

## **Hollywood North sees huge leap**

Film and TV injected \$1.2 billion into the B.C. economy in 2005

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By Wency Leung

Film and television production in B.C. increased 50 per cent last year despite a soaring Canadian dollar, as the industry rebounded with the help of higher provincial tax credits, the minister of tourism, sport and the arts said Monday.

Olga Ilich announced that film and television production contributed \$1.2 billion to the B.C. economy in 2005, showing a major turnaround from the previous year.

"I think we have great people, we've got great talent, we've got great venues, we've got lots of locations. Our after-production is very good and I think the tax credits have a role to play as well," Ilich said following a speech for the Vancouver Board of Trade. "We've spent \$50 million in tax credits last year to attract the industry."

The rising Canadian dollar hit the industry hard in 2004, prompting producers to seek alternate locations. Production revenues fell to \$801 million from a record \$1.4 billion in 2003. But a hike in labour tax credits, which the province introduced last January, helped lure producers back to B.C. despite the strong Canadian currency.

The labour tax credit was raised from 11 to 18 per cent for foreign productions and from 20 to 30 per cent for domestic productions. That increase was slated to last until this month. However, earlier this year the provincial government announced it would extend the higher tax credit until March 2008.

Ilich said it was unlikely the province would introduce any additional increases to the labour tax credit for the next two years.

"It's obviously having an impact at the level that they're at," she said. "It's a significant credit and a significant amount of new filming that's going on."

More than 200 productions were completed in B.C. last year, the minister said. These included 63 feature films, 31 television series, 20 documentaries and 24 animation projects. Domestic spending on film and television production rose to \$225 million in 2005, from \$214 million in 2004. Foreign spending increased to more than \$1 billion.

Don Cott, vice-president of the Canadian affiliate of the Alliance of Motion Picture and Television Producers, said the hike in tax credits has allowed B.C. to compete on a level playing field with Ontario, which announced an increase to its labour tax credit in December 2004.

Cott added, though, that the rebound of B.C.'s film and television industry last year could also have been propped by a few big-budget features, such as action film X-Men 3, which was shot in Vancouver.

"There's been a couple of very large pictures, which certainly skew the numbers," Cott said. "Features are higher budget than television series," he added.

Cott said it is difficult to predict whether production activity would continue at the same level this year as last. But he said: "At this point, it's looking to be a reasonably good year."

B.C. is the third-largest film and television production centre in North America, next to Los Angeles and New York.

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### **FILM SPENDING SOARS**

Film and television production in British Columbia increased more than 50 per cent over 2004, contributing \$1.2 billion to the provincial economy in 2005. Here's what happened in B.C. with foreign and domestic productions last year compared to 2004:

63 feature films: +17\* - \$623 million: +158.3%  
31 television series: -5 - \$387 million: +15.2%  
93 other TV productions: -3; \$138 million: -26%  
24 animation projects: +8; \$85 million: +128.2%  
211 total projects: +17; \$1.23 billion: +54%