

## Executive Summary

APPA believes the following four pillars are necessary to support, grow and sustain jobs in the post-production sector with the goal to make it a vibrant and dynamic part of the growing Alberta Film and Television ecosystem, increase ROI for AB taxpayers and are in harmony with Mandate Letters for the relevant Ministries:

- 1) Increase the number of domestic AB productions - especially series based.
- 2) Build strong post-production companies and technical infrastructure to meet increased demand for services.
- 3) Increase quantity and quality of the post-production workforce through advanced post-secondary training, mentorships, internships, and apprenticeships.
- 4) Increase overall demand for AB based post-production services via targeted incentives to service based and domestic productions in the \$2M - \$10M budget range for features / MOW —and in the \$750K - \$2M per episode range for series.

The following document expands on these four pillars, the rationale behind these recommendations, and how the recommendations are responsive to the specific Mandate Letters for the Ministries involved.

### 01

## How Best to Increase AB Domestic Production?

Typically, 95% of Alberta producers post in Alberta so increasing domestic production will directly benefit AB post. Therefore, we recommend:

- Increase the threshold budget level for the “Alberta Made Production Grant” program from \$500,000 to \$1.9M and increase the overall amount of dollars in the program from current levels to \$10M. This will allow domestic producers to develop smaller budget web series as “proof of concept” and provide training for higher budget work, as well as increase the overall number of projects approved under the program.
- Support the Workforce Action Plan recommendations which have identified skill gaps with AB producers - especially with BIPOC and other marginalized candidates. Identifying and closing these gaps will help increase development and financing of drama and comedy series productions by broadcasters and streamers — and will provide training, mentoring, and networking opportunities to emerging producers.

Note: APPA could play a key role in facilitating post-production workshops for emerging producers (such as the Alberta Producer Accelerator Program) to help fill knowledge gaps around post.

- Work to improve FTTC turnaround times especially for domestic producers. This will enhance domestic producer’s ability to effectively finance larger budget productions.
- Provide targeted support for emerging screen writers - especially with drama / comedy series properties.

(See Appendix “A” for rationale and how it is responsive to the Ministry Mandate Letters)

## 02 How Best to Build Companies and Infrastructure?

In order to grow the post sector sufficiently to meet the anticipated increased demand for post-production services, we recommend:

- Keep the PPG in place. The PPG program supports infrastructure growth in numerous ways including equipment and software upgrades, new hires, marketing, attending trade shows and other industry networking events — and to subsidize lower budget productions from emerging filmmakers.

## 03 How Best to Increase the Skilled Post-Production Work Force?

Many graduates from Alberta media training programs require 6 -12 months of additional training before becoming fully functional post-production team members, therefore we recommend:

- Build on the Workforce Action Plan recommendations to develop a long-term strategy where post-secondary educational institutions, APPA and post companies consult on curriculum, leading to educational “Centres of Excellence” for the various post-production skill set tracks required — and to minimize program duplication.

NOTE: APPA was part of the curriculum consultation for Red Deer College’s Animation and VFX program. Since then, RDC has produced quality VFX graduates that some of APPA’s members have been able to hire. The students were productive right out of the gate!

- That in consultation with AB post-production companies, post-secondary educational institutions partner with leading post-production software developers to be near the leading edge with both new tools and best practices. APPA can provide input identifying the key “industry standard” software platforms and the proficiency levels needed for graduates to be useful to companies on the ground and subsequently be successful in their careers.
- Expand the “Training and Mentorship Incentive” of the Alberta Made Production Grant to include post-production work. (See [https://www.alberta.ca/system/files/custom\\_download-ed\\_images/acsw-ampg-tm-incentive-program-overview.pdf](https://www.alberta.ca/system/files/custom_download-ed_images/acsw-ampg-tm-incentive-program-overview.pdf) for details.
- Create a similar “Training and Mentorship Incentive” to the FTTC for larger budget productions so that service producers could receive extra tax credit benefits if they link their post-production spend to an AB facility / mentor with a training component. This incentivizes increased demand for post services and provides meaningful employment for the trainee(s).
- That training funds be made directly available to companies to help bridge skills gaps in an apprenticeship / paid internship / work experience model. Existing training programs might be expanded or otherwise tailored to meet this need rather than developing a “from scratch” approach.

## 04 How Best to Increase Overall Post Services Demand?

Currently Alberta trails other jurisdictions such as Quebec, Ontario, and BC in overall volume of post-production work retained in the province as a percentage of overall production volume. There are certain systemic factors such as co-pro regulations which require a minimum spend in each jurisdiction. This means if you shoot in AB the easy button is to post in your partnering jurisdiction. This is the model for Heartland and other “shoot and scoot” productions.

We believe an opportunity exists for smaller and mid budget productions in the \$2M to \$6M range for features / MOW and in the \$750K to \$1.5M per episode for dramatic series — to consider posting in Alberta.

## APPENDIX A

## RATIONALE AND DETAIL

01

### **Increase the number of domestic AB productions - especially series based**

#### **Ministry Mandate Letter**

Partnering with the Minister of Arts, Culture and Status of Women, who is the lead, to continue growing Alberta's cultural industries, including focusing on Alberta-made productions and supporting Alberta producers and companies in developing Alberta content."

#### **Our Rationale**

While the FTTC is designed for larger project budgets, the time lag from project completion to receiving funds from the program makes it difficult for smaller AB producers to carry the financing costs in a "high interest" world. Increasing the funding within the Alberta Made envelope will allow for more AB content creation which will have an immediate and positive impact of the amount of post work in the province.

Increasing both the threshold for projects from \$500K to \$1.9M and the overall dollars available will allow for more small series — both documentary and dramatic — and of higher quality — to be created. It will also increase the overall number of AB productions to be green lit. Currently, many solid projects are rejected in the jurying process for a lack of available funding.

02

### **Build Companies and Infrastructure by keeping the PPG in place**

#### **Our Rationale**

The PPG has been hugely beneficial to the post-production sector in Alberta. It has assisted AB post companies (and individuals) to build infrastructure, stay current with new software and workflow, improve marketing efforts, assist emerging filmmakers and during the pandemic downturn allowed many companies to avoid layoffs. It has been a well-designed "Swiss army knife" program as it allows each company to direct the funds where needed most in their situation.

Keeping the PPG in place also provides a "metrics dashboard" to measure the effectiveness of changes to the post ecosystem as they gain traction. Any increase in applications to the PPG over historic levels will be a strong indicator that demand for services is increasing. This will efficiently and in near "real time" inform future decision making.

03

### **Increase the Skilled Post-Production Work Force**

#### **Ministry Mandate Letter**

"Working directly with each economic ministry across government, design a ministry-specific job-at-traction strategy to raise the awareness of young Albertans (aged 16 to 24), and adults changing careers, of the skilled trades and professions available in each economic sector, including pathways for education, apprenticeship, and training."

- Build on the Workforce Action Plan recommendations to partner with PSI's.

## Our Rationale

- By partnering with PSI's on curriculum, APPA and individual post companies, we can shorten the time between graduates exiting the various programs and their becoming useful post team members.
- By partnering with PSI's, companies and software developers, we can ensure that students are learning the appropriate AND latest versions of software.
- By expanding the "Training and Mentorship Incentive" program within the Made in Alberta program to include post-production work, we ensure that "post" trainees are on a level playing field with "on set" work.
- By further expanding a Training and Mentorship Incentive into FTTC based productions we will incentivize increased demand for post services, provide hands-on training opportunities for entry level workers and give meaningful employment for the trainee(s) both during and after the training period.
- For example, if service producers who currently qualify for the 22% FTTC rate enter into an approved post-production training program with an approved Alberta based post company, they could receive additional tax credit points to a maximum of the 30% Alberta based producers currently receive. This could be a sliding scale depending on the number of training positions created, BIPOC and other under-represented groups involvement, etc.

## 04

### Increase overall demand for AB based post through targeted incentives

- Add a 16.5% dedicated post-production "all spend" incentive to the FTTC for all Alberta post-production spend.

NOTE: We believe this proposal for changes to the FTTC is directly responsive to the Ministry of Jobs, Economy, and Trade Mandate Letter of July 5, 2023, which provides the following goals:

"Collaborating with partner organizations ... to enhance wayfinding services and other business-attraction initiatives for investments under approximately \$50 million"

## Our Rationale

We feel that to be meaningful to service producers any incentive will need to be an aggressive number — to "prime the pump" — so to speak. The DAVE credit in BC started at 22% of post labour costs to start and has slowly ramped down to the current 16.5%.

Based on an approximately 70 / 30 split between labour and facility costs (as is used by the PPG) a 22% post labour TC would translate to approximately 15.4% in an all spend world. A 24% post labour TC would translate to approximately 16.5% in an all spend world. We feel this latter number would be sufficient to influence service producers to seriously consider posting in AB. The percentage could be ramped down over time as demand meets capacity.

These incentives primarily need to target large volume projects such as drama and comedy series and / or bundled packages of "one off" movies. This type of work represents exactly the kind of post-production work that is needed to build the post sector in Alberta using the model pioneered by Creative BC.

The growth of the BC post sector can be traced directly the incentives provided to these large volume productions. We believe that over time Alberta can successfully duplicate this model.