



# National Film Board

## Performance Report

For the period ending  
March 31, 2001

Canada

## **Improved Reporting to Parliament Pilot Document**

Each year, the government prepares Estimates in support of its request to Parliament for authority to spend public monies. This request is formalized through the tabling of appropriation bills in Parliament.

The Estimates of the Government of Canada are structured in several parts. Beginning with an overview of total government spending in Part I, the documents become increasingly more specific. Part II outlines spending according to departments, agencies and programs and contains the proposed wording of the conditions governing spending which Parliament will be asked to approve.

The *Report on Plans and Priorities* provides additional detail on each department and its programs primarily in terms of more strategically oriented planning and results information with a focus on outcomes.

The *Departmental Performance Report* provides a focus on results-based accountability by reporting on accomplishments achieved against the performance expectations and results commitments as set out in the spring *Report on Plans and Priorities*.

The Estimates, along with the Minister of Finance's Budget, reflect the government's annual budget planning and resource allocation priorities. In combination with the subsequent reporting of financial results in the Public Accounts and of accomplishments achieved in Departmental Performance Reports, this material helps Parliament hold the government to account for the allocation and management of funds.

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## Foreword

In the spring of 2000 the President of the Treasury Board tabled in Parliament the document “Results for Canadians: A Management Framework for the Government of Canada”. This document sets a clear agenda for improving and modernising management practices in federal departments and agencies.

Four key management commitments form the basis for this vision of how the Government will deliver their services and benefits to Canadians in the new millennium. In this vision, departments and agencies recognise that they exist to serve Canadians and that a “citizen focus” shapes all activities, programs and services. This vision commits the government of Canada to manage its business by the highest public service values. Responsible spending means spending wisely on the things that matter to Canadians. And finally, this vision sets a clear focus on results – the impact and effects of programs.

Departmental performance reports play a key role in the cycle of planning, monitoring, evaluating, and reporting of results through ministers to Parliament and citizens. Earlier this year, departments and agencies were encouraged to prepare their reports following certain principles. Based on these principles, an effective report provides a coherent and balanced picture of performance that is brief and to the point. It focuses on results – benefits to Canadians – not on activities. It sets the department’s performance in context and associates performance with earlier commitments, explaining any changes. Supporting the need for responsible spending, it clearly links resources to results. Finally the report is credible because it substantiates the performance information with appropriate methodologies and relevant data.

In performance reports, departments strive to respond to the ongoing and evolving information needs of parliamentarians and Canadians. The input of parliamentarians and other readers can do much to improve these reports over time. The reader is encouraged to assess the performance of the organization according to the principles outlined above, and provide comments to the department or agency that will help it in the next cycle of planning and reporting.

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This report is accessible electronically from the Treasury Board of Canada Secretariat Internet site:

<http://www.tbs-sct.gc.ca/rma/dpr/dpre.asp>

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# **National Film Board of Canada**

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## **Part I**

Minister  
of Canadian Heritage



Ministre  
du Patrimoine canadien

Ottawa, Canada K1A 0M5



The National Film Board of Canada encourages Canadians to celebrate our cultural diversity and build shared values, while promoting Canada internationally as a model of tolerance and respect for linguistic and cultural diversity, a technologically advanced country in the new globalized economy and a society that draws from its vital forces and its own values while remaining open to the world.

In carrying out its programs and activities, the National Film Board of Canada works with the other federal agencies and organizations that make up its Portfolio as well as a broad range of other partners across the country. Its work helps Canadians to know their country better, to understand more fully its history and cultural diversity and, above all, to regard it as a treasure to be shared and preserved for future generations.

By supporting Canadian cultural expression and content in all its forms, the Canadian Heritage Portfolio contributes, as this report attests, to a great vision for our society, giving meaning to our common identity and shared values.

This is our mission. We take it very seriously.

This Performance Report takes stock of the results of the support, partnerships and investment in our efforts to energize all forms of Canadian cultural expression and project Canadian values in the more integrated world community. It demonstrates that this work furthers the Government of Canada's priorities for social change and also strengthens the social and cultural fabric of our great country.

Sheila Copps

Canada



## **Government Film Commissioner's Message**

The NFB has a privileged place in Canada audio-visual landscape. The father of Canadian cinema, of auteur filmmaking, the NFB produces and distributes works which have shaped the consciousness, perspectives and ideas of many generations of Canadians and others around the world. These works continue to have relevance for Canadians, many of which are in demand thirty or forty years after having been made.

These works – documentaries, animation, new media and other works expand the creativity continuum and reflect Canadian realities and perspectives. These works are seen on television networks and specialty services, in theatres, schools and educational institutions, public libraries and are increasingly available on the Internet. The long-term and enduring benefit of these works is that they speak to Canadians of all ages and origins, connect Canadians to other Canadians, connect Canadians to Canada and brand Canada to the world.

In the last few years, the NFB implemented significant changes brought on by the federal government's fiscal realities. These changes were done in a context of prudence and judgement with the guiding principle of maintaining core activities and at the same time continuing to develop cinema for and by the Aboriginal community, women, cultural diversity groups and emerging filmmakers across the country. The NFB has also seized the opportunities of making the NFB's works accessible and visible on an expanding broadcasting system and more recently on the Internet. CineRoute, which will in the near future deliver films via the Internet on-demand, is an example of the NFB's capacity and resilience to innovate and develop despite budget restrictions.

The NFB has emerged as relevant as ever and is committed to building on its founding role in Canadian cinema. The interest in the NFB's works by the public call for greater proximity to our audiences – through more local screenings, more broadcasts on television, more access on the Internet, theatres and schools – in essence – using all means to reach different constituencies.

Our success in achieving our mandate is measured by the tools that the NFB has developed and implemented over the years and which have become more accurate and meaningful. These tools continue to be refined especially as concerns measurement of audience reach, interest, appreciation and impact. The NFB is committed to seeking out new tools to assess the quality of the NFB's works and relevance of these works to Canadians.

The priorities for the future are to continue to be relevant to future generations through ongoing creative renewal in different markets but in particular the educational and new media markets, new strategies for reaching audiences, new approaches to reflect cultural and linguistic diversity, to embrace new voices, visions and ideas.

The "performance story" captured in this report is focused on meeting principles of effective reporting, keeping in mind that the difference that the NFB makes in the lives of individual Canadians is a subjective one. At the same time, the tools available tell us that the NFB brand is recognizable in Canada and abroad, and that the appeal of NFB works continues unabated.

Jacques Bensimon  
Government Film Commissioner  
and Chairman of the National Film Board of Canada

## **Part II**

## **Part II: The National Film Board**

### **1. Strategic Context**

The NFB produces, distributes and make accessible to Canadians and foreign audiences audiovisual works that reflect Canadian realities and perspectives while innovating in various aspects of filmmaking. These works are seen on Canadian television networks and specialty services, shown in theatres (animation), and used in schools and public libraries and are becoming increasingly accessible on the Internet.

The enduring benefit of the NFB's mandate is connecting Canadians of all ages and origins to other Canadians, connecting Canadians to Canada and branding Canada abroad. The unique works produced by the NFB accomplish this. These works are aimed at providing Canadians with a sense of their country, their place in it, and its place in the world. These works are intended to increase viewers' knowledge and understanding of social and cultural realities of Canada. In a world in which markets and trade know no borders, the NFB plays an essential role in creating and communicating Canadian stories.

One of the federal government's priorities is to enhance and strengthen the Canadian experience. The NFB's audiovisual works are aimed at deepening understanding of diverse issues and building shared values. These works provide Canadians with high-quality Canadian content. The government's priorities also include development of new talent and serving the special constituencies of children, young people and Aboriginal people. The NFB plays a central role in meeting these priorities through its first works initiatives and through the English and French core programs' focus on works for children and youth.

As a supplier of high-quality Canadian television programming to the Canadian broadcasting system, the NFB is currently being challenged by changes taking place in the system. These changes include expansion of the broadcasting system through the licensing of hundreds of new specialty channels, the maturity of existing specialty services and generally lower licence fees. While some of the new services may provide opportunities for increasing the reach of the NFB's works by broadcasting programming compatible with the NFB's collection, at the same time, the greater fragmentation of the market is decreasing the amounts paid for programming and decreasing overall revenues for the NFB.

The awarding of a television specialty service licence by the CRTC to the NFB, Corus and four independent producers to program The Canadian Documentary Channel will create new opportunities for the NFB to position its documentary programming with the goal of achieving higher visibility, awareness and audiences.

The NFB continues to expand its use of the World Wide Web both as a creative production medium (Web animation) and as vehicle for interacting directly with users, not only in Canada but also around the world. The NFB's production of point-of-view documentaries and artist-driven animation constitutes a valuable "brand" on the Web. Video streaming via the Internet is

likely to continue to be a component in virtually all broadcast uses. This will continue to require adjustments to both NFB agreements with rights-holders and internal policies about Internet rights pursuant to broadcast sales.

Partnerships continue to be important for the NFB in terms of opportunities for co-productions, increasing the visibility of the Board, and making works more accessible to Canadians.

The NFB continues to work in partnership with CANARIE, the promoter of a Canada-wide high-bandwidth fibre optic network called CA\*net 3, and RISQ (Réseau interordinateurs scientifique québécois), to increase and enhance Canadians' access to its audiovisual works. This on-line and on-demand access allows Canadian universities and research centres to view over 800 films from the NFB collection on-line in real time. An evaluation of this initiative demonstrates its usefulness as an information and reference tool. (*Évaluation du processus d'implantation de CinéRoute dans les institutions postsecondaires canadiennes*, ABC Inc.).

New partnerships include one with Famous Players in which the NFB provided several children's hospitals across Canada (Montreal, Moncton, Halifax) with videocassettes featuring NFB animation.

Overall, the NFB's challenges for the future are linked to environmental changes taking place in the Canadian broadcasting system, the Internet and other networks – all of which demand creative approaches to marketing by building on the already solid brand recognition of NFB works.

## **2. Objectives**

The NFB has three strategic objectives:

1. Produce high-quality documentary and animation audiovisual works that reflect diverse Canadian perspectives and realities and foster innovation and new talent

### Strategies

- Give priority to film production in the allocation of resources
- Make the NFB more open to creators throughout Canada
- Improve the productivity of the production and post-production process while respecting the imperatives of creativity
- Maintain a decentralized structure
- Reflect diversity on screen and behind the scenes
- Explore new production media
- Experiment with the new interactive, digital production and distribution tools
- Develop new film talent and skills
- Continue working to achieve the goals set forth in the Employment Equity Action Plan

## 2. Distribute and promote NFB productions and improve access to productions for Canadian and foreign audiences

### Strategies

- Take advantage of the proliferation of television channels in Canada and abroad
- Establish partnerships with public agencies and private organizations
- Facilitate access to the entire NFB collection through a variety of means
- Develop and diversify Canadian and international markets
- Develop improved e-commerce capability for on-line sales to both home consumers and institutional buyers, initially in Canada and then in the United States
- Continue developing the CineRoute pilot project to extend remote access to institutional clients and eventually all Canadian homes with an appropriate Internet connection
- Implement the Electronic Rights Management System (ERMS) to improve the distribution and delivery of content via the Web
- Improve marketing and distribution structures

## 3. Manage resources efficiently and responsibly

### Strategies

The aim is to link the NFB's resources with outcomes and to ensure that resources are used efficiently and effectively. Central to this is keeping the NFB's operational and administrative infrastructure to an absolute minimum. This is accomplished by:

- Making use of computerization and new information systems
- Continuing to upgrade production and distribution systems
- Modern comptrollership initiatives based on best practices

## **3. Outcomes**

The NFB's performance in meeting its three key objectives merits a review of each in order to garner an understanding of the particular context in terms of strategies undertaken, resources used and refinement of tools used to measure outcome. This review also provides an opportunity to assess the effectiveness of the strategies used.

**OBJECTIVE 1:**

**PRODUCE HIGH-QUALITY DOCUMENTARY AND ANIMATION AUDIOVISUAL WORKS THAT REFLECT DIVERSE CANADIAN PERSPECTIVES AND REALITIES, AND FOSTER INNOVATION AND NEW TALENT**

This is an objective that can only be achieved in the long term. One of the challenges for the NFB is to continue to ensure that its works interpret changing realities and allow the expression of new voices and new social phenomena.

Allocation of resources to production is therefore a priority, with approximately 65% of the NFB's resources being allocated to production. Tools used to assess how this objective is being met include:

- level of audience satisfaction and interest in films
- recognition by Canadian and international film peers in the form of awards
- reflection of diversity through representativeness of filmmakers

The NFB has attempted to use these indicators to assess the Board's ability to meet objective 1. However, since the reaction to a work of art is a subjective experience, it is a challenge to ascertain the long-term success of the NFB's audiovisual works in deepening understanding among Canadians and increasing shared values. Nevertheless, the indicators used by the NFB (as outlined above) suggest that audiences do watch NFB films when they have access to them, and that industry peers consider NFB films to be high quality and innovative. At the same time, the films that are being made echo the voices of different cultural groups and young filmmakers.

It should be pointed out that a study found that the NFB is perceived in the media as a producer of high-quality works, especially in the area of documentary and animation. Also worth noting is that this study found that NFB works that were made in the past continue to be referenced as high-quality works. (*Outil de mesure des réactions de la presse à l'égard des films de l'ONF*, Danielle Charron, March 31, 2001)

It is important to note that the diversity of subject matter and experimentation in works are also indicators of how the NFB fosters innovation. One of the main characteristics of the subject matter is that the works provoke discussion on important social issues.

In 2000-2001, the NFB completed 87 films, videos and multimedia products, including co-productions. They can be broken down as follows:

### *Number of Products*

Documentaries	53
Animated films	24
Educational videos/CD-ROMs for young people	5
Feature-length dramas	1
Compilations (original footage)	4

Of these, some of the experimental projects undertaken include *Tableaux d'un voyage imaginaire*, the NFB's first film shot on high-definition video, and *Between the Lines*, a two-disc CD-ROM package with an integrated Web site which lets students develop literacy skills.

In the animation stream, the NFB is working to enlarge the creation process on-line so those creators can collaborate across great distances nationally and internationally.

The subject matter included:

People and Cultures of Canada

Culture and Arts

Cultural Diversity

Physical Geography/Nature/Environment/Arts and Media

Social/Legal/Moral Issues

History/Politics/Government

Psychology/Interpersonal Relationships

Sports and Recreation

Childhood/Adolescence/Family Issues

Science and Technology

The NFB's strategies to explore new production media and experiment with new interactive, digital production and distribution tools are aimed at extending the production of traditional media by using the Web. This enlarges the experience offered by an audiovisual production made using traditional media. Also, interactivity added to an audiovisual production deepens the viewing experience of an audiovisual work and reaches younger audiences.

### **Level of Audience Satisfaction and Interest in Films**

The relevance and quality of films can be measured by audience size, among other things. The indicator used to determine audience size is cumulative Canadian television audience.

*Cumulative Canadian Television Audience (in thousands)*

	1998-1999	1999-2000	2000-2001
French audience	74,000	55,000	27,389
English audience	119,000	82,000	33,200
<b>Total</b>	<b>193,000</b>	<b>137,000</b>	<b>60,589</b>

The decrease in cumulative audience for 2000-2001 can be explained by the fact that the NFB's collection has been exploited to its maximum by the wave of specialty services licensed a few years ago. The launch of The Canadian Documentary Channel (of which the NFB is a partner), slated for 2001, will help boost the Canadian audience for NFB works.

We should note that while cumulative audience is a useful indicator, it does not illustrate the success of certain films which had outstanding television premieres attracting audiences of half a million or more. This includes the CTV broadcast of *When a Child Goes Missing* which attracted an audience of 844,000 and three other English-language films, *Worst Case Scenario*, *Ah the Money, the Money, the Money: The Battle for Salt Spring* and *Nuclear Dynamite* which drew audiences of 626,000, 550,000 and 498,000 respectively. The French-language productions *Enfer et contre tous!* and *L'armée de l'ombre* attracted audiences of 565,000 and 420,000 respectively for their television premieres.

It should be pointed out that the methodology used for audience measurement is constantly being refined since the tools were originally developed to meet broadcaster needs in terms of selling programming to advertisers. The current tools are not sophisticated enough to assess, for example, the value of watching an NFB documentary on a specialty documentary service versus a general-interest service. In other words, the ability to measure the quality of the experience and its impact on deepening the understanding and knowledge of Canadians, as opposed to quantity, that is total number of Canadians watching an NFB work.

Audience research is ongoing and the NFB will monitor progress made to improve the tools currently being used or new tools that could be developed that would provide more valuable information on audience reach and satisfaction.

One of the initiatives which is presently being explored is the creation of a working task force with representatives from Telefilm Canada, the Canadian Television Fund, CRTC, Statistics Canada, Department of Canadian Heritage and audience data suppliers BBM and Nielsen. The mandate of this task force would be to refine the tools being used to measure audience reach. The NFB intends to follow this initiative closely and participate if appropriate.

In December 2000, the NFB organized a focus group to test the Web development under way for the *Kids Destination* site by having children come to the NFB and experiment directly on the Internet to ascertain interest and satisfaction. These groups are conducted on an ad hoc basis and provide the NFB with valuable information on initiatives.



## Recognition by Canadian and International Film Peers in the Form of Awards

Recognition of the excellence of NFB films by industry peers in Canada and abroad is an objective measure of the competitiveness — and thus the quality, relevance and innovativeness — of the NFB's productions. The following table shows the number of awards won by NFB productions in festivals during this fiscal year, compared with the results of previous years.

### *Awards Won by Productions*

	1998–1999	1999–2000	2000–2001
Canada	36	38	46
International	65	93	83
<b>Total</b>	<b>101</b>	<b>131</b>	<b>129</b>

Year after year, the NFB continues to receive awards, honourable mentions and tributes both in Canada and on the international scene — eloquent testimony to the quality, relevance and innovation of its filmmaking.

The year 2000-2001 brought the NFB a second award from the Cannes International Film Festival – a Camera d'or for *Atanarjuat*, the first feature film in Inuktitut, while *Deep Inside Clint Star*, made under the Aboriginal Filmmaking Program, won the Donald Brittain Award at the Gemini Awards honouring English-language television. Awards went to a variety of films entered in a wide range of festivals. A few examples follow:

- *Les Saisons de Ludovic (Seasons in the Life of Ludovic)*, a delightful series of children's shorts, picked up ten awards;
- *Des marelles et des petites filles... (Of Hopscotch and Little Girls)* won eight awards, including three Géméaux;
- *The Boy Who Saw the Iceberg* won a silver FIPA at the International Audiovisual Programme Festival in Biarritz, France;
- *Village of Idiots* has won a total of 16 awards since its release, including the Genie for best animated short;
- *Âme Noire/Black Soul* won the Golden Bear at the Berlin International Film Festival;
- *Nuclear Dynamite* picked up awards in China, the United States and Italy;
- *Through a Blue Lens* won three major awards at the prestigious Japan Prize competition.

A number of other titles carried off awards in specialized categories such as science and technology, educational media, children's films, art films, social issues, religion, indigenous people, mental health, media literacy, race relations and the environment.

The NFB's contribution to filmmaking was recognized through the Governor General's Award given to Alanis Obomsawin, one of the NFB's best documentary filmmakers, for her longstanding career and significant contribution to Canadian filmmaking. The NFB was also

honoured by the International Audiovisual Programme Festival in Biarritz for its outstanding body of work and ongoing commitment to an ideal of excellence and innovation.

### **Reflection of Diversity through Representativeness of Filmmakers and New Talent**

The NFB is committed to developing young filmmakers by giving them the opportunity to make a film in a professional filmmaking milieu through a variety of initiatives. Some of these initiatives are particularly aimed at filmmakers who come from culturally diverse backgrounds. For example:

- The Libres courts program enabled seven young filmmakers to make their first documentary shorts.
- The Aboriginal Filmmaking Program has seen the completion of 22 films thus far.
- The Cinéastes autochtones competition has recruited a fifth Aboriginal filmmaker to direct a documentary.
- The Reel Diversity program for visible minority filmmakers gave six filmmakers opportunities to produce half-hour films with budgets under \$100,000. Given the program’s success in Ontario, it will be extended to other regional production centres.
- Filmmaker assistance programs, through which the NFB pays the costs of some equipment and services and offers professional advice to emerging filmmakers, allowed the NFB to support 239 projects across Canada.

#### ***Projects Supported***

	<b>1998–1999</b>	<b>1999–2000</b>	<b>2000-2001</b>
Aide au cinéma indépendant (ACIC)	76	68	66
Filmmaker Assistance Program	164	169	173
<b>Total</b>	<b>240</b>	<b>237</b>	<b>239</b>

**OBJECTIVE 2:**

**DISTRIBUTE AND PROMOTE NFB PRODUCTIONS AND IMPROVE ACCESS TO PRODUCTIONS FOR CANADIAN AND FOREIGN AUDIENCES**

The aim is to ensure that the NFB makes use of all distribution channels to reach Canadian and foreign audiences in different markets by means of effective marketing strategies and facilitating access to its film collection – the cornerstone of Canada’s audiovisual heritage. The overall goal is to generally increase use of NFB audiovisual productions by broadcasters, educational institutions, libraries and other markets.

Indicators used to measure performance include:

- progress made in the development of new markets as well as diversification of markets measured by revenues generated, rentals of NFB productions, and
- access to the NFB’s audiovisual holdings as measured by information requests and use of the collection, including use of the CineRoute pilot service for on-demand delivery of films via the Internet.

It should be noted that while these indicators are useful in assessing the degree to which NFB productions are used in different markets by both Canadian and foreign audiences, the challenge in the long term is to find the tools to measure the impact of the NFB’s works on users, especially in terms of the extent to which the NFB brand continues to communicate “the Canadian experience” to foreign audiences.

We should also note that the overall marketing strategies used by the Board to increase visibility and awareness of NFB audiovisual works are constantly being revisited to ensure effectiveness. For example, the NFB organizes press launches of new films and conducts research in the areas of user needs, branding and communications via the Internet. The focus of this research is in the long term to establish [www.nfb.ca](http://www.nfb.ca) as a “must visit” destination for anyone interested in point-of-view documentaries and auteur animation.

On a larger scale, the NFB also commissioned a study which examined potential options for making tactical and strategic improvements to marketing and distribution.

**Market Development and Diversification**

The revenue generated and the number of transactions processed are indicators of the effectiveness of the NFB’s marketing strategies, success achieved, and the appeal of NFB productions in various markets.

## ***Canadian Markets***

Revenues from the sale of film prints and videocassettes increased, while revenues from the television and theatrical markets decreased. In the case of television, the dramatic expansion of the Canadian broadcasting system has led to the licensing of hundreds of new specialty services which will likely increase the reach of NFB productions but at the same time have significantly decreased the licence fees paid to the NFB by broadcasters.

In the non-theatrical market (educational and institutional), the NFB undertook a study to ascertain future demand and the impact of technological development on the market. The study noted that future demand would be in the curriculum area in subject areas such as science, geography, history, business training and social studies. The study also pointed out that digital delivery will have a significant impact on this market and that Web-based promotions and on-line sales are gaining momentum. These findings provide essential information in terms of revising current strategies to meet the NFB's objective 2. (*Non-feature Video Market in Canada Research Study*, Generations Research, April 2001)

The following table shows the different markets in Canada.

### ***Revenue by Market***

	<b>1998-1999</b>	<b>1999-2000</b>	<b>2000-2001</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Royalties			
Television	1,139,978	1,653,167	921,852
Theatrical	148,306	140,754	120,190
Sales of prints and videocassettes	1,772,086	1,703,264	1,810,146
Rentals	18,778	18,855	18,214
Sales of stock shots	433,101	681,989	676,503
<b>Total</b>	<b>3,512,249</b>	<b>4,198,029</b>	<b>3,546,905</b>

The NFB has also established partnerships with various public libraries in the different regions of Canada whereby the libraries are granted preferential rates for acquiring NFB films in return for providing a loan or rental service for these films for their patrons.

***Film Loans by Partner Libraries***

<b>1998-1999</b>	<b>1999-2000</b>	<b>2000-2001</b>
214,452	198,102	208,660

This market saw an increase of more than 10,000 loans compared with the previous year.

***Foreign Markets***

***Foreign Revenue by Market***

	<b>1998-1999</b>	<b>1999-2000</b>	<b>2000-2001</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Television	1,001,610	2,019,610	977,573
Theatrical	404,225	59,868	147,941
Institutional and educational	777,703	880,483	943,962
Consumer	80,890	165,424	325,969
<b>Total</b>	<b>2,264,428</b>	<b>3,125,396</b>	<b>2,405,445</b>

The non-theatrical and consumer markets performed well in 2000-2001 thanks to new agreements signed and the growing DVD market. The television market, however, experienced a significant decrease in revenues. This can be partly explained by the economic instability of the U.S. market and the proliferation of specialty services which is fragmenting the market and driving licence fees for documentaries down to an all-time low.

**Access to the NFB's Audiovisual Holdings**

Providing users with access to the NFB's audiovisual holdings is an essential aspect of reaching more audiences and increasing visibility and awareness of NFB works.

***Information Requests***

During the year, the NFB developed a new version of its multimedia catalogue, a dynamic listing of 7,000 films, containing a synopsis, credits and stills along with an advanced search engine. In the future, this audiovisual database will be expanded to include titles from other organizations. This last year saw a dramatic increase in the number of queries of the catalogue, as the table below illustrates:

### *Catalogue Queries*

1998–1999	1999–2000	2000–2001
8,036,000	10,698,366	20,225,321

### *Utilization of the Collection*

Over the course of the year, we continued to transfer new titles to videodisc (298 titles), adding them to the CineRobotheque catalogue and making them available to customers. The combined effect of more productions available and improved accessibility of information about the films helped increase use of this rich Canadian audiovisual heritage.

### *Different titles\* sold or rented in Canada and abroad in 2000-2001, by decade of production*

	1999-2000	2000-2001
1921–1930 <sup>†</sup>	2 titles	2 titles
1931–1940 <sup>†</sup>	9 titles	27 titles
1941–1950	207 titles	210 titles
1951–1960	346 titles	400 titles
1961–1970	680 titles	629 titles
1971–1980	968 titles	989 titles
1981–1990	1,183 titles	1,180 titles
1991–2000	1,497 titles	1,613 titles
Total	4,892 titles	5,050 titles

\* *English and French versions are counted as different titles.*

<sup>†</sup> *The NFB is the repository of certain collections of films produced by other government agencies before it was founded in 1939.*

The appeal and interest of the NFB's collection to audiences both in Canada and elsewhere should be noted here: almost 45% of the titles sold or rented were produced over 20 years ago. This is significant in that it shows that NFB productions remain important reference tools regardless of when they were produced. This also validates the importance of conserving NFB films and making them as accessible as possible.

The NFB's CineRoute initiative now provides Canadian universities and research centres with access to 800 NFB films. According to a recent evaluation, users generally appreciate this access to the NFB's collection and the transmission quality of the films viewed.

An evaluation of this initiative demonstrates its usefulness as an information and reference tool. Client profiles were established and case studies of eight universities conducted. As well, user sessions were analysed, resulting in useful data and trends. The final report served as a tool for discussion with groups outside the NFB who were interested in the results of the project. (*Évaluation du processus d'implantation de CinéRoute dans les institutions postsecondaires canadiennes*, ABC Inc.)

**OBJECTIVE 3:**

**MANAGE RESOURCES EFFICIENTLY AND RESPONSIBLY**

The aim is to strengthen the link between the NFB's use of resources and the outcomes achieved, and to ensure that resources are used efficiently and effectively. Indicators used include:

- allocation of resources to production compared to other areas;
- improvements made to external and internal systems resulting in better tracking and monitoring of resources;
- use of evaluation, audits and other studies to anticipate and plan for potential changes to policies and programs and make appropriate adjustments in a timely fashion.

**Resources Allocated to Production**

One of the ways that the NFB ensures that resources are linked to outcomes is by meeting the target of allocating the majority of its resources to filmmaking so as to produce high-quality works. As demonstrated in Appendix 2, in 2000-2001, approximately 66% of the NFB's budget was planned to be spent on filmmaking, compared with 23% on distribution and marketing and 11% on management support.

The NFB continues to make a special effort to keep the administrative costs of production as low as possible. In the table below, it can be seen that the administrative costs of production have remained about the same, although the direct costs have gone up by \$3.5 million. This can be explained by the fact that in 2000-2001, direct production costs included the one-time purchase of a telecine for \$2.3 million (for which the NFB received a special allocation of \$2.0 million).

### ***Production Resources***

(millions of dollars)

	Actual 1998–1999		Actual 1999–2000		Actual 2000–2001	
Production (direct costs)	38.7	(68%)	40.0	(67%)	43.5	(69%)
Administration of production	1.6		1.6		1.7	
Net cost of the NFB program	56.7	(100%)	59.3	(100%)	63.0	(100%)

The NFB considers that the priority for the Board is to produce works which contribute to meeting the federal government's priorities to create high-quality works that brand Canada, connect Canadians to each other and connect Canada to other countries. The NFB engages in co-productions with various partners, further ensuring that resources are pooled with the private and public sectors.

### **Improvement to External and Internal Systems**

Systems for production, distribution and administration were enhanced in order for the NFB to meet its objectives to produce high-quality audiovisual works and to ensure that these works reach audiences by the most effective means possible. Initiatives include:

- deployment of high-speed connections and high-capacity servers to link all of the NFB's production centres across the country, making it possible to work together in real time;
- implementation of the Customer Relationship Management (CRM) module, an integrated e-commerce system designed to provide better service to NFB customers;
- development of the Synchrone project which will integrate all administrative information on films and audiovisual productions in order to improve the quality of information managed by the NFB;
- development of the Electronic Rights Management System (ERMS) which will track information related to rights for some 10,000 productions;
- improvement in the delivery of high-quality audiovisual images via the CineRoute project further to an evaluation study of the project;
- implementation of some initiatives in line with the modern comptrollership principles, such as risk analysis with regard to management practices, internal control systems and information for decision-making.

As a whole, these systems enable the NFB to better manage its resources, strengthening the links between resources and desired outcomes.



## **Use of Evaluations, Audits and Other Studies**

One of the priorities for the NFB is to anticipate and plan potential changes to policies or programs which may be required because of environmental or other factors. The results of evaluation studies, audits and other studies provide comprehensive and relevant information on performance, allowing the NFB to enhance future operations. In some cases, these studies provide useful information on changing conditions.

The NFB is committed to undertaking evaluations and audits in line with the federal government's new policy. These studies assist in meeting the objective of managing resources more efficiently and effectively by anticipating changes to be made in policies and programs, explaining in a quantifiable manner the results and modifications to be made, undertaking risk management and implementing a long-term audit plan.

## **4. The NFB's Contribution to Federal Government Priorities**

### **Enhancing and Strengthening the Canadian Experience**

For over 60 years, the mandate of the NFB has been to interpret Canada to Canadians by producing films on various aspects of their realities and distributing the films to the general public and specialized audiences.

This year the NFB produced 87 new works and made them available to Canadians and provided access to its existing collection of over 9,000 films.

These works increase Canadian audiences, providing Canadians with diverse Canadian choices, reflecting Canada's linguistic and cultural diversity. They also serve to bridge distances and deepen understanding among Canadians and build shared values.

The NFB draws on Canadian creativity and talent from diverse backgrounds, ensuring that Canadian talent is utilized and recognized. The NFB works with young people, for example by offering first works programs and introductions to filmmaking, and by providing training and support for new filmmakers from culturally diverse communities to enable them to express their own realities, learn a fascinating occupation and enter the job market.

### **Canadian Works for Special Constituencies: Children and Youth and Aboriginal People**

French Program and English Program have each set up a program targeting children and youth exclusively. Documentaries, animated films and interactive on-line or CD-ROM productions are made each year and distributed to these audiences by the most appropriate means of reaching them and attracting their interest.

One of the federal government's priorities is to connect Canadians to one another. The NFB's special focus on producing works for young people and involving them in the filmmaking process helps young Canadians connect to other Canadians and provides opportunities for young Canadians to learn about Canadian history, identity, values and heritage.

The NFB has also implemented film production, distribution and training initiatives to enable Aboriginal artists and filmmakers to express themselves and interpret their realities. For example:

- Several films about Aboriginal people by Aboriginal filmmakers have been produced and are available in the collection.
- A production program specifically designed for Aboriginal filmmakers is in its second three-year cycle.
- A competition is held every year to recruit Aboriginal filmmakers to learn filmmaking, make a film and then enter the job market.
- NFB films are broadcast on the Aboriginal Peoples Television Network (APTN).
- The NFB is working with the APTN to co-produce low-budget films by emerging Aboriginal filmmakers.

### **Connecting Canadians to the World**

As a public institution recognized around the world for its high-quality works, the NFB promotes Canadian values to the world. These works highlight Canadian talent and expertise. The awards garnered internationally for NFB works are powerful indicators of quality, relevance and innovation.

The good will generated by the NFB's presence and visibility creates opportunities for the government to participate in international events for promoting cultural diversity, for example, and for private sector companies to increase the exports of other cultural products.

## **Appendices**

## **Appendix I: Consolidated Reporting**

### **Modernizing Comptrollership**

The NFB will join in phase 2 of the modernization of comptrollership which started in the fall of 2001. However, a number of initiatives are already under way to meet the objectives of this project. These include:

- implementation of integrated financial systems and the Financial Information Strategy (FIS);
- risk assessment conducted by internal audit;
- harmonization of databases to improve management reports;
- establishment of criteria to ensure information quality.

### **Transfer Payments**

In 2000-2001, the NFB disbursed \$235,000 in transfer payments. Of this, \$8,000 was in the form of grants to encourage award-winners at significant film events of national or international interest held in Canada, and the rest consists of contributions to support non-profit organizations working in the film sector and to help promote Canadian cinematography. These are always small amounts paid to a number of different recipients.

### **Special Travel Policies**

Although, as a separate employer, the NFB may establish its own travel policy, in practice we follow Treasury Board's policy very closely; any differences would have an almost negligible effect. At the NFB, the same travel policy applies to all categories of staff, including Governor-in-Council appointees and executives.

### **Materiel Management**

For the past several years, the NFB has kept records of its inventories of movable goods and goods held for sale (audiovisual products). Physical counts and re-assessments are done on a regular basis to ensure that our financial statements always show the actual value of these goods.

### **Service Improvement Initiative**

The NFB participated in the information sessions on implementation of the federal government's five-year Service Improvement Initiative. The NFB is currently examining the common measurement tools proposed and will implement initiatives in accordance with the government's proposed phase-in plan.

## Appendix II: Financial Performance

### A. Financial Performance Overview

#### *Financial information*

<b>National Film Board</b>	<b>\$</b>
Planned Spending (net)	59,243,000
Total Authorities (net)	65,159,693
<b>Actual Spending in 2000-2001 (net)</b>	<b>63,041,634</b>

*Note: The summary financial information includes three figures showing:*

- the amount planned at the beginning of the fiscal year (Planned Spending);*
- the amount authorized reflecting additional spending which Parliament decided to grant the departments in light of changing priorities and unexpected activities (Total Authorities);*
- the amount actually spent (Actual Spending in 2000-2001).*

Planned allocation of the NFB's financial resources among the objectives described in Part II:

Production of audiovisual works	66%
Distribution, marketing and improving access to audiovisual works	23%
Management support	11%

Tables 1 and 2 in Section B show the appropriations granted to the NFB for 2000-2001 compared with actual spending. The variance between total authorities and actual spending results from unexpected delays in the unfolding of production projects and development of the Web site.

Table 3 shows changes in NFB spending over the past few years. The numbers indicate total spending funded from the parliamentary appropriation and revenues generated from NFB operations. Variances are due to fluctuations in revenues and to additions to the Vote to cover our increased workload and adjustments in the collective agreements.

Table 4 shows spendable revenues. The proliferation of specialty television services has significantly pushed down licence fees paid for productions.

A small portion of our resources is used for transfer payments in the form of grants and contributions. The breakdown is presented in Table 5.

Table 6 presents the breakdown of the utilization of the NFB Revolving Fund, which is used for funding the working capital for commercial activities and the net value of capital assets.

**B. Financial Summary Tables**

**Financial Table 1 - Summary of Voted Appropriations**

<b>Financial Requirements by Authority (millions of dollars)</b>				
<b>2000 - 2001</b>				
<b>Vote/Program</b>		<b>Planned Spending (net)</b>	<b>Total Authorities (net)</b>	<b>Actual Spending (net)</b>
85a	National Film Board Revolving Fund			
	- Operating loss	59.2	65.2	63.0
(L)	National Film Board Revolving Fund	0.4	0.4	2.6
<b>Total Agency</b>		<b>59.6</b>	<b>65.6</b>	<b>65.6</b>
<p>Note: The summary financial information includes three figures showing:</p> <ul style="list-style-type: none"> <li>· The amount planned at the beginning of the fiscal year (Planned Spending).</li> <li>· The amount authorized reflecting additional spending which Parliament decided to grant the departments in light of changing priorities and unexpected activities (Total Authorities) – includes fund carried forward from the previous year and adjustments in the collective agreements. It also includes special allocations received to fund technical equipment renewal and FIS implementation.</li> <li>· The amount actually spent (Actual Spending 2000-2001).</li> </ul>				

The operating deficit shown under the NFB's revolving fund is totally offset by an annual parliamentary appropriation (Vote 85a for fiscal 2000-2001), which is a fairly unique situation for spending authorities. Only the working capital related to the NFB's commercial operations and changes in the net book value of capital assets are funded by a statutory appropriation (see also Table 6).

**Financial Table 2 – Comparison of Total Planned to Actual Spending**

<b>Comparison of Total Planned to Actual Spending (millions of dollars)</b>			
<b>2000 - 2001</b>			
<b>NFB Operations</b>	<b>Planned</b>	<b>Total Authorities</b>	<b>Actual</b>
FTEs	490	490	509
Operating*	67.8	73.8	70.8
Capital	–	–	–
Voted Grants and Contributions	0.3	0.3	0.2
<b>Total Gross Expenditures</b>	<b>68.1</b>	<b>74.1</b>	<b>71.0</b>
Less:			
Respendable Revenues	(8.9)	(8.9)	(8.0)
<b>Total Net Expenditures</b>	<b>59.2</b>	<b>65.2</b>	<b>63.0</b>
Other Revenues and Expenditures Non-respendable Revenues Cost of Services Provided by Other Departments**			
<b>Net Cost of the Program</b>	<b>59.2</b>	<b>65.2</b>	<b>63.0</b>
* <i>Includes contributions to employee benefit plans and severance pay.</i>			
** <i>Cost of services provided by other departments: \$30,260.</i>			

**Financial Table 3 – Historical Comparison of Total Planned to Actual Spending**

<b>Historical Comparison of Total Planned to Actual Spending (millions of dollars)</b>					
	<b>1998-1999 Actual</b>	<b>1999-2000 Actual</b>	<b>2000-2001</b>		
			<b>Planned</b>	<b>Total Authorities</b>	<b>Actual</b>
National Film Board operations	64.0	68.5	68.1	74.1	71.0
<b>Total</b>	<b>64.0</b>	<b>68.5</b>	<b>68.1</b>	<b>74.1</b>	<b>71.0</b>

This table shows changes in NFB spending over the past few years. The figures indicate total spending funded from the parliamentary appropriation and from revenues generated by NFB operations. Variances are due to fluctuations in revenues and adjustments in the parliamentary appropriation to cover our increased workload and adjustments in the collective agreements.

For 2000-2001, the table shows the Planned Spending indicated in the Main Estimates at the beginning of the fiscal year. Total Authorities includes additional funding received to cover adjustments in the collective agreements, and funds carried forward from the previous year. It also includes special allocations received to fund technical equipment renewal and FIS implementation. Actual Spending indicates the funds actually used.

It should be kept in mind that the NFB has only one business line.



**Financial Table 4 – Respendable Revenues**

<b>Respendable Revenues (millions of dollars)</b>					
<b>Respendable Revenues</b>	<b>1998-1999 Actual</b>	<b>1999-2000 Actual</b>	<b>2000-2001</b>		
			<b>Planned Revenues</b>	<b>Total Authorities</b>	<b>Actual</b>
National Film Board operations	7.3	8.5	8.9	8.9	8.0
<b>Total Respendable Revenues</b>	<b>7.3</b>	<b>8.5</b>	<b>8.9</b>	<b>8.9</b>	<b>8.0</b>

**Financial Table 5 – Transfer Payments**

<b>Transfer Payments (millions of dollars)</b>					
	<b>1998-1999 Actual</b>	<b>1999-2000 Actual</b>	<b>2000-2001</b>		
			<b>Planned Spending</b>	<b>Total Authorities</b>	<b>Actual</b>
<b>Grants</b>	0.006	0.007	0.012	0.012	0.008
<b>Contributions</b>	0.323	0.323	0.307	0.307	0.227
<b>Total Transfer Payments</b>	<b>0.329</b>	<b>0.330</b>	<b>0.319</b>	<b>0.319</b>	<b>0.235</b>

**Financial Table 6 – Revolving Fund Financial Summaries**

<b>Revolving Fund Financial Summaries</b>					
<b>National Film Board Revolving Fund (millions of dollars)</b>					
	<b>1998-1999 Actual</b>	<b>1999-2000 Actual</b>	<b>2000-2001</b>		
			<b>Planned</b>	<b>Total Authorities</b>	<b>Actual</b>
Revenues (Parliamentary appropriation)	56.7	59.8	59.2	65.2	63.0
Net Expenditures	(56.7)	(59.8)	(59.2)	(65.2)	(63.0)
Profit or (loss)	0	0	0	0	0
Add items not requiring use of funds: depreciation/amortization	(3.9)	(2.9)	(2.0)	(2.0)	(2.8)
Changes in working capital	(0.0)	0.6	0.4	0.4	0.0
Investing activities: acquisition of depreciable assets	1.4	1.9	2.0	2.0	5.4
<b>Cash surplus (requirement)</b>	(2.5)	(0.4)	0.4	0.4	2.6
<b>Authority: cumulative surplus (drawdown)</b>	11.2	10.8	16.7	16.7	13.4
<p><b>Note:</b> The National Film Board’s Revolving Fund is authorized by the <i>Revolving Fund Act</i> for commercial operations related to the production and exploitation of the collection of NFB audiovisual products.</p>					

## **Appendix III: Background on the National Film Board**

### **A. Mandate**

Pursuant to section 9 of the *National Film Act*, the NFB

is established to initiate and promote the production and distribution of films in the national interest and, in particular,

- to produce and distribute and to promote the production and distribution of films designed to interpret Canada to Canadians and to other nations;
- to engage in research in film activity and to make available the results thereof to persons engaged in the production of films;
- to advise the Governor in Council in connection with film activities; and
- to discharge such other duties relating to film activity as the Governor in Council may direct the Board to undertake.<sup>1</sup>

### **Mission Statement**

In a constantly evolving communications environment, in which Canada must assert its own identity and character, the NFB helps Canadian voices to be heard and Canadian perspectives to be expressed at home and abroad. In this context, the NFB has adopted the following mission statement as the operational interpretation of its mandate:

The NFB produces and distributes audiovisual works which provoke discussion and debate on important subjects for Canadian and foreign audiences; achieve recognition for excellence, relevance and innovation; and explore the creative potential of audiovisual media.

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<sup>1</sup> R.S.C. 1985, c. N-8. The Act also empowers the NFB “to represent the Government of Canada in its relations with persons engaged in commercial motion picture film activity in connection with motion picture films for the Government or any department thereof.” However, this responsibility was transferred to the Minister of Supply and Services by Order in Council P.C. 1984-6/2565.

## **B. Organization**

### **Description of National Film Board Program**

The NFB is a cultural agency reporting to the Minister of Canadian Heritage. It is administered by a Board of Trustees appointed by the Governor General in Council and chaired by the Government Film Commissioner.

The NFB is an integrated producer-distributor, which develops, writes, shoots, finishes, promotes, markets, sells and distributes film and multimedia products. Its main production and distribution centre is located in Montreal but it also has offices in Ottawa, Halifax, Moncton, Toronto, Winnipeg, Edmonton and Vancouver and maintains offices in Paris, London and New York for the international marketing of its products. To deliver its Program, it uses in-house staff and freelancers and also works with public- and private-sector production and distribution partners when necessary.

Although it is autonomous and traditionally has an arm's length relationship with the government, this public film institution contributes in various ways to Canadian cultural policy objectives by producing socially and culturally relevant films, providing Canadian audiovisual materials for the educational sector, directly supporting various Canadian government initiatives at home and abroad, conserving and promoting access to Canada's rich audiovisual heritage, supporting new filmmaking talent, promoting the development of regional and diversity cinema, forging strategic alliances with the private and public sectors, promoting Canadian culture abroad and encouraging research and experimentation in communication technologies.

### **Description of Service Areas**

The NFB represents one Program, one business line, and one mandate: "to interpret Canada to Canadians and to other nations." It does this through the resources and activities of three service lines: production of audiovisual works, distribution of these works to Canadian and foreign audiences, and administration of the NFB's business.

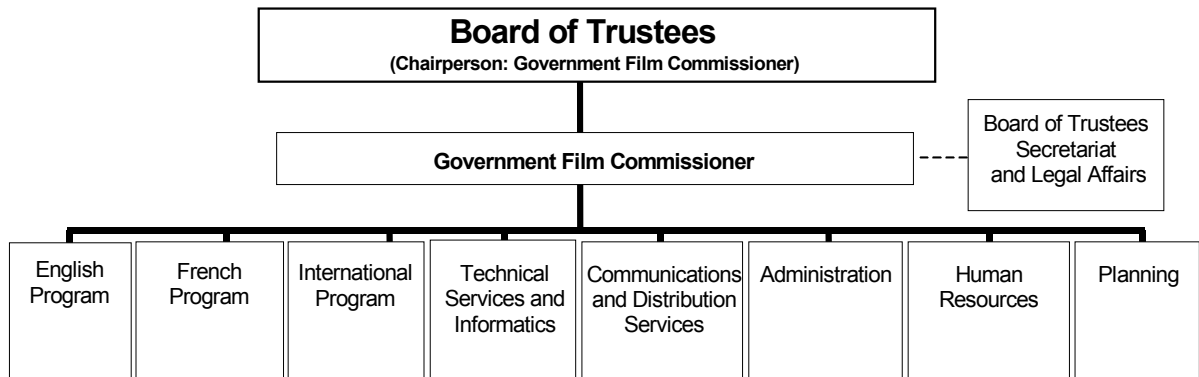
As a *public producer*, the NFB ensures that Canadian realities and imagination are interpreted through films that are of high-quality from a cinematographic point of view, that permit innovation and artistic and technological advancement, and that address both major social issues and different aspects of daily life.

As a *public distributor*, the NFB ensures that the films it produces reach general-interest and niche audiences through distribution channels and networks best suited to its mission and that its heritage audiovisual collection is preserved and made accessible by means of advanced technologies.

As a *public agency*, the NFB ensures good governance of its activities and resources by providing conditions that encourage creativity, productivity and accountability in its staff.

### C. Organization Chart

The following organization chart shows the organizational and hierarchical structure by which the NFB ensures the day-to-day management of its service lines to provide optimal performance in terms of efficiency and effectiveness.



## **Areas of Responsibility**

The Program is directed by the Government Film Commissioner and is divided into nine major areas of responsibility:

**English Program**, which manages English-language production and marketing activities in Canada;

**French Program**, which manages French-language production and marketing activities in Canada;

**International Program**, which is responsible for international sales and marketing activities and manages the NFB's participation in Canadian and foreign festivals;

**Technical Services and Informatics**, which consists of technical services and informatics development and support;

**Communications and Distribution Services**, which includes Communications, Government Relations, Collection Management, Information Management, Stock Shot Library and various distribution support services;

**Administration**, which comprises Financial Administration, Accommodations, Material Management and Customer Services;

**Human Resources**, which includes Human Resources Management, Training and the Employment Equity Program;

**Planning**, which consists of Planning, Evaluation and Internal Audit;

**Board of Trustees Secretariat and Legal Affairs**, which also includes Access to Information.

## **Appendix IV: Other Information**

### **A. Contact List**

- Maryse Charbonneau, Director, Administration
- Claude Parent, Director, Planning and Review

*Anyone wishing to obtain further information from those responsible for the different service lines can find the necessary addresses and phone numbers on the NFB Web site at <http://www.nfb.ca>.*

### **B. Legislation Administered and Associated Regulations**

- *National Film Act*, R.S.C. 1985, c. N-8 (as amended November 1, 1995)