

Mason, Patty JTI:EX

From: Croome, Susan E BCFC:EX
Sent: Friday, November 18, 2011 3:19 PM
To: Leduc, Danine CSCD:EX
Subject: FW: qa_October Crisis_AH.docx

Susan Croome
British Columbia Film Commissioner
Ministry of Community, Sport, and Cultural Development
Phone: 604 660-3235
<mailto:susanc@bcfilmcommission.com>
www.bcfilmcommission.com



201 - 865 HORNBY STREET PH 604 660 2732 INFO@BCFILMCOMMISSION.COM
VANCOUVER, BC V6Z 2G3 FX 604 660 4790 WWW.BCFILMCOMMISSION.COM

.....
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.....

From: Croome, Susan E BCFC:EX
Sent: Monday, October 31, 2011 7:25 AM
To: Henning, Andrea CSCD:EX; Tully, Alec GCPE:EX; Carroll, Lora CSCD:EX
Subject: qa_October Crisis_AH.docx

Loss HST has the same negative effect on domestic producers as it does on foreign. CMPA is also against the loss of the HST and is encouraging a pst exemption for all film and television production. S.



qa_October
Crisis_AH.docx

Pages 2 through 7 redacted for the following reasons:

S13

Mason, Patty JTI:EX

From: Croome, Susan E BCFC:EX
Sent: Friday, November 18, 2011 3:20 PM
To: Leduc, Danine CSCD:EX
Subject: FW: Draft Q and A: End of HST and Film, TV and Digital
Attachments: qa_October Crisis_draft.docx

Susan Croome
British Columbia Film Commissioner
Ministry of Community, Sport, and Cultural Development
Phone: 604 660-3235
<mailto:susanc@bcfilmcommission.com>
www.bcfilmcommission.com



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From: Tully, Alec GCPE:EX
Sent: Thursday, October 27, 2011 4:32 PM
To: Croome, Susan E BCFC:EX; Henning, Andrea CSCD:EX; Carroll, Lora CSCD:EX
Subject: Draft Q and A: End of HST and Film, TV and Digital

Hi Susan, Andrea and Lora.
See draft q and a.
Please advise re edits/approval.
Note: I don not know the answer to question six.
Thanks
alec

Alec Tully
Government Communications and Public Engagement
Ministry of Community, Sport and Cultural Development
Province of British Columbia
Phone: 250 356-0979
S17
Fax: 250-356-1070
Alec.Tully@gov.bc.ca

Pages 9 through 14 redacted for the following reasons:

S13

Mason, Patty JTI:EX

From: Henning, Andrea CSCD:EX
Sent: Friday, November 18, 2011 3:47 PM
To: Leduc, Danine CSCD:EX
Subject: FW: HST

From: Carroll, Lora CSCD:EX
Sent: Tuesday, October 25, 2011 10:50 AM
To: Tully, Alec GCPE:EX
Cc: Henning, Andrea CSCD:EX
Subject: HST

Alec,

A point that should be added to the note is that industry will be asking for the following amendment to be made to the PST definition:

"When BC reverts to PST, define digital/film/TV production and post production as "manufacturing" for the purposes of calculating PST."

Lora Carroll, MA
Policy Analyst
Arts & Culture Branch
Ministry of Community, Sport, Cultural Development
(T): 250.356.7148
(F): 250.387.4099
http://www.cscd.gov.bc.ca/arts_culture

"A nation's culture resides in the hearts and in the soul of its people." ~ Gandhi



Please consider the environment before printing this e-mail

Mason, Patty JTI:EX

From: Henning, Andrea CSCD:EX
Sent: Friday, November 18, 2011 3:45 PM
To: Leduc, Danine CSCD:EX
Subject: FW: HST

From: Tully, Alec GCPE:EX
Sent: Tuesday, October 25, 2011 10:53 AM
To: Carroll, Lora CSCD:EX
Cc: Henning, Andrea CSCD:EX
Subject: RE: HST

Yes, I have that, Lora. Two notes, actually.
alec



IN_HST



IN_HST impact

anguishment impac BC film_ADM.doc

We updated it for the Minister's Binder for the current House

session.

Alec Tully
Government Communications and Public Engagement
Ministry of Community, Sport and Cultural Development
Province of British Columbia
Phone: 250-356-0979

S17

Fax: 250-356-1070
Alec.Tully@gov.bc.ca

From: Carroll, Lora CSCD:EX
Sent: Tuesday, October 25, 2011 10:45 AM
To: Tully, Alec GCPE:EX
Cc: Henning, Andrea CSCD:EX
Subject: HST

Alec,

There was an IN written back in May 2011 called "HST IMPACT ON BC FILM INDUSTRY". Can you see if the final version is in your files?

Cheers,

Lora

Lora Carroll, MA
Policy Analyst
Arts & Culture Branch
Ministry of Community, Sport, Cultural Development
(T): 250.356.7148
(F): 250.387.4099
http://www.cscd.gov.bc.ca/arts_culture

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ADVICE TO MINISTER

CONFIDENTIAL ISSUES NOTE

Ministry of Community, Sport and Cultural
Development

Date: September 23, 2011

Minister Responsible: Honourable Ida Chong

Extinguishing HST will impact film in B.C.

ADVICE AND RECOMMENDED RESPONSE:

S13

KEY FACTS REGARDING THE ISSUE:

- On August 26, Elections BC announced that almost 55 per cent of participants in the HST referendum voted to scrap the tax. The Province will revert to a provincial sales tax within 18 months.
- Increased production costs likely to result from scrapping the HST will hurt the competitiveness of B.C.'s film industry.
- Coupled with other provincial and federal tax credits, the HST allowed film producers from outside Canada to enjoy significant cost savings, even with the high value of the Canadian dollar.
- Under the HST, foreign film producers working in B.C. recovered the seven per cent of their production costs that they could not get back under the former PST. When the HST ends, so does this substantial reduction in the cost of producing film in B.C.
- The Ontario provincial government is keeping the HST – which could prompt foreign film to chose film locations in Ontario instead of British Columbia.
- Peter Leitch, chair of the Motion Picture Production Industry Association of British Columbia (MPPIA) stated that an annual film and TV production expenditure of \$1 billion represented between \$22 and \$25 million in rebates for producers under the HST.

Communications Contact:

Alec Tully

250-356-0979

Program Area Contact:

Andrea Henning, Executive Director

250 216-5835

File Created:

August 29, 2011

File Updated:

September 23, 2011

Comm. Director	Program Area	ADM	Deputy Minister	Minister's Office	CC:
	AH	DG	DF		

ADVICE TO MINISTER

CONFIDENTIAL ISSUES NOTE

Ministry of Community, Sport and Cultural
Development

Date: Sept. 23, 2011

Minister Responsible: Honourable Ida Chong

HST IMPACT ON BC FILM INDUSTRY

ADVICE AND RECOMMENDED RESPONSE:

S13

KEY FACTS REGARDING THE ISSUE:

- During a May 16 interview on the CBC radio program "On the Coast", Pete Mitchell, President and Chief Operating Officer for Vancouver Film Studios, said he was confident the HST will lure new productions to British Columbia and ensure that B.C. remains competitive with other jurisdictions.
- Mr. Mitchell's comments reflect the fact that the HST will impact British Columbia's film industry and therefore people in that sector are talking publicly about the tax.
- Mr. Mitchell's positive HST comments are notable partly because they contrast with his criticism that the B.C. government's tax credits are less than what Ontario and Quebec offer (Georgia Strait, April 2010).
- The BC Motion Picture Production Industry Association's Twitter account has not received any posts indicating that production activity is being withheld until after the HST referendum <http://twitter.com/#!/mppia>
- Neither Peter Leitch, Chair of MPPIA nor their communications person have heard any rumours about current production restrictions.
- The Province continues to support B.C.'s film production industry, where spending in 2010 exceeded a billion dollars, solidifying B.C. as the 3rd largest production centre in North America, behind only L.A. and New York.
- B.C. taxpayers working in the motion picture industry earned wages of approximately \$450 million in 2010.

- B.C.'s production industry directly and indirectly employs over 25,000 people.
- B.C. spends approximately \$130 million in annual refundable tax credits for the film and television industry.

Communications Contact: Alec Tully 250-356-0979
 Program Area Contact: Andrea Henning, Executive Director 250 216-5835
 File Created: May 19, 2011
 File Updated: September 23, 2011

Comm. Director	Program Area	ADM	Deputy Minister	Minister's Office	CC:
GR	AH	DG			

Mason, Patty JTI:EX

From: Croome, Susan E BCFC:EX
Sent: Friday, November 18, 2011 3:20 PM
To: Leduc, Danine CSCD:EX
Subject: FW: HST and film

Susan Croome
British Columbia Film Commissioner
Ministry of Community, Sport, and Cultural Development
Phone: 604 660-3235
<mailto:susanc@bcfilmcommission.com>
www.bcfilmcommission.com

-----Original Message-----

From: Croome, Susan E BCFC:EX
Sent: Tuesday, October 25, 2011 11:32 AM
To: Henning, Andrea CSCD:EX; Tully, Alec GCPE:EX
Subject: RE: HST and film

Excellent. Thanks Andrea. S.

Susan Croome
British Columbia Film Commissioner
Ministry of Community, Sport, and Cultural Development
Phone: 604 660-3235
<mailto:susanc@bcfilmcommission.com>
www.bcfilmcommission.com

-----Original Message-----

From: Henning, Andrea CSCD:EX
Sent: Tuesday, October 25, 2011 9:59 AM
To: Tully, Alec GCPE:EX; Croome, Susan E BCFC:EX
Subject: Re: HST and film

We prepared something on this. Will dig it up.

----- Original Message -----

From: Tully, Alec GCPE:EX
Sent: Tuesday, October 25, 2011 09:30 AM
To: Croome, Susan E BCFC:EX; Henning, Andrea CSCD:EX
Subject: FW: HST and film

Well. Look at this. Any ideas?
alec

Alec Tully
Government Communications and Public Engagement Ministry of Community, Sport and Cultural
Development Province of British Columbia
Phone: 250 356-0979
S17
Fax: 250-356-1070

Alec.Tully@gov.bc.ca

-----Original Message-----

From: Rud, Jeff GCPE:EX
Sent: Tuesday, October 25, 2011 9:27 AM
To: Tully, Alec GCPE:EX
Cc: Rhodes, Gillian GCPE:EX
Subject: HST and film

Alec,

Don Fast would like us to develop a QandA for the Minister on the expected impact of the HST being removed on the film, TV and digital industry in BC. Can you please work with Susan and Andrea to develop this?

Thanks,
Jeff.

Mason, Patty JTI:EX

From: Croome, Susan E BCFC:EX
Sent: Friday, November 18, 2011 3:29 PM
To: Leduc, Danine CSCD:EX
Subject: FW: HST Referendum
Attachments: BC Voters Reject HST.pdf

Susan Croome
British Columbia Film Commissioner
Ministry of Community, Sport, and Cultural Development
Phone: 604 660-3235
<mailto:susanc@bcfilmcommission.com>
www.bcfilmcommission.com



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VANCOUVER, BC V6Z 2G3 FX 604 660 4790 WWW.BCFILMCOMMISSION.COM

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From: Croome, Susan E BCFC:EX
Sent: Monday, August 29, 2011 1:00 PM
To: S17
Cc:
Subject: FW: HST Referendum

Susan Croome
British Columbia Film Commissioner
Ministry of Community, Sport, and Cultural Development
#201 - 865 Hornby Street
Vancouver, BC V6Z 2G3
Phone: 604 660-2732
Fax: 604 660-4790
<mailto:susanc@bcfilmcommission.com>
www.bcfilmcommission.com



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From: Paul Clausen [<mailto:PaulC@nsstudios.ca>]
Sent: Friday, August 26, 2011 3:12 PM
To: L/R Wootton MPPIA
Subject: HST Referendum

MPPIA Members,

Please find attached MPPIA's press release in regards to the outcome of the HST referendum. Not much more to say at this time.

We will keep you informed, the Government Relations Committee will convene shortly to continue discussion on our strategy with government moving forward.

Paul Clausen



CHARTER MEMBERS:

ACFC West
AMPTP
Bridge Studios
Canadian Motion Picture Park
CMPA – BC Producers Branch
Cool Air Rentals
Deluxe Vancouver
Digital Film Central
Directors Guild of Canada - BC
EP Canada Film Services
Ernst & Young
IATSE Local 669
IATSE Local 891
Image Engine
Line Consulting
Moving Picture Company (MPC)
North Shore Studios
North West Digital
Panavision
Paramount Production
Post Modern Sound Inc.
PricewaterhouseCoopers
PS Production Services Ltd.
Rainmaker Entertainment
Teamsters Local 155
Technicolor Creative Services
UBCP
Vancouver Film Studios
WesternOne Rentals
William F. White

AFFILIATE GUESTS:

Actsaf BC
British Columbia Film
BC Film Commission
City of Vancouver
DigiBC
First Weekend Club
Greater Victoria Film Commission
National Film Board of Canada
Regional Film Commissioners Assoc
Telefilm Canada- Western Region
Women in Film & Video Vancouver

For Immediate Release

August 26, 2011

British Columbia Voters Reject HST: BC Motion Picture Industry Moves to Address Competitive Position

Vancouver, Canada – The HST was defeated today in British Columbia following a heated campaign that led to a slim margin to extinguish the tax.

"I am disappointed with the outcome of the HST referendum conducted across the Province," says Peter Leitch, Chair of the MPPIA. "It will take approximately 18 months for the present provincial tax model to be reversed and replaced. In the meantime, the Motion Picture Production Association of BC will work closely with the Provincial Government in the coming months to ensure that we have consistent, competitive tax policy in BC – which has been essential in building the billion dollar production industry in British Columbia today," Leitch adds.

MPPIA is a member-based, non-profit society established in April 2002 to grow, diversify and promote a competitive and sustainable motion picture production industry in British Columbia.

-30-

For more information contact:

Leslie Wootton, MPPIA Communications
604.983.5980 info@mppia.com

Mason, Patty JTI:EX

From: Croome, Susan E BCFC:EX
Sent: Friday, November 18, 2011 3:28 PM
To: Leduc, Danine CSCD:EX
Subject: FW: A suggestion re film and foreign producers

Susan Croome
British Columbia Film Commissioner
Ministry of Community, Sport, and Cultural Development
Phone: 604 660-3235
<mailto:susanc@bcfilmcommission.com>
www.bcfilmcommission.com



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VANCOUVER, BC V6Z 2G3 FX 604 660 4790 WWW.BCFILMCOMMISSION.COM

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From: Rhodes, Gillian GCPE:EX
Sent: Monday, August 29, 2011 3:52 PM
To: Galbraith, David J CSCD:EX
Cc: Fast, Don CSCD:EX; Tully, Alec GCPE:EX; Henning, Andrea CSCD:EX; Croome, Susan E BCFC:EX
Subject: RE: A suggestion re film and foreign producers

Yes, Susan as lead, and Finance will deal with inquiries regarding the HST, as per our instructions from Finance on Friday.

Calls from the public should be directed to the consumer taxation branch:

Toll-free anywhere in B.C. 1 877 388-4440
Or email CTBTaxQuestions@gov.bc.ca

From: Galbraith, David J CSCD:EX
Sent: Monday, August 29, 2011 3:48 PM
To: Tully, Alec GCPE:EX; Henning, Andrea CSCD:EX; Croome, Susan E BCFC:EX
Cc: Fast, Don CSCD:EX; Rhodes, Gillian GCPE:EX
Subject: RE: A suggestion re film and foreign producers

Gang, in discussions with the film industry and producers please have Susan as the lead. Thanks.

David Galbraith
Assistant Deputy Minister
Arts, Culture, Gaming Grants and Sport

Ministry of Community, Sport and Cultural Development
Tel: 250.356.7139
fax: 250.387.8720

From: Tully, Alec GCPE:EX
Sent: Monday, August 29, 2011 3:24 PM
To: Henning, Andrea CSCD:EX
Cc: Galbraith, David J CSCD:EX; Fast, Don CSCD:EX; Rhodes, Gillian GCPE:EX
Subject: A suggestion re film and foreign producers

S13

alec

Alec Tully
Government Communications and Public Engagement
Ministry of Community, Sport and Cultural Development
Province of British Columbia
Phone: 250-356-0979

S17

Fax: 250-356-1070
Alec.Tully@gov.bc.ca

From: Henning, Andrea CSCD:EX
Sent: Monday, August 29, 2011 11:35 AM
To: Galbraith, David J CSCD:EX; Fast, Don CSCD:EX; Rhodes, Gillian GCPE:EX
Cc: Tully, Alec GCPE:EX
Subject: Re: S17 what's this, is it a problem on our film, when does it start?

We need to get messaging out (specific to film) that explains that this (HST repeal) is not effectively immediately and that productions can still receive the benefits --as I understand it.

From: Galbraith, David J CSCD:EX
Sent: Monday, August 29, 2011 10:53 AM
To: Fast, Don CSCD:EX
Cc: Henning, Andrea CSCD:EX
Subject: FW: S17 what's this, is it a problem on our film, when does it start?

Don, FYI on response to the HST vote in the film industry.

David Galbraith
Assistant Deputy Minister
Arts, Culture, Gaming Grants and Sport

Ministry of Community, Sport and Cultural Development
Tel: 250.356.7139
fax: 250.387.8720

From: Croome, Susan E BCFC:EX
Sent: Monday, August 29, 2011 10:50 AM
To: Tully, Alec GCPE:EX; Rhodes, Gillian GCPE:EX

Cc: Henning, Andrea CSCD:EX; Galbraith, David J CSCD:EX

Subject: FW: S17 what's this, is it a problem on our film, when does it start?

Attached is an e-mail from a Vancouver producer wanting some messaging to share with his client, S22
S22

So far I've only had one LA press call, but surely more to follow. As per the attached article sent from S22
S22 S13

Do you have some more specific messaging from Finance on behalf of government? Is there a Communications person who can take the press calls? I simply don't have enough information to sensibly communicate what is being contemplated by government in order to field these calls.

I have spoken with Peter Leitch who referred me to the BC Business Council press release. The following is an excerpt from the their release:

The Business Council will be establishing a Task Force on Productivity, Competition and Innovation with a mandate to develop proposals to enhance the investment climate and improve British Columbia's ability to attract capital and create jobs. "Through this new Task Force, we will work with key industry sectors that underpin BC's prosperity to come up with practical and innovative ideas to develop a stronger and more competitive provincial economy," stated D'Avignon.

The actual press release:

<http://www.bcbc.com/Documents/Disappointing%20HST%20Rejection%20Misses%20Opportunity.pdf>

From: S17
Sent: Monday, August 29, 2011 9:08 AM
To: Croome, Susan E BCFC:EX; S17 S22
Subject: FW: S17 what's this, is it a problem on our film, when does it start?

Do we have a message we can get out on this?

Thanks,

S17

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SAVE PAPER - THINK BEFORE YOU PRINT

Mason, Patty JTI:EX

From: Croome, Susan E BCFC:EX
Sent: Friday, November 18, 2011 3:23 PM
To: Leduc, Danine CSCD:EX
Subject: FW: A suggestion re film and foreign producers

Susan Croome
British Columbia Film Commissioner
Ministry of Community, Sport, and Cultural Development
Phone: 604 660-3235
<mailto:susanc@bcfilmcommission.com>
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From: Croome, Susan E BCFC:EX
Sent: Monday, August 29, 2011 5:05 PM
To: Henning, Andrea CSCD:EX; Galbraith, David J CSCD:EX; Tully, Alec GCPE:EX; Rhodes, Gillian GCPE:EX
Cc: Lamare, Karen BCFC:EX; Bernard, Julie BCFC:EX; Hardwick, Gordon BCFC:EX
Subject: FW: A suggestion re film and foreign producers

S13

S13 I am aiming for transparency on this issue
and we are posting the MOF release on the BCFC website.

The verbal message to clients is:

- Keep Calm and Carry On
- The change back to PST will take a minimum of 18 months
- Industry and government are working together to effect a positive outcome for the motion picture industry

If we have some definitive information of a positive nature within the next three months, the January cycle of large feature films that may have combined physical production and post components of more than a year, may still be persuaded to locate in BC. S.

Susan Croome
British Columbia Film Commissioner
Ministry of Community, Sport, and Cultural Development
#201 - 865 Hornby Street
Vancouver, BC V6Z 2G3

Phone: 604 660-2732
Fax: 604 660-4790
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From: Henning, Andrea CSCD:EX
Sent: Monday, August 29, 2011 3:49 PM
To: Tully, Alec GCPE:EX
Cc: Galbraith, David J CSCD:EX; Fast, Don CSCD:EX; Rhodes, Gillian GCPE:EX
Subject: RE: A suggestion re film and foreign producers

S13

I think that being clear that the HST is still in place for the next 18 months, busy as usual is what is important right now.

FYI--Messaging MPPIA will be providing to LA is that the HST is in place for the next 18 months and they will continue to work with govt to ensure consistent and competitive tax credits are available.

A

From: Tully, Alec GCPE:EX
Sent: Monday, August 29, 2011 3:24 PM
To: Henning, Andrea CSCD:EX
Cc: Galbraith, David J CSCD:EX; Fast, Don CSCD:EX; Rhodes, Gillian GCPE:EX
Subject: A suggestion re film and foreign producers

S13

alec

Alec Tully
Government Communications and Public Engagement
Ministry of Community, Sport and Cultural Development
Province of British Columbia
Phone: 250 356-0979

S17

Fax: 250-356-1070
Alec.Tully@gov.bc.ca

From: Henning, Andrea CSCD:EX
Sent: Monday, August 29, 2011 11:35 AM
To: Galbraith, David J CSCD:EX; Fast, Don CSCD:EX; Rhodes, Gillian GCPE:EX
Cc: Tully, Alec GCPE:EX
Subject: Re: **S17** what's this, is it a problem on our film, when does it start?

We need to get messaging out (specific to film) that explains that this (HST repeal) is not effectively immediately and that productions can still receive the benefits --as I understand it.

From: Galbraith, David J CSCD:EX
Sent: Monday, August 29, 2011 10:53 AM
To: Fast, Don CSCD:EX
Cc: Henning, Andrea CSCD:EX
Subject: FW: **S17** what's this, is it a problem on our film, when does it start?

Don, FYI on response to the HST vote in the film industry.

David Galbraith
Assistant Deputy Minister
Arts, Culture, Gaming Grants and Sport

Ministry of Community, Sport and Cultural Development
Tel: 250.356.7139
fax: 250.387.8720

From: Croome, Susan E BCFC:EX
Sent: Monday, August 29, 2011 10:50 AM
To: Tully, Alec GCPE:EX; Rhodes, Gillian GCPE:EX
Cc: Henning, Andrea CSCD:EX; Galbraith, David J CSCD:EX
Subject: FW: **S17** what's this, is it a problem on our film, when does it start?

Attached is an e-mail from **S22**
S22

So far I've only had one LA press call, but surely more to follow. As per the attached article sent from **S22**
S22 **S13**

Do you have some more specific messaging from Finance on behalf of government? Is there a Communications person who can take the press calls? I simply don't have enough information to sensibly communicate what is being contemplated by government in order to field these calls.

I have spoken with Peter Leitch who referred me to the BC Business Council press release. The following is an excerpt from the their release:

The Business Council will be establishing a Task Force on Productivity, Competition and Innovation with a mandate to develop proposals to enhance the investment climate and improve British Columbia's ability to attract capital and create jobs. "Through this new Task Force, we will work with key industry sectors that underpin BC's prosperity to come up with practical and innovative ideas to develop a stronger and more competitive provincial economy," stated D'Avignon.

The actual press release:

From: S17
Sent: Monday, August 29, 2011 9:08 AM
To: Croome, Susan E BCFC:EX; S17 ; S22
Subject: FW: S17 what's this, is it a problem on our film, when does it start?

Do we have a message we can get out on this?

Thanks.

S17

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SAVE PAPER - THINK BEFORE YOU PRINT

From: S17
Sent: Monday, August 29, 2011 9:03 AM
To: S17
Cc:
Subject: S17 what's this, is it a problem on our film, when does it start?

Ontario could be the big beneficiary after British Columbians voted to scrap the harmonized sales tax, which offers savings to Los Angeles producers shooting locally.

TORONTO - Another eastwards shift of Hollywood film and TV production in Canada is expected after British Columbia voted in a referendum to phase out its harmonized sales tax (HST).

our editor recommends

Canada's tax credit rate won't go south

Canada tax credits: strings attached

Foreign producers can now recover the former 8% provincial sales tax (PST) as part of the HST.

But a majority of British Columbians voted to scrap the controversial HST, of which such productions as TV series *Fringe* and Matt Damon film *Elysium* have taken advantage, and return to the former PST, which is not recoverable by foreign producers shooting locally.

The HST, coupled with provincial and federal tax credits, allowed Hollywood producers that shoot in Canada to enjoy significant cost savings, even with the high loonie compared to the American dollar.

British Columbia phasing out the HST over the next 18 months is now expected to benefit Ontario, which is keeping its HST.

Hollywood North in recent years has been largely centered on British Columbia and Ontario, with tax policy helping to determine where the major studios shoot north of the border.

U.S. foreign location shooting rebounded in Ontario last year after the province introduced an all-spend 25 percent film tax credit.

That followed the British Columbia provincial government responding by raising the value its foreign film tax credit, but keeping the incentive based on labor costs only.

British Columbia managed to retain much of its Hollywood production activity due to its proximity to Los Angeles, but that appeal for the major studios may partially subside after the province turfs its HST in 18 months.

International

S17

Not responsive

From: Croome, Susan E BCFC:EX
Sent: Monday, August 29, 2011 10:50 AM
To: Tully, Alec GCPE:EX; Rhodes, Gillian GCPE:EX
Cc: Henning, Andrea CSCD:EX; Galbraith, David J CSCD:EX
Subject: FW: S17 what's this, is it a problem on our film, when does it start?

Attached is an e-mail from

S22

S22

So far I've only had one LA press call, but surely more to follow. As per the attached article sent from S22
S22 , S13

Do you have some more specific messaging from Finance on behalf of government? Is there a Communications person who can take the press calls? I simply don't have enough information to sensibly communicate what is being contemplated by government in order to field these calls.

I have spoken with Peter Leitch who referred me to the BC Business Council press release. The following is an excerpt from the their release:

The Business Council will be establishing a Task Force on Productivity, Competition and Innovation with a mandate to develop proposals to enhance the investment climate and improve British Columbia's ability to attract capital and create jobs. "Through this new Task Force, we will work with key industry sectors that underpin BC's prosperity to come up with practical and innovative ideas to develop a stronger and more competitive provincial economy," stated D'Avignon.

The actual press release:

<http://www.bcbc.com/Documents/Disappointing%20HST%20Rejection%20Misses%20Opportunity.pdf>

From: S17
Sent: Monday, August 29, 2011 9:08 AM
To: Croome, Susan E BCFC:EX; S17 ; S22
Subject: FW: S17 what's this, is it a problem on our film, when does it start?

Do we have a message we can get out on this?

Thanks,

S17

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SAVE PAPER - THINK BEFORE YOU PRINT

S17

From: S17
Sent: Monday, August 29, 2011 9:03 AM
To: S17
Cc:
Subject: S17 what's this, is it a problem on our film, when does it start?

Ontario could be the big beneficiary after British Columbians voted to scrap the harmonized sales tax, which offers savings to Los Angeles producers shooting locally.

TORONTO - Another eastwards shift of Hollywood film and TV production in Canada is expected after British Columbia voted in a referendum to phase out its harmonized sales tax (HST).

our editor recommends

Canada's tax credit rate won't go south

Canada tax credits: strings attached

Foreign producers can now recover the former 8% provincial sales tax (PST) as part of the HST.

But a majority of British Columbians voted to scrap the controversial HST, of which such productions as TV series *Fringe* and Matt Damon film *Elysium* have taken advantage, and return to the former PST, which is not recoverable by foreign producers shooting locally.

The HST, coupled with provincial and federal tax credits, allowed Hollywood producers that shoot in Canada to enjoy significant cost savings, even with the high loonie compared to the American dollar.

British Columbia phasing out the HST over the next 18 months is now expected to benefit Ontario, which is keeping its HST.

Hollywood North in recent years has been largely centered on British Columbia and Ontario, with tax policy helping to determine where the major studios shoot north of the border.

U.S. foreign location shooting rebounded in Ontario last year after the province introduced an all-spend 25 percent film tax credit.

That followed the British Columbia provincial government responding by raising the value its foreign film tax credit, but keeping the incentive based on labor costs only.

British Columbia managed to retain much of its Hollywood production activity due to its proximity to Los Angeles, but that appeal for the major studios may partially subside after the province turfs its HST in 18 months.

International

S17

Mason, Patty JTI:EX

From: Croome, Susan E BCFC:EX
Sent: Friday, November 18, 2011 3:32 PM
To: Leduc, Danine CSCD:EX
Subject: FW: For review: IN HST Extinguishment

Susan Croome
British Columbia Film Commissioner
Ministry of Community, Sport, and Cultural Development
Phone: 604 660-3235
<mailto:susanc@bcfilmcommission.com>
www.bcfilmcommission.com



201 - 865 HORNBY STREET PH 604 660 2732 INFO@BCFILMCOMMISSION.COM
VANCOUVER, BC V6Z 2G3 FX 604 660 4790 WWW.BCFILMCOMMISSION.COM

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From: Tully, Alec GCPE:EX
Sent: Sunday, August 28, 2011 4:14 PM
To: Henning, Andrea CSCD:EX; Croome, Susan E BCFC:EX
Subject: RE: For review: IN HST Extinguishment

Very good discussion, Susan and Andrea.

Yes - see what you think Monday.

I'll scribble something and run it by you tomorrow – but only as a fodder – you good people know the stakeholders and context to a depth I never will. I'll try to express your intent.

Until tomorrow, then.

alec

Alec Tully
Government Communications and Public Engagement
Ministry of Community, Sport and Cultural Development
Province of British Columbia
Phone: 250 356-0979

S17

Fax: 250-356-1070
Alec.Tully@gov.bc.ca

From: Henning, Andrea CSCD:EX
Sent: Friday, August 26, 2011 7:06 PM
To: Croome, Susan E BCFC:EX; Tully, Alec GCPE:EX
Subject: Re: For review: IN HST Extinguishment

S13

From: Croome, Susan E BCFC:EX
Sent: Friday, August 26, 2011 06:34 PM
To: Henning, Andrea CSCD:EX; Tully, Alec GCPE:EX
Subject: Re: For review: IN HST Extinguishment

S13

From: Henning, Andrea CSCD:EX
Sent: Friday, August 26, 2011 04:03 PM
To: Tully, Alec GCPE:EX; Croome, Susan E BCFC:EX
Subject: Re: For review: IN HST Extinguishment

S13

From: Tully, Alec GCPE:EX
Sent: Friday, August 26, 2011 03:54 PM
To: Henning, Andrea CSCD:EX
Subject: For review: IN HST Extinguishment

Approved by Susan Croome.
Please advise re edits/approval.
Thanks
alec

Alec Tully
Government Communications and Public Engagement
Ministry of Community, Sport and Cultural Development
Province of British Columbia
Phone: 250 356-0979

S17

Fax: 250-356-1070
Alec.Tully@gov.bc.ca

Mason, Patty JTI:EX

From: Croome, Susan E BCFC:EX
Sent: Friday, November 18, 2011 3:32 PM
To: Leduc, Danine CSCD:EX
Subject: FW: For review: IN HST extinguishmnet
Attachments: IN_HST extinguishment impact on BC film_draft.doc

Susan Croome
British Columbia Film Commissioner
Ministry of Community, Sport, and Cultural Development
Phone: 604 660-3235
<mailto:susanc@bcfilmcommission.com>
www.bcfilmcommission.com



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VANCOUVER, BC V6Z 2G3 FX 604 660 4790 WWW.BCFILMCOMMISSION.COM

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From: Tully, Alec GCPE:EX
Sent: Friday, August 26, 2011 3:19 PM
To: Croome, Susan E BCFC:EX
Cc: Lamare, Karen BCFC:EX
Subject: For review: IN HST extinguishmnet

Hi Susan.
Please read the attached and email me back edits/approval.
Thanks
alec

Alec Tully
Government Communications and Public Engagement
Ministry of Community, Sport and Cultural Development
Province of British Columbia
Phone: 250 356-0979

S17

Fax: 250-356-1070
Alec.Tully@gov.bc.ca

ADVICE TO MINISTER

CONFIDENTIAL ISSUES NOTE

Ministry of Community, Sport and Cultural
Development

Date: August 26, 2011

Minister Responsible: Honourable Ida Chong

Extinguishing HST will impact film in B.C.

ADVICE AND RECOMMENDED RESPONSE:

S13

KEY FACTS REGARDING THE ISSUE:

- On August 26, Elections BC announced the outcome of the HST referendum: 54.73 per cent of the B.C. residents voted against the tax.
- After the HST is phased out, B.C. film makers will pay PST on materials and services needed to make films – which will increase their production costs in British Columbia.
- Increased production costs are likely to hurt the competitiveness of B.C. film industry, as the Canadian dollar has appreciated dramatically against the American dollar.
- Peter Leitch, chair of the Motion Picture Production Industry Association of British Columbia (MPPIA) has stated that an annual film and tv production expenditure of \$1 billion represented between \$22 and \$25 million in rebates for producers under the HST.

Communications Contact:

Alec Tully

250-356-0979

Program Area Contact:

Andrea Henning, Executive Director

250 216-5835

File Created:

August 26, 2011

File Updated:

Comm. Director	Program Area	ADM	Deputy Minister	Minister's Office	CC:

Mason, Patty JTI:EX

From: Croome, Susan E BCFC:EX
Sent: Friday, November 18, 2011 3:33 PM
To: Leduc, Danine CSCD:EX
Subject: FW: new HST rebate figure from Mr. Leitch.

Susan Croome
British Columbia Film Commissioner
Ministry of Community, Sport, and Cultural Development
Phone: 604 660-3235
<mailto:susanc@bcfilmcommission.com>
www.bcfilmcommission.com



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From: Tully, Alec GCPE:EX
Sent: Monday, August 8, 2011 12:59 PM
To: Croome, Susan E BCFC:EX; Henning, Andrea CSCD:EX
Cc: Lamare, Karen BCFC:EX; Hardwick, Gordon BCFC:EX
Subject: RE: new HST rebate figure from Mr. Leitch.

1 billion is nice figure.

Alec Tully
Government Communications and Public Engagement
Ministry of Community, Sport and Cultural Development
Province of British Columbia
Phone: 250 356-0979

S17

Fax: 250-356-1070
Alec.Tully@gov.bc.ca

From: Croome, Susan E BCFC:EX
Sent: Monday, August 8, 2011 12:38 PM
To: Tully, Alec GCPE:EX; Henning, Andrea CSCD:EX
Cc: Lamare, Karen BCFC:EX; Hardwick, Gordon BCFC:EX
Subject: RE: new HST rebate figure from Mr. Leitch.

The press release did say \$1. 0. It was unfortunately incorrect, but I think the difference would be immaterial.
If Peter based his estimate on \$1.2, it should be fine, as it is only an estimate.
The average spending over the past five years is \$1.14 billion. If you want to, you can check out the annual stats details on our website:

[http://www.bcfilmcommission.com/about us/industry profile/production stats .php](http://www.bcfilmcommission.com/about%20us/industry%20profile/production%20stats.php)

The actual numbers for 2010 are as follows:

TOTAL PRODUCTIONS	#	%	Total Budget Overall	Total Spent in BC	%
Features/DVD	69	28%	\$567,971,182	\$317,825,454	31%
Features					
TV Series*	43	18%	\$717,532,570	\$511,691,764	50%
Movies of the Week	35	14%	\$86,799,502	\$71,610,483	7%
TV Pilots	8	3%	\$29,239,550	\$22,847,806	2%
Mini Series	0	0%	\$0	\$0	0%
Documentaries	38	15%	\$17,402,197	\$14,868,695	1%
Short Films	16	7%	\$731,227	\$726,277	1%*
Animation	37	15%	\$86,748,820	\$82,152,096	8%
Total	246	100%	\$1,506,425,048	\$1,021,722,575	100%

Susan Croome
British Columbia Film Commissioner
Ministry of Community, Sport, and Cultural Development
#201 - 865 Hornby Street
Vancouver, BC V6Z 2G3
Phone: 604 660-2732
Fax: 604 660-4790
<mailto:susanc@bcfilmcommission.com>
www.bcfilmcommission.com



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From: Tully, Alec GCPE:EX
Sent: Monday, August 8, 2011 11:34 AM
To: Croome, Susan E BCFC:EX; Henning, Andrea CSCD:EX
Cc: Lamare, Karen BCFC:EX; Hardwick, Gordon BCFC:EX
Subject: new HST rebate figure from Mr. Leitch.

Well, I started wondering – what if Peter did mean \$1.2 billion instead of \$1.02 billion?

And actually, in an Information Bulletin we issued March 10, 2011, we stated:

VICTORIA – Film and television production spending in British Columbia in 2010 totalled \$1.01 billion.

So - I checked with Peter.
He did use a figure of \$1.2 billion as the basis of his calculation.

He estimates now that \$ 1 billion in film/tv expenditure in British Columbia represents between \$22 million and \$25 million in HST rebates.

He approved this language.

The HST came into effect on July 1, 2010. Film and TV producers spent just over \$1 billion in British Columbia during 2010. An annual production expenditure of \$1 billion represents between \$22 million and \$25 million in HST rebates for producers.

Thanks for raising the point, Susan.
alec

Alec Tully
Government Communications and Public Engagement
Ministry of Community, Sport and Cultural Development
Province of British Columbia
Phone: 250 356-0979

S17

Fax: 250-356-1070
Alec.Tully@gov.bc.ca

From: Croome, Susan E BCFC:EX
Sent: Monday, August 8, 2011 10:26 AM
To: Tully, Alec GCPE:EX; Henning, Andrea CSCD:EX
Cc: Lamare, Karen BCFC:EX; Hardwick, Gordon BCFC:EX
Subject: RE: HST rebate \$ for film and tv

Sounds good. I assume however that Peter meant to say \$1.02 rather than \$1.2 as the 2010 spending was \$1.02. Thanks Alec. S.

Susan Croome
British Columbia Film Commissioner
Ministry of Community, Sport, and Cultural Development
#201 - 865 Hornby Street
Vancouver, BC V6Z 2G3
Phone: 604 660-2732
Fax: 604 660-4790
<mailto:susanc@bcfilmcommission.com>
www.bcfilmcommission.com



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From: Tully, Alec GCPE:EX
Sent: Monday, August 8, 2011 8:28 AM

To: Henning, Andrea CSCD:EX

Cc: Croome, Susan E BCFC:EX; Lamare, Karen BCFC:EX; Hardwick, Gordon BCFC:EX

Subject: HST rebate \$ for film and tv

Hi Andrea.

Mr. Lietch calculates that the HST rebates to film producers is between \$25 million and \$30 million in 2010 – that's based on the \$1.2 billion spent by filmmakers in B.C. for that year.

He advises the best way to express it is to emphasize B.C. is lowering its film making cost by that amount.

alec

Alec Tully

Government Communications and Public Engagement

Ministry of Community, Sport and Cultural Development

Province of British Columbia

Phone: 250 356-0979

S17

Fax: 250-356-1070

Alec.Tully@gov.bc.ca

Mason, Patty JTI:EX

From: Croome, Susan E BCFC:EX
Sent: Friday, November 18, 2011 3:34 PM
To: Leduc, Danine CSCD:EX
Subject: FW: question from CBC

Susan Croome
British Columbia Film Commissioner
Ministry of Community, Sport, and Cultural Development
Phone: 604 660-3235
<mailto:susanc@bcfilmcommission.com>
www.bcfilmcommission.com



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From: Tully, Alec GCPE:EX
Sent: Wednesday, August 3, 2011 2:27 PM
To: Rud, Jeff GCPE:EX; Croome, Susan E BCFC:EX; Henning, Andrea CSCD:EX; Lamare, Karen BCFC:EX
Subject: RE: question from CBC

I will do so.

I've emailed Mr Lietch a phone number for CBC. He may contact her directly – but I asked him to advise me of his response.

Will advise.

alec

Alec Tully
Government Communications and Public Engagement
Ministry of Community, Sport and Cultural Development
Province of British Columbia
Phone: 250 356-0979

S17

Fax: 250-356-1070
Alec.Tully@gov.bc.ca

From: Rud, Jeff GCPE:EX
Sent: Wednesday, August 3, 2011 2:20 PM
To: Tully, Alec GCPE:EX; Croome, Susan E BCFC:EX; Henning, Andrea CSCD:EX; Lamare, Karen BCFC:EX
Subject: RE: question from CBC

Alec,

Whatever number we get, we should run past Finance GCPE.

Thanks,
jeff

Jeff Rud
Director
Government Communications and Public Engagement
Community, Sport and Cultural Development
250-953-3677

From: Tully, Alec GCPE:EX
Sent: Wednesday, August 3, 2011 2:09 PM
To: Croome, Susan E BCFC:EX; Henning, Andrea CSCD:EX; Lamare, Karen BCFC:EX
Cc: Rud, Jeff GCPE:EX
Subject: RE: question from CBC

OK thanks, Susan. I will do so.
alec

Alec Tully
Government Communications and Public Engagement
Ministry of Community, Sport and Cultural Development
Province of British Columbia
Phone: 250 356-0979
S17
Fax: 250-356-1070
Alec.Tully@gov.bc.ca

From: Croome, Susan E BCFC:EX
Sent: Wednesday, August 3, 2011 2:07 PM
To: Tully, Alec GCPE:EX; Henning, Andrea CSCD:EX; Lamare, Karen BCFC:EX
Cc: Rud, Jeff GCPE:EX
Subject: RE: question from CBC

Hi Alec,
Jeff just e-mailed me with the same question. I don't have an HST estimate, but Peter may have done one for his messaging. He is taking the ferry back to Vancouver, so will be in transit. S13

S13 If you want, you could refer Lisa to Peter directly. His number is S22 . S.

Susan Croome
British Columbia Film Commissioner
Ministry of Community, Sport, and Cultural Development
#201 - 865 Hornby Street
Vancouver. BC V6Z 2G3
Phone: 604 660-2732
Fax: 604 660-4790
<mailto:susanc@bcfilmcommission.com>
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received this communication in error, please delete the message, including any attachments, and notify me immediately by email or telephone. Thank you.

From: Tully, Alec GCPE:EX

Sent: Wednesday, August 3, 2011 2:00 PM

To: Henning, Andrea CSCD:EX; Lamare, Karen BCFC:EX; Croome, Susan E BCFC:EX

Subject: question from CBC

Hi Andrea, Susan and Karen.

Lisa Cordasco of the CBC asks: How much the HST rebates are worth to the film industry?
She needs to know by 4 pm.

Have any idea?

I emailed the question to Peter Lietch as well.

Thanks

alec

Alec Tully

Government Communications and Public Engagement

Ministry of Community, Sport and Cultural Development

Province of British Columbia

Phone: 250 356-0979

S17

Fax: 250-356-1070

Alec.Tully@gov.bc.ca

Mason, Patty JTI:EX

From: Croome, Susan E BCFC:EX
Sent: Friday, November 18, 2011 3:37 PM
To: Leduc, Danine CSCD:EX
Subject: FW: attention Peter Leitch

Susan Croome
British Columbia Film Commissioner
Ministry of Community, Sport, and Cultural Development
Phone: 604 660-3235
<mailto:susanc@bcfilmcommission.com>
www.bcfilmcommission.com



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From: Croome, Susan E BCFC:EX
Sent: Friday, July 8, 2011 10:02 AM
To: Info, BCFilm BCFC:EX; Bernard, Julie BCFC:EX; Hardwick, Gordon BCFC:EX; Carpenter, Valyce BCFC:EX; Lamare, Karen BCFC:EX
Subject: RE: attention Peter Leitch

I will forward to Peter and let S22 know that I have done so. S.

Susan Croome
British Columbia Film Commissioner
Ministry of Community, Sport, and Cultural Development
#201 - 865 Hornby Street
Vancouver, BC V6Z 2G3
Phone: 604 660-2732
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<mailto:susanc@bcfilmcommission.com>
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From: Info, BCFilm BCFC:EX
Sent: Friday, July 8, 2011 9:34 AM
To: Croome, Susan E BCFC:EX; Bernard, Julie BCFC:EX; Hardwick, Gordon BCFC:EX

Cc: Lamare, Karen BCFC:EX
Subject: FW: attention Peter Leitch

Good morning everyone, please see the below email which arrived in our info box this morning. This individual is concerned about the HST campaign and potentially misleading advertisements.

All the best,

Valyce Carpenter, Client Services Coordinator

Ministry of Community, Sport and Cultural Development - BC Film Commission

#201 - 865 Hornby Street,

Vancouver, BC, V6Z 2G3

Telephone: 604 - 660 - 0068 // Fax: 604 - 660 - 4790

From: Lamare, Karen BCFC:EX
Sent: Friday, July 8, 2011 9:24 AM
To: Info, BCFilm BCFC:EX
Subject: RE: attention Peter Leitch

Hi Val,

Forward this to Susan, Julie and Gordon please.

Thanks, Karen

From: Info, BCFilm BCFC:EX
Sent: Friday, July 8, 2011 8:58 AM
To: Lamare, Karen BCFC:EX
Subject: FW: attention Peter Leitch

Good morning Karen, I'm not really sure what needs to be done with this email which arrived in our info mailbox this morning.

All the best,

Valyce Carpenter, Client Services Coordinator

Ministry of Community, Sport and Cultural Development - BC Film Commission

#201 - 865 Hornby Street,

Vancouver, BC, V6Z 2G3

From: S22
Sent: Thursday, July 7, 2011 9:31 PM
To: Info, BCFilm BCFC:EX
Subject: attention Peter Leitch

Hi Peter, I used to work in the film industry and I know how important keeping the HST is to you and the industry. Unfortunately, the Smart Tax Alliance and the B.C. government have been running misleading campaigns which have continued to confuse the public. Rather than being "neutral" as Kevin Falcon first proclaimed, the campaign has become increasingly manipulative, to the point that even someone on the fence would start to doubt the integrity of the government and the smart tax alliance.

I have attached an ad that appeared today in The Local, one of our local papers. S22 It attempts to clarify the referendum question with information that didn't even exist when the question was first devised (i.e. the proposed reduction in the tax) and does not account for the exemptions formerly offered by the PST. To me it is false advertising of the worse kind. The government ads as you know are being paid for with tax payers money which makes them even more heinous. Here is a letter that I have written to the government and the opposition on this. As you are a strong supporter of the HST I thought you should have a copy. All the best.

S22

From: S22
Sent: July 7, 2011 3:46 PM
To: 'kevin.falcon.mla@leg.bc.ca'; 'premier@gov.bc.ca'
Cc: 'Adrian Dix for BC'; 'Dix.MLA, Adrian'; 'Simons.MLA, Nicholas'
Subject: Recent HST ad

Dear Premier Clark and Minister Falcon,
I was astounded to open my local newspaper today to see the attached ad from the HSTinBC campaign. This is one of the most misleading advertisements that I have seen yet and I am appalled that a government would try and mislead its citizens in such a blatant and dishonest way.

The reason we are having the referendum is because people think that the HST is an unfair tax; because it shifts the tax burden from business to the general public and does not include the same exemptions as the PST. The choice is between having a 12% HST which (as per your recent announcement of May 24th) will be reduced to 10% in three years, or going back to a PST honoring the original exemptions in conjunction with the GST.

What is your intention with this message? Are you seriously trying to delude people, or, if the YES vote wins the referendum, will previous exemptions not be honored when the PST is reinstated?

Please reply at your earliest convenience.

Yours respectfully,

S22



Social Media Release

Communication + Content = Community



CNW GROUP

SMART TAX ALLIANCE

Contact Information

Victor Vrsnik

victor@hstjobs.ca
Mobile: (604) 764-2877

Images

Jock Finlayson,
Executive Vice President,
Business Council of British
Columbia and spokesman for
the Smart Tax Alliance



Download

Peter Leitch, President of North
Shore Studios and Mammoth
Studios and Chairman of the
Motion Picture Production
Industry Association of BC



Download

Additional Links

- www.hstjobs.ca
- [Twitter](#)
- [Smart Tax Alliance Members](#)
- [STA Backgrounder PDF](#)

HST means more "lights, camera, action" for BC film industry

Studios say HST will increase investment and jobs

- The HST is helping BC attract multi-million dollar movie and TV productions and create more jobs in the BC film industry.
- With the HST's additional 7% tax saving for studios, British Columbia becomes more competitive with film centres in Ontario and the United States.
- The HST is expected to create over 100,000 new jobs for B.C. communities and lead to over \$10 billion in investment by 2020

August 05, 2010 @ 02:00PM

NORTH VANCOUVER - Members of the BC film and TV industry joined with members of the business community today at a news conference at North Shore Studios to lay out how the Harmonized Sales Tax is helping drive job creation in the movie business and across the economy.

"Harmonizing the sales taxes will help attract more shows and more jobs to B.C., making our province a more competitive destination for TV and movie productions," said Peter Leitch, president of North Shore Studios and Mammoth Studios and chair of the Motion Picture Production Industry Association of British Columbia. "Studios, producers, equipment rental shops, set-builders and caterers will all see costs go down with harmonization, making them more competitive and helping to grow their businesses and jobs."

With a backdrop of a fragile global economy, the HST will help B.C. companies keep people employed, hire new workers, and continue increasing the real wages British Columbians are taking home.

"The HST is strong medicine for our economy – just like medicine, it may taste bad, but it's going to make sure we're healthy and strong tomorrow. It's going to help protect the jobs we have, help spark job creation, and help create higher-paying jobs," said Jock Finlayson, spokesman for the Smart Tax Alliance and Executive Vice President, Business Council of British Columbia. "The PST was a barrier to the kind of investments that create employment and drive the economy. Harmonization takes down that barrier."

The Smart Tax Alliance (hstjobs.ca | twitter.com/hstjobs) is a non-partisan coalition of 30 B.C. business and industry groups formed to support the job-creating benefits of the HST. The Alliance represents a wide cross section of industries with over 800,000 employees across British Columbia.

BC Film Industry Facts:

- British Columbia is the third largest centre for film and TV production in North America.
- In 2009, 239 motion picture projects were shot in BC generating in more than \$1.3 billion in production spending.
- More than \$1 billion of this spending was from non-Canadian productions that chose to shoot and invest in BC.

STA Backgrounder

Quotes

"Harmonizing the sales taxes will help attract more shows and more jobs to B.C., making our province a more competitive destination for TV and movie productions."

"Studios, producers, equipment rental shops, set-builders and caterers will all see costs go down with harmonization, making them more competitive and helping grow their businesses and jobs."

TinyURL

<http://tinyurl.com/2u2p3w>

Most Recent

- HST means more "lights, camera, action" for BC film industry
August 05, 2010 @ 02:00PM

Comments

- RT @hstjobs: HST means more "lights, camera, action" for #BC film industry: Studios say #HST to [...] – @MMiniact
- RT @hstjobs: HST means more "lights, camera, action" for #BC film industry: Studios say #HST to [...] – @bochamberofcom
- HST means more "lights, camera, action" for #BC film industry: Studios say #HST to increase invelf... – @hstjobs
- RT @hstjobs: HST means more "lights, camera, action" for #BC film industry: Studios say #HST to [...] – @terennancke

Peter Leitch, president of North Shore Studios and Mammoth Studios and chair of the Motion Picture Production Industry Association of British Columbia

© CNW Group, 2011

"The HST is strong medicine for our economy –just like medicine, it may taste bad, but it's going to make sure we're healthy and strong tomorrow.

It's going to help protect the jobs we have, help spark job creation, and help create higher-paying jobs,"

"The PST was a barrier to the kind of investments that create employment and drive the economy. Harmonization takes down that barrier."

Joel Finlayson, spokesman for the Smart Tax Alliance and Executive Vice President, Business Council of British Columbia


Boilerplate

About the Smart Tax Alliance

The Smart Tax Alliance is a non-partisan coalition of 30 BC business and industry groups formed to support the job-creating benefits of the HST. The STA represents a wide cross-section of industries with over 600,000 employees across British Columbia.


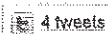
 **Technorati tags:** HST Smarttax STA BC HST Smart Tax Alliance BC Film Industry Jobs BC Jobs BC Economy



 **del.icio.us tags:** HST Smarttax STA BC HST Smart Tax Alliance BC Film Industry Jobs BC Jobs BC Economy

Comments

[Leave a comment](#)

 @MMiniaci

RT @hstjobs: HST means more "lights, camera, action" for #BC film industry: Studios say #HST to increase investment/jobs <http://bit.ly/hstjobs#smarttax>

August 05, 2010 @ 06:49PM

 @bcchamberofcom

RT @hstjobs: HST means more "lights, camera, action" for #BC film industry: Studios say #HST to increase investment/jobs <http://bit.ly/hstjobs#smarttax>

August 05, 2010 @ 06:21PM

 @hstjobs

HST means more "lights, camera, action" for #BC film industry: Studios say #HST to increase investment/jobs <http://bit.ly/hstjobs#smarttax>

August 05, 2010 @ 06:10PM

 @lorennancke

RT @hstjobs: HST means more "lights, camera, action" for #BC film industry: Studios say #HST to increase investment/jobs <http://bit.ly/hstjobs#smarttax>

August 28, 2010 @ 02:46PM

Leave a Comment

[Comment moderation policy](#)

Mason, Patty JTI:EX

From: Croome, Susan E BCFC:EX
Sent: Friday, November 18, 2011 3:37 PM
To: Leduc, Danine CSCD:EX
Subject: FW: It's HST
Attachments: IN_HST impact BC film_ADM.doc

Susan Croome
British Columbia Film Commissioner
Ministry of Community, Sport, and Cultural Development
Phone: 604 660-3235
<mailto:susanc@bcfilmcommission.com>
www.bcfilmcommission.com



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From: Tully, Alec GCPE:EX
Sent: Thursday, June 9, 2011 12:16 PM
To: Lilly, Liz CSCD:EX; Croome, Susan E BCFC:EX
Cc: Lamare, Karen BCFC:EX
Subject: It's HST

Finance tells me the focus of the speech is on how the HST helps labour costs in gaming and multi media. See attached for film – maybe it applies the same.
Thanks

Alec Tully
Government Communications and Public Engagement
Ministry of Community, Sport and Cultural Development
Province of British Columbia
Phone: 250 356-0979
S17
Fax: 250-356-1070
Alec.Tully@gov.bc.ca

ADVICE TO MINISTER

CONFIDENTIAL ISSUES NOTE

Ministry of Community, Sport and Cultural
Development

Date: May 19, 2011

Minister Responsible: Honourable Ida Chong

HST IMPACT ON BC FILM INDUSTRY

ADVICE AND RECOMMENDED RESPONSE:

S13

KEY FACTS REGARDING THE ISSUE:

- During a May 16 interview on the CBC radio program "On the Coast", Pete Mitchell, President and Chief Operating Officer for Vancouver Film Studios, said he was confident the HST will lure new productions to British Columbia and ensure that B.C. remains competitive with other jurisdictions.
- Mr. Mitchell's comments reflect the fact that the HST will impact British Columbia's film industry and therefore people in that sector are talking publicly about the tax.
- Mr. Mitchell's positive HST comments are notable partly because they contrast with his criticism that the B.C. government's tax credits are less than what Ontario and Quebec offer (Georgia Strait, April 2010).
- The BC Motion Picture Production Industry Association's Twitter account has not received any posts indicating that production activity is being withheld until after the HST referendum <http://twitter.com/#!/mppia>
- Neither Peter Leitch, Chair of MPPIA nor their communications person have heard any rumours about current production restrictions.
- The Province continues to support B.C.'s film production industry, where spending in 2010 exceeded a billion dollars, solidifying B.C. as the 3rd largest production centre in North America, behind only L.A. and New York.
- B.C. taxpayers working in the motion picture industry earned wages of approximately \$450 million in 2010.

- B.C.'s production industry directly and indirectly employs over 25,000 people.
- B.C. spends approximately \$130 million in annual refundable tax credits for the film and television industry.

Communications Contact: Alec Tully 250-356-0979
 Program Area Contact: Andrea Henning, Executive Director 250 216-5835
 File Created: May 19, 2011
 File Updated:

Comm. Director	Program Area	ADM	Deputy Minister	Minister's Office	CC:
GR	AH	DG			

Mason, Patty JTI:EX

From: Croome, Susan E BCFC:EX
Sent: Friday, November 18, 2011 3:43 PM
To: Leduc, Danine CSCD:EX
Subject: FW: HST and Film Industry

Susan Croome
British Columbia Film Commissioner
Ministry of Community, Sport, and Cultural Development
Phone: 604 660-3235
<mailto:susanc@bcfilmcommission.com>
www.bcfilmcommission.com



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From: Croome, Susan E BCFC:EX
Sent: Thursday, May 26, 2011 12:36 PM
To: S22
Subject: FW: HST and Film Industry

There is no detailed quantitative information on HST impacts, but I spoke with Peter Leitch, Chair of MPPIA and President of NS Studios. He has agreed to be quoted as the PST industry expert. The messaging could be as follows:

Before the HST was introduced BC's motion picture industry was at a competitive disadvantage with Ontario and Quebec. In BC, the motion picture industry was subject to non-refundable PST. In Ontario and Quebec the motion picture industry was PST exempt. The introduction of the HST levelled the playing field for BC. Peter estimates that, assuming production spending of \$1 billion in BC, the **PST disadvantage was in the neighbourhood of \$24 million.**

With the dollar above par, BC is already losing some of its competitive advantage for production work. Peter estimates that if we were to **lose the HST and return to a 7% PST, BC would stand to lose 20% of its \$1 billion** in production - \$200 million. S.

Susan Croome
British Columbia Film Commissioner

Mason, Patty JTI:EX

From: Croome, Susan E BCFC:EX
Sent: Friday, November 18, 2011 3:39 PM
To: Leduc, Danine CSCD:EX
Subject: FW: S22

Susan Croome
British Columbia Film Commissioner
Ministry of Community, Sport, and Cultural Development
Phone: 604 660-3235
<mailto:susanc@bcfilmcommission.com>
www.bcfilmcommission.com



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From: Doherty, Patrice BCFC:EX
Sent: Thursday, May 26, 2011 10:13 AM
To: Croome, Susan E BCFC:EX
Subject: S22

Hi Susan,

S22 called regarding the HST and PST. It is time sensitive and she would like you to get back to her before 12.30 today but mentioned she is heading into a short meeting now. Her number is S22.

Patrice

Patrice Doherty, Office Assistant
BC Film Commission - Ministry of Community, Sport and Cultural Development
#201-865 Hornby Street, Vancouver BC, V6Z 2G3
p: 604-660-0068 | e: patrice.doherty@bcfilmcommission.com | www.bcfilmcommission.com

Mason, Patty JTI:EX

From: Croome, Susan E BCFC:EX
Sent: Friday, November 18, 2011 3:40 PM
To: Leduc, Danine CSCD:EX
Subject: FW: HST and Film Industry

Susan Croome
British Columbia Film Commissioner
Ministry of Community, Sport, and Cultural Development
Phone: 604 660-3235
<mailto:susanc@bcfilmcommission.com>
www.bcfilmcommission.com



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Not Responsive

Not Responsive

From: Croome, Susan E BCFC:EX
Sent: Tuesday, May 24, 2011 1:09 PM
To: Faust, Marnie L. CSCD:EX; Galbraith, David J CSCD:EX
Subject: RE: HST and Film Industry

There is no detailed quantitative information on HST impacts, but I spoke with Peter Leitch, Chair of MPPIA and President of NS Studios. He has agreed to be quoted in the House as the PST industry expert. The messaging could be as follows:

Before the HST was introduced BC's motion picture industry was at a competitive disadvantage with Ontario and Quebec. In BC, the motion picture industry was subject to non-refundable PST. In Ontario and Quebec the motion picture industry was PST exempt. The introduction of the HST levelled the playing field for BC. Peter estimates that, assuming production spending of \$1 billion in BC, the **PST disadvantage was in the neighbourhood of \$24 million.**

With the dollar above par, BC is already losing some of its competitive advantage for production work. Peter estimates that if we were to **lose the HST and return to a 7% PST, BC would stand to lose 20% of its \$1**

billion in production - \$200 million. Hope that in the absence of hard data, this is adequate. S.

Susan Croome
British Columbia Film Commissioner
Ministry of Community, Sport, and Cultural Development
#201 - 865 Hornby Street
Vancouver, BC V6Z 2G3
Phone: 604 660-2732
Fax: 604 660-4790
<mailto:susanc@bcfilmcommission.com>
www.bcfilmcommission.com

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From: Faust, Marnie L. CSCD:EX
Sent: Tuesday, May 24, 2011 10:52 AM
To: Croome, Susan E BCFC:EX
Subject: in prep for tomorrow

Hi Susan,

Dave is hoping you can provide him with an estimate on impact of HST on BC Film. He knows he's seen/heard a figure before.

Do you have that for him to have in case it comes up tomorrow in the debate.

Thanks!

Marnie

Mason, Patty JTI:EX

From: Croome, Susan E BCFC:EX
Sent: Friday, November 18, 2011 3:40 PM
To: Leduc, Danine CSCD:EX
Subject: FW: Films

Susan Croome
British Columbia Film Commissioner
Ministry of Community, Sport, and Cultural Development
Phone: 604 660-3235
<mailto:susanc@bcfilmcommission.com>
www.bcfilmcommission.com

-----Original Message-----

From: Galbraith, David J CSCD:EX
Sent: Tuesday, May 17, 2011 10:03 AM
To: Croome, Susan E BCFC:EX
Subject: RE: Films

Leave with Alec. Thanks.

David Galbraith
Assistant Deputy Minister
Arts, Culture, Gaming Grants and Sport
Ministry of Community, Sport and Cultural Development
Tel: 250.356.7139
fax: 250.387.8720

-----Original Message-----

From: Croome, Susan E BCFC:EX
Sent: Tuesday, May 17, 2011 9:54 AM
To: Galbraith, David J CSCD:EX
Subject: RE: Films

Hi Dave,

I spoke with Alec Tully late yesterday who was drafting an IN. I had a good look around the internet yesterday, couldn't find anything and have not heard anything. Spoke with Peter Leitch's office and the MPPIA Communications person this morning and they haven't heard anything either. Their Twitter account hasn't received any posts on the subject. It might be helpful if Christine could forward the Tweet.

Here is MPPIA's Twitter account: <http://twitter.com/#!/mppia> Do you want me to do anything further, or let Alec run with it? S.

Susan Croome
British Columbia Film Commissioner
Ministry of Community, Sport, and Cultural Development
#201 - 865 Hornby Street
Vancouver. BC V6Z 2G3
Phone: 604 660-2732

Fax: 604 660-4790
<mailto:susanc@bcfilmcommission.com>
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-----Original Message-----

From: Galbraith, David J CSCD:EX
Sent: Tuesday, May 17, 2011 8:03 AM
To: Croome, Susan E BCFC:EX
Subject: FW: Films

Hi Susan,
Not sure if this has come to you yet as a request. Is the tweet true?

David Galbraith
Assistant Deputy Minister
Arts, Culture, Gaming Grants and Sport
Ministry of Community, Sport and Cultural Development
Tel: 250.356.7139
fax: 250.387.8720

-----Original Message-----

From: Brown, Tom G CSCD:EX
Sent: Monday, May 16, 2011 3:52 PM
To: Fast, Don CSCD:EX; Galbraith, David J CSCD:EX
Subject: FW: Films

FYI - MO request for info note of film.
Thanks, Tom

-----Original Message-----

From: Lewis, Christine CSCD:EX
Sent: Monday, May 16, 2011 3:45 PM
To: Rud, Jeff GCPE:EX
Cc: Rhodes, Gillian GCPE:EX; Holme, Matt CSCD:EX; Brown, Tom G CSCD:EX; Wyllie, Sandra CSCD:EX
Subject: Films

Saw on Twitter that all new film productions are on hold until after HST decision. Please get some info for us and an IN

Thanks

Christine Lewis
Ministerial Assistant to the Honourable Ida Chong Minister of Community, Sport & Cultural Development

S17

Mason, Patty JTI:EX

From: Croome, Susan E BCFC:EX
Sent: Friday, November 18, 2011 3:41 PM
To: Leduc, Danine CSCD:EX
Subject: FW: HST Flyer attached for circulation
Attachments: hst_flyer_print.pdf; hst_flyer_web.pdf

Susan Croome
British Columbia Film Commissioner
Ministry of Community, Sport, and Cultural Development
Phone: 604 660-3235
<mailto:susanc@bcfilmcommission.com>
www.bcfilmcommission.com



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From: Leslie Wootton S22
Sent: Thursday, May 5, 2011 12:05 PM
To: info@mppia.com
Subject: HST Flyer attached for circulation

Dear MPPIA,

Attached please find the MPPIA HST flyer for both print and web use. This flyer is posted on MPPIA's website, LinkedIn and Twitter accounts. Please circulate widely at your discretion. Thank you!

Leslie Wootton
Motion Picture Production Industry Assn. of BC
Tel. 1+604.983.5980
Fax 1+604.983.5981
info@mppia.com
www.mppia.com



THE HST & YOU

Facts for the Film Community & Friends

We urge BC's motion picture production community and all British Columbians to consider the full implications of extinguishing the HST and reinstating the PST.

- *A vote to eliminate the HST and reinstate the PST will create an imbalance in competitive conditions between British Columbia and other provinces across Canada – particularly Ontario where the HST and a richer tax credit program are in effect.*
- *With PST restored, BC would become the only production jurisdiction in Canada with a PST, which represents a 7% competitive disadvantage.*
- *An exemption from the PST has been a non-partisan goal of the production industry for more than ten years – the HST levels the playing field and eliminates this factor as a deterrent to production business locating to British Columbia.*
- *The HST eliminated the PST issue and is an extremely favourable competitive condition that helps to offset the disadvantage resulting from higher industry tax credits in other production jurisdictions such as Ontario.*
- *The HST is a valuable market advantage to maintain and attract jobs to British Columbia. The 7% PST, which is now included and recoverable under HST, represents significant savings on purchases and rentals of goods and services. These savings are even more critical with the soaring Canadian dollar, which threatens our other competitive advantages.*
- *The HST is the same rate as the combined GST/PST. The HST applies to the same goods and services that previously applied both PST and GST, although some services that only attracted GST are now being charged the HST rate. Leading economists agree that a consumption tax such as HST is better economic policy for job creation and investment than increases in personal and business income tax.*
- *Elimination of the HST and reinstatement of the PST will cost millions of dollars in administrative fees as well as the contractual obligation to repay Ottawa the \$1.6 billion provided to adopt the program. A reinstated PST will be retroactive to July 2010 and there is presently no mechanism in place to repay HST that has been collected to date. These costs, along with tax shortfalls from declines in business will have to be made up by increased income tax, other forms of taxation or cuts in government services.*



Mason, Patty JTI:EX

From: Henning, Andrea CSCD:EX
Sent: Friday, November 18, 2011 3:44 PM
To: Leduc, Danine CSCD:EX
Subject: FW: HST
Attachments: HST impact on BC Motion Picture Industry.doc

From: S22
Sent: Tuesday, April 19, 2011 9:26 PM
To: Henning, Andrea CSCD:EX
Subject: FW: HST

Andrea

Here is the HST analysis I spoke of.

S22

From: Richard Brownsey [<mailto:rbrownsey@bcfilm.bc.ca>]
Sent: April-18-11 8:08 AM
To: S22
Subject: HST

S22

As discussed.

Thank you.

r

Richard Brownsey
President
British Columbia Film
2225 West Broadway
Vancouver, BC V6K 2E4
T: 604.736.7997 x 107
F: 604.736.7290

No virus found in this message.

Checked by AVG - www.avg.com

Version: 10.0.1321 / Virus Database: 1500/3580 - Release Date: 04/17/11

BRITISH COLUMBIA'S MOTION PICTURE INDUSTRY

IMPACT OF THE HARMONIZED SALES TAX

The previous Provincial Sales Tax (PST) had long been identified by US Studios as a significant competitive disadvantage to the industry in British Columbia. In Ontario, our primary Canadian competitor, film production was treated as a manufacturing activity and, accordingly, provincial sales tax was recoverable. Under the PST this was not the case in British Columbia. The industry had requested a manufacturing exemption for the past decade but the request had not been approved. The introduction of the Harmonized Sales Tax (HST) addresses this issue and has significantly improved British Columbia's competitive position.

Prior to the introduction of HST, both provincial and federal sales taxes were charged on the majority of goods and services purchased or rented by the industry. The federal (GST) portion was refundable but the provincial (PST) portion was not. With the introduction of HST, the entire portion is refundable to the production company creating a 7% savings on goods and services previously subject to PST.

Examples of savings from the HST are as follows:

Typical one hour television series:

Total budget	\$3.5 million per episode
Canadian spend	\$2.3 million per episode
Goods and services Previously subject to PST (Estimate 35%)	\$800,000
Savings per episode with HST	\$56,000
Savings per season (22 episodes)	\$1,232,000

Feature film (modest budget):

Total Budget	\$15 million
Canadian Spend	\$10 million
Goods and services Previously subject to PST (Estimate 35%)	\$3.5 million
Savings with HST	\$245,000

Feature film (large budget):

Total Budget	\$160 million
Canadian spend	\$ 80 million
Goods and services Previously subject to PST (Estimate 35%)	\$28 million
Savings with HST	\$1,960,000

These production savings are particularly critical to the industry as the Canadian dollar has appreciated dramatically against the American dollar.

Mason, Patty JTI:EX

From: Croome, Susan E BCFC:EX
Sent: Friday, November 18, 2011 3:42 PM
To: Leduc, Danine CSCD:EX
Subject: FW: HST & Film

Susan Croome
British Columbia Film Commissioner
Ministry of Community, Sport, and Cultural Development
Phone: 604 660-3235
<mailto:susanc@bcfilmcommission.com>
www.bcfilmcommission.com



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.....

From: Tully, Alec PAB:EX
Sent: Sunday, January 16, 2011 2:36 PM
To: Croome, Susan E BCFC:EX
Subject: FW: HST & Film

Hi there, Susan.

My Public Affairs Bureau colleagues at the Ministry of Finance are into their annual budget-writing mode. They write summaries for public consumption about all and sundry funded by the Province. Attached is a draft about the HST and the film industry.

Please take a look and let me know if you are Ok with it.

Thanks

alec

Alec Tully
Public Affairs Officer
Ministry of Community, Sport and Cultural Development
Province of British Columbia
Phone: 250 356-0979

S17

Fax: 250-356-1070
Alec.Tully@gov.bc.ca

From: Patterson, Sherri PAB:EX

Sent: Thursday, January 13, 2011 2:44 PM
To: Rhodes, Gillian PAB:EX; Tully, Alec PAB:EX
Subject: HST & Film

Here is the factsheet I mentioned yesterday. We're doing a series of these but thanks to the info from you yesterday, this is what we have for film.

Please let me know if you see any errors. If there are any updates on our end, I'll send a revised version.

Thanks again for your quick response yesterday!



Film.pdf

S.

Sherri Patterson

Senior Public Affairs Officer

Ministry of Finance

Tel: 250 387-6591

HST and the Film Industry



- British Columbia is the third-largest film and television service production centre in North America. The industry contributes over \$1 billion annually to B.C.'s economy.
- The HST is expected to generate tax savings of \$2 billion for B.C. businesses in sectors across the economy.
- Previously, businesses paid PST on many of their "inputs" that went into producing or selling products and services. This PST cost was then passed along to consumers in the final price of the product.
- In the film industry, these business inputs include items such as construction materials for set design, video/audio production equipment (cameras, film, computers, lighting, etc), catering services, and equipment rentals.
- Under the HST, businesses are now able to recover the tax paid on these input costs through input tax credits.
- The HST improves B.C.'s economic competitiveness and puts B.C. on a level playing field with other HST provinces such as Ontario, which is a major competitor in the film and television industry.

GENERAL HST BENEFITS

- Implementing the Harmonized Sales Tax is widely regarded as the single most important step government could take to strengthen B.C.'s economy.
- The HST is expected to create 113,000 jobs for British Columbians and generate an estimated \$11.5 billion in new investment in B.C. over the next 10 years.
- The HST lowers operating costs for business. By collecting and remitting only one tax, the HST eliminates duplication and leads to expected administrative savings of \$150 million annually for B.C. businesses.
- With lower business costs under the HST, businesses will have more money to:
 - Increase investment in operations
 - Hire more employees
 - Pay higher wages
 - Pass savings along to consumers through lower prices.
- The HST puts B.C. on a level playing field with domestic and international competitors. In fact, over 140 countries and five other provinces have a value added tax, like the HST.
- The HST, combined with the most competitive corporate taxes in North America, will generate long-term economic growth for British Columbians.

For more information on the Harmonized Sales Tax, please visit:
HSTinBC.ca

HST and Film Industry



Government announced it will reduce the total HST rate to 10 per cent from 12 per cent.

The provincial portion of the HST would be cut from seven per cent to six per cent, on July 1, 2012. A further one point reduction, to five per cent, would take effect on July 1, 2014.

Proposed changes to the HST will only take effect should British Columbians vote to keep the HST.

The final decision on the HST will be made by British Columbians. A "No" vote will mean a 10 per cent HST. A "Yes" vote will mean going back to the 12 per cent PST and GST.

"This is a tremendous opportunity to capture and be one of the really true media production centres, entertainment centres in the world. We've got all the components here to make it happen and if we can have competitive policy like the HST, which is good for us, then we're going to be a winner..."

Peter Leitch, President of North Shore and Mammoth Studios in North Vancouver and Burnaby

- British Columbia is the third-largest film and television service production centre in North America. B.C.'s production industry directly and indirectly employs over 25,000 people and contributes over \$1 billion annually to B.C.'s economy.
- The HST improves B.C.'s economic competitiveness and helps to put B.C. on a level playing field with other HST provinces such as Ontario, which is a major competitor in the film and television industry.
- Previously, businesses paid PST on many of their "business inputs", which are the things they buy and use to produce the goods and services they sell to their customers. This PST cost was then built into the final price of the product or service and passed along to consumers.
- In the film industry, these business inputs include items such as construction materials for set design, video/audio production equipment (cameras, film, computers, lighting, etc) and equipment rentals.
- Under the HST, most businesses are now able to recover the tax paid on their inputs through input tax credits.



General HST Benefits

Independent experts agree the HST will create jobs and promote investment in the province. Based on the analysis from experts, over the next 10 years, the HST is expected to create between 24,000 and 113,000 jobs for British Columbians and generate an estimated \$1 to \$11.5 billion in new investment.

HST is Good for B.C.'s Economy

- The HST helps to put B.C. on a level playing field with domestic and international competitors. In fact, over 140 countries and five other provinces have a value added tax like the HST.
- The HST, combined with some of the most competitive corporate income tax rates in North America and the G7 group of nations, will generate long-term economic growth for British Columbians.
- The HST is expected to result in \$1.2 billion in additional exports over the next 10 years.

Lower Business Costs

- The HST lowers operating and investment costs for business.
- In addition, because businesses collect and remit only one tax, the HST eliminates duplication and leads to expected administrative savings of \$150 million annually for B.C. businesses.
- Previously, businesses paid PST on many of their "business inputs", which are the things they buy and use to produce the goods and services they sell to their customers. This PST cost was then built into the final price of the product or service and passed along to consumers.
- With lower business costs under the HST, businesses will have more money to:
 - ✓ Increase investment in operations
 - ✓ Hire more employees
 - ✓ Pay higher wages
 - ✓ Keep prices competitive



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Film and Television

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The film industry and other creative sectors will benefit significantly from the HST as their business inputs are no longer taxed.

British Columbia is the third-largest film and television service production centre in North America. The industry contributes over \$1 billion annually to B.C.'s economy.

Lowering the cost of doing business for job-creating industries, such as the film industry, makes B.C. a more attractive place for new investment and job creation. Strong industries contribute to a strong overall economy and help to support other community-based industries such as retail, restaurant, tourism and service industries.

The HST improves B.C.'s economic competitiveness and puts B.C. on a level playing field with other HST provinces such as Ontario, which is a major competitor in the film and television industry.

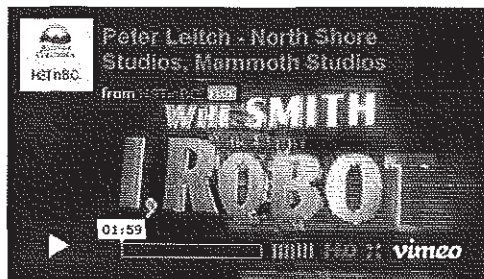
The HST lowers costs for business owners by reducing the tax on business inputs. In the film industry, these business inputs include items such as construction materials for set design, video/audio production equipment (cameras, film, computers, lighting, etc), catering services, and equipment rentals.

With the HST, these businesses can recover the HST they pay on their business inputs by claiming Input Tax Credits. Input Tax Credits for the HST work the same way they did for the GST. Before the HST, businesses could recover only the 5 per cent GST – they couldn't get back any of the 7 per cent PST paid. Now most businesses can recover the full 12 per cent HST paid.

Businesses paid PST on many of the goods they purchased for their operations. Under the old PST system, these businesses were unable to get back any of the PST they paid.

The HST also results in reduced administrative and compliance costs for businesses. Instead of the duplication that existed with having two taxes – the GST and the PST – the HST has one set of rules, forms, audits, etc. This saves businesses time, money and effort. It is estimated that B.C. businesses will save about \$150 million annually in administrative costs with the HST.

Peter Leitch of North Shore and Mammoth Studios explains the benefits to the film industry:



More information: [HST and the Film Industry](#)

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