



ENTERTAINMENT AND CREATIVE INDUSTRIES

Ontario's entertainment and creative industries are among the most dynamic industries in the province. This knowledge-based sector keeps pace with today's fast-changing global economy and creates jobs for the province's pool of talented and highly skilled workers.

The creative industries in Ontario collectively form the third-largest cluster in North America, after California and New York. Within Canada, Ontario is the leading province for film and television production, book and magazine publishing and sound recording. Furthermore, the province is rapidly gaining recognition as a digital-media hub.

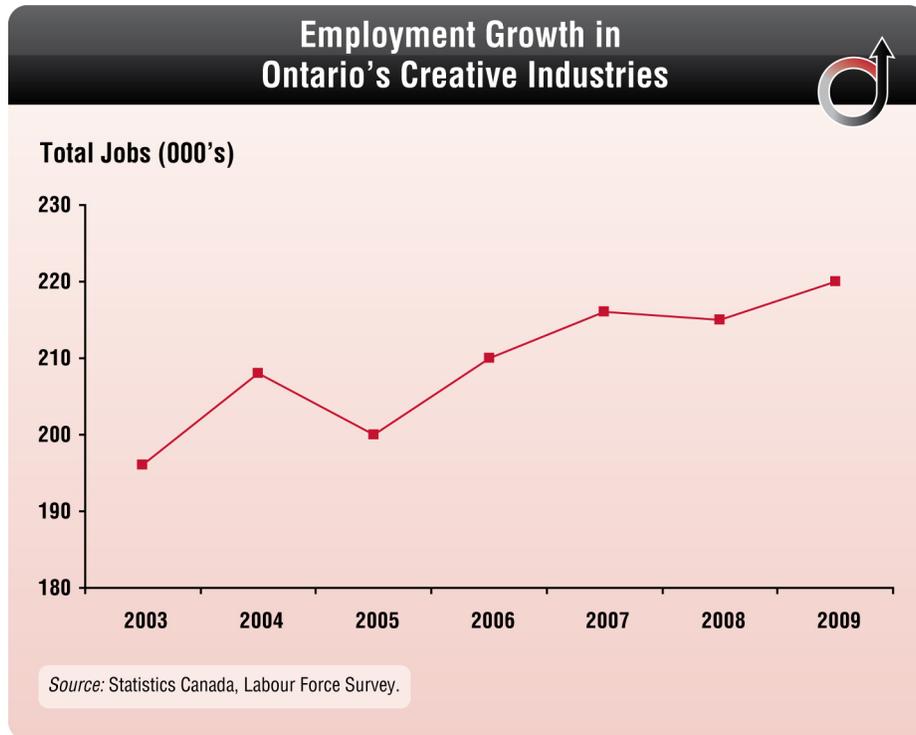
Recent Achievements

Ontario has long been the source of some of the world's most talented creative-industry professionals. Increasingly, through the help of the provincial government, major organizations are choosing to invest in creative industries and create jobs right here in Ontario. For example:

- Ontario is quickly becoming the jurisdiction of choice for some of the world's top video game production companies
 - The government's investments in the knowledge sector attracted France-based video game developer Ubisoft. This leading digital-media producer will open a state-of-the-art studio in 2010, creating 800 jobs over the next decade
- The government's support for the film and television industry has benefited Ontario's reputation as a global media hub. In June 2011, the province will host the International Indian Film Academy Awards – a major international event with a worldwide television viewing audience of 350 million. Toronto is the first North American city to host the awards. Ontario is expected to attract 40,000 visitors during the four-day festival, including 500 actors and producers.

The government's strategic investments in creative industries are effective in creating jobs for the knowledge-based economy:

- In 2009, despite the global recession, creative-industry jobs in Ontario increased by nearly three per cent. There are now almost 295,000 jobs in the creative, cultural and recreational industries combined
- Ontario's tax credit enhancements have been particularly effective in generating growth in the province's film and television industry. The industry spent about \$945 million in Ontario in 2009, representing a 40 per cent increase since the previous year, despite the added pressures of a strong Canadian dollar, increased international competition and the global recession
- Since 2003, creative-industry jobs have increased by 12 per cent.



In 2009, the government introduced a number of enhancements to five tax credits relating to the province's entertainment and creative industries, including:

- Expanding the Ontario Production Services Tax Credit from eligible labour expenditures to include all eligible Ontario production costs
- Making permanent the enhanced tax credit rates under the film and television tax credits
- Increasing the Ontario Interactive Digital Media Tax Credit (OIDMTC) to 40 per cent from 30 per cent for qualifying corporations that develop and market their own eligible products, and to 35 from 25 per cent for companies that develop projects under a fee-for-service arrangement with other companies
- Extending the OIDMTC to more digital media game developers
- Expanding the Ontario Computer Animation and Special Effects Tax Credit to include more labour costs and streamline administration
- Expanding the Ontario Book Publishing Tax Credit to include all books by a Canadian author and costs reasonably related to publishing electronic books.

The Province has helped Interactive Ontario deliver three programs in the areas of skills training, marketing and investor networking (On the Edge, Games ID, and the Ontario Video Game and Digital Media Investor Network) to Ontario-based companies.

The government has introduced the Intellectual Property Development Fund – a \$10 million pilot program that supports development-stage activities in Ontario's screen-based industries. This initiative will help drive content creation and support knowledge-based industries.

Ontario's Tax Plan for Jobs and Growth

Once the Harmonized Sales Tax (HST) is fully implemented, the information and cultural industries sector will benefit from about \$565 million in sales tax relief annually.

Moving to the HST will help put creative industries on a more level playing field with their competitors in other provinces and worldwide jurisdictions.

Furthermore, the information and cultural industries sector will benefit from an additional \$165 million annually from both the reduction in Corporate Income Tax rates and the elimination of the Capital Tax, for a total tax savings of \$730 million annually. This sector will also benefit through the reduction in compliance costs from a single HST administration.

Achievements Since 2003

The measures announced in the 2010 Ontario Budget build on existing government investments, including:

- Increasing Ontario's film and television tax credit rates in 2005 and 2008
- Expanding and enhancing the Ontario Interactive Digital Media Tax Credit in 2005, 2006, 2008 and 2009
- \$49 million through the 2006 Budget and \$47 million through the 2009 Budget to support Ontario's major cultural agencies and attractions, such as the Royal Ontario Museum, Art Gallery of Ontario, Canadian Opera Company, National Ballet School, Royal Conservatory of Music and Gardiner Museum of Ceramic Art, and then \$28 million annually in ongoing support to various agencies
- \$7.5 million over three years announced in the 2006 Budget, and then \$3 million annually starting in 2009-10, for the Entertainment and Creative Cluster Partnerships Fund, which promotes cooperation between different sectors in the cluster
- \$10 million, announced in the 2006 Budget, to support the Ontario Heritage Trust mandate to identify, preserve and protect Ontario's heritage
- \$30 million in additional funding from 2004 to 2007 and a one-time investment of \$20 million in the 2009 Budget to the Ontario Media Development Corporation, which promotes and leverages investment, jobs and content creation on behalf of the province's cultural media cluster, including screen-based industries
- \$20 million annual increase, announced in the 2007 Budget, to the Ontario Trillium Foundation. The Foundation helps finance community-based initiatives in the arts and culture, environment, human and social services and sports and recreation sectors
- \$15 million, announced in the 2007 Budget, in additional base funding by 2009-10 to the Ontario Arts Council, which promotes the arts and assists artists
- \$10 million, announced in the 2007 Budget, to enhance the Arts Endowment Fund program, which provides funding to about 260 organizations
- \$2.3 million annually, announced in the 2007 Budget, to increase the Community Museum Operating Grants program, which provides financial assistance to community museums across the province to support their work protecting and promoting Ontario's heritage
- \$7 million over four years to expand and enhance the Ontario Media Development Corporation's Interactive Digital Media Fund, starting in 2008-09
- \$4 million over four years, starting in 2008-09, in the International Fund to support Ontario's artists and cultural industries with international marketing and touring initiatives, co-productions and cultural participation in trade missions

- Investing \$10 million in September 2009 to support the completion of the Toronto International Film Festival's Bell Lightbox. This is in addition to a previous provincial investment of \$25 million committed in the 2005 Budget.