

Film and Television Industry: 2011 Year in Review

Date:	March 9, 2012
To:	Economic Development Committee
From:	General Manager, Economic Development and Culture
Wards:	All
Reference Number:	P:/2012/Cluster A/EDC/Econ Dev/March/ed1203-009

SUMMARY

The purpose of this report is to update City Council on the success of the screen-based industries in 2011. This important sector comprised of production, financial, business and professional service companies, suppliers, unions and guilds employs 25,000 full-time workers. It is linked to the education sector through training and incubation at the colleges and universities. Additionally, a number of research and development activities are underway leading technological change, knowledge development and capacity building for the cluster. Finally, through the profile it garners internationally, this sector provides marketing and promotional value for the City leading to increased tourism, business attraction and talent recruitment.

Film, television and commercial production activity in Toronto in 2011 was the strongest it has been in 10 years bringing more than \$1.13 billion dollars in direct expenditures to the City. It is particularly significant given a Canadian dollar hovering around parity for the course of the year, increased global competition and a tightening of the financial resources available in the face of the present international financial crisis. The results reported are a tribute to the excellence of the continued work produced and the marketing and promotional efforts by the many companies, unions, and guilds as well as FilmOntario, the consortium of screen-based companies, and the Ontario Media Development Corporation with which the Film, Television and Digital Media section works extremely closely and jointly manages an office in Los Angeles.

RECOMMENDATIONS

The General Manager of Economic Development and Culture recommends that:

1. City Council congratulate the screen-based industries for the excellence of their work and all of those individual companies and organizations, including FilmOntario and the Ontario Media Development Corporation, for their marketing and promotional efforts that resulted in the largest direct contribution to the Toronto economy in a decade.
2. City Council direct the City Clerk to write the Premier of Ontario and thank him for his government's ongoing support of this important sector.

Financial Impact

There are no financial impacts resulting from the adoption of this report.

COMMENTS

Once again Toronto's screen-base industry at \$1.13 billion in direct expenditures is indisputably third in North America only out performed by New York City and Los Angeles. The last time production and post production activities topped the \$1 billion mark was 2002.

Superb talent both in front of and behind the camera, in our post production facilities and behind the computer screens used to create animation and visual effects are critical to our success. Our people and companies coupled with great studio spaces, excellent suppliers and an ability to double as so many global locations have made Toronto one of the world's leading producers of great entertainment.

The 2011 total represents a 25% increase in overall production spending beyond that of 2010. Spending on major productions - feature films, movies made-for-television, mini-series, TV specials and TV series - at \$977.82 million increased by 32% over 2010. U.S. production spending increased by 47% in 2011. Domestic production remained very strong contributing close to 50% of the overall total. Once again, 2011 saw a significant increase in television production spending setting a new high level for this activity in Toronto (\$669.8 million) and again notwithstanding a strong Canadian dollar. The television activity included: 92 TV series with a combined 1,313 episodes; 93 TV specials and 12 made-for-tv movies. Television commercials accounted for close to \$100 million and animation \$72 million. Finally, staff continued to deliver superior service managing a 10% increase in location permits and the public saw an increase of activity on the streets close to 4%.

It is also of note that the statistics and data outlined do not include agency costs for talent, spending by above the line talent or productions with solely in-studio production activity.

They only include productions that filmed with a least some location work in Toronto and underestimate, therefore, the total spending in the sector in particular in the area of in-house broadcaster production. This would include all of the news and public affairs programming as well as any shows done wholly in studio by the major networks, specialty channels and others. These activities represent millions of dollars to the local economy.

One of the critical factors behind the success of 2011 was the full functioning of the Pinewood Toronto Studios. When the original feasibility study was concluded almost a decade ago, the Consultants wrote that a new purpose-built studio would be a "Market maker not market taker". Last year Pinewood proved this to be the case. In sequence beginning last Spring, Toronto hosted, for the first time ever, two "tent pole" features. *Total Recall* and *Still Seas* filled the studio and the many other projects lifted demand for our other film stages including the exciting new Cinespace Kipling Studios. The other main factors are the competitive, stable and reliable Provincial tax credits. Without them, a significant portion of our service/U.S. business would most likely disappear.

Initial indications are that 2012 will continue this trend.

CONTACT

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SIGNATURE

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ATTACHMENT

Attachment No. 1 – Film, television, commercial and music video production in Toronto