Contents

Foreword By Minister

1. Regenerating The Film Industry's Infrastructure
   1.1 Introduction
   1.2 Studio Complex
      1.2.1 The Components Making up the Studio Complex
      1.2.2 Post-production
      1.2.3 Studio Complex Management and Ownership Structures
      1.2.4 Incentives for Film Infrastructure
   1.3 Locations

2. Regulating Employment In The Film Servicing Industry
   2.1 Introduction
   2.2 The Need to Draw Up Legislation Protecting and Regulating Film Employment
      2.2.1 Analysis of the Current General Employment Law
      2.2.2 Determining the Employment Status of Film Crew Vis-A-Vis the Employer
      2.2.3 The Minimum Standard of Law
      2.2.4 The Way Forward - Enacting a Legal Framework to Protect and Regulate Film Employment
   2.3. Creating a Structured Framework for the Employment Sector
      2.3.1 The Employment and Training Corporation (ETC)
      2.3.2 Transforming the Labour Requirements for the Film Servicing Industry

3. Screen Tourism
   3.1 Introduction
   3.2 Types of Screen Tourism
   3.3 Possible Ways in Which Screen Tourism Can Be Critically Evaluated
      3.3.1 The Consumer
      3.3.2 The Destination Impact
      3.3.3 The Economic Impact
      3.3.4 The Marketing Aspect

4. Financial Incentives
   4.1 Introduction
   4.2 The Local Financial Incentive Framework
      4.2.1 The Cash Rebate
      4.2.2 The Malta Film Fund
      4.2.3 Co-Production and the Co-Production Fund
      4.2.4 Fiscal Incentives

5. Enhancing The Indigenous Industry - Incentivising The Production Of More Maltese Films
   5.1 Introduction
   5.2 The Malta Film Fund
   5.3 The Malta Co-Production Fund
   5.4 Implementing Procedures to Inflate the Funding Capacity
   5.5 The Way Forward Towards Enhancing the Indigenous Industry

6. Film Education And Training Opportunities
   6.1 Introduction
   6.2 Film and Media Youth Programs
   6.3 Higher Education and Vocational Training

7. Film Heritage
   7.1 Introduction
   7.2 Preservation and Access
   7.3 Private Donors
Steven Spielberg prepping a scene for Munich (2005)
© Universal Pictures,
Photo by Karen Ballard
Over the past couple of years, the film industry in Malta took a new dimension and is now another important contributor to Malta’s economic growth. It is crucial to maintain, if not increase, this momentum. A robust, long-term vision and strategy needs to be implemented, in order to ensure that Malta remains competitive and builds on the encouraging success it has achieved so far.

As the potential of this sector has become increasingly more evident, the Ministry for Tourism has, together with film industry stakeholders and following a wide public consultation, drafted a policy focused solely for the film industry. This policy sets the vision up till 2020, with the aim of maximising the potential of both Malta’s film servicing industry as well as the promising local film sector. This policy will serve to transform Malta into a unique film destination.

Over the past three years, we have witnessed a dramatic increase in the number of productions shooting on our shores. Whilst the spend in 2013 by foreign productions in Malta was €5 million, this figure rose to €29 million in 2014 and over €100 million in 2015, ensuring a record year on all fronts. Such a sharp increase in such a short period of time makes it even more imperative that there is a National Film Policy that addresses important issues related to film infrastructure, targeted financial incentives, the local film industry, the employment sector, education, skills development, screen tourism and screen heritage 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 policy document is the result of the hard work of the consultative council I had set up a few months back as well as the feedback received from key stakeholders and members of the general public. 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 and all those who put forward their feedback during the public consultation.

This policy renews our commitment to keep working towards creating a sustainable film industry.

DR. EDWARD ZAMMIT LEWIS
MINISTER FOR TOURISM
REGENERATING THE FILM INDUSTRY’S INFRASTRUCTURE
1.1 INTRODUCTION

For almost a century, Malta has been used as a film location, and is now an established and reputable filming destination. However, for Malta to keep its competitive edge, infrastructural developments need to keep up the pace with technological advancements and developments in other filming destinations.

The famous water-tank filming facilities at Kalkara have been Malta’s key infrastructural asset for the past fifty years; however, the original unique feature of the tanks, blending seamlessly with a clear horizon, has been superseded by major technological advancements. Without further investment and regeneration, Malta stands to lose much of the competitive edge it once enjoyed. Furthermore, the lack of adequate studio space, sound stages and post-production facilities has led to Malta being perceived principally as just an exterior location.

It is with these considerations in mind that the film industry’s infrastructure is being seen as one of the priorities that this policy will address. Currently, Government is working on a plan to regenerate the water-tank filming facilities at Kalkara, and building the first sound stages in Malta. An analysis has been carried out, listing Malta’s assets in this sector. This policy puts forward a number of recommendations, specifically intended to attract companies to consider investing in Malta’s 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 achieved without a fully-fledged film studio facility.

1.2.1 The Components Making up the Studio Complex:

The following suggestions are being made with the scope of achieving a ‘turnkey’ facility with architecture and landscaping to contemporary standards:

- Investing in and developing the Malta Film Studios - 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 multiple productions to shoot simultaneously if necessary;
- Backlots – Having one or two backlots possibly offering ready built sets of locations not available 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 facilities;
- Constructing 'shell' structures to house special effects shops, set construction, modelling shops;
- Integrating other services on site relating to both production and post-production.

1.2.2 Post-production

Digital technologies have transformed the filmmaking 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 less important. Currently, Malta is not equipped to provide a large production with a full service option, including post-production services of international standards and above-the-line expertise. Unfortunately, this leaves such productions no other option but to go elsewhere.

In 2014, Government introduced for the first time ever cash rebates for post-production in Malta, in order to foster the development of post-production facilities. 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 solely for servicing foreign productions but also the local sector - an alternative use for such facilities could be to offer hands-on training to locals hence keeping these facilities 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 co-operative strategies to run a studio complex. Choosing the new studio operators by a competitive process would be ideal.

1.2.4 Incentives for Film Infrastructure

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 audiovisual products, and or the operation and provision of facilities directly required for the development and production of audiovisual products”.

**Investment Allowance Scheme:**

The Business Promotion Act (Chapter 325 A. 7) entitles any qualifying audiovisual 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 ...’

1.3 LOCATIONS

An essential factor which makes Malta an attractive film location is its versatile locations. A balance needs to be struck at all times in such a way that any filming activity is done with full respect of Malta’s environmental, historical and cultural assets. It is for this reason that wherever public locations are concerned, the Malta Film Commission (MFC) will liaise with all public entities such as the Malta Environment and Planning Authority (MEPA), Heritage Malta, the Lands Department, Transport Malta and others.

Whenever locations are of historic or ecological importance, MEPA experts are required by law to undertake an assessment of the effects filming might have on Special Areas of Conservation (SAC) sites. This does not mean that filming in such sites would be prohibited, but rather MEPA would be able to indicate which SACs or specific areas within a SAC can be used and set strict guidelines of what activity is permissible or not. Furthermore besides regular monitoring during the course of construction or actual shooting, bank guarantees are also demanded as a safety precaution and deterrent against abuses.

While progress at times dictates that various landmarks and sites are restored or developed, whenever possible any such interventions should ideally be sensitive to the requirements of the film industry. Any radical upgrades could result in some locations being made unsuitable for the filming of scenes for films in the epic genre.

MFC should work hand in hand with the other Ministries to be more pro-active in managing data relating to the availability of locations, while information must be continually revised and updated on its website.

It is also being suggested that the Film Commission set up a location library as a tool to help prospective film makers identify any interesting locations prior to actually coming to Malta. Furthermore, the MFC could encourage also the general public to put forward any private locations they might own to be used as a film location.
POLICY DIRECTION

This policy seeks to prioritise on directing investment towards the film industry’s infrastructure. With the recent dramatic increase in film productions having provided back to back work for all the industry stakeholders, further investment in Malta’s film infrastructure will ensure a consistent growth within this sector while at the same time opening more opportunities for filming activity in the shoulder months.

It is of utmost importance to transform the facilities at Kalkara into a modern film studio.

Building sound stages will guarantee a consistent amount of work, even in the winter season when filming on location can be limited due to weather conditions.
REGULATING EMPLOYMENT IN THE FILM SERVICING INDUSTRY
2.1 INTRODUCTION

‘Smart competition’ in the film business does not only consist of a studio complex or financial incentives, but also in ensuring the availability of qualified crew.

One of Malta’s challenges is that of providing enough crews in terms of quantity and first-class expertise to sustain even the normal levels of productions visiting the island. With the implementation of training courses, it is vital that the Maltese Government takes the initiative to put in place the appropriate structure and legislation aimed at better protecting and regulating film employment.

2.2 THE NEED TO DRAW UP LEGISLATION PROTECTING AND REGULATING FILM EMPLOYMENT

2.2.1 Analysis of the Current General Employment Law

Malta has no specific regulation in place which co-ordinates 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.

2.2.2 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 more difficult when it comes to point out the rights and obligations at law of both the film crew and the employer.

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 crew members as independent contractors.

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 engagements, 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 dynamics between the ‘unregulated’ traits of such an industry, and the duties created by a strict reading of LN 44 of 2012.

2.2.3 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.
2.2.3.1 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.

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 obligations of what is expected from the employer is necessary.

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

It is indisputable that Malta has an equivocal 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, 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.

2.3 CREATING A STRUCTURED FRAMEWORK FOR THE EMPLOYMENT SECTOR

The setting up of new structures is seen as an important and urgent matter which this policy seeks to address. The recent unprecedented successes have both highlighted the worth of Malta’s skilled workforce but also brought to the forefront the urgent need to enact clear guidelines to safeguard the rights as well as health and safety of Maltese crews. Ultimately, it is felt that any regulations enacted should first and foremost protect crew based in Malta from abuses but also at the same time offer a degree of flexibility to this very demanding and unique sector.

The structures have to take into consideration various factors including:

- Working on payroll vis-a-vis on invoice;
- Minimum wage;
- The number of hours that crew members are expected to work per day;
- Leave and sick leave entitlement;
- Equality on the place of work.

Setting up a tangible structure for this particular group of human resource is as salient as enacting a legal framework to regulate it.

2.3.1 The Employment and Training Corporation (ETC)

- It is a well-known fact that entrance into the film industry, in any national context often relies on existing relationships. However, this does not mean that ways of joining the industry should not be established. As it stands, the ETC 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 easier;
  - Assure that 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. The Film Commission is working with ETC so that these recommendations are carried out.

2.3.2 Transforming the Labour 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.
Local workers are taking up more junior positions, and perpetually work in a below-the-line capacity. Very few are moving up to HOD positions. There needs to be a long time strategy to change this scenario:

- Scholarships and specialised training should be offered to individuals already having experience in the film industry;
- Opportunities to work abroad and gain the necessary experience for above-the-line posts;
- More local crew with above-the-line posts need to be employed on productions shot in Malta and Gozo;
- More internships and traineeships should be offered to local crew.

**POLICY DIRECTION**

The industry needs a regulatory system and a structure dealing with employment in the film industry. The general employment provisions have to be clear and customised for the Maltese film industry. A thorough exercise will be carried out by the Film Commission, ETC, and other entities like the Department for Industrial and Employment Relations to establish a concrete structure regulated by appropriate measures.
SCREEN TOURISM
3.1 INTRODUCTION

On an international level, the screen tourism phenomenon has in recent years been recognised as a driver for tourism and economic growth. In recognising the importance of this niche sector, and given the potential economic value that this tourism niche can generate, this policy will present a number of themes, which would in turn allow for the provision of a clear vision and strategy.

3.2 TYPES OF SCREEN TOURISM

Screen tourism can take various forms with the following being more relevant to the Maltese context:

- **Specific Sites** - sites which become popular destinations thanks to their appearance on small or large screens – The Film Commission together with the Malta Tourism Authority (MTA) will be embarking on a signage project to help tourists identify the more popular film locations;
- **Film-Themed Attractions** - attractions with a connection to film;
- **Film Itineraries** – Initiatives such as the MTA's Movie Locations series of podcasts whereby tourists can be helped to discover Malta’s prime film sites should be encouraged;
- **Film Festivals and Conferences** - although a Film Festival is still a novel initiative, 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.**

3.3 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:

3.3.1 The Consumer

A number of different screen tourists exist, which include the casual 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 drawing or crowd pulling-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.

3.3.2 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 need to strike the right balance in order to retain each location's character and lessen the inconvenience to local communities as much as possible.

3.3.3 The Economic Impact

The rise in tourist numbers can only help Malta’s economy. As discussed in the section dedicated to financial incentives, Malta currently offers a financial rebate of 25%, plus an extra 2% if the island is ‘portrayed in a cultural way.’ An increase in the rebate percentage 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 exploring other possible screen tourism initiatives including:

- Film maps;
- Film museums;
- Film location signage;
- Hotel packages with inclusive film tours;
- Film set visits.

In addition to the above, licensed tour guides should be provided with appropriate training on topics that centre on Malta’s cinematic past and present. Successful participants would be presented with a special licence with options of additional access to usually restricted film locations.

3.3.4 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 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;
- 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:**
- 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:**
- Brand marketing;
- Co-operative marketing;
- National and international promotion.

**POLICY DIRECTION**

Film can be a great tool to promote Malta and Gozo across the globe. For an economy which depends so much on the tourism sector, screen tourism offers a niche market that can be highly lucrative. The country needs to exploit the glamour of the film industry through consistent marketing and PR campaigns. At the same time Malta and Gozo need to be well equipped to host screen tourists, offering a new and diverse product.

The Film Commission will continue to offer an additional 2% cash rebate incentive to those productions that portray Malta in a positive way.

The Film Commission will work in tandem with MTA to promote screen tourism and the country in general across the world.
FINANCIAL INCENTIVES
4.1 Introduction

In 2014 Government announced a revised incentive scheme aimed at breathing new life into the film industry which had been inactive for a long period of time. These new incentives together with major changes within the Film Commission’s strategy heralded a new era, with Hollywood studios returning to Malta with back to back projects for the most part of 2014 and 2015.

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, other countries have realised how lucrative film-making could be and governments are doing whatever it takes to attract foreign producers. The emergence of rival low-cost production centres, each enacting their own financial incentives and developing new modern 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.

4.2 THE LOCAL FINANCIAL INCENTIVE FRAMEWORK

4.2.1 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. While Malta’s incentives are at the moment very attractive, these should be evaluated and possibly fine-tuned every two years in order to sustain Malta’s competitive edge. This is of utmost importance in view of the fact that many competing regions are continuously and aggressively revising their financial incentives making them more competitive.

4.2.2 The Malta Film Fund

This Film Fund provides funding for the development and production of local film projects. 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 film industry.

4.2.3 Co-Production treaties 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 very important. The signing of a bilateral film co-production agreement between Malta and China in 2015 and the previous co-production treaty with Canada, as well as being a member of the European Convention on Cinematographic Co-Production since September 2001, were all steps in the right direction. However, there is definitely still room for growth regarding this issue; pushing for more co-production treaties is a necessity.

The Government, through a newly set up company, Malta Film Finance Ltd., made the Co-Production Fund a reality. This aims at encouraging local producers to partner with foreign companies and produce films and television series for the international market.

4.2.4 Fiscal Incentives

Today, fiscal regimes have 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 reimbursement 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.
The Maltese Government recognises that effective financial incentives are very important for the industry. The incentive system for the film industry will be maintained and reviewed on a regular basis to keep Malta’s competitive edge.

On the other hand Malta’s strategy to attract foreign productions should not focus solely on financial or fiscal breaks. Investment in infrastructure and human resources will be encouraged to help the industry grow in a sustainable manner.
ENHANCING THE INDIGENOUS INDUSTRY - INCENTIVISING THE PRODUCTION OF MORE MALTESE FILMS
5.1 INTRODUCTION

The debate about what sort of film production Malta should try to develop and support is an ongoing one, and one which requires attention. The current film activity on the island is predominantly a ‘servicing’ one. This calls for the need to formulate intelligent policies upon which an indigenous industry can be further developed. 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, it is essential to enhance the infrastructure, and provide training opportunities. However, the focus should be on improving the current Malta Film Fund to instigate new methods of production and financing of local productions.

5.2 THE MALTA FILM FUND

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;
- Experts and qualified mentors are overseeing each project;
- Imposing ‘penalties’ and taking legal action if a ‘qualifying project’ never materializes;
- Implementing accountability and transparency measures, including the auditing of every project.

The Malta Film Fund is following a cohesive plan of action and consistency. In order to keep up with an ever changing scenario, the methodical approach and long term strategy have to be constantly updated.

The Film Fund should be making a positive contribution in encouraging the development and creation of quality Maltese projects, and encourage networking among industry professionals.

5.3 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 Malta Film Fund makes it possible for foreign producers to benefit under the name of the Maltese co-producer, the latter is insufficient for larger productions. Therefore the Malta Co-Production Fund is an important financing tool that is now available to local producers.

Funding can be made available for the following schemes:

**Loan Guarantee:** To help build the film-financing infrastructure whereby local banks can provide loan facilities for film productions to allow local producers to contribute to their co-financing share of the finance needed to make the film and/or to provide economic support to cover expenditure for the production in Malta. The Malta Co-Production Fund will act as a loan guarantor and will provide the lending bank with a maximum amount of €200,000 to be utilised as a guarantee against the loan to be taken up by the beneficiary. The loan under guarantee is to be used wholly and exclusively for the film under guarantee. Once the loan is repaid by the beneficiary, this is returned back to the Malta Co-Production Fund. This scheme will be subject to de minimis regulation.

**Equity Finance:** Equity financing will allow producers to contribute to their co-financing share of the finance needed to make the film and/or to provide economic support to cover expenditure for the production in Malta. Local co-producers are expected to make an effective technical and creative (film-making) contribution in proportion to their financial contribution (this does not apply for ‘finance only’ contributions). Each co-production agreement sets a minimum and maximum financial contribution, and the country of the co-producer(s) making the largest financial contribution is deemed to be the majority country for that film. This scheme is compliant with Commission Regulation (EU) No 651/2014 of 17th June 2014 (Article 54 - Aid Schemes for Audiovisual Works).

5.4 IMPLEMENTING PROCEDURES TO INFLATE THE FUNDING CAPACITY

It is indisputable that there are never enough funds. Increasing such funds can be achieved by implementing the right financing systems, such introducing a scheme through which natural and/or legal persons are encouraged to invest in the film productions, and in return they will be eligible for tax breaks.
5.5 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 Malta Film Fund, other proposals include:

- Reviewing the EU’s activities in relation to what other countries are doing;
- Helping local film makers to access EU and other international funds;
- Giving attention to those film-makers operating outside a state-subsidised system.

POLICY DIRECTION

It is imperative that the indigenous industry is given a chance to develop and grow. This should be done by implementing coherent investment structures.

The Government will continue to invest in human resources through education and specialised training.

Fiscal incentives will be continuously reviewed to incentivise the production of Maltese and Gozitan films.
Throughout 2014 and 2015, the Malta Film Commission organised ESF funded courses aimed at training Maltese crews. Photo by Alan Cassar
**6.1 INTRODUCTION**

Education can contribute greatly to the development of Malta’s audio-visual sector and the film servicing industry, whilst 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.

A lot of effort has already been made in order to construct a local pool of talent. One should start by mentioning the €1 million awarded to the MFC as part of the European Social Fund. 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 those in higher education, including hands on training and academic initiatives for those wishing to pursue a career in film.

Furthermore, 2015 has seen the inauguration of the first post-graduate program related to film. The Master of Arts in Film Studies being offered by the University of Malta (Faculty of Arts) with the support of the Ministry of Tourism and the Malta Film Commission received the first intake in October 2015. The idea behind this M.A. is for post graduates to be given a practical and theoretical thought in all aspects of cinematography, in order that 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 film making 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.

**6.2 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 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 team work, 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.
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 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 MFC and other relevant bodies.

### 6.3 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:

- To monitor the progress of the national film industry;
- For the film servicing industry to maintain momentum and develop further.

It would be ideal to evaluate the training structures already in place and the practicalities entailed in creating further structures, in order to create a pool of suitable workers and fill in the existing skills gap.

A coordinated approach is therefore a must, thus synergies could be created between all entities to create more capacity.

The ideal scenario for Malta is to have a fully-fledged film school. Until this becomes reality there are other alternatives for education and training. The following are a few suggestions:

- offering special training overseas to a specific group of already experienced film crews from a number of departments - similar to offering a scholarship or placement;
- making a distinction between short-term and more long-term forms of study.
POLICY DIRECTION

The current structures offering film related training are too spread out, and a coordinated approach is a must. Synergies should be created between all entities to create more capacity. The University of Malta, MCAST, the MFC and private stakeholders need to work hand in hand. There must be a cohesive action plan to establish training structures required for professional film production training similar to those offered by international film schools.

Ultimately training and education will not be effective in the long term, unless backed up by a real possibility of employment in this industry. Therefore the role of the Film Commission remains crucial in attracting a consistent number of productions to Malta.
Behind the scenes photo from Malta Story (1953) © 1953 Theta Film
7.1 INTRODUCTION

While it is acknowledged that film and audio-visual production is a matter of economic importance, the cultural significance of the moving-image is also recognised, particularly in relation to matters of Film Heritage.

The Government has recently announced plans for the setting up of The Grand Salon for Costume, Fashion and Film. The space dedicated to film will exhibit original props, costumes and sets from feature films shot in Malta, and will include information on the development of the industry on the islands since the 1920s. It will also strive to document the lives of prominent Maltese contributors to the industry, including actors, producers and script writers.

Other matters of relevance here include the preservation and restoration of moving-image works, as well as documents, ephemeral material and other items relating to Malta’s cinematic history. There are numerous film heritage institutions within and outside the European Union. Malta unfortunately still lacks any locally focused initiatives: neither does a national (or private) cinémathèque (online or physical), a film archive or a film institute exist. This policy should thus seek to establish a balance between industrial practices and cultural matters.

Malta’s Film Policy must act as realistic framework for Film Heritage, one that is in-line with EU regulations, but which is also created with Malta’s peculiarities and smallness in mind. Any government intervention would do well to illustrate Malta’s diverse national moving-image culture, which in actual fact is extremely rich.

7.2 PRESERVATION AND ACCESS

The terms preservation and access are not mutually exclusive, but go hand in hand. However, they must be tackled separately. Rapid changes to technology have challenged the traditional archive, allowing the archive to evolve and archival material to exist in digital forms. One test would be for interested parties to find ways to work in a continually evolving environment, while also meeting the needs of the user.

The general public should be given access to archival material as it is also crucial for research purposes, and may be integrated into the work of architects, sociologists, artists etc.

7.3 PRIVATE DONORS

One major issue would be sourcing material. As a lot of material is in private hands, donors are fundamental to the archive. Relationships must be built and sustained. Confidence and trust are critical to the archivist/donor relationship. It would be best-practice to allow donors to retain rights to any material that has been donated and to keep them updated and informed as regards to their material. Any agreements between archive and donor must be written up clearly and the privacy and confidentiality of donors must be honoured.
POLICY DIRECTION

On a national level, we should foster a culture of film. There should be campaigns to create more film awareness.

The setting up of a Film Museum would be a very important step forward.

Countering the fragmentation that currently exists, it is imperative that a central inventory, online or otherwise be compiled. The general public should be aware of what film heritage actually survives and the ways and means to access it for research or even other purposes. The Government will promote initiatives aimed at increasing the public's awareness of Malta's rich cinematic history.