

May 10, 2012

The Honourable Brad Wall Premier of Saskatchewan 226 Legislative Building Regina, Saskatchewan, S4S 0B3

Dear Premier Wall,

I'm writing to you today on behalf of the 22,000 members of the Alliance of Canadian Cinema, Radio and Television Artists (ACTRA) to speak to you about your government's decision to eliminate the Saskatchewan Film Employment Tax Credit (SFETC) and replace it with a non-refundable tax program.

I'd like to commend you and your government for meeting with representatives of the Saskatchewan film and television community after your government announced the demise of the previous tax credit regime. Your decision to meet with concerned industry stakeholders is a welcome sign that your government might be willing to construct solutions that make sense for Saskatchewan.

However, with respect, I must tell you that the subsequent announcement that your government intends to replace the SFTEC with a non-refundable tax credit does not reflect the reality of financing film, television and digital media production in North America. Recorded media productions are financed primarily through banks and based on guarantees of money coming in from other sources, such as a pre-sale to a foreign market. Non-refundable tax credits are calculated based on what a company pays to the government in taxes, and can't be used as collateral with a bank to secure crucial funding. This fact greatly reduces the competitiveness of the Saskatchewan industry, especially when you consider the more flexible tax credit regimes of other Canadian jurisdictions.

In recent years Saskatchewan has been home to many significant film and television productions that have helped your province develop into a promising production centre. In fact, since the inception of the SFETC in 1998, Saskatchewan has generated \$623 million in production revenue on a government investment of only \$100 million. In 2008/09 alone, film and television production in Saskatchewan saw 40 individual projects start principal photography, accounting for almost \$75 million worth of economic activity and creating over 1,200 jobs.

By removing the SFTEC and replacing it with an inadequate non-refundable credit, your government is hobbling the Saskatchewan media production sector during a precarious and challenging economic period.

I urge you to reconsider your position and adopt a tax credit regime that will be satisfactory to all stakeholders and allow Saskatchewan to remain an attractive destination for this competitive industry.

Thank you.

Stephen Waddell

National Executive Director, ACTRA

