



Ontario Media Development Corporation

2008–09

YEAR IN REVIEW

**ONTARIO'S
CREATIVE MEDIA:
BUILDING ON
OUR STRENGTHS**



Ontario

Ontario Media Development
Corporation

Société de développement
de l'industrie des médias
de l'Ontario

Disponible en français

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Ontario Media Development Corporation (2008–09)

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WHO ARE WE?

The Ontario Media Development Corporation, an agency of the Ontario Ministry of Culture, is the organization through which Ontario supports the province's creative media industries.



Our mandate is to stimulate employment and investment in Ontario by:

- ➔ contributing to the continued expansion of a business environment in Ontario that is advantageous to the growth of the cultural media industry and of new employment, investment and production opportunities in Ontario
- ➔ 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
- ➔ fostering and facilitating cooperation 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
- ➔ assisting in the promotion and marketing of Ontario's cultural media industry as a world-class leader
- ➔ administering provincial tax credit programs and such other programs and initiatives as may be required by legislation or by a Minister of the Government of Ontario
- ➔ acting as a catalyst for information, research and technological development in the cultural media industry provincially, nationally and internationally

Critical to our success is ensuring our programs remain relevant and our administration efficient and effective. In 2008–09, we continued our long-term planning initiative through research, consultations and program development around the strategic themes of digital evolution, content and market development, market intelligence, access to capital and cross-sector collaboration.

We play a leading role not only in supporting creative media industries at home, but also in attracting foreign production to Ontario and showcasing our industries on the international stage. In 2008–09, participation in and applications for all OMDC programs reached record levels.

IN THE MARCH 2009 ONTARIO BUDGET, THE GOVERNMENT AGAIN ENDORSED OUR PROGRAMMING APPROACH, WITH A \$20 MILLION COMMITMENT TO OMDC FOR 2009–10, \$10 MILLION FOR AN OMDC-ADMINISTERED PILOT PROGRAM FOR INTELLECTUAL PROPERTY DEVELOPMENT AND ENHANCEMENTS TO OMDC TAX PROGRAMS, INCLUDING ABOUT \$100 MILLION IN ADDITIONAL TAX RELIEF. SHORTLY AFTER THE BUDGET, THE GOVERNMENT ANNOUNCED A \$12 MILLION, FOUR-YEAR EXTENSION TO OMDC'S ENTERTAINMENT AND CREATIVE CLUSTER PARTNERSHIPS FUND.

MESSAGE FROM THE CHAIR AND PRESIDENT AND CHIEF EXECUTIVE OFFICER



On behalf of the Board of Directors of the Ontario Media Development Corporation, we are pleased to present *Ontario's Creative Media: Building on Our Strengths* a look at the year in review for 2008–09.

Cultural media industries make a vital contribution to Ontario's economy. With employment of 276,000 in 2008, Ontario has the third-largest entertainment and creative sector in North America, after California and New York. Ontario is also the leading province in film and television production, book and magazine publishing and sound recording. In addition, the Province is a respected competitor in the rapidly expanding global interactive digital media sector.

As you turn through these pages, you will note a significant number of achievements. Following are just a few of the fiscal year's many highlights:

➔ The **OMDC Export Fund** helped support over 120 Ontario companies to attend 136 foreign markets.

➔ The **21st Annual Trillium Book Award** generated \$9.6 million media impressions helping to promote the literary works of Ontario's talented authors.

➔ **OMDC Film Fund** support totalled \$3.43 million. Every dollar invested by OMDC in production projects generated an additional \$26.11 in production financing for Film Fund films. These films generated more than 7,000 weeks of work, and seven Film Fund-supported films screened at the 2008 Toronto International Film Festival.

➔ The **Entertainment and Creative Cluster Partnerships Fund** continues to support innovative projects. The Niagara Interactive Media Generator – or nGen for short – is a new media incubator in the Niagara region. Partners Brock University, Niagara College, Interactive Ontario, Silicon Knights, Niagara Enterprise Agency, Economic Development & Tourism Services – St. Catharines and the Niagara Economic Development Corporation have developed two projects: noiseinniagara, a website to promote the Niagara music scene, and an interactive educational game about the War of 1812. An investment attraction tool is also in development. Last year, Microsoft partnered with nGen to give local new media entrepreneurs free access to software worth tens of thousands of dollars.

➔ OMDC's second annual **From Page to Screen**, a cross-sector networking initiative designed to promote the screen adaptation of Ontario books had twice as many film and TV producers and publishers participating than the previous year in over 350 brokered meetings.

In the March 2009 Provincial Budget, the Government again endorsed OMDC's programming approach with a \$20 million commitment for 2009–10, \$10 million of Intellectual Property development and enhancements to OMDC tax programs. The Government also announced a \$12 million, four-year extension to the Entertainment and Creative Cluster Partnerships Fund. We are grateful to the Hon. Aileen Carroll, Minister of Culture and to the Ontario Government for their continuing support.

We look forward to working with our stakeholders in the coming year to help ensure the continuing growth and success of Ontario's creative media industries.

Sincerely,

Kevin Shea
Chair

Karen Thorne-Stone
President and Chief Executive Officer

THE DIGITAL ECONOMY

Media organizations everywhere are re-evaluating business models as barriers between platforms – television, film, music, books and magazines – fall with the advent of digital technologies. Taking their place are opportunities that cross traditional boundaries, creating new synergies.

With a focus on cross-sector collaboration, OMDC is at the heart of this transformation. We work with the interactive digital media industry to further their interests at home and abroad. For example, in March, OMDC was a Presenting Partner of IN09 (formerly ICE) Interactive Content Exchange. IN has become the pre-eminent forum for the sharing of ideas, experience, strategies and business opportunities for the digital media sector.

Support for online content

We continue to enhance the support we provide as the creative media sector moves product online. Through the Interactive Digital Media Fund and the Ontario Interactive Digital Media Tax Credit (OIDMTC), OMDC provides support for new interactive digital media products.

Regulation and the new media

With the rise of digital media, the Canadian Radio-television and Telecommunications Commission (CRTC) is re-evaluating its approach to new media content; as a key stakeholder, OMDC participated in the CRTC hearings. We pledged continued support for Canadian content, emphasizing the importance of web and mobile digital connections to traditional media. Noting some of the disadvantages facing Canadian content developers in the digital age, we asked the CRTC to develop mechanisms to support content creation while continuing its hands-off approach to the regulation of online content.

A digital makeover for the OMDC

We’re enhancing our own web-based technologies, revamping our website and launching new online services. In 2009–10, OMDC plans to launch an online research library and applications portal, part of ongoing efforts to provide better access to OMDC programs and information.

Size of Interactive Digital Media Industry Ontario and Canada, 2008

Canada	Ontario
Number of Companies	
2,960	950 to 1,050
Employment (Full-Time Equivalents)	
51,000 to 52,500	16,000
Gross Revenue	
\$4.7 billion	\$1.3 to \$1.5 billion
Interactive Digital Media Revenue	
\$3.8 billion	\$1.1 to \$1.2 billion

Source: Nordicity, 2008 Canadian Interactive Industry Profile, pp. 9 and 97



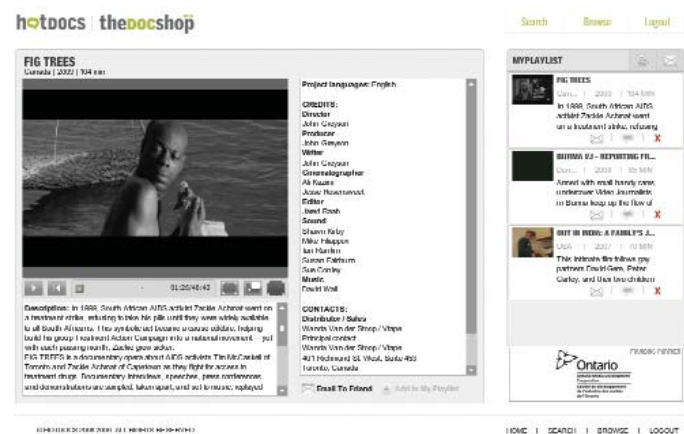
“We’re thrilled to make this great leap forward in the services we offer and to solidify our role as an essential marketplace for the international documentary industry Telefilm Canada, The OMDC and all of our partners should be commended on their profound vision and their dedication to helping this groundbreaking project come to fruition.”

Hot Docs Executive Director Chris McDonald

The Doc Shop

The OMDC-supported Doc Shop was launched at the 2008 Hot Docs Festival. The Doc Shop is a digital/online film market funded through the Entertainment and Creative Cluster Partnerships Fund. The screening portal is used by buyers, commissioning editors, acquisition executives, distributors, sales agents and programmers. During the 2008 Festival, it attracted over 8,500 views in a 10-day period.

Sami Siva



Screen-Based Content Initiative

In 2008–09, OMDC delivered the one-time *Screen-Based Content Initiative*, a program for film, television and interactive digital media content producers to support early stage development activities. The program attracted 169 applications from individual companies representing about 360 individual projects, making it one of our most highly subscribed program offerings. In all, 49 companies received \$2.3 million in development funding.



Ontario's vibrant game companies at the *Screen-Based Content Initiative* announcement (L to R): Raigan Burns of MetaNet Software Inc., Miguel Sternberg of Spooky Squid Games, Mare Sheppard of MetaNet Software Inc., Nathan Vella of Cappybara Games Inc., Christopher Harvey and Ryan MacLean from DrinkBox Studios Inc. and Keith Maske, Cerebral Vortex Games Inc. ↑

SUPPORTING ONTARIO CREATIVE MEDIA ON THE INTERNATIONAL STAGE

OMDC's Export Fund and other initiatives help Ontario creative media reach a worldwide audience and develop international business by:

- ➔ providing financial assistance and support to Ontario firms to explore sales and financing opportunities and to participate in international markets and events
- ➔ sponsoring international marketing programs and events in partnership with other governments and industry associations
- ➔ developing strategic activities for targeted markets

The Fund has five strands – books, film and television, interactive digital media and music – and in 2008–09 provided over \$1,022,765 to Ontario firms.

"OMDC EXPORT FUND HAS BEEN A HUGE HELP TO THE GROWTH OF MY BUSINESS. IT HAS DRAMATICALLY CHANGED THE WAY THAT WE DO BUSINESS. NOW WE LOOK MUCH MORE OUTSIDE OF THE COUNTRY FOR PARTNERS AND OPPORTUNITIES."

Barbara Barde, Up Front Entertainment

Film

OMDC is one of the largest public funders of the Toronto International Film Festival (TIFF)®. Held September 4–13, the 2008 Festival featured seven OMDC supported films. OMDC also contributed to the collective marketing efforts of Ontario films by providing support to producers and creating trailers, posters and postcards distributed through the sales office and at other TIFF® events.

During the film festival, OMDC delivered our third annual International Financing Forum (IFF). Sixty Canadian and international producers and 25 executives from around the world took part in over 700 brokered meetings and networking opportunities.

Two OMDC-supported films debuted at the 2008 Cannes Film Festival: *Blindness*, produced by Rhombus Media, was awarded the prestigious opening-night slot, the first time in 28 years a

Canadian film has been accorded the honour. Atom Egoyan's *Adoration* was in the official competition for the Palme d'Or and won the Ecumenical Jury Prize. OMDC-supported films were shown at other prestigious film festivals, including the Sundance Film Festival and Berlinale.

↓ IFF Country Spotlight Panel held during TIFF® (L to R): James Weyman (OMDC's Manager of Industry Initiatives), Alan Maher (Irish Film Board), Philip Alberstat (49 North Media), Guilherme Anders (Cesnik, Quintino & Salinas Advogados), and Sérgio Sá Leitão (Ancine / Agência Nacional do Cinema).



ONTARIO

ONTARIO MEDIA DEVELOPMENT CORPORATION

INVESTING IN ONTARIO'S MOST EXCITING FILMMAKERS

TIFF SPECIAL PRESENTATION
ADORATION

TIFF SPECIAL PRESENTATION
BLINDNESS

TIFF SPECIAL PRESENTATION
HEAVEN ON EARTH

TIFF REAL TO REEL
EXAMINED LIFE (Documentary)

TIFF GALA PRESENTATION
ONE WEEK

TIFF CONTEMPORARY WORLD CINEMA
TORONTO STORIES

TIFF CANADA FIRST!
REAL TIME

Ontario
Ontario Media Development Corporation
Secção de desenvolvimento
da indústria das mídias
do Ontário

OMDC is proud to support the Toronto International Film Festival®

*Toronto International Film Festival is a registered trademark of Toronto International Film Festival Inc.

You belong here
www.omdc.on.ca

"IFF WAS A LUCRATIVE OPPORTUNITY DURING TIFF TO CONNECT WITH AN IMPRESSIVE SELECTION OF SALES AGENTS, FINANCIERS AND INTERNATIONAL COLLEAGUES TO LAUNCH A NEW PROJECT INTO THE GLOBAL MARKETPLACE."

Damon D'Oliveira, Conquering Lion Productions, Canada

“As part of the group from LA, thank you all again for all of your efforts on our behalf and for the extraordinary attention to every single detail that went into making this such a memorable trip. Everything about it was perfect Toronto is definitely on the radar around here!”

Eve Honthamer, Dreamworks

Attracting screen-based production to Ontario

The Film Commission at OMDC markets Ontario’s diverse locations, skills, expertise and value for money as a film and television centre for domestic and international productions. The Commission provides free location scouting and assistance to productions considering locating in Ontario. During 2008–09, the Film Commission provided location scouting and support services to 154 productions.

OMDC’s Digital Locations Database allows film and television producers from around the world to scout Ontario locations 24 hours a day. With over 170,000 images representing 8,000 locations across the province, the Database has attracted almost 15,000 visits by location scouts and resulted in the creation of 699 packages.

Toronto Studio Tour

2008 saw the opening of FILMPORT, now known as Pinewood Toronto Studios, Toronto’s mega-film centre, which offers 260,000 square feet of state-of-the-art facilities, including seven sound stages, production offices and other support spaces. In advance of the public opening, OMDC coordinated a VIP Studio Tour of Toronto film and TV facilities. Attendees included production executives from 14 Hollywood studios, networks and major independent companies, including Warner Brothers, Paramount, DreamWorks, Fox, NBC/Universal, HBO and ABC Studios.

In January 2009, in conjunction with Computer Animation Studios of Ontario (CASO), OMDC led a three-day trade mission to Los Angeles, introducing Ontario visual effects firms to major Hollywood studios and network decision makers. OMDC also provided support to the Mayor of Toronto’s film and television mission to Los Angeles at the same time.



Top: Toronto Studio Fam Tour Reception (L to R): Ron Estey from C.O.R.E. Digital Pictures/CASO, Betsy Megel from Paramount Pictures, Tom Turnbull from Rocket Science VFX/CASO and Andi Isaacs from Summit Entertainment at the Director’s Guild of Ontario reception held during the Studio Fam Tour

Bottom: LA Trade Mission (L to R) Dennis Berardi (Mr. X), Christa Tazzeo (CASO), Candice Day (C.O.R.E Digital Pictures), Kristine Murphy (OMDC), Neishaw Ali (Spin Productions), Neil Williamson (Invisible Pictures), Paul Moyer (OptixDigital), Anthony Paterson (Rocket Science VFX), Donna Zuchlinski (OMDC) and Clint Green (Keyframe Digital)

Despite an overall decline in film activity in Ontario in 2008 due to external factors, including US labour issues, the outlook for 2009 is promising, with a steady rise in scouting activity over the year before and an increase in domestic activity, in particular television series.

2008-09 Production Activity

Ownership		
Domestic	<div></div>	\$551,231,772
Foreign	<div></div>	\$206,112,577

2008-09 Breakdown of Production Activity by Format

Format by Ownership		
TV Series Foreign	<div></div>	\$23,284,521
TV Series Domestic	<div></div>	\$446,150,031
MOW's Foreign	<div></div>	\$35,103,775
MOW's Domestic	<div></div>	\$72,354,710
Features Foreign	<div></div>	\$147,724,281
Features Domestic	<div></div>	\$32,727,030

2008-09 Breakdown of Production Activity by Production Type

Production Type by Ownership		
Live Action Foreign	<div></div>	\$140,930,631
Live Action Domestic	<div></div>	\$472,146,819
Animation Foreign	<div></div>	\$65,181,946
Animation Domestic	<div></div>	\$79,084,953



Left: 2008 Gemini Award winner for Best Children's or Youth Fiction Program or Series, Degrassi: The Next Generation (Epitome Pictures Inc.) | ↑
Right: The Border (White Pine Pictures)

Music

OMDC helps the music industry reach international markets by supporting the Canadian Independent Record Production Association's (CIRPA's) international missions, which represented Ontario's music industry at the Canada Stand at Popkomm, Germany, at MIDE in Cannes, France, and at London Calling, the UK's premier international music business event. We also sponsored CIRPA's second mission to Asia in Tokyo. In 2008, 20 companies generated \$1.4 million in new business and 91 deals from the mission. Twelve of the 19 companies on the mission were from Ontario.

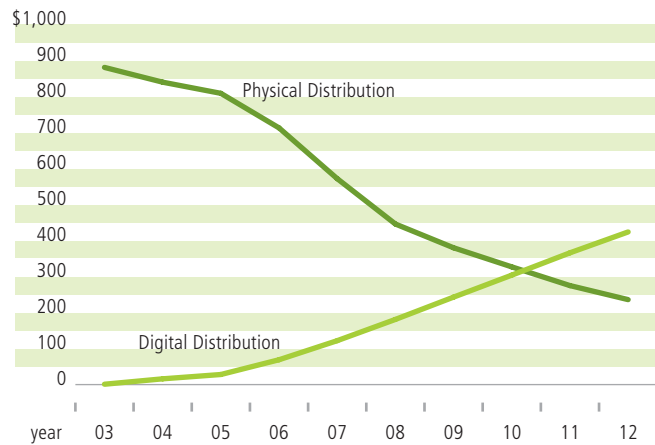
At MIDE, the largest international music business tradeshow, Ontario had a significant presence, including the annual Ontario reception hosted by OMDC with over 200 international VIPs in attendance. The attendees reported that 47% of all new contacts made at MIDE were made at this OMDC reception. As well, OMDC, with CIRPA and Canadian Music Week (CMW) hosted the first-ever showcase of Ontario artists, under the Canadian Blast banner.

OMDC was also represented at the SXSW Music and Media Conference in Austin, Texas, and sponsored an Ontario Artist Showcase there that attracted hundreds of industry VIPs.

Canadian Music Week

OMDC sponsored events at the 2009 Canadian Music Week (CMW) in Toronto, the largest music conference dedicated to the Canadian music industry. We also sponsored the International Marketplace at CMW, bringing delegates from around the world to do business with Ontario-based companies and artists. Now in its sixth year, the event drew 400 international delegates over four days, a 15% increase over 2008.

Canadian Recorded Music Market: Physical vs. Digital Distribution, 2003–12 | US dollars (\$millions)



Source: PwC, Global and Entertainment and Media Outlook, 2008–12, p. 344



Top: SXSW – The OMDC Showcase at Canada House was a hit, with over 150 international VIPs turning out to see solid sets from a number of performers on Ontario labels, including The Arkells (Dine Alone Records). (Photos courtesy of Duncan McKie)

Middle: OMDC-supported CIRPA Japan Music Mission a noteworthy success for promoting artists in Ontario! The Trews – Bumstead Productions Ltd. (Toronto) (Photos courtesy of Duncan McKie)

Bottom left: at the 2009 Canadian Radio Music Awards held during CMW, the Best New Group/Solo Artist (Hot AC) of the Year: Lights! Drive my Soul

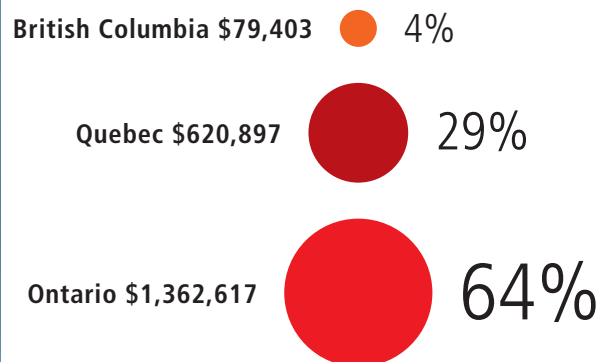
Bottom right: FACTOR Breakthrough Artist of the Year Justin Hines

In 2008, OMDC supported the International Festival of Authors at Harbourfront in Toronto for a new component of programming which brought international publishers to the event and enabled one-on-one meetings with Ontario publishers. At Book Expo Canada, held in Toronto in June 2008, OMDC sponsored the Ontario Book Summit, which featured sessions on international best business practices and explored different publishing models in various countries.

On March 6, 2009, OMDC presented the second annual *From Page to Screen*, a brokered networking cross-sectoral initiative connecting publishers with film and TV producers. Twice as many producers attended this year, reflecting the screen industries' growing demand for content, and over 350 meetings were arranged.

Canadian Book Publishing Operating Revenues by Region, 2007 | Total Revenue = \$2.1 Billion

(expressed in chart as thousands of dollars)



Source: Statistics Canada, "Book Publishers 2007," Catalogue no. 87F0004X, Table 1, April 2009.



Top: OMDC's Annual *From Page to Screen* brokered meetings – Michael McNamara, Markham Street Films, with Gillian Fizet and Barbara Howson, Groundwood Books ↑

Bottom: Catherine Mitchell, Tundra Books, and Robin Cass, Triptych Media

Game developers are an increasingly important part of Ontario's creative media sector. We helped 12 developers attend the Game Developers Conference in San Francisco, the world's largest event dedicated to the advancement of interactive entertainment, which attracted more than 17,000 game industry professionals.

"If you ever need actual, quantifiable proof of the success of the OMDC's programs, look no further than our studio. Capybara Games began life as a tiny unknown mobile developer and has grown into an award-winning 20+ person studio developing titles for PlayStation Network, Xbox Live Arcade, Wiiware, Nintendo DS and iPhone – a growth directly linked to the assistance of the OMDC's effective programs.

"Programs such as the Export Fund allowed us to attend industry conferences and trade shows, giving us the venue to network and to convince publishers to work with us. Programs like the Interactive Digital Media Fund allowed us to develop Ontario-owned intellectual property and make a real name for ourselves as a talented, creative studio to watch. Programs like the *Screen-based Content Initiative* allowed us to invest in creating prototypes for the ideas we feel will continue to grow our reputation in the industry.

"In short, the OMDC's programs have supported and nurtured our studio's growth – something we are very grateful for."

Nathan Vella, Co-founder and President of Capybara Games



Ontario-based Capybara Games, an IDM Fund recipient, was broadly recognized for its mobile game, Critter Crunch, winning Game of the Year and Achievement in Audio at the IGF Mobile Awards and Best Puzzle Game and Biggest Surprise at IGN's Best of 2007 Award. ↑

“Those of us at *The Walrus* who have the pleasure of working with the OMDC granting process believe it is one of the few grants in Canada that has both the immediate impact on a magazine’s bottom line and provides a sustainable impact on development of revenue-generating programs.”

Chris Ellis, The Walrus Foundation



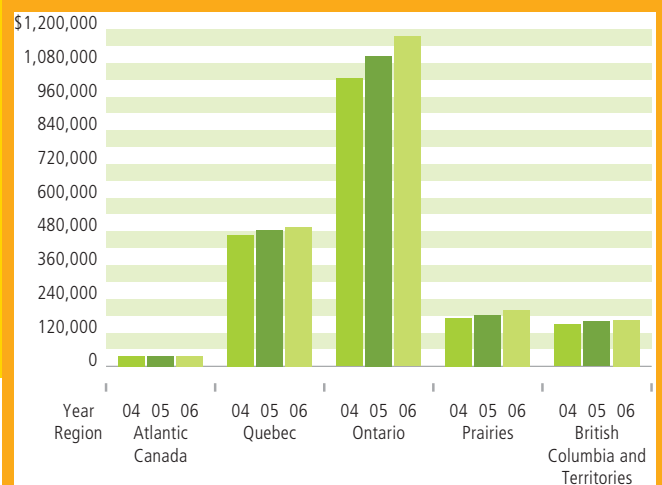
Magazines

Magazines based in Ontario typically win the lion’s share of national awards and recognition, and 2008 was no exception. Ontario-based *The Walrus* took top honours at this year’s National Magazine Awards with six gold and four silver awards.

Two information-sharing and strategy conferences for magazine publishers – MagsU and MagNet, both held in Toronto in June – received financial support from OMDC. We also provided support to Magazine Canada’s Best on Page event, held in March 2009, which was an exhibition of worldwide award-winning magazine ads reflecting the creativity and quality of the magazine medium.

Canadian Periodical Publishing Revenues by Region, 2004–06

Revenues (in thousands of Canadian dollars)



Source: Statistics Canada, “Periodical Publishing, Data Tables,” Catalogue no. 87F0005X, Table 1, March 2008.

PROMOTING AND RECOGNIZING TALENT AT HOME

Celebrate Ontario

The Toronto International Film Festival® attracts industry executives and producers from around the globe. We honour and recognize Ontario-based artists and productions through Celebrate Ontario, which this year saluted the seven OMDC Film Fund-supported features programmed at TIFF®. More than 350 industry stakeholders, along with government, business, academic and media leaders, were in attendance.

Trillium Book Award/Prix Trillium

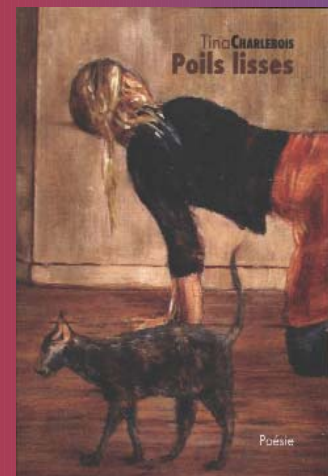
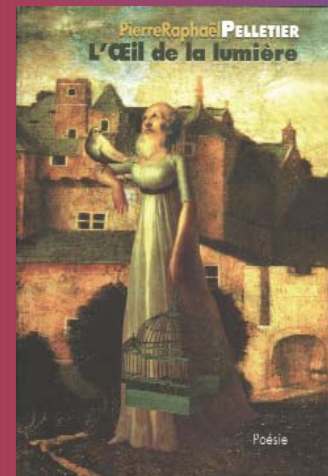
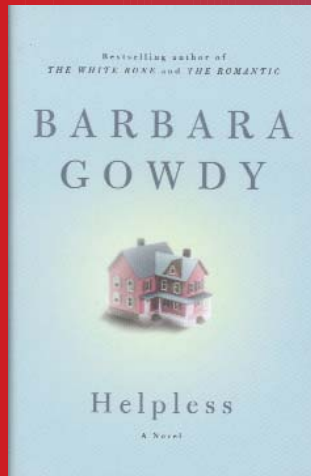
June 2008 marked the 21st anniversary of the Trillium Book Award/Prix Trillium, hosted and managed by OMDC. The award recognizes and showcases the literary excellence of Ontario authors. The 2008 winners were announced on June 12 at a luncheon at Hart House in Toronto. On the previous evening, the finalists were celebrated at a packed public reception at Toronto's Harbourfront Centre, hosted by OMDC in association with International Readings at Harbourfront, at which 16 of the 17 finalist authors read excerpts from their works.

The 2008 Trillium Book Award/Prix Trillium winners were:

- ➔ English-language fiction: Barbara Gowdy, *Helpless* (HarperCollins Publishers)
- ➔ French-language fiction: Pierre Raphaël Pelletier, *L'Œil de la lumière* (Les Éditions L'Interligne)
- ➔ English-language poetry: Rachel Zolf, *Human Resources* (Coach House Books)
- ➔ French-language poetry: Tina Charlebois, *Poils lisses* (Les Éditions L'Interligne)



Award-winning Ontario filmmaker Deepa Mehta's keynote address at OMDC's Celebrate Ontario event at TIFF®



Celebrating Ontario literary excellence at the 21st Trillium Book Awards: Back row (L to R): Robert Hough, Lorna Goodison, Michèle Vinet, Ray Robertson, Barbara Gowdy, Rachel Zolf, Gil Adamson, Christian Milat, Gilles Lacombe, Tina Charlebois. Centre: Rob Winger, Dennis Lee. Front row: Pierre Raphaël Pelletier, Michel Dallaire, Andrée Christensen, Emily Schultz

FUNDING CREATIVE MEDIA INDUSTRIES

A pat on the back for OMDC

OMDC itself was also recognized. Our team of James Weyman, Keely Kemp, Matt Hilliard-Forde, Kim Gibson, Shari Cohen, Martin Harbury and Janet Hawkins and their Ministry colleagues won an Ontario Public Service OPUS Award in the Best Team category for their outstanding leadership and teamwork in the launching and administering of the Entertainment and Creative Cluster Partnerships Fund.

The Entertainment and Creative Cluster Partnerships Fund provided support to 16 initiatives, awarding grants totalling \$3.3 million in 2008–09, the third cycle of the fund.

SPOTLIGHT ON ASIA, SUPPORTED BY THE ENTERTAINMENT AND CREATIVE CLUSTER PARTNERSHIPS FUND, IS A TWO-PHASE INITIATIVE DESIGNED TO EXPAND CANADA'S AND ONTARIO'S TRADITIONAL MUSIC EXPORT MARKETS. THROUGH INBOUND MISSIONS TO CANADIAN MUSIC WEEK (CMW) IN 2009 FROM CHINA AND JAPAN, AND 2010 FROM INDIA, SPOTLIGHT ON ASIA WILL OPEN UP NEW SALES TERRITORIES FOR CANADIAN MUSIC COMPANIES (OF WHICH 70% ARE ONTARIO-BASED).

This year 2008 marked the one-year anniversary of Green Screen Toronto, a Partnerships Fund initiative promoting environmentally sustainable practices across all aspects of Toronto and Ontario film production. In celebration, Green Screen Toronto premiered its new website and logo. Two reports were released: *Environmental Assessment of Film-Based Industries* and *Green Practices Handbook*. The *Green Practices Handbook* is the first environmental assessment of the country's film and television industry.

We presented *Spotlight on China* at Canadian Music Week (CMW), which hosted a Chinese delegation of 28 companies and which brokered over 260 one-on-one meetings between companies from China and Ontario.



↑ OMDC was proud to present *Spotlight on China*. A Chinese delegation of 28 companies attended CMW as a result of funding through the Entertainment and Creative Cluster Partnerships Fund.

The OMDC Music Fund provided \$400,000 to 16 independent music labels and music publishers to finance business development projects.

We provided \$862,500 to 37 Ontario-based magazine publishers through the Magazine Fund. Total funding for Ontario-based magazine publishers and trade organizations amounted to \$1.3 million.

The March 2009 budget included enhanced funding for the Interactive Digital Media Fund over the next four years. The first call for applications for the Fund went out in mid-March 2009, with a second cycle to be launched in August, 2009.

Through the Film Fund, OMDC invested \$3.8 million to help the development and production of 15 feature films and 16 other projects, including two documentaries, in the late development stages. At the end of 2008–09, the Fund had provided support to 46 production projects and 42 development projects since its inception in 2005.

Through the Book Fund, we invested over \$1.14 million in 39 Ontario publishers to support new marketing initiatives.

**"THE SUPPORT AND GUID-
ANCE THAT THIS PROGRAM
PROVIDES IS THE SORT OF
GOVERNMENT LEADERSHIP
THAT IS REQUIRED TO HELP
STIMULATE SMALL BUSINESS
AND THEREFORE HELP DRIVE
THE ECONOMY."**

Neil Kaplan, R.K. Publishing Inc.

TAX SUPPORT

OMDC and the Ministry of Finance/Canada Revenue Agency (CRA) co-administer refundable tax credits for the film, television, digital media, book publishing and music industries.

Tax credits remain a vital service for the province's creative and entertainment sectors. OMDC issued 1,428 tax credit certificates in 2008–09, a 31% increase from the year before and covering 1,535 projects. The number of tax credit applications received continued to rise this year, for a total of 1,232 applications. This marks the fifth year in a row that the Tax Credits department has seen the number of applications increase. From 2004–05 to 2008–09, the number of applications received has increased by 61%, with the fastest growth rate witnessed in ODMTC and OCASE. At an estimated \$207.8 million in 2008–09, the tax credit program delivers the widest and most significant impact to Ontario's cultural media industries.

This year the Tax Credits department began to measure cycle time in accordance with methodology used in other Canadian jurisdictions. Processing time until certification was measured from the date the applicant submitted a complete application with all required documentation. The overall average cycle time for the year was 6.4 weeks from application complete date to issuance of a certificate, compared with 4.4 weeks in the prior year.

Under CTAR (the Corporate Tax Administration Redesign) the province's corporate tax system became harmonized with the federal government for all companies filing their tax returns for years ending in 2009. In advance of this, Ontario entered into a "pre-harmonized" phase on April 3, 2008, at which time the Canada Revenue Agency (CRA) began integrated services with the Ontario Ministry of Revenue (OMoR). The Tax Credits department worked closely with OMoR on administrative issues related to the harmonization.

Working with the Ministries of Finance and Culture and with stakeholders, we continue to look for ways to enhance the programs and to improve their administration. In February 2009, the provincial government announced that the enhanced rates of 35% for the Ontario Film and Television Tax Credit and 25% for the Ontario Production Services Tax Credit would become permanent. The Provincial Budget of March 26, 2009, reconfirmed this commitment and also announced enhancements to several other credits. Throughout 2008–09 we offered 22 information sessions concerning available tax credits.

➔ **Ontario Film and Television Tax Credit (OFTTC):**

a 35% refundable tax credit is available to eligible Ontario-based Canadian corporations on qualified Ontario labour expenditures for eligible film and television productions

➔ **Ontario Production Services Tax Credit (OPSTC):**

a 25% refundable tax credit available to eligible Ontario-based Canadian and foreign-controlled corporations on qualified Ontario labour expenditures for eligible film and television productions

➔ **Ontario Computer Animation and Special Effects**

Tax Credit (OCASE)*: a 20% refundable tax credit available to Ontario-based Canadian and foreign-controlled corporations on qualifying Ontario labour expenditures for digital animation and digital effects created in Ontario for film and television productions

➔ **Ontario Interactive Digital Media Tax Credit**

(OIDMTC)*: a 40%* refundable tax credit for corporations that develop and market their own products regardless of the size of the corporation, and a 35%* refundable tax credit for corporations that develop products under a fee-for-service model, available to eligible Ontario-based Canadian and foreign-controlled corporations on eligible expenditures for interactive digital media products created in Ontario

➔ **Ontario Book Publishing Tax Credit (OBPTC)*:** a 30% refundable tax credit available to eligible Ontario-based Canadian corporations on eligible expenditures for eligible literary works by Canadian authors

➔ **Ontario Sound Recording Tax Credit (OSRTC):** a 20% refundable tax credit available to eligible Ontario-based Canadian corporations on qualifying production and marketing expenditures for eligible sound recordings performed by an emerging Canadian artist or group

*Proposed enhancements of Tax Credits in the March 26, 2009, Budget

ENHANCEMENTS IN THE MARCH 2009 BUDGET

OCASE

- ➔ Eligible labour expenditures incurred after March 26, 2009, to be expanded to 100% of the amounts paid to arm's-length unincorporated individuals and partnerships providing freelance services (previously only 50% had been eligible)
- ➔ Eligible labour expenditures incurred after March 26, 2009, to be expanded to 100% of the amounts paid to arm's-length incorporated individuals providing freelance services (previously these amounts had not been eligible)
- ➔ Effective after March 26, 2009, the requirement that an eligible animation or visual effect must be created primarily with digital technologies will be relaxed

OBPTC

- ➔ Effective after March 26, 2009, qualifying expenditures expanded to include any number of books by a Canadian author in an eligible category of writing (previously the credit could only be claimed on an author's first three works of writing per eligible category)
- ➔ Effective after March 26, 2009, qualifying expenditures expanded to include direct expenses that reasonably relate to publishing an electronic version of an eligible book

OIDMTC

- ➔ Rate to be increased to 40% for expenditures incurred after March 26, 2009, by qualifying corporations that develop and market their own products, regardless of the size of the company (previously the rate had been 25% for qualifying corporations and 30% for qualifying small corporations)
- ➔ Rate to be increased to 35% for expenditures incurred after March 26, 2009, for qualifying corporations that develop eligible products under a fee-for-service arrangement (previously the rate had been 25%)
- ➔ Qualifying expenditures incurred after March 26, 2009, to be expanded to 100% of the amount paid to eligible arm's-length contractors (previously only 50% had been eligible)
- ➔ Effective after March 26, 2009 the requirement that a corporation must be arm's-length with the purchaser corporation, and the requirement to develop all or substantially all of the eligible product will be relaxed for digital media game developers that incur a minimum of \$1 million of eligible labour expenditures over a 36-month period for fee-for-service work done in Ontario for eligible products

2008-09 TOTAL

	Applications Received	Number of Certificates Issued	Number of Projects	Total Value of Estimated Tax Credits	Project Value
OBPTC	361	271	271	\$1,765,624	\$6,133,113
OSRTC	193	589	229	\$3,294,790	\$33,310,231
OFTTC	419	361	361	\$136,855,929	\$923,616,156
OPSTC	78	73	73	\$31,547,976	\$710,697,766
OCASE	78	60	271	\$21,938,172	\$247,378,290
OIDMTC	103	74	330	\$12,424,545	\$78,487,009
Grand Total for All Tax Credits 2008-09	1,232	1,428	1,535	\$207,827,036	\$1,999,622,565

Notes:

OCASE and OIDMTC applications are based on the applicant's fiscal year of activity and may include multiple productions. Up to 3 OSRTC certificates, for each fiscal year, are issued for each album.

Total Value of Estimated Tax Credits reflects certificates issued in the fiscal year, NOT production activity in that period.

BROKERING KNOWLEDGE

As well as providing financial support, OMDC funds research that offers insight into the future of the province's creative industries. Among the reports released in 2008–09:

- ➔ *Canada Online! The Internet, Media and Emerging Technologies*
- ➔ *A Strategic Study of the Magazine Industry in Ontario*
- ➔ *A Strategic Study for the Music Industry in Ontario*
- ➔ *A Strategic Study for the Book Publishing Industry in Ontario*
- ➔ *Ontario 2012: Stimulating Growth in Ontario's Digital Game Industry*
- ➔ *An Overview of the Financial Impact of the Canadian Music Industry*
- ➔ *Economic Profile of the Ontario Computer Animation and Visual Effects Industry*



- ↑ On April 30, 2008, OMDC hosted our first annual "Did You Know?" Research Showcase. Cross-sector knowledge sharing was encouraged at the event, where key trade organizations presented highlights from their studies, including Mark Jamison, President of Magazines Canada.

LOOKING AHEAD

New technologies are breaking down barriers. We are continually seeking ways to help Ontario creative media firms profit from the opportunities presented by these changes. Programs such as the Interactive Digital Media Fund and the Entertainment and Creative Cluster Partnerships Fund promote new types of business models and innovative content.

The transformation of Ontario's entertainment and creative cluster continues. Through our long-term strategic planning initiative, we will ensure that OMDC supports firms as they adapt and prosper. Our strategic focus on cross-sectoral and cross-content collaboration among Ontario's creative media industries can make a significant contribution to putting Ontario at the forefront of the creative economy.

At the same time, we continue to promote and market Ontario's cultural media industries, both at home and abroad.

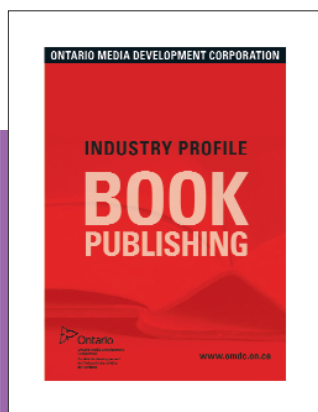
- ↓ Ontario's Entertainment and Creative Cluster Partnerships Fund, co-administered by OMDC and the Ministry of Culture, has enabled technological development and education in the field of film and television production. Recent recipients Seneca College and Fast Motion Media Group were able to launch a fully outfitted motion-capture studio, Animating Motion-Capture Capacity and Training (AMCaT) in Toronto. Neil Davison, Director of Operations, and Cheryl Quiacos of Fast Motion Studios demonstrate motion-capture technique.



WHAT'S NEW AT OMDC

OMDC posts Industry Profiles on our six cultural sectors

In May 2009, OMDC created new Industry Profiles for the sectors of film and television, book and magazine publishing, music and interactive digital media.



OMDC launches Online Research Library



In November 2009, Ontario Media Development Corporation launched the Online Research Library – a publicly-accessible, fully searchable digital database of research studies on cultural media industries.

The library contains information and documents on cultural and entertainment media industries from a wide variety of domestic and international sources. In addition to the six sectors served by OMDC (books, interactive digital media, film and television, magazines and sound recording), the library contains a section on cultural policy, legal and regulatory issues, and trends and statistics. Documents are available for viewing or download in PDF format, or by link to the host's website. All content in the library is made available by permission of the copyright holders.

The database allows users to perform full content searches of the available documents by keyword, or quick browsing of the content through category searches. Users can also suggest documents for inclusion in the library and send feedback and comments.

"The Online Research Library is part of our ongoing efforts to enhance the services OMDC provides as a recognized centre of knowledge and expertise for the creative media sector," said Karen Thorne-Stone, OMDC's President & CEO. "By making important research more widely accessible, we hope to further strengthen Ontario's creative industries' ability to compete successfully in global markets."

The direct link to the library is: <http://researchlibrary.omdc.on.ca>.

Get connected WWW.OMDC.ON.CA for all our programs and services.

OMDC's new IP Fund will invest \$10 million in Ontario's screen-based companies

**NEW INTELLECTUAL PROPERTY
DEVELOPMENT FUND**

On December 10 2009, OMDC launched the new Intellectual Property Development Fund. This \$10 million program will support screen-based companies in moving ideas from the development stage into production and marketing by providing a 30% refund of costs incurred directly for eligible early stage development activities for screen-based content properties such as television productions, films, mobisodes, webisodes, video games and more.

"The Intellectual Property Development Fund provides Ontario's screen-based content producers with critical early-stage development support that will help enhance the quality and quantity of Ontario products so that they can compete successfully in this important and rapidly-growing global market."

– Karen Thorne-Stone, President & CEO,
Ontario Media Development Corporation

www.omdc.on.ca



Ontario

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