualifies as being inside or outside of the GTA for the purposes of the regional bonus.
- An enhancement to the ORL to improve user experience was successfully completed. Early results show visits to the new site have nearly doubled.
- Modernization of transfer payment protocols began, including requirements gathering for implementing e-contracts for funding recipients, and collecting demographic data from program and tax credit applicants.
- Remote Work: In early March 2020, Ontario Creates' IT Team quickly mobilized to make remote work possible for the 78 FTEs at the agency. Significant time and resources were required to ensure that staff were able to access IT networks safely and securely in order to keep the agency business operations, programs and services running and responsive to clients. New devices and hardware were purchased to support work-from-home protocols. These devices will be substituted for regularly scheduled replacements in the coming years. The agency's IT Team continues to monitor and support staff while they work remotely.
- In June 2020, the agency's Film Commission launched the *Ready to Roll* marketing campaign. The site contains comprehensive resources for the film and television production sector including the most recent COVID-19 health and safety protocols.

## 2021-22 INFORMATION TECHNOLOGY PLAN

- The final phase of upgrades to Ontario Creates' CRM systems will be completed.
- Testing and implementation phases will take place for introduction of any changes to support of the agency's transfer payment modernization efforts.
- The agency will be in a planning/requirements gathering stage for transitioning client-facing applications (OAP, DLL, ORL) to the Cloud to assist in improving security, improved access to service, and flexibility.
- The IT Team will support the Tax Credit unit's plans to bring the risk assessment scoring function (currently undertaken by MoF) in-house and exploration of processes available to issue electronic certificates with appropriate security features embedded.
- The IT Team will support the Research and Strategic Planning Group's efforts to enhance data collection around key business and creative roles among companies and productions supported by Ontario Creates.

## **XII. LEVERAGING PARTNERSHIPS: INITIATIVES INVOLVING THIRD PARTIES**

Ontario Creates works closely with a range of partners on targeted initiatives. Extending existing partnerships and developing new ones is a key strategic priority for the agency, as collaboration with both internal and external entities allows the agency to greatly extend its impact, often without the need to tap into additional resources. Ontario Creates continually seeks out appropriate partnerships with local, regional, federal and international private, non-profit and public entities that assist in furthering the agency's mandate and strategic goals. In 2021-22, Ontario Creates wishes in particular to pursue new cross-Ministerial opportunities, including seeking to more actively work with the Ministry of Education (EDU).

As an agency that administers investment funds and tax credits, Ontario Creates complies with all its responsibilities under TPAD. For each program, Ontario Creates defines expectations, establishes and implements agreements, monitors projects and takes corrective action where necessary, and reports on the results of the agency's funding. Regular risk assessment and mitigation is done on each file by Ontario Creates staff and referred to management when necessary. To improve effectiveness and performance, the agency works with public and private partners to deliver specific services and activities that support the creative media industries.

The following initiatives demonstrate ways Ontario Creates has been able to maximize the impact of Ontario's investments through partnership with third parties:

### **TORONTO/ONTARIO FILM OFFICE IN LA**

- The Toronto/Ontario Film Office in LA is a partnership between Ontario Creates and the City of Toronto Film, Television and Digital Media Office. 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.
- Ontario Creates is the managing partner of the Office.

### **ONTARIO GREEN SCREEN PROGRAM**

- Ontario Creates formed a partnership with 18 stakeholder groups, including unions, industry trade organizations, associations, production service companies, producers, studios and municipal government partners, to fund and deliver the Ontario Green Screen program.
- Partners offered financial, strategic and tactical support to deliver program initiatives.
- Over 200 film workers have taken part in the Climate and Sustainable Film Production, and Carbon Calculating courses delivered by the initiative. 140 film workers attended the inaugural OGS community meeting.

### **TORONTO INTERNATIONAL FILM FESTIVAL, INC (TIFF)**

- Ontario Creates is the mechanism by which MHSTCI provides annual funds (\$815,000 in 2019-20 for the care and maintenance of the Province's film collection at the Film Reference Library (formerly Cinematheque Ontario) and TIFF Cinematheque's screening programs.
- In 2019-20, the agency also provided \$300,000 in operating support to TIFF, \$150,000 to the TIFF Industry Office which supports international sales opportunities for producers during the Festival, and \$30,000 via the Industry Development Program to TIFF's Film



Circuit.

### **COCREATE**

- Ontario Creates partners with Screen Australia, New Zealand Film Commission, British Film Institute, Irish Film Board, and Creative Scotland to deliver this co-production business development initiative in the feature film industry.
- Ontario Creates initiated and led this initiative to raise industry profiles and create opportunities for Ontario producers, and to raise the international profile of the agency, the industry, and the Province.
- The program commenced at TIFF 2017, with over 30 feature film producers conducting over 200 business meetings across English-language territories.
- In the absence of in-person events in 2019-20, a virtual CoCreate reunion and panel session was held at the virtual Cannes film festival in 2020.

### **INTERNATIONAL CANADA STANDS**

- Ontario Creates partners with Telefilm Canada and other provinces on branded 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.
- Ontario Creates is a major contributing partner to the Canadian presence at the following markets: Cannes International Film Festival, MIP-TV, MIPCOM, Sunnyside of the Doc, TIFF, and the Berlin Film Festival. Ontario Creates also maintains a partner presence at international markets such as South by South West (SXSW), Reeperbahn Festival, Kidscreen, and Game Developers Conference.
- Ontario Creates 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. An example of this is the American Film Market.

### **IDM FUND PARTNERSHIPS**

- IDM Fund Futures is initiative program designed to teach business, marketing, and pitching skills to up-and-coming digital-media creators and those transitioning to digital from traditional screen content. This program is delivered by leveraging the expertise and reach of partner organizations Women in Film and Television-Toronto, Hand Eye Society, and Interactive Ontario, reducing the administrative burden on Ontario Creates of running the program, while increasing partner capacity.
- In 2019-29, Ontario Creates partnered with the Trade Commissioner Services, provincial partner Creative BC and Medienboard Berlin-Brandenburg to deliver the Canada-Germany Virtual IDM Exchange. Taking place over three days, the event created a B2B forum for interactive digital media companies looking for coproduction opportunities, as well as a panel discussion.

### **CANADIAN AUDIO-VISUAL CERTIFICATION OFFICE (CAVCO)**

- Ontario Creates is exploring with CAVCO how information can be shared by the Federal administrator as a means of streamlining an applicant’s need to input and validate information in the Ontario Creates application form.

### **VICE MEDIA GROUP**

- In 2019-20 and again in 2020-21, Ontario Creates partnered with VICE Media Group to conduct a joint research study on the habits, behaviours and preferences of Generation Z consumers and on best practices from content creators successfully reaching these audiences. The partnership model allows Ontario Creates to leverage VICE’s unique

expertise to deliver a piece of market intelligence of value to our stakeholders across sectors.

**DEPARTMENT OF CANADIAN HERITAGE/STATISTICS CANADA**

- Since 2013-14, Ontario Creates has participated in the Culture Statistics Strategy, an initiative led by the federal Department of Canadian Heritage and a range of provincial, territorial, municipal and other partners. This partnership supports the release of key Statistics Canada culture data such as culture jobs, contribution to GDP, and trade of cultural products and services.

**ALLIANCE OF CANADIAN CINEMA, TELEVISION AND RADIO ARTISTS (ACTRA):**

- To support the work that Ontario Creates is doing to assist the film and television sector with reopening when it is safe to do so, the agency has partnered with ACTRA Toronto to help develop the *Ready to Roll* marketing campaign.

### XIII. 2021-22 IMPLEMENTATION PLAN

The financial forecast summary and program and service descriptions included in this Business Plan are based on a status quo financial and human resources. 2021-22 is the fifth year of implementation for Ontario Creates' five-year Strategic Plan.

#### **ACCOMPLISHMENTS: YEARS 1-4**

Ontario Creates has made significant progress against many initiatives outlined in the Strategic Plan. Key accomplishments include:

- ***Stimulate Economic Growth and Employment:***
  - Implemented process changes related to tax credit legislative changes for game company eligibility and convergent embedded websites.
  - Participated in tax credit modernization meetings involving industry and government
  - Provided input on new MoF/MHSTCI Film & TV Advisory Panel
  - Adapted program guidelines to include a bonus score for diversity (company and/or project) across all selective funding programs.
  - Introduced greater support for marketing and distribution initiatives through the Film Fund and IDM Fund.
  - Launched a new Business Intelligence Program and a new quarterly Business Intelligence Bulletin.
  - Completed third party program reviews including Industry Development Program, Film Fund, IDM Fund and implemented changes.
  - Launched redesigned OMIF, which included extensive business process review, stream
  - Introduced Ontario Creates-led Digital Marketing Workshop for film producers and IDM companies.
- ***Promote the Industries:***
  - Delivered high-impact promotion opportunities including Production Familiarization Tour, redesigned Production Guide, created new sizzle reel, used new productions leads technology to guide targeted outreach to producers.
  - Launched Co-Create, pairing Ontario producers with producers from Australia, New Zealand, Ireland & the United Kingdom.
  - Launched a new brand for Ontario Creates.
  - Launched *Ready to Roll* and *Shop.Stream.Support.* marketing campaigns.
  - Hosted Familiarization Tours and redesigned Production Guide
- ***Encourage Collaboration and Innovation:***
  - Formed private and public partnerships to target specific initiatives and leverage existing resources.
  - Created and formalized a cross-sector Industry Advisory Committee meeting.
  - Diversity Enhancement for Film Fund allowed for non-traditional partners
  - Held Regional Film Forum and location management seminars with municipalities.
  - Participated in a Federal, Provincial, and Territorial (FPT) Culture Export Working Group: developed inventory of strategies / initiatives to support promotion & export; identifying gaps & opportunities
  - Participated in FPT Committee planning Canada's 2020 Guest of Honour presence at Frankfurt Book Fair.
  - Refined parameters of Export and Global Market Development programs to ensure opportunities during COVID-19.
  - Created a distinct market program for music managers in new Ontario Music Investment Fund.

- **Ensure Service and Operational Excellence:**
  - Tax credits process improvement team lead in place; process improvements implemented.
  - Completed the electronic payments project, offering electronic direct deposit payments to vendors, staff and board, electronic direct deposit payments to funding recipients and electronic payment of tax credit administrative fees and refunds.
  - Progress made toward significant CRM and website upgrades to improve user/applicant experience.
  - Review of Industry Development and Film Fund completed; implementation of program updates.
  - Held stakeholder roundtable consultations and survey as part of shaping modernized Ontario Music Fund.
- **Empower People and Teams:**
  - Employee Engagement Committee created and Action Plan developed.
  - Provided development opportunities to current staff when hiring.

## 2021-22 IMPLEMENTATION PLAN

The chart below maps the specific activities that will be carried out in 2021-22 against the three strategic goals and two strategic enablers.

#	OBJECTIVE	2021-22 TACTICS
<b>STRATEGIC GOAL #1: STIMULATE ECONOMIC GROWTH AND EMPLOYMENT</b>		
1	Champion the modernization of Ontario's tax credits	<ul style="list-style-type: none"> <li>a. Ongoing implementation of revised tax credit guidelines</li> <li>b. Support MHSTCI Review of Cultural Media Tax Credits</li> <li>c. Study bringing risk scoring function (currently performed by MoF) in house</li> <li>d. Articulate tax credit modernization proposal options</li> </ul>
2	Regularly update program parameters to ensure they are modern and responsive and to optimize the impact of Ontario Creates' role across the value chain	<ul style="list-style-type: none"> <li>e. Evaluate and refine new program criteria and funding guidelines</li> <li>f. Launch redesigned Ontario Music Fund; deliver Film Fund program and administrative update and finalize design of Film Fund Development Stream</li> <li>g. Continue to deliver Diversity Enhancement and enhanced Marketing support programs</li> <li>h. Provide leadership with regard to film and television workforce development and sustainable production strategies.</li> <li>i. Undertake IDM Fund Review</li> </ul>
3	Explore new sources of investment capital and/or financing models to support industry growth (e.g., loan guarantee, loan facility, angel/venture capital)	<ul style="list-style-type: none"> <li>j. Study options for ways Ontario Creates could facilitate access to capital for Ontario companies</li> </ul>
<b>STRATEGIC GOAL #2: PROMOTE THE INDUSTRIES</b>		
4	Promote Ontario as a place for inward investment and development in the creative industries	<ul style="list-style-type: none"> <li>k. Continue implementing high-priority promotion opportunities</li> </ul>

		l. Evaluate the impact of promotion programs on industry investment and development in Ontario
5	Amplify domestic and international export and export opportunities for Ontario companies and content	m. Continue implementing refined/new programs, services and partnerships
6	Refresh Ontario Creates' branding and communications to support promotion activities	n. Evaluate impact of Ontario Creates' new branding and communication strategy on improving domestic and industry brand perception and awareness
<b>STRATEGIC GOAL #3: ENCOURAGE COLLABORATION AND INNOVATION</b>		
7	Stimulate innovative cross-sector collaboration within the creative industries and with broader public sector partners	o. Ongoing implementation and evaluation of industry development and partnership initiatives p. Explore inter-ministerial opportunities (e.g., EDU, MEDJCT) q. Continue partnerships with other levels of government
8	Optimize the impact of Ontario Creates' programs by incorporating business intelligence and leveraging partnerships	r. Evaluate the impact of the business intelligence approach on program effectiveness and industry knowledge
9	Facilitate domestic and international business partnership opportunities for Ontario-based companies	s. Evaluate the impact of increased engagement on levels of innovation and collaboration
<b>STRATEGIC ENABLER #1: ENSURE SERVICE AND OPERATIONAL EXCELLENCE</b>		
10	Continue to streamline internal processes and procedures	t. Evaluate impact of the business process review recommendations and integrate continuous improvement
11	Review program priorities and capacity to deliver across the agency to ensure a continued focus on high value activities	u. Ongoing program review in alignment with agency requirements and annual review cycle v. Adjust programs and service offerings based on review outcomes
12	Streamline reporting to focus on transparent performance measurement and outcomes	w. Evaluate the impact of custom reports for results management on operational efficiency x. Develop additional performance metrics to allow tracking of results in areas beyond economic outcomes (e.g., diversity).
<b>STRATEGIC ENABLER #2: EMPOWER PEOPLE AND TEAMS</b>		
13	Maintain focus on continuously evolving Ontario Creates' culture to align with agency and government values	y. Evaluate the impact of cultural initiatives on employee engagement and organizational effectiveness
14	Attract and retain the best people and support them to achieve excellence	z. Evaluate the impact of enhanced human resource capacity on staff turnover and engagement

## XIV. COMMUNICATIONS PLAN

Since the onset of COVID-19 in March 2020, Ontario Creates has adjusted its communications and social media strategy to prioritize online and virtual outreach, to align with the government's response to the ongoing public health crisis, and to be sensitive to the devastating impact that the pandemic has had on Ontario's creative Industries. The communications plan for 2021-22 will continue to reflect these priorities while transitioning towards strength in recovery messaging and an increased focus on showcasing the successes of diverse-owned companies and content to align with the agencies overall program priorities.

### STRATEGY

Accelerated by COVID-19, consumers and industry alike are increasingly turning to online sources for news, information, engagement, events, and content. In order to reinforce Ontario Creates' position as an industry leader, and to meet our audiences wherever they are in the world, social media will underpin the agency's communications strategy for 2021-22. Content will focus on success, resilience, and competitiveness as industries recover and rebuild.

Ontario Creates' plans and virtual activities will be designed to showcase the province's world-class content, creators and talent to local, national and international audiences while demonstrating to consumers, stakeholders and decision-makers how the government's strategic investments through Ontario Creates fuel the province's creative industries and drive economic growth and job creation.

The agency's goal is to build awareness about Ontario's music, books, magazines, film, television and interactive digital media industries through engagement with stakeholders, and increasingly, with consumers.

### OBJECTIVES

Ontario Creates' objective is to demonstrate that Ontario offers a safe, business-friendly environment where companies can thrive, good jobs can grow, and great content gets made. By spotlighting stakeholders' success stories, Ontario Creates will demonstrate the agency's impact on job creation, workforce development, international export, flourishing partnerships and industry prosperity and growth, even in tougher times.

- Showcase great Ontario content and creators, building awareness and pride;
- Communicate the success and prosperity of Ontario Creates' creative industries within and across sectors;
- Advance the conversation about the economic benefits of 'inclusion' in creative industries, champion diverse content and creators with a particular focus on Francophone and BIPOC industry voices, and support workforce development efforts by highlighting job opportunities to non-traditional audiences;
- Launch and promote creative industry recovery initiatives such as *Ready to Roll*, *Music Together*, and *Shop. Stream. Support.*;
- Excite the public about job creation and economic opportunities generated by Ontario's screen-based and publishing industries;
- Demonstrate the economic impact of Ontario Creates' investments, programs, and activities, including high-value job creation across all sectors;
- Position Ontario Creates as an investor, partner and leader in times of crisis, as well as being an ongoing catalyst for innovation and growth;
- Elevate local, national and international perception of Ontario's creative industries, companies and content;

- Promote the Ontario Green Screen program, positioning Ontario as an industry leader in sustainable production practices with a strong and viable strategy for the screen-based industries;
- Position Ontario as a preferred filmmaking jurisdiction (including during COVID-19), with best practices for health and safety protocols in place, new studio space available, diverse talent available on both sides of the camera; and an unmatched range of film-friendly locations that are ready to roll;
- Support MHSTCI's communication efforts and MHSTCI's recently released White Paper that will inform a five-year plan designed to ensure the medium- and long-term recovery of the heritage, sport, tourism and culture industries.

## AUDIENCES

- **External:** Consumers and industry stakeholders, influencers and decision-makers in Ontario, across Canada and around the globe.
- **Internal:** MHSTCI and relevant government ministries, Ontario Creates' Board of Directors, Industry Advisory Committee members, and Ontario Creates staff.
- **Media:** Trade and consumer journalists and editors; social media influencers and bloggers.

## APPROACH

- Develop key messages at the agency and sector level that can be adapted for various purposes and platforms throughout the year;
- Share key messages and outstanding metrics on social media, with traditional media, in virtual speaking opportunities, and online presentations;
- Increase outreach to underrepresented communities through specialty and ethnic media outlets;
- Develop and execute social media marketing plans that target regional, national, and international audiences, as well as Influencers;
- Craft social media campaigns which engage stakeholders, consumers and creative industry producers and creatives via paid social engagement activities on LinkedIn, Facebook, Twitter, Instagram, and YouTube;
- Strategically employ Ontario Creates' website carousel to build awareness of program launches and Ontario content available for the world to enjoy;
- Pitch traditional and industry trade publications with stories relevant to industry recovery and success;
- Prepare and make 'ready to publish' stories available to community and ethnic media outlets;
- Host and/or support virtual industry events that connect with stakeholders and consumers;
- Leverage opportunities with partner organizations in order to extend reach of Ontario Creates impact and messaging;
- Support MHSTCI communications priorities and position Ontario as an industry leader, emphasizing the economic and cultural impacts;
- Illustrate Ontario Creates unique B2B and cross-sector initiatives such as IFF, *From Page to Screen*, and *Music Makes It* that continue to create opportunities for Ontario's content producers at home and abroad.

## XV. RESPONSE TO THE EXPECTATIONS SET OUT IN THE AGENCY MANDATE LETTER

This Business Plan details the goals, objectives, strategic direction, specific programs, activities, and initiatives that will enable Ontario Creates to achieve its mandate in the year ahead. The agency's Strategic Plan, *Lead. Connect. Grow.* focuses resources on stimulating economic growth and employment, encouraging collaboration and innovation, and promoting Ontario's creative industries while striving to be flexible, collaborative, accountable, and inclusive. This plan strongly aligns with, and supports, the government's priorities and MHSTCI's dual mandate reflecting Ontario's cultural fabric and economic bottom line, as set out in the agency's 2021-22 mandate letter from the Minister of Heritage, Sport, Tourism and Culture Industries.

Ontario Creates will support government priorities to promote economic development, investment and jobs in Ontario's vibrant cultural media industry, specifically by:

- Promoting, enhancing and leveraging investment, jobs and content creation in Ontario's book publishing, film and television, interactive digital media, magazine publishing and music industries; and
- Working with industry partners to boost the economy, create jobs for Ontarians, and demonstrate that Ontario is a place where companies from around the world can grow.
- Supporting government's efforts responsibly restart the economy, including MHSTCI's recently released White Paper that will inform a five-year plan designed to ensure the medium- and long-term recovery of the heritage, sport, tourism and culture industries.

In these ways, the agency will help advance MHSTCI's priorities such as promoting the arts and fueling the creative economy.

As always, the agency will maintain the highest levels of accountability, fiscal management and good governance and will continue to act in the best interests of Ontarians by being efficient, effective, and providing value for money to taxpayers. This includes ensuring a focus on the following:

- Competitiveness, sustainability and expenditure management,
- Transparency and accountability,
- Risk management,
- Workforce management,
- Data collection and digital service delivery.

Ontario Creates strives to support all government initiatives that relate to the agency's mandate. As indicated throughout this business plan, the agency has presented a sustainable and balanced budget with special emphasis on the government's priorities of COVID-19 recovery and equity, supporting diverse content and creators that reflects Ontario's rich cultural fabric.

The agency also remains invested in continuous improvement across all services and operations. The plans and projects detailed in this business plan demonstrate our commitment to ensuring Ontario Creates' programs and activities are customer-focused and tailored to the needs of the sectors we support.

Ontario's screen, publishing, and music industries are a global success story. Collectively, these industries generate billions of dollars in economic activity and create thousands of jobs, while supporting local economies. We are confident that with ongoing support from MHSTCI, Ontario Creates will be able to make strategic and timely investments that will position Ontario as a leader, as an attractive jurisdiction for domestic and foreign business activity, and that this will ensure the province's creative industries continue to recover and rebuild from the pandemic and contribute to meaningfully to Ontario's economic success.



APPENDIX A: RISK REGISTER

#	Objective	Risk Statement	Risk Category	Existing Controls	Risk Assessment (Residual)	Risk Rating	Mitigation / Action Plan
1	Supporting Ontario’s creative industries through COVID-19.	Due to COVID-19, Ontario Creates’ programs and services may not provide adequate support to the province’s creative industries.	Delivery / Operational and Public Perception / Stakeholder	The agency has implemented flexibility on program delivery dates and eligible events, provided reimbursements for non-refundable costs and has supported time-sensitive industry initiatives that respond to COVID-19. Marketing campaigns Ready to Roll (R2R) and Shop.Stream.Support (SSS) were launched to help clients.	<b>Risk Likelihood:</b> Almost Certain (5) – COVID-19 continues to pose many challenges ongoing challenges.  <b>Risk Impact:</b> Moderate (3) – Ontario Creates has the flexibility to implement program changes that will be helpful to stakeholders during this crisis; however Ontario Creates will not be able to provide any COVID-related funding support above the agency’s existing funding.	15	Ontario Creates has adjusted existing program parameters and has introduced greater flexibility to help accommodate and support clients during this crisis. The R2R marketing campaign was launched to help the production sector safely return to work and SSS was launched to assist Ontario Companies find consumer markets for their content. Ontario Creates is also working with industry on marketing initiatives to support the Live Music sector in boosting recovery efforts.
2	Supporting the growth of Ontario’s creative industries.	Ontario’s creative industries are a success story, demonstrated by the continued growth of the sector. Increased demand on Ontario Creates’ services without adequate resources may lead to slow customer services and dissatisfied stakeholders.	Delivery / Operational and Public Perception / Stakeholder	The agency engages in ongoing business process improvements in order to gain efficiencies. Temporary tax credit processing changes as a result of COVID have helped to reduce the backlog of tax credit applications. Additional tax credit FTEs have also helped.	<b>Risk Likelihood:</b> Almost Certain (5) – Demand for services increases every year.  <b>Risk Impact:</b> Minor (2) – Dedicated staff continue to go above and beyond to meet service standards and implement business improvement processes. Reductions to the tax credit backlog have sped up tax credit	10	Ontario Creates will continue to consider and implement business process improvements (including many of those recommended in the review of tax credit business processes). Staff will continue to work hard to deliver a high standard of customer service.

#	Objective	Risk Statement	Risk Category	Existing Controls	Risk Assessment (Residual)	Risk Rating	Mitigation / Action Plan
					process times and significantly improved customer satisfaction.		
3	Ensuring programs and services are effective and responsive to the current business environment for the creative industries.	The creative industries are rapidly evolving as a result of new technologies and regulatory rules. To be most effective Ontario Creates' programs and services should align with this environment. If not, there is a risk that activities may not produce the greatest economic impact for the Province's investment and that projects may move to other jurisdictions.	Delivery / Operational and Public Perception / Stakeholder	The agency supports business intelligence work and has regular dialogue with its Industry Advisory Committees to remain informed about the evolving industry. Program parameters are regularly reviewed and updated and the agency works with partners at the MHSTCI and MoF to discuss changes that would modernize tax credit legislation and regulation.	<p><b>Risk Likelihood:</b> Likely (4) – The creative industries are dynamic businesses that are continuously evolving.</p> <p><b>Risk Impact:</b> Moderate (3) – Ontario Creates' programs and services are designed to be flexible and responsive to a changing industry, however, modernizing tax credit legislation is not within the agency's control.</p>	12	Ontario Creates' will continue to monitor and evolve programs as the environment changes and will continue to work with partners around implementing changes to the tax credits to better align them with the current technological and regulatory environment.
4	Film and television production: Contributing to the continued expansion of a business environment in Ontario that is advantageous to the growth of new employment, investment and production opportunities in Ontario.	Due to COVID-19 health and safety measures that include regional lockdowns, there is a risk that public opinion about location film production may result in municipalities restricting or suspending their film permit programs.	Public Perception / Stakeholder (reputation)	Ontario Creates is in regular dialogue with all of the regional film offices in order to understand their concerns and provide information about the latest health and safety protocols. The Ready to Roll (R2R) marketing campaign was developed to provide the latest information about filming to stakeholders across the Province.	<p><b>Risk Likelihood:</b> Possibly (3) – As COVID-19 numbers increase across the province and new variants of emerge, it may be possible that regional jurisdictions would refuse to permit production activity out of an overabundance of caution.</p> <p><b>Risk Impact:</b> Moderate (3) – Number of productions affected would depend on the size of the region.</p>	9	Ontario Creates will continue to monitor the situation and will communicate changes in restrictions and policies and health and safety protocols with the regional film offices as well as champion the excellent safety record that the sector has maintained throughout the pandemic.
5	Contributing to the continued expansion of a business environment in Ontario that is advantageous to the growth of new employment, investment	The compliance costs related to health and safety on film sets and the live music sector which are largely ineligible for tax credits or other funding, may prove too burdensome for small-to-medium-sized	Delivery/Operational	A federal insurance backstop program is providing some limited assistance to Ontario film and television producers.	<b>Risk Likelihood:</b> Likely (4) – Ontario Creates has already noticed a significant drop in the level of domestic production in the province at the beginning of 2021. Our understanding from the industry is that the cost of health	16	Ontario Creates will continue to work with the domestic production sector to understand current production barriers and will

#	Objective	Risk Statement	Risk Category	Existing Controls	Risk Assessment (Residual)	Risk Rating	Mitigation / Action Plan
	and production opportunities in Ontario.	domestic productions and music companies. Difficulties obtaining insurance policies (for individual productions or commercial insurance for music venues) is also a significant barrier.			<p>and safety related items and labour is a significant barrier for domestic companies in moving to the production stage.</p> <p><b>Risk Impact:</b> High (4) – in a typical year domestic production is responsible for approximately 50% of the jobs and spend related to production in Ontario (approximately \$1 billion). The live music sector is a huge driver of employment, creating an estimated 10,500 full-time jobs in Toronto alone.</p>		communicate with the Ministry.
6	Good governance of the agency	The Board of Directors is currently small and does not include representation from all sectors – specifically, the book, magazine and IDM industries are not currently represented; in addition, the Board does not have a chartered professional accountant or a Francophone member, and regional and ethnic diversity are very limited. This presents a risk that the Board may not have some of the specific skillsets and knowledge needed to provide effective governance and strategic direction to the Agency.	Governance/Accountability	Ontario Creates has provided the MHSTCI with a Board skills matrix identifying gaps and needs. New Board members receive an extensive briefing by senior staff.	<p><b>Risk Likelihood:</b> Likely (4) – The Board currently only has seven members, and several of them have been on the Board for less than a year.</p> <p><b>Risk Impact:</b> Moderate (3) – Given the small size of the Board, current members are taking on an increased workload in order to govern the agency but this is not a sustainable long term solution.</p>	12	Ontario Creates will continue to raise this issue with the government.

#	Objective	Risk Statement	Risk Category	Existing Controls	Risk Assessment (Residual)	Risk Rating	Mitigation / Action Plan
7	Administering provincial tax credit programs and such other programs and initiatives as may be required by legislation.	A growing demand for judicial reviews and other legal proceedings between unsuccessful tax credit applicants and the government may require significant staff time, and depending on the court rulings, could have serious policy and financial implications for the government.	Financial and Policy	Ontario Creates ensures staff are well-trained and experts on tax credit legislation to avoid making incorrect eligibility decisions. The agency liaises with the Ministry legal department and Crown Law Office as required.	<p><b>Risk Likelihood:</b> Unlikely (2) – past judicial reviews have all decided in favour of Ontario Creates.</p> <p><b>Risk Impact:</b> Very High (5) – The cost of losing a legal proceeding could range anywhere from \$10,000 to \$750,000 in legal fees and damages. If the court makes a ruling that expands eligible costs or products, the potential cost to the Province could be substantially more.</p>	10	Ontario Creates has proposed adding a privative clause to tax credit legislation.
8	Maintaining Ontario's competitiveness as a jurisdiction for the creative industries.	Changing federal telecommunications and culture policy, particularly stemming from the Broadcast and Telecommunication Legislative Review (BTLR) recommendations could create a disconnect between federal and provincial policies which may make Ontario a less desirable jurisdiction for content creating companies.	Policy	Ontario Creates regularly scans the environment and monitors policy discussions across Canada in order to assess any impacts that could reduce Ontario's competitiveness.	<p><b>Risk Likelihood:</b> Possibly (3)</p> <p><b>Risk Impact:</b> Moderate (3)</p>	9	The agency will continue to monitor and will communicate any potential policy misalignments that could jeopardize Ontario's competitive position with MSHTCI.
9	Film and television production: Contributing to the continued expansion of a business environment in Ontario that is advantageous to the growth of new employment, investment and production opportunities in Ontario.	A shortage in purpose-built studio space may impede the province from attracting high-end, big budget productions to the Province, which could result in a loss of jobs and GDP. In addition, studio space shortages may make it more difficult for domestic	Delivery / Operational	Ontario Creates' Film Commission works to locate warehouses and other suitable locations for production. The Film Commission also promotes RFPs on municipally owned land that is suitable for soundstage development to interested stakeholders.	<p><b>Risk Likelihood:</b> Likely (4) – even with COVID-19, studio vacancy rates in Ontario have been very low. Even with new studio space the GTHA and Ottawa anticipated, it may not be enough to keep pace with industry growth.</p> <p><b>Risk Impact:</b> Moderate (3) – the continued low vacancy for studio</p>	12	Ontario Creates is continuing to facilitate innovative opportunities to repurpose and redistribute existing studio space, as well as find other locations suitable for production to increase capacity.

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		production to compete for space.			space in Ontario suggests that there is demand that could still be met, bringing high quality jobs and increased economic growth to the Province.		
10	Ensuring that Ontario Creates is a workplace free from discrimination and harassment.	There have been instances where unhappy stakeholders who have been turned down for funding have been abusive to Ontario Creates' staff. There is a risk that this behaviour could escalate to discrimination or harassment, including physical threats when staff are back in the office post COVID-19. As processing times increase, or more client projects are turned down due to program oversubscription, there is a greater likelihood this could occur.	Delivery/Operational (Human Resources)	Ontario Creates' workplace and discrimination policy is reviewed at least annually, and updated when required. Staff are reminded that any form of harassment should be reported immediately to management who will handle such occurrences according to OPS policies and guidelines. All visitors to the office are required to sign in and an emergency button is located at reception in case of a threat. Staff are required to complete mandatory training about workplace discrimination and harassment.	<b>Risk Likelihood:</b> Rare (1) – Work from home has made physical threats at the office less likely.  <b>Risk Impact:</b> Moderate (3)	3	Ontario Creates will continue to review and update policies and procedures around workplace discrimination and harassment regularly. Several staff members that deal regularly with clients are also receiving specialized customer de-escalation training via CAMH.
11	Maintaining highest levels of information and network security.	Due to the significant amount of data and information held by Ontario Creates, incomplete, out-of-date, inaccurate or confidential information could be disclosed to the public including statistics or other personal or proprietary business information that could be harmful to individual	Delivery/Operational (Information / Privacy)	Ontario Creates IT policies ensure the highest levels of network security. This includes annual security audits and regular updates to security infrastructure. Ontario Creates' Online Application Portal (OAP) is a state-of-the-art online program delivery system. The agency has in place clearly defined	<b>Risk Likelihood:</b> Rare (1)  <b>Risk Impact:</b> Moderate (3)	3	Ontario Creates will continue to maintain the highest security standards for IT and network security. The release of statistical information will continue to require approval at the management level.

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		companies, or the industries themselves and how they are perceived in the Province.		processes and protocols with regard to results tracking and reporting. Management approval is required prior to the release of statistical information. In addition, Ontario Creates has its own dedicated IT Team with someone on call at all times who can respond immediately to any breach of data or security.			
12	Maintaining highest levels of information and network security and efficiency while staff work from home during COVID-19.	Due to staff working from home during COVID-19 there is potential for increased security issues (as employees will be connected through their own internet service providers). Additionally new processes, like connecting to network drives through VPN, may slow staff down.	Delivery/Operational (Information / Privacy)	The agency has accommodated and moved quickly to ensure staff working from home were using Ontario Creates' devices with the enhanced security software installed. Network drive connection is through VPN or SharePoint in the cloud to ensure additional security. The agency's IT Team closely monitors the network and ensures the latest security protocols are being followed. Staff are alerted to spam emails and instructed to delete them. An Emergency Management and Business Continuity Plan, including an Information Technology Continuity of Operations Plan is in place.	<b>Risk Likelihood:</b> Rare (1) <b>Risk Impact:</b> Moderate (3)	3	The agency will continue to enhance security protocols and monitor network security.

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13	Maintaining IT infrastructure and information systems	Due to the vulnerability of the physical structures that house Ontario Creates' servers and other physical IT infrastructure such as servers, there is a risk that physical building integrity failures (such as flood or fire) could compromise Ontario Creates' IT infrastructure. As the building ages, this risk intensifies.	Delivery/Operational (Information / Privacy)	All agency data is backed up and can be restored, with limited interruption to online services while servers are rebooted or replaced and operating software and firewalls are reinstalled. The agency has moved most applications offsite including the Online Application Portal, Online Research Library and Digital Location Library. Network drives have been moved to the cloud and the agency is midway through a co-location project to move servers to a temperature-controlled secure facility offsite.	<b>Risk Likelihood:</b> Rare (1) <b>Risk Impact:</b> Moderate (3)	3	The agency is actively engaged in a plan to move applications to the cloud and servers to a secure offsite facility. When completed, this will completely mitigate any risks related to the physical integrity of the office. This project is anticipated to conclude in 2023.