DRAFT NATIONAL FILM POLICY

For Public Consultation
Foreword BY MINISTER

Over the past couple of years the Film industry in Malta took a new dimension and finally became another important contributor to Malta’s economic growth. Now, it is crucial to maintain, if not increase, this momentum. A robust long term vision and strategy needs to be implemented to ensure that Malta remains competitive and builds on the encouraging success it has achieved so far.

Given the immense potential of this sector, for the first time ever the Ministry for Tourism and other stakeholders drafted a policy focused solely on the film industry. This policy will be finalised following relevant consultation with all the key players within the industry besides also the general public. It will set the vision for the next 5 years, with the aim of realizing the potential of the international film industry and transform Malta into a unique film destination.

Since 2013, the industry grew by 650% when compared with the data of 2014. Furthermore the Film Industry registered a staggering 45% more applications through the ‘Malta Film Funds’ when compared to the period 2008-2012. Such a positive trend, both through the foreign and local market, is also expected for the following years.

This draft policy addresses important issues related to film infrastructure, targeted financial incentives, the indigenous industry, the employment sector, education, skills development and screen tourism, among others. We acknowledge that these are all important pillars that form the back-bone for a new and distinct direction for the local film industry.

This document was drafted in close consultation with all stake-holders. To this end, a few months back I commissioned the formation of a consultative council specifically tasked to draft this first film policy. Following three months of hard work, I am satisfied that through this document we have attained the objectives that we set out and I take this occasion to thank the members of the council for their sterling work.

This industry is creating new jobs and generating more wealth than never before. Government is fully determined to maintain this growth path in a sustainable manner.

Dr. Edward Zammit Lewis
Minister for Tourism
1. ENHANCING THE FILM INFRASTRUCTURE

1.1 Introduction:

Malta has been used as a film location for 90 years, however infrastructural developments in Malta needs to keep up with the rate of production and with the constant developments in other filming destinations. Currently the Government is working on a plan to enhance the water facilities at Rinella, together with the building of the first sound stages in Malta.

The famous water tank facilities at Rinella are a key infrastructural asset for Malta, yet ‘the original unique ability of the tanks to provide a ‘seamless’ infinite water line has been superseded by major technological changes. Thus such a facility is no longer enough to place the island among the best film locations. It is noticeable that the island lacks studio space, sound stages and post-production facilities.

An analysis has been carried out with regards to what Malta already has, and how this can be revamped, together with a number of recommendations specifically intended to attract companies to consider investing in film infrastructure, with the ultimate aim of opening exciting avenues to further progress and grow, while transforming the island into a global competitive film destination.

1.2 A Studio Complex:

In order to maintain and increase its global share of migrating media productions, Malta has to provide producers with a full service, and this cannot be attained without a fully-fledged film studio facility.

1.2.1 The Components Making up the Studio Complex:

The following suggestions have been made with the scope of achieving a ‘turn-key’ facility with architecture and landscaping to contemporary standards:

- Investing in and developing the current Rinella water tanks - this involves refitting and redesigning them. Facilities should include an underwater stage, green screen tank, deep water tank and exterior horizon tank, together with the option of heating the tanks. Also making sure they are supplied with high standard marine filming equipment;

- Sound stages - typically a studio complex has more than one stage, all varying in size. Due to the space restrictions Malta faces, having one or two large stages with movable partitions would be optimal - allowing productions to shoot simultaneously if necessary;

- Back – lots. Constructing one or two back lots depicting imagery which is not readily available as locations in Malta, e.g. a New York Street;
• Constructing up to date production support buildings - including areas for hair & make up, camera, grips, sound, wardrobe warehouses, production offices, meeting rooms, dining quarters and catering;

• Constructing 'shell' structures to house special effects shops, set construction, modeling shops;

• Integrating other services on site relating to both production and post-production.

1.2.2. Post - Production:

“Digital technologies have transformed the film-making process and will continue to do so”. A lot of emphasis has been made on principal photography, however this does not mean that the post - production phase is of less importance. Currently Malta is not equipped to provide a large production with a full service, including post-production services of international standards and above-the-line expertise, thus leaving such productions with no other option but to go elsewhere.

To foster the development of post-production facilities, in 2014, the Government introduced for the first time ever cash rebates for post-production in Malta. The long term vision is to make Malta a post-production hub, offering various services including Audio and Picture theatres, mixing and mastering rooms, together with other services such as editing, a visual effects studio, ADR and foley.

Nevertheless, many foreign productions still prefer to carry out post-production works in their home town. Thus any future local post-production facilities should not be created with the sole intent of servicing foreign productions - an alternative use for such department is to offer hands-on training to locals - keeping them running throughout the year.

1.2.3 Studio Complex Management and Ownership Structures:

When it comes to the management and ownership of a studio complex, different countries implement different cooperative strategies to run a studio complex.

The necessary precautions should be taken to prevent history from repeating itself, such as choosing the new studio operators by a competitive process, ensuring that this asset remains the pride and joy of the Maltese nation. A joint venture would be ideal.
1.2.4 Financing and Investing of the Studio Complex:

A few relatively good programs already exist for the upgrade and building of the proposed infrastructure:

- **Investment Tax Credits:**

  The Investment Aid Regulations - LN 68 of 2008 (S.L. 643.02) offers investment tax credits with regards to the “development and production of audio-visual products, and or the operation and provision of facilities directly required for the development and production of audio-visual products”.

- **Investment Allowance Scheme:**

  The Business Promotion Act (Chapter 325 A. 7), entitles any qualifying audio-visual company to an investment allowance of 20% in the case of buildings and structures, plant and machinery. With regards to the latter it is important to make it clear that film equipment forms part of ‘plant and machinery’.

- **Reduced Rate of Income Tax:**

  The Business Promotion Regulations - LN 135 of 2001 (S.L. 325.06) A. 4(3)(i), offers reduced rates of income tax to companies whose ‘trade or business, in Malta, consists solely of … the production of audio visual productions consisting of feature films, television films, advertising programmes or advertisements, and documentaries …’

  A suggestion is for the government to consider investing in a cluster of production services, thus creating a ‘[concentration] of interconnected companies, specialised suppliers, service providers, firms in related industries, and associated institutions (e.g. trade associations) in a particular field that compete but also cooperate.’ (draft p 10). Such clusters geared towards the film and audio-visual industry may be valuable sources of innovation and productivity growth allowing Malta to be competitive in a global market.

1.3 **LOCATIONS:**

MEPA is legally obliged to protect sites of archeological, historical and ecological significance as per the Environment and Development Planning Act, (Chapter 504).

Since a number of locations are of historic or ecological importance, MEPA experts are required by law to undertake an assessment of the effects filming might have on a SAC (Natura 2000 sites). This does not mean that the use of such sites for filming purposes would always be prohibited, but that MEPA would be able to indicate which SACs or specific areas within a SAC are permissible. Since a number of
sites are in dire need of restoration, there is the risk of losing film locations - something Malta cannot afford. Meanwhile, foreign productions are mostly looking to utilise historic, often sensitive locations - thus demanding urgent attention. Furthermore, restoration has to be carried out in such a manner that allows the site to remain suitable for filming purposes.

MEPA should work hand in hand with MFC to be more proactive in managing data relating to the availability of locations, while information must be continually revised and updated on its website. There is currently the location library on line - however one requires special permission to be able to access it. A step forward might be setting up an online database of locations accessible without any red tape.

Furthermore, the MFC could entice the public to put forward any private locations they might own to be used as a film location.

1.4 CONCLUSION:

Making a profit and achieving growth simultaneously is a tricky matter for any business, let alone the film industry. Despite the drawbacks, MFS’ long standing specialization in marine filming facilities managed to survive, while with the above proposals the situation looks promising in the foreseeable future.

A long-term development and investment plan is needed for Malta to maintain a competitive edge, while changes in the film-making process should be reflected in the country’s legislation. The above strategies outline the necessary actions, in order to seek the desired film infrastructure and fulfill the dream of making the water tank facilities a ‘world class facility’ while transform the surrounding area of land into a film village equipped with sound stages and state of the art studio - putting on offer whatever a producer might need.
2. FINANCIAL INCENTIVES

2.1 INTRODUCTION:

In 2014 the Government announced a new revised incentive scheme aimed at breathing new life into an ailing film industry which was inactive for a long period of time. These new incentives together with major changes within the Film Commission brought about a new era, with Hollywood studios returning the Malta with back to back projects which resulted in an increase of 650% over the previous year.

'It’s become a very competitive market, and yes production incentive is definitely part of the equation now when we’re making location decisions. Honestly, I don’t think that there is a production where we don’t at least look at the locations where they have viable production incentives.' - Mary Ann Hughes, vice president of film and television production planning for Walt Disney Studios. (p 18)

It is a well-known fact that the film industry deals with a lot of money and risks, thus making it very difficult for film productions to raise the required capital - in other words when looking for a shooting location, film producers look for ways to reduce the costs of production as much as possible. Until a few years ago, the picturesque scenery, favourable weather and the famous water tanks seemed to be the perfect combination in giving Malta an edge over its competitors. However countries have realised how lucrative film-making could be and governments are doing whatever it takes to attract foreign producers. This influx of rival low-cost production centres, complemented with good financial incentives and state-of-the-art studio facilities, has left Malta no choice but to enact legislation to create a competitive range of financial incentives and rebates in order to provide producers with more value for their money.

2.2 THE LOCAL FINANCIAL INCENTIVE FRAMEWORK

2.2.1 THE CASH REBATE

This initiative takes the form of LN 47 of 2015 - the ‘Financial Incentives for the Audiovisual Industry Regulations’, providing production companies with a cash rebate of 25%, with additional 2% if the film features and promotes Maltese cultural elements. In general the cash rebate incentive offered by Malta, does not involve an excessive amount of red tape when compared to those offered by other countries, however this should not be interpreted that the scheme cannot be improved, especially now when countries are doing whatever it takes to jump on the film industry bandwagon. The cash rebate guidelines should be assessed and possibly fine tuned every two years.
2.2.2 THE MALTA FILM FUND

This Film Fund provides funding for the development and production of local film projects, while at the same time strengthens Malta as a shooting location. It is imperative that this is enhanced through a long term strategy in order to encourage the production of Maltese films. A number of suggestions have been put forward in the section dealing with the indigenous industry.

2.2.3 CO-PRODUCTION AND THE CO-PRODUCTION FUND:

As the costs of production are always increasing and raising finance has not become any easier for film producers, there is no doubt that co-production treaties and agreements have become the number one rule of the day in the audio-visual world. Thus, although Malta has the co-production treaty with Canada and is part of the European Convention on Cinematographic Co-Production, there is definitely still room for growth regarding this issue. Pushing for more co-production treaties is necessary.

The Government, through a newly set up company, Malta Film Finance Ltd., made the Co-Production Fund a reality last year in the form of a €1 million equity fund. This new introduction is, aimed at encouraging local producers to partner with foreign companies and produce films and television series for the international market. As mentioned in the section dealing with the indigenous industry, finding ways of increasing the amount of such a fund is always a plus.

2.2.4 FISCAL INCENTIVES:

Today fiscal regimes has ceased to be merely a mechanism used to collect revenue but they are also a means of driving the economy in a particular destination. In addition to the cash rebate incentive, film fund and co-production fund, the Maltese government offers film makers the possibility of benefitting from tax credits, under various laws, in other words decreasing the actual amount of tax owed by the taxpayer. Such fiscal incentives include the following:

- Investment tax credits for audiovisual facilities via the Malta Enterprise Act and Investment Aid Regulations;
- Effective VAT system with efficient timeframes;
- Further tax benefits for film distribution and holding structures - Malta offers one of the lowest corporate tax rates in the EU through favourable tax structures under the Business Promotion Act and Business Promotion Regulations.

Once again although the fiscal incentives available at the moment are considered to be of a high standard, it is imperative that they are updated according to the changing demands of the industry.
2.3. INCREASING MALTA’S CHANCES OF BEING CHOSEN AS THE LOCATION OF CHOICE THROUGH FINANCIAL INCENTIVES:

It is a known fact that the financial incentives we have in place are very well structured, however it is salient that all the necessary actions are taken to ensure filming in Malta is as cost-effective as possible - with the sole aim of making sure that competitor countries do not take the foreign gold mines away. The following suggestions where put forward:

- updating the eligible expenditure for the cash rebate depending on the trends

- making special concessions and increasing the percentage cash rebate for audiovisual projects which give a significant benefit to the local economy

- while these rebates may be considered generous, it is worth analysing by how much the net benefit is reduced if a production faces extra costs to import their own crew and equipment;

- catering for lower budget productions - the MFC already offers concessions for difficult and lower budget feature films, including special cash rebate rates. Apart from the fact that the frequency of very large budget films on Maltese soil is limited, it is not uncommon that large budget shoots fly in people from overseas, so in the long run relatively few of the jobs go to the locals. In case of smaller productions, the budgets are not enough to afford such, although they might not hire a lot of people, at least the pay-cheques go to the locals. Furthermore a ‘string of low-budget productions each year can generate a substantial economic activity. This results somewhat in a continuity of work that aids the development and growth of local crews.’ Thus even though the larger productions might get the country the lime-light, from an industry and economic perspective, one gets more value added from smaller projects which make up the backbone of many film-servicing industries abroad.

- offering tailor-made incentives for commercials which would be implemented in such a way as to fall under another derogation of Article 107(3) of the TFEU. As it stands, commercials are not eligible to such incentives, because according to the EU they have no cultural contribution and so do not classify under the culture derogation of Article 107(3)(d).

- making the culture test more lenient and encompassing more ‘European’ as well as Maltese culture, thus opening our doors to more projects, while portraying Malta’s heritage indirectly;

- providing indirect financial incentives - the smallest of incentives might cause a positive difference - for instance providing some public services for free, including police patrol and army personnel;

- implementing additional tax incentives to encourage private investment;
• establishing alternative incentives to stimulate further interest in showing Malta as Malta.

A study conducted by the Ministry of Finance in 2014 established that the Film Industry has a very high multiplier effect of 3. It is a proved fact that the film servicing industry is the fastest growing economic niche offering a major contribution to the Maltese economy.

2.4 CONCLUSION:

Although Malta should not depend solely on financial and fiscal breaks, pushing for higher quality financial incentives and rebates is an on-going process which reaps benefits in the long run. Through the surge of productions filming in Malta, there should be enough time for the local infrastructure and crew base to build up and solidify, which eventually allows the government to gradually tighten the belt and reduce the incentives, as it would have alternative tools to fall back onto.
3. ENHANCING THE INDIGENOUS INDUSTRY
- INCENTIVISING THE PRODUCTION OF MORE MALTESE FILMS

3.1 INTRODUCTION:

The debate about what sort of film production Malta should try to develop and support is an ongoing one, which requires attention. The current film activity on the island is purely a 'servicing' one. This calls for the need to formulate intelligent policies upon which an indigenous industry can be crafted. In general the local indigenous industry is given more attention and hence the Government is committed to enhance incentives such as the film fund and the introduction of the co-production fund.

In order for Malta to have its own home-grown 'producing' industry, enhancing the infrastructure, and training opportunities are essential, however the focus should be on improving the current Malta Film Fund to instigate new methods of production and financing of local productions.

3.2 THE MALTA FILM FUND

MFF needs a coherent plan of action and consistency, incorporating a methodical approach and long term strategy. The Film Commission has already implemented various measures:

- established tighter rules and requirements for a production to qualify. Priority is given to quality and not quantity. Unfinished / low standard projects using up the MFF is being eliminated;

- experts and qualified mentors are oversee each project;

- imposing ‘penalties’ and taking legal action if a ‘qualifying project’ never materializes;

- implementing accountability and transparency measures

The aim is to increase the budget allocation of the MFF. Apart from making a positive contribution in encouraging the creation of quality Maltese projects, it is particularly beneficial for small budget productions, since under co-production agreements, foreign producers benefit under the name of the Maltese co-producer, thus encouraging networking among industry professionals.

3.3 THE MALTA CO-PRODUCTION FUND

The Malta Co-Production Fund can be considered as another step towards the creation of a self-sufficient indigenous audio-visual industry, as it attracts foreign companies to join forces with Maltese companies with the common aim of producing material for international distribution. Although the MFF makes it possible to
foreign producers to benefit under the name of the Maltese co-producer, the latter is insufficient for larger productions. Therefore the co-production fund is an important financing total now available to local producers.

3.4 IMPLEMENTING PROCEDURES TO INFLATE THE FUNDING CAPACITY:

It is indisputable that there are never enough funds. Expanding such funds can be achieved by implementing the right financing systems, such as the following:

- introducing a scheme through which natural and/or legal persons are encouraged to invest in the film fund, and in return they will be eligible for tax breaks;

- raising funds through a similar mechanism used by the creativity trust fund, but making the indigenous industry the sole beneficiary - i.e. a board of trustees invest the funds, while the profits made from such investments are distributed;

- a percentage of the revenue raised from the VAT paid on the purchase of cinema tickets goes directly to the film fund;

- introducing an official ‘guarantee fund’ - this takes the form of a risk-sharing contract which entails a sharing of both the risks and the profits which are connected to the contract of the loan. This way banks and financial institutions will be more willing to issue loans.

- providing a tax relief for ‘completion guarantors’ (specialised companies offering a form of insurance against certain events which could prevent production from being completed).

3.5 THE WAY FORWARD TOWARDS ENHANCING THE INDIGENOUS INDUSTRY:

This road map should be used with a view to refining and redefining the role of the MFC as an agency for the support and development of national film. Apart from instigating a strategic review focusing on the current MFF support, in the presence of other stakeholders involved in audio-visual production, the following suggestions were put forward:

- reviewing the EU’s activities in relation to what other countries are doing within this industry to keep the competitive edge;

- giving attention to those film-makers operating outside a state-subsidised system;

- working towards having a dedicated professionally trained individual or team to develop a coherent policy, action plan and targets;
CONCLUSION:

Although the film-servicing business might seem a more viable option for a place with Malta's history, it is imperative that the indigenous industry is given a chance to grow by implementing coherent investment structures. If managed well this would benefit the film-servicing industry and reap long term benefits. Thus, the necessary actions should be taken in order to make Malta a real player on the world stage by generating a home grown production industry to work with other players in the Global village.
4. REGULATING EMPLOYMENT IN THE FILM SERVICING INDUSTRY

4.1 INTRODUCTION:

‘Smart competition’ in the film business does not only consist of a studio complex and financial incentives, but also in ensuring the availability of an abundance of qualified crew. Unfortunately Malta has a problem providing enough crews in terms of quantity and first-class expertise to sustain even the normal levels of productions visiting the island. Contiguously with the implementation of training courses, it is exigent that the Maltese Government takes the initiative to put in place the appropriate structure and legislation aimed at better protecting and regulating film employment.

4.2 ESTABLISHING LEGISLATION PROTECTING AND REGULATING FILM EMPLOYMENT:

4.2.1 Analysis of the Current General Employment Law:

Malta has no specific regulation in place which coordinates employment issues with the requirements of such an industry that is traditionally ‘informal’. So far, the general law provisions found in the Employment and Industrial Relations Act (EIRA) and its subsidiary legislation are the closest form of legislation one can refer to, however a number of discrepancies need to be addressed in order to suite the specific needs of the industry.

4.2.2 Determining the Employment Status of Film Crew vis-a-vis the Employer:

In the entertainment industry, the misclassification of whether film crew are employees or independent contractors is prevalent, especially when there is no specific guideline to follow. This makes it arduous when it comes to point out their rights and obligations at law.

A number of film crew seem to fit into the definition of ‘employee’ given by the EIRA in Article 2(1) (Chp 452), yet a number of producers are still contracting with crew members as independent contractors - reason being that as independent contractors, crew members are not afforded the protection offered to employees.

LN 44 of 2012 (Employment Status National Standard Order) - helps determine the status of employees by establishing eight scenarios and if a minimum of five grounds are satisfied, the relationship is automatically categorised into one of employment. In the case of below-the-line engagees, the grounds mentioned in sub-articles 3(1)(b)(d)(e)(f)(g) are almost always automatically covered - thus an employment relationship is presumed - while all the provisions of the EIRA and Subsidiary Legislation and Orders should apply. However, a number of issues arise when the above is applied to film employees:
Article 4(1) - assumes that the employment is of an indefinite duration - this is totally against what happens on production, where the effective end of employment is known.

Article 4(5) - states that the number of hours of work are deemed to be equal to that of a comparable whole-time employee, or according to the hours specified in the corresponding Wage Regulation Order, or in the absence of such, on a forty-hour normal working week, unless agreed otherwise in writing. The local film employer usually has no whole-time employees, no Wage Regulation Order (WRO) for the film industry exists and the 40 hour normal working week does not really pertain to it, due to exceptions found in L.N. 247 of 2003. Thus one is left with what is stated in the agreement between the employee and the employer, with nothing else to compare to.

The above discrepancies call for clearer guidelines for the employment of production crew.

More importance is to be attributed to the dynamic between the 'unregulated' traits of such an industry, and the duties created by a strict reading of LN 44 of 2012.

**4.2.3 The Minimum Standard of Law:**

The standard national minimum conditions of employment were analysed through LN of 2003 (Organisation of Working Time Regulations) and the following were evaluated:

- Daily Rest
- Breaks
- The weekly working time
- Night work
- Leave Entitlement - special leave, injury leave, sick leave
- Overtime

Apart from the fact that the provisions covering the above issues are not suitable to offer enough protection to this specific class of employees, LN of 2003 also includes a number of exemptions:

**4.2.3.1. Exemptions to the Minimum Standard of Law:**

Assuming that the term ‘cinematographic production’ includes local film crew, Article 15(c)(iii) of LN 247 of 2003, excludes such employees from the above-mentioned minimum standards. To a certain extent such exemptions make sense - for instance in the case of daily rest, working more than 13 hours during a 24 hour period is considered to be something inevitable, due to the nature and demands of such an industry. Keeping in mind the competition we face from other countries and the tight environment on a film set, very often the most basic of rights are unknowingly breached.
Furthermore, Article 14 was discussed, which amid the exceptions still imposes guidelines which employers must adhere to. Given the case that the above mentioned exemptions apply, and the employee is required to work during which would otherwise be a rest period, the employer is still obliged to protect the worker appropriately in order to safeguard his health and safety. Article 14 might seem to protect film employees, yet it is still vague and general. A more specific list of what is expected from the employer is necessary.

4.2.4 The Way Forward - Enacting a Legal Framework to Protect and Regulate Film Employment:

It is indisputable that Malta has an equivocal and inefficacious means of regulating the conditions of employment of the local film crew. Since the labour structures inherent in the film and media industry are more fluid than others (1), a specific legal framework should be introduced in order to avoid putting such an important part of the industry in jeopardy.

In the current labour market, the economic climate can change from one day to another, so a fair and flexible legislation is the right way forward. Since, film servicing is formed on a temporary mode of organization, where workers are brought together for a single film production and are then disbanded once the production is wrapped, we require tailor-made conditions which allow an element of flexibility, but at the same time provide for a better working environment.

A film Work Regulation Order might seem ideal, however deemed archaic in nature since it involves:

- Over-regulation within the employment sector - the employer has to adhere with the terms of employment stipulated within the law with little leeway allowed and such might drive away foreign producers;

- An inflexible method of application.

The above drawbacks are clear when compared to the continuous progress of the National Standard Order - in fact the EIRA was promulgated with the idea of being able to respond quickly to the ever changing labour market, through the in-built mechanism of LNs. On the other hand, although many agree that the NSOs current reach eliminates the need to introduce new WROs for new sectors, it is discernible that the EIRA and other regulations in relation to it still include a number of loopholes which lead to a possibility of abuse by film production companies.

Therefore, although a film WRO might not be the optimal solution, such should be used as a guideline to the authorities to establish a specific yet flexible legal framework, including minimum standards of law for film crew - both independent contractors and employees - which will form part of the labour law legislation corpus of Malta.
This way, local film employees are protected and at the same time producers and production managers have a set of guidelines to follow. Furthermore, it is that the authorities are careful when tackling such a delicate issue, in an even more delicate industry - it must be ensured that the initiative does not backfire, as over protection of the local film crew might drive away producers.

4.3. CREATING A STRUCTURED FRAMEWORK FOR THE EMPLOYMENT SECTOR:

Setting up a tangible structure for this particular group of human resource is as salient as enacting a legal framework to regulate it. It would be ideal for such framework to function through negotiations between representatives of the employers, the employees and an independent party acting as a mediator.

4.3.1 The ETC:

It is a well known fact that entrance into the film industry, in any national context, is often reliant on existing relationships. However this does not mean that ways of joining the industry should not be established. As it stands the Employment and Training Corporation’s barely acknowledges film positions, thus the following suggestions were put forward:

- Job descriptions relating to the film industry should be clearly delineated in the ETC’s records, making the employment registration process is made easier;
- Assure the job seekers are not struck off the registry if they are employed on a film production for a brief period;
- Explore ways to process dailies more effectively.

This way a means of participating in such an industry is established, which can be utilised by both producers and production crew, as well as the MFC. At this point, the ETC must clarify how these recommendations are to be carried out.

4.3.2 Setting Up a Specific Office to Deal with Film Employees:

Since Malta makes use of informal systems of recruitment, a suggestion would be to create a certifying body or a mediating institution/individual which could carry out the following:

- acting as an intermediary - representing the interests of both workers and employers;
- ensuring that any policies are being adhered to;
- certifying crew members - regulate individuals working on productions;
• organising a seniority system by re-examining the MFC’s online directory and creating portfolios for each crew member which are made accessible to production companies.

• Workers and activities, especially those that are rebated have to be certified by the Film Commission or another entity which is set-up accordingly

4.3.3 Transforming the Labor Requirements for the Film Servicing Industry:

Malta’s competitive low-cost labour rates and lack of prohibitive union rules are pull-factors for foreign producers - yet there are significant challenges facing those working below-the-line as well as local service providers. Very often foreign productions still travel to Malta with their own crew members who occupy key positions.

Apart from leaving local workers no choice but to take up more junior positions, and work in a perpetual cycle in a below-the-line capacity, with little room to take up HOD positions, it is not economically favourable for Malta, as money is paid out in labor cost cash rebates while the higher salaries paid by the production leave with the foreign crew - instead of being injected in the local economy as salaries to the local crew.

The film industry is a business not a non-profit making organisation, and thus a ‘give and take’ relationship should be established with the foreign productions. The following suggestions were put forward:

• a minimum amount of local crew with above-the-line posts need to be employed in order for the production to benefit from rebates/incentives;

• although labour costs are included in the latest cash rebate incentives - it would be ideal to promote a specific labour based tax incentive program with regards to the employment of locals as HODs and other above-the-line positions;

• offer scholarships to persons already experienced in film to work abroad and gain the necessary experience for above-the-line posts.

4.4. CONCLUSION:

As it stands, there is no regulatory system or structure dealing with employment in the film industry, while it is indisputable that the general employment provisions are too vague, making room for abuse.
A thorough investigation and data collection is necessary in order to establish a concrete structure regulated by appropriate provisions. Such amendments should be reflected in the film crew contracts which so far are based on decisions taken by the production company and an individual’s capability of bargaining power, which very often lead to a ‘one size fits all’ contract. Furthermore, the above initiatives are crucial, if the desire to build a studio complex is imminent, as such has to demonstrate that the labour needs of any type of production can be met.

Last but not least, it is vital that a balance is found between safeguarding the local crew’s rights in a way that attracts people to join the industry, but at the same time not spoiling the workforce and scaring producers away due to an overload of complications.
5. FILM EDUCATION AND TRAINING OPPORTUNITIES

5.1 INTRODUCTION:

Education can contribute greatly to the development of Malta’s audio-visual sector and film servicing industry, while also providing social and cultural benefits to the community. The need for a strategic educational framework is already enshrined in the current MFC Act in the form of Article 4(1)(d) and (e). The next step is to implement such dispositions of the law materially.

A lot of effort is already being done in order to construct a local pool of talent. One should start by mentioning the €500,000 awarded to the MFC as part of the European Social Fund Cohesion Policy Operational Programme II 2007 - 2013 - this allowed the MFC to initiate a certified training programme consisting of a number of modules which provided a strong foundation for those interested in joining the film industry. Although the MFC is moving in the right direction towards improving film crew expertise, there is still a long way to go. Ideally this is achieved by providing film education to young children and higher education, including hands on training and academic initiatives for those wishing to pursue a career in film.

The first postgraduate program as Master of Arts in Film Studies has been launched last June between the Ministry for Tourism and the University of Film and the first in-takes are to commence in October 2015. The idea behind this M.A. is for postgraduates to be given a practical and theoretical thought in all aspects of cinematography so that after this program they can specialize in the field that appears most opportune in the film industry.
MCAST and the Malta Film Commission (MFC) have signed a Memorandum of Understanding that will see both parties collaborate to raise the awareness of the filmmaking industry in Malta as well as to provide MCAST students with further training opportunities. Malta has been an excellent film destination for medium to large foreign productions due to its unique architecture, stunning landscapes and enticing financial incentives and this joint collaboration will further strengthen and develop Malta’s indigenous film industry. This agreement is also intended to provide a framework for collaboration, training initiatives and pooling of resources and support for the implementation of identified initiatives by the Malta Film Commission and MCAST.

5.2 FILM AND MEDIA YOUTH PROGRAMS:

Film and media literacy programs have been undervalued in the Maltese context, with only certain independent schools offering such an important subject as part of their curriculum. Therefore, the significance of film literacy programmes as either integrated into the national curriculum or as a complimentary activity needs to be highlighted.

- **Active Learning:**

Film is not only about watching, but also about active learning and participation, which can have positive effects on youth motivation and behaviour.

- **Film as a Supplement to the National Curriculum:**

The cross-curricular use of film can reframe and add an extra dimension to a wide range of subjects which are already in part of the national curriculum, by activating critical thinking. Furthermore, film is regarded as an accessible medium, able to engage students of varying abilities and also an effective tool for languages and understanding of different cultures.

- **Film Appreciation: Film as Art Form and Culture:**

Although the bulk of this document has argued that film is a business, it is also an art form.

Introducing students to films from different cultures can reduce the stigma attached to watching sub-titled films, or films from different eras, thus creating a higher demand for films and increasing cinema-going, while building a new generation of cinema goers and perhaps even filmmakers, with more eclectic preferences.

- **Youth Film-making Initiatives:**
Organising projects that incorporate filmmaking and/or extracurricular filmmaking initiatives would be ideal as such activities help to increase confidence, inspire teamwork, build social skills, improve concentration and problem solving, planning and presentation skills. Furthermore, such projects allow students to realise the potential to work within the audiovisual industry, as they become aware of the different components involved in production.

- **Film and Inclusion:**

Incorporating film activities could also help students with different learning abilities to socialise.

Film education is not only a useful academic tool but it also gives younger people the opportunity to advance skills that future employers would find desirable. A number of suggestions were put forward in order to shape a national plan for film education that is strategic and cost-effective:

- Introducing a pilot project;
- Ensuring that there are enough educators who are trained to offer quality training and advice on how film can be incorporated in class;
- Carrying out a research to provide evidence of effectiveness of film education in the Maltese context - preferably a longitudinal study that assesses the long-term impacts of the pilot scheme;
- Creating partnerships between public organisations, the education sector and the industry, while linking various stakeholders together including the Ministry of Education, the National Archives of Malta, MFC and other relevant bodies.

### 5.3 Higher Education and Vocational Training:

The need for a thorough assessment of the state of the audiovisual labour force is evident. To date, no in-depth state-backed research has been carried out in regards to skills shortages within the film industry. A skills gap analysis is required for a number of reasons:

- the progress of the national film industry;
- for the film servicing industry to maintain momentum and develop further; and
- setting up a film school or academy.

Furthermore, in order to be able to create a pool of workers and fill in the skills gap, it would be ideal to evaluate the training structures already in place and the practicalities entailed in creating further structures. With regards to the desire to build a dedicated film school or academy, a proper feasibility study would be necessary.

The current structures offering film related training are too spread out - a coordinated approach is a allocating must, thus synergies should be created between all entities to create more capacity. For instance, the University of Malta, MCAST,
the MFC and any interested private training providers. If these entities were to be coupled with the number of investments being made by the Government, such as the traineeship programs, we would be closer to achieving international film school standards.

Although, having a fully-fledged film school is ideal however it involves a lot of work to be set up, requires a responsible framework to serve as a good basis, while it will take a good number of years until it will open its doors. This does not mean that there are no alternatives education and training ideas which could be implemented until the film school becomes a reality. The following are a few suggestions:

- offering special training abroad to a specific group of already experienced film crew from a number of departments - similar to offering a scholarship or placement;
- making a distinction between the ESF programme and more long-term forms of study;
- allocating a % in tax incentives to encourage film productions to take a number of local workforce and trainees on board;

5.4 **CONCLUSION:**

A cohesive action plan involving a detailed assessment of the facilities, managerial and training structures required is to be carried out in order for Malta to be able to offer professional film production training.

On the other hand, one has to keep in mind that training and education will not be effective in the long term, unless backed up by a real possibility of employment and that of building a professional future in these industries.
6. SCREEN TOURISM

6.1 INTRODUCTION:

The screen tourism phenomenon has been recognised by local authorities in recent years as a driver for tourism and economic growth. The Government recognised the importance of emerging tourism and the film industry for these entities to work together. Given the potential economic value that this strand of tourism can generate, it would be worth evaluating a key number of themes, which would in turn allow for the provision of a clear vision and strategy.

6.2 TYPES OF SCREEN TOURISM:

Screen tourism takes various forms - the following are types relevant to the Maltese context:

- Specific Sites - sites which become popular destinations thanks to their appearance on small or large screens;
• Film-Themed Attractions - attractions with a connection to film;

• Film Tours - there are currently several initiatives including the MTA’s Movies Locations Podcast, Malta Film Tours and the upcoming Malta Movie Map being developed by the NGO Filmed in Malta;

• Film Festivals and Conferences - although the Valletta Film Festival is still a novel initiative but it undoubtedly has the potential to draw in a range of audiences and become an effective screen tourism tool. The same can be said for more specialised events such as the Small Nations Cinema Conference;

• Filming Underway - this refers to visiting a location where filming is taking place, which is a common form of screen tourism;

• Celebrity promotion via media channels and social networking sites.

6.3 POSSIBLE WAYS IN WHICH SCREEN TOURISM CAN BE CRITICALLY EVALUATED:

In order for Malta to be well equipped to host screen tourists, a range of themes and perspectives must be acknowledged, with the following factors being considered:
1. The Consumer:

A number of different screen tourists exist, which include the serendipitous screen tourist, the general and the specific screen tourist. It is most likely that the former is the most prevalent within the Maltese context, since film related activities are often an add-on to an already planned visit. Furthermore, the pull-factors involved in the screen tourist’s visit to Malta or to a particular film related site on the island should be ascertained through a comprehensive study, which could also involve building a tourist profile.

2. The Destination Impact:

This refers to the impact of screen tourism on the host nation and involves examining the cultural, economic, environmental and social components. While transforming audiences into tourists can bring with it immense economic benefits there is also the danger that locations can suffer adverse effects because of screen tourism. Whatever the action plan used, the necessary precautions should be taken and a balance must be found between deriving the maximum in economic benefits, but not to the detriment of Malta’s environment and communities. This calls for a synergy between MEPA and the MFC. Furthermore, ideally an impact assessment is carried out in order to be prepared for any situation while be able to prevent any future problems.

3. The Economic Impact:

Generally speaking, the rise in tourist numbers can only help Malta’s economy. As discussed earlier in the section dedicated to financial incentives, Malta currently offers a financial rebate of 25%, plus an extra 2% if the island is ‘shown in a cultural way.’ The relevant stakeholders have suggested that an increase in the amount offered to filmmakers who decide to use a location as itself may have positive impacts on the screen tourism industry.

Furthermore, MTA together with MFC are already working on a strategic plan to enhance screen tourism. Current initiatives includes:

- Film maps;
- Film museums;
- Film location signage;
- Hotel packages with inclusive film tours;
- Photography opportunities at significant film sets

Another initiative would be to organise a course for tour guides, where prospective guides are provided with appropriate training on topics that centre on Malta’s cinematic past and present, and presented by a special licence at the end of the
course. This way the danger of having unregulated low-quality activities is decreased.

4. **The Marketing Aspect:**

There are a number of effectual marketing techniques that can be utilised in order to promote Screen Tourism, which include a mixture of interactive and traditional forms of marketing. Ideally a destination branding campaign is created using a proper strategy which would allow for a more sustainable and long-term vision. It is imperative that any destination branding is weary of emphasising sets that are temporary: the ramifications of promoting sets that are eventually destroyed after production has wrapped could lead to the loss of visitor satisfaction.

It is indisputable that the digital age has increased opportunities to promote destination images and filming locations, however, although the significance of social media must be recognised, it is also important to acknowledge the more traditional forms of promotion which include:

- newspaper journalism;
- specialist reportage; and
- books.

In relation to a marketing action plan, the following is a suggested model that various stakeholders can utilise for a variety of marketing activities during and after film production:

**Before/During Production:**

Management action is required which is achieved through the following marketing methods and planning:

- engaging workforce support;
- engaging artists, directors and other VIPs to promote the location;
- sourcing destination images;
- creating a marketing image for post-production exposure;
- creating a strategy for media coverage during shooting and post-production.

**Post Production:**

Management action is vital to maximise the release impact through the following techniques:

- Brand marketing;
- Co-operative marketing;
- National and international promotion;
• hosting events to continue to ‘pull’ production.

Furthermore, in case of negative exposure after the production, a process of de-marketing would need to be carried out to minimise the negative impact.

This model can be implemented via a multi-interest working group which will be capable of cultivating an action plan for each of the phases highlighted above. Once a template has been trailed, the working-group can choose whether to adopt it for future use.

6.4 CONCLUSION:

Film can be a very good marketing and PR tool to promote Malta around the world. The Film Commission already offers an additional 2% cash rebate incentive to those productions that portray Malta in a positive way. Other incentives and marketing strategies should be established in tandem with MTA.