



# National Film Board

## Performance Report

For the period ending  
March 31, 2000

Canada

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

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*.

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## Foreword

On April 24, 1997, the House of Commons passed a motion dividing on a pilot basis the *Part III of the Estimates* document for each department or agency into two separate documents: a *Report on Plans and Priorities* tabled in the spring and a *Departmental Performance Report* tabled in the fall.

This initiative is intended to fulfil the government's commitments to improve the expenditure management information provided to Parliament. This involves sharpening the focus on results, increasing the transparency of information and modernizing its preparation.

The Fall Performance Package is comprised of 83 Departmental Performance Reports and the President's annual report, *Managing for Results 2000*.

This *Departmental Performance Report*, covering the period ending March 31, 2000 provides a focus on results-based accountability by reporting on accomplishments achieved against the performance expectations and results commitments as set out in the department's *Report on Plans and Priorities* for 1999-00 tabled in Parliament in the spring of 1999.

Results-based management emphasizes specifying expected program results, developing meaningful indicators to demonstrate performance, perfecting the capacity to generate information and reporting on achievements in a balanced manner. Accounting and managing for results involve sustained work across government.

The government continues to refine its management systems and performance framework. The refinement comes from acquired experience as users make their information needs more precisely known. The performance reports and their use will continue to be monitored to make sure that they respond to Parliament's ongoing and evolving needs.

This report is accessible electronically from the Treasury Board Secretariat Internet site: <http://www.tbs-sct.gc.ca/rma/dpr/dpre.asp>

Comments or questions can be directed to the TBS Internet site or to:

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# **National Film Board of Canada**

## **Performance Report**

**For the year ended  
March 31, 2000**

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Sheila Copps  
Minister of Canadian Heritage

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of Canadian Heritage



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This Performance Report flows from the commitments made by the National Film Board of Canada (NFB) in its 1999-2000 *Report on Plans and Priorities*. The results also reflect the NFB's contribution to the shared priorities of the Canadian Heritage Portfolio.

The excellence of the NFB's production was highlighted once again by the numerous awards and honours received this year, including a *Palme d'or* at Cannes and two Oscar nominations. The NFB's CineRoute pilot project, the first Internet-based cinema-on-demand service in Canada, was successfully launched in Canadian universities. The implementation of programs for minority filmmakers resulted in many films that will sensitize viewers to new Canadian realities.

The Canadian Heritage Portfolio contributes to a common national purpose. We help to advance Canadian culture in an era of globalization. We provide Canadians with opportunities to learn and understand more about our country and each other. We protect Canada's natural and cultural heritage for the benefit of current and future generations.

It is up to all of us, individually and collectively, to nurture the diversity that is such a hallmark of Canadian identity.

The contribution of the Canadian Heritage Portfolio reflects the diversity of our Canadian values and heritage.

Sheila Copps

Canada<sup>131</sup>

## **The Canadian Heritage Portfolio**

Department of Canadian Heritage  
Canada Council for the Arts  
Canada Science and Technology Museum  
Canadian Broadcasting Corporation  
Canadian Film Development Corporation (Telefilm Canada)  
Canadian Museum of Civilization  
Canadian Museum of Nature  
Canadian Race Relations Foundations  
Canadian Radio-television and Telecommunications Commission  
National Archives of Canada  
National Arts Centre  
National Battlefields Commission  
National Capital Commission  
National Film Board of Canada  
National Gallery of Canada  
National Library of Canada  
Parks Canada Agency  
Status of Women of Canada

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

The National Film Board of Canada was created in 1939 with the goal of putting the power of the moving image at the service of Canadians. This service has taken many forms over the years; newsreels before the days of television, sponsored films for government departments; innovative film installations for world's fairs; technical advances in film equipment, processes and media; and above all, giving Canadians of all ages and origins, but especially children in school, a sense of their country, their place in it and its place in the world.

Because the output of the NFB consists of 100 or so unique productions each year, and because so many of the important evaluation factors – quality and relevance, for example – are subjective, it is a considerable challenge to develop measurement tools which give a complete view of the work accomplished in any given year. Over the past three years, we have searched for ways to make this report more accurate and meaningful, while ensuring comparability over time. The results appear in the following pages.

An element which has taken on added importance this year, and which will assume even larger proportions in future years, is information on ways in which users of our services deal with us on-line.

In keeping with the priority the Government of Canada has attached to connecting Canadians and offering them the opportunity to access government services on-line, the NFB has for several years been moving toward a fully Web-enabled service capacity. Access to our catalogue began on-line in 1995. In 1997 our first production created directly for the Web made its debut on our site. Last year we launched CineRoute, our pilot project, in partnership with Canarie, offering on-demand delivery of complete films via the Internet. We also initiated e-commerce.

We now have several years of statistics on visits to our site. We are currently developing the statistical reports for e-commerce, which will include sales of films, stock shots and other services. We are also examining and learning from usage patterns of the CineRoute service, so that we can understand how to offer this service on a for-payment basis in future. The capacity of the Internet not only to offer our services to Canadians in new and convenient ways, but also to obtain feedback directly from them on their satisfaction – or otherwise – with the services we offer, promises to permit us in future to evaluate what we do in ways which were virtually impossible in the past. We look forward to that day.

Sandra Macdonald  
Government Film Commissioner  
and Chairperson of the National Film Board of Canada



## **Part II**

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

### **A. Societal Context**

#### **Objective**

To produce audiovisual works that reflect Canadian realities and perspectives while innovating in various aspects of filmmaking, and to distribute and provide access to these audiovisual works.

#### **Strategic Priorities**

Ensure the programming of documentary and animation films that achieve recognition for their excellence, relevance and innovation

- 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

Promote and provide access to NFB productions

- Take advantage of the proliferation of television channels
- Establish partnerships with public agencies and private organizations
- Facilitate access to the entire NFB collection

Promote the development of filmmaking

- Explore new production media
- Experiment with the new interactive, digital production and distribution tools

Keep the operational and administrative infrastructure to an absolute minimum

- Recover the costs of internal technical services by charging the Programs for the real cost of services used
- Make use of computerization and new information systems
- Re-engineer administrative processes
- Ensure stringent control over administrative costs

We are also beginning a new multiyear planning cycle, the cornerstone of which is the NFB's new Internet strategy, that will help it make the transition to a fully interactive electronic organization.

## **Main Partners**

To carry out its film production and distribution plan, the NFB sometimes collaborates with private-sector production and distribution companies and works in association with private or public broadcasters to co-produce, broadcast or distribute its films.

The NFB also sometimes works with federal departments to produce or distribute films. It maintains close ties with Telefilm Canada to harmonize policies for the greater benefit of their industry partners.

Through the NFB's partnership with CANARIE, the promoter of a Canada-wide high bandwidth fibre optic network called CA\*net 3, and RISQ (Réseau interordinateurs scientifique québécois), Canadian universities and a few research centres can now view over 800 films from the NFB collection on-line in real time.

Last, the NFB has formed a partnership with a network of public libraries across Canada to lend and rent its films.

## **Societal Factors**

### ***The Industry***

Documentaries and animation are both experiencing a boom in viewer interest, fuelled largely by the proliferation of specialty services. Another group of specialty services will be licensed in the Canadian market within the current year. It is expected that at least one documentary channel will be licensed, perhaps the channel in which the NFB is a 15% partner with the CBC and Corus Entertainment. In the event that the application succeeds, new responsibilities will have to be met. New services will fragment even further an already fragmented market, creating additional outlets for NFB material but likely very little revenue. Video streaming via the Internet is likely to be a component in virtually all broadcast uses, to some degree. This will require adjustments both to agreements with rights-holders and to internal policies about Internet rights pursuant to broadcast sales.

New services will also fragment the Canadian production financing system further, creating deepening frustrations with the existing funding bodies, which may well increase pressures on the NFB to partner on projects which didn't succeed with Telefilm and the CTF.

### *The NFB On-line*

The development of the World Wide Web offers the NFB an opportunity to interact directly with users, not only in Canada but also around the world, in a way that has never been possible before. The international reputation that we have earned over 60 years in the production of point-of-view documentary and artist-driven animation constitutes a valuable potential “brand” on the Web for the NFB. Our development of CineRoute provides us with a vehicle for streaming video or for allowing clients to download it, as soon as the technology becomes available to do so at an acceptable level of quality.

Moreover, the Web is, in itself, both a production environment and a creative process. Web animation is already a reality and it is only a matter of time before experiments in “Web docs” or other production hybrids begin to appear.

The NFB is already highly networked internally and our work methods have evolved rapidly to take advantage of the time efficiencies and improved information flow made possible by computer networking. It is now time to extend this capability to the community of filmmakers and suppliers with which we interact daily, expanding the circle to create an on-line organization in which every activity is Web-enabled.

The implementation of this Internet strategy will lead to profound changes in the way we do business, but also in the way we manage our human, financial and technological resources.

## **B. Key results commitments**

### *AT THE SERVICE OF CANADIANS*

#### *PRODUCTION OF AUDIOVISUAL WORKS*

- Produce films reflecting diverse Canadian perspectives and realities
- Ensure the programming of relevant, top-quality films

#### *MARKETING AND DISTRIBUTION OF NFB COLLECTION*

- Develop and diversify canadian and international markets
- Facilitate public access to entire NFB film collection and information about it

#### *ENVIRONMENT CONDUCIVE TO INNOVATION AND DEVELOPMENT OF THE CANADIAN FILM INDUSTRY*

- Carry out innovative film production and distribution projects
- Ensure development of new film talents and skills

### *INTERNAL PERFORMANCE*

- Give priority to production in the allocation of resources
- Continue to upgrade production, distribution and information systems
- Fulfil all undertakings with regard to the *Employment Equity Act*
- Improve service to the public

## C. Performance Accomplishments

### *Financial Information*

<b>National Film Board</b>	<b>\$</b>
Planned Spending (net)	59,545,000
Total Authorities (net)	62,361,490
<b>Actual Spending in 1999-2000 (net)</b>	<b>59,768,518</b>

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

- the amount planned at the beginning of the fiscal year (Planned Spending);
- 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 1999-2000).

## **PRODUCTION OF AUDIOVISUAL WORKS**

### **1. Production of Films Reflecting Diverse Canadian Perspectives and Realities**

This is a long-term objective that obliges the NFB to keep evolving so as to be able to interpret changing realities and allow the expression of new voices and new social phenomena. An evaluative study of recent NFB English Program productions shows that the NFB's efforts to diversify production have borne fruit. The author concludes:

*The predominant treatment choice is to explore a subject from the insider's perspective. Through personal stories, the subjective realities of Canada's diverse cultures, especially the aboriginal and non-dominant ones, are given voice. The result is that new, unfamiliar stories are told which have been virtually absent from mainstream, commercial media. In this way the productions offer an alternative mirror to Canadian society. These stories address the following aspects of life:*

- *Citizenship: politics and political rights, opportunities, responsibilities*
- *Family/cultural community and belonging*
- *Physical, emotional health with a focus on healing*
- *Crime, safety and healing from victimization and injustice*
- *Creative expression through the visual arts, dance and music, story, poetry*
- *Recreation/sports*
- *Spirituality*
- *Sexuality*
- *The natural world and how humans relate to it*

*The subjective treatment is extended beyond cultural beliefs and practices to contentious, current political, social events. For example: Just Watch Me, Neverendum Referendum, No Turning Back and Rape: A Crime of War.*<sup>1</sup>

This last observation also applies to French Program films. For example, the distress of young street people left to their own devices in *L'Armée de l'ombre*; the exploitation of children around the world in *Des marelles et des petites filles/Of Hopscotch and Little Girls*; fatherhood in a time of family breakdown in *Père pour la vie*; dehumanization, barbarity and war in conflicts and social behaviour in *Le Temps des barbares*; young people and suicide in *L'Idée noire*; maintaining essential services in a hospital emergency room in *Urgence! Deuxième souffle/Emergency! A Critical Situation*, and genetically modified organisms in *Main basse sur les gènes/The Genetic Takeover, or Mutant Food*.

## 2. Ensure Programming of Relevant, Top-Quality Films

The NFB completed production of 120 new products over the last year. They can be broken down as follows:

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### *Number of Products*

*76 documentaries*  
*16 animated films*  
*25 educational videos*  
*1 dramatic short*  
*1 CD-ROM*  
*1 joint promotional film (60th anniversary)*

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New compilations and new sets of films have also been produced from the existing collection.

**Audience Size** — 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*

	<b>1997–1998</b>	<b>1998–1999</b>	<b>1999–2000</b>
French audience	37,000	74,000	55,000
English audience	83,000	119,000	82,000
<b>Total</b>	<b>120,000</b>	<b>193,000</b>	<b>137,000</b>

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<sup>1</sup> Sandra Campbell et al. *Summary Report: A response to the question: From reading dust jackets of the NFB productions from 1996 to 1999, what do you deduce this organization is trying to accomplish?* (January 10, 2000).

The total audience was smaller this year than last, not due to fewer viewers per broadcast, but rather to the fact that there were fewer broadcasts. In 1998–99, we sold a number of films from our collection to new speciality channels, but in 1999–2000, we began to feel the effects of a degree of saturation of this market, as new channels only fragment the audiences.

**Performance at Canadian and Foreign Festivals** — 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*

	1997–1998	1998–1999	1999–2000
Canada	28	36	38
International	116	65	93
<b>Total</b>	<b>144</b>	<b>101</b>	<b>131</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 began with a prestigious Palme d’or from the Cannes Film Festival and ended with two films being nominated for Oscars in Los Angeles. Animated films and documentaries alike garnered praise. Awards went to a variety of films entered in a wide range of festivals. A few examples follow:

- *When the Day Breaks* won numerous awards, including the Palme d’or at Cannes, an Oscar nomination, the Grand Prize and Critics’ Prize at the International Animated Film Festival in Annecy, France, and the Genie (in Toronto) for best animated short.
- *Cinéma Vérité* tied for the Telefilm Canada award for best Canadian feature-length work at the Montreal International Festival of New Cinema and New Media.
- *My Grandmother Ironed the King’s Shirts*, a co-production with Norway’s Studio Magica, received an Oscar nomination, the award for the most innovative short film or video at the Reel to Real Festival in Vancouver, as well as awards and honourable mentions at festivals held in Grimstad, Norway, Reykjavik, Iceland, and Wurzburg, Germany.
- *L’Erreur boréale/Forest Alert*, a co-production with ACPAV, won the Jutra Award for best Quebec documentary and several awards in France (the Grand Prize in Grenoble, the Sustainable Rural Development Award in Lille and the Reportage/Magazine Award for environmental films in Grenoble (France)).



A number of other titles carried off awards in specialized categories, such as science and technology (USA, Canada), educational media (USA), children's films (Canada, USA, Poland, France), art films (Canada), social issues (USA, Canada), CD-ROM (USA), religion (USA), indigenous people (Guatemala), mental health (USA), humanitarian films (USA), multicultural/race relations (Canada, USA), environment (France, USA).

The NFB's 60th anniversary was marked all over the world at a number of prestigious international festivals and by major institutions. In Hollywood, the Academy of Motion Picture Arts and Sciences held a gala in honour of and attended by a number of NFB animators and screened their works. The Museum of Modern Art (MoMA) in New York also paid tribute to the NFB by presenting a series of eight programs of documentary and animated films, while major NFB retrospectives were held in Europe, including those at prestigious festivals in Bratislava, Karlovy Vary and Paris (Le Printemps du Québec). In Asia, the NFB's 60th anniversary was celebrated by the Golden Horse Film Festival in Taiwan and by the Hong Kong Arts Centre with retrospectives of over 50 NFB productions.

## *DISTRIBUTION OF AUDIOVISUAL WORKS*

One of the NFB's prime responsibilities is to ensure that it makes use of all distribution channels to reach Canadian and foreign audiences and facilitate access to its film collection, which is one of the most important components of Canada's audiovisual heritage. The following indicators are used to measure performance in this regard.

### 1. **Market Development and Diversification**

The revenue generated and the number of transactions processed reflect the NFB's marketing efforts, the success achieved, and the appeal of NFB productions in various markets.

#### *Canadian Markets*

Revenue from Canadian markets jumped 20%, thanks to significant growth in television sales and sales of stock shots. The following table shows the different markets in Canada.

#### *Revenue by Market*

	<b>1997-1998</b>	<b>1998-1999</b>	<b>1999-2000</b>
	\$	\$	\$
Royalties			
Television	1,416,174	1,139,978	1,653,167
Theatrical	254,595	148,306	140,754
Sales of prints and Videocassettes	1,568,042	1,772,086	1,703,264
Rentals	20,894	18,778	18,855
Sales of stock shots	404,962	433,101	681,989
<b>Total</b>	<b>2,745,232</b>	<b>3,512,249</b>	<b>4,198,029</b>

The increase in television royalties can be explained chiefly by the sale of a number of English and French films to the new Aboriginal Peoples Television Network (APTN). The increase in stock shot sales was largely due to consolidation of sales staff and to Internet and Intranet access to the NFB IMAGES ONF database containing over 23,000 stock shots.

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>1997–1998</b>	<b>1998–1999</b>	<b>1999–2000</b>
214,399	214,452	198,102

This market is fairly stable, as the slight drop in loans this year is only circumstantial and due mainly to a teachers' strike in Quebec and an increase in rental charges at the Winnipeg library.

### ***Foreign Markets***

Revenue from these markets went up 38% over last year's, chiefly thanks to an excellent performance in the television market, as the table below shows.

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

	<b>1997–1998</b>	<b>1998–1999</b>	<b>1999–2000</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Television	1,312,494	1,001,610	2,019,621
Theatrical	243,017	404,225	59,868
Institutional and educational	1,079,655	777,703	880,483
Consumer	167,789	80,890	165,424
<b>Total</b>	<b>2,802,955</b>	<b>2,264,428</b>	<b>3,125,396</b>

In 1998-99, the economic crisis in Asia and general market instability seriously affected our financial performance in international markets, although the theatrical market remained strong thanks to major contracts for IMAX films. The situation now seems much better.

*Television* - This was an exceptionally good year for the NFB in the foreign television market. Revenues from this market were more than double last year's figures. One of the factors contributing to this year's excellent performance was the renewal of the agreement with Turner Broadcasting's Cartoon Network in the USA, first signed in 1997. The extension of the agreement for 13 half-hours of NFB animation is chiefly responsible for the more than \$600,000 surplus over forecast revenues for 1999–2000.

The NFB's New York office also sold the justly acclaimed production *Through a Blue Lens* to HBO-Cinemax and to ABC's show *20/20*, the NFB's first sale to a major American network for prime time broadcast. The ABC broadcast attracted an average audience of 17 million Americans, while the HBO-Cinemax shows reached over a million homes.

In Europe, for the second year in a row, the cultural channel La Sept— ARTE acquired several feature-length documentaries, including *Les Enfants de Refus global* and *The Barrens Quest*.

It should be noted that the fragmentation of the TV market continued throughout the year, with the arrival of even more new digital specialty channels. In 2000–2001, we expect that the proliferation of digital technologies will enable the NFB to take advantage of new opportunities while continuing to maintain its traditional distribution channels.

*Institutions* - This year, the revenue generated by the institutional and educational markets rose 11.4% over last year. As a result of the NFB's first foray into the World Airline Entertainment Association (WAEA) market in 1999, the in-flight entertainment market grew rapidly over the fiscal year, thanks to agreements not just with Air Canada, but with many other airlines, including Air France, Northwest Airlines, Iberia and Finnair, all of which now screen NFB productions.

*Consumers* - In addition, revenue from the consumer market more than doubled this fiscal year, thanks to two new agreements and to new outlets for compilations of animated films for children in Korea and England. Also, the film *Spirit of Tibet/L'Esprit du Tibet* was very successful in the Buddhist community and with the general public in a number of countries around the world, especially France and the USA, where several thousand videocassettes have already been sold. The DVD market is booming and saw growth this year with the signing of new agreements in the USA, Japan and Europe.

## 2. Access to the NFB's Entire Audiovisual Holdings

**Information requests** - Changes to the NFB's Website, new links with other sites and other portals, as well as improvements to the interactive multimedia catalogue itself to make it more user-friendly and more powerful contributed to the continuous increase in the number of queries of the audiovisual database, as the table below illustrates:

### *Catalogue Queries*

1997-1998	1998-1999	1999-2000
6,612,665	8,036,000	10,698,366

**Utilization of the collection** - Over the course of the year, we continued to transfer new titles to videodisc (852 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 1999-2000, by Decade of Production*

1921-1930 <sup>†</sup>	2 titles
1931-1940 <sup>†</sup>	9 titles
1941-1950	207 titles
1951-1960	346 titles
1961-1970	680 titles
1971-1980	968 titles
1981-1990	1,183 titles
1991-2000	1,497 titles
<b>Total</b>	<b>4,892 titles</b>

\* 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: a good 45% of the titles sold or rented were produced over 20 years ago. This confirms that the film conservation and accessibility policies we have been promoting over the years were well founded.

**ENVIRONMENT CONDUCTIVE TO INNOVATION  
AND DEVELOPMENT OF THE CANADIAN FILM INDUSTRY**

Within the scope of its film production, distribution and conservation activities, the NFB tries to leave lots of room for innovation and to be receptive to new artists, thus enabling it bring fresh ideas to its filmmaking. We discuss below some examples of projects and programs that give an indication of the initiatives under way, progress made and results achieved, where applicable.

**1. Experimental Projects**

- **Interactive Productions**

- *Norman's Brain* is an experimental Web production that will result in a productivity tool.
- *Making History On Line* takes the concept of constructed history further by presenting pivotal moments in Canadian history as interactive explorations.
- *The History of Canada Website* will become a site of encyclopedic knowledge consisting of written, visual and audio sources. The project is making good progress and will go on-line sometime this year.
- *The Prince and I/Le Prince et moi*, an interactive Website for children, continues to draw a large number of visitors from Canada and abroad. The French weekly *Micro Hebdo* ranked it one of the best children's sites on the Web.

- **Experiments with New Animation Technology**

In the animation stream, we are in production with *Falling in Love Again* on the SANDDE™ (Stereo Animation Drawing Device) stereoscopic workstation and are pursuing development of other projects for this innovative system developed in co-operation with Imax Corporation.

- **Development of a First Canadian Internet Films-on-Demand Service**

The CineRoute project is the fruit of several years of work at the NFB and a partnership with CANARIE and RISQ (Réseau interordinateurs scientifique québécois). It is an evolving project that will ultimately enable a national films-on-demand service to be offered to Canadian institutions and homes connected to the Internet. The current phase gives Canadian universities as well as some colleges and research centres on the CANARIE broadband network access to a bank of 800 titles from the collection. The films are not downloaded, but streamed for instantaneous full-screen, full-motion viewing, with no loss of synchronization. The pilot project is currently being assessed.

## 2. Development of New Film Talents and Skills

The NFB helps young filmmakers in a number of ways, giving them the opportunity to gain some experience in the professional filmmaking milieu. Here are a few examples.

- The Libres courts program is enabling seven young filmmakers to make their first documentary shorts, to be broadcast in the fall of 2000.
- The Cinéaste Autochtone competition allowed a fourth Aboriginal filmmaker to produce a documentary, *Mon village au Nunavik/My Village in Nunavik*, which was awarded the Opera Prima award at the 6th Indigenous Peoples' Film and Video Festival, held in Quetzaltenango, Guatemala.
- The Reel Diversity program, a competitive program for filmmakers belonging to visible minorities, is allowing six filmmakers to produce half-hour films with budgets under \$100,000. The program's success in Ontario means that 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 who request it, once again allowed the NFB to support 237 projects across Canada.

### *Projects Supported*

	1997-1998	1998-1999	1999-2000
Aide au cinéma indépendant	66	76	68
Filmmaker Assistance Program	187	164	169
<b>Total</b>	<b>253</b>	<b>240</b>	<b>237</b>

Although the number of projects declined slightly, the resources allocated to the program remained at the same level for the last three years.

## *INTERNAL PERFORMANCE*

### 1. **Maximizing Production Resources**

One of the NFB's objectives has been to ensure that the greatest possible share of its film production budgets goes to actual filmmaking, as opposed to administration. It has therefore been making a special effort to keep the administrative costs of production as low as possible.

#### *Production Resources*

(millions of dollars)

	<b>Actual 1997-1998</b>		<b>Actual 1998-1999</b>		<b>Actual 1999-2000</b>	
Production (direct costs)	37.7	(62%)	38.7	(68%)	40.0	(67%)
Administration of production	2.0		1.6		1.6	
Net cost of the NFB program	60.7	(100%)	56.7	(100%)	59.3	(100%)

It can be seen that administrative costs of production have remained the same, although the direct costs have gone up by \$1.3 million.

### 2. **Upgrading of Production, Distribution and Information Systems**

**Production** — The shift to electronic origination of image and sound continued. A total of 71% of films completed were shot on video, as opposed to 62% last year.

**Distribution** — The CineRoute 2 pilot project, which gives universities, colleges and research centres on-demand access to 800 NFB films over the Internet, was launched last December. A number of operations were required to ensure efficient service: connecting our server to the CA\*net 3 network, testing the system with the CANARIE and RISQ team, digitizing titles in the special collection, finishing the interfaces, installing a streaming video server and developing site-access management software.

**Information** — As part of the project to integrate databases into the same information technology architecture, we developed a computer module to gather and integrate all the basic data on each new production.



### **3. Compliance with Employment Equity Act**

An *Employment Equity Act* compliance audit conducted by the Canadian Human Rights Commission over the last year demonstrated that “the NFB had fulfilled all of its undertakings and now meets all of the requirements of the *Employment Equity Act*.”

### **4. Improving Service to the Public**

The NFB Website benefited from major upgrades in the last year. In co-operation with the English and French Programs, Customer Services, and Informatics, an e-commerce component was implemented.

To enhance the visibility of the on-line store and to deal with growing pains, the site underwent a major reorganization, involving a new look and new navigation method. The new look is very modern and makes use of design elements that are becoming Web standards. The new navigation method is highly flexible, both for updating and for end users.

## ***CONTRIBUTION TO MEETING GOVERNMENT PRIORITIES***

### **1. Canadian Sense of Belonging and Identity**

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 120 films, which it has strived to make available to Canadians, and has provided access to its entire collection of over 9,000 films, a unique audiovisual heritage.

### **2. Children and Youth**

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.

The NFB also works with young people by setting up first works programs and introductions to filmmaking, and providing training and support for new filmmakers to enable them to express their own realities, learn a fascinating occupation and enter the job market.

### **3. Strengthen Relations with Aboriginal Peoples of Canada**

For several years, the NFB has had a variety of measures in place in film production, distribution and training 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 still available in our collection.
- A production program specifically designed for Aboriginal filmmakers is entering its second three-year cycle.
- A competition to recruit Aboriginal filmmakers to learn filmmaking, produce films and then enter the job market.
- Supplying many films for broadcast on the Aboriginal Peoples Television Network (APTN).
- Reaching a partnership agreement with APTN to co-produce low-budget films by beginning Aboriginal filmmakers.

## **Part III**

## **Part III: Consolidated Reporting**

### **Modernizing Comptrollership**

Like all government departments and agencies, the NFB is gradually implementing modern comptrollership. The internal audit section now identifies our areas of activity in terms of their level of risk and issues management recommendations in this regard. We are also integrating all our databases to ensure we have the best possible management reports and analytical tools.

### **Transfer Payments**

The NFB disburses just over \$300,000 a year in transfer payments. Of this, \$12,000 is 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 moveable 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.

## **Part IV**

## Part IV: Financial Performance

### A. Financial Performance Overview

The NFB divides its financial resources among the above-mentioned objectives as follows:

Production of audiovisual works	66%
Distribution of audiovisual works	23%
Environment conducive to innovation and development of the Canadian film industry	11%

Tables 1 and 2 show the appropriations granted to the NFB for 1999-2000 compared with actual spending. The variance between total authorities and actual spending results from our prudence in committing funds due to anticipated problems and uncertainties in the area of technical services and the major renovation project at Montreal Headquarters. We had set aside a reserve, which turned out not to be necessary; we therefore need to carry funds forward to 2000-2001.

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 for the workload and adjustments in the collective agreements.

Table 4 shows spendable revenues. This past year provided the NFB with the opportunity to redress its revenue situation, which had been very difficult in 1998-1999 due to the economic crisis in Asia and general market instability.

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.

### Financial Summary Tables

Financial Table 1 – Summary of Voted Appropriations

Financial Table 2 – Comparison of total planned to actual spending

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

Respendable Revenues

Financial Table 5 – Transfer Payments

Financial Table 6 – Revolving Fund Financial Summaries

## B. Financial Summary Tables

### Financial Table 1 - Summary of Voted Appropriations

<b>Financial Requirements by Authority (millions of dollars)</b>			
<b>1999-2000</b>			
<b>Vote/Program</b>	<b>Planned Spending (net)</b>	<b>Total Authorities (net)</b>	<b>Actual Spending (net)</b>
90 National Film Board Revolving Fund - Operating loss	59.2	62.0	59.4
(L) National Film Board Revolving Fund	0.4	0.4	0.6
<b>Total Agency</b>	<b>59.6</b>	<b>62.4</b>	<b>60.0</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>• 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</li> <li>• the amount actually spent (Actual Spending 1999-2000).</li> </ul>			

The operating deficit shown under the NFB's revolving fund is totally offset by an annual parliamentary appropriation (vote 90 for fiscal 1999-2000), 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 14).

## Financial Table 2 – Comparison of total planned to actual spending

<b>Comparison of total planned to actual spending (millions of dollars)</b>			
	<b>1999-2000</b>		
<b>NFB Operations</b>	<b>Planned</b>	<b>Total Authorities</b>	<b>Actual</b>
FTEs	483	483	511
Operating*	68.2	71.6	68.2
Capital	–	–	–
Voted Grants and Contributions	0.3	0.3	0.3
<b>Total Gross Expenditures</b>	<b>68.5</b>	<b>71.3</b>	<b>68.5</b>
Less:			
Respendable Revenues	(8.9)	(8.9)	(8.5)
<b>Total Net Expenditures</b>	<b>59.6</b>	<b>62.4</b>	<b>60.0</b>
Other Revenues and Expenditures			
Non-respendable Revenues	–	–	–
Cost of Services Provided by other Departments**	–	–	–
<b>Net Cost of the Program</b>	<b>59.6</b>	<b>62.4</b>	<b>60.0</b>
* <i>Includes contributions to employee benefit plans and severance pay.</i>			
** <i>Cost of services provided by other departments: \$11,926.</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>1997-1998 Actual</b>	<b>1998-1999 Actual</b>	<b>1999-2000</b>		
			<b>Planned</b>	<b>Total Authorities</b>	<b>Actual</b>
National Film Board operations	69.3	64.0	68.5	71.3	68.5
<b>Total</b>	<b>69.3</b>	<b>64.0</b>	<b>68.5</b>	<b>71.3</b>	<b>68.5</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 1999-2000, 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. 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>1997-1998 Actual</b>	<b>1998-1999 Actual</b>	<b>1999-2000</b>		
			<b>Planned Revenues</b>	<b>Total Authorities</b>	<b>Actual</b>
National Film Board operations	8.6	7.3	8.9	8.9	8.5
Total respendable revenue	8.6	7.3	8.9	8.9	8.5

## Financial Table 5 – Transfer Payments

<b>Transfer Payments (millions of dollars)</b>					
	<b>1997-1998 Actual</b>	<b>1998-1999 Actual</b>	<b>1999-2000</b>		
			<b>Planned Spending</b>	<b>Total Authorities</b>	<b>Actual</b>
<b>GRANTS</b>	0.008	0.006	0.012	0.012	0.007
<b>CONTRIBUTIONS</b>	0.282	0.323	0.307	0.318	0.323
<b>Total transfer payments</b>	<b>0.290</b>	<b>0.329</b>	<b>0.319</b>	<b>0.330</b>	<b>0.330</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>1997-1998 Actual</b>	<b>1998-1999 Actual</b>	<b>1999-2000</b>		
			<b>Planned</b>	<b>Total Authorities</b>	<b>Actual</b>
Revenues (Parliamentary appropriation)	60.7	56.7	59.6	62.4	59.8
Net expenditures	(60.7)	(56.7)	(59.6)	(62.4)	(59.8)
Profit or (loss)	0	0	0	0	0
Add items not requiring use of funds: depreciation/amortization	(4.6)	(3.9)	(2.0)	(2.0)	(2.9)
Changes in working capital	(0.2)	0.0	0.4	0.4	0.6
Investing activities: acquisition of depreciable assets	1.3	1.4	2.0	2.0	1.9
<b>Cash surplus (requirement)</b>	<b>(3.5)</b>	<b>(2.5)</b>	<b>0.4</b>	<b>0.4</b>	<b>(0.4)</b>
<b>Authority: cumulative surplus (drawdown)</b>	<b>13.7</b>	<b>11.2</b>	<b>16.7</b>	<b>16.7</b>	<b>10.8</b>
<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.					

## **Part V**

## Part V: Overview of 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, sect.9. 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.

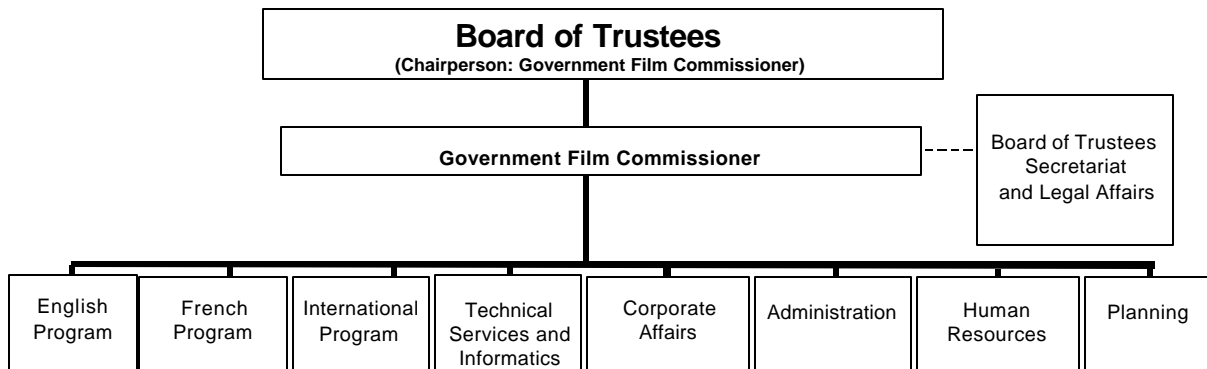
As a *public producer*, the NFB ensures that Canadian realities and imagination are interpreted through films that are of high quality from a cinematographic point of view, that permit innovation and artistic and technological advancement, and that address both major social issues and different aspects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

**Corporate Affairs**, 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.

## **Part VI**

## **Part VI: 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 Website at [www.nfb.ca](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)