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**From:** Michael-Andreas Kuttner <m-a@neatoentertainment.com>  
**Sent:** Tuesday, May 05, 2015 11:01 AM  
**To:** Office of the Legislative Counsel  
**Subject:** To the Law Amendments Committee Re: Film Tax Credit change

To: The Law Amendments Committee, Legislative Assembly of Nova Scotia

Honourable members of the committee;

I'm writing you today on the subject of the proposed changes to and capping of the Nova Scotia Film Industry Tax Credit. While I am sure you are aware of the arguments that are being made as to its direct economic impact, I wish to touch on the topic of the film industry's halo effect, specifically with regard to Nova Scotia's Digital Media industry.

I am a Nova Scotian Digital Media producer and consult with several firms in the industry here in NS. I have twenty years' experience in the production and financing of Digital Media. While I was greatly relieved that the structural changes to the Film tax credit were not also applied to the Digital Media tax credit, my concern is that the curtailing of the film industry in Nova Scotia as proposed in this new legislation will nonetheless have a deleterious effect on the digital media industry as well.

Our industry can be regarded as a sister to the film industry, as we utilize many of the same resources. A typical digital media production will require the skills of highly trained animators, recording engineers, actors, camera operators, graphic artists and production accountants, in addition to its programming staff. Often times, the labour that we borrow from the film industry can amount to between half and two-thirds of the total labour required to produce these digital media products. I say "borrow from the film industry" because the size of the productions we undertake are typically much smaller than those in the film and television industry (our budgets are often a tenth or less those of a television production), and we are therefore able to employ these staff for shorter time periods than our colleagues in the film and TV industry. This has been a positive development for the staff we share however, as we are often able to utilize these employees during quiet periods for the film industry, thereby supplementing their incomes and making for a more stable job situation year-round.

Under the new proposed structure of the Film Industry Subsidy, hard limits are set for assisting the financing of Film and TV production in the province. While this is an improvement over the original proposal announced with the budget, it will cause production in the province to shrink, and the production crews and resources available in the province will wither.

As many staff have to make the hard choices between staying in their province and going down the road to find work, a sizeable chunk of the infrastructure we share with the film industry will evaporate as those staff and equipment relocate to jurisdictions where the jobs are. The digital media industry will lose a vital pool of creative staff, and we will in many cases be forced to outsource these good paying creative jobs away from Nova Scotia in order to maintain quality and competitiveness, even as we continue to strive to build a strong Digital Media industry within the province.

I will finish with this thought; The products that the Nova Scotian Digital Media industry makes are distributed to computers, phones and iPads on a global scale. As with the Film industry, our industry predominantly employs people who are skilled, well educated, and young; a vital demographic that the Ivany Report on Building our New Economy identified the province has been shedding every year from 1971 to 2012. Together, we have just begun to turn this tide. I fear that the hit to the Film industry and its impact on related sectors, from Digital Media to TV Commercial production to the Recording Industry and live theatre (to name just a few) will return our province to the downward spiral that so many creative entrepreneurs have invested so much time and effort to help our province pull out of. We want to stay here and build a better Nova Scotia. As such, I urge you to reconsider the limits that this legislation would place upon the burgeoning success story that is our Film and Television industry. We have spent a long time building our creative economy. Please help us to keep it here, keep it healthy, and keep it growing.

Respectfully,

Michael-Andreas Kuttner  
Windsor Junction, Nova Scotia

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