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BEST PRACTICE IN SCREEN SECTOR DEVELOPMENT

A study from Olsberg•SPI, in collaboration with the
Association of Film Commissioners International

19th May 2024

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INTRODUCTION

In 2019, the Association of Film Commissioners International (“AFCI”) and global creative industries consultancy firm Olsberg•SPI (“SPI”) published the *Best Practice in Screen Sector Development* report

The first report of its kind, it highlighted **successful policies, strategies, and other interventions** to drive sustainable growth in the film, documentary and television (“Screen”) production sector around the world

There has been unprecedented global growth in Screen production in recent years, as well as significant changes and challenges, including the global COVID-19 pandemic, labour strikes in the US, and rapid technological advancements

Five years on, *Best Practice in Screen Sector Development* has now been expanded to include diversity, equity and inclusion (“DEI”), sustainability and partner engagement as key areas of best practice, alongside updates to the previous areas of analysis (production incentives, workforce capacity, infrastructure and film-friendliness)

Through analysis of these seven areas, the study examines the strategies and policies that have been implemented by established and emerging jurisdictions around the world to maximise Screen production activity and adapt to the changing Screen production landscape.

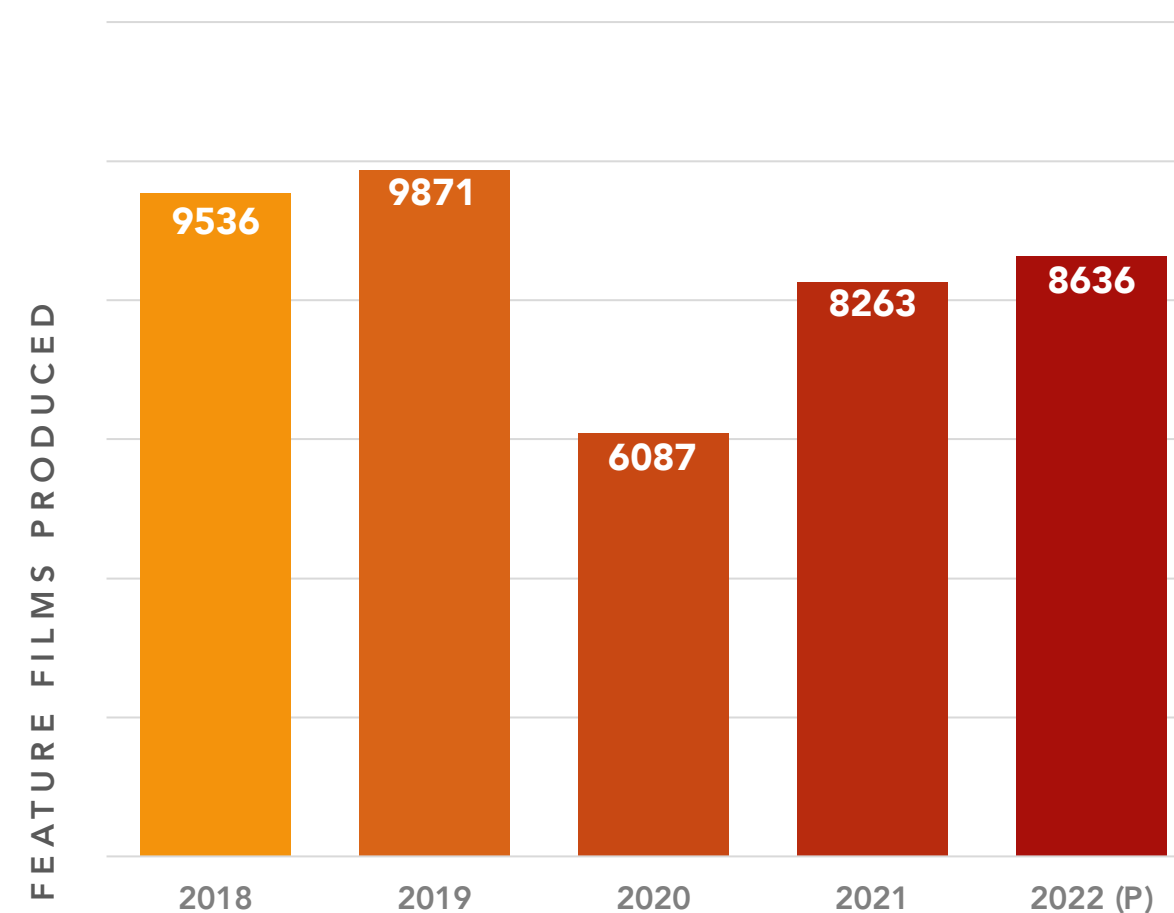


CONTEXT

THE GLOBAL PRODUCTION LANDSCAPE

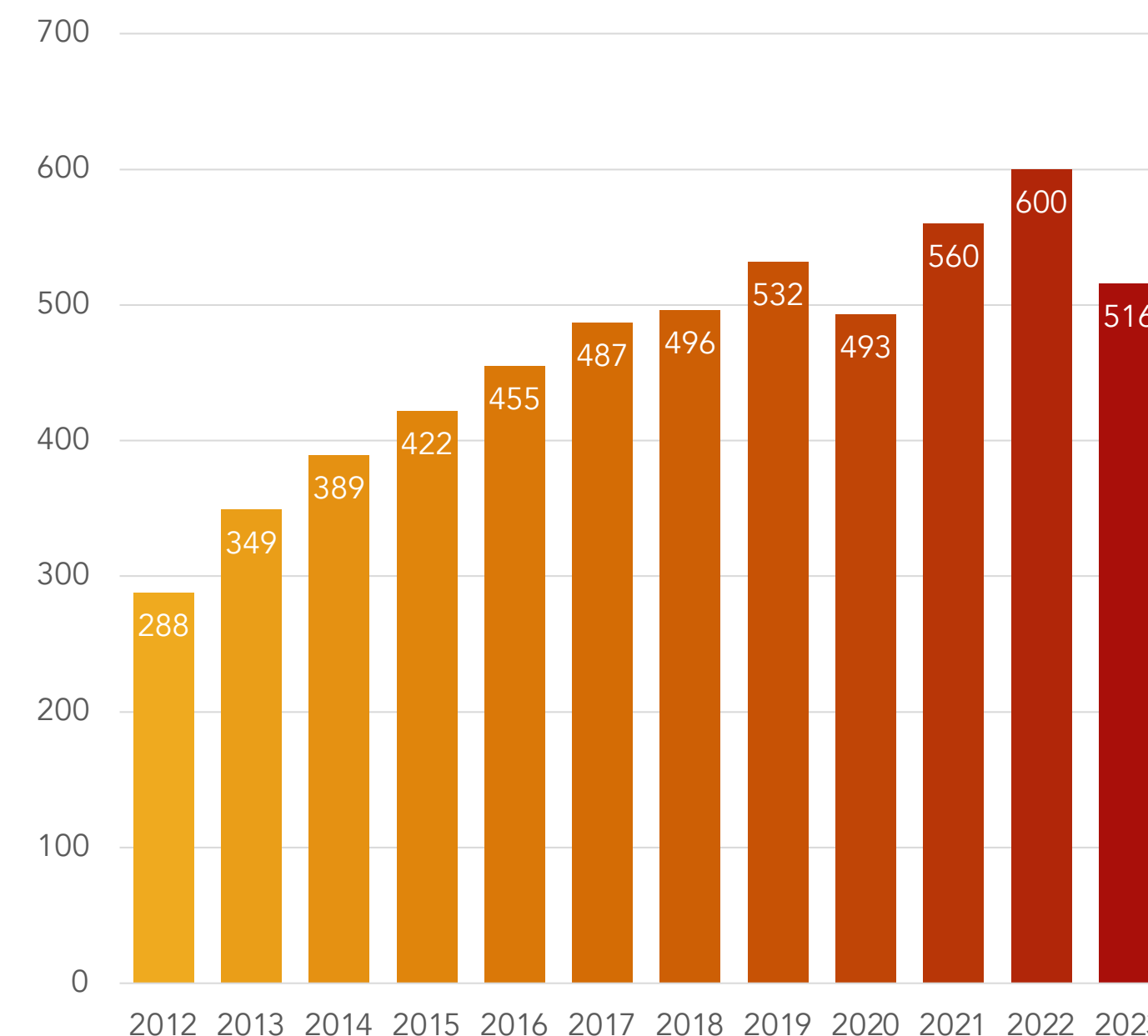
- > Recent years have seen unprecedented growth in the value and volume of Screen production globally. While this remains solid, the sector now faces economic headwinds, including cost inflation, the contraction of spending by some content investors and the ongoing impact of the 2023 WGA and SAG-AFTRA labour strikes in the US
- > However, while the rapid expansion of content has slowed, investment in and development of Screen content continues globally.

Estimated Worldwide Feature Film Production, 2018-2022



Source: European Audiovisual Observatory

Estimated Number of US-Produced Original Scripted Series, 2012-2023

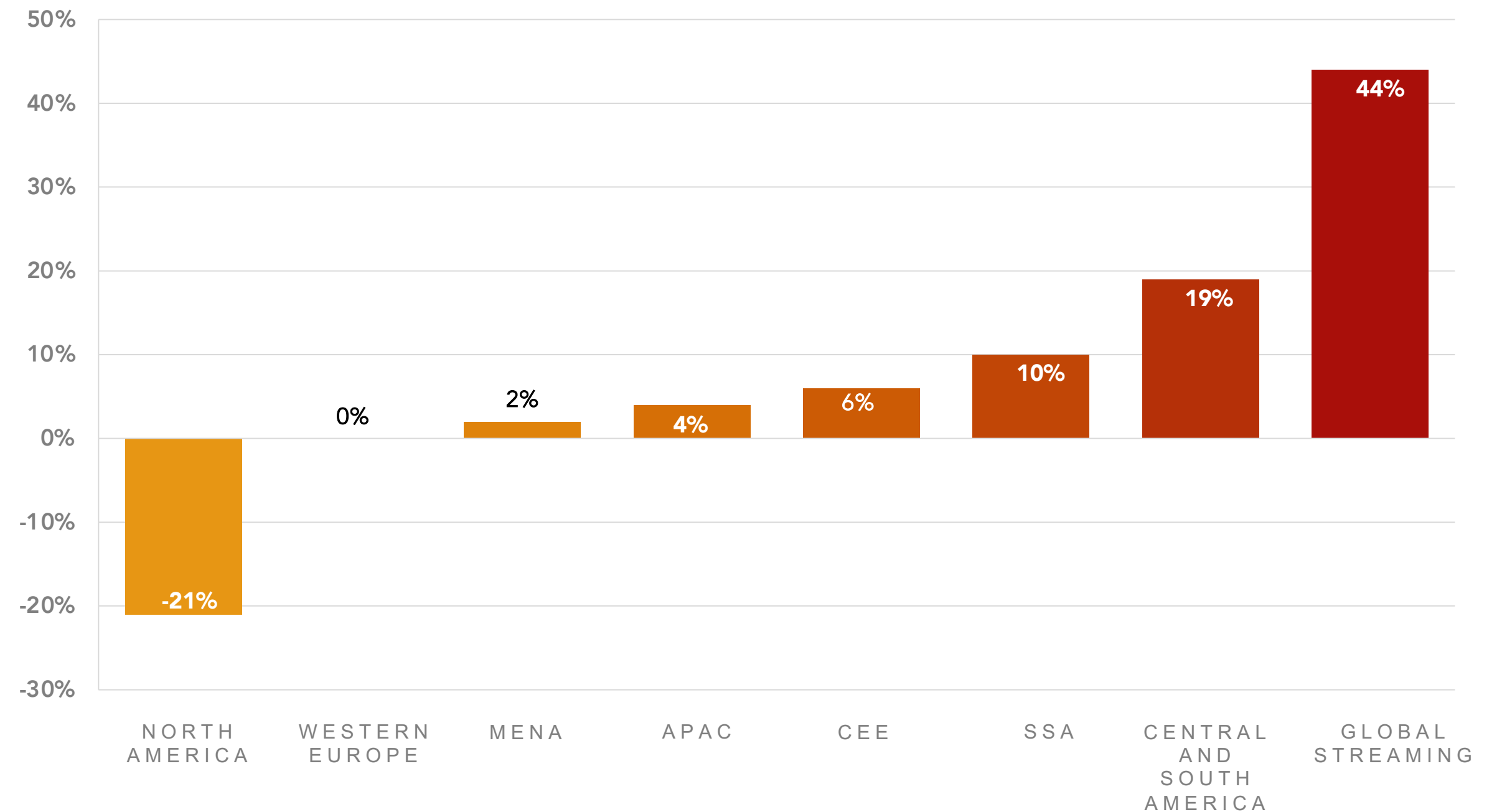


Source: FX Networks Research
 N.B. This includes original US-produced scripted programming from broadcasters, cable and streaming. It excludes foreign-language shows, children's programmes, short-form content, unscripted, reality series or documentaries

CONTEXT DIVERSIFYING GLOBAL CONTENT INVESTMENT

- > Online streaming providers have driven increased investment in global Screen content, largely as part of localised production strategies. Localised productions are a valuable driver to connect with audiences and increase subscriber levels in new and emerging jurisdictions alike
- > This trend is expected to continue, with spend on global streaming anticipated to increase by 44% between 2023 and 2028
- > Emerging jurisdictions in Central and South America, Sub-Saharan Africa and Central and Eastern Europe are expected to drive the highest growth in content spend. In contrast, more established jurisdictions such as North America and Western Europe are forecast to see content investment stall.

2022-28 Content Spend Growth Forecast, by Region

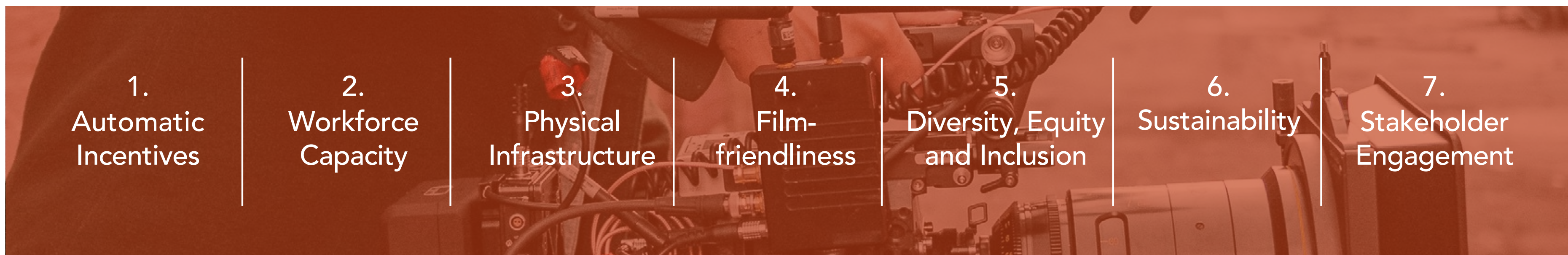


Source: Ampere Analysis

N.B. Includes Apple, Amazon, Disney+, Max, Netflix and Paramount+. Excludes sports; US figures exclude spend by global streamers which will reduce the negative impact

ABOUT BEST PRACTICE

1. The study defines best practice across seven interrelated areas, which are critical for sectoral development
2. Successful production markets are cohesive ecosystems that deliver a strong offer across all seven
3. However, ineffective practice in any of these areas will limit the ability to attract valuable production and develop the Screen sector.



KEY BEST PRACTICE AREAS

- > Screen sector development best practice can be broadly divided into two types: formal and informal
- > Formal and informal best practice occurs across all seven areas.

Formal Best Practice

Legislation, policies, strategies and funding to increase capacity and quality



Informal Best Practice

Processes and procedures that reduce difficulties and friction for film-makers at all points during the production process

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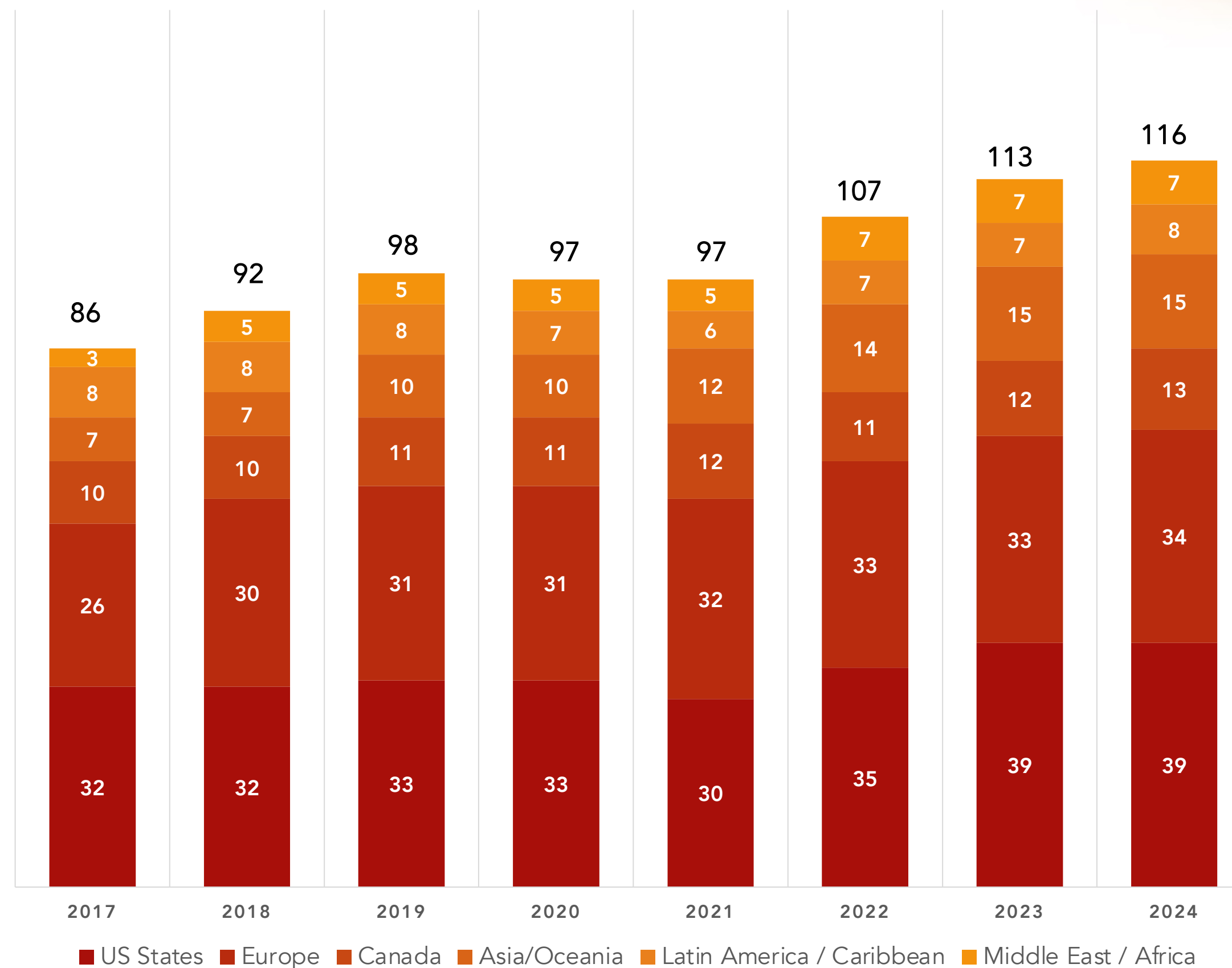
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PRODUCTION INCENTIVES OVERVIEW

- > Production incentives are one of the most popular policy tools used by governments to invest and drive Screen production activity
- > They are flexible systems that can enable jurisdictions to stimulate growth in domestic production as well as attract international investment
- > At present, there are more than 100 active production incentives worldwide and new programmes are introduced each year
- > A recent study by the European Audiovisual Observatory found that production incentives accounted for 21% of European film financing in 2021.¹

¹ Fiction Film Financing in Europe. European Audiovisual Observatory, April 2024

Number of Active Production Incentives, 2017-2024



Source: Olsberg•SPI

N.B. Count does not include production incentives that are solely applicable to domestic productions, or selective funding systems

PRODUCTION INCENTIVES OVERVIEW

- > Production incentives are **calculated as a percentage** of a production's eligible expenditure
- > Underlying legislation, rules, and guidelines are publicly available, and potential applicants can understand in advance whether they will be eligible, and estimate the incentive amount available for their production. **Most productions will utilise incentives, and they can be highly effective at driving activity**
- > Incentive rates are usually around 30% but this differs significantly between jurisdictions.

PRODUCTION INCENTIVES

OVERVIEW

The aim of a production incentive is to provide value for both governments and producers

FOR GOVERNMENTS...

Production incentives stimulate valuable investment, resulting in economic impacts, job creation, infrastructure growth, broader sectoral development and strategic benefits such as soft power and Screen tourism.

FOR PRODUCERS...

Production incentives provide a return on specified qualifying expenditure, encouraging international producers to locate their project in a jurisdiction, or providing an important finance source for domestic producers.

PRODUCTION INCENTIVES

KEY AREAS OF BEST PRACTICE

REDUCING UNCERTAINTY

- > Successful production incentives are simple, predictable, and transparent
- > This is a core best practice and cuts across the design and operation of production incentives

BUDGET AND CAPS

- > An uncapped production incentive ensures equal access to all applicants as there is no budgetary limit to the amount of production that can access the system
- > However, where an overall incentive cap is required, the usage of additional per-project caps can ensure access for producers while managing the scale of a production incentive

PROCESS SPEED

- > Incentive agencies should set high service standards for incentive processes, ensuring applications are turned around quickly and clearly
- > Administrators should also be responsive to queries from applicants
- > This ensures that production incentives match the pace of productions, which operate under tight deadlines

CONSIDERATION OF THE EFFECTIVE RATE

- > Producers consider qualifying expenditure, caps, and other key rules when budgeting production incentives
- > Production incentives which can be applied to 'above-the-line' (e.g. director and cast) costs are therefore more attractive to producers
- > It is important that the production incentive is promoted in a clear way that reflects its true value, as headline % rates can be misleading if only a small part of the budget is eligible



PRODUCTION INCENTIVES

KEY AREAS OF BEST PRACTICE

APPLICABILITY TO DOMESTIC PRODUCTIONS

- > Production incentives can be critical for both domestic and international producers
- > For domestic producers, production incentives can be a reliable part of a financing plan, and help projects come to fruition that would otherwise not get made. They can also reverse any outflow of domestic productions to other jurisdictions
- > Discretionary funds and other types of grant systems can also be used to stimulate local projects from development through to exhibition



TARGETED UPLIFTS

- > Increasingly, production incentives offer 'uplifts' which provide a higher incentive value to productions which meet additional, optional criteria
- > These can focus on driving production expenditure into areas outside of established production hubs, infrastructure development, sustainable filming practices, local workforce development, or a range of other areas
- > It is critical that uplifts are attainable and effective. The eligibility requirements for producers should be clear, and the requirements of the uplift should have a meaningful impact on the desired objective

PRODUCTION INCENTIVES CASE STUDY AUSTRIA

1. CONTEXT

- > Austria's national production incentive (FISA) had been in operation for several years, but in 2022 its annual budget was exhausted by the end of March
- > This particularly impacted domestic producers who depended on the incentive as a reliable source of financing

3. IMPACT OF INTERVENTION

- > The revised Austrian production incentive is both more attractive for international producers, while ensuring reliability for domestic productions
- > It has stimulated Austria's production sector more broadly, and the government has committed to the new incentive model

2. SPECIFICS OF BEST PRACTICE

- > The Austrian Government developed a new incentive, FISA+, which has a per-project cap of €5 million (or €7.5 million for series) but no annual cap, meaning the incentive cannot be exhausted
- > This allows the government to broadly manage the scale of the incentive, while ensuring all eligible productions have access

4. LESSONS

- > Production incentives can be important for both international and domestic producers
- > Caps are often required by governments, but while annual caps can create issues of access, using per-project caps can create more stable programmes which can be relied on by the industry

PRODUCTION INCENTIVES

INEFFECTIVE PRACTICE

INVOLVEMENT IN CREATIVE ASPECTS OF FILMMAKING

The role of a production incentive is to stimulate production expenditure. While authorities may seek to 'guarantee' cultural or tourism impacts by requesting script or location changes, or approval, any interference in the creative process will discourage production

ONEROUS OR FIXED OBLIGATIONS

In return for production incentives, authorities can require productions to provide data, play a role in workforce development, or engage in other ways. This exchange is an important part of successful production incentives but should be designed in a flexible way that does not discourage productions, or place onerous burdens on smaller / domestic projects

NON- PAYMENT

Production incentives should be predictable for producers, and if all terms of the production incentive are met, it should be the highest priority to ensure payment is made in a reasonable timeframe. Consistent payments build trust in a jurisdiction, while non-payment can result in long-term reputational damage

INCONSISTENT ADVICE

Production incentives should function in a predictable, set way, and all responsible agencies must be consistent in advising on the rules and processes. Inconsistent interpretations of the incentive rules lead to uncertainty and may be due to vague legislation or lack of training

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WORKFORCE CAPACITY OVERVIEW

- > Screen productions employ a **range of skilled workers**, from performers to carpenters, electricians, to drone operators. These jobs are **highly specialised and technical**, with the skills often developed over years of on-set experience
- > There is a recognised **need to effectively grow workforce capacity in the Screen production sector**. This typically relates to increasing the depth of crew in the jurisdiction, sharpening skill sets, and improving workforce quality and suitability for large-scale, incoming productions
- > Efforts to **build capacity** range from bespoke training for specific skills or roles, to linking workforce development goals with production incentives, to developing targeted skills strategies
- > The Screen production workforce has **recently been impacted by external factors**, including the COVID-19 pandemic, the 2023 US WGA and SAG-AFTRA labour strikes, and a contraction of production activity globally. This has resulted in prolonged down periods and a slower-than-anticipated return to work in some cases. In turn, this has exacerbated income and job security concerns in the workforce
- > These recent challenges and the resultant strain on the global Screen production sector workforce, further highlights the need for best practice targeted towards **overcoming hurdles, and developing a sustainable workforce**.

WORKFORCE CAPACITY

KEY CONSIDERATIONS

DEPTH OF WORKFORCE

The pool of workers in a jurisdiction must be sufficient for ongoing production activity. Shallow crew depth can make it challenging for producers to find adequate skills and can undermine the attractiveness of a jurisdiction for Screen production activity

QUALITY

Crew quality is just as important as worker volume. Inefficiency or poor-quality skills can hamper a jurisdiction's ability to retain and expand production activity

INDUSTRY KNOWLEDGE

Knowing where gaps and shortages exist is critical so that targeted capacity development can be undertaken that aligns with the exact workforce and skills needs of a jurisdiction

ADAPTABILITY

Screen production is a fast-paced industry that evolves as new technological advancements and workflows are developed. This can lead to the creation of new roles and changes in the skillsets needed for existing roles. It is therefore important to ensure that workforce and skills development strategies are flexible and can adapt as the sector shifts

TALENT PIPELINES

A sustainable Screen production sector must ensure there is a regular and consistent inflow of skilled crew into the sector via multiple pathways, including from higher education, training initiatives, other sectors, and elsewhere. Opportunities for skills development should be available for crew at all grades and skill levels to ensure the continuous growth and development of the talent pool

WORKFORCE CAPACITY

KEY AREAS OF BEST PRACTICE

TARGETED INTERVENTION

- > Workforce development strategies should be developed in line with the specific needs and requirements of a jurisdiction
- > Strategies can address a wide range of workforce development areas, including critical skills gaps and role shortages, transferrable skills and DEI efforts
- > Strategies should provide clear pathways for entry into and progression through the Screen production sector

COMPREHENSIVE DATA COLLECTION

- > Consistent and regular data collection on sector workforce, across all departments, can help to anticipate future and longer-term capacity issues in a jurisdiction
- > Tracking should cover capacity issues, including specific skills gaps, shortages and retention across roles, grades and departments
- > Relevant agencies should ensure that robust and consistent data tracking is implemented and reviewed at regular intervals



ALIGNING TRAINING WITH INDUSTRY NEED

- > A jurisdiction's training provision should align with the needs of the local industry
- > There should be increased focus on practical, set-ready skills development and bridge training that provides new and existing crew with the necessary skills and tools to work on domestic and incoming productions

COHESIVE STRATEGIES

- > Effective workforce development strategies involve engagement with key public and private partners, including industry, economic development agencies, training providers, colleges and universities, unions and guilds
- > While maintaining local specificities, strategies should be informed by international standards, structures, and roles
- > A variety of strategy models can be adopted to support workforce development, including skills boards and advisory committees

WORKFORCE CAPACITY CASE STUDY SCREEN IRELAND

1. CONTEXT

- > Screen Ireland developed a Competency Framework in collaboration with Screen Guilds of Ireland and other key partners in 2022
- > A library of tools to track requisite skills and competencies across Screen production departments, the framework includes information about department-specific roles, task statements, and a competency-tracking tool

3. IMPACT OF INTERVENTION

- > New partnerships formalised between Screen Ireland and education providers to expand industry-relevant training opportunities and strengthen pathways
- > Expansion of the framework to digital content production sectors. An example is the Animation Competency Framework launched in October 2023

2. SPECIFICS OF BEST PRACTICE

- > Provides a template for tracking skills, and supporting the development of critical crew roles and skills in the Irish Screen production sector
- > The framework demystifies the sector and clarifies entry and progression routes, which improves access to opportunities for all crew through more effective recruitment practices
- > Enables better alignment of training provision with industry needs

4. LESSONS

- > By collaborating with industry guilds, associations, and training providers, Screen Ireland engaged with key partners aware of existing and future workforce needs
- > Delivering the framework as a guide, instead of a binding document, encouraged adoption instead of being onerous for partners
- > A robust and transparent framework that addresses the full range of skills required in the Screen production workforce produces tangible impacts for the sector

WORKFORCE CAPACITY INEFFECTIVE PRACTICE

LACK OF STRATEGIC DEVELOPMENT

The absence of a strategy that is targeted to the needs of a jurisdiction's workforce, including the development of requisite skills, roles, and creating and sustaining talent pipelines, can inhibit growth

UNBALANCED CAPACITY DEVELOPMENT

Heavy focus on only one aspect of workforce development, such as entry-level skills development or traineeships, instead of developing holistic strategies can limit the sustainable development of a jurisdiction and will likely lead to capacity concerns at higher grades or in departments that do not receive adequate attention for development

MISMATCHED POLICY REQUIREMENTS

Heavy focus on only one aspect of workforce development, such as entry-level skills development or traineeships, instead of developing holistic strategies can limit the sustainable development of a jurisdiction and will likely lead to capacity concerns at higher grades or in departments that do not receive adequate attention for development

DIVERGENT INDUSTRY PRACTICES

Lack of alignment with international skills, standards, and working methods will result in workforce development that is of limited effectiveness for large-scale, incoming productions

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INFRASTRUCTURE OVERVIEW

- > Capital investment in infrastructure is a **core part of developing a Screen production sector**, ranging from filming equipment (lighting and grip) which can be hired out to productions, to soundstage developments
- > Jurisdictions can capture more production expenditure locally by **ensuring a well-developed infrastructure offer**. However, a jurisdiction's infrastructure should be proportionate to its size, and informed by clear demand from producers
- > In stable jurisdictions with rising production levels, **investment in infrastructure is usually driven by the private sector**. However, governments play an important role in creating favourable conditions for this investment – for example, by offering production incentives or enabling infrastructure developments to progress through planning systems
- > There are also examples of governments **directly investing** in infrastructure projects. The most successful public interventions in this area have responded to a clearly identified market failure.

INFRASTRUCTURE

KEY AREAS OF BEST PRACTICE

TIMING

- > In emerging jurisdictions, there is lower demand for studio infrastructure than there is for local crew or production incentives, so public funding should be directed to more impactful areas in the short term
- > Public or private investment in studio infrastructure should be made at the appropriate stage of sector development when there is clear evidence of demand

POP-UPS AND CONVERSIONS

- > Not all productions require high-end soundstages, and producers are often able to use converted warehouses (or similar) in place of purpose-built spaces
- > This can allow jurisdictions to attract studio-based productions without making significant infrastructure investments
- > Governments can support the industry by identifying potential sites for pop-ups



NON-FINANCIAL SUPPORT

- > While governments can directly invest in infrastructure, they can also support infrastructure development in other ways, for example:
 - > Ensuring the relevant zoning / planning regime encourages potential developments
 - > By providing a stable and trusted production incentive, and committing to workforce development
 - > By identifying potential sites for pop-up studios

ENVIRONMENTAL SUSTAINABILITY

- > Infrastructure investments can support environmental objectives: for example, equipment companies can transition their fleet to low-emission vehicles, or can rent out clean energy sources for location productions

INFRASTRUCTURE INEFFECTIVE PRACTICE

DISCOURAGING PRIVATE INVESTMENT

Public authorities should generally focus on stimulating private infrastructure investment, and should avoid making substantial investments that ultimately discourage private businesses from progressing their own developments

DISPROPORTIONATE DEVELOPMENT

If public authorities choose to fund infrastructure, they should do so in a way that is proportionate to industry development. Depending on the size of a jurisdiction's industry, producers may prefer a modest warehouse conversion to a high-end soundstage facility

OVERLOOKING SUPPLY CHAIN AND WORKFORCE

Infrastructure investment can attract studio-based productions and encourage increased local expenditure, but only if a local crew base and wider supply chain exists. If studios are developed without sufficient crew, they will struggle to attract production

OVERFOCUSING ON SPECIALIST INFRASTRUCTURE

Most productions require relatively generic, practical stage facilities. Aiming to anticipate future demand through investment in specialist infrastructure (e.g. virtual production facilities) can result in a less attractive offer in the near term

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FILM- FRIENDLINESS OVERVIEW

- > While mechanisms such as production incentives and workforce development are critical for ensuring that jurisdictions are globally competitive, such measures must **operate within a film-friendly production environment**
- > Film-friendliness is an umbrella term that refers to the **ease with which a production can take place in a jurisdiction**, including the operations and functionalities of all services and vendors as well as travel, accessibility, and communication
- > Film-friendliness covers both **formal policy and regulations** as well as **informal approaches and processes**
- > Without the reassurance that a jurisdiction is film-friendly, its **attractiveness to producers can be greatly diminished** and can be a significant barrier to its sustainable growth development
- > Multiple inputs contribute to a jurisdiction's perceived film-friendliness; therefore, it is fundamental that, **led by a film commission, a consensus is forged among key partners** to work together to ensure the Screen production sector has high levels of service for productions and a positive and attractive reputation.

FILM-FRIENDLINESS OVERVIEW

Typically, a film commission owns and manages key partnerships that support and contribute to the jurisdiction's film-friendliness by working with the partners to prioritise a production's requirements. Partners range from domestic representatives to industry-specific organisations.

MACRO-PARTNERS INCLUDE...

- > Government agencies (including domestic and regional organisations)
- > Health and safety (including police, traffic control and medical services)
- > Environmental and conservation representatives
- > Locations (buildings, heritage sites).

INDUSTRY-SPECIFIC PARTNERS INCLUDE...

- > Production services (including production companies across all levels)
- > Screen production sector services and vendors
- > Facilities and studios
- > Cast and crew.

FILM-FRIENDLINESS

KEY AREAS OF BEST PRACTICE

BUILDING CONSENSUS

- > Establishing a formalised network of verified film-friendly partners is key to the efficient facilitation of productions and to ensuring and advocating for the shared value of the Screen production sector
- > Such a network helps streamline the experience for productions by arranging the needed requirements in a clear and efficient way

ACCESS AND UNDERSTANDING

- > Each jurisdiction has a unique range of policies and requirements as well as logistical and geographic specifications that must be easily accessible and clearly communicated
- > The high value of production should be reflected in how producers are welcomed and engaged with by decision-makers throughout the production process



PERMITTING

- > Smooth facilitation of filming is essential to providing the most film-friendly environment. As an integral part of this, filming permits must be straightforward and quick to access
- > Film commissions can lead or advise on the creation and implementation of cohesive permitting systems

IMMIGRATION, CUSTOMS AND TAX REGULATIONS

- > Most productions utilise international labour, talent and/or filming equipment; all related processes and legislation must be as simple and streamlined as possible

FILM- FRIENDLINESS CASE STUDY SCREEN AUCKLAND, NEW ZEALAND

1. CONTEXT

- > Screen Auckland works with the Screen production sector and national and regional decision-makers to ensure a holistic and efficient filming experience that benefits productions, the domestic market and local communities

3. IMPACT OF INTERVENTION

- > Meaningful engagement with iwi (tribes) and hapū (sub-tribes) regarding filming on and of culturally sensitive areas, advising on appropriate protocols, likely costs and timeframes
- > Working with industry and council organisations to have actionable strategies and tools for productions to employ
- > Sustained activity from various international and domestic productions, maintaining a positive reputation of film-friendliness

2. SPECIFICS OF BEST PRACTICE

- > Provides clear process requirements and industry tools, such as permitting, information on the production incentive, taxes and fringe fees
- > Accessible contacts and support offerings
- > Spotlighting the Screen Climate Action and Cultural Connection initiatives

4. LESSONS

- > Providing concise details of processes regularly needed by productions (checklists for considerations before filming and spotlighting location offerings) streamlines the process for productions and limits issues down the line
- > Providing access to key industry partners and commission contacts for specialised requests from the outset gives productions confidence in the jurisdiction

FILM-FRIENDLINESS

INEFFECTIVE PRACTICE

INEFFICIENCIES

Lack of cohesion and alignment across the partners needed to facilitate productions, can cause miscommunications and additional, unnecessary processes and delays

RESTRICTION OF MOVEMENT

Inconvenient or difficult processes for international and domestic travel, including visa systems, can discourage or disrupt productions that work on tight deadlines

UNCLEAR OR UNKNOWN SPECIFICATIONS

Incomplete, conflicting or unclear communication about regulations and geographically relevant specifications can cause delays for productions or, in some cases, financial and legal implications

LACK OF RESPONSIVENESS

Without a responsive primary port-of-call, productions can be discouraged from choosing a jurisdiction or can have a negative experience, impacting the jurisdiction's overall reputation; this underlines the value of an effective film commission

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DIVERSITY, EQUITY AND INCLUSION OVERVIEW

- > Diversity, equity, and inclusion (DEI) refers to efforts to **improve access and participation of traditionally under-represented groups** in the Screen production sector
- > World over, the **Screen production sector has seen an increased focus on DEI**. Many jurisdictions recognise the need for targeted, positive practices towards DEI goals.
- > However, **while progress has been made, gaps and challenges continue to exist**. For instance, the improvement in representation may remain isolated to certain minority groups, rather than increasing equitably across all groups. Furthermore, increased representation may not also translate to diversity in leadership roles, equity in career progression, or in pay. Minority groups also continue to face challenging and intolerant working conditions on set
- > There is a need for **continued efforts towards achieving DEI goals, ensuring such efforts are both robust and nuanced**.
- > To be most effective, **DEI considerations must find a balance** between addressing the distinct priorities of minority groups, while ensuring DEI strategies are integrated with the policies and plans for the wider Screen production sector workforce.

DIVERSITY, EQUITY AND INCLUSION

KEY CONSIDERATIONS

DEI PARAMETERS

While specific DEI parameters may differ across jurisdictions, subject to varying priorities and contexts, DEI strategies should endeavour to address all minority groups, spanning all classifying parameters (e.g. gender, sexual orientation, socio-economic background, disability, and race and ethnicity), including distinct considerations for First Nations and Indigenous communities

INTERSECTIONALITY

DEI strategies and data collection must factor in the overlapping experiences of minoritisation (i.e. intersectionality). In the absence of an intersectional approach, challenges faced by minorities due to overlapping parameters (e.g. gender and race) are in danger of being unaddressed, limiting progress

AUTHENTIC REPRESENTATION

Achieving on- and off-screen representation of all minoritised groups, equitably across all departments, and all grades of the Screen production sector workforce is necessary to implement meaningful impacts and change

LANGUAGE AND DEFINITIONS

DEI strategies and initiatives must adhere to the latest definitions and conventions and be regularly reviewed and updated to ensure alignment with evolving conventions. Using non-inclusive, outdated or unclear language can impact crucial data collection or alienate key groups

CONTINUOUS AND EVOLVING PRACTICE

Best practice for DEI strategies should be viewed as a continuous and ever-evolving journey and not a static process with a clear conclusion

DIVERSITY, EQUITY AND INCLUSION

KEY AREAS OF BEST PRACTICE

REGULAR DATA COLLECTION

- > Consistent and regular data collection and tracking across all DEI parameters is necessary to ensure an accurate and complete picture of the local workforce is obtained



EFFECTIVE COMPLAINTS SYSTEMS

- > Film commissions should provide guidelines for the setup and/or review of complaint and redress systems in sector organisations and on set, enabling minority groups to freely air grievances and have them resolved

COMMUNITY ENGAGEMENT

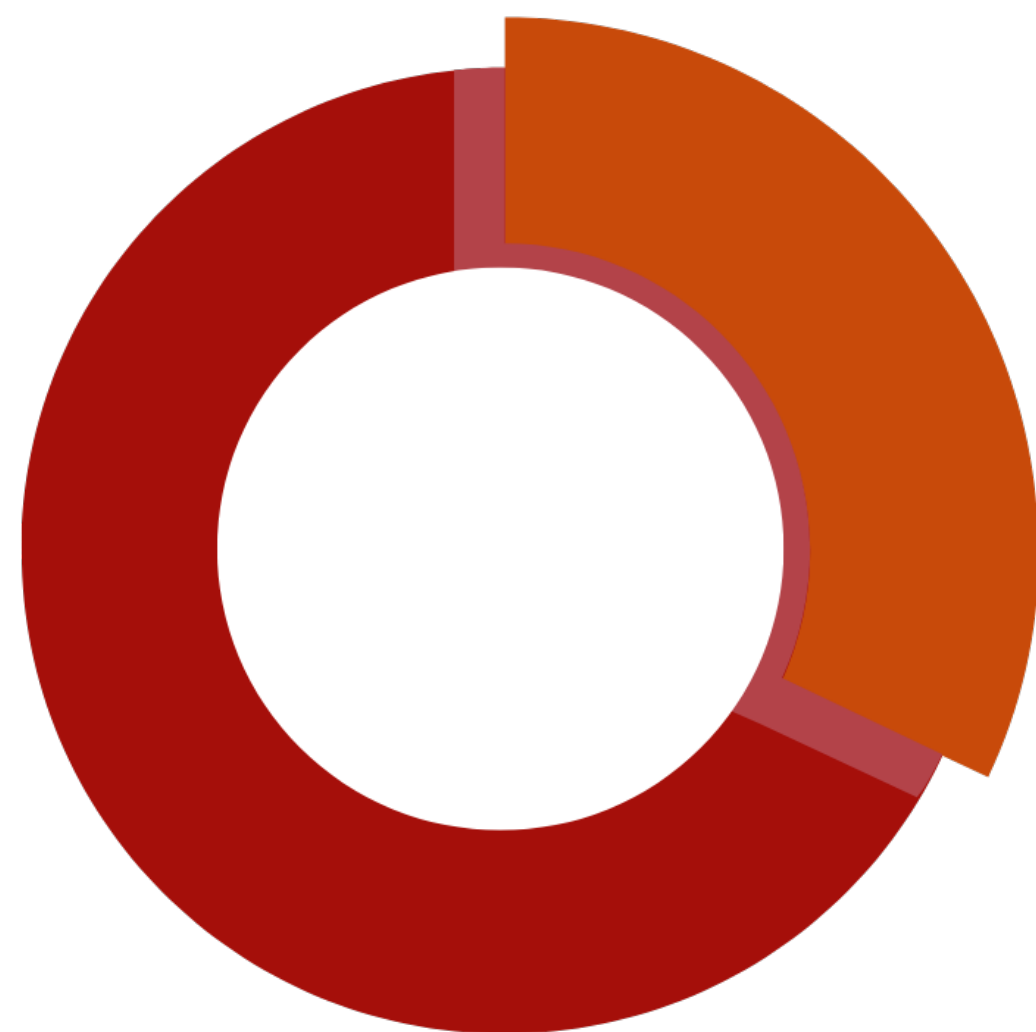
- > Film commissions and other authorities should work with community organisations that represent various minority groups during the development, implementation and assessment of DEI strategies and programmes
- > These collaborations can help demystify the sector for minority communities who remain outside the boundaries of Screen production sector networks or are overlooked by traditional workforce initiatives
- > Furthermore, these collaborations ensure that DEI efforts are appropriately tailored to the local context

AUTHENTIC REPRESENTATION

- > Authentic representation on-screen is an effective motivator for continued DEI efforts on- and off-screen
- > On-screen representation of minority communities must be respectful of established conventions, guidelines and practices
- > Critically, on-screen representation should be led by the community. Productions can achieve this by hiring members of the community as script or production advisors, and by developing more inclusive writers' rooms and production departments

DIVERSITY, EQUITY AND INCLUSION

KEY AREAS OF BEST PRACTICE



INTEGRATION INTO WORKFORCE DEVELOPMENT

- > DEI and workforce development strategies should be developed in partnership. DEI should not be an add-on or last-minute consideration
- > DEI can be integrated into workforce development in a number of ways, including:
- > Direct funding for skills development programmes to encourage minority communities to enter the Screen production sector
- > Reviewing recruitment processes for accessibility and inclusion,
- > Investing in training and capacity building outside of key population centres and/or Screen hubs, to ensure engagement with First Nations, Indigenous and minority communities who reside outside of such hubs

DIVERSITY, EQUITY AND INCLUSION

INEFFECTIVE PRACTICE

INCONSISTENT AND OUTDATED DATA

Data collection and tracking carried out for only some DEI parameters and/or for only a few specific minoritised groups (i.e. up-to-date data collection solely for female crew) will restrict efforts to implement and carry-out effective DEI strategies in a jurisdiction

INCONSISTENT BENCHMARKS

Using ineffective or inconsistent benchmarks for data collection and assessment hampers an accurate and updated assessment of industry needs and best practice requirements

SURFACE-LEVEL INTERVENTIONS

Initiatives that focus on increasing representation in recruitment and ad-hoc skills development programmes, but that do not translate to greater inclusivity in the workforce across all roles, grades and/or in leadership roles and progression, will have limited effect diversifying the workforce in a jurisdiction

OUTDATED RECRUITMENT PRACTICES

Continuing to rely on networked talent pipelines for recruitment, which have historically excluded minority communities, will limit any real opportunity for growth and development

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9. Positive Impacts

SUSTAINABILITY OVERVIEW

- > Climate change is of serious concern, with some jurisdictions making sustainability an **economic and political target for government bodies and international organisations**. However, a more significant scale of awareness and adoption of sustainable practices is needed to make meaningful change, requiring all sectors across varying jurisdictions to prioritise this shift
- > **The Screen production sector has an impact on the environment** with one average tentpole film production (a film with a budget of over US\$70 million) generating 2,840 tonnes of CO₂e, the equivalent amount absorbed by 3,709 acres of forest in a year²
- > The Screen production sector requires systemic change to become sustainable with **appropriate buy-in generated across key partners**, including studios, industry bodies, governments and production sets
- > **Industry requires support, guidance and, most importantly, tangible mechanisms and tools** to ensure sustainable practices are adopted efficiently across the production ecosystem.

SUSTAINABILITY

KEY CONSIDERATIONS

A COORDINATED APPROACH TO SUSTAINABILITY

No single entity can bring about change in isolation. Co-operation and coordination are vital and should be spearheaded, guided and encouraged by authoritative bodies such as film commissions

ALIGNMENT ACROSS THE SUPPLY CHAIN

Modes of motivation are needed for buy-in from productions, enabling them to implement sustainable processes and adopt appropriate technologies. Guidelines for feasible and efficient processes must be aligned across industry, from productions through to industry vendors and facilities

SUSTAINING MOMENTUM

Actionable solutions are needed, with tools that generate reliable, trackable results to combat excesses and minimise impacts. Film commissions have a responsibility to educate and support productions, studios and suppliers in the long-term implementation of sustainable processes

ADVOCACY AND SUPPORT

The broader environment, ranging from government legislation to community culture, can significantly impact the speed and willingness for sustainable practices to be developed and implemented

SUSTAINABILITY

KEY AREAS OF BEST PRACTICE

PRODUCTION PROCESSES

- > It is key to develop and use sustainable processes and technologies that are practical and can integrate into a jurisdiction's existing working culture
- > This ensures practices are useful, fiscally inclusive and can become habitual practices

RESOURCES AND MATERIALS

- > Production resource consumption has an environmental impact, particularly in terms of fuel and energy usage
- > Film commissions have a responsibility to engage and incentivise local industry, providing guidelines for productions and working with suppliers to increase their capacity of emissions-reducing equipment and relevant sustainable materials



FILMING ON LOCATION

- > Productions have a responsibility to ensure minimal environmental impacts occur while filming, for example, through the use of the most efficient and lowest emission energy usage options
- > Guidelines should be provided with preferable vendors, leveraging permitting to streamline processes like green energy systems, e-transportation options and waste management

FACILITIES AND STUDIOS

- > Facilities are a key lever to build sustainable processes into industry habit
- > New developments and existing studios should be encouraged to adopt energy-efficient technologies
- > Introducing on-site sustainability managers to re-purpose and streamline studio operations and be a point of contact for productions would further progress this sustainable shift in operations

SUSTAINABILITY

KEY AREAS OF BEST PRACTICE

INCENTIVISING CHANGE

- > Incentivising sustainability is best done by rewarding the implementation of practices and technologies as well as supporting the scaling of sustainable alternatives across a jurisdiction's Screen production sector
- > Film commissions can negotiate, advocate and work with their key partners to encourage the inclusion of sustainable practices in existing and future designs of national and regional production incentives. This should come through leveraging existing production incentives, including cash rebates, tax credits and other exemptions
- > Education and clear directives for the adoption of sustainable practices are needed with trackable results, actively working to reduce carbon emissions and minimise waste



NORMALISING THE SHIFT

- > Film commissions can take a role in motivating the adoption of these practices as well as providing support for those processes
- > As part of their network of key partners, film commissions can lead in cultivating a cohesive approach for pushing forward the adoption of sustainable processes
- > This can be achieved through the provision of guidelines and listing of preferred vendors and services that offer sustainable solutions in the jurisdiction
- > This includes working with industry influencers, such as studios and streamers to pioneer processes and secure buy-in. This is necessary to encourage productions to monitor and implement effective sustainable practices

SUSTAINABILITY INEFFECTIVE PRACTICE

COMPLICATED AND POORLY DESIGNED PROCESSES

No two productions are the same and equally, there can be many variables across different jurisdictions where productions can take place. Attempts to mandate or require processes that are out of sync with the local Screen production sector, or implementing time-consuming or cost-inhibit processes without clear motivation or guidance can prohibit the adoption of sustainable practices and, as a result, discourage productions from choosing to film in a particular jurisdiction

LIMITED OFFERINGS

If services and vendors (including facilities) are not motivated and trained to provide sustainable options, then productions may find themselves with limited or no local options to adopt sustainable practices or utilise sustainable technologies in their operations. It is, therefore, a priority for film commissions and key partners to not only advocate for sustainable choices but work with services and vendors to provide, for example, energy-efficient and renewable energy options

A SHORT-SIGHTED APPROACH

Without addressing and assessing operational gaps or challenges with adopted sustainable technologies, improvements cannot be made, and notable, long-term impacts will not be recorded. This will deter habitual changes

OPERATING IN ISOLATION

Without a collective approach across the Screen production sector in a jurisdiction that includes all partners, a jurisdiction will face a number of barriers to implementing sustainable practices with long-term potential impacts

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PARTNER ENGAGEMENT OVERVIEW

- > One hallmark of a well-developed Screen production sector is that the **government and its key partners are collectively committed** to prioritising the smooth functioning and long-term stability of the production ecosystem
- > **Types of partners** can differ across jurisdictions, but generally include national governments – including ministries or departments of the economy, culture, finance and tourism – municipal or local authorities, key agencies in areas such as customs and immigration, bodies overseeing national parks, or areas of national and natural heritage, the private sector, the general public, and others
- > **Ensuring long-term support and buy-in from partners is a critical area of best practice** and can strengthen a stable sector where legislation, production incentives and other public investments are secure, and where logistical and other types of production support are in place for the long term. This is a significant attraction for producers and content investors and provides value to those working in the sector and the businesses and vendors supplying productions
- > **Effective partner engagement** requires ongoing communication and engagement of different types tailored to the needs of specific partners.

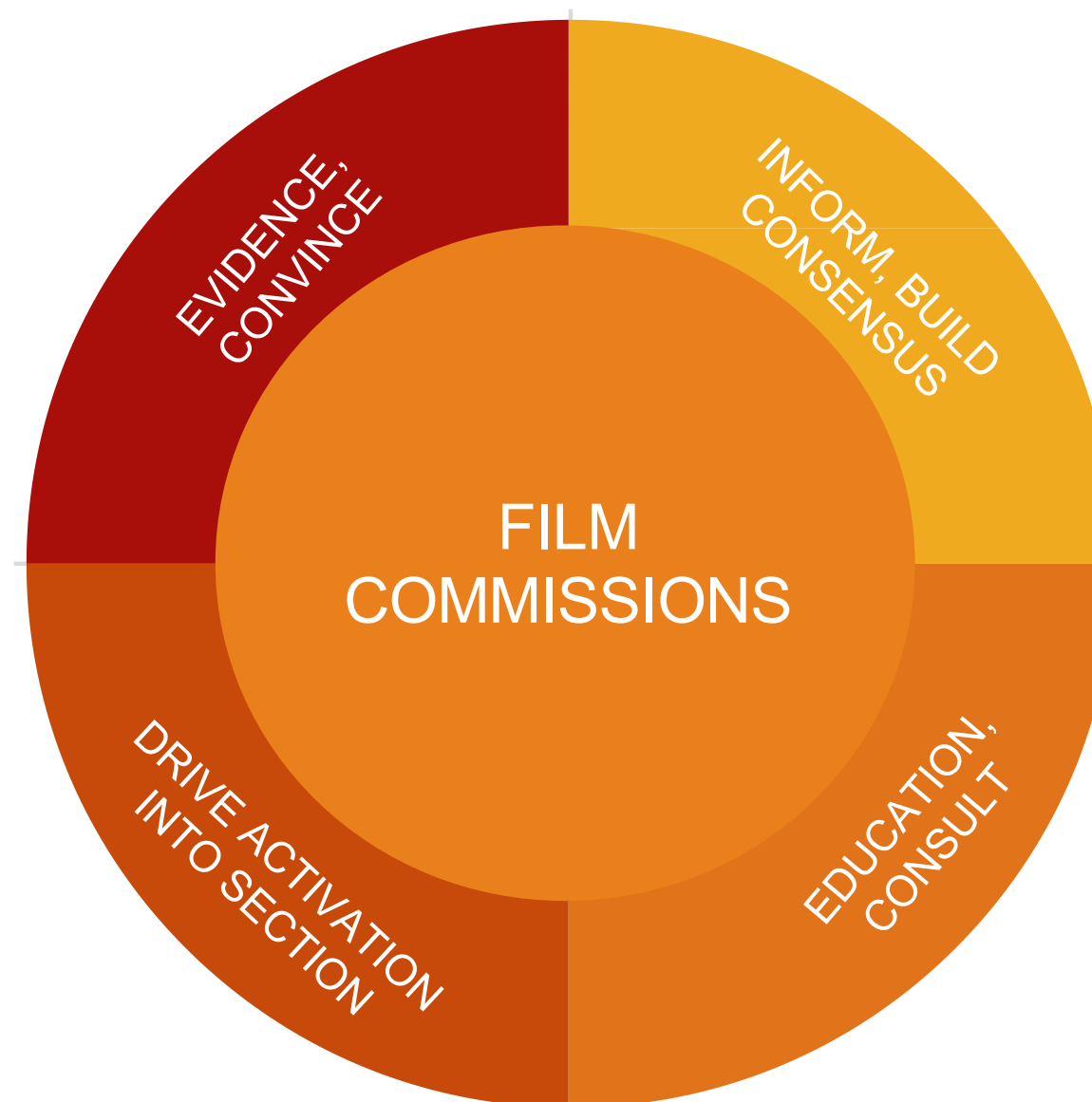
PARTNER ENGAGEMENT OVERVIEW

CENTRAL GOVERNMENT / LEGISLATIVE

- > Key ministries / departments, including finance, economy and others – including those overseeing locations
- > Individual legislators
- > Review committees
- > Opposition
- > New legislators, ministers and other new members of government

PRIVATE SECTOR

- > Banks
- > Insurers
- > Supply chain companies



PUBLIC AUTHORITIES

- > Immigration
- > Customs
- > Police
- > Municipal permitting entities
- > Workforce and skills development agencies
- > Export and inward investment agencies
- > Tourism

OTHER

- > General public
- > Trade organisations
- > Unions

PARTNER ENGAGEMENT OVERVIEW

Key partners include...

CENTRAL GOVERNMENT / LEGISLATIVE

- > Can be critical investors in Screen production via production incentives, selective and grant funding, or other systems
- > Can drive rapid legislative change in response to sectoral changes, therefore sharpening a jurisdiction's competitive edge
- > Government understanding and support drives stability and attracts investment
- > However, government can be challenging to communicate with and have many competing priorities for attention and investment
- > Long-term commitment from ministries or departments of the economy, finance or tourism can be particularly challenging to achieve, and they may misunderstand the sector. Robust and transparent economic evidence is essential.

PUBLIC AUTHORITIES

- > Screen production intersects with a wide range of public entities
- > On a day-to-day basis, public authorities are critical to ensuring a smooth and film-friendly production environment by handling filming permits and closures of streets in a timely way that does not cause undue delays
- > More broadly, a key international marketing tool lies in ensuring that the agencies responsible for driving exports and inward investment fully understand and prioritise the Screen production sector
- > Public authorities can also play a key role in driving industry expansion; e.g.; skills development agencies
- > Direct personal relationships are important here, particularly for authorities that handle time-sensitive queries related to production.

PARTNER ENGAGEMENT OVERVIEW

Key partners include...

PRIVATE SECTOR

- > A range of private entities are essential for a smooth-running and expanding sector. This includes supply chain companies, from caterers to hoteliers, to specialist providers of equipment and rental houses to studios and location owners.
- > The supply chain must be activated and businesses aware of opportunities in the sector on an ongoing basis.
- > Screen-sector-specific companies are likely to move quickly to take advantage of production opportunities; it may be helpful for film commissions to take a more active role in driving activation of general service companies that may not immediately realise there is new business to be had in servicing Screen production.

OTHER

- > The general public can be a critical partner in driving a Screen production sector.
- > In general terms, increased public understanding can help avoid negative pushback to government for investing in the sector.
- > More specifically, public understanding of the benefits of Screen production can drive film-friendliness by reducing friction with road closures and other production needs.
- > The Screen production sector is generally high profile, but it is important to underline to the public that there is industrial and economic value being delivered at the local level.
- > There is a range of other key partners, such as unions and trade organisations.

PARTNER ENGAGEMENT KEY CONSIDERATIONS

IDENTIFYING PARTNERS

Based on the film commission's strategy and objectives for the Screen production sector, it is critical to identify the right individuals in the right agencies who can provide support or specific services that productions require, and communicate with them appropriately

OPACITY OF SECTOR

Despite the global recognition of film and television, there can be limited insight into the way Screen production works, the nature of investment required, and how impacts are delivered. Some partners may also hold damaging or incorrect assumptions about the sector. Engagement should look to inform and overcome a lack of understanding – focusing on economic and other unique impacts, e.g., the fact that Screen production is a business sector not unlike advanced manufacturing

BESPOKE MESSAGING

While there are global commonalities regarding the value of the Screen production sector, every jurisdiction and partner will have individual priorities. Engagement should address these priorities via bespoke techniques and messages. These can range from economic impact analyses to direct engagement, such as offering studio tours or set visits so that partners can witness the scale of activity first hand. In some situations, influential ambassadors can drive engagement

DATA AND EVIDENCE

Effective communication is underpinned by quality and transparent data. Ensuring data is being collected on the Screen production sector is a critical step and will assist in making the case for the sector to all partners

PARTNER ENGAGEMENT

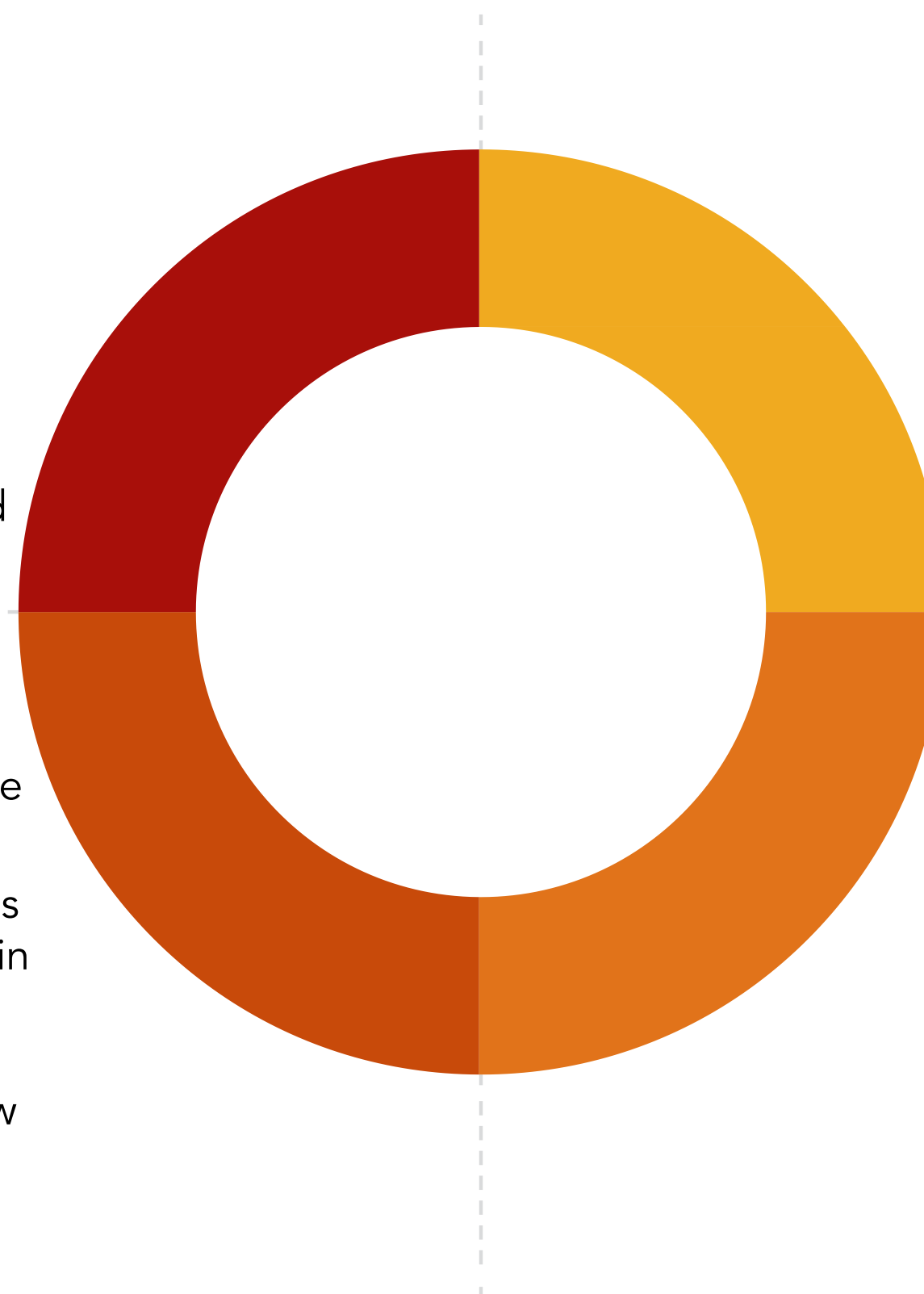
KEY AREAS OF BEST PRACTICE

STRONG AND ROBUST EVIDENCE

- > A formalised engagement plan, mapped by partner type, will drive ongoing activity and ensure no opportunities are missed
- > The creation of a sectoral development committee or a similar model could also create opportunities to include partners from outside the sector and convince them of the Screen production sector's value
- > High-profile ambassadors can also drive engagement with government and key entities and bring profile to the sector in the media

ENGAGEMENT PLAN

- > Robust, independent data tracking and statistics are the cornerstone of effective partner engagement
- > Ensuring strong tracking of production is in place is essential and data gathered in this way will underpin robust analysis and evidence – whether measuring economic impact of activity, or other impacts such as regional production activity or crew diversity
- > Evidence should focus on the sector as an investment, and the returns it delivers for the specific partner



REPEAT ENGAGEMENT

- > Engagement is not a one-off exercise. Informing and convincing partners is an ongoing process – and may also be driven by necessity with some governments and personnel in regular flux
- > Evidence should be regularly updated to show the progress of a sector year on year, and should be accompanied by transparent analysis regarding the industry factors driving any data changes

INNOVATION

- > While it is important to provide partners with information in standard forms – e.g., the value of the sector in typical economic metrics – it is also best practice to be innovative in showing the value of the sector and the need to support it
- > Given the fact there can be a lack of understanding of the scale of impacts driven by production, individual analyses of productions or visual heatmaps can inform and convince – as can set visits for key partners or other types of personal engagement

PARTNER ENGAGEMENT CASE STUDY ILLINOIS, US

1. CONTEXT

- > The US state of Illinois has a long history of Screen content production and has developed a strong production sector with broad support from legislators and other key partners.
- > The state's Film Production Services Tax Credit has been regularly improved and the current state governor is a high-profile champion for the sector – visiting production decision-makers in Los Angeles in 2024

3. IMPACT OF INTERVENTION

- > Production expenditure in Illinois has seen relatively consistent growth over time
- > There has been strong private investment in studio development

2. SPECIFICS OF BEST PRACTICE

- > The creation of the Illinois Production Alliance brought key private sector partners, studios, unions and other sectoral partners together to strategise for growth
- > The commissioning of an economic impact analysis (undertaken by SPI) ensures there is robust evidence. This study found that each dollar invested in the tax credit delivered a return on investment of \$6.81
- > The state was also an early adopter of a diversity incentive uplift, with the Illinois Film Office tracking data on this

4. LESSONS

- > High profile political support underlines the stability of a sector
- > Mechanisms to unite private sector businesses, labour unions and legislators can be highly effective

PARTNER ENGAGEMENT INEFFECTIVE PRACTICE

LACK OF ROBUST EVIDENCE BASE

Often, engagement will depend on the ability to demonstrate impact. A lack of data or low-quality data tracking will undermine this

GENERALIST OR NON-TARGETED MESSAGING

Engagement strategies should be fully aligned with partner priorities – general messaging that does not address partner priorities is a missed opportunity

LACK OF REGULAR MESSAGING AND ENGAGEMENT

It is essential that the case for the sector is made regularly, and that partners receive the latest information; this increases the likelihood that they continue to prioritise their role in the sector's success

OMISSION OF KEY PARTNERS

it is important that all strategic partners are included in engagement strategies. Planning is an important element of engagement, and all key partners should be mapped and specific strategies for engagement created and implemented

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POSITIVE IMPACT OF A THRIVING SCREEN PRODUCTION SECTOR OVERVIEW

- > The growth in global Screen production in recent years is creating significant opportunities – as well as challenges – for mature and emerging markets alike
- > In many markets, producers have been facing challenges in obtaining the volume and diversity of crew, vendors, and infrastructure required
- > The best practice areas outlined in this Study are key to overcoming such challenges and also to driving sustainable and holistic growth in the Screen production sector more generally
- > Many governments and legislators have become cognisant of the opportunity offered by Screen production for economic impacts, as well as strategic and other impacts. Driving this investment is a wide range of benefits and strategic value.

POSITIVE IMPACTS BENEFITS

The Benefit Of A Healthy Screen Production Sector

- > Screen production is a **unique, future-focused** digital manufacturing activity
- > For governments and other public investors, a thriving sector can deliver across a number of critical considerations.

Increased economic activity, measured by GVA or GDP

Creates substantial net inward investment and money flowing across a range of industries

Creation of highly skilled and productive employment

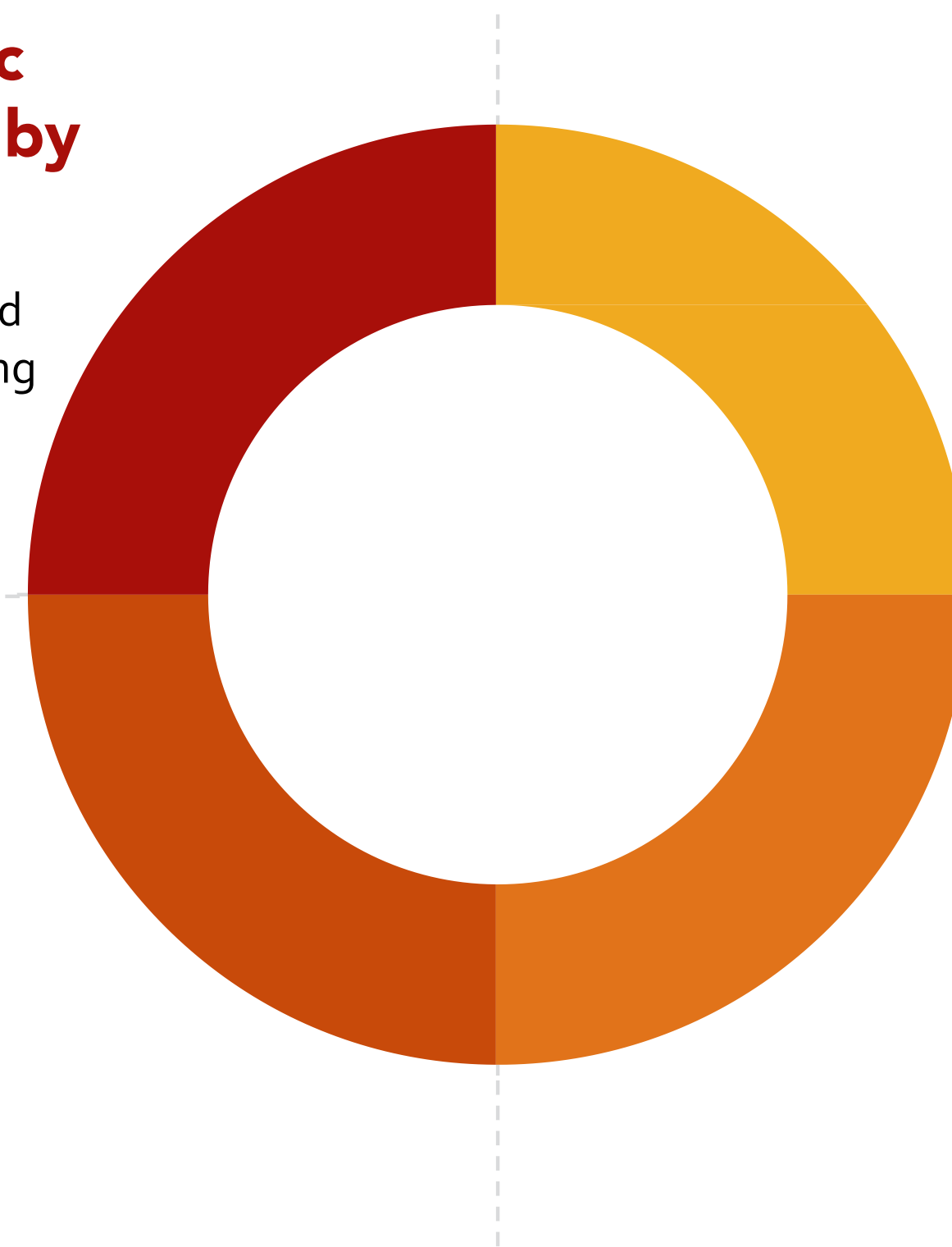
Creates well-paid jobs with valuable transferrable skills

Driver of Screen tourism and cultural diplomacy

Extends positive national and regional branding and 'soft power'

Driver of capital investment in supply chain infrastructure

Builds investor confidence to construct wider assets



POSITIVE IMPACTS

ECONOMIC AND EMPLOYMENT

- > Expenditure in the Screen production sector can be highly impactful.
- > Individual productions can spend tens – or even hundreds – of millions of dollars in an economy. This impact can also **occur very rapidly** during the Screen production process
- > This activity **does not only occur in the Screen production sector**. SPI's 2020 report *The Impact of Film and Television Production on Economic Recovery From COVID-19* found that **on average 67% of production costs are spent in other business areas in the economy**
- > The economic impact of this activity can be measured through Gross Value Added ("GVA"). This output statistic can be used to measure contribution to an economy. It is widely used to measure the impact of Screen sector support on a jurisdiction's economy
- > **Screen production is a labour-intensive process and can drive significant employment opportunities**. Since many of those working in the sector do so on a freelance basis, full-time equivalents ("FTEs") are used to measure jobs in the industry, reflecting the average annual workload of individuals.

POSITIVE IMPACTS ECONOMIC AND EMPLOYMENT

Definition of Direct, Indirect and Induced Effects

DIRECT EFFECTS

The impact on companies directly working on production

Companies working in production

INDIRECT EFFECTS

The effects on companies supplying the production

A building supplier from which the production team purchases timber

A dry cleaner which the costume department uses

INDUCED EFFECTS

The effects caused by cast and crew and those working in the supply chain spending their wages in the local economy

A crew member purchasing timber from the building supplier to build some decking at their home

A crew member using a local dry cleaner for a suit for a personal function

> Economic impacts are typically measured across direct, indirect, and induced phases of economic impact.

POSITIVE IMPACTS

SCREEN TOURISM

- > **Screen content is a proven motivator for tourists to visit an area or location.** A study conducted on behalf of Netflix and the World Tourism Organisation³ in 2021 surveyed audiences in Canada, Japan, Spain, and Turkey. The research concluded that audiences who watch content from other countries or cultures are significantly more likely to travel to the featured destinations
- > **Film and television productions can raise the profile of a specific location or culture.** By watching a diverse set of Screen products, audiences are introduced to a different cultural environment, with different languages, local histories and lifestyles. For example, in the 2021 Netflix and World Tourism Organisation study, audiences interviewed after watching Turkish content expressed higher feelings of interest and affinity towards Turkish cultural goods such as food and drink, history, and cultural landmarks
- > A 2023 project undertaken for Screen Ireland by SPI also underlined the international promotion benefits of Screen production, with **strong recognition among Irish residents that major international projects made in Ireland can have sizeable global impacts for Ireland.** The study, *The Cultural Dividend Generated by Ireland's Section 481 Film and Television Incentive*, also found significant cultural impacts generated by Screen production, including on the Irish language.

³. *Cultural Affinity and Screen Tourism*, UNWTO and Netflix, 2021.



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