



Western AudioVisual Economic Strategy

LINEAR

A Snapshot of Manitoba's Media Production Industry



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Glossary of key terms

Broadcaster in-house production: Productions produced by a Manitoba-based broadcaster;

Canadian production: Productions that take place in Manitoba, with the intellectual property (IP) rights owned by a Canadian company outside of Manitoba, and productions with IP rights owned by a Manitoba-based company but production takes place primarily outside of Manitoba (but within Canada).

Co-production: Productions where the intellectual property (IP) rights are partly owned by a Manitoba-based production company and partly owned by a production company based outside of Manitoba;

Manitoba production: Productions for which one or more Manitoba-based production companies own the IP rights;

Foreign production: Also referred to as foreign location service (FLS) production, the IP rights for these productions are exclusively owned by a company based outside of Manitoba, but the productions are filmed in Manitoba;

Other production: Productions that do not access the Manitoba Film and Video Production Tax Credit, either due to ineligibility or by choice (e.g., commercials, music videos, etc.);

Fiction programming (genre): Programming including drama, comedy and scripted animation projects;

Children's programming (genre): Scripted and non-scripted programming targeted to children;

Documentary programming (genre): Traditional documentaries and other educational/instructional projects;

Other genres: A catch-all term for other types of project, largely magazine and performing arts projects;

Single purpose company: Also known as a special purpose vehicle (SPV), a tool used by production companies to isolate the parent company from the financial risk of making a film. If the film production loses money or goes bankrupt, the parent company is protected from liability for the debts incurred by the special purpose company;

Production year: Because MFM data is organized according to their fiscal year (April to March), production levels are displayed in line with that 12-month period. As such, dates are represented across two calendar years (e.g., 2014/15);

Full-Time Equivalent (FTE) jobs: A standardized employment measure of jobs, based on a standard work-week (in this case, 37.5 hours per work-week).



Executive Summary

About WAVES: Linear

In the four years since the last review of Manitoba's linear media production industry, much has changed in the production of film and television content in the province. Indeed, owing to the ever-increasing variety of viewing options, a more general term for such content is now required. Enter the world of "linear audiovisual content." Nomenclature notwithstanding, the industry continues to have a significant impact on Manitoba's economy – an impact which changes alongside the industry that creates it.

Nordicity was engaged by On Screen Manitoba (OSM) to profile the linear media production industry in Manitoba as part of a larger project – *WAVES: Western AudioVisual Economic Strategy* – that examines the production of both linear and interactive media in the province.¹ The profile of the linear media production industry is based on an online survey of companies, secondary research, statistics provided by Manitoba Film and Music (MFM), and industry stakeholder consultations.

In this Executive Summary, Nordicity presents the following highlights:

1. Growing **production volumes** between 2012/13 and 2016/17,
2. Key data about Manitoba-based linear media **production companies**, and
3. The continued **economic importance** of the industry to Manitoba.

Production Volumes

Over the five years from 2012/13 to 2016/17, the **total production volume of linear media projects in Manitoba was approximately \$723.0 million**, an average of approximately **\$144.6 million in each year**. The production volume in 2016/17 represented a 43% increase from the previous year, which had been the lowest across the five years. The level of production activity in 2016/17 exceeded the five-year average by 20%, signaling a period of growth in the industry. Over that period, a total of **346 productions received a tax credit**, representing an average of roughly 69 productions annually.

Data provided by IATSE 856, the union that represents specialty artists, technicians and crafts workers for the motion picture industry in Manitoba for the same period tells an analogous story

¹ A parallel process was undertaken with New Media Manitoba on behalf of Manitoba's interactive digital media industry. Data for both industries was captured simultaneously. However, the resulting analysis and reporting were done separately and thus reflect the specialized and specific realities of their respective constituencies.

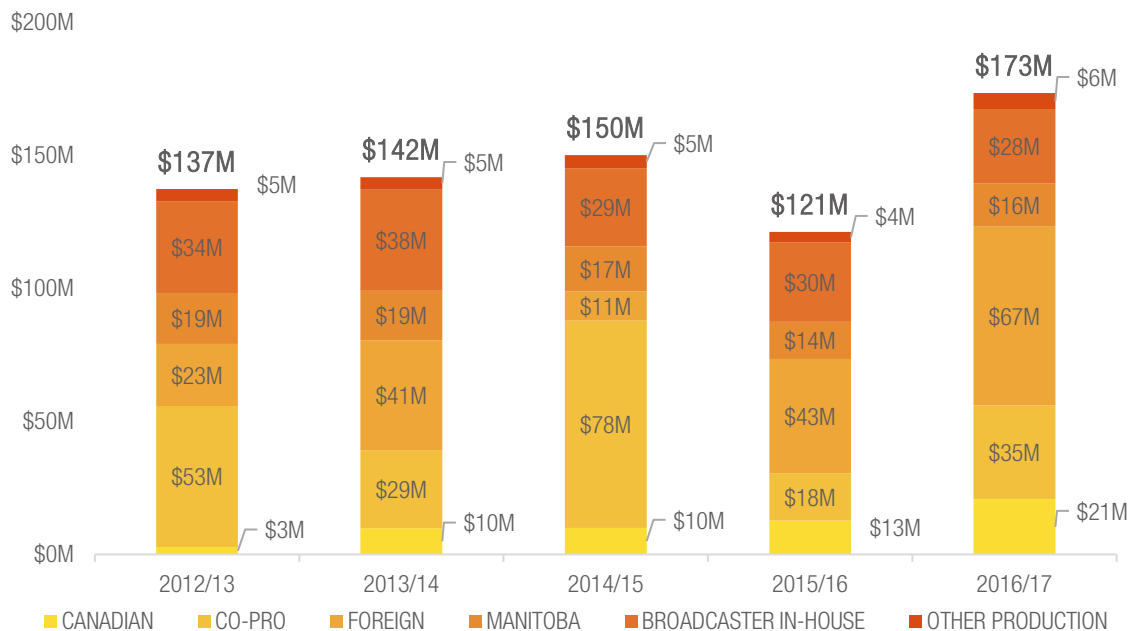
of growth – payments made to members between 2012/13 and 2015/16 were relatively stable, with significant growth (35%) between 2015/16 and 2016/17.

Production activity in Manitoba, as elsewhere in the country, is comprised of three distinct ownership models:

- Service production, in which the producer receives a fee but retains no intellectual property: Service productions, in particular those by large US studios and digital distributors such as Netflix, tend to have relatively larger budgets. Over the five-year period, foreign service productions in Manitoba had an average budget of \$5.3 million.
- Co-production, in which the Manitoba producer retains a portion of the intellectual property: Co-productions also tend to have higher budgets, with the average in Manitoba over the five years estimated at \$5.1 million.
- Wholly Manitoba-owned production, in which the Manitoba producer has 100% control of the intellectual property: Manitoba-owned productions tend to have smaller budgets, at an average of \$361,000 over the five years.

Co-productions and foreign service productions consistently represented the highest proportion of production volume in Manitoba from 2012/13 to 2016/17, respectively representing about 30% and 26% of total production volume on average each year. Manitoba productions made up a smaller proportion (12%) of production volume over the five years (a total of \$84.9 million, or an average of \$17 million each year), though they did represent the majority (68%) of the number of projects that received a tax credit. A further 12% of projects that received a tax credit were co-productions (and so were partly-owned by a Manitoba-based company). The figure below shows the breakdown of production volume, by ownership, in further detail.

Total volume of productions in Manitoba, by ownership, 2012/13 to 2016/17

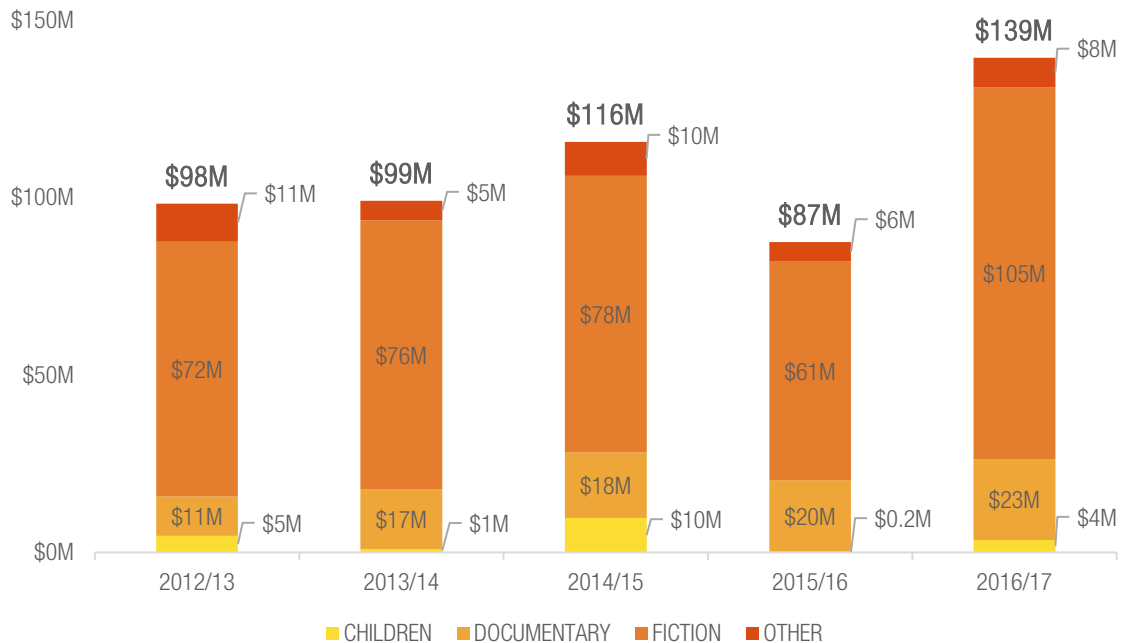


Source: MFM data 2012-2017 (Canadian, Co-Pro, Foreign, and Manitoba); Canadian Media Production Association (CMPA) and the Association québécoise de la production médiatique (AQPM) data from *Profile: Economic Report on the Screen-based Media Production Industry in Canada* (Broadcaster In-house); Nordicity WAVES survey 2017 (Other Production)



In terms of genre, fiction productions accounted for the largest share (73%) of the total volume of productions that received a tax credit over the five-year period, accounting for nearly \$391.5 million in production activity. Documentary productions held the second-largest share with \$89.2 million dollars. A total of 199 documentary projects received a tax credit between 2012/13 and 2016/17, making up the majority of productions in the province by the number of projects. The breakdown of projects by genre is presented in further detail in the following chart.

Production volume of projects that received a tax credit, by genre, 2012/13 to 2016/17



Source: MFM data 2012-2017

In terms of the language of production, MFM data suggests that an average of 3.7% of the annual production volume was accounted for by French-language production (representing an average of \$4.0 million in production volume per year), and that figure rose to 5% (representing nearly \$7.0 million of production) in 2016-17. Similarly, an average of 5.6% (or \$6.0 million) of annual production volume comprised Indigenous productions.

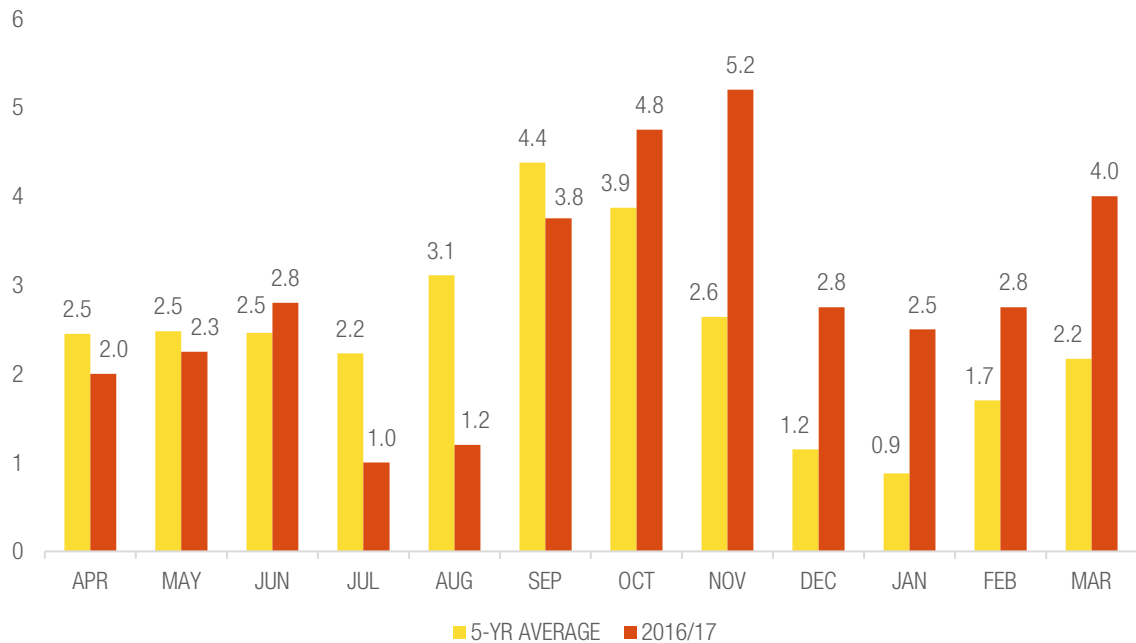
Growth and Seasonality

As demonstrated above, the linear media production industry in Manitoba has experienced significant growth in the past year. However, production activity in Manitoba has not historically been evenly distributed throughout the year. Indeed, IATSE 856 payroll data shows that over the past five years, production activity has peaked in the summer and fall months (June through October) and dipped in the winter (December through February). In the most recent year, however, the industry has outperformed the five-year average in each of the traditionally low months, seemingly indicating a somewhat less seasonal industry.



While overall production level is a good indicator of activity, the number of concurrent productions also provides insight into the production industry's capacity. As the following chart illustrates, whereas the summer months have traditionally been the peak season for productions, 2016/17 saw more concurrent productions in many months – with particular growth in the winter months.

Number of concurrent productions, five-year average vs. 2016/17



Source: IATSE 856

Taken together, production volume and concurrent production data suggests that the industry's recent growth has resulted in a more-year-round business, although the summer months generally remain busier than winter months.

Production Companies

There are an estimated **62 companies** in Manitoba's linear media production industry, 40% of which have been active in media production for over 10 years.

Based on the company survey, it is estimated that Manitoba's production companies earned \$112.5 million in revenue in 2016. That revenue primarily came from payments to the parent company from projects under its control (accounting for 48% of total revenue on average), however other significant sources of revenue included licensing owned intellectual property (24%) and production fees (12%).

In terms of the diversity among owners of linear media production companies in Manitoba, OSM data suggests that over 40% of owners identify as women, whereas 18% are from an Indigenous community (i.e., First Nations, Metis and/or Inuit). These figures are not far from the distribution

of Manitoba's overall population, where 17% of the population is Indigenous,² and 48% of the workforce is women.³

Manitoba's linear media production companies anticipate significant growth in the coming years. In terms of both revenue growth and production volume growth, nearly all survey respondents indicated that they anticipate growth over the coming two years, with more than half stating that this growth is expected to exceed 25%. Companies indicated that this anticipated growth would be driven by expansion onto new platforms, co-productions and private investment, while the most significant barriers to realizing this growth potential would be the supply of skilled labour in Manitoba, followed by access to buyers and to affordable capital.

Economic Importance

Expenditures on productions that received a tax credit, combined with the expenditures of linear media production companies, generated an estimated **\$452.2 million in total GDP for the Manitoba economy from 2012/13 to 2016/17**. On average, about 65% of the annual GDP impact came from productions, with the other 35% generated by company operations.

GDP impact of Manitoba's linear media production industry, 2012/13 to 2016/17⁴ (millions)

	2012/13	2013/14	2014/15	2015/16	2016/17	Five-year Average
Direct	\$48.6M	\$38.1M	\$48.8M	\$30.5M	\$55.6M	\$44.3M
Indirect	\$40.4M	\$30.8M	\$39.4M	\$24.0M	\$43.3M	\$35.6M
Induced	\$11.4M	\$9.5M	\$11.4M	\$7.6M	\$13.3M	\$10.7M
Total	\$100.3M	\$78.1M	\$99.7M	\$61.9M	\$112.2M	\$90.5M

Source: Nordicity WAVES survey 2017, MFM data 2012-2017, Nordicity MyEIA Model and Statistics Canada

Over the same period, Manitoba's linear media production industry **directly sustained 880 FTE positions**. The total employment impact of the industry, including at the indirect and induced levels of economic impact, was an average of 1,560 FTEs. On average, approximately 62% of the combined direct, indirect and induced FTEs generated by the industry came from productions, with the other 38% being generated by company operations.

² Statistics Canada, 2011 National Household Survey.

³ Statistics Canada, 2011 National Household Survey.

⁴ GDP impact of production companies for 2012/13 to 2015/16 are extrapolated based on the ratio of company-generated GDP to production-generated GDP in 2016/17, due to the fact that the company survey only gathered data from respondents on their most recently completed fiscal year.



Employment impact of Manitoba's linear media production industry, FTEs⁵

	2012/13	2013/14	2014/15	2015/16	2016/17	Five-year Average
Direct	990	770	960	590	1,060	880
Indirect	630	480	610	370	670	550
Induced	140	110	140	90	160	130
Total	1,760	1,360	1,710	1,050	1,890	1,560

Source: Nordicity WAVES survey 2017, MFM data 2012-2017, Nordicity MyEIA Model and Statistics Canada

Manitoba's linear media producers benefit from a robust range of incentives and support programs. From 2012/13 to 2016/17, funding from the Province, including through the Manitoba Film and Video Production Tax Credit (MFVPTC), contributed an average of 25% toward the total financing of productions, roughly the same amount as producers (24%).

These public investments in the linear media production industry have a direct return in the form of tax revenue. From 2012/13 to 2016/17, the **fiscal impact of the industry at the federal and provincial level was approximately \$151.9 million**. On average, about 55% of the annual fiscal impact came from productions, with the other 45% generated by company operations.

Fiscal impact of Manitoba's linear media production industry, federal and provincial⁶

	2012/13	2013/14	2014/15	2015/16	2016/17	Five-year Average
Personal income taxes	\$15.7M	\$12.4M	\$15.8M	\$9.9M	\$18.0M	\$14.4M
Corporation income taxes	\$5.5M	\$4.3M	\$5.5M	\$3.4M	\$6.2M	\$5.0M
Consumption taxes	\$8.1M	\$6.3M	\$8.1M	\$5.0M	\$9.1M	\$7.3M
Local property taxes and other fees	\$4.1M	\$3.2M	\$4.1M	\$2.6M	\$4.6M	\$3.7M
Total	\$33.5M	\$26.2M	\$33.5M	\$20.8M	\$37.9M	\$30.4M

Source: Nordicity WAVES survey 2017, MFM data 2012-2017, Nordicity MyEIA Model and Statistics Canada

The majority (59%, or \$89.6 million) of the fiscal impact presented in the above table was in the form of tax revenue for the Province of Manitoba. Across the five-year period, the total provincial

⁵ The number of FTEs generated by production companies for 2012/13 to 2015/16 are extrapolated based on the ratio of company-generated GDP to production-generated GDP in 2016/17, due to the fact that the company survey only gathered data from respondents on their most recently completed fiscal year.

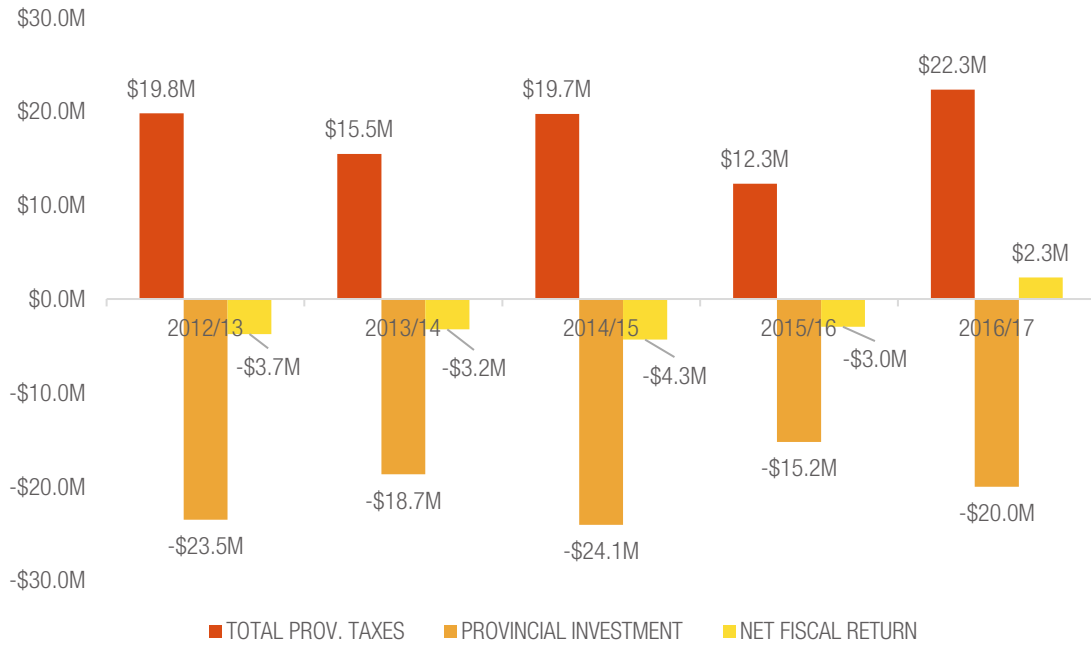
⁶ Tax revenue from production companies for 2012/13 to 2015/16 are extrapolated based on the ratio of company-generated tax revenue to production-generated tax revenue in 2016/17, due to the fact that the company survey only gathered data from respondents on their most recently completed fiscal year.



outlay related to support programs directly offered to the linear media production industry totaled \$101.6 million, or an average of \$20.3 million annually.

When compared to the provincial tax revenue generated by linear media production, it can be observed that the recent growth (in 2016/17) led to a net positive fiscal return for the MFVPTC, as illustrated in the following chart.

Fiscal return on investment, 2012/13 to 2016/17



Source: Nordicity analysis (Total Prov. Taxes), MFM data 2012-2017 (Provincial Investment)

While the most recent year is the only one in the last five years to see a positive fiscal return, it is important to recall that the provincial outlays (largely the MFVPTC) can be seen as investments in the industry.

Return on provincial investment (per \$1 million), 2012/13 to 2016/17

	2012/13	2013/14	2014/15	2015/16	2016/17	Five-year Average
Total Production (\$M)	5.8	7.6	6.2	7.9	8.7	7.1
Direct FTEs	42.1	41.2	39.9	38.7	52.9	43.3
Total FTEs	74.8	72.7	71.0	68.9	94.4	76.8
Direct GDP (\$M)	2.1	2.0	2.0	2.0	2.8	2.2
Total GDP (\$M)	4.3	4.2	4.1	4.1	5.6	4.5

On average (over the last five years), each \$1 million of provincial investment has been leveraged to create \$7.1 million in production, 77 FTEs and \$4.5 million in GDP. Therefore, not only did provincial investment in the linear media production industry yield a net positive fiscal return in the last year, but it was also more efficiently deployed to generate employment and GDP impact.



Key Data Points

Data Point	Five-year Total (2012/13 to 2016/17)	Annualized Average
Total Production Volume	\$723.0M	\$144.6M
Number of Projects	346 productions	69 productions
Total GDP Impact	\$221.7M	\$44.3M
Total Employment Impact	1,560 FTEs	N/A
Provincial Tax Revenue	\$89.6M	\$17.9M





1. Introduction

Looking back on the four years since the last review of Manitoba's linear media production industry – *Snapshot 2013* – this report aims to capture the contribution of the industry to the province's economy. The analysis of production activity presented in the following sections demonstrates a substantial return on the Province's investment in the industry, and an ongoing effort to ensure that uniquely Manitoban stories continue to be presented in compelling ways to Manitoban, Canadian and international audiences.

During the last four years, the linear media production industry has faced accelerated disruptions – from the emergence of new digital distribution pathways and the continued decline of traditional market mechanisms, to rapidly evolving consumer behaviours. Nonetheless, Manitoba's linear media production industry has benefited from a high level of demand (although cyclical in nature) and foresees considerable growth in the coming years.

With this context in mind, this report also examines the current and anticipated challenges and opportunities facing Manitoba's linear media producers.

1.1 Mandate

Nordicity was engaged by On Screen Manitoba (OSM) to profile the linear media production sector in Manitoba. This profile is part of the larger project – *WAVES: Western AudioVisual Economic Strategy* – which includes both linear and interactive media production in the province. Although data for both industries was captured simultaneously (as further described in Section 1.2.1), the resulting analysis and reporting was done separately. As such, while the linear and interactive *WAVES* reports share a similar brand, they reflect the specialized and specific realities of their respective constituencies.

This report presents the findings for the linear media production industry.



1.2 Methodology

1.2.1 Data Collection

Data for this study was collected through several means: an online survey of companies administered by Nordicity, secondary desk research also conducted by Nordicity, and statistics provided by Manitoba Film and Music (MFM). Nordicity also conducted interviews with 14 industry stakeholders to further explore challenges and opportunities facing Manitoba's linear media production industry.

1.2.2 Economic Impact Analysis

Economic impacts, including direct, indirect and induced impacts, were estimated using inputs from the company survey, as well as from data provided by MFM on production volumes for linear media in the province. These inputs were run through Nordicity's *MyEIA* model and the models used by Nordicity in the creation of the [Canadian Media Producers Association's annual Profile](#) report to generate outputs in the form of labour, expenditure and GDP impacts.

1.3 Document Map

This report begins with a **profile of the linear media production industry in Manitoba**. The profile consists of:

- An **overview of the industry**, and the broader national and international market and policy contexts within which it operates (Section 2);
- Estimates of the **size and volume of activity** in the industry, including the number of companies operating in Manitoba alongside their production volume, revenues, expenditures and contribution to Manitoba's GDP (Section 3);
- Estimates of **employment** in the industry, including breakdown of employment by type and compensation levels (Section 4);
- Estimates of the **tax revenue** generated by the linear media production industry (Section 5);
- Discussion of **diversity** in the industry, particularly in terms of company ownership and project languages (Section 6);
- Analysis of the availability of **public support and training** programs, as well as the net fiscal return of the industry (Section 7);
- Perspectives on the **future outlook** of the industry, including anticipated growth, and the related drivers of and barriers to that growth (Section 8); and,
- A conclusory section highlighting **key findings** from the preceding sections (Section 9).



2. The Context: Media Production in Manitoba, Canada and the World

Manitoba's linear media production industry operates within, and responds to trends in, the broader Canadian media production landscape. In the 2015/16 fiscal year, the volume of film and television production in Canada totaled \$6.76 billion, and supported 140,600 full-time equivalent (FTE) jobs. While representing a slight decline from the previous year in terms of both production volume and employment, 2015/16 nonetheless represented a second year of significantly higher industry activity as compared to previous years.⁷ Alongside this growth, the Canadian linear media production industry has also found itself responding to significant industry and policy shifts in light of evolving value chains, business models and consumer behaviour.

In September 2016, the Department of Canadian Heritage launched a cross-country consultation process to examine the state of Canadian content in the global landscape, in particular within the rapidly evolving digital environment. Just over a year later, *Creative Canada – A Vision for Canada's Creative Industries* was announced, presenting a roadmap and policy framework for continued support of Canada's creative economy. *Creative Canada* focuses on the skills and resources required to develop a diverse range of Canadian content and at the same time, strengthen the ability to get that content to domestic and international audiences.

At the provincial level, the linear media production industry is a cornerstone of Manitoba's culture sector. As the Province launched a comprehensive review of its cultural policy (March 2017), linear media production was central to the discussion. This review represented the first time in 25 years that the Province had a close look at the sector overall, and the mechanisms by which it is supported. The policy review thus aimed to look at contemporary issues and challenges facing the linear media production industry as well as the broader culture sector, including:

- Demographics, diversity and the need for improved equity and inclusion, including support for increased Indigenous engagement;
- Digital disruptions and the potential for transformation by adapting to new technologies;
- Public support for culture in the current fiscal environment;
- Mechanisms to support the creation and discoverability of Canadian Content, in light of changing content distribution models (and the national policy landscape); and,
- The need for improved infrastructure.

⁷ *Profile 2016: Economic Report on the Screen-based Media Production Industry in Canada*, Canadian Media Producers Association (CMPA) in collaboration with the Department of Canadian Heritage, Telefilm Canada, the Association québécoise de la production médiatique (AQPM) and Nordicity.

The linear media production industry in Manitoba has tremendous potential for growth and continued development, yet it faces several key barriers to achieving that potential.

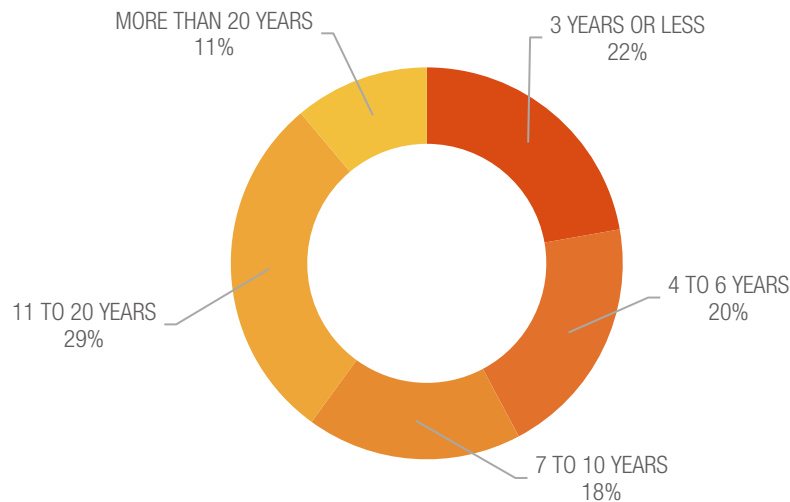
It is no surprise that *WAVES Linear: A Snapshot of the Manitoba Media Production Industry* echoes many of the themes that have emerged from the provincial review and national consultations. The linear media production industry in Manitoba has tremendous potential for growth and continued development, yet it faces several key barriers to achieving that potential. In the sections that follow, the industry's structure and level of activity are presented in further detail, along with the anticipated opportunities and challenges that are on the horizon.



3. Linear Media Production Companies in Manitoba

Manitoba’s linear media production industry is made up of an estimated **62 companies**.⁸ The industry is led by mature, established companies – in fact, based on the survey findings, it is estimated that 40% of linear media production companies in Manitoba have been active in the field for more than 10 years. On the other hand, just under a quarter (22%) are relatively newer entrants with three or fewer years of activity in the province (see Figure 1).

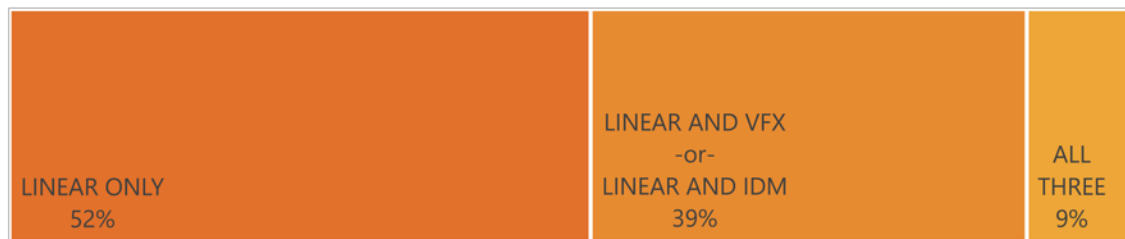
Figure 1: Number of years creating linear media products



n=45
Source: Nordicity WAVES survey 2017

In addition to being well-established, many linear media production companies in Manitoba engage in a diverse range of production activities. Figure 2 shows the number of media production activities in which Manitoba linear media companies are active, including interactive digital media (IDM) and visual effects and post-production services.

Figure 2: Number of media streams linear companies are active in



n=54
Source: Nordicity WAVES survey 2017

⁸ Based on desk research conducted by Nordicity and data provided by OSM.



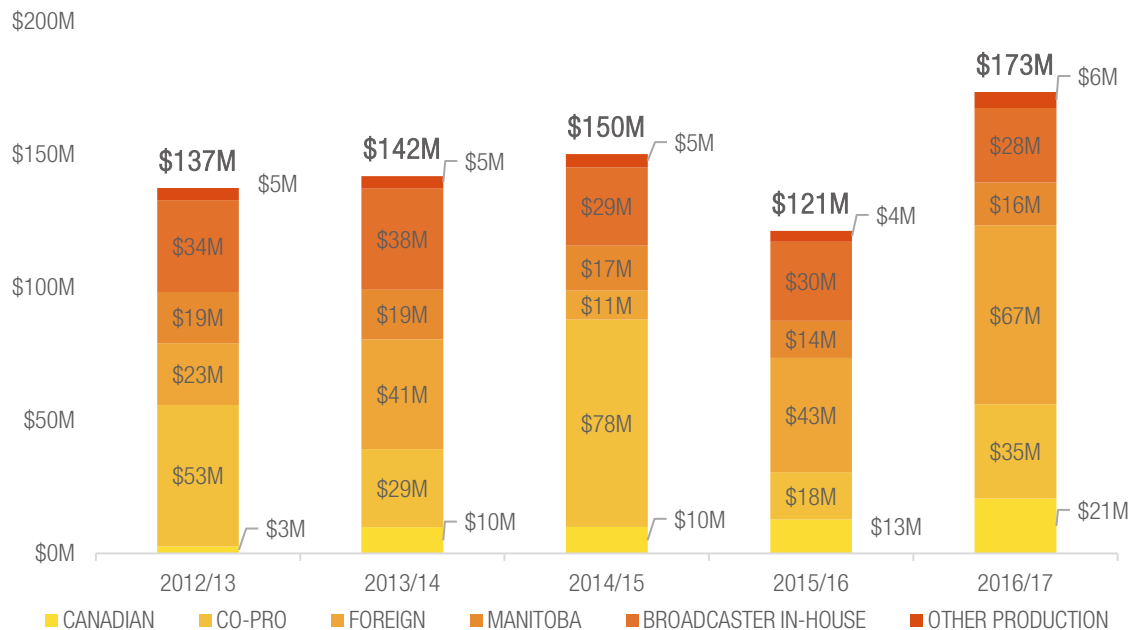
As shown above, more than half (52%) of surveyed companies are focused only on the production of linear media, while a bit more than one-third (39%) are active in linear media production alongside either interactive digital media or visual effects and post production. Around one in ten (9%) companies work across all three streams.

From 2012/13 to 2016/17, the total production volume of linear media projects in Manitoba was \$723.0 million.

3.1 Media Production Volume in Manitoba

Over the five-year period from 2012/13 to 2016/17, the total production volume of linear media projects in Manitoba was **\$723.0 million**, based on cumulative project budgets. On average, there was approximately \$144.6 million of production each year. In 2016/17, production volume reached \$173.2 million. The 2016/17 production volume represented a 43% increase from the previous year, which had been the lowest across the five years, and exceeded the five-year average by 20%. Figure 3 shows the volume of productions in each year, with a breakdown by types of owner.

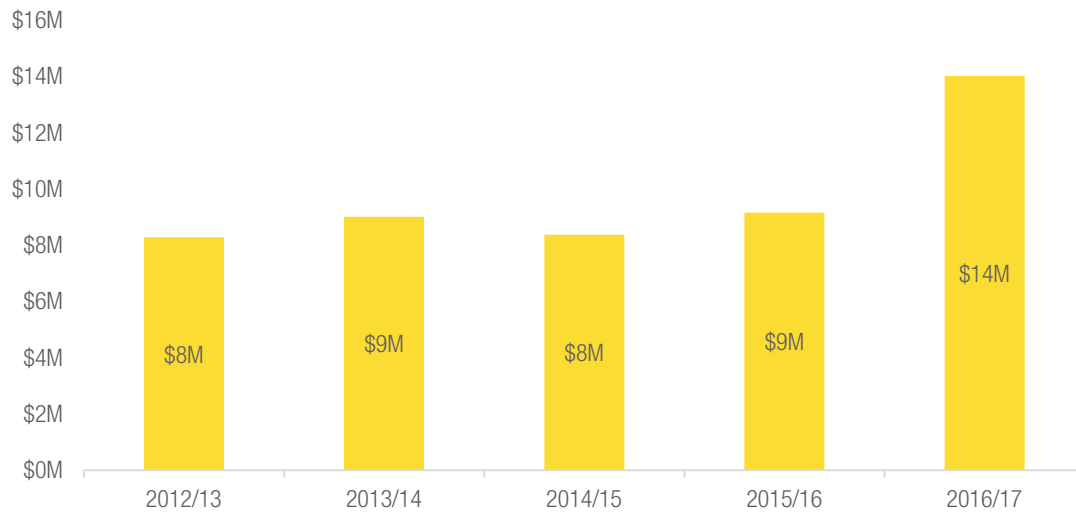


Figure 3: Total volume of productions in Manitoba, by ownership, 2012/13 to 2016/17

Source: MFM data 2012-2017 (Canadian, Co-Pro, Foreign, and Manitoba); CMPA and AQPM, data from *Profile: Economic Report on the Screen-based Media Production Industry in Canada* (Broadcaster In-house); Nordicity WAVES survey 2017 (Other Production)

As shown above, MFM data shows that co-productions and foreign service productions consistently represented the highest proportion of production volume in each of the last five years. In fact, these two segments accounted for 30% and 26%, respectively, of total production volume across each of the five years. In total, from 2012/13 to 2016/17, there was approximately \$213.3 million in co-production activity, or an average of \$42.7 million per year. Foreign productions totaled \$185.3 million over the five years, averaging \$37.1 million per year. Manitoba productions totaled \$84.9 million (\$17.0 million per year, on average), equal to 12% of total production volume, over the five years.

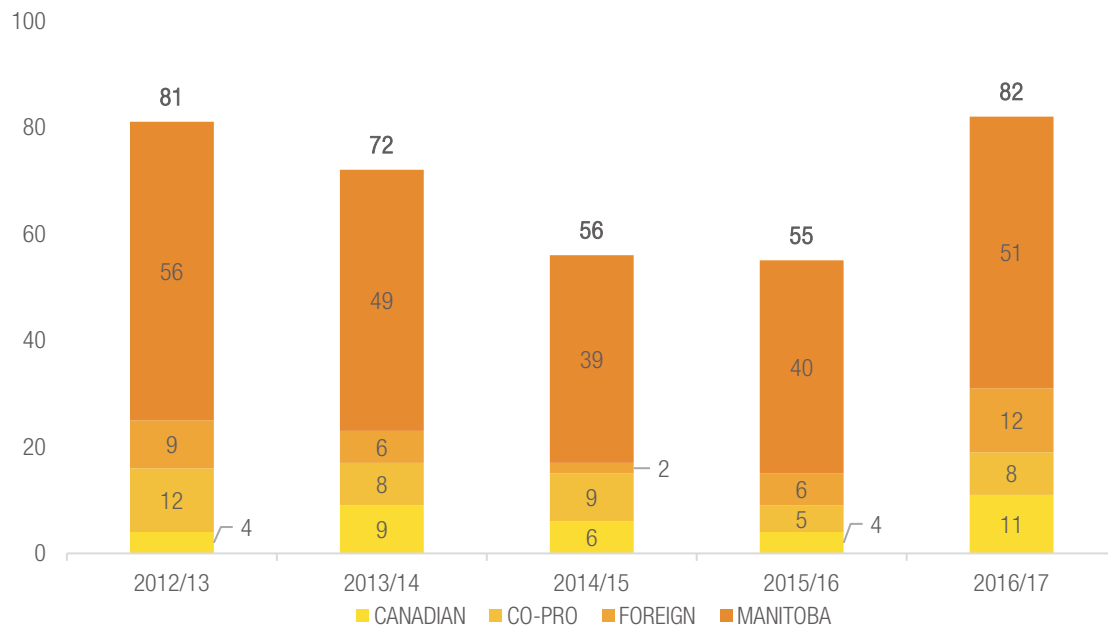
At the same time, data provided by IATSE 856, the union that represents specialty artists, technicians and crafts workers for the motion picture industry in Manitoba for the same period tells an analogous story. As the following figure illustrates, payments made to members between 2012/13 and 2015/16 were relatively stable, with significant growth (35%) between 2015/16 and 2016/17.

Figure 4: Payments made to IATSE 856 members, 2012/13 to 2016/17

Source: IATSE 856 data 2012-2017

A total of **346 productions** received a tax credit from 2012/13 to 2016/17. The company survey revealed that approximately half of all productions in Manitoba involved the creation of a single purpose company, while corporate-owned productions, such as commercials, made up the other half of productions.⁹ Furthermore, single purpose company productions are likely to account for a larger proportion of the total volume of production, as they include foreign location services and co-productions. Figure 5, below, shows the breakdown of productions that have received a tax credit by ownership.

⁹ Source: Nordicity WAVES survey 2017, n=46.

Figure 5: Total number of productions in Manitoba, by ownership, 2012/13 to 2016/17

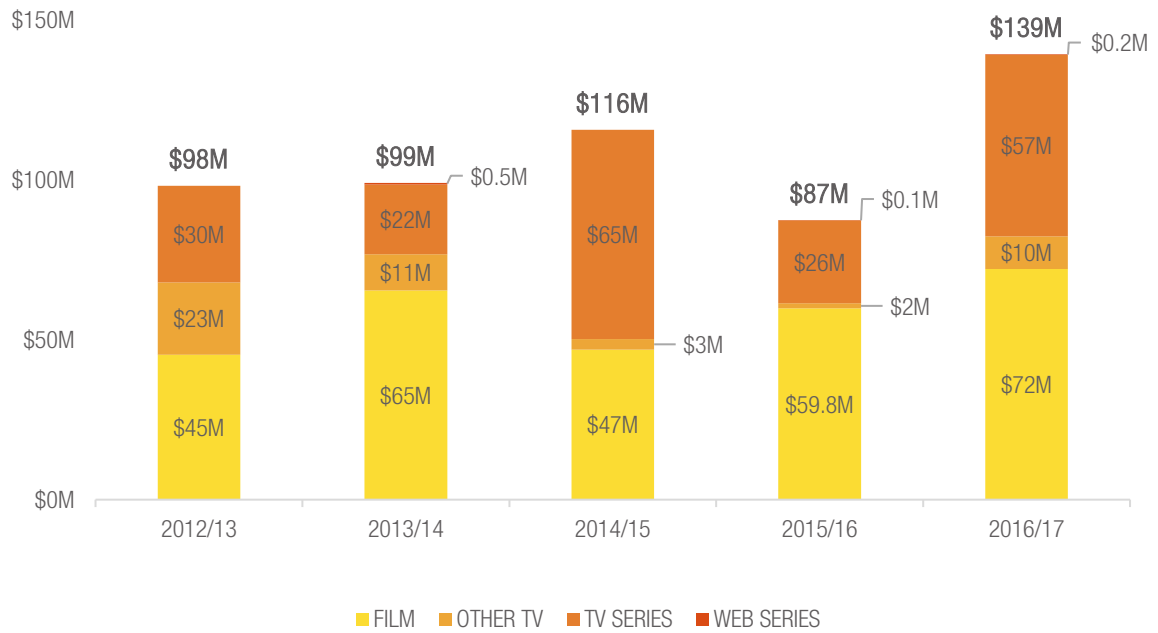
Source: MFM data 2012-2017

While only 12% of the total production *volume* in the province was accounted for by Manitoba productions, they accounted for the largest proportion of activity by *the number of projects*. As shown in Figure 5, out of the total 346 productions supported by a tax credit over the five-year period, 235 (68%) were Manitoba productions and a further 42 (12%) were co-productions (and so were partly-owned by a Manitoba-based company).

In terms of the language of production, MFM data suggests that an average of 3.7% of the annual production volume was represented by *French-language production*, and that figure rose to 5.0% in 2016-17. Similarly, an average of 5.6% of annual production volume comprised *Indigenous productions*.

Overall, feature films made up more than half of the production volume of those projects that received a tax credit in Manitoba over the five years. Across all ownership types (i.e., Canadian, Manitoban, co-productions, foreign), film accounted for \$289.5 million in production volume (54% of the total) from 2012/13 to 2016/17. Television series production totaled \$200.4 million over the five years, equal to 37% of total production volume in Manitoba. Figure 6 shows, in further detail, the breakdown of production volume by format across the five years.

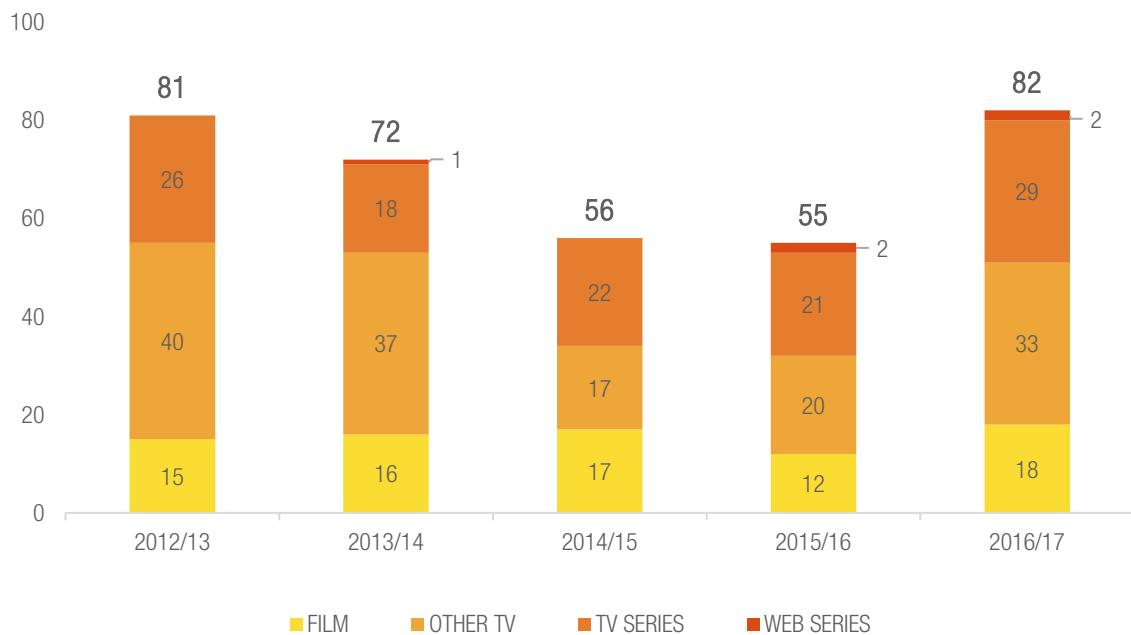
Figure 6: Production volume of projects that received a tax credit, by format, 2012/13 to 2016/17



Source: MFM data 2012-2017

Feature films, however, made up less than a quarter (23%) of production activity by *number* of projects. Television series and other television productions accounted for a combined 76% of all projects over the five years. The annual breakdown of the number of projects by format is presented in Figure 7.

Figure 7: Projects that received a tax credit, by format

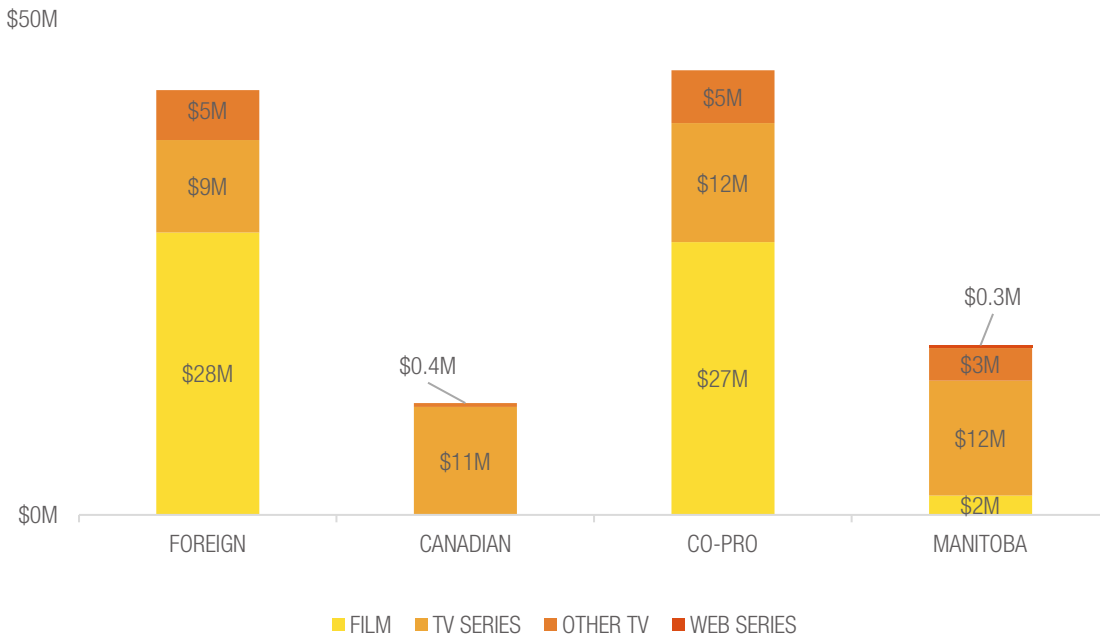


Source: MFM data 2012-2017



The breakdown of production volume by production type *and* ownership, as shown in Figure 8, reveals that Manitoban and Canadian productions primarily comprised television series.

Figure 8: Average annual breakdown of projects receiving a tax credit per ownership type, by format

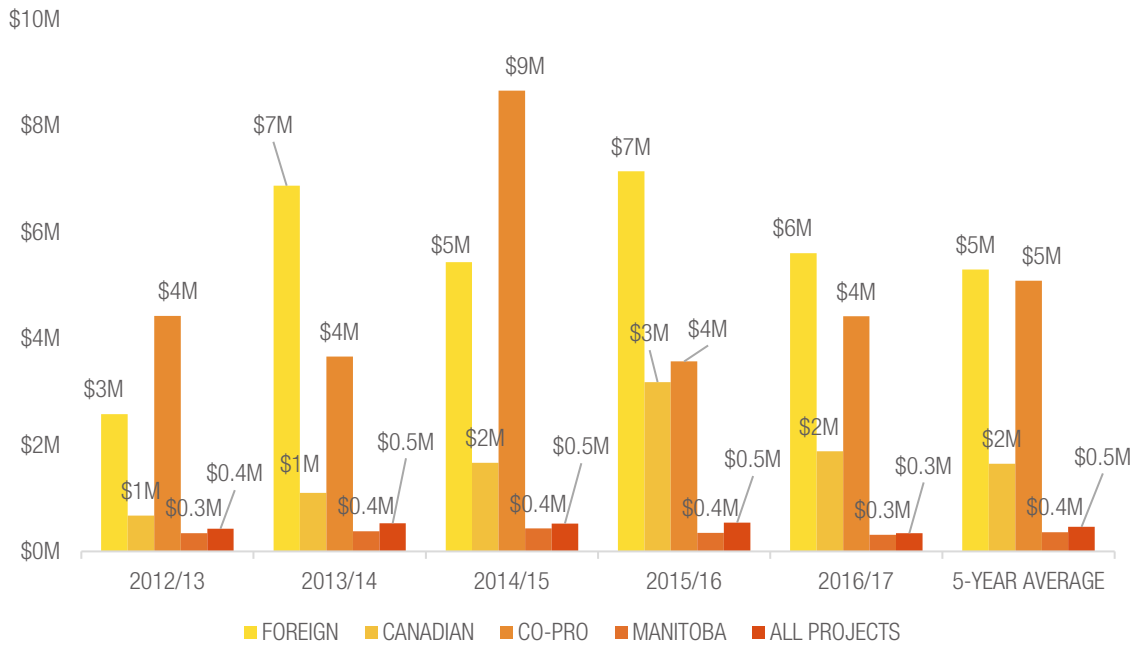


Source: MFM data 2012-2017

On average, a large portion (nearly half) of annual production in Manitoba over the five years consisted of films that are either foreign or co-produced.

The average production budget over the five-year period across all ownership types was approximately **\$461,000** (see Figure 9). Foreign productions had the highest average budgets across the five years (\$5.3 million), followed by co-productions, which had an average budget of \$5.1 million. Canadian service productions averaged out at around \$1.6 million per production, while Manitoba productions averaged \$361,000 per production.

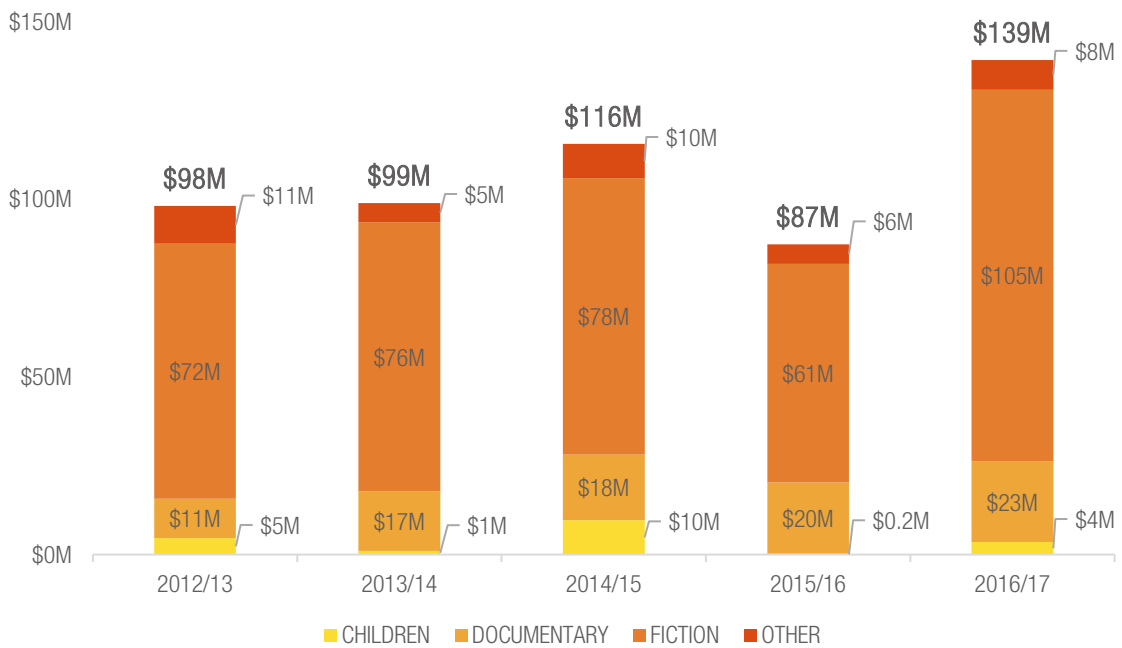
Figure 9: Average production budget, by ownership, 2012/13 to 2016/17



Source: MFM data 2012-2017

In terms of genre, fiction productions accounted for the largest share (73%) of the total volume of productions that received a tax credit over the five-year period, accounting for nearly \$391.5 million in production activity (see in Figure 10).

Figure 10: Production volume of projects that received a tax credit, by genre, 2012/13 to 2016/17

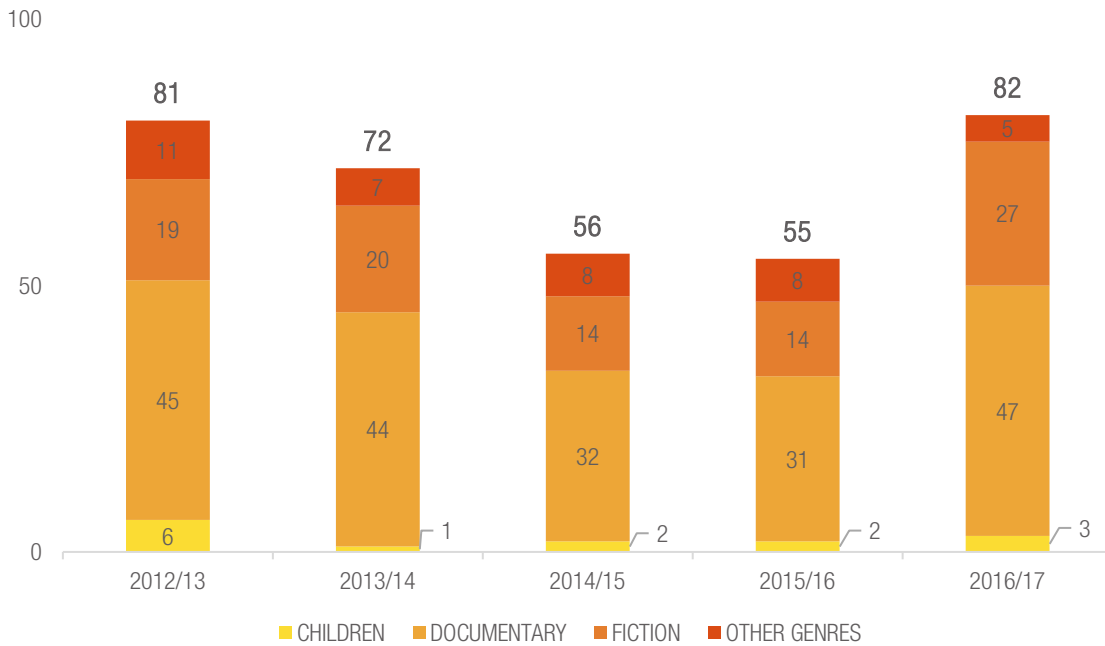


Source: MFM data 2012-2017



As seen above, documentaries represented the second-largest genre of production, by total budget. Documentary production totaled \$89.2 million dollars in production over the five-year period, with 2016/17 seeing more than a doubling of the amount of production from 2012/13. Over the five-year period, a total of 199 documentary projects were produced in Manitoba, accounting for 58% of all linear productions that received a tax credit (see Figure 11).

Figure 11: Number of projects that received a tax credit, by genre, 2012/13 to 2016/17

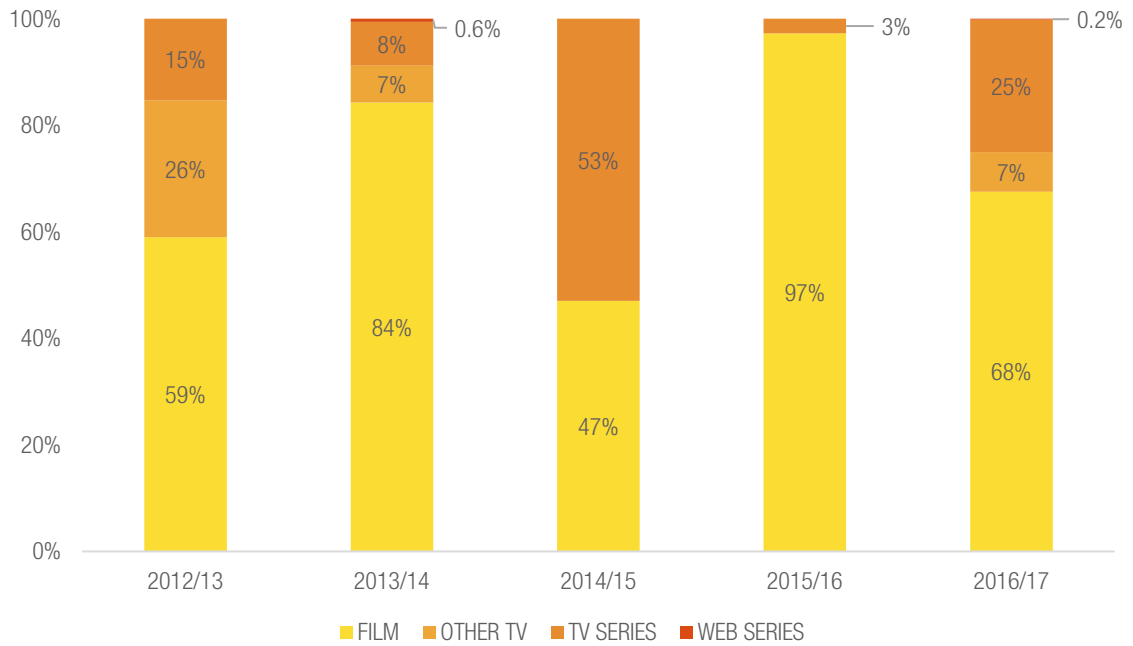


Source: MFM data 2012-2017

Feature film production was the main contributor to the high production volume in the **fiction genre** (which includes animation programming). Feature films accounted for nearly 70% of fiction productions over the five years, while television programming (including series and other productions) accounted for 30%. Web series productions represented less than 1% of activity in the fiction genre (see Figure 12).



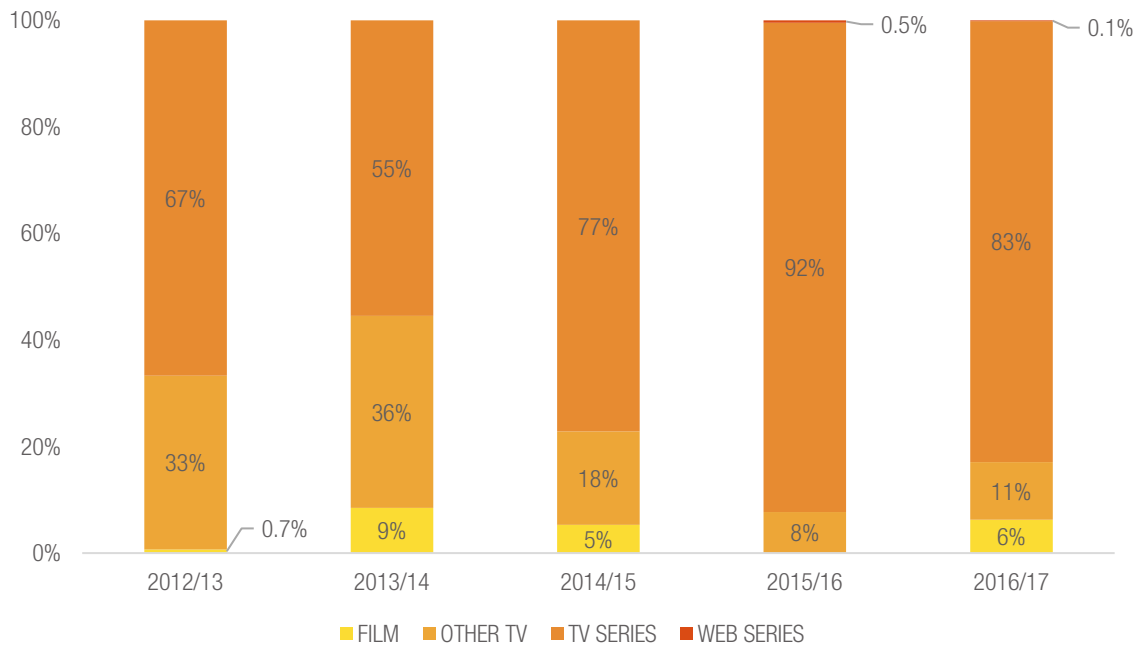
Figure 12: Share of production volume, Fiction breakout



Source: MFM data 2012-2017

The vast majority of **documentary production** activity was in the form of television programming. Television series accounted 77% of documentary production volume over the five-year period, with another 19% coming from other television productions. Feature documentary films accounted for 4% of total production volume in the genre (see Figure 13).

Figure 13: Share of production volume, Documentary breakout

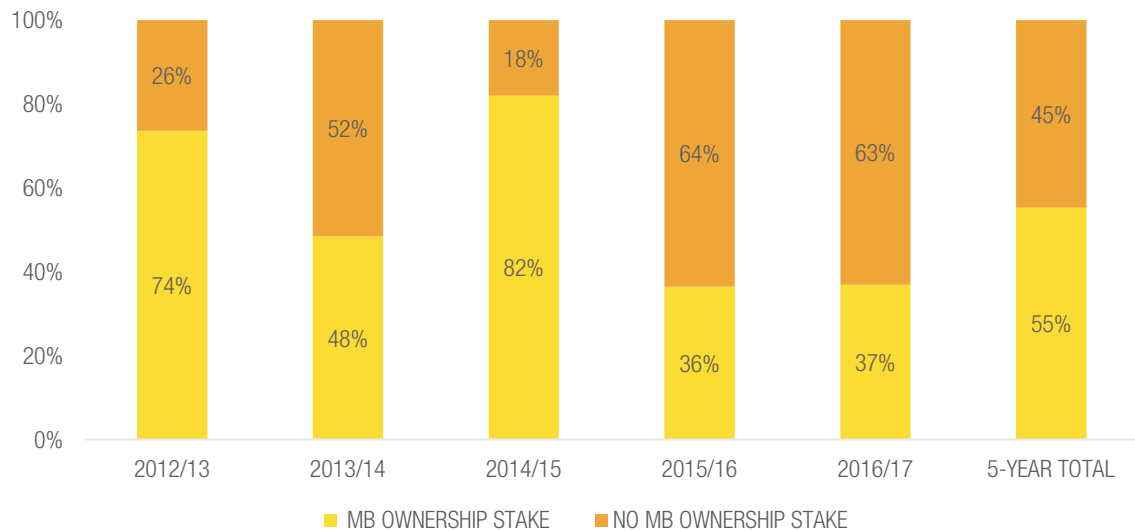


Source: MFM data 2012-2017



The analysis of production volume across different ownership models, production formats and genres, shows that Manitoba media production companies have at least some ownership stake in a large portion of the production volume over the last five years (an average of 45%), as illustrated in Figure 14.

Figure 14: Manitoba ownership stake as a % of total production volume, 2012/13 to 2016/17



Source: MFM data 2012-2017

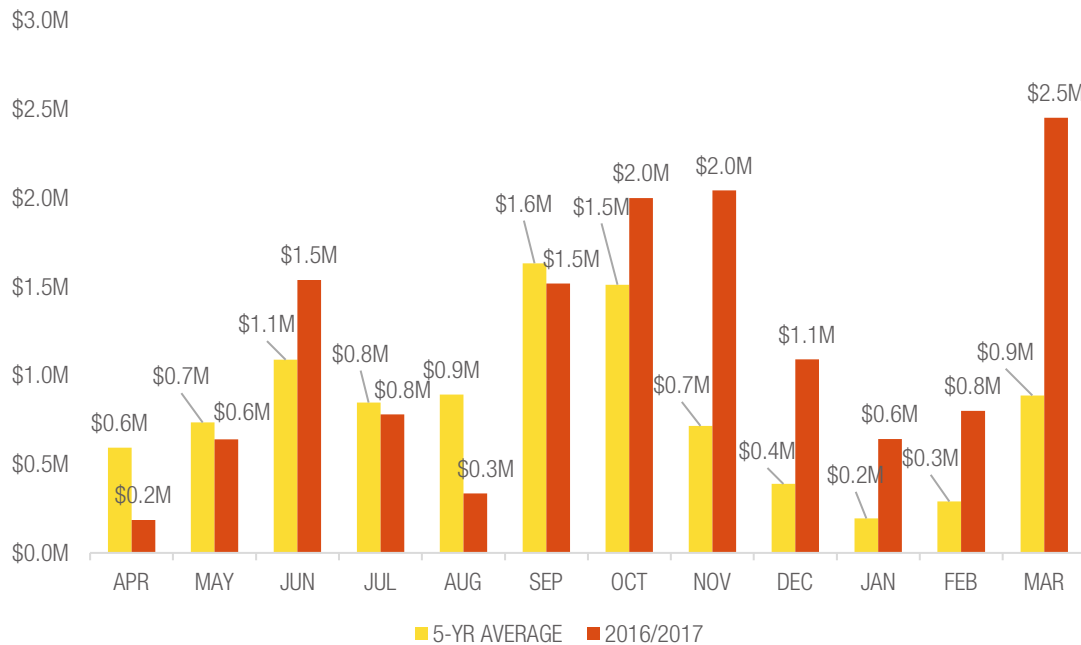
Manitoba-owned projects include a large number of documentary and factual series, which tend to have smaller budgets. The highest portion of production volume comprises feature film production, which is primarily high budget co-production and foreign service work.

3.2 Growth and Seasonality

As depicted in the previous section, the linear media production industry in Manitoba has experienced significant growth in the past year. It is notable, however, that production in Manitoba has not historically been evenly distributed throughout the year. Indeed, IATSE 856 payroll data shows that over the past five years, production activity has peaked in the summer and fall months (June through October) and dipped in the winter (December through February).



Figure 15: IATSE 856 payments by month, five-year average vs. 2017

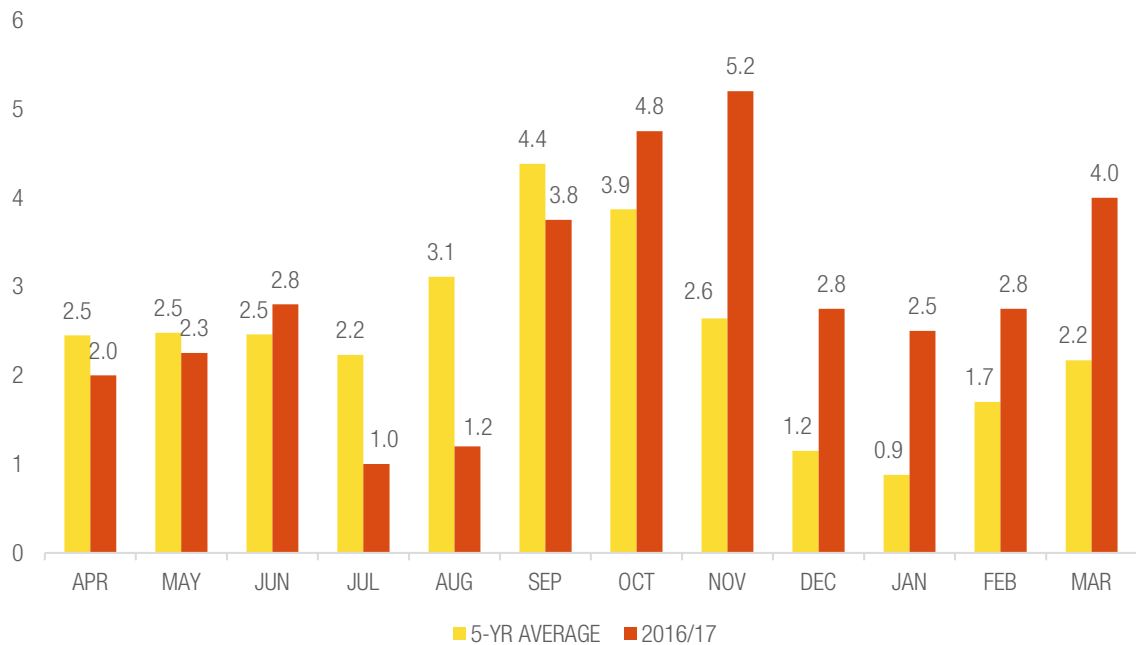


Source: IATSE 856 data 2012-2017

Historically, the relative shortage of a large, well-equipped soundstage has limited winter production. In the most recent year, however, the industry has outperformed the five-year average in each of the traditionally low months (as shown above). As such, the overall growth of the industry has seemingly resulted in a somewhat less seasonal industry.

While overall production level is a good indicator of activity, the number of concurrent productions also provides insight into the production industry's capacity. As the following chart illustrates, whereas the summer months have traditionally been the peak season for productions, 2016/17 saw more concurrent productions in many months – with particular growth in the winter months.

Figure 16: Number of concurrent productions, five-year average vs. 2016/17



Source: IATSE 856 data 2012-2017

Taken together, production volume and concurrent production data suggests that the industry's recent growth has resulted in a more year-round business. As a result, it is less prone to labour instability in off-periods as crews can remain employed for more months of the year. That said, it is still the case that the summer months are typically busier than winter months, and thus it is likely that enhanced infrastructure (i.e., a soundstage) would result in yet more business in those months.

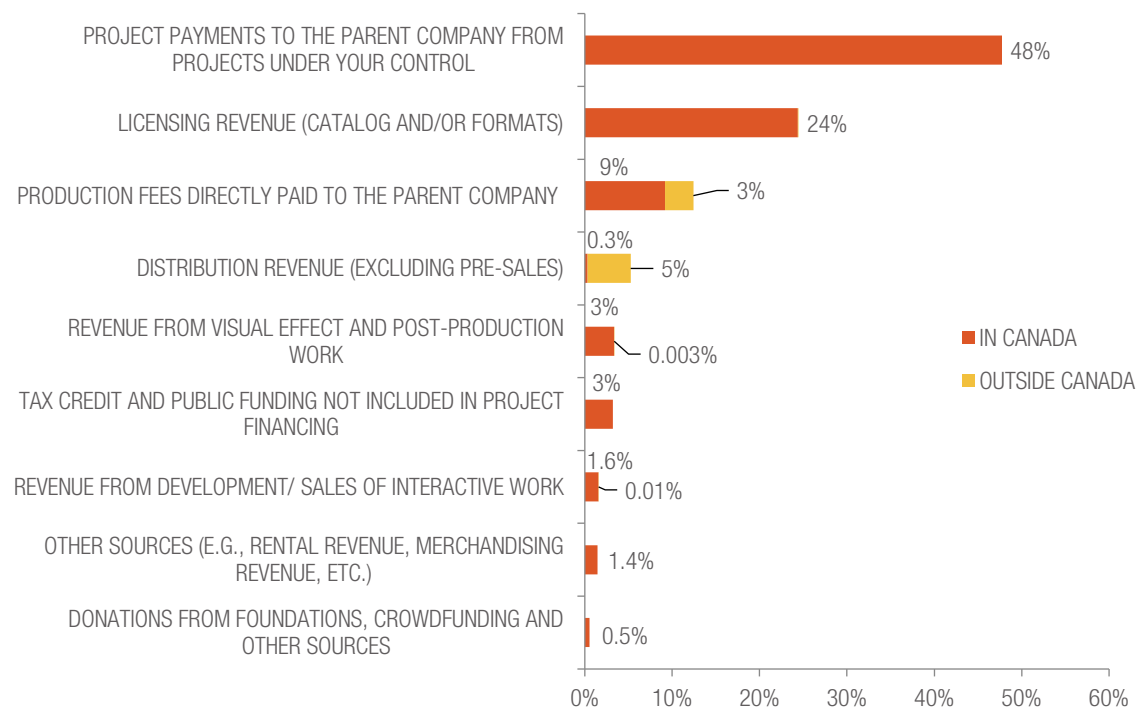
3.3 Revenue, Expenditures and GDP Generated by Manitoba's Production Industry

Based on the company survey, it is estimated that Manitoba's production companies earned **\$112.5 million** in revenue in 2016. Revenue data was only gathered for the most recent fiscal year, to avoid unnecessary burden on the part of company respondents (and to ensure adequate response rates).

The company survey showed that the primary source of this revenue (accounting for 48% of it) was from payments to the parent company from projects under its control. However, as shown in Figure 17, company revenue in the linear media production industry comes from a variety of other sources as well. Licensing revenue of owned intellectual property (e.g., catalogue content or formats) made up nearly a quarter (24%) of company revenue, while production fees accounted for another 12%. Later stage distribution earned companies 5% of their overall revenue. Production fees and distribution revenue (excluding pre-sales) were the only two streams to bring in revenue from outside of Canada, although neither did so in a substantial way.

Linear media production companies in Manitoba generated an estimated \$452.3 million in total GDP for the Manitoba economy from 2012/13 to 2016/17.

Figure 17: Revenue by source, within and outside of Canada



n=34

Source: Nordicity WAVES survey 2017

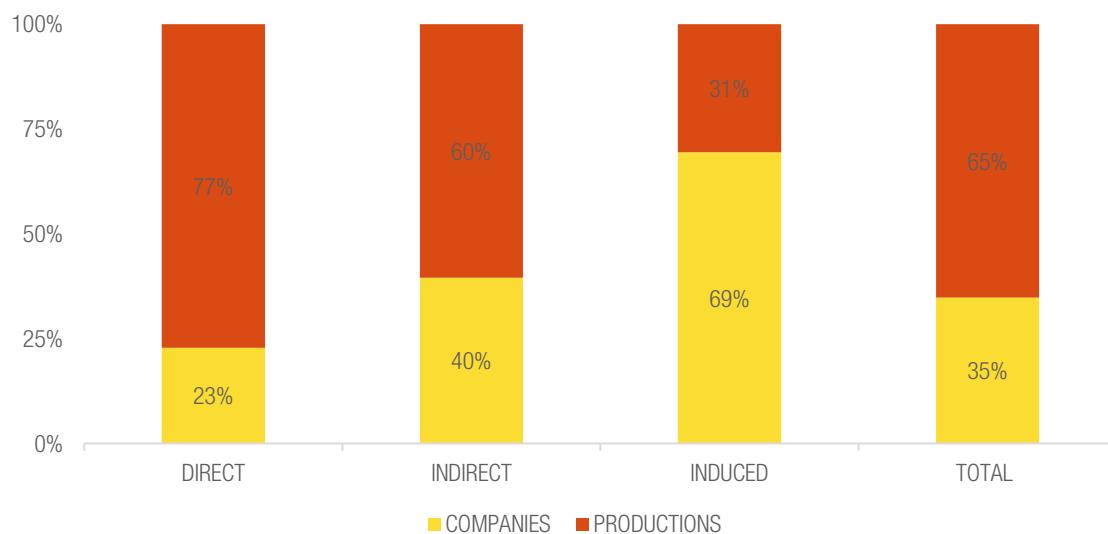
Based on data provided by MFM, **expenditures on productions that received a tax credit totaled \$361.5 million over the five years.** These expenditures, combined with the expenditures of linear media production companies, both of which include supplies as well as wages and salaries, generated an estimated **\$452.3 million in total GDP for the Manitoba economy from 2012/13 to 2016/17.**

Table 1: GDP impact of Manitoba's linear media production industry, 2012/13 to 2016/17¹⁰

	2012/13	2013/14	2014/15	2015/16	2016/17	Five-year Average
Direct	\$48.6M	\$38.1M	\$48.8M	\$30.5M	\$55.6M	\$44.3M
Indirect	\$40.4M	\$30.8M	\$39.4M	\$24.0M	\$43.3M	\$35.6M
Induced	\$11.4M	\$9.5M	\$11.4M	\$7.6M	\$13.3M	\$10.7M
Total	\$100.3M	\$78.1M	\$99.7M	\$61.9M	\$112.2M	\$90.5M

Source: Nordicity WAVES survey 2017, MFM data 2012-2017, Nordicity MyEIA Model and Statistics Canada

On average, approximately 65% of the combined direct, indirect and induced GDP impact of the industry came from productions, with the other 35% being generated by company operations. This breakdown is presented in further detail in Figure 18, below.

Figure 18: GDP impact, by source, based on five-year average

Source: Nordicity WAVES survey 2017, MFM data 2012-2017, Nordicity MyEIA Model and Statistics Canada

¹⁰ GDP impact of production companies for 2012/13 to 2015/16 are extrapolated based on the ratio of company-generated GDP to production-generated GDP in 2016/17, due to the fact that the company survey only gathered data from respondents on their most recently completed fiscal year.

Media Production Companies in Manitoba | Key Takeaways:

- There are an estimated 62 companies in Manitoba's linear media production industry, 40% of which have been active in media production for over 10 years.
- The industry's production volume between 2012/13 and 2016/17 totaled nearly \$723.0 million, an average of \$144.6 million of production each year.
- Manitoba companies owned at least some stake in 45% of the total production volume over the five-year period;
- The average production budget over the five-year period across all segments was approximately \$461,000, although budget vary significantly between ownership structures. The average was much higher for foreign productions (\$5.2 million) and co-productions (\$5.1 million), and lower for Manitoba productions (\$361,000).
- The industry generated an estimated \$452.3 million in total GDP for the Manitoba economy from 2012/13 to 2016/17 – on average, 65% of the annual GDP impact came from productions, with the other 35% generated by company operations.



4. Linear Media Production Workforce and Employment in Manitoba

On average, from 2012/13 to 2016/17, Manitoba's linear media production industry directly sustained **880 FTE** positions. The total employment impact of the industry, including at the indirect and induced levels of economic impact was an average of **1,560 FTEs**. The annual breakdown of FTEs across the three levels of economic impact is shown in Table 2, below.

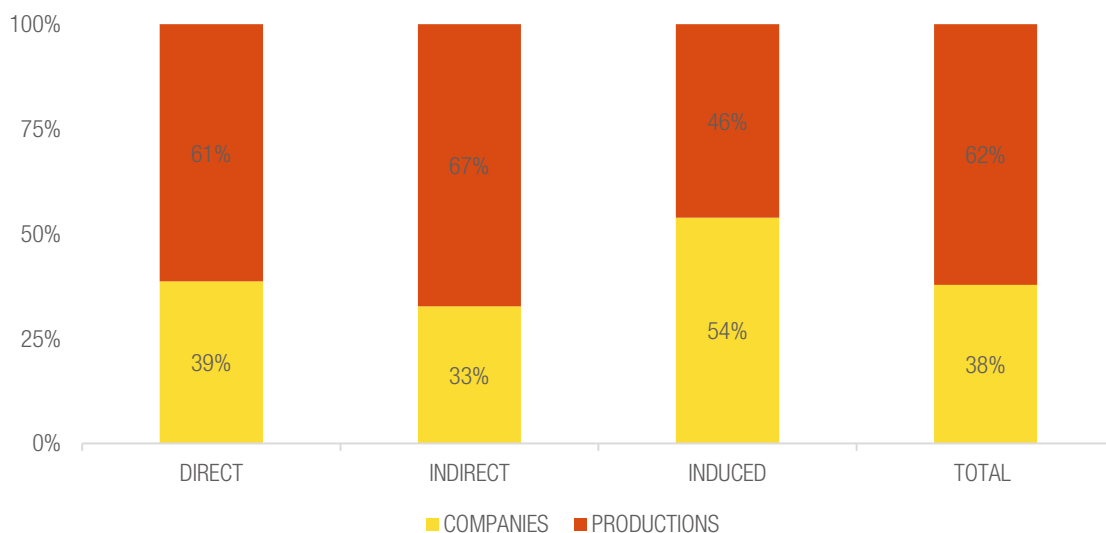
Table 2: Employment impact of Manitoba's linear media production industry, FTEs¹¹

	2012/13	2013/14	2014/15	2015/16	2016/17	Five-year Average
Direct	990	770	960	590	1,060	880
Indirect	630	480	610	370	670	550
Induced	140	110	140	90	160	130
Total	1,760	1,360	1,710	1,050	1,890	1,560

Source: Nordicity WAVES survey 2017, MFM data 2012-2017, Nordicity MyEIA Model and Statistics Canada

On average, approximately 62% of the combined direct, indirect and induced FTEs generated by the industry came from productions, with the other 38% being generated by company operations. This breakdown is presented in further detail in Figure 16, below.

Figure 19: Employment impact, FTEs, by source, based on five-year average



Source: Nordicity WAVES survey 2017, MFM data 2012-2017, Nordicity MyEIA Model and Statistics Canada

¹¹ The number of FTEs generated by production companies for 2012/13 to 2015/16 are extrapolated based on the ratio of company-generated GDP to production-generated GDP in 2016/17, due to the fact that the company survey only gathered data from respondents on their most recently completed fiscal year.

These positions, over the course of the five years, generated approximately **\$370.1 million in labour income**. The annual breakdown of labour income across the three levels of economic impact is shown in Table 3, below.

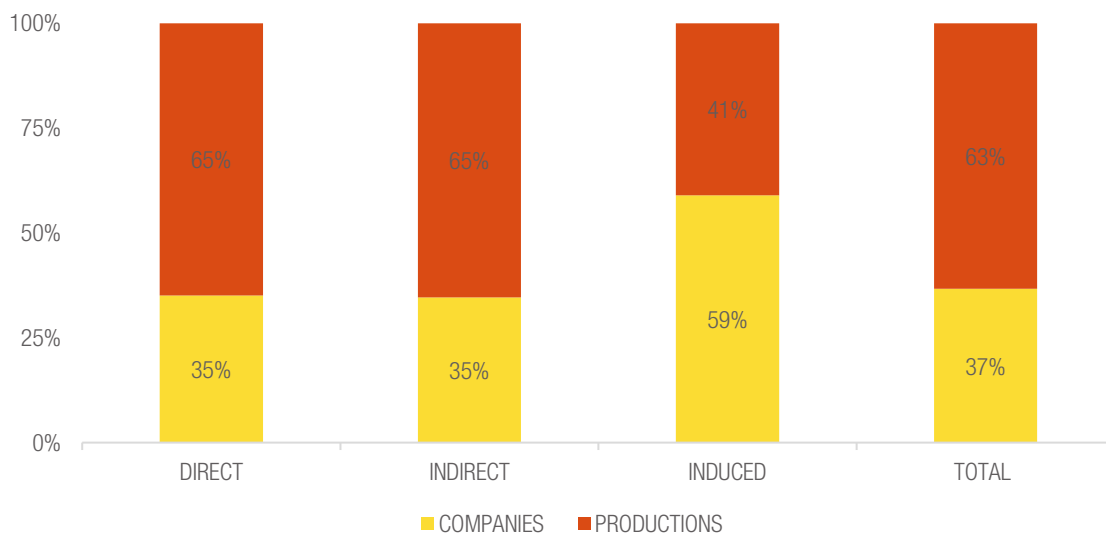
Table 3: Employment impact of Manitoba's linear media production industry, labour income¹² (millions)

	2012/13	2013/14	2014/15	2015/16	2016/17	Total
Direct	\$51.1M	\$40.1M	\$51.4M	\$32.0M	\$58.5M	\$46.6M
Indirect	\$25.0M	\$19.1M	\$24.4M	\$14.9M	\$26.8M	\$22.1M
Induced	\$5.7M	\$4.8M	\$5.7M	\$3.8M	\$6.7M	\$5.3M
Total	\$81.9M	\$64.0M	\$81.5M	\$50.7M	\$92.0M	\$74.0M

Source: Nordicity WAVES survey 2017, MFM data 2012-2017, Nordicity MyEIA Model and Statistics Canada

On average, approximately 63% of the combined direct, indirect and induced labour income generated by the industry came from productions, with the other 37% being generated by company operations. This breakdown is presented in further detail in Figure 17, below.

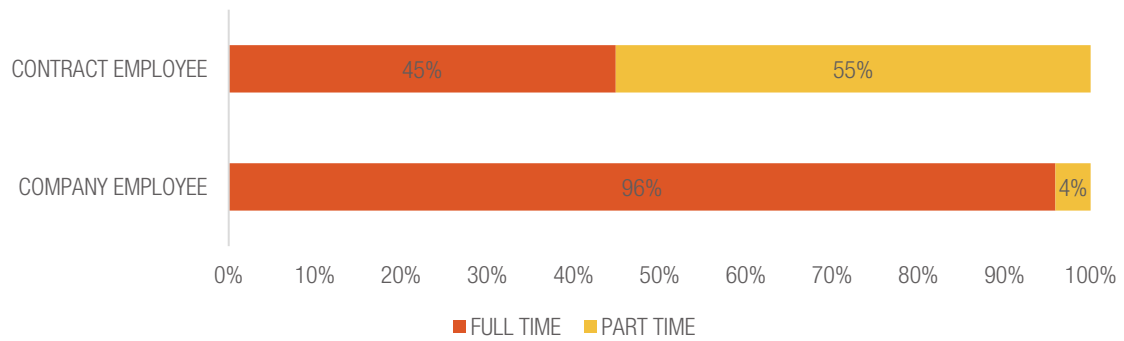
Figure 20: Employment impact, labour income, by source, based on five-year average



Source: Nordicity MyEIA Model, based on Nordicity WAVES survey 2017, MFM data 2012-2017

Production companies employed an estimated average of 340 FTEs directly, with just under half (44%) of them being permanent company employees and the remainder (56%) on contract. Permanent company employees were highly likely to be in full-time positions (96% of them were reported to be full-time). Contract employees, on the other hand, were slightly more likely to be part-time (55%) than full-time (45%).

¹² Labour income generated by production companies for 2012/13 to 2015/16 are extrapolated based on the ratio of company-generated GDP to production-generated GDP in 2016/17, due to the fact that the company survey only gathered data from respondents on their most recently completed fiscal year.

Figure 21: Breakdown of full-time company employees, by full-time and part-time

n=22

Source: Nordicity WAVES survey 2017

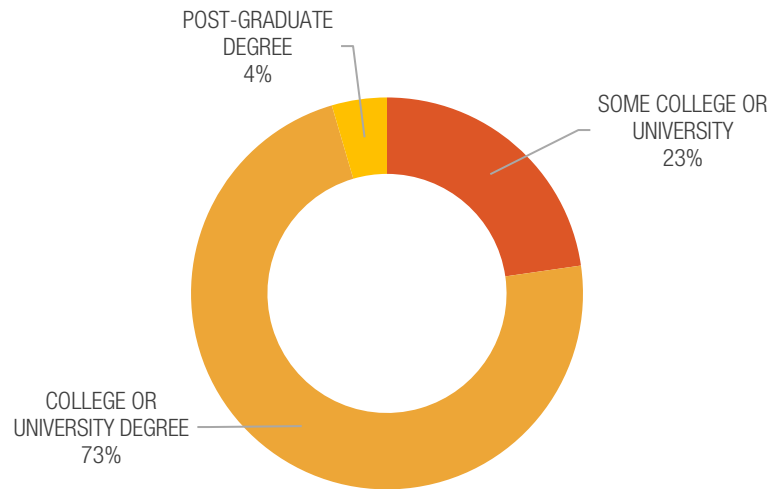
Based on the company survey, it is estimated that the average salary for a full-time employee at a linear media production company in Manitoba was \$50,000 in 2016. For productions, the average FTE salary in 2016 was estimated at \$56,500.¹³ These figures can be compared to \$46,000 industrial aggregate across the Manitoba economy.¹⁴

The linear media production workforce is highly educated. The company survey revealed that among full-time employees at linear media production companies, the level of education is at a college or university level – 73% reported that their full-time employees on average have a college or university degree (see Figure 22), much higher than the province-wide prevalence of college or university degrees (47%).¹⁵

¹³ *Profile 2016: Economic Report on the Screen-based Media Production Industry in Canada*, Canadian Media Producers Association (CMPA) in collaboration with the Department of Canadian Heritage, Telefilm Canada, Association québécoise de la production médiatique (AQPM) and Nordicity.

¹⁴ Based on weekly income in July 2016 Statistics Canada, CANSIM table 281-0063.

¹⁵ 2011 National Household Survey - Statistics Canada

Figure 22: Level of education

n=22

Source: Nordicity WAVES survey 2017

Media Production Workforce and Employment in Manitoba | Key Takeaways:

- On average, from 2012/13 to 2016/17, Manitoba's linear media production industry sustained 1,560 FTEs – 62% through productions and 38% through company operations.
- The total labour income generated by these FTEs over the five-year period is estimated at approximately \$370.1 million.
- The linear media production workforce in Manitoba is well-paid and highly educated.

A thriving linear media production industry in Manitoba enables uniquely Manitoban stories to be captured and shared.



5. Tax Revenue Generated by Manitoba's Linear Media Production Industry

In addition to the industry growth and economic impact discussed in previous sections, public investments in the linear media production industry through the variety of support programs also have a direct return in the form of tax revenue. The fiscal impact of the industry at the federal and provincial level was approximately \$151.9 million (or an average of \$30.4 million per year). The breakdown of the industry's fiscal impact is presented in Table 4.

Table 4: Fiscal impact of Manitoba's linear media production industry, federal and provincial¹⁶

	2012/13	2013/14	2014/15	2015/16	2016/17	Five-year Average
Personal income taxes	\$15.7M	\$12.4M	\$15.8M	\$9.9M	\$18.0M	\$14.4M
Corporation income taxes	\$5.5M	\$4.3M	\$5.5M	\$3.4M	\$6.2M	\$5.0M
Consumption taxes	\$8.1M	\$6.3M	\$8.1M	\$5.0M	\$9.1M	\$7.3M
Local property taxes and other fees	\$4.1M	\$3.2M	\$4.1M	\$2.6M	\$4.6M	\$3.7M
Total	\$33.5M	\$26.2M	\$33.5M	\$20.8M	\$37.9M	\$30.4M

Source: Nordicity WAVES survey 2017, MFM data 2012-2017, Nordicity MyEIA Model and Statistics Canada

On average, about 55% of the annual combined fiscal impact came from productions, with the other 45% generated by company operations. Personal income taxes from company operations, made up approximately 55% of all personal income tax revenue, outweighing those generated by productions and illustrating the high rate of internal company employment (and income) related to producing corporate-owned media in Manitoba.

Looking more specifically at tax revenue generated by the industry for the Province of Manitoba, the following table illustrates that the industry has contributed \$89.6 million over the last five years (or an average of \$17.9 million per year) – or 59% of all tax revenue generated by the industry over that period.

Table 5: Fiscal impact of Manitoba's linear media production industry, provincial only

	2012/13	2013/14	2014/15	2015/16	2016/17	Total
Personal income taxes	\$6.9M	\$5.5M	\$7.0M	\$4.4M	\$8.0M	\$31.7M
Corporation income taxes	\$3.4M	\$2.7M	\$3.4M	\$2.1M	\$3.8M	\$15.4M
Consumption taxes	\$5.3M	\$4.1M	\$5.2M	\$3.3M	\$5.9M	\$23.8M
Local property taxes and other fees	\$4.1M	\$3.2M	\$4.1M	\$2.6M	\$4.6M	\$18.7M
Total	\$19.8M	\$15.5M	\$19.7M	\$12.3M	\$22.3M	\$89.6M

Source: Nordicity WAVES survey 2017, MFM data 2012-2017, Nordicity MyEIA Model and Statistics Canada

¹⁶ Tax revenue from production companies for 2012/13 to 2015/16 are extrapolated based on the ratio of company-generated tax revenue to production-generated tax revenue in 2016/17, due to the fact that the company survey only gathered data from respondents on their most recently completed fiscal year.

Tax Revenue Generated by Manitoba's Linear Media Production Industry | Key Takeaways:

- Manitoba's linear media production industry generated a total of \$151.9 million in tax revenue between 2012/13 and 2016/17, or an average of \$30.4 per year.
- The majority (59%) of that revenue was collected by the Province of Manitoba, totaling \$89.6 million over the five-year period.

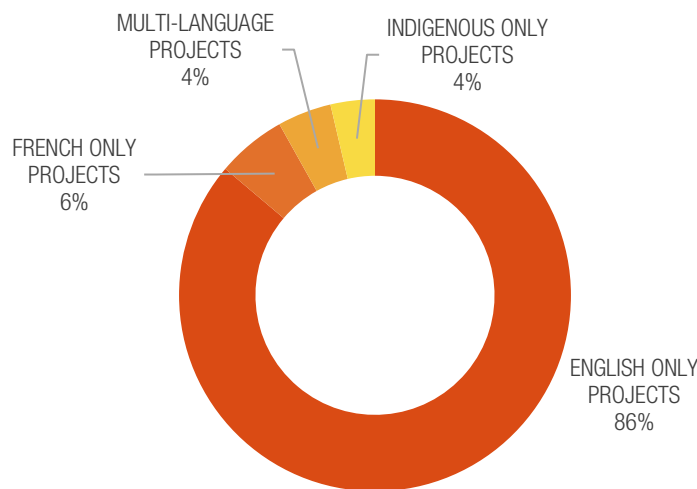


6. Diversity in Manitoba's Media Production Industry

A thriving linear media production industry in Manitoba enables uniquely Manitoban stories to be captured and shared. At this time, however, the industry has the potential to better reflect the diversity of the province's population.

Company survey results revealed that in the 2016 fiscal year, the majority of projects (86%) that were produced in Manitoba were in English (see Figure 23). This proportion represents a significant increase from 2012, when just over half (52%) were English-only.¹⁷ French-only productions represented 6% of projects, while productions in an Indigenous language and multi-language projects made up 4% each.

Figure 23: Project languages in 2016

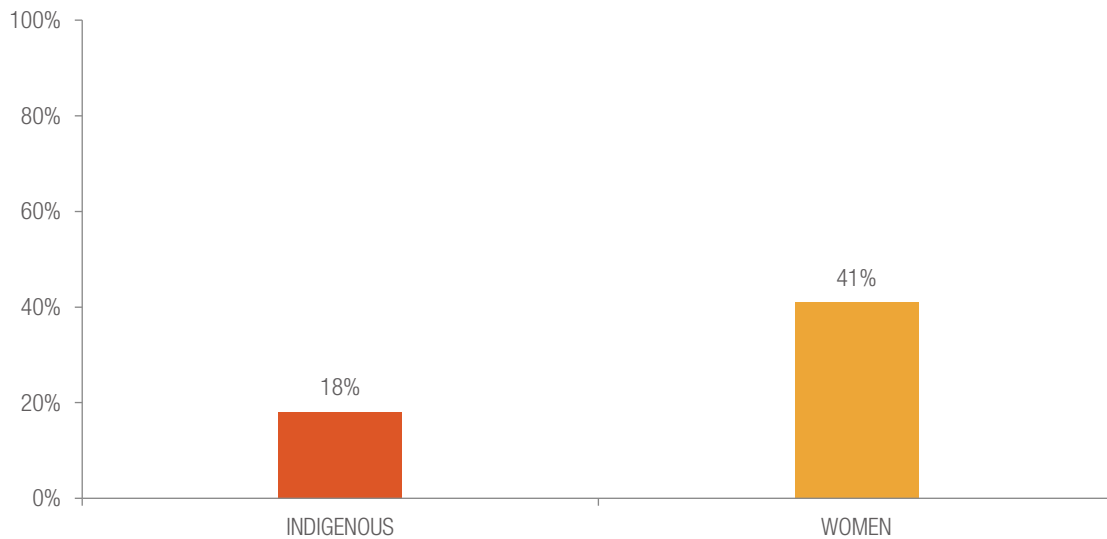


n=37

Source: Nordicity WAVES survey 2017

In terms of the diversity among owners of linear media production companies in Manitoba, OSM data suggests that over 40% of owners identify as women, whereas 18% are from an Indigenous community (i.e., First Nations, Metis and/or Inuit).

¹⁷ *Snapshot 2013: The Manitoba Media Production Industry Economic Impact Study*, developed by Nordicity for On Screen Manitoba.

Figure 24: Indigenous and women ownership of Manitoba linear media companies

Source: OSM Production Company data

These figures are not far from the distribution of Manitoba's overall population, where 17% of the population is Indigenous,¹⁸ and 48% of the workforce is women.¹⁹

Diversity in Manitoba's Media Production Industry | Key Takeaways:

- Manitoba's linear media production industry has the potential to better reflect the diversity of the province's population.
- The vast majority of projects in 2016 were produced in English, with minimal representation of French-only, Indigenous languages and multi-language projects.
- Owners of Manitoba linear media production companies fairly represent women and the Indigenous community.

¹⁸ 2011 National Household Survey - Statistics Canada

¹⁹ 2011 National Household Survey - Statistics Canada

7. Industry Development Programs

Manitoba's linear media producers benefit from a robust range of incentives and support programs. In general, these programs can be analyzed in two groups:

1. Programs administered directly by public-sector agencies, and
2. Programs offered by industry associations and specialized training institutions.

The following two sub-sections explore these programs in more detail.

7.1 Public-Sector Programs

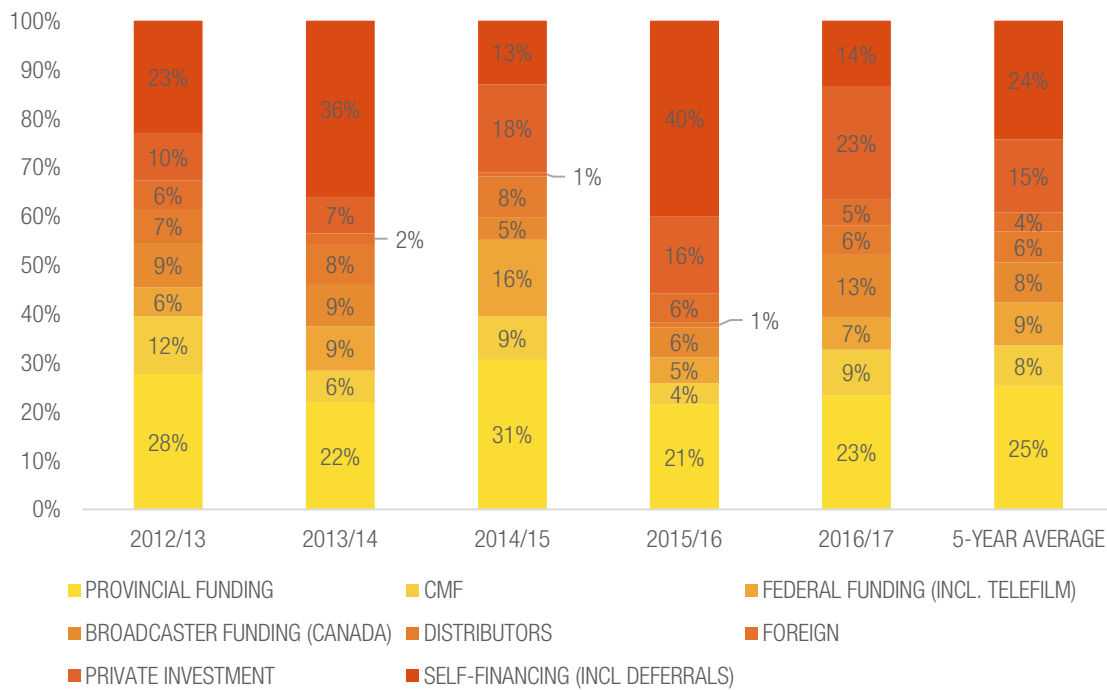
The primary production incentive is the **Manitoba Film and Video Production Tax Credit (MFVPTC)** program, which in the 2015 Budget was extended until December 2019. The MFVPTC offers productions a choice between a Cost-of-Salaries or Cost-of-Production refundable corporate tax credit:

- The "labour spend" option offers up to 65% in credit, including a 45% base rate and bonuses for frequent filming, shooting in rural locations, or having a Manitoba resident in the role of Producer, Co-Producer, or Executive Producer.
- The "all-spend" option offers a 30% credit on eligible Manitoba expenditures, including labour.

Manitoba Film and Music (MFM) provides support to the industry through a number of programs. Most crucially, it is the administering body of the MFVPTC, but it also provides equity investments and grants. From 2012/13 to 2016/17, funding from the Province contributed an average of 25% toward the total financing of productions (as shown in Figure 25). At the same time, it is notable that productions were self-financed at approximately the same rate (24%) of the five-year period.



Figure 25: Financing breakdown for productions that received a tax credit, 2012/13 to 2016/17



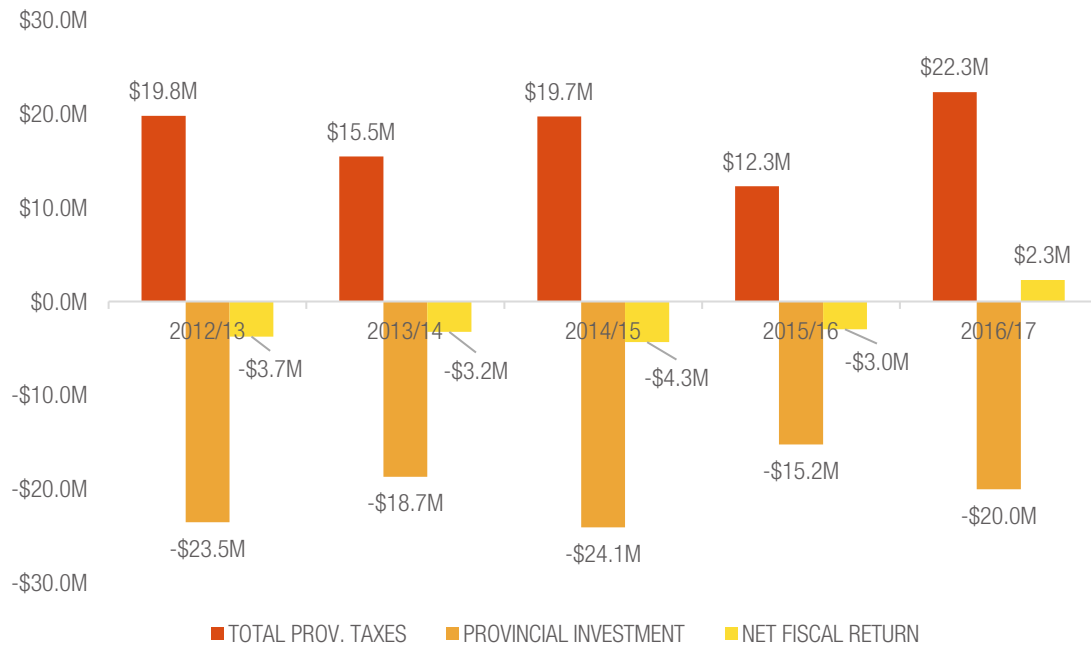
Source: MFM data 2012-2017

Although most of the remaining financing for Manitoba-based production originated from other Canadian funding sources (i.e., Federal taxes credits, the Canada Media Fund, Telefilm Canada, and Canadian public and private broadcasters), those productions succeeded in attracting almost \$20 million in financing from outside Canada (4% of the total).²⁰

Across the five-year period, the total provincial outlay related to support programs directly offered to the linear media production industry totaled \$101.6 million, or an average of \$20.3 million annually. When compared to the provincial tax revenue generated by linear media production (as illustrated in Table 5), it can be observed that the recent growth (in 2016/17) has led to a net positive fiscal return for the MFVPTC, as illustrated below.

²⁰ It may be the case that some “private investment” was derived from sources outside of Canada; however, MFM data does not make a distinction between the sources of private investment.



Figure 26: Fiscal return on investment, 2012/13 to 2016/17

Source: Nordicity analysis (Total Prov. Taxes), MFM data 2012-2017 (Provincial Investment)

While the most recent year is the only one in the last five years to see a positive fiscal return, it is important to recall that the provincial outlays (largely the MFVPTC) can be seen as investments in the industry. To that end, the following table relative, production volume, GDP and employment (FTEs) benefits accrued per \$1 million of provincial investment.

Table 6: Return on provincial investment (per \$1 million), 2012/13 to 2016/17

	2012/13	2013/14	2014/15	2015/16	2016/17	Five-year Average
Total Production (\$M)	5.8	7.6	6.2	7.9	8.7	7.1
Direct FTEs	42.1	41.2	39.9	38.7	52.9	43.3
Total FTEs	74.8	72.7	71.0	68.9	94.4	76.8
Direct GDP (\$M)	2.1	2.0	2.0	2.0	2.8	2.2
Total GDP (\$M)	4.3	4.2	4.1	4.1	5.6	4.5

As illustrated above, not only did provincial investment in the linear media production industry yield a net positive fiscal return in the last year, but it was also more efficiently deployed to generate employment and GDP impact.

7.2 Industry Associations and Specialized Training Institutions

On Screen Manitoba (OSM), the provincial industry association, includes industry professionals (producers, writers, directors, crew), production companies, service suppliers, unions, film festivals and training organizations. Its members reflect the diversity of the Manitoba's population and work in English- and French-language markets. OSM represents, promotes and grows the linear media production sector on all digital platforms through:

- Active engagement with local, provincial and national stakeholders;
- Export and market access initiatives that connect members to business partners nationally and internationally, and includes an annual forum that brings decision-makers to Manitoba;
- Market-driven mentorships, accelerators and professional development; as well as,
- Regular communication of industry trends enhanced by local, national and international marketing partnerships.

Film Training Manitoba (FTM) is the linear media production industry sector council, providing current and emerging media production professionals with access to classes and workshops, online training, internships and placements, and career guidance.

Based in Winnipeg, the **National Screen Institute (NSI)** offers mentorship and training for film, television and digital media writers, directors and producers across Canada. Some of NSI's programs benefit the Manitoba media production industry, notably programs for Indigenous people.

Manitoba's linear media production industry also has access to industry-agnostic business and skills development supports through other provincial programs. For example, the employer-driven **Canada-Manitoba Job Grant** supports direct training costs for existing or prospective employees. Other programs have existed in the past, and new programs to support business growth have been developed.

Industry Development Programs | Key Takeaways:

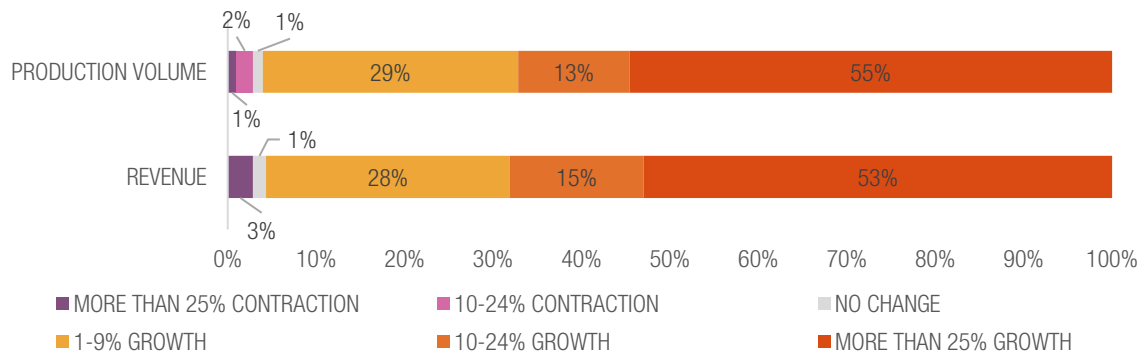
- Manitoba's linear media producers benefit from a robust range of incentives and support programs.
- From 2012/13 to 2016/17, funding from the Province invested an average of 25% toward the total financing of productions, roughly the same amount as producers (24%).
- In 2016/17, the net fiscal return to the Province on its investment was \$2.3 million.
- On average (over the last 5 years), each \$1 million of provincial investment has been leveraged to create \$7.1 million in production, 77 FTEs and \$4.5 million in GDP.



8. Future Outlook

Manitoba's linear media production companies anticipate significant growth in the coming years. Figure 27 shows the projected growth in revenue and production volume among respondents to the company survey.²¹ In terms of both revenue growth and production volume growth, nearly all respondents indicated that they anticipate growth over the coming two years, with more than half stating that this growth is expected to exceed 25%.

Figure 27: Projected growth in revenue and production volume over the next two years, weighted by production volume



n=31

Source: Nordicity WAVES survey 2017

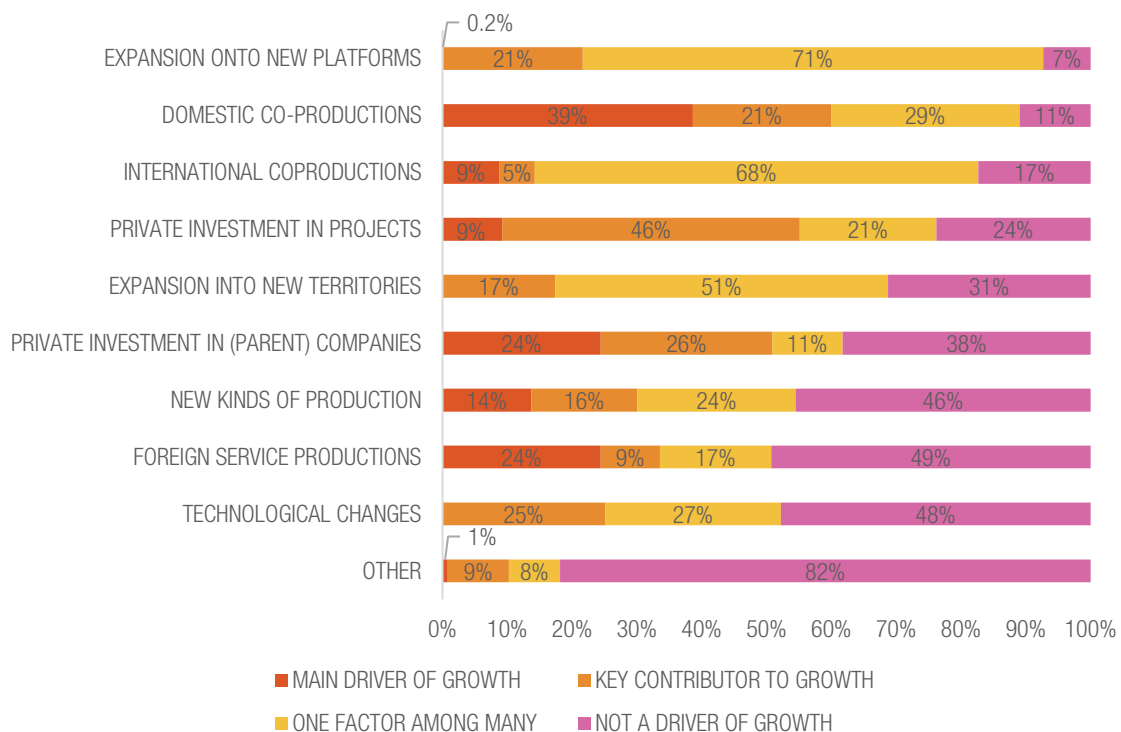
Overall, companies indicated that this anticipated growth would be driven by expansion onto new platforms, co-productions and private investment (either into parent companies or directly into projects). Figure 28 details the answers to questions about the main drivers of the growth.²²

²¹ Responses have been weighted by production volume, so that larger producers' contribution to the overall response is enhanced.

²² Responses have been weighted by production volume as well, making it comparable with the question regarding growth.

Nearly all respondents indicated that they anticipate growth over the coming two years, with more than half stating that this growth is expected to exceed 25%.

Figure 28: Main drivers of growth, weighted by production volume



n=25

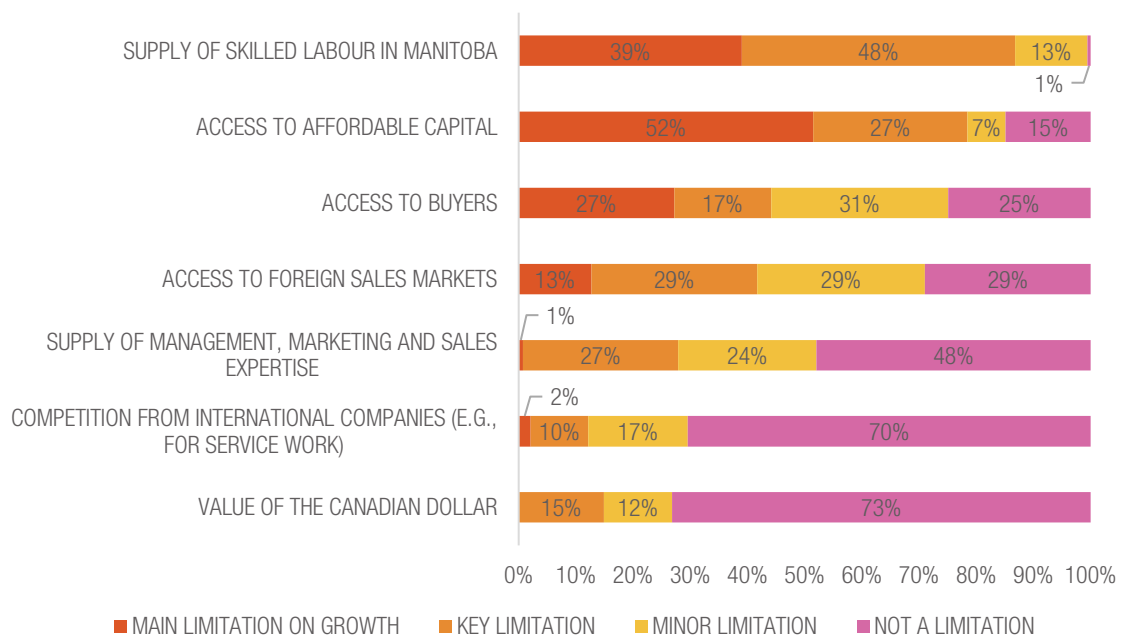
Source: Nordicity WAVES survey 2017

Each of these drivers of growth, however, also presents new challenges for linear media producers. As the industry overall continues to adapt to the changing media landscape, and new platforms and technologies open doors to new types of content and expanded markets, the path to distribution becomes more difficult to navigate. New skills and connections are required to access opportunities for international co-productions, as well as those presented by new production types and platforms (and the new markets they represent), especially in an increasingly international marketplace.

Marketing and promotion, which are essential to discoverability in the evolving media ecosystem, are increasingly the responsibility of producers (rather than broadcasters and/or distributors as they may have traditionally been). With the focus on international markets and co-productions, companies are likely to face higher competition in the market for buyers.

Successful competition in those markets is likely to require skill development within linear media production companies (e.g., social media community management, in-market marketing expertise). Indeed, the most significant limiting factor among respondents was the supply of skilled labour in Manitoba, which also relates to the recent rapid growth of the industry. This concern is followed by access to buyers and access to affordable capital. On the other hand, competition with international companies and the value of the Canadian dollar do not appear to be hindering the growth of linear companies in Manitoba. Figure 29 breaks down the responses to questions about the main limitations on growth for linear media companies.

Figure 29: Limitations on growth, weighted by production



n=31

Source: Nordicity WAVES survey 2017

As Manitoba's linear media production industry looks to the future, and aims to seize the opportunities on the horizon, it will need to address these key barriers to growth.

Future Outlook | Key Takeaways:

- Manitoba's linear media production industry anticipates significant growth in the coming years.
- This growth will be primarily driven by expansion onto new platforms, co-productions and private investment.
- The most significant barrier to growth will be supply of skilled labour in Manitoba, followed by access to buyers and to affordable capital.



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9. Conclusions

Within a national and indeed global context of rapidly shifting industry dynamics, Manitoba's linear media production industry continues to thrive. The stable levels of production activity over the past five years demonstrate the ongoing importance of the industry to the province. Over the five years from 2012/13 to 2016/17, Manitoba's estimated 62 linear media production companies:

- Had a total production volume of \$723.0 million, an average of approximately \$144.6 million in each year;
- Produced 346 projects that received a tax credit, representing an average of roughly 69 productions annually; and,
- Experienced a 43% increase from 2015/16 to 2016/17, with the latter year's production activity exceeding the five-year average by 20%.

The industry's production activity primarily comprises foreign service productions and co-productions, which represented the highest proportion of production volume over the five years, while the majority of the number of productions receiving a tax credit are solely owned by Manitoba-based production companies. Over half (\$391.5 million) of the production volume (for projects that received a tax credit) were in the fiction genre, but a total of 199 (or 57% of all projects) were documentaries.

The industry is not only diverse in the types of linear media it produces, but also in terms of its leadership – over 40% of owners identify as women, and 18% are from an Indigenous community, nearly on par with the broader provincial workforce and population.

The data presented in this report demonstrates the significant growth that Manitoba's linear media production industry has seen in the most recent year, with more productions happening throughout the year – even in the winter months that have historically seen much lower production activity. Furthermore, survey results revealed that companies anticipate significant growth in revenue and production volume the coming year. In fact, more than half stated expectations of growth exceeding 25%, as production companies see themselves taking advantage of the opportunities presented by new platforms, domestic and international partnerships, private investment and expansion into new territories.

In combination, the recent and anticipated expansion of the industry point to the increasing importance of capacity. Yet, companies shared that the most significant barriers to realizing this growth would be the supply of skilled labour in Manitoba, followed by access to buyers and to affordable capital. Therefore, capacity limitations may pose a risk to the growth potential of the industry, and its ability to continue to make an impact on Manitoba's economy.

Public investment in the industry, through a range of incentives and support programs including the MFVPTC, measurably benefitted Manitoba's production companies and in turn, the provincial economy. From 2012/13 to 2016/17, the total provincial outlay related to support programs directly offered to the linear media production industry totaled \$101.6 million, or an average of \$20.3 million annually. Over the five years, funding from the Province, on average, accounted for one-quarter of the financing of productions.



During the same period, Manitoba's linear media production industry generated an estimated \$452.2 million in total GDP for the Manitoba economy and directly sustained 880 FTE positions (1,560 FTE positions if the indirect and induced levels of economic impact are included). In fact, the 2016/17 production year resulted in higher GDP and employment impacts per dollar invested, and it also yielded a net positive fiscal return for the provincial government. In total, the fiscal impact of the industry at the federal and provincial level was approximately \$151.9 million, with the majority (59%, or \$89.6 million) in the form of tax revenue for the Province of Manitoba.

The expansion of industry activity and impact, combined with the collective optimism of production companies, signals continued growth on the horizon. Analysis of the return on the Province's investment in the industry not only shows a positive fiscal return in the most recent year, but also increased efficiency in the deployment of public support to generate economic impact.

Overall, the findings of this profile demonstrate that Manitoba's linear media production industry, supported by public investment through the variety of programs and incentives, has made a substantial impact on the provincial economy, has enabled uniquely Manitoban stories to be captured and shared with the world, and has the potential to continue to do so in the coming years.

