



ONTARIO MEDIA DEVELOPMENT CORPORATION

Year in Review 2011-2012

Creative Industries – Driving Ontario's Economy



We've got it going



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Ontario Media Development
Corporation

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Published by the Government of Ontario
© Queen's Printer 2012
Disponible en français | Printed on recycled paper



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Our Mission:

The Ontario Media Development Corporation is the central catalyst for Ontario's cultural media cluster. It promotes, enhances and leverages investment, jobs and original content creation in the province's book and magazine publishing, film and television, music and interactive digital media industries.





What We Do

The Ontario Media Development Corporation stimulates investment and employment in six cultural media industries in Ontario: book and magazine publishing, film and television, music and interactive digital media.

How We Do It

- Funding – the Film Fund, the Book Fund, the Magazine Fund, the Music Fund, the Interactive Digital Media Fund and the Export Funds.
- Tax Credits – the Ontario Film & Television Tax Credit (OFTTC), the Ontario Production Services Tax Credit (OPSTC), the Ontario Computer Animation and Special Effects Tax Credit (OCASE), the Ontario Interactive Digital Media Tax Credit (OIDMTC), the Ontario Book Publishing Tax Credit (OBPTC), and the Ontario Sound Recording Tax Credit (OSRTC).
- The International Financing Forum (IFF) at the Toronto International Film Festival®
- The Ontario Film Commission
- Targeted support to a range of trade organizations, markets and festivals
- Business development support for strategic initiatives abroad
- Support, participation and sponsorship of a wide range of marketing, outreach, education and research activities.

We've got it going



Message from the Chair and the President & Chief Executive Officer

In 2011-12, Ontario's creative industries continued to thrive despite difficult economic conditions.

The Ontario Media Development Corporation (OMDC) helped lead the way to ensure that our book and magazine publishing, music, interactive digital media and film and television production industries continued to prosper.

Ontario's entertainment and creative industries are responsible for contributing a staggering \$12.2 billion to the province's GDP each year. That is big business – bigger than each of the mining, agriculture & forestry and energy sectors – and they are growing.

Ontario's film industry had its best year ever in 2011 – contributing \$1.26 billion to the province's economy – a 31 per cent increase over 2010, and the strongest result since we began keeping records in 1986! The \$1.26 billion in production activity accounted for almost 30,000 full-time direct and spin-off jobs.

The increase was led by domestic spending which accounted for \$852.1 million in total, a 32% increase over 2010's figure of \$646.2 million. Domestic production accounts for almost 70% of all activity with shows like *Flashpoint*, *Murdoch Mysteries* and *The Borgias*. We've built a stable and growing domestic industry that's part of a robust and balanced production system. What's even more impressive is that these results happened at a time when the Canadian dollar was strong and global markets were soft.

Ontario's Interactive Digital Media (IDM) sector generates annual gross revenue of \$1.5 billion and employs 16,000 people in the province. We anticipate that this sector will continue to lead economic growth in the cluster. One of Ontario's great advantages is our strength across so many different sectors and the IDM sector in Ontario creates considerable opportunity for cross-sector collaboration across all creative industries. Events like OMDC's From Page to Screen encourages the transformation of stories and characters from books to film, from games to print and from the screen to the page. Other examples of cross-sector collaboration abound: the mega international hit game *Superbrothers: Sword & Sworcery EP* from Toronto's Capybara Games featured a custom-created soundtrack by Ontario's Jim Guthrie and his band, which has now sold more than 10,000 copies!

The book and magazine publishing and music industries also flourished in 2011-12. Ontario is home to more than half of Canada's book publishing industry, with Ontario-based companies bringing in revenues of \$1.4 billion a year. Ontario's music industry is the largest in Canada, with the highest revenues across the board, from record production to publishing to sound recording studios.

OMDC's Year In Review is organized under six key themes that drive our activities: *Our information and Electronic Future*, *Creative Collaboration and Cross Sector Synergies*, *Ontario's Creative Media in the Global Marketplace*, *Celebrating Ontario's Achievements*, *Innovative Financial Support and Research*.

A few of the 2011-12 fiscal year highlights include:

- The OMDC Film Fund provided support of \$4.377 million for 13 development and 20 production applications.
- The IDM Fund awarded \$2.5 million to 21 projects during the fiscal.
- Through the Entertainment and Creative Cluster Partnerships Fund, we provided \$2.5 million in funding. The investment will leverage an additional \$5.2 million from 88 partners with total project budgets of \$7.7 million.
- The Intellectual Property Development Fund was a pilot announced by the government in the 2009 budget, and concluded during 2011-12. By all measures it was a huge success – providing investment in early stage development for screen based products (which is an under-served part of the value chain in terms of available funding); and supporting 182 companies for more than 1,000 projects, and leveraging additional development funds of \$4.98 for every dollar invested by OMDC.
- OMDC's Tax Credits department issued 1,346 certificates for 1,683 cultural media products. The estimated tax value was \$270 million for project budgets valued over \$2.6 billion.

Reading through these pages, you will see many examples of how OMDC's programs and services have helped our stakeholders to achieve success in their respective businesses. Our sincere thanks to the Ministry of Tourism, Culture & Sport for its continuing support, and to OMDC's dedicated Board and staff, for their commitment to ensuring that Ontario continues to be a leader in stimulating the creation of globally-recognized creative media content.

Sincerely,



Kevin Shea
Chair



Karen Thorne-Stone
President & CEO





Ontario's Creative Industries

Book, Magazine, Film, TV, Music and Interactive Digital Media

Ontario's creative industries flourished in 2011, making a vital contribution to both the economy and culture in challenging times.

Ontario's creative industries are thriving – leading the world in innovation and content creation. Providing \$12.2 billion and 300,000 jobs every year, our creative and entertainment cluster is now the third largest in North America, contributing more to the province's GDP than the Energy, Mining, or Agriculture & Forestry sectors. Over the past decade, the creative industries experienced nearly 40% growth and created 80,000 new jobs, more than double that of the provincial economy as a whole.

Six industries that are driving growth:

- Ontario-based book publishers bring in annual revenues of \$1.4 billion, 62% of the Canadian total.
- More than half of Canada's consumer magazines are produced in Ontario, creating 9,389 jobs and \$1.23 billion in revenues.
- Ontario's music industry, by far the largest and strongest in the country, yields a 13.6% profit margin – well above the national average.

- The province is home to more than 1,000 digital media companies, with revenues of \$1.5 billion and 16,000 employees.
- Attracting over 250 productions annually, Ontario's film and television industry accounts for 30,000 direct and spin-off jobs.

Outpacing the economy

Early in 2010, the Ontario government approved stable, long-term funding for the OMDC. This was a testament to the proven viability of a sector that has shown strong, steady growth in difficult economic conditions, with no signs of slowing down. As one of the world's most vibrant creative centres, holding its own with London, Tokyo, Los Angeles and New York, Ontario will see its investment in the cultural media pay dividends for years to come.

▼ *Midnight's Children*



The best year ever for film and TV

2011 was a blockbuster year for Ontario's film and television industry, generating \$1.26 billion in production activity – a \$300 million increase over 2010.

That increase – the steepest since the agency started keeping records in 1986 – was propelled by a stunning 165% upsurge in domestic feature film production. And it drew attention outside the province, making headlines in Canada's dailies as well as *The Hollywood Reporter*, *Chicago Tribune*, *Huffington Post*, and other print and online outlets.



▲ High-profile co-productions like *Resident Evil: Retribution*, *Foxfire: Confessions of a Girl Gang* and *Cosmopolis* (pictured) helped fuel the boom in the domestic film industry.

Domestic television series did their part, growing 34% in 2011, while foreign film and television spending climbed another 30%, despite a strong Canadian dollar and a soft global economy, bringing in \$412.9 million. In fact, with a total package of incentives designed to attract foreign and domestic productions, in 2011 Ontario secured the two largest feature films ever to shoot here: the much anticipated remake of *Total Recall* from Sony Pictures and Guillermo del Toro's *Pacific Rim* (Legendary Pictures and Warner Bros.).

Domestic production accounted for almost 70% of activity in 2011, with popular television series like *Flashpoint*, *Rookie Blue*, *Murdoch Mysteries* and the co-production *The Borgias*.

"Ontario provides a wide variety of options that make it very desirable for us to shoot our productions here. With its strong infrastructure, consistently reliable tax credits, a deep professional crew base and many architectural styles and diverse locations available throughout the region, each of our series is able to find all of the resources they need in Ontario."

– Mark Binke, Senior Vice President,
Cable and Digital Production for Universal Cable
Productions/NBC Universal

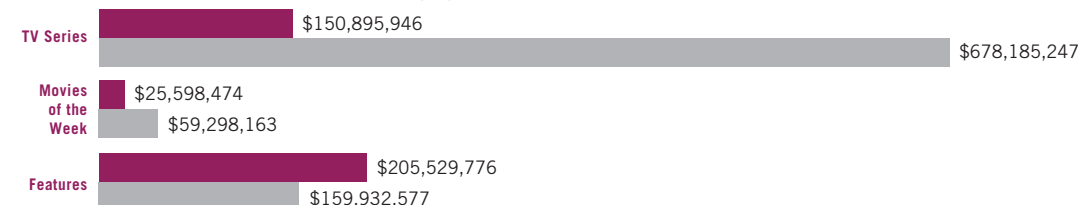
Film and TV Production Activity for 2011-12 Fiscal Year

Foreign Domestic

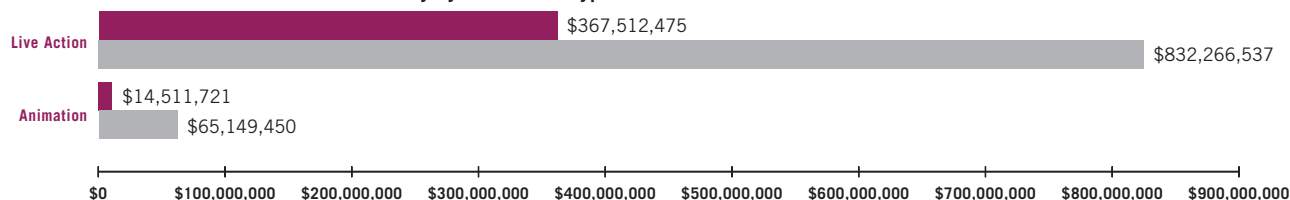
2011-2012 Production Activity



2011-2012 Breakdown of Production Activity by Format



2011-2012 Breakdown of Production Activity by Production Type





Our Information and Electronic Future

IDM: cornerstone of Ontario's innovation economy

Establishing Ontario as a leader in the digital world is a key priority of the Ontario Media Development Corporation, which funds digital content and capacity development in all six creative industries.

By the year 2014, digital delivery of movies, television, music, books, magazines and games will account for one-third of entertainment and media dollars, and Ontario's cultural media sector is taking full advantage of that growth. With support from academia and government, with access to world-class educational institutions and leading-edge R&D, with the stimulus of innovative programs and initiatives, our creative industries are able to make the most of new technologies and new opportunities.

In 2011, nearly 80% of OMDC Book, Magazine and Music Funds were directed to projects supporting digital activities.

Ontario has become a global hub for small game and mobile application development across a variety of platforms. In fact, more than 40% of Ontario's content creation revenues are generated by game design and development companies. And those technologies are now proving valuable – and profitable – in diverse industries beyond the world of entertainment.

Ontario's gaming and 3D technologies are moving beyond entertainment to exploit opportunities in cartography, flight simulation and medical imaging.

OMDC supports the expansion of digital capacity across all creative media sectors to achieve business development goals. For Ontario's magazines, the creation in 2009 of a digital newsstand – the first of its kind in the world – provided content when, where and how readers wanted it, generating new revenue streams. By 2011, it had sold 867,000 Canadian magazines, more than half of which were purchased in other countries.

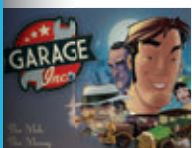


▲ *Canadian House and Home* (digital)

Popular children's book character Scaredy Squirrel, already a crossover star with his own television series, now has a Facebook page with nearly 7,000 Likes along with a new mobile app.



▲ *Scaredy Squirrel*



In 2011, the OMDC Interactive Digital Media Fund invested \$2.5 million in 21 interactive projects, with budgets totalling over \$7 million.

Since its inception in 2005, the IDM Fund's investment of \$7.7 million has leveraged an additional \$25 million of funding for 76 projects, 70% of which were games for online and mobile use. Projects completed to date (less than half of projects funded) have already generated revenues of \$45 million.



▲ *Totally Amp'd*

Smokebomb Entertainment exploited the viral nature of the mobile space with the launch of *Totally Amp'd* early in 2012. These first-of-their-kind 'appisodes' offer high-quality, compelling content combined with innovative interactivity, allowing users to create their own mash-ups.

2012 Digital Dialogue: Success in the Digital World

Leaders in content creation from across Ontario's book, magazine, music, film, television and interactive digital media industries met with financiers, venture capitalists, media buyers and technology experts to discuss key issues facing cultural media in the digital economy.

In October 2011, OMDC sponsored the International Women In Digital Media Summit (iWDMS), a gathering of content producers from around the world to explore issues from gaming innovation and new business models to the role of women in digital media globally; while December's Women in Film, Games and New Media Day showcased market opportunities in emerging technologies.

North America's largest forum for digital game entrepreneurs and investors, GameON: Finance 2012 connected leading players in the gaming industry to new business opportunities in interactive entertainment.



▲ 2012 OMDC Digital Dialogue: Lalita Krishna of In Sync Media

▼ 2012 OMDC Digital Dialogue: *The Frontrunners Panel*. Moderator (far right): Ali Rahnema, Vice-President Digital Media, *Toronto Star*. Panelists (L to R): Nic Sulsky, Co-Founder, InGamer; Trevor Fencott, President, bitHeads; Ken Seto, CEO and Co-Founder, Massive Damage; and Jay Bennett, Creative Director, Smokebomb Entertainment.





Creative Collaboration and Cross-Sector Synergies

Ontario's economy is driven by the clusters of business that grow and prosper here. Clusters thrive on collaboration – among firms, across sectors and with academic and other research-focused institutions. Fostering that collaboration is a central function of the OMDC. The open exchange of ideas and expertise gives Ontario's cultural media cluster the clout to compete and succeed against global rivals with larger talent pools and deeper pockets.

OMDC stimulates growth in Ontario's creative media industries by cultivating strategic partnerships that promote capacity-building, marketing, innovation and skills development.

At Music Makes It! key players from 70 Ontario film, television, interactive digital media, book, magazine and music companies gathered to harness their collaborative business potential. The event dovetailed with the Partnership Fund-supported NXNEi, which focused on the digital evolution of the music industry.

▼ Jim Guthrie and his band performing at Music Makes It! His soundtrack for Capybara Games' *Superbrothers: Sword & Sworcery EP* has now sold more than 10,000 copies.

In September 2011 TIFF® and OMDC launched TIFF® Nexus, an initiative designed to promote collaboration between the worlds of feature film and interactive games.

The TIFF® Nexus consortium brought together an amazing group of researchers, academics, game developers and filmmakers in an exciting project that will spark innovative new ideas and assist an emerging generation of storytellers to navigate the rapidly evolving digital media landscape.



▲ OMDC's President and CEO, Karen Thorne-Stone, with Artistic Director of TIFF® Bell Lightbox, Noah Cowan, and Director of Public Programmes at TIFF® Bell Lightbox, Shane Smith, at the OMDC-sponsored Sales Office.

"During the whole 'speed dating' portion I thought to myself how clever our government is to have the OMDC and to give it this kind of mandate. Sincerely, this is how 'stuff' happens... when we all get our faces out of our laptops for an afternoon and go back to that old-school model of meeting face to face. Thank you again for making this possible and especially for including us!"

– Andie Crosbie, Business Affairs,
Sparks Music



From books to apps, from games to film, from page to screen: Ontario's content creators expand into new platforms and markets through cross-sector initiatives.

From Page to Screen

On February 24, at the OMDC's fifth annual From Page to Screen event, publishers connected with producers in a series of one-on-one meetings designed to promote the adaptation of Ontario's fiction, non-fiction and children's literature to the big, small and even mobile screens.

To date, 15 book options have been sold as a direct result of From Page to Screen.

"From Page to Screen offers a terrific match-making service to Ontario publishers and film producers. There's no other event with such a focused mandate: to connect the people looking for stories with the people who publish them. It's an unparalleled opportunity for a small Canadian publisher – we'd never get to meet these film folks otherwise – and we look forward to it every year."

– Alana Wilcox, Editorial Director of
Coach House Books



▲ *Hana's Suitcase* Panel (L to R): Karen Levine (CBC), Margie Wolfe (Second Story Press) and Thomas Wallner (Xenophile Media)

The OMDC has supported many cross-sector successes. *Hana's Suitcase*, produced by Karen Levine first as a radio documentary and then published as a children's book by Second Story Press, has gone on to inspire two television documentaries, a stage play and a feature film.

And Trillium Book Award-winning author Margaret Atwood's *Payback*, published by House of Anansi Press, was adapted as a documentary and presented at a screening co-hosted with *The Walrus* magazine.

House of Anansi's latest series about forensic accountant-cum-crime solver, *Ava Lee*, has been optioned for the screen by Strada Films.



▲ *Ava Lee* poster

The OMDC-supported film adaptation by Serendipity Point Films of Mordecai Richler's *Barney's Version* was nominated for one Oscar® and won seven Genies, a Golden Globe and the Film Circuit People's Choice Award for Best Canadian Film.

Bringing businesses together is just one way the OMDC is supporting the creative industries, helping them remain competitive and building opportunities to generate revenues all over the world.



▲ *Hana's Suitcase*





Ontario's Creative Media in the Global Marketplace

Promoting Ontario's cultural media sector across the country and around the world is a key mandate of the OMDC, which provides funding to pursue international development opportunities, establish a presence at important market events and explore strategic partnerships through targeted sales trips.

Ontario content creators and producers pursued opportunities from Nashville to Brisbane (music); from Brooklyn to Beijing (books); from LA to Buenos Aires (film); from Miami to Denmark (TV); and from Seattle to Tokyo (IDM).

In addition, OMDC established a strong presence for the province's cultural media at 24 markets during the year, as part of international business development activities. Major events included Cannes Film Festival, MIPCOM, MIP-TV, Midem, Game Developers Conference, SXSW and AFICI Locations Trade Show.

Export Funds: \$1.7 million to 185 companies for 670 business-building trips to international markets and strategic destinations in 2011.

Trade Mission: India

Heading entertainment sector programming at the International Indian Film Academy's (IIFA) Global Business Forum in June, OMDC brought together screen-based leaders from India and Ontario to discuss partnership opportunities.

Then in November, OMDC led a group of 10 Ontario screen producers on a 10-day trade mission to India, home to one of the largest, most vibrant production sectors in the world, with film, TV and animation/special effects industries worth nearly \$600 billion:

- film industry projected to reach \$170 billion in 2014
- television projected to reach \$420 billion in 2014
- gaming industry expected to grow nearly 30% over the next five years

By connecting talented Ontario producers with successful Indian producers, executives and financiers, exciting opportunities for future collaboration are created for our cultural media industries.

...

At the 30th anniversary of Canadian Music Week (CMW) in March, OMDC presented the **International Marketplace at CMW 2012**, an event which has been instrumental in putting Canada on the map for many foreign music companies; and **Spotlight on Latin America & Focus on Spain/Portugal** – developing markets with enormous potential for Ontario-created content: retail revenues in the Spanish digital music market alone are expected to reach \$219 million in the next two years.



◀ The OMDC delegation, with support from Telefilm Canada, visited film studios and conducted business meetings in Mumbai, then travelled to Goa for the four-day Film Bazaar. During IFFI, one of the largest film festivals in India, the delegation participated in seminars, met with business leaders, held market screenings and delivered a panel on *Producing in Canada*.

OMDC's International Financing Forum (IFF)

The Sixth Annual International Financing Forum put the spotlight on co-production potential for 41 Canadian and international producers developing English-language film projects. OMDC brokered 270 producer-to-producer meetings, 420 executive-to-producer meetings and 135 executive-to-producer roundtable meetings, giving Ontario producers unparalleled access to international partners.



▲ IFF 2011 *How Attractive is Your Package?* Panel (L to R): Moderator Mike Goodrich (Screen International) with panelists Chris Hastings (1066 Productions), Mark Ankner (William Morris Endeavor) and Christine Vachon (Killer Films)

“The calibre of international producers and industry professionals makes this a must-attend event and I recommend IFF for launching any film into the marketplace.”

– Christina Piovesan, *Producer of The Whistleblower, First Generation Films (Canada)*

Since 2006, IFF has supported a total of 256 feature films, including OMDC-supported *Midnight's Children* (currently in post-production) and *The Whistleblower*.

Producers Lab Toronto (PLT)

In collaboration with European Film Promotion (EFP) and TIFF®, OMDC brought Canadian producers and their European counterparts together again to explore the potential for international co-productions. Designed for independent producers with appropriate projects in the pipeline, PLT included pitching sessions, case studies and roundtables, as well as VIP networking events and a bus tour of Toronto filming locations.

“It gives access to talent and financial sources outside of Europe and facilitates global exchange and international collaboration. The feedback from last year’s group underscored the mandate of this networking platform. A first co-production contract was sealed and many very concrete projects are being discussed at this time with contracts about to be signed.”

– Renate Rose, *Managing Director, European Film Promotion (EFP)*

Ontario Film Commission

Through its Film Commission, the OMDC markets the province as a preferred destination for foreign and domestic filmmakers, providing a local resource to access services, streamline processes and coordinate with other agencies and officials, all at no cost. In addition to providing comprehensive location scouting and facilitation assistance, the OMDC's Digital Locations Database offers scouts anywhere in the world easy access to 217,000 high-quality images of more than 10,000 Ontario locations. A new interactive mapping function makes it easier for system users to organize and share locations packages.

The OMDC, with financial support from the City of Toronto's Film and Television Office (TFTO),

maintains a full-time marketing presence in Los Angeles, providing on-the-ground support for U.S. film and television productions accessing Ontario services.

Over the past year the LA office helped bring 11 productions with a value of \$183 million to Ontario.

Toronto/Ontario On Location in LA showcased the province as a world-class destination for film, television, post-production, visual effects and animation. OMDC led the all-day marketing event, along with support from the City of Toronto and the industry consortium FilmOntario and participation from over 35 leading companies and organizations in Ontario's screen-based industries.

“I’ve been all over the world in my film career - the States, Japan, Mexico, Spain, France, Italy, Germany, Scotland, England, New Zealand, Australia, China and on and on and on. First impressions count; and from the get-go you and your team were welcoming and helpful to us as we worked out where we would be able to find a home for *Pacific Rim*.”



▲ *Pacific Rim*

– Callum Greene, *Executive Producer, Pacific Rim*



Celebrating Ontario's Achievements

24th Trillium Book Awards

The Trillium Book Award/Prix Trillium, established in 1987 to recognize and support the quality and diversity of Ontario writing, is among Canada's most highly regarded literary prizes.

Ten English and ten French books in four categories were short-listed for the 24th Annual Trillium Book Award. Following author readings by the finalists on the eve of the awards ceremony, the winners were announced at a gala luncheon on June 17. Interest in the awards remains high, generating well over 47 million media impressions.

The two major English and French winners each received \$20,000; their publishers received \$2,500 to promote the winning titles. The English poetry and French children's literature winners were awarded \$10,000 each, with \$2,000 going to their publishers. All finalists were given a \$500 honorarium.

The 24th Trillium Book Awards were presented to:

English-Language:

Rabindranath Maharaj, *The Amazing Absorbing Boy*
(Knopf Canada)

French-Language:

Estelle Beauchamp, *Un souffle venu du loin*
(Éditions Prise de parole)

English-Language Poetry:

Jeff Latosik, *Tiny, Frantic, Stronger*
(Insomniac Press)

French-Language Children's Literature:

Daniel Marchildon, *La première guerre de Toronto*
(Éditions David)



▲ 24th Annual Trillium Book Award winners (L to R): Jeff Latosik, Rabindranath Maharaj with OMDC's President & CEO Karen Thorne-Stone, Estelle Beauchamp and Daniel Marchildon



In anticipation of the 25th anniversary of the Trillium Book Award, OMDC hosted a series of four readings by former Trillium Award winners in March and April. Past winning English authors included Wayson Choy, Jane Urquhart and Austin Clarke.

In Ottawa, OMDC hosted a reading with over 15 Franco-Ontarian Prix Trillium winners including Marguerite Andersen, Paul Savoie and Didier Leclair.

► On March 7, 2012, the Trillium Book Award Public Reading featured past winning authors (L to R): Ian Brown, Anne Michaels, Wayson Choy, Nino Ricci, Richard B. Wright, Jane Urquhart and Austin Clarke.



▲ On March 20, 2012, OMDC hosted a Prix Trillium Author Reading in Ottawa by 16 of the previous French language winners. Back row (L to R): Didier Leclair, Daniel Castillo Durante, Tina Charlebois, Antonio D'Alfonso, Marguerite Andersen, Nancy Vickers, Éric Charlebois, Ryad Assani-Razaki, Michel Ouellette, Michèle Matteau, Jean Mohsen Fahmy and Marc Haentjens (Emcee). Front Row (L to R): Jacques Flamand (seated), Pierre Raphaël Pelletier (seated), Andrée Lacelle, Angèle Bassolé-Ouédraogo and Daniel Marchildon (not pictured).

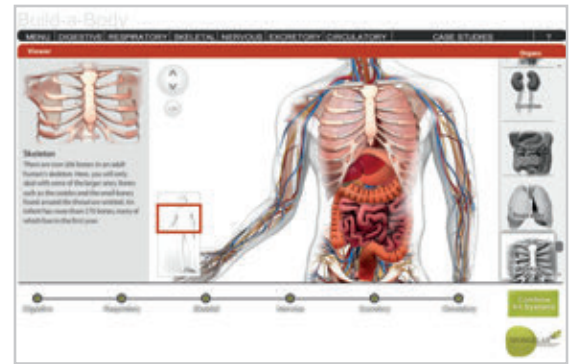
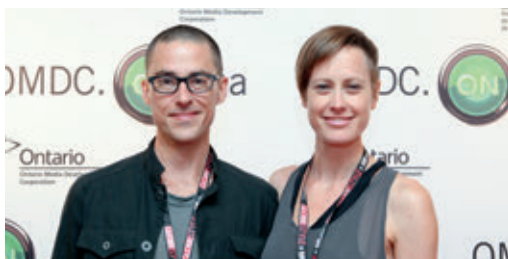


▲ Sarah Polley, producer/director/writer of *Take This Waltz*, speaking at Celebrate Ontario

The OMDC's annual salute to Ontario films and filmmakers, **Celebrate Ontario** was held during the Toronto International Film Festival® in September, with more than 600 cultural industry, government, media and academic leaders in attendance. Sarah Polley, whose film *Take This Waltz* was a Gala Presentation at TIFF®, was the guest speaker. Once again, an OMDC-produced compilation CD of critically acclaimed Ontario music was distributed at the event.

The OMDC celebrated the achievements of Ontario's creative industries in all cultural media sectors. OMDC-supported artists, producers and projects earned honours at events including **The National Magazine Awards; MuchMusic Video Awards; Polaris Music Prize; JUNOs and Canadian Music Week awards; the Scotiabank Giller Prize and The Governor General's Literary Awards; the Gemini and Genie Awards** for cinema, television and digital media; and the **Canadian Game Development Talent Awards**.

▼ *Edwin Boyd: Citizen Gangster* director/writer Nathan Morlando (left) and producer Allison Black (right)



▲ OMDC-supported company Spongelab won a National Science Foundation award for *Build-a-Body*, an interactive educational game about human anatomy.



▲ Alyssa Reid - 2012 Canadian Radio Music Awards' (CRMA) Factor Breakthrough Artist and Canadian Music and Broadcast Industry Awards' Nielsen Emerging Artist Award



▲ Capybara Games picked up two prizes for *Superbrothers: Sword & Sworcery EP* at The Canadian Game Development Awards: Designer of the Year (Kris Piotrowski, pictured) and Visual Artist of the Year (Craig Adams).

▼ Mia Martina presents OMDC with her Gold Single, *Latin Moon* (CP Records)



Celebrating Ontario's Achievements

continued

Ontario talent also made a number of high-profile Top Ten lists, proof that the global appeal of our cultural media product extends well beyond our borders:

- Paper Bag Records' artist Austra placed #1 on *New York Magazine's* **Top 10 List of 2011**
- Three OMDC-supported films were featured on TIFF®'s **Canada's Top Ten** (*A Dangerous Method*, *Edwin Boyd: Citizen Gangster* and *Take This Waltz*)
- *Playback Magazine's* **2011 Best of the Year** named marbledmedia "Transmedia Producer of the Year"
- Capybara Games' *Sword & Sworcery* earned a spot on Time.com's **Top 10 of Everything 2011**
- *The Sisters Brothers* was chosen for Amazon.ca **Best Books of 2011** and *Globe and Mail* **Top 100 Books of 2011**; while *Half-Blood Blues* was named #1 by Indigo (Best of 2011 – Fiction)

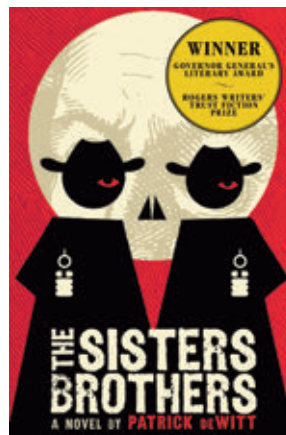
▼ Austra



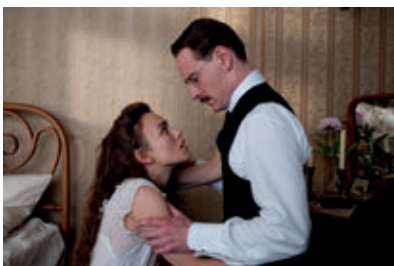
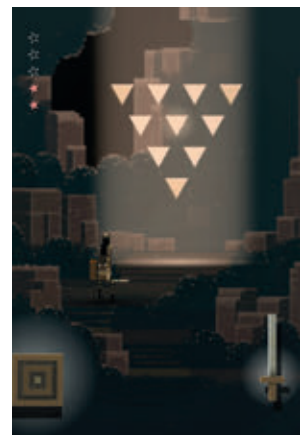
▼ Half-Blood Blues



▼ The Sisters Brothers



▼ Superbrothers:
Sword & Sworcery EP



▲ A Dangerous Method



▲ Edwin Boyd: Citizen Gangster



▲ Take This Waltz



Innovative Financial Support

The OMDC Industry Development Program

supports Ontario's trade organizations through strategic initiatives that stimulate the growth of the creative industries. Between 2006 and 2010, the program invested \$6 million in 155 projects that generated close to 16,000 business leads and 785 actual and potential deals. Sales reported from activities that had direct commercial outcomes were \$80 million, representing an overall program ROI of \$13 for every dollar invested by the OMDC.

In 2011, OMDC provided \$2 million to support 56 Industry Development initiatives, leading to nearly 10,000 business connections.

Business-building initiatives supported by the Industry Development Program include Magazines Canada's *Business Media Development Summits*, the Ottawa International

Animation Festival's *Television Animation Conference*, Interactive Ontario's *GameON Finance*, Canadian Independent Music Association's *Showcase at MIDEM* and *SXSW*, and Association of Canadian Book Publishers' *Ontario Library Association Super Conference Collective Display*.

Film Fund

The OMDC Film Fund was established in 2005 to provide support for domestic feature films in the final stages of development and

production financing. Since then, more than \$20 million has been invested to support 170 films, providing more than 43,000 weeks of employment for Ontario's flourishing production community.

The 2011-12 Film Fund awarded over \$4.3 million to 33 projects with total budgets worth more than \$97 million.

The fund enables Ontario-based filmmakers to complete their financing, providing up to \$25,000 for development projects and up to

\$400,000 for production funding. OMDC Film Fund-supported features included *Cosmopolis*, *Midnight's Children*, *Take This Waltz* and *Going Down the Road Again*.

Five OMDC Film Fund-supported features screened at TIFF® in 2011:

388 Arletta Avenue (TIFF® Contemporary World Cinema); *A Dangerous Method* (TIFF® Gala Presentation); *Edwin Boyd: Citizen Gangster* (TIFF® Special Presentation); *I'm Yours* (TIFF® Contemporary World Cinema); and *Take This Waltz* (TIFF® Gala Presentation)

Recognition for OMDC-supported films

- *Edwin Boyd: Citizen Gangster* won the **Sky Vodka Award for Best Canadian First Feature Film** at TIFF®.
- *The Guantanamo Trap* was a co-winner of **Hot Docs Special Jury Prize – Canadian Feature**.
- *Splice* picked up **Telefilm's Golden Box Office Award**.
- *The Whistleblower* screened at the United Nations on October 14, 2011.

Cameras started rolling on 13 Film Fund projects in 2011.

The 2011 Book Fund provided 43 Ontario publishers with over \$2 million in funding.

The 2011 IDM Fund investment of \$2.5 million leveraged an additional \$4.5 million for 21 projects, creating nearly 4,000 weeks of work.



Innovative Financial Support

continued

Intellectual Property Development Fund Results

A \$10-million pilot program to refund a portion of the costs associated with the intellectual property development of screen-based projects, the IP Fund was intended to enable Ontario companies to develop a larger slate of more commercially viable projects, while retaining a greater share of their intellectual property (IP) rights. The IP Fund pilot showed that:

- 182 companies received support for 1,060 early-stage projects.
- 22% of recipients developed 1-2 projects per year, 60% developed 3-10 projects/year.
- 50% of film and TV and 33% of IDM projects take more than a year to move into production.
- IP Fund recipients were able to leverage \$4.98 for every \$1 rebated.

- 87% of recipients said the Fund gave them increased access to capital to develop proprietary properties.
- 100% of recipients intended to apply IP Fund rebates to new development expenditures.



▲ Oliver Sherman

For the screen-based industry, the success of the IP Fund has allowed more time and money to be spent on early-stage development, bringing forward innovative new projects and creating positive industry impact for years to come.

▼ Force of Nature: The David Suzuki Movie



Vital tax programs

In cooperation with the Canada Revenue Agency, the OMDC manages six tax credits, which provide a stable and reliable source of financial support, of vital importance to the cultural media sectors:

- **Ontario Book Publishing Tax Credit (OBPTC)**, a 30% refundable tax credit on eligible expenditures to publish and market books by Canadian authors; available to Ontario-based Canadian corporations.
- **Ontario Film and Television Tax Credit (OFTTC)**, a 35% refundable tax credit on Ontario labour expenditures for film and television productions produced by Ontario-based Canadian corporations.
- **Ontario Production Services Tax Credit (OPSTC)**, a 25% refundable tax credit on Ontario production expenditures (both labour and non-labour costs as well as all post-production) for film and television productions by Canadian or foreign-controlled corporations.
- **Ontario Computer Animation and Special Effects Tax Credit (OCASE)**, a 20% refundable tax credit on Ontario labour expenditures for digital animation and visual effects created in Ontario for film and television productions.
- **Ontario Sound Recording Tax Credit (OSRTC)**, a 20% refundable tax credit on eligible expenditures to produce and market sound recordings by Canadian artists; available to Ontario-based Canadian corporations.
- **Ontario Interactive Digital Media Tax Credit (OIDMTC)**, a 40% refundable tax credit (35% for development under fee-for-service) on eligible expenditures to develop IDM products in Ontario; available to Canadian and foreign-controlled corporations.



▲ *Flashpoint*





Innovative Financial Support

continued

In March 2011, the government announced an enhancement to the Ontario Book Publishing Tax Credit, expanding the window of eligibility for marketing expenditures to include pre-publication marketing costs. This was passed into law in May 2011.

In 2011-2012, the OMDC delivered an estimated \$270 million in tax credits to Ontario's book publishing, film and television, music, and interactive digital media sectors in support of 1,683 projects, with budgets totalling over \$2.6 billion.

Tax Credit Chart for 2011-2012

| Tax Credit | Applications Received | Number of Certificates Issued | Number of Projects | Total Value of Estimated Tax Credits | Project Value |
|-------------------|------------------------------|--------------------------------------|---------------------------|---|------------------------|
| OBPTC | 765 | 556 | 556 | \$2,815,874 | \$9,767,317 |
| OSRTC | 150 | 285 | 94 | \$1,291,886 | \$6,893,583 |
| OFTTC | 352 | 220 | 220 | \$97,761,693 | \$604,831,604 |
| OPSTC | 158 | 112 | 112 | \$113,678,821 | \$1,620,957,077 |
| OCASE | 91 | 52 | 168 | \$18,613,635 | \$242,694,033 |
| OIDMTC | 233 | 121 | 533 | \$36,587,804 | \$175,435,201 |
| TOTAL: | 1,749 | 1,346 | 1,683 | \$270,749,713 | \$2,660,578,816 |

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

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

In an effort to streamline tax credit administration, it is now mandatory to apply via the OMDC Online Application Portal



Research

Advancing the knowledge

As key players in Ontario's 'knowledge-economy' the province's creative media companies depend upon access to the latest industry and market intelligence. The OMDC conducts and supports research that advances knowledge, fosters growth and drives innovation in all six cultural sectors. In addition to commissioning our own proprietary research, we provide research grants for studies undertaken by academia, industry partners, trade organizations and other stakeholders to benefit the whole creative cluster. As well, the OMDC compiles Industry Profiles, providing information on trends and issues facing each of the sectors, and hosts cross-sector innovation-sharing events such as the Digital Dialogue Conference in January.

In 2011-12, the OMDC released 13 research studies, including:

- **Getting Real** (Documentary Organization of Canada)
- **eLearning Industry Snapshot** (Interactive Ontario)
- **Analysis of the Impact of the Ontario Sound Recording Tax Credit** (Canadian Independent Music Association)
- **Toronto Gaming Incubator Feasibility Study** (George Brown College and gaminginc)
- **A Strategy for the Ontario Digital Animation and Visual Effects Industry** (CASO)
- **Trends in TV and Internet Use** (CMPA, ACTRA, APFTQ, DGC, WGC)
- **Monetizing Music File Sharing** (SAC)
- **Framework II: Canada's Screen-based Workforce** (WIFT-T)

All research is available in the Online Research Library.

OMDC Online Research Library

Introduced in 2009, the OMDC Online Research Library offers 24/7 access to a fully searchable database of cultural media research, statistics and industry profiles. There are now 263 documents in the Online Library.

Over the past 12 months, the online library had 889 unique visitors, who conducted a total of 2,685 searches.



Doing Business Better

Getting the message out

The growth in Ontario's cultural media sector, led by epic gains in film and television production, was front page news this year. Building on that momentum, the OMDC actively promoted specific programs and events, generating well over 70 million media impressions for the creative industries (including the Trillium Book Award). Online, the message took on a life of its own, attracting more than 286,000 visits to the OMDC website, 767 Facebook Likes, 1,817 Twitter followers and 5,760 YouTube uploads.

Throughout the year, OMDC staff conducted frequent workshops and information sessions to educate interested parties – from budding artists and students in the cultural media streams, to industry groups and international business partners – about how to benefit from and apply for OMDC support. Stakeholder outreach continues to be a key OMDC priority.

OMDC marketing efforts were rewarded at the Association of Film Commissioners International Locations Trade Show, earning top honours in the Direct Marketing Category for the Film Commission's new brochure Lights, Camera, Action, as well as prizes for Digital Video and Digital Media Campaign.

Improving the process

In the past eight years, tax credit volumes have risen over 128%, underlining their vital importance to the industries they are designed for.

In order to mitigate processing 'traffic jams' due to increased volumes, the OMDC has made concerted efforts to find better, faster, simpler ways to serve our clients.

The Online Application Portal (OAP) was developed to streamline the application process for all OMDC programs. Paperless and secure, the portal enables applicants to upload and store documents, track the status of applications and communicate with the OMDC. In April 2011, tax credits joined the other OMDC programs that accept applications only through the OAP.

We are also working with our government partners to incorporate a more efficient risk-based review process, currently utilized by the Ministry of Finance. This project commenced in 2011-12 and will carry forward into the next year.

In addition, ongoing research and consultation help us to refine and refocus OMDC programs and services, enabling us to keep pace with changing needs.

Strategic Objectives

2012-2013 goals

In accordance with our five-year strategic plan, we are working to ensure that the OMDC continues to be relevant to the sectors we serve, that we're positioned to respond effectively to emerging challenges, and that we take full advantage of opportunities to strengthen Ontario's book, magazine, film, television, music and interactive digital media industries, as cultural and economic leaders within Canada and the world at large.

In the year ahead, our objectives are to:

- **Improve access to capital**
by enhancing the ability to attract public and private investment, and create partnerships with other areas of government
- **Enable digital evolution**
by implementing ideas and strategies based on industry consultation
- **Support content development and market access**
by investing in innovation, marketing Ontario companies and products both locally and globally, and promoting the province as a centre of excellence
- **Encourage collaboration**
by delivering cross-sector outreach opportunities to stimulate business prospects for technology and distribution firms and OMDC stakeholders
- **Be an industry leader in supporting and promoting Ontario's cultural media industries**
by being an information hub, acquiring and sharing knowledge that will increase the competitiveness of Ontario's creative industries



▲ Design Edge magazine



▲ Mega Run



We've got it going  OMDC.on.ca



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