

HANSARD

NOVA SCOTIA HOUSE OF ASSEMBLY

COMMITTEE

ON

ECONOMIC DEVELOPMENT

Thursday, November 10, 2015

COMMITTEE ROOM

**Screen Nova Scotia / Nova Scotia Business Inc.
Re: Nova Scotia Film and Television Production Incentive Fund**

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ECONOMIC DEVELOPMENT COMMITTEE

Mr. Joachim Stroink (Chairman)
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Mr. Derek Mombourquette
Mr. David Wilton
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Mr. John Lohr
Hon. Sterling Belliveau
Hon. Denise Peterson-Rafuse

[Mr. Derek Mombourquette was replaced by Mr. Terry Farrell]

[Mr. David Wilton was replaced by Mr. Iain Rankin]

[Hon. Sterling Belliveau was replaced by Ms. Marian Mancini]

In Attendance:

Ms. Monica Morrison
Legislative Committee Clerk

Mr. Gordon Hebb
Chief Legislative Counsel

WITNESSES

Screen Nova Scotia

Mr. Scott Simpson - Vice-Chair / Director and Producer, Playmaker Films
Ms. Jan Miller - International Consultant
Mr. Bill Niven - Producer, Northeast Films

Nova Scotia Business Inc.

Ms. Laurel Broten - President and CEO
Mr. Mike Queripel - Director, Business Financing



House of Assembly
Nova Scotia

HALIFAX, TUESDAY, NOVEMBER 10, 2015

STANDING COMMITTEE ON ECONOMIC DEVELOPMENT

1:00 P.M.

CHAIRMAN
Mr. Joachim Stroink

MR. CHAIRMAN: Good afternoon everybody. I'd like to call this meeting to order.

This is the Standing Committee on Economic Development. Today's topic is the Nova Scotia Film and Television Production Incentive Fund. We will be having two presentations today: the first one is Screen Nova Scotia, followed by NSBI. We'll be wrapping up Screen Nova Scotia at 1:55 p.m. roughly, and then wrapping up NSBI. We'll have a five-minute break and then NSBI can come forward.

Just a reminder to the audience that the same rules that apply in the House also apply here, so there's no speaking from the gallery, there are no pictures, there are no films, there's no walking behind any of the members. You are more than welcome to tweet and that kind of stuff, but no pictures.

I ask the committee members to introduce themselves.

[The committee members introduced themselves.]

MR. CHAIRMAN: Just a couple of fire rules or any emergencies, exits are on the right and left here. There's coffee and water out in the hall, and the bathrooms are behind that. If there is an emergency, we ask that everybody proceed out and make your way to Grand Parade Square by St. Paul's Church - we will gather there.

Just one last housekeeping thing - I remind witnesses and members to be recognized before you speak so Hansard can pick up who is speaking.

With that, I will turn it over to Screen Nova Scotia, Mr. Scott Simpson, to introduce your team and start the proceedings.

MR. SCOTT SIMPSON: Thank you, Mr. Chairman, and good afternoon members of the Legislative Assembly and distinguished guests. First of all we would like to thank you for having us here today; we look forward to the opportunity for discussion.

By way of introduction, my name is Scott Simpson. I am the Vice-Chair of Screen Nova Scotia. I am a filmmaker, I am a director, a producer, and a writer. I've held just about every position in film and television production that there is. My roots are in Nova Scotia, but I am actually an immigrant to Nova Scotia. I've lived here for 20 years. I've been a student and a teacher here; I have been an employee and an employer. I've worked on productions that have filmed all over Nova Scotia; in fact, I've worked on productions that have filmed all over the world and have been exported to places all over the world. I've represented the province at film festivals and markets in Toronto, Montreal, Vancouver, Alberta, Los Angeles, New York, the United Kingdom, Australia, and more.

I am a homeowner; I live in Halifax. I am a hockey coach and I am the father of two children. I tell you all this because I like to think that in many ways I am a reasonably accurate representation of the average Nova Scotian film and television worker and business owner.

The reason we're here today is not to propose or defend that the Nova Scotia film and television industry is worthy of public support. You've heard those arguments and we are currently engaged in a study to better quantify and qualify that position. We know that the people of Nova Scotia support this industry. Government in the past has expressed its support for this industry and, I think, continues to do so. Even during this Spring's budget debate it was continuously stated that this industry was a valued part of the province.

We're not here to discuss that value, but rather to discuss how best to maximize that value. If, indeed, the film and television industry is a worthy investment then the question we're exploring today is how effective is that investment currently and how can it be more effective going forward.

If we are going to be in this business - and by "we" I mean the Province of Nova Scotia - then I think you'd all agree that we should be in it to succeed. We are here principally to focus on the present and the future.

Some context is in order and for that we must begin in the past. In fact, few know that Nova Scotia is the birthplace of feature film in Canada; the movie *Evangeline* was filmed here in 1913. The film and television industry proper in Nova Scotia goes back about 30 years. The National Film Board, the CBC, the Atlantic Filmmakers Cooperative - these were the real trailblazers in the industry.

Ultimately, the industry grew strong enough to justify the opening of a film development corporation. Funds were allocated to the corporation and were structured in various programs to help really kick-start and grow the industry - and a film tax credit was introduced in 1993, I believe it was.

Together these programs worked. The industry grew from about \$6 million in total production volume in 1993, when the tax credit was introduced, to approximately \$140 million in 2014. As the market for film and television production grew worldwide, so has the provincial industry. We've managed to maintain approximately 2 per cent of the total Canadian industry value.

As that value has grown, so has our part of it. There are approximately 2,500 - give or take - full-time equivalent workers in the industry, and by 2013 there were 105 companies registered in Nova Scotia that claimed film and television as their principal business, 84 of which are production companies. Some of those production companies focus on what we call service production, which is that they work with foreign producers to produce film and television programs here in Nova Scotia.

Others are local or domestic, or what we often refer to as indigenous production companies or productions. Those are the projects that are owned by Nova Scotian producers; they're intellectual properties owned by Nova Scotian producers. Since the introduction of the provincial tax credit, the percentage of local production has increased from less than 50 per cent in 1994 to 88 per cent in 2014, which means that up until this year, we boasted the second-highest ratio of domestic to foreign production. (Interruption) In Canada - that's right. Thank you.

These two segments of the industry support each other. Bigger budgets and service productions keep our crews employed. Between the local smaller productions, they help justify our equipment and service suppliers being here. There are a number of post-production houses, casting agencies, equipment suppliers, numerous shops, stores, hotels, car rental agencies, and other companies that all do business with the film and television industry. There are film schools, film festivals, non-profit organizations, and a whole host of screen-related organizations and activities that are woven into the provincial fabric.

And the film industry is one of the most effective redistributors of wealth. On average, 30 per cent of a film or television show's budget is spent on labour, which means approximately 70 per cent of that financing goes to other local companies - gas stations, grocery stores, lumber yards, et cetera. This happens all around the province. From Shelburne to Halifax, Windsor to Truro, Antigonish to Sydney, film and television is an environmentally friendly, labour-intensive mobile industry that relies simply on ideas, skilled labour, and access to capital.

That capital comes from a variety of sources. As producers, we're all entrepreneurs. To succeed, we must be effective in attracting capital. We attract that through broadcasters and distributors, through national private and public partnerships like the Canada Media Fund, Telefilm Canada and other sources of funding, from international and interprovincial co-producers, private investment, et cetera - and through tax credits, including the federal labour-based tax credit. The great majority of this funding comes from out of province. On average, any film or television project will bring about \$3 to \$4 of non-provincial funds to the province for every \$1 of provincial funding.

Until this year, our provincial funding came in the form of a provincial labour-based tax credit, which you're all familiar with. This is a popular jurisdictional tool in that it is guaranteed to the producer, it's non-discretionary, it's transparent, and it works for all productions regardless of size or genre. In a highly diverse industry such as ours, this kind of tool is ideal.

With the end of the tax credit this Spring came the launch of a new Production Incentive Fund. The attempt was to design a program that offered as many of the same qualities as a tax credit as possible, and in some cases it does. In others, it does not. I can't emphasize this point more - the goal was to make the province competitive. Not the most aggressive incentive, not the least; not the highest or lowest; not the best nor the worst - competitive.

It is important to note that to be competitive here in Nova Scotia, we need to be slightly above average. We are an extra flight from major production centres. We lack certain resources, like a soundstage. The goal of the Production Incentive Fund was built-in consideration of those limitations.

Now to the present - based on current analysis, we're failing to meet that goal, currently. There have been, I believe, 11 applications to the new Production Incentive Fund. Five have received funding, which is positive; however, these films represent somewhere between - and we're still working on some of these numbers - about a 75 to 90 per cent decrease in the production level, this half of the fiscal year versus last year. Many of the successful applicants have been forced to lower their budgets, cut wages, et cetera.

These are not the economic drivers that we feel they could be. We have considerable potential energy that we feel is not being exploited. We are not at capacity, we are arguably not competitive, we are leaving foreign investment on the table right now, but we are committed to meeting this goal. We feel there are a number of relatively simple but effective measures that can be taken to make us competitive again. We propose to look at the fund - what's working and what's not working - and to potentially make adjustments to address the nature of the \$10 million budget allocation, and to pursue some form of additional funding for domestic productions.

We believe that by working with government on these measures it is possible to meet the current challenges, and help put the building blocks in place for a sustainable industry.

Thank you. I am going to pass it on now to Jan Miller. Jan, I'll let you introduce yourself.

MS. JAN MILLER: Hi, thank you very much for having us here. As introduced, my name is Jan Miller. I am an international consultant that travels the world looking for opportunities for international co-production and leading delegations from Iran to China, Cannes to Berlin, and Colombia to Mexico. At all of those events, particularly the major events like Cannes and Berlin, it is key that Nova Scotia producers are at those events so that they can seek out co-production opportunities.

What I would like to do, in a very short amount of time, is sort of give you a comparison of now and a year ago. So for example, the main international markets that you may have read about in the paper - obviously Cannes; Berlin; MIPCOM, which is the largest television production market in the world; and the American Film Market that's happening now - when producers go to those events, they do not see any movies. They're there to do business. I think that's really important, because I think people think when you go to Cannes - I've now gone there for eight years and I haven't seen a movie, you're there to do business.

So at MIPCOM in 2014 it was a stellar year for Nova Scotia because they premiered *The Book of Negroes* to open that event. *The Book of Negroes*, which was a co-production of Nova Scotia, was a phenomenal accomplishment, and the attention that came to Nova Scotia, Bill - the co-producer - will talk a little bit more about. This year, one of our top producers went to MIPCOM and every year he comes back with several projects to bring back to Nova Scotia. This year that very successful established company brought back no projects.

The problem being, with the change in the incentives offered by Nova Scotia, that producer could not say to another producer, this is what I can bring to the table. All that producer can say is, I have to go back to Nova Scotia, do an application, and see what's possible.

The reality is, there is a huge competition in the world where they say, well thanks, but I am going to go somewhere else. So let's look quickly where they could go. Perfect example: two years ago Nova Scotia had the best tax credit in the country; now, Manitoba has the best tax credit in the country and Nova Scotia is at the lowest. Just to give you an example: we heard 11 productions and there are five that have been funded. Manitoba this past year had 13 feature films, two dramatic series, eight factual series, and 29 documentaries shot in Manitoba, creating some 1,300 highly skilled jobs.

Because it is such a competitive mobile industry, the senior producers and financiers around the world are looking at where to go, where they can get the best deal. A perfect example: Scotland has just created a production fund; Norway is introducing a production fund; the U.K. has improved its production fund - this is all within the last five or six months; France has improved its production fund; and perhaps one that is even closer to home, let's look at Sudbury. Sudbury has just recently put \$12.8 million into their fund, the Northern Ontario Fund.

Now, to give you a quick example of what's happening in Sudbury, they did an article in Sudbury and one of the things - I just have to show you this - they have a picture of a crew person working in Sudbury. Who is the crew person? It's Sarah Dunsworth from Nova Scotia and they are promoting, saying that the crew attraction, currently several crew members from Nova Scotia are debating relocating to Sudbury to live and work. Sudbury - have you been there? I have.

Another quick example: a senior producer in Nova Scotia wanted to attract - this is since the new incentive - a \$20 million TV series here to Nova Scotia. They met with the producers - the producers are from the U.S. - and they evaluated what Nova Scotia now has to offer. We lost it to Hamilton. It was a \$20 million series, \$14 million would have stayed in Nova Scotia. The reality is that everybody is going to go where the financing is the most secure.

Another quick final example is here in Nova Scotia; many of you may not be aware that we have one of the top international co-production markets in the world, called Strategic Partners. It happens every September; it's in its 18th year at the time of the Atlantic Film Festival. During that time, almost 200 senior producers and investors from around the world come to Nova Scotia to look for potential co-production partners with Nova Scotia and across Canada.

This year there was no significant provincial presence. In previous years, Nova Scotia hosted a lobster dinner, which was incredible and it is known for at Strategic Partners. Everybody says yes, I want to go, I want to see the province, and I want that lobster dinner. There was no - we had NSBI, the lovely Linda Wood attended the event, but there was no significant presence to ensure that we have the senior support of the province in helping production happen in this province.

So it's now a great pleasure to introduce you to one of the people who actually makes the work happen, Mr. Bill Niven.

MR. BILL NIVEN: Thanks folks for giving us this opportunity, we really appreciate it. This is an information session so we're pleased to be able to be here. My name is Bill Niven; I grew up in Sydney, Cape Breton. My first job in the industry was working for Mr. Hebb's brother-in-law. I went on then to work for the federal financing agency Telefilm Canada, and not to outdo you with the international, Jan, I did work in Toronto, Vancouver, Paris, London, and Los Angeles. Then I did a brief stint in the private

sector in New York. In 1996, I decided to move back here to Nova Scotia because my sense was, with the international proliferation of content outlets, cable, and all that, this was a golden opportunity for us to create and build on the industry we had here, the production industry. And, of course, it was nice to be home too.

Today I just wanted to make two quick points. I won't keep you long but I wanted to give a concrete example of how the Nova Scotia subsidies are economic drivers for the province, and I'm going to talk briefly about two projects that I did just to give you a concrete example of how it works. The first one was Heartbeat. It was a relatively small feature film that we did two years ago, all local - the director, writer, all the cast and crew. The budget was \$1 million. Of that, the Nova Scotia subsidies and investment, when we do get it - we haven't gotten that yet - will be about \$450,000. That means that we brought new money, \$550,000, into the province that wouldn't have existed before, all of which was spent locally.

The next project - a little bigger - which was The Book of Negroes, which Jan mentioned, the Nova Scotia budget was \$5.6 million, and the Nova Scotia subsidies and investment would be about \$1.6 million, when we get them. So that's \$4 million of new money that we brought into the province that wouldn't have existed. All of that money was spent on mostly labour, and goods and services, and believe me, taxes were paid on that money.

The Book of Negroes was a relatively small project at \$5.6 million. Projects like Haven - a big series - or some of the other television series that we shoot here - much, much bigger - a much bigger economic impact for that relatively modest investment from the province, which we are very grateful for and which we think really works well and can work well again.

You'll hear this grumbling from a lot of our members about the new incentive fund, which is great, but there's a cap on it - or a perceived cap anyway. I want to clarify it for you and give you some background on why you're hearing that from some of us.

Let's say that my company develops a TV series and work for a couple of years, we have the writer and we get the bible written and some of the scripts, we get some fancy graphics done, we're ready to pitch. We go to Toronto and we meet with CTV or Global or whomever we meet with there - all of them hopefully. I do my pitch and go away, and just after me, Buffalo Gal Pictures from Winnipeg comes in. They're a great company. They pitch another similar project, just as good in many ways. We both go away. So the executives at CTV or Rogers sit down and say, they're both good projects and Bill has delivered for us before - so has Buffalo Gal - but wait, Bill's financing, there's a cap on that fund in Nova Scotia. Maybe he'll get it, maybe he won't - let's go with Manitoba, that's for sure. We can't waste money and two years developing Bill's project if he's not going to get the money because there's a cap on that fund.

That's happening right now and that's a problem we have. You'll hear that from us and I just wanted to give you a real-life explanation of how that might work. That's really it from me. Thanks for the opportunity and we're very pleased. I think we're doing great stuff. We just got the new fund for our organization from the government. We're very happy with that and we think our relationship has been going well so we're pleased. Thanks for the opportunity.

MR. CHAIRMAN: Thank you, Mr. Niven. Since this was a topic of the government, I will turn the first question over to Mr. Rankin, followed by the Progressive Conservatives, and then followed by the NDP.

MR. IAIN RANKIN: Thank you for coming in today. I think it's an important topic. It's definitely relevant to the committee and the way that government supports industry through various programs.

The old program, as you know and alluded to, was 65 per cent of the wages that were being subsidized. The new incentive fund still has 25 per cent of an incentive for an all spend. So given the fact that payroll rebates are around the 10 per cent and below level - so the old program was actually six times more heavily subsidized - in your view, what makes one job in the film industry more valuable to the province than the industries where they have incentives?

MR. SIMPSON: Just to clarify, the base rate for the previous tax rate was actually 50 per cent, and with certain bonuses had the ability to go as high as 65 per cent, which was quite rare. The new incentive fund has a 25 per cent base and also has . . .

MR. RANKIN: Right, but up to 65 per cent so if you're outside of Halifax, you were at the 60 per cent level.

MR. SIMPSON: Outside of a certain regional geographic area there was a bonus, plus if you also were a returning producer. If you had up to three successful projects in the last two years you got an additional bonus, and then the length of time. So there were a number of bonuses but it's a complex beast.

MR. RANKIN: I heard today that it was the most generous in the country, and I've heard from people in the past in the industry that said that definitely wasn't true, so I'm glad that was actually admitted.

MR. SIMPSON: To clarify Jan's point, it actually wasn't the most generous if you count all of the bonuses available in every jurisdiction on every possible tax credit, it was about the third most generous tax credit, in fact. Rural British Columbia's animation tax credit is actually the highest in the country and . . .

MR. RANKIN: I'm just talking about film.

MR. SIMPSON: Right, and those have shifted over the years. It's now different than it was two years ago.

To get to your question, I think the argument, if you will, is a couple of things; one is, as I said before, it's a matter of being competitive with other jurisdictions, other film and television jurisdictions around the country and around the world, that's the key driving force there as to why that number was what it was.

I think the key attribute is the spinoff, the multiplier effect. The fact that what we're talking about is, as I said, on average every dollar of that tax credit generated \$3 to \$4 of out-of-province financing that came into the province and . . .

MR. RANKIN: Right, but there are multiplier effects in every industry. Manufacturing comes to mind.

MR. SIMPSON: But also it is a mobile industry so we're also talking about productions that are spread all around the province. Unlike manufacturing, it's not specific to one locale. We have a very diverse labour force that also comes and goes from all around the province. I think the specific nature of the film industry in some ways justifies a unique and custom-made tool in order to keep it sustainable.

MR. RANKIN: Can I just end with one question - and any of you can answer it, you all can if you want - is there any foreseeable future where the film industry does not require support? Will it ever be sustainable without support? Twenty, 30 years down the road, will it always require that . . .

MR. NIVEN: Name me one industry that doesn't.

MR. CHAIRMAN: Mr. Niven, go ahead.

MR. NIVEN: Can I have a point of order?

MR. CHAIRMAN: Yes, sure.

MR. NIVEN: If Mr. Rankin is going to interrupt our guy every two seconds, I want the right to be able to interrupt as well, every two seconds.

MR. CHAIRMAN: Fair enough, we'll try to keep it under control. Mr. Simpson, did you want to answer, or Mr. Niven, did you want to answer the question?

MR. NIVEN: It's apples and oranges, you can't compare the Royal Bank with local filmmaking.

MR. RANKIN: No, I'm comparing it to all industry, not just - you mentioned Royal Bank, I'm just asking comparative to all other industries that government supports, payroll rebates are available for new companies coming to Nova Scotia, so how . . .

MR. NIVEN: It's not a payroll rebate.

MR. RANKIN: Well that's what I'm asking, the comparison juxtaposed . . .

MR. NIVEN: It's an investment.

MR. RANKIN: . . . the way that government supports all other industries with the film industry, I'm just asking the question.

MR. NIVEN: You cannot compare it, I'm sorry, you can't compare it.

MR. RANKIN: Fair enough. Okay, thank you.

MR. CHAIRMAN: Ms. Miller, you had a comment?

MS. JAN MILLER: I just wanted to add to what Scott was saying. I think the fact that this industry in particular is significantly youth-driven, that is another reason why this industry should also be supported. I know the government has to make choices but I think the mobility, the green side of it, and the youth side of it are really good reasons why the industry should be supported.

MR. CHAIRMAN: Thank you, Ms. Miller. Mr. Dunn.

HON. PAT DUNN: Thank you, Mr. Chairman, and thank you for the presentation. I'm very pleased to hear that - Scott, you mentioned that you are committed to making this work, meeting the goal and so on.

Just a couple of general questions; one is, going forward, what Screen Nova Scotia is seeking from the government, like in future meetings, with the information you have now and the difference between last year and this year, so in future meetings what will you be seeking?

MR. SIMPSON: I'm sorry, specifically?

MR. DUNN: Yes, just basically if you're going to have future meetings with the government, what will you be asking of them?

MR. SIMPSON: Well what we wanted - I think the objective right now is to sit down and review the performance of the fund to date, since July, and existing and evolving conditions in the marketplace nationally and internationally and look at the actual mechanics of the fund, the specific details of the fund, the levels of the percentages, the budget allocations, the \$10 million, the time. The turnaround time on applications is also an important consideration. There's a number of different elements to the fund which can make it either as successful as we hope it to be or not. I think it's a matter of sitting down and reviewing it, how we got to where we are and where we need to be in order to be competitive.

MR. CHAIRMAN: Mr. Niven.

MR. NIVEN: I think the key thing here, Mr. Dunn, is that we'd like recognition that the industry is an economic driver in the province. I think the problem is we haven't got that recognition. We think it's a good industry, it puts people to work, and it keeps young people here. We produce an export commodity, it's non-polluting, and we think it's a great industry.

It needs some help, as every industry does but we're not getting that recognition, and that's, I think, what we would like to concentrate on in our meetings - just that.

MR. CHAIRMAN: Ms. Mancini.

MS. MARIAN MANCINI: Thank you very much, Mr. Chairman. In an article in Lighthouse Now earlier this summer, Stephen McNeil said that he wants the province's film and television industry to get back to work and stop complaining. At this time I would like to table that article and as well a new chart from Local 849 Union IATSE, that compares the amount of work its members had last fall under the old Nova Scotia tax credit system, and this Fall with the new film incentive.

Now, upon reviewing the chart, the reduction in jobs is really startling. Last November, there were 330 cast and crew jobs with Haven, with the Lizzie Borden Chronicles, and with the Tom Fitzgerald TV film series Sex and Violence. This November there's 70.

Last October, there were 450 cast and crew jobs on IATSE Local 849 productions. This October there are 20, and this September, zero. There were zero cast and crew jobs on IATSE local productions in September.

So the question I have, and I address it to all three of you, I've spoken to people in the industry and they have concerns about the new Film and Television Production Incentive Fund, and the loss of equity investments when the Liberals closed the door on the Film and Creative Industries, and they aren't surprised by these numbers and it looks like you may not be either. So I guess that is my first question. Are you surprised by those

numbers? Are those the two biggest obstacles your industry is facing right now - basically, the cap on the fund and the loss of equity financing?

MR. SIMPSON: We're not surprised, I think that we forecast back in April and May that there would be a significant downturn in production, so it is not a surprise at all. The issues that you identify are two of, I think the three most significant issues. You mentioned the cap or the budget allocation, the loss of the equity program, which I will speak about in a second, the other one is also just the percentage or level of the incentive fund itself.

One of the case studies that Jan mentioned was a production, a \$20 million series that was lost. It was lost, I believe, I'm not exactly sure what it is, I believe it was lost due to approximately a 2 per cent difference in the level of incentive with Hamilton. That's a lot when you're talking about a \$20 million budget, but that's the kind of difference we're talking about.

As far as the equity program goes, it's also part of that competitive argument, being competitive, because the other production jurisdictions in Canada and other parts of the world offer some kind of an additional funding to local productions, we currently don't have that. So again, using sort of a theoretical example of going in and pitching to CTV or Global, again even if our incentive fund were to be increased a bit, or we were to revise in such a way that we felt it was stronger and more competitive, he's still potentially going to lose out to the product of Manitoba, because they bring an equally competitive incentive, plus a fund of some kind - whether it is investment or there are different tools that Manitoba would be offering to that competing producer.

So some kind of an ancillary fund is an essential part of local production across Canada.

MR. CHAIRMAN: Ms. Miller.

MS. JAN MILLER: And around the world, and that's why Scotland has introduced a fund to raise their status in the world, to attract international co-production to Scotland, and that is why they have it in Northern Ontario, a fund as well as the incentives, and that is why they have strong incentives, and they're introducing it in Norway. I am choosing these ones because they are equivalent to the size of Nova Scotia in many cases.

MR. CHAIRMAN: Mr. Niven.

MR. NIVEN: Good questions, and I will give you another concrete example. We have a feature film that we have been developing for the past couple of years, and we were all set to shoot it here this year, but we lost the Nova Scotia tax credit. So it's a Nova Scotia story - a Nova Scotia writer and director - but we're going to shoot in Newfoundland because there's some money over there. I think that's a real shame. It would have been a

great coup, I think, for Nova Scotia to have this picture. There's money in Newfoundland, and we're going there.

MR. CHAIRMAN: Ms. Lohnes-Croft.

MS. SUZANNE LOHNES-CROFT: Thank you for being here. It's good to know that you're living here in Nova Scotia and you're taxpayers in Nova Scotia. Previous to the new incentive, were there recipients who lived out of province and were not taxpayers receiving the Film Tax Credit? (Interruptions) Were there previous recipients of the tax credit who were not Nova Scotians or not Nova Scotia taxpayers?

MR. SIMPSON: The previous labour-based tax credit was based on Nova Scotian labour. The percentage was based on the amount paid to an eligible Nova Scotian worker. That credit could only be claimed by a company that had a permanent establishment in Nova Scotia.

MR. CHAIRMAN: Mr. Lohr.

MR. JOHN LOHR: I would like to say that I certainly appreciate you being here. From what I hear in my area of Kings North, the average Nova Scotian certainly appreciates the film industry. I know there was a lot of angst when we heard that Maud Lewis was being filmed in Newfoundland.

I'm interested in the cap issue, and maybe you can clarify it. What I understand the issue to be is that the cap is in place - in other words, there's a limited amount of funding - and when you're in Winnipeg, Mr. Niven, and you're pitching a project, you can't actually say how much money you'll receive because it depends on the total number of projects which access that fund. So if a lot of projects access it, the fund will get watered down. So the people in Winnipeg who are making the decision don't really know how much Nova Scotia is offering. Would that be correct?

MR. NIVEN: No, not exactly. Let me clarify. What the Government of Alberta has done: they have set a figure, a cap as it were, but what they've said publicly - and this is what we need - is that they will never turn a project down. They don't divide it up; they add to it. Actually, the government has told us they would do that, but they won't say it publicly, and that's what we kind of need. But no, they don't divide it up; they add to it each time, so they've gone way above their cap every year.

MR. LOHR: In Alberta?

MR. NIVEN: In Alberta.

MR. LOHR: But this is the issue with the cap in Nova Scotia. One of the issues that I understood was bankability. In other words, if you're dealing with a bank manager and you want to borrow money, you need to know with very good certainty what amount of

money you will receive from the Film Tax Credit - even though I think I heard you say you're waiting a couple years after the fact to get the money, which is another issue. But you still need to have a relative certainty for a bank, right?

MR. NIVEN: Actually, you'll never get to the bank. You won't get that far in the process because you won't get the order from the broadcaster or the distributor; you just won't get that far. But yes, if you got that far, the bank would have a problem with it as well.

In terms of the administration, on your last point about us not getting the money yet, that's under the old system; it took a while. NSBI, if I may say, is doing a terrific job on the administration of the new fund, and we're very happy with that.

MR. LOHR: So the old system did have bankability and certainty in it for you to go and pitch the project with the certainty of numbers and go to the bank with it?

MR. NIVEN: That's why every other jurisdiction uses the tax credit system. Alberta doesn't, but they've agreed not to - actually, to go above the cap. The old tax credit system - we're not asking for that back, by the way; we understand. But it was a given. I could go to a distributor in New York and say, look, I've got 20 per cent of the funding. Why? Because if I put this number of people to work in Nova Scotia, I will get this much back to put into the project. That was solid; everyone knew that was how it worked. So you had a predictability, and you had a bankability there. The new system, the incentive fund, while it's good, doesn't have quite that kind of knowable-in-advance situation.

MR. LOHR: That's your problem with the new system?

MR. NIVEN: No, no - well, in terms of the cap, yes. As long as there's a cap, we're not going to get the orders, because these projects are just too big. They're not going to take a chance. If I don't get there first and Scott or somebody else, or one of the producers in the room, if 10 of them get there first and there's no money left for me, CBC is not going to take a chance on that. They just can't. The projects are too big.

MR. CHAIRMAN: Ms. Miller.

MS. JAN MILLER: I think what's interesting is - in terms of Alberta, because of the system that they've established over several years, they've increased the fund recently to \$36 million - their cap - and again, as Bill says, they have announced publicly that they will support projects going through.

Another example that I think is really valuable is in Australia. They had a \$5 million cap on production and recently removed the cap completely. They felt it was really important to attract large-scale production to that country because it provides a sustainability and support for a year-round industry and developing talent and training. So

if we get one or two major television productions here that draw from that \$10 million cap, then smaller productions don't have access to it.

MR. CHAIRMAN: Ms. Peterson-Rafuse.

HON. DENISE PETERSON-RAFUSE: Thank you for your presentation, and this question is for each and every one of you. I think the fundamental problem here is a complete lack of understanding of competition and what needs to be structured for the film industry to make it competitive. I think there's also an extreme lack of understanding of investments. I believe that Nova Scotians truly support and feel that it is a wise investment when you get a return of \$140 million.

I'm very concerned about the loss of jobs. I've lived in the Chester area all my life, so I've seen the activity that comes with the film industry. There was no buzz there this summer at all and there has been a great loss. So I'm wondering from your perspective right now, if you had three wishes, what would those wishes be in terms of bringing back the lost jobs that have occurred from this decision? It takes time for people when they go and move out - they're settling in a whole new community and new home - and how long it will take to bring them back.

So my question is, what would yours be today, and maybe each one of you can give a wish - because of the time element - what would you say we need to do today to make a difference?

MS. JAN MILLER: I think perhaps something that's very achievable is that the government come out publicly supporting the industry by investing in the support of producers travelling internationally to draw international co-production to Nova Scotia; and being present at key markets to say Nova Scotia is open for business and we want you to come, and as a government and a province we're supporting that.

So to me, it's having a very strong presence internationally - that we are a film-friendly nation, as a province. I'll leave the gentlemen to say their wishes - and I'd like two red sparkly shoes. (Laughter)

MR. SIMPSON: I was going to wish for an eternal summer and Fall; if we could do something about the winter that would be really great.

Perhaps to echo what Jan said, one of the things that we heard throughout the summer talking to some of our out-of-province potential partners - when we asked them, what is it that you're hearing, what's the buzz - one of the things that we heard was lack of stability, lack of confidence, stemming from the feeling, the perception that there was a lack of support for the industry. That really keeps people away and once you lose confidence in your partners - for anybody who has ever been in private industry - that's very, very difficult to get back, if not impossible. It's very tricky. So I agree with Jan there.

I think it's a great question. If you're going to give me the ability to make a wish, I would say that I would love to see this province take a very aggressive position in supporting the creative industries in general - not just film but music, theatre, publishing, et cetera. I think it is the way forward. The path to prosperity in the new economy is, I believe, creative industries, and I think it's something that we in Nova Scotia are really good at; we have those resources. I think with support from government in the form of - whether it's funding programs, I would say a complex system but particularly right now an aggressive stance as far as supporting the industry with a competitive subsidy package, I think, would make me happy.

MR. NIVEN: Thanks for the question, Ms. Peterson-Rafuse. Three things; take away the cap. The reason there is a cap is because the government sees - more correctly, the Department of Finance sees this as a net loss to the province. In other words, the smaller the amount that we can give the film industry - last year it was theoretically \$20 million in tax credits; if we cut it to \$10 million, we save \$10 million. That extra \$10 million would lever somewhere between another \$10 million to another \$40 million into the province. That seems like a no-brainer to me. Maybe I don't get it, I'm not an economist - I don't work at the Department of Finance. But I know with my own projects, on *The Book of Negroes* we got \$1.6 million in subsidies and investment, and we brought four million new dollars into the province - all of which were spent here. I don't get that.

Number two would be some sort of local film fund that was killed when Film and Creative Industries was killed. That fund was tiny, it was \$2 million. That created and generated all of the new incoming filmmakers, local filmmakers, and it put people to work too. They were smaller projects but critical in developing the talent and keeping young people here - \$2 million. The third is to increase the - the new incentive fund is really good, it just needs about two or three extra percentage points to make us competitive. That would be my three - I'll take the winner.

MS. PETERSON-RAFUSE: We'll work to make it happen. We'll work hard.

MR. CHAIRMAN: Ms. Miller.

MS. MARGARET MILLER: Thank you again for your presentation today, it was very informative. I love the attitude when you came in, it's about sharing information and I think that's what we're trying to do, too, is find out more and still get our points across. I want to change a little bit and go to the location services. Can you tell me a little bit about the location services and what the importance is for the film production in Nova Scotia and the significance of the services now being housed and administered by Screen Nova Scotia? I do have a supplementary as well.

MR. CHAIRMAN: Mr. Simpson.

MR. SIMPSON: I think when referencing location services you mean the support that we just received that was announced on Friday?

MS. MARGARET MILLER: Yes.

MR. SIMPSON: Just to elaborate on that, part of it is location services, but it's much more than that. Basically it was identified right away, regardless, no matter what the incentive program, whether it's a tax credit or a fund, or how big it is, cap or no cap, the fact is that we need a film office of some kind, to answer the phone when it rings, if you will, and to promote and market the province as a production centre around the world.

When Film and Creative Industries' doors were closed, we lost that, a lot of those services. They administered a number of services and had a budget 10 times that amount. What we propose to do is to sort of - we need some of those services back and the money that was granted, or that has been announced, is for a number of different initiatives, including building a website, it would be a location services site, if you will. It would also include a production directory so that the names and numbers of every crew member of our different support companies, service companies, equipment suppliers, et cetera, and also the means to promote that portal, if you will, and the province around the world to key markets.

It also included an initiative to do strategic plans so that we can look at the next three to five years as an industry. So many of the details of that, that is really the gist of it, the details of it have yet to be worked out. As I say, this is something that would have to be done no matter where we were as far as the fund goes. It's really a small drop in the bucket. We're thrilled to have this opportunity, we're excited about it; it was a very productive and positive process working with Minister Furey and the Department of Business to get there. It's a small step forward and we still have a way to go.

MR. CHAIRMAN: Ms. Miller.

MS. JAN MILLER: I just wanted to be sure if your question was actually what does location services do, or you're fine with this?

MS. MARGARET MILLER: I was asking about what they do, as well, but I mean you certainly answered my supplementary question, which was really great and thank you. We'll work on those red shoes and we're already working on the weather. Thank you. (Laughter)

MR. CHAIRMAN: Mr. Dunn.

MR. DUNN: You mentioned in your initial comments about - you didn't give the exact number of years, but it took a lot of years for Nova Scotia to establish a talented and strong labour force in the film industry, and also the fact that we eventually became a popular destination for the film industry.

We're now seeing from the information provided that there has been a significant reduction in the number of productions in our province. My question is, is there a risk that we may lose that critical mass that is so necessary for your industry to survive or maintain a viable and strong industry in this province?

MR. SIMPSON: Absolutely, we've already lost one of our two key equipment suppliers. In fact, Production Services Atlantic closed down recently, and their sister company SIM Digital - a camera supply company. Those were key infrastructure pieces; that was a significant loss on our part.

As you know, and Ms. Mancini pointed out the stats with the labour numbers that jobs have gone down - where the number of employed workers right now is significantly lower - what happens when that happens is people need to feed their families and pay their mortgages, so they have to go looking for work. Right now, especially with the way the dollar is, the U.S. dollar, and the aggressive stance that other jurisdictions have taken, there's lots of work out there outside of Nova Scotia. So we are losing workers, no question.

That said, I've been here for 20 years working in the film and television industry, and I know a lot of people who work in the film and television industry. They're very passionate Nova Scotians and they don't want to leave. They want to be here, they are dedicated to being here, but as I think you can all appreciate, sometimes the need to put food on the table trumps everything else.

There's still a very strong core group of us here wanting to work, and trying our best to make sure there is work tomorrow and the next day.

MR. CHAIRMAN: Thank you. Mr. Niven.

MR. NIVEN: I think it's a really good question. As you've heard today, there are two types of producers in Nova Scotia: the people who do local productions, and the other type is what we call service producers. They're people who will bring in big projects from Sony or the Sci-Fi Channel, that sort of thing. Those are critical, they keep the most people working. I mean the project side, even *The Book of Negroes* at \$5.6 million was a small project compared to some of those service producers, and there's three of them in town. If they go, that will be a huge problem because they keep the crews going. I see that we have two labour reps with us here in the audience and they'll certainly confirm that.

Part of the problem there is the new fund, although it's great and well-managed by NSBI, it's not quite competitive. Those big projects - if we lose those guys, then the rest of us are in trouble and that will be a problem.

MR. CHAIRMAN: Ms. Mancini, you have only about 30 seconds left before closing comments.

MS. MANCINI: I just want to table an editorial from *The Chronicle Herald* dated May 8th from Matthew Lumley; quickly, he was concerned in that editorial about the film jobs being devalued with the new equation. As I have only so much time I won't go into my preamble on this, but we've been talking about the loss of jobs that we've seen; it's pretty clear that that's what's happening. You folks are talented and you've been involved in creating some great productions. Can you give us a sense of why the new job fund - it's not just creating fewer jobs but it's also lower paying jobs? Could any of you comment on that?

MR. CHAIRMAN: Mr. Simpson, you have five minutes left so you can answer that question or you can do some closing comments and/or do both.

MR. SIMPSON: I'll do both. I can just say that the new fund is not a labour-based fund so it doesn't necessarily incentivize the hiring of Nova Scotian workers as the former tax credit did. It's less incentive to hire Nova Scotian workers than the previous system.

Principally, one of the things we're seeing now is that, basically, to make the new incentive fund work, productions are having to lower their budgets. Lower budgets mean less money to pay workers. It's quite a simple equation really.

If I may, in closing, one thing I'd like to say - because I'm not sure how the process works - we do have some documentation we'd like to table. We brought a copy of our position paper.

MS. JAN MILLER: We made copies for everybody.

MR. SIMPSON: We wrote an industry position paper for the tax and regulatory review that Laurel Broten headed up last year. It gives you some really good background on the industry over the last 20 years. Some of the statistics that I mentioned are from this paper and it gives you some analysis of the industry - I think a better understanding of the community and the industry.

One thing I'll say is that as an industry we're not resistant to change in general. We are constantly evolving. The market is constantly evolving. Where we are going to be in 10 years, in 20 years, it's really impossible to say, but we are a Nova Scotia - in many ways, although we make groundbreaking and innovative work as an industry in terms of the mechanics of the industry, we're an industry follower. We don't set the rules. This is a system that is established worldwide, and we have been an effective part of it really until this - or a competitive player in that system until this year.

We're also, I think, progressive in our thinking and we would like to think that we are amenable to change under the right circumstances, and with consultation and collaboration there are many ways in which we make our films and television programs, and there will be other ways that's done in the future. So as an industry we see a co-operative and collaborative way forward. I think if we're given the support and the confidence from government we can make that happen.

MR. CHAIRMAN: Ms. Miller, three minutes.

MS. JAN MILLER: I'll be even shorter than that. I'm an ECBC - "east coast by choice." I came here because I love Nova Scotia and I think that the film industry can attract people from all across the country to come here if the industry is solid and supported by the province and the government.

We know that we're losing population. We know that our industry is youth-based. We know that we have very strong training programs here in this province. We need to establish and announce to the world that we're open for business in a very productive way.

MR. CHAIRMAN: Mr. Niven, do you want to add anything?

MR. NIVEN: Just briefly, I'd like to thank the chairman, Mr. Stroink, and all of the members for the opportunity to come and speak and let us air some of our concerns, and perhaps also some of our aspirations and hopes for the future.

MR. CHAIRMAN: On behalf of this committee, I would like to say thank you very much for coming today and sharing your story. We'll take a five-minute recess and hopefully you guys will stay for the next presentation. We'll just get you to switch out.

[1:59 p.m. The committee recessed.]

[2:04 p.m. The committee reconvened.]

MR. CHAIRMAN: Let's get the second part of this meeting going. We're a little behind again, it's fine.

Thank you, I will now turn it over to Ms. Broten, you have an hour, with some questions, and thank you for joining us.

MS. LAUREL BROTEN: Thank you very much, and thank you to the Standing Committee on Economic Development for inviting us here today. My name is Laurel Broten, and I am the President and CEO of Nova Scotia Business Inc., otherwise known as NSBI, and we are a Crown Corporation, which is led by a private-sector board, and we undertake business development activities on behalf of the Province of Nova Scotia.

I am joined by Mike Queripel; Mike is the Director of Business Financing at NSBI, and the film fund is one of the portfolios that he and his team manage at NSBI.

Before I speak directly to the role that NSBI plays in administering the Nova Scotia Film and Television Production Incentive Fund, I thought it would be helpful to provide a brief overview of what we do at NSBI and give you a full scope of our responsibilities.

Our mission at NSBI is to drive economic momentum in Nova Scotia through attracting and expanding investment and developing businesses in all communities to be more successful exporters. We work towards a strong, thriving, and globally competitive Nova Scotia today and for generations to come.

To do this we work with businesses to explore new markets, help them sell goods and services abroad, identify business partnerships and opportunities, and provide business advice, solutions, and financing. We also work with partners to attract foreign investment.

Ultimately our job is to sell Nova Scotia businesses to the world and sell the world on doing business in Nova Scotia.

What do the steps to success look like at NSBI? They are embedded in our strategic goals for 2015-16. The first is to increase the number of exporters and the value of Nova Scotia's exports. Of course, we all know that the goal is to double exports in the next 10 years. Second, Nova Scotia needs investment. We attract it from companies here and the rest of Canada and the world in targeted sectors such as financial services, ICT, ocean industries, aerospace, and defence - to name a few. Finally, we work to establish Nova Scotia as an international jurisdiction of choice in which to invest, work and do business.

Government-wide spending is certainly a conversation and to get spending under control in the context of the province, NSBI was not alone in what we were asked to do in the 2015-16 budget. On April 9th, the province released the 2015-16 budget which required NSBI to control spending, focus on supporting business growth and innovation, and promote business growth across the province and to drive our outcomes.

The provincial budget also brought an expanded range of responsibilities for NSBI. You can see them on the slide in front of you. This meant the addition of several portfolios to the roles and responsibilities of NSBI: the Jobs Fund; the Small Business Development Program; the Creative Industries Fund, which is now under development; the Credit Union Small Business Loan Guarantee; and the Nova Scotia Film and Television Production Incentive Fund - to name a few. The grants provided to NSBI went up by \$4 million as a result of these transfers, the Strategic Investment Fund up by \$2.9 million to meet future payroll rebate obligations, and a \$1.5 million reduction from the 2014-15 budget.

NSBI was asked to do our part to find savings with a savings target, as I said, of \$1.5 million. Savings were found through a reorganization in terms of operations: HR reductions, \$350,000; Strategic Investment Fund, \$300,000 in underutilization of funds;

and \$850,000 in reduction of the loan valuation allowance, a reserve to cover probable loan losses.

Overall the net operating grant to NSBI in the 2015-16 budget was \$14.041 million. Overall that increase was a result of program transfers, net of savings targets as I said.

Here's a brief overview of the NSBI programs and funding in our key programs and our funding envelopes. On this slide we show our Export Growth Program; our Small Business Development Program; what is budgeted for the film fund for next year, for 2016-17; and what we have available to work with other industries to incent growth in terms of the Strategic Investment Fund. As you can see, the allocation for 2015-16 for the Export Growth Program is \$1 million; the Small Business Development Program for 2015-2016 is \$500,000; for the Nova Scotia Film and Television Production Incentive Fund, the budgeted amount for 2016-17, which will be the first full, active year of that funding envelope; and the Strategic Investment Fund for 2015-16 of \$13 million.

The tools you see in terms of these programs are administered by sets of guidelines that we must follow in our specified budget amounts. As you can see, the budget amount for the film fund for next year is 10 million, and that is what is available to NSBI to operate under for the 2016-17 year.

I thought I would provide you with a brief overview of the guidelines for those programs. So the payroll rebate, as it is known, operates under the Strategic Investment Fund and is administered in accordance with these guidelines. When it comes to the payroll rebate, we know that we can negotiate between 5 to 10 per cent rebate, depending on where the business might seek to locate, their sector, and the economic benefit to the province. The payroll rebate is a discretionary tool that we can use to target companies that will add to export activity, job creation, and the economic viability of the province. It works such that when a company creates a new job and they pay a salary, after the fact they get a percentage back of that amount.

The film fund guidelines which have been established also operate in the context that we need to adhere to these guidelines and we're the administrator of this fund. You will see that there are two streams of application, and depending on the stream you apply for, the film industry is eligible for 25 or 26 per cent of all eligible costs in Nova Scotia. Stream I is for our indigenous co-productions, and that is 26 per cent; Stream II is for service productions, and the eligible incentive is at 25 per cent.

The guidelines also state that applications that are deemed complete will be handled on a first-in/first-out basis for production funding, provided the production is qualified. As the administrators of this program it is our job to ensure that these guidelines are followed. Our judgment is limited to whether the production qualifies under the guidelines and there is no evaluation process that we undertake.

To recap, NSBI is mandated by the province to be the administrator of the Nova Scotia Film and Television Production Incentive Fund. I agree with our last speakers that the recent OneNS coalition and many Nova Scotians are pointing out that the creative industries are an opportunity, they are part of Nova Scotia's competitiveness to become an attractive jurisdiction to live and work, and as I said earlier, we are in the process of designing the Creative Industries Fund, which will be a new fund available to the rest of the creative industries next year.

To talk about the period of transition following the April 9th budget, as of April 9th the film industry certainly entered into a period of transition, and so did we at NSBI. We were asked to take on new responsibilities, and we certainly know that at times of transition that can be challenging so we established a transition team to build the infrastructure and the processes necessary to deliver on what were very new responsibilities for our group to answer inquiries, to provide information to stakeholders to the extent that we had that information available to us.

The transition certainly did not happen without its challenges; due to privacy concerns we had to identify and rebuild Film and Creative Industries Nova Scotia's stakeholder list, which meant many phone calls, emails, and meetings, as well as sending out a website opt-in form. So we tried to reach out to the sector to answer their questions and to let them know that we were available to do that.

We provided additional resources with respect to engaging in the answering of these queries and undertaking these new responsibilities. For your information, in the three months, the transition team responded to 241 inquiries from all sources, 70 per cent of those were film related. There were 83 inquiries through the website form, more than 1,100 page views of the film fund, and 11,000 total page views of all film-related content on our website. That's about 7 per cent of NSBI's total page views.

The most common questions that were asked were with respect to ongoing applications that would have been housed within the Film and Creative entity. Where is my tax credit? How are things progressing? As well as a number of general questions about the process. So overall the transition team was put in place to help support the addition of new staff and new sectors to our responsibilities. On June 30th, NSBI received the final guidelines for the new film fund, and within the week we set up a website infrastructure and application process and launched the Film and Television Production Incentive Fund on time on July 2nd.

Since the launch of the film fund, the NSBI team has been actively engaged with the industry. NSBI has provided marketing materials to industry, attended the Atlantic Film Festival to answer questions about the film fund, and continues to communicate both reactively and proactively to stakeholders and partners.

Just this past September, NSBI published answers to common questions about the new film fund through social media channels. I have brought for you a copy of that document. I think you have it before you. This is the document that I'm referring to.

At NSBI we take accountability for taxpayers' dollars very seriously. According to the film fund guidelines, funding can and will only be funded once the project is complete and the company's financial records have been submitted. We also disclose all film funding commitments on our website. Fund recipients are also required to update the provincial accountability reporting website.

Since July, NSBI has approved five applications to the film fund. We've committed approximately \$1.1 million to two television series and three feature films. The potential production value of these applications is \$6 million. There are also six remaining applications currently under review.

MR. CHAIRMAN: Thank you very much. I'll turn it over to Mr. Farrell for the first question.

MR. TERRY FARRELL: Thank you for your presentation. I just wanted to ask about the programs and funding slide with the graph. It's on Page 4 of the handout. I'm not sure where it is in terms of on the screen.

There are four items on there. Is this the totality of NSBI funding that's available for business development in the province?

MS. BROTON: These are the programs that we have available to us. For export growth, that would be to support our companies in terms of export growth. These are programs that they can receive funding from. In terms of the Small Business Development Program, again export-focused. The Strategic Investment Fund, that's the payroll rebate envelope.

MR. FARRELL: This is everything though, is that correct?

MS. BROTON: Yes - in terms of programs.

MR. FARRELL: I guess maybe I haven't been paying enough attention here, but it appears that over 40 per cent of the total funding available for economic development in the province is available under the Film and Television Production Incentive, and 60 per cent is left over for every other industry in the province.

MS. BROTON: We are provided with funding envelopes in which we operate, and it's accurate to say that the province has budgeted \$10 million for the 2016-17 year for the film fund. The best comparator, perhaps, is with respect to the Strategic Investment Fund. The funding envelope for 2015-16 is maxing out at \$13 million. So those would be the comparators. The Small Business Development Program and export growth in totality are

\$1.5 million of available funds, and we certainly have many applications for those funding envelopes.

MR. FARRELL: So at its peak, do you know what percentage of the GDP of the province the film and creative industries would have contributed?

MS. BROTON: I don't have that information available.

MR. CHAIRMAN: Mr. Lohr.

MR. LOHR: Thank you for that presentation. I'm just wondering - if the Film and Television Production Incentive Fund is shown to have a significant negative impact on the industry in terms of new projects and so on, would NSBI seek to make changes to the Film and Television Production Incentive Fund?

MS. BROTON: We are the administrator of the fund. The fund guidelines were established by way of conversation, of which we were not part, between the province and Screen Nova Scotia and the industry. We administer what has been provided and set out in the guidelines.

MR. LOHR: So would you recommend to the government that changes be made to the incentive fund if there is significant negative impact on the industry?

MS. BROTON: Our role and responsibility is to adhere to the funding envelopes that we are provided to make sure that we remain within the budget allocation, and that we apply and administer the fund in accordance with the guidelines.

MR. CHAIRMAN: Ms. Mancini.

MS. MANCINI: I guess it's fair to say that none of you here today have had any involvement with Screen Nova Scotia and the old funding formula? I am putting that out there, it is a little rhetorical, but I don't think you've been directly involved under the old funding formula?

MS. BROTON: No.

MS. MANCINI: So when you're administering this fund you're seeing a total of 11 applications. You're seeing - and we've provided some information here today - that there have been dramatic losses in the industry. I know you're just administrators, but I'm assuming you must report back to the government at some point as to the viability of the programs that you're involved with. Is it not a concern as to how the fund is moving at the present time?

MS. BROTON: So as you know the film fund was launched on July 2nd, so we are partway through a fiscal year. In our role as administrator we have had the responsibility

to go through in terms of administering the fund. Certainly there will be a report back to the province in terms of each fund application; that is, each fund that is approved is publicly reported. Those that are in process, if and when approved, will be publicly reported and there will be reporting at the end of the year.

But it is our responsibility to adhere to the guidelines, to administer the guidelines as established by the province, and that's what we do.

MR. CHAIRMAN: Mr. Rankin.

MR. RANKIN: Thank you, and during the questions that I was asking in the last presentation, they were mentioning that every dollar spent from the old film tax credit in the province, was generating \$3 to \$4 back into the economy, and I was challenging that number. I am just wondering if you have comments or any metrics that actually reveal that that is accurate.

MS. BROTON: We don't have any metrics at this point. As I said, we've been administering the fund in accordance with the guidelines since July 2nd. We're in that process. You know what I can tell you is that in terms of comparators, there are other funds; another fund that perhaps is a similar construct would be in Alberta, and our fund is comparative to that. We have had interaction with Alberta to talk about their timelines as to how they administer, and the time details, but that would be the extent of the analysis that we would be doing. We need to make sure that we live within our budget envelope and our responsibilities to track the approved applications year-over-year, and to estimate what fiscal year those claims will be advanced. Which is not dissimilar to the approach that we need to take with respect to Strategic Investment Funds.

Strategic Investment Funds would be year-over-year allocations associated with longer term agreements, and we manage very closely to budget to ensure that we are within that envelope.

MR. RANKIN: Okay, and the export development fund that you alluded to in the presentation, that would be above and beyond the access for the Film and Television Production Incentive Fund, so there is an extra incentive.

MS. BROTON: Yes, so the Export Growth Program, we have had to date five film companies that have made application. Export growth and small business development programs are widely available for any businesses in the province that meet those criteria. We've seen five film companies apply and they've been approved for about \$21,000 of funding; \$15,000 was approved for one company under the Small Business Development Program.

MR. RANKIN: I'll pass that on and if I have more time I will ask again.

MR. CHAIRMAN: Mr. Dunn.

MR. DUNN: Thank you, Mr. Chairman. My question is referring around the \$10 million for the Film and Television Production Incentive. You mentioned that you're given an envelope and as you were talking, two or three times I was flashing back to my days as administrator of a high school of 60 staff plus 1,000 students and so on. Basically we were given, for a current year, an envelope as far as here's what you're going to work within; however, during that current year or other years you run into other variables, emergencies, other needs, and so on. So I guess my question is, is there, despite "here's what you have," and you're seeing the industry having some great difficulty, and you can see is losing youth, you can see an excess of people leaving the province, is there open dialogue with the government. Are the communication lines still there - back and forth during the year - as far as what has been happening in our province with regard to the film industry?

MS. BROTEN: As I said, the Film and Television Production Incentive Fund has a budgeted allocation of \$10 million for 2016-17, and the province has committed that that budget allocation will be steady through 2020-21 to allow us to plan. At this point in time, we've only approved applications to a total of \$1.1 million, so we're nowhere near that budgeted amount. So it would seem to me that it's very premature to have a conversation about superseding a \$10 million budget mark when, to date, the approved allocations are at \$1.1 million.

MR. DUNN: Just one last question. Let's say we reach the budget mark - say that happens, and that's feasible - would there be any dialogue with the government with regard to increasing that particular budget on behalf of the film industry?

MS. BROTEN: I don't make it a practice to speculate on the "what-ifs," but as I can tell by the three letters before your name, Mr. Dunn, you too have had the privilege to serve in Cabinet. Decisions with respect to budget allocations and spending envelopes are those of the government to make. They will make those decisions, and as a Crown Corporation responsible for economic development, we will adhere to the guidelines that we are provided.

MR. CHAIRMAN: Ms. Peterson-Rafuse.

MS. PETERSON-RAFUSE: I have two questions for Ms. Broten. In her tax review in 2014, before the Film Tax Credit was eliminated, she wrote that there's ". . . an opportunity for the province and the sectors to work toward embedding the best-practice recommendations set out in this report. In the short term, the province should make adjustments . . . to better align Nova Scotia's credits with other provincial credits." Ms. Broten also wrote that, "The Ontario Film and Television Tax Credit and OFTTC Guidelines were held up as exemplary . . . they should be used as examples of best practices to guide Nova Scotia reforms."

Also today, Ms. Broten said that the Alberta model is a comparable model to ours. My question is - in Alberta, they just put another \$15 million into their industry, and they also have a world-renowned soundstage. We do not have that in Nova Scotia, nor do we get an extra \$15 million - can you explain to the committee how you see this as being on par with Nova Scotia?

MS. BROTEN: Let me first speak to my previous role as author of the tax and regulatory review. My responsibility in that role was to meet with a variety of sectors and provide the province with advice with respect to tax and regulatory reform, and I did that. It's the decision of the government and the Cabinet Table to make decisions associated with the receipt of that report.

My advice was that the province shouldn't be the most generous. In talking about aligning with other jurisdictions, in the context of the fiscal realities of the province and the fact that the province does have challenged fiscal realities and does need to get spending in control and be able to pay its bills, as each of our families have to do, that was my advice to the province. They reached a determination to approach the Film Tax Credit and transition it to a film fund. I was not part of that decision and not part of that conversation.

But now in an entirely different role, I'm the administrator of that fund, and I work with my team, and Mike and his team, to adhere to the guidelines that were provided and live within the envelopes that we're provided. Whether Alberta has reached their budgeted amount and made decisions as a Cabinet and as a government to put additional resource, those are not our decisions to make.

As I said, at this point in time, the approved allocation under the Film and Television Production Incentive Fund is at \$1.1 million. We have lots of capacity to approve applications. We have a number of applications that are currently under review.

I would say that the job of my team and myself at the film festival this year and with the document that we produced is to say Nova Scotia is open for business; come and talk to us about the film fund. I know Linda Wood, who is in the audience here with us today, has played a large role in explaining what we have available to the film industry at this point in time.

MS. PETERSON-RAFUSE: As a follow-up question - I think a quick comment is it is important though that we provide transparency and the right information to the public. We obviously are not on par with Alberta because they always had that soundstage, even before they reinvested this extra \$15 million.

We heard today from Screen Nova Scotia that since the April budget cuts to the industry that we have actually dropped significantly from being close to the top in Canada to now close to the bottom. I know that the recommendations you spoke about were yours to the government, is that what you had in mind when you made those recommendations?

MS. BROTON: As I said, my advice to the government was to align itself with other jurisdictions, not to be the most generous given the province's fiscal realities. The province took that advice and made their own decisions about what they would do. They established a film fund, have committed \$10 million per year in a budgeted allocation up until 2021, to give the industry certainty.

In a very short period of time, from April 9th to July 2nd we transitioned files, staff, management and operations to NSBI from Film and Creative Industries Nova Scotia, brought in a new team, took over a new area of responsibility, and launched a film fund on time by July 2nd. It was not without its bumps. We would have liked to have been able to have more information available more quickly, but obviously privacy concerns did not allow the transition fully of lists and databases from Film and Creative to ourselves. So we recreated those and on a number of occasions reached out to the industry to make sure they knew we were there, that we were available, that we were providing detailed and accurate information.

I've had a number of meetings with Screen Nova Scotia, IATSE, the Directors Guild, and others to talk about how we can work together and how we can engage them in the export initiatives that we have, the trade missions we run on behalf of a multitude of sectors that drive the Nova Scotia economy. We look forward to building on that with this new industry that we have responsibility for. We are excited about the creative industries fund and we're in that consultation right now. That will be for music, publishing, craft, and others.

It's a new world for us, but I do think it is part of an exciting new era of responsibility that we have at NSBI and we embrace it.

MR. CHAIRMAN: Ms. Miller.

MS. MARGARET MILLER: Thank you so much for your presentation. I have to commend you, I think we all wondered what was going to happen in April. We wondered what was going to happen during the summer setting-up of NSBI - everybody new to the role and what was going on, and new regulations. Recently I heard that NSBI is doing a really good job of getting the applications through and processed in a very timely manner, so that's really good to hear.

I have a question. Under the old Film Tax Credit, the subsidy was up to 65 per cent on the dollar for film jobs for salaries, and it's six times greater than any other labour subsidy of any industry in Nova Scotia. Under the new fund, is there any other industry which gets a comparable labour subsidy? If not, what kind do they get?

MS. BROTON: As I've said in the presentation, the tool we have available for us, for other investment attraction and job creation in the province, falls under the Strategic Investment Fund envelope. The guidelines for us for the Strategic Investment Fund - payroll rebates - are between 5 per cent and 10 per cent. It's within that that we look at the

type of industry, the salary of the job, where they're going to locate the jobs. It's discretionary so it's not automatic. We have to have a solid negotiation with an enterprise back and forth to make sure we are doing good by the taxpayers of this province and creating jobs that all our children and ourselves would want to work in. But we work within that 5 per cent to 10 per cent guideline range.

MS. MARGARET MILLER: Thank you.

MR. CHAIRMAN: Mr. Lohr.

MR. LOHR: I'm just wondering on the information that you provided us, that of 11 applications that have been received, five have been approved for \$1.1 million and there are six under review. Given that the fiscal year is slightly more than half over and it's unlikely that the six applications would tap the remaining \$8.9 million there, I would say it looks like sort of a collapse in the film industry here in terms of applications.

I'm wondering, given that situation where the program is going to be so significantly underutilized, will you be recommending to the government that there be changes made in the design of the program?

MS. BROTON: As I said, we are responsible for administering the film production fund in accordance with the guidelines. I think it's really important to remember that we were part-way through a fiscal year when the new fund came into place on July 2nd. So it's important to take into account as we look at this fiscal year that it's kind of a hybrid year; in fact, we will have hybrid years for a number of years.

There were 58 applications under the old tax credit and we're currently processing \$36.5 million worth of Part B applications. These are for the actual credit, after the film has been made. So since April 1, 2015, there is \$32.6 million Part A and B applications that have received - that's 58 of them; and \$12.9 million in Part B applications.

So we're in a year where in the time of transition, up until post-April 9th and before July 2nd, I think many in the industry that could accelerate their processes would have advanced those processes. Uncertainty associated with what the new plan would look like - we received the finalized guidelines on June 30th and we launched on July 2nd.

It may be difficult to draw conclusions from this year in terms of the two sets of models, and we will be administering tax credit applications for a number of years. We expect three years by the time those come through.

I understand that Finance and Treasury Board put an update out in September, and the information that I have is that the Budget Estimate for the Film Tax Credit is \$24.1 million according to Finance and Treasury Board's numbers as of September.

I've been doing a lot of talking. Maybe I'll let Mike jump in because it's his team that works daily through these applications and he might be able to provide you with a bit more insight as to the specifics.

MR. CHAIRMAN: Mr. Queripel.

MR. MIKE QUERIPPEL: Just to summarize what Laurel was saying, following the budget announcement there was an uptake in what we referred to as Part A applications under the tax credit. That was, we assumed, folks who wanted to get in under the old tax credit system.

So what we're seeing this year is a combination of productions prior to the end of June that were accessing the Film Tax Credit and July 2nd and onward, companies that are accessing the new fund.

MR. CHAIRMAN: Ms. Mancini.

MS. MANCINI: I think I might know the answer to this question in advance, how you're going to answer it. You had indicated that you had prior involvement in doing a review of the film industry and you did it in the context of looking within the government's fiscal constraints and whatever. I'm assuming you made recommendations to the government on that basis.

The labour-based model that we previously had was based on the 50 per cent. I think some of my friends here keep trying to say 65 per cent, but I think we had clarification from the industry that we're talking about 50 per cent. Rarely would it go to 65 per cent.

Was there ever any consideration somewhere along the line that instead of looking at 50 per cent on the labour-based model that we could look at 35 per cent or 30 per cent - leaving that previous structure in place and just lessening it to that amount? Is that something that you could comment on?

MS. BROTON: I certainly can't comment on the government's deliberations with respect to their determinations that they would have in advance of a budget . . .

MS. MANCINI: But you did look at it.

MS. BROTON: Let me answer your questions in two ways. Both the Film Tax Credit and the new film fund are based on eligible costs, so that's a similar model. In the case of the Film Tax Credit, it meant eligible Nova Scotia-based labour so you have to kind of unpack that - eligible Nova Scotia-based labour. It could be for filming outside of the province if that labour was a Nova Scotia resident, so that would be different. In the case of the new film fund, it means eligible Nova Scotia labour and eligible Nova Scotia costs. So there are similarities in the two models.

With respect to the advice that I would have previously given the government, I don't think it would be accurate to say that I reviewed the film industry. I reviewed the entirety of the tax and the regulatory regime of the province, a very broad-sweeping mandate really looking at how you improve your regulatory environment, how you make sure that you eliminate red tape to make it a good place to do business, and some examples of how the province might be able to strengthen its economy with respect to tax policy - so a full review.

The specific recommendations that I made with respect to the Film and Digital Tax Credits are found in Recommendation 1.13, I said:

The regulatory framework and detailed elements of both the Nova Scotia Film Tax Credit and the Digital Media Tax Credit should be better aligned with similar tax measures in other Canadian jurisdictions.

Film and Creative Industries Nova Scotia should be solely responsible for the administration of both tax credits.

Industry and the province should use the period leading up to the sunset of the two credits in 2020 to determine the most effective tools to help grow the creative economy in Nova Scotia and transition the tax credits to departmental expenditure programs that are transparent, accountable, and focused on economic growth.

Those were the recommendations that I made. I believe strongly in transparency and accountability, and we are administering the current film fund in that vein. But the decision as to the transition was not mine to make, I was not part of that decision, but I feel privileged to be the administrator of the fund going forward.

MR. CHAIRMAN: Ms. Lohnes-Croft.

MS. LOHNES-CROFT: Thank you for presenting today. Being from Lunenburg, we have a lot of creative people in our location. I'm pleased that the new film incentive includes more of the creative industry. Can you expand on who qualifies for the new incentive?

MS. BROTEN: So you're referring to the creative industries fund, which is not yet launched; we are currently in our consultation period. The budget allocation for that fund is \$2 million.

I'm not going to pre-decide what our fund will look like but we are engaged in conversations with the music industry, the craft industry, the publishing industry - a wide variety of creative industries. I think it will speak very much to the advice that has recently come out of the OneNS coalition about the creative economy and the global conversation

about how having a creative economy is beneficial for a knowledge-based industry, and we see that when it comes to the creativity of those in our ICT sector and others. We haven't launched it yet, we're in the consultation, but stay tuned.

MS. LOHNES-CROFT: So you're not able to say who - it's for the visual arts as well?

MS. BROTEN: It will be for arts and crafts, publishing, music, and fashion. I've had a real opportunity to meet many creative Nova Scotians in the last months as we undertake our consultations on that file.

MS. LOHNES-CROFT: Thank you.

MR. CHAIRMAN: Mr. Dunn.

MR. DUNN: Mine has been answered.

MR. CHAIRMAN: Okay. Mr. Lohr.

MR. LOHR: I don't know if you were able to hear the presentation previously, if you were in the room, but we heard some dire circumstances in the industry and the out-migration of young people who are involved in the industry; in fact, we were given a document which shows IATSE Local 849 productions, 2014-15, showing somewhere between 10 or 15 per cent of employment this Fall, compared to last Fall.

I used the term "collapse of the film industry" - would you, Ms. Broten, agree that there has been a collapse in the film industry in Nova Scotia?

MS. BROTEN: As I said, it is our responsibility to administer the fund, and we can report on the applications that we've received. I do acknowledge it has been a year of transition from the Film Tax Credit to a new model. As Mr. Queripel said, we did see quite a number of film productions seek to secure their positioning under the old Film Tax Credit.

As I said, this is a transition year - is it reflective of the way going forward? I feel like we are well-engaged with the industry and looking to work collaboratively with IATSE and others, to bring the message together and support them in bringing the message to Hollywood that, you know, you should look at filming in Nova Scotia, that we have a very strong crew base, that we have a beautiful location, and that we're open for business, and that is our responsibility in this industry, as it is with respect to seafood, ICT, manufacturing, and all of our industries that we're privileged to support in Nova Scotia. We sell the message around the world that we're open for business, open to their business, and we look to support them in seeing that type of economic development activity take place in Nova Scotia.

MR. LOHR: Yes, and I do recognize you are very well positioned in your role in administering this film tax fund, to know what is going on in the industry. So how would you characterize the health of the Nova Scotia film industry?

MS. BROTEN: I can only speak to the applications that we have before us. I think I've provided the numbers with respect to the applications under the Film Industry Tax Credit that we're currently administering and the Film and Television Production Incentive Fund. Certainly I can have Mike recap those numbers if it's helpful, but that is the extent of the advice that we can give. We have taken those applications. We have plenty of capacity within the Film and Television Production Incentive Fund envelope. We are open for business and we look to work with our partners in industry to bring that message beyond the Nova Scotia borders, and within the province as well.

MR. CHAIRMAN: Mr. Queripel, did you want to talk to those numbers?

MR. QUERIPEL: Would you like me to recap those numbers?

MR. CHAIRMAN: Mr. Lohr, would you like to hear those numbers?

MR. LOHR: I heard the numbers.

MR. CHAIRMAN: Okay.

MR. LOHR: Would you have a comment on the health of the film industry in Nova Scotia? I would like your comment.

MR. QUERIPEL: To get back to Laurel's point, this is a transition year where we're seeing a lot of activity through both the Film Industry Tax Credit and continuing activity through the new fund. So I think it would be premature to make any conclusions about the long-term health of the industry.

MR. CHAIRMAN: Ms. Peterson-Rafuse.

MS. PETERSON-RAFUSE: Thank you, Mr. Chairman. I really don't know how we are open for business when we're not competitive, because that's part of being a business is being competitive, and I am a little baffled at how you're so optimistic and I want to know why. When we know that just recently, in a very short period of time, we've lost 500 jobs under IATSE alone, and also the reason why you only have 11 applications is the lack of competition, and if you can explain in your optimism the fact that we know that the screen industry and Screen Nova Scotia just today, has given a list of what they need to be competitive. Isn't it part of the job of NSBI to look at Nova Scotia businesses and where investments need to be made, so you can actually make recommendations, rather than just taking what the government is telling you to do?

MS. BROTON: I think it's really important, again, to put this conversation in context with the responsibilities that NSBI has in a variety of sectors. As you know the OneNS coalition and the Ivany report is calling upon us to double exports, for example, and double the number of exporters.

The programs that we use to do that are the Export Growth Program and the Small Business Development Program. So those two programs have available to them \$1.5 million, and with those programs we look to double the value of export and double the number of exporters.

One of the first responsibilities that I took on when I was privileged to take on the role of CEO of NSBI was to travel the province and talk about regional economic development, and I did so because I was apprised by many that perhaps NSBI was too Halifax-centric, and I wanted to make it clear that we need economic development and growth right across the province, and again those programs and initiatives are really the tools that we use to do that. Not to say that film production and television production and feature films do not take place right across the province, but we max out every single fiscal with respect to the \$1.5 million available to small business development and export growth, and we receive more applications than we have dollars available.

At this point in time we have \$10 million as a budgeted allocation for 2016-17 for the Film and Television Production Incentive Fund, and we have approved \$1.1 million. So there's capacity, we are open for business, and we want to see those applications. But we fully understand that there was really a blip in terms of more applications under the Film Tax Credit than historically, so it probably makes sense to see a bit of a dip right now. But we've made it clear, come and make your next film in Nova Scotia - we're engaged in that conversation.

Why am I optimistic? I'm optimistic because we saw some incredible funding applications that we were able to approve: a feature film produced by Malefic Films; a television series, *Pour l'amour du country XIV*, produced by 3286993 Nova Scotia Limited - perhaps not a household name; another feature film called *Train Whistle Does Not Blow*, by Grassfire Films - I'm sure many are familiar with that project perhaps; a feature film, *nineteenseventysomething*, has also been approved; and CBC Television's Halifax ComedyFest 2016. So we're seeing really strong films and television series come forward.

We look to work with the industry; we see ourselves as their partner. We know that Screen Nova Scotia was just recently provided with \$475,000 from the Department of Business to undertake activities and promotional activities, and we look to be their partner in terms of supporting that initiative that they will now have responsibility for.

MS. PETERSON-RAFUSE: Just as a follow-up, it almost seems to me like if I was telling you that I was having a heart attack, you would just tell me no, I was having gas. The fact is I keep asking the questions about the industry itself that has very clearly indicated what is needed to survive and go forward. The productions you're talking about

are small productions, not the large productions. Also, the Ivany report said - and OneNS - that we have to take what we have in talents and resources and expand on those, invest in those, and that is the film and television industry.

My final question is, why are you continually skirting the question of what the industry - they're telling you they're having a heart attack and they need your help, can you please answer?

MS. BROTEN: We are very pleased to have responsibility for this industry - we have responsibility for many industries. Nova Scotia should be proud of the success it has had in ocean technology, ocean innovation, ICT, financial services - we advance every one of those industries. Incentives are part, perhaps, but our great knowledge-based industry, our staff, our people, and our educated workforce are all part of the selling feature. That's the same with respect to film and television production.

The financial realities of the province are such that the government and the Cabinet make decisions with respect to the funding allocations and we adhere to those allocations. It really is incumbent upon all of us to harness the good strength of the private sector - whether that be film, ICT, financial services - to be able to generate a tax base in the province, and that tax base allows us to pay for health and education and clean air and clean water and all the things that our families want.

There are priorities, there are decisions to be made. Both you and I and many others have had the privilege to sit around a Cabinet Table. There are tough decisions to make around a Cabinet Table but those are theirs to make. At this point, our role at NSBI is to administer a fund, support the industry, and tell the world that we're open for business in this sector, as in many others. That's what a very hard-working team at NSBI does every single day.

MR. CHAIRMAN: Thank you, Ms. Broten. Mr. Rankin, for the last question.

MR. RANKIN: Thank you and I do appreciate the optimism. I would say a good job to the team for approving five applications and six in the hopper. Clearly the film industry has not collapsed.

One of the more amusing lines of questions that we heard today was - and I don't know if it's because it's film day - the NDP bringing up their economic development strategy in the form of the movie Aladdin, where you get three wishes and you get whatever you want. In that same vein, when you did ask the film industry what they wanted, the producer actually said, we're not asking for that back but we understand. So that's the old tax credit.

What he wished for - and this would be an ultimate wish - was to get 2 per cent or 3 per cent more in the old fund. So you're saying that the other fund, if changes in design of the program are warranted - they didn't even say that during their so-called three wishes

that the NDP would like to grant the film industry. The question would be, the \$30 million, how does this add up? When \$30 million or \$40 million is allocated from April to July to the film industry on top of five new applications - we're talking about serious government funding going to the industry over the last six or seven months - how does that align with the so-called 500 jobs that the NDP are talking about? Is that just a myth? Where are these 500 jobs coming from?

MS. BROTEN: As I said, we respond to the applications that we see. I have had opportunities to speak to the industry about the fact that we need to champion that Nova Scotia is open for business. There is no doubt that this has been a challenging year for the industry. There has been a period of uncertainty in advance of the new fund launching, post-budget, and during the negotiations or conversations that were held by the province with Screen Nova Scotia at the table to design the new guidelines. That was done on a collaborative model.

Our role and responsibility is to administer those guidelines, and as we do in every other sector, to say, "Look at Nova Scotia. If you looked before, look again. Here's what we have on offer." We have crews and cast that are second to none, scenes that are second to none. We're pleased with the applications that we've seen. Do we want to see more? Absolutely, yes. Do we have capacity to entertain more? Absolutely, yes.

We're nowhere near the budget allocation of \$10 million. There's lots of incentive fund available, and we look to see productions come to Nova Scotia.

MR. RANKIN: Thanks.

MR. CHAIRMAN: Ms. Broten, with that, you have about four minutes for some closing comments, if you so wish.

MS. BROTEN: Perhaps I've talked enough. Let me simply say, at NSBI we have a very dedicated team that works every single day in partnership with business enterprise of all kinds to make sure that we generate the export aspirational goals that we all have to double the number of exports, to double the number of exporters. That requires us to work in a variety of sectors and engage and support. We use our Export Growth Program and our Small Business Development Program to do that. We undertake a number of trade missions in all sectors and talk about Nova Scotia and what we have to offer.

When it comes to investment attraction, we do that work through the Strategic Investment Fund to attract foreign-direct investment because foreign-direct investment brings with it an increase in export, an increase in investment and innovation and economic development. As of April 9th and the budget of this year, we're very pleased to embed within the work that we have done for many years the creative industries, working with the publishers, with the music industry, with our incredible fashion designers, jewellery makers, potters - whatever it might be - and our film industry to talk about what we have

to offer here in Nova Scotia and to encourage enterprise from around the world to come here, both to set up an ICT operation or to film a movie or a television series.

Again, we partner with business. We are part of the work being done to drive private sector growth and to generate a tax base for the province so that the province can continue to offer the public services that Nova Scotians depend on. We look to have a strong and vibrant economy. We really wake up every single day, and the main client that we need to pay attention to are the citizens of Nova Scotia, because they're the ones who depend on us. I couldn't be more pleased to lead a very dedicated team of individuals who do that every single day.

MR. CHAIRMAN: Thank you very much, Ms. Broten and your team, for the hard work that you do.

With that, I call this portion of the meeting to a close. There is a little bit of committee business for the month of December. The month of December, we will probably be sitting, so there will be no meeting. The January meeting will be determined based on what happens in the next month. With that, I ask for a motion to adjourn this meeting.

Moved by Ms. Miller. Thank you very much.

The meeting is adjourned.

[The committee adjourned at 3:00 p.m.]