



INDUSTRY PROFILE - FILM & TV

JANUARY 2022 PROFILE

INTRODUCTION

Ontario has long stood as a substantial player in Canada's film and television production industry, as well as in the global market. COVID-19 continues to be a challenge, but Ontario's industry has remained strong with the film and television production sector contributing almost \$1.5 billion to the provincial economy through 232 productions.^[1]

INDUSTRY SIZE AND ECONOMIC IMPACT

Note: The following information on employment, revenue and the consumer market should be considered a snapshot of activity in the industry based on the best available information. All dollar figures are in CAD unless otherwise noted. Data from different sources may be inconsistent due to differing definitions of the film and television sector.

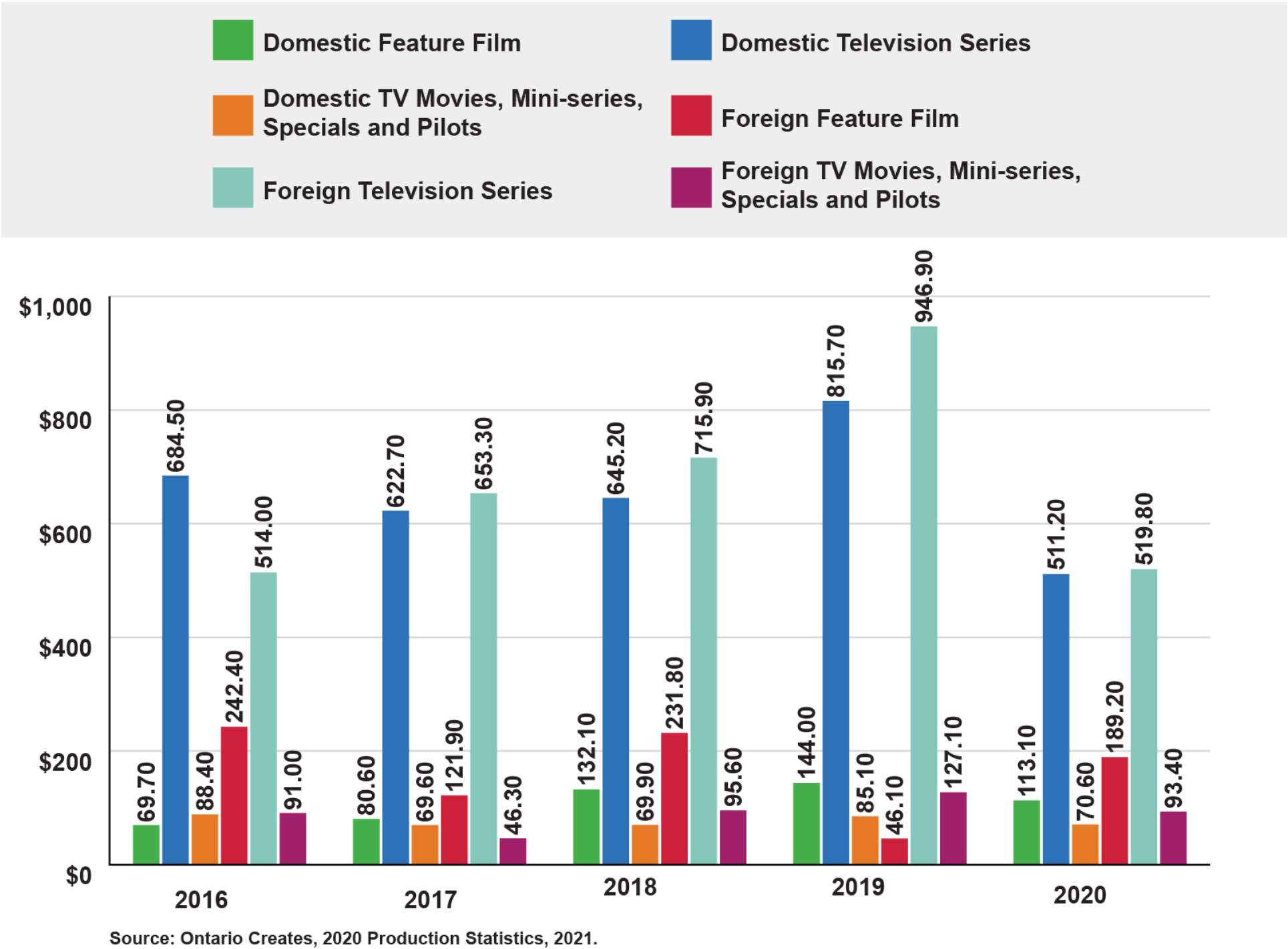
EMPLOYMENT AND WAGES

- In 2020, the Ontario film and television industry generated 29,667 full-time equivalent (FTE) direct and spin-off jobs, a 33.4% decrease from the 44,540 FTEs generated in 2019.^[2]
- In 2019, the Ontario film, television and video production sector spent \$947 million on salaries wages, commissions and benefits. The film, television and video post-production sector spent \$275 million. Both these sectors showed an increase in expenditures from \$896 million and \$256 million respectively.^[3]
- The Canadian Media Producers Association (CMPA) *Profile 2020* found that between April 2019 and March 2020, the Canadian film and television production in Canada generated 244,500 jobs, down 5.4% from the previous year. The majority of these (139,910) were in Foreign Location and Service.^[4]

PRODUCTION VOLUME AND BUDGETS

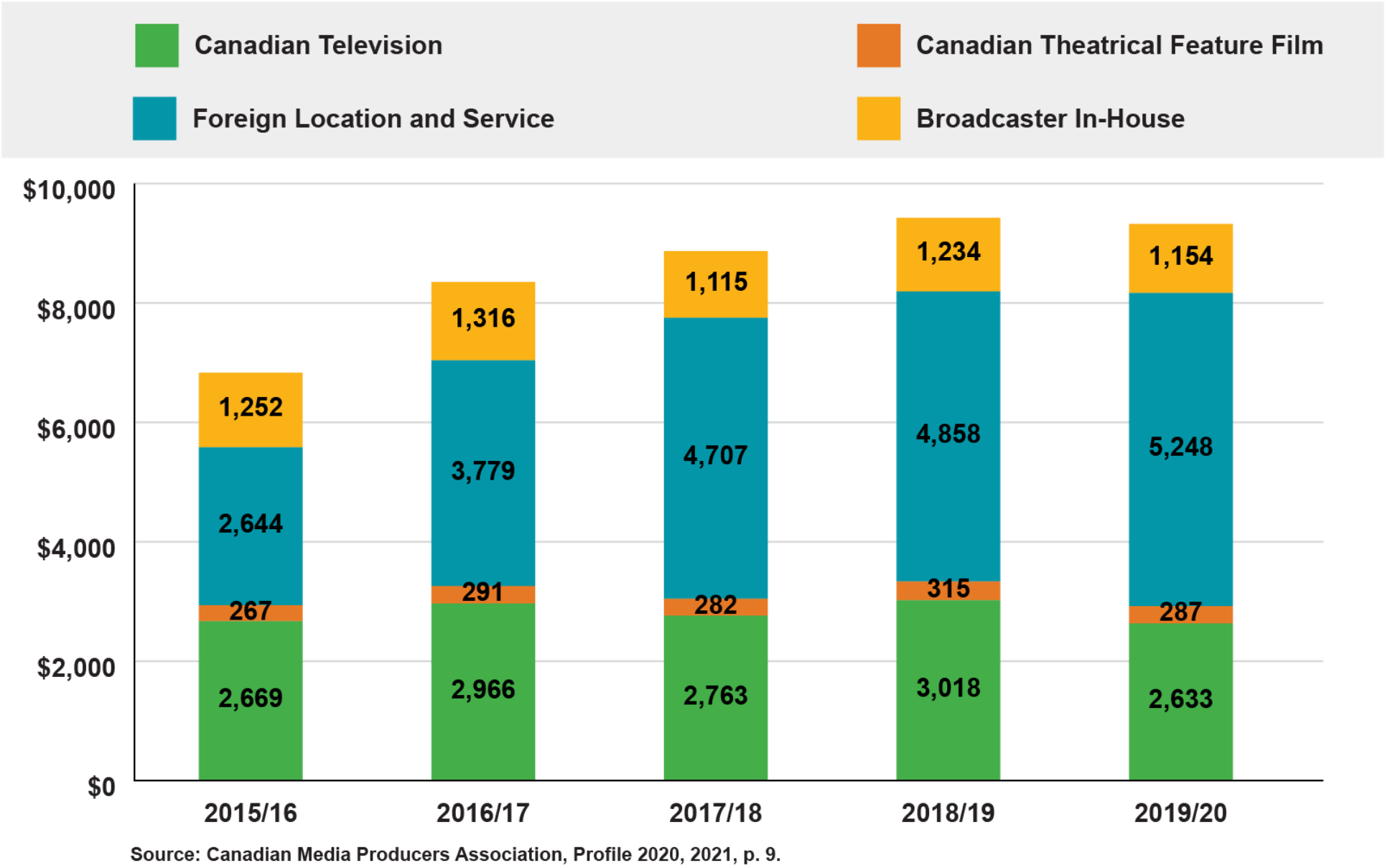
- A total of 232 film and television projects were produced in Ontario in 2020, down from the 343 in 2019 and 324 in 2018. Of those 232 projects in 2020, 176 were domestic, and 56 were foreign. This is a decrease of approximately 32.6% in domestic productions and a decrease of 31.7% in foreign productions from the 2019 statistics.^[5]
- In total, the Ontario film and television production sector generated almost \$1.5 billion in production dollars in 2020.^[6]
 - While most sub-categories of Ontario film and television production fell in 2020, foreign feature film actually increased over 2019, with 13 productions generating \$189.2 million in production dollars left in Ontario, compared to 11 productions generating \$46.1 million. However, 2019 was an abnormally low year compared to previous years.^[7]

Ontario Film and Television Production \$ Left in Ontario (\$ millions)



- According to the CMPA, between April 2019 and March 2020, the Canadian film and television production industry generated \$9.3 billion in production volume, down 1.1% from the previous fiscal year.^[8]

Volume of Canadian Film and Television Production (\$ millions)

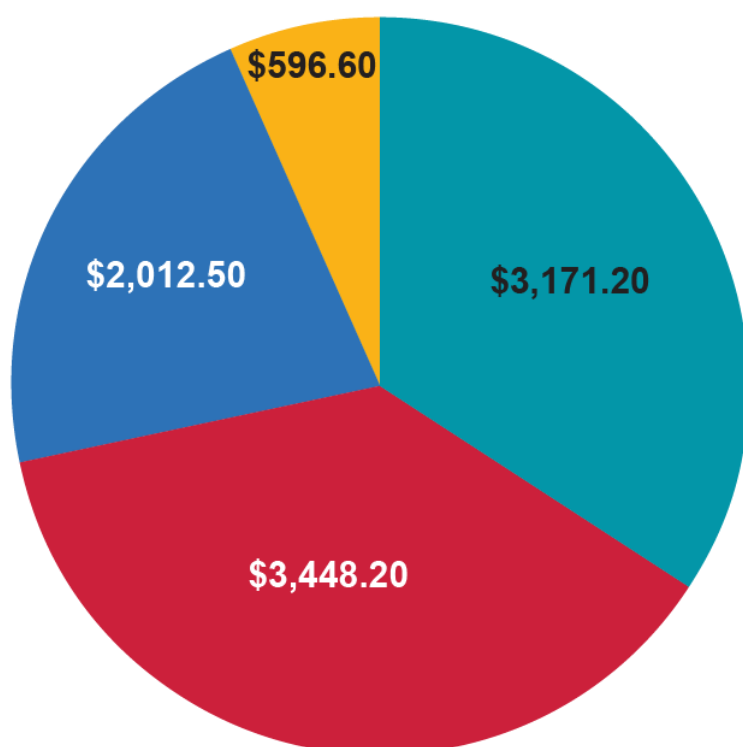


- Canadian content production decreased by 12.4% during the April 2019 to March 2020 fiscal year, with English-language production decreasing by 14.3% and French-language production decreasing by 6.8%.^[9]

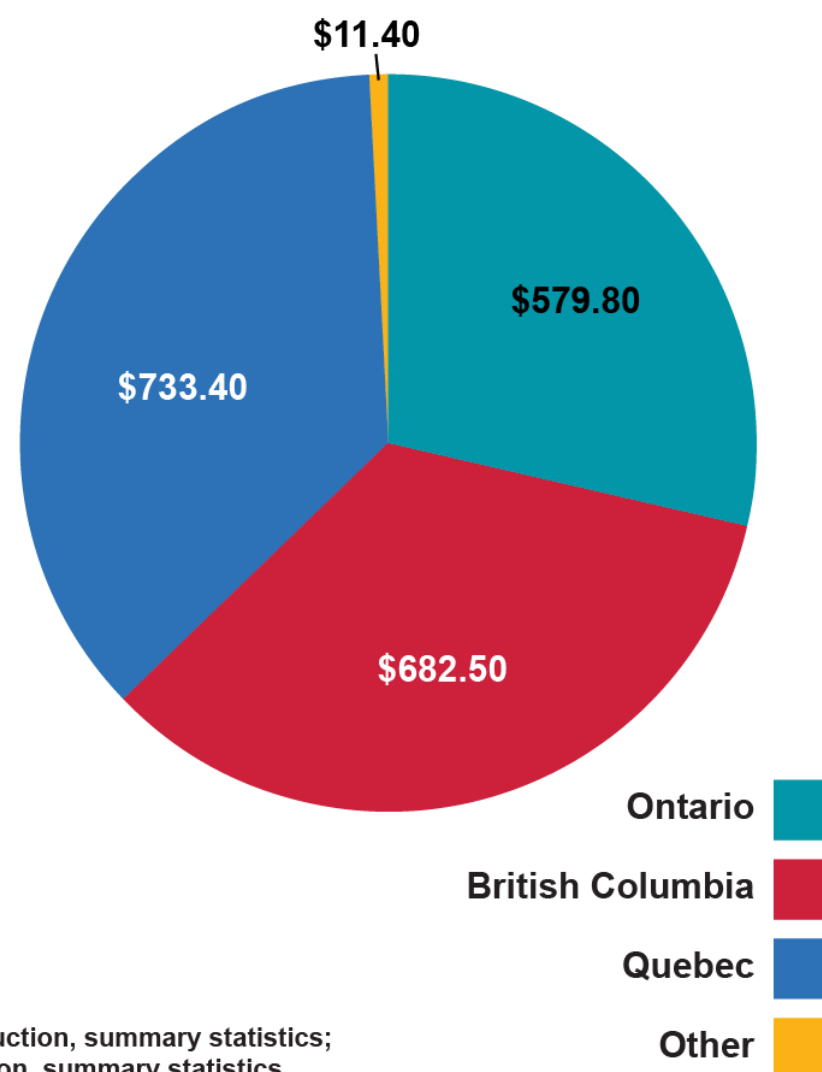
REVENUES AND RELATED FIGURES

- In 2019, the Ontario film, television and video production industry generated almost \$3.2 billion in operating revenue, accounting for 34.8% of Canada’s \$9.2 billion. Ontario’s revenue was the second highest in Canada, following British Columbia at \$3.4 billion.^[10]
- In 2019, the Ontario film, television and video post-production industry generated \$579.8 million in revenue, 29% of Canada’s \$2 billion. Ontario followed Quebec with \$733.4 million and British Columbia with \$682.5 million.^[11]

Film, television and video production operating revenue in Canada, by province (\$ millions)



Film, television and video post-production operating revenue in Canada, by province (\$ millions)



Source: Statistics Canada, Table 21-10-0059-01 – Film, television and video production, summary statistics; Statistics Canada, Table 21-10-0066-01 – Film, television and video post-production, summary statistics.

- The Canadian film and video sector generated \$12.2 billion in GDP between April 2019 and March 2020, down 2.0% from the previous fiscal year.^[12]
- Canadian cinema industry revenue dropped dramatically in 2020 due to COVID-19, from US\$760 million in 2019 to US\$144 million (-81.0%), and is not expected to have fully recovered to pre-pandemic levels by 2025. However, it is expected to have rebounded by 141.0% by the end of 2021.^[13]
- Global expenditure on screen production reached approximately \$177 billion in 2019, and likely would have been higher in 2020 if not for COVID-19. It is estimated that the global screen sector value chain supports 14.2 million jobs, and had an estimated economic impact of \$414 billion, with \$177 billion of direct output and \$237 billion of indirect and induced output.^[14]

CONSUMER MARKET

- Consumer satisfaction with streaming video services dropped between 2020 and 2021, according to an American survey. Satisfaction dropped by 2.6% to 74/100. Netflix and Apple TV+ declined most significantly, by 4%. Analysts suggest that this decline is attributable to the extra pressure put on infrastructure and bandwidth during COVID-19, though it is possible that the increase in available streaming services and decrease in offering by any individual service may also be a cause.^[15]
- Video streaming consumers turned to online entertainment significantly more during COVID-19, and many used streaming services to discover new genres. A quarter or more of surveyed users of Netflix, Hulu, Prime Video and Disney+ found they liked documentaries more than they thought, over 20% liked comedy, and close to or over 20% liked true crime.^[16]

TRENDS AND ISSUES

Key industry trends and issues include climbing over-the-top (OTT) video revenues vs. declining traditional TV and home video revenues; competition between streaming services, the fight for equity in front of and behind the camera; federal legislation; ongoing legal battles; and blockchain.

GROWTH RATE AND INDUSTRY TRENDS

- According to PwC's Global Entertainment & Media Outlook 2021-2025, over-the-top (OTT) video revenue in Canada is projected to climb at a combined annual growth rate (CAGR) of 10.5% between 2020 and 2025, reaching US\$3.7 billion by 2025. In contrast, traditional TV and home video will decline over the same time period, with a CAGR of -1.2%. However, between 2024 and 2025 it is projected to rise by 0.1%.^[17]

- In comparison, the Global OTT video market is projected to climb at a CAGR of just under 10% in the same time span, and traditional TV and home video is projected to decline by -1.2%.^[18]
- A new study by The Trade Desk indicates that 27% of American cable TV subscribers plan to end their subscriptions (“cut the cord”) by the end of 2021, almost double the 15% that did so in 2020. The study suggests that this has been exacerbated by COVID-19, with an increase of customers working from home and wanting a wider range of selection, as well as employment uncertainty leading to increased household budget pressure.^[19]
- While Netflix continues to be the dominant streaming service, the influx of rival services is having an impact. Netflix’s share of global audience demand for digital original series dropped below 50% for the first time in Q2 2021, although the next closest competitor is still Prime Video at only 12.7%.^[20]
- The Canadian motion picture theatre industry suffered significantly due to COVID-19. The industry’s profit margin dropped to -42.3% in 2020, after a positive average of 14.6% since 2014.^[21]

GLOBAL AND DOMESTIC ISSUES

- RiverTV, Canada’s first and only virtual broadcasting distribution undertaking (BDU), aims to target millennial audiences wanting live television broadcasting. The service also has on-demand offerings, but surveying has found that the live TV options were most appealing to customers, disputing the notion that cord-cutters don’t want live TV broadcasting.^[22]
- A new database of northern Ontario film crews by Cultural Industries Ontario North and The New Business launched in early 2021. The goal of the database is to allow producers to more easily hire local talent when filming in northern Ontario.^[23]
- A new in-depth survey by the Canada Media Fund (CMF) examines the experiences of racialized creators and production companies in Canada. Findings show that many challenges face racialized stakeholders in the Canadian audiovisual industry, including limited access to industry decision makers, systemic racism, juries and selection committees which aren’t representational, and difficulties meeting restrictive eligibility requirements of funding programs.^[24]
- Entertainment professionals with disabilities are seeking to raise awareness and representation of people with disabilities in the screen sector. Necessary changes range from casting actors with disabilities to portray characters with disabilities, to making the physical set environment accessible, to changing what stories the industry tells about people with disabilities.^[25]
- Starting in 2024, the Oscars will require that best picture candidates meet representation standards in at least two of four categories: “Onscreen Representation, Themes and Narratives,” “Creative Leadership and Project Team,” “Industry Access and Opportunities” and “Audience Development.” Each category has criteria a film must meet for the inclusion of people in underrepresented groups, including women, people of colour, LGBTQ+, and people with cognitive or physical disabilities.^[26]
- The Reelworld Screen Institute has launched an initiative to develop an industry guideline addressing the depiction of racialized women and girls in the media, as well as addressing the systematic barriers created by current depictions and their impact on the success of racialized women in the screen industry.^[27]
- A new report by Women in Film and Television – Canada Coalition and Reel Families for Change Canada reveals that COVID-19 had a significant impact on women in the workforce, and particularly in the screen industry, due to lack of adequate child and family care support. The report recommends an industry roundtable to begin discussions with unions and employers with an aim to include childcare and family care as a production budget item.^[28]
- The federal government’s *Budget 2021* proposes a 3% Digital Services Tax, which will apply to revenue collected by in-scope large businesses from specific digital services which rely on the engagement, data and content contributions of Canadian users. Digital streaming giants like Netflix are among the forefront of businesses that will be targeted by this tax.^[29]
- In November 2020, the federal government tabled Bill C-10, legislation that would update the *Broadcasting Act*. Bill C-10 was intended to level the playing field between internet streaming services and traditional broadcasters. It would subject international web-based broadcasters operating in Canada to the same regulations as traditional broadcasters in regards to requirements for offering Canadian content and contributing financially to the production of Canadian cultural industries. The Bill was met with significant debate, and ultimately failed to pass the Senate before the Senate rose for the summer. In the December 2021 speech from the throne, the government renewed its commitment to reintroducing Bill C-10.^[30]
- A new studio is slated to be built in Toronto at Downsview Park, bringing over a million square feet of production and support space, with soundstages ranging from 20,000 to 80,000 square feet. It is hoped that this new studio will ease some of the demand on Ontario studio space, and will create a number of direct and spin-off jobs.^[31]
- A class action lawsuit against Cineflix Media on behalf of factual TV workers in Ontario has been settled. The lawsuit alleged that Cineflix Media violated Ontario’s Employment Standards Act in a number of ways, including classifying class members as independent contractors rather than employees, and failure to compensate class members for all hours worked.^[32]

- The American chapters of the International Alliance of Theatrical Stage Employees (IATSE) narrowly avoided a strike in November 2021, signing a three-year contract with the Alliance of Motion Picture and Television Producers (AMPTP). A major theme in negotiations was quality of life issues, including time off between shifts. Payment into pension and health funds by streaming services was also a point of contention.^[33]
- Some Canadian companies such as Immersion Room and William F. White International are beginning to provide virtual production stages (using LED screens as a backdrop rather than green screens) to Canadian filmmakers, aiming to make the technology cost effective for small- and medium-budget films.^[34]
- In an effort to combat the decline in movie theatre attendance brought about by COVID-19, Cineplex Inc. is launching a monthly subscription program, which will give members a free movie every month, as well as cheaper tickets and discounts on concession items.^[35]
- Following a federal cabinet shuffle, Pablo Rodriguez has replaced Steven Guilbeault as minister of Canadian Heritage. Rodriguez previously held the portfolio from July 2018 to November 2019.

GOVERNMENT SUPPORT

Note: The information included in this section is an overview of some of the government support to the film and television sector. This is not intended to be a comprehensive list of government support available.

- Ontario film and television producers have access to provincial government funding through tax credits including the Ontario Film and Television Tax Credit (OFTTC), the Ontario Computer Animation and Special Effects Tax Credit (OCASE), and the Ontario Production Services Tax Credit (OPSTC). Ontario Creates provides funding to trade and event organizations in the production sector through the Industry Development Program for events and activities that stimulate the growth of the industry, and for producers to participate in export activities through the Export Fund – Film and Television.
- Ontario feature film producers also have access to provincial government funding through the Ontario Creates Film Fund in Production, Development and Marketing and Distribution Initiative streams. The Fund is designed to increase the level of domestic feature film production in Ontario, and provides support to feature film producers in the final stages of development and production financing.
- In early 2021, the Ontario government overhauled the Northern Ontario Heritage Fund Corporation and launched several new funding programs. The Cultural Supports Program will be used to develop the film and television industry in the region, and support conferences and festivals.
- The Federal *Budget 2021* aims to provide additional funding to the Canadian screen sector over a three-year period, including \$105 million in additional funding to Telefilm, \$40.1 million to the Indigenous Screen Office, and \$60 million to the CMF.
- The Department of Canadian Heritage has appointed a consulting “green” committee tasked with supporting more environmentally friendly practices in the arts, culture and heritage sectors. Ontario Creates has also launched the Ontario Green Screen initiative, a collaborative initiative between government, industry partners, unions, guilds, trade associations and companies that endeavours to make lasting change in the industry and to empower individuals, production companies and studios to make sustainable choices.^[36]

INDUSTRY RECOGNITION

- At the 2021 Emmy awards, several productions shot in Ontario received nominations and awards. *The Queen’s Gambit* won 11 awards, including Outstanding Limited or Anthology Series, Outstanding Directing For a Limited or Anthology Series Or Movie, and Outstanding Production Design For A Narrative Period Or Fantasy Program (One Hour Or More). Toronto-shot *Star Trek: Discovery* won Outstanding Special Visual Effects in A Single Episode. *The Handmaid’s Tale* did not receive any awards, but received 21 nominations.
- Two Ontario-shot productions won at the Golden Globe Awards. *Schitt’s Creek* won Best Television Series – Musical or Comedy, and Best Performance by an Actress in a Television Series – Musical or Comedy for Catherine O’Hara. *The Queen’s Gambit* won Best Television limited Series, Anthology Series or Motion Picture Made for Television, and Best Performance by an Actress in a Limited Series, Anthology Series or a Motion Picture Made for Television for Anya Taylor-Joy.
- Ontario-produced animated series *Hilda* (Silvergate Media) won the Outstanding Children’s Animated Series award and the Outstanding Editing in a Daytime Animated Series award at the 2021 Daytime Emmy Awards.

Profile current as of November 18, 2021

ENDNOTES

- 1 Ontario Creates, 2020 Production Statistics, 2021. Data represents expenditures of all productions using Ontario Creates-administered incentives and services. Data does not include television commercials, corporate videos, music videos, or broadcaster in-house production.
- 2 Ontario Creates, 2020 Production Statistics, 2021.
- 3 Statistics Canada, Table 21-10-0059-01 – Film, television and video production, summary statistics. (Accessed October 4, 2021); Statistics Canada, Table 21-10-0066-01 – Film, television and video post-production, summary statistics. (Accessed October 4, 2021).
- 4 Canadian Media Producers Association, *Profile 2020*, 2021, pp. 6, 14.
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- 8 Canadian Media Producers Association, *Profile 2020*, 2021, p. 6.
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- 10 Statistics Canada, Table 21-10-0059-01 – Film, television and video production, summary statistics. (Accessed October 4, 2021).
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- 13 PWC, *Global Entertainment & Media Outlook 2021-2025 – Cinema in Canada*, 2021.
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- 24 Canada Media Fund, *The Profile of Recipients of COVID-19 CMF Emergency Relief Funds – Summary Report*, April 2021, p. 40.
- 25 Lindsey Bahr, “Entertainers discuss disability representation in Hollywood,” *Toronto Star*, October 27, 2020.
- 26 Josh Rottenberg, “New Oscars standards require best picture contenders must be inclusive to compete,” *Toronto Star*, September 8, 2020.
- 27 Amber Dowling, “Reelworld to create industry guideline on depiction of racialized women onscreen,” *Playback*, August 24, 2021.
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- 29 Government of Canada, “Consultations on Other Tax Measures: Supplementary Information,” *Budget 2021*, April 19, 2021.
- 30 Menaka Raman-Wilms and Bill Curry, “Senators push back on Bill C-10 after MPs approve controversial internet-regulation bill,” *The Globe and Mail*, June 22, 2021. Kelly Townsend, “Industry urges swift action following federal election result,” *Playback*, September 21, 2021.

31 Andrew Palamarchuk, “Massive film and television studio to be built in Downsview,” [*Toronto.com*](#), July 7, 2021.

32 Kelly Townsend, “Cineflix to settle class-action lawsuit with factual TV workers,” [*Playback*](#), September 27, 2021.

33 Gene Maddaus, “IATSE Contract Ratification Vote Will Begin Nov. 12, Results on Nov. 15,” [*Variety*](#), November 4, 2021.

34 Kelly Townsend, “How virtual production became a reality for indie prodcos,” [*Playback*](#), September 22, 2021.

35 David Friend, “Cineplex unspools subscription-based CineClub to attract movie fans,” [*CP24*](#), August 7, 2021.

36 Amber Downling, “Depart of Canadian Heritage appoints ‘green shift’ committee,” [*Playback*](#), August 13, 2021.