



Canada Media Fund
Fonds des médias du Canada



Industry Consultation 2018 – Focus Groups

Canada Media Fund



@CMF_FMC
#CmfConsults



■ AGENDA

- Welcome Remarks
- Industry Consultation Process
- Current Context
- Looking Forward

INDUSTRY CONSULTATION – FOCUS GROUPS

Moncton	September 10
Halifax	September 11
St. John's	September 12
Edmonton	September 18
Calgary	September 19
Saskatoon	September 20
Regina	September 20
Ottawa	September 26
Iqaluit	September 27
Toronto	October 2
Montreal	October 4
Quebec City	October 5
Winnipeg	October 10
Yellowknife	October 11
Victoria	October 24
Vancouver	October 24
Whitehorse	October 25
Charlottetown	November 8

INDUSTRY CONSULTATION – WORKING GROUPS

Toronto October 19 Funding Mechanisms

Montréal October 22 Experimental

Montréal October 30 Development

Toronto November 5 Digital Media Measurement Advisory Committee



■ FOCUS GROUPS - OBJECTIVE

The external panel charged with reviewing the *Broadcasting and Telecommunications Acts* will not submit their final report until January 2020.

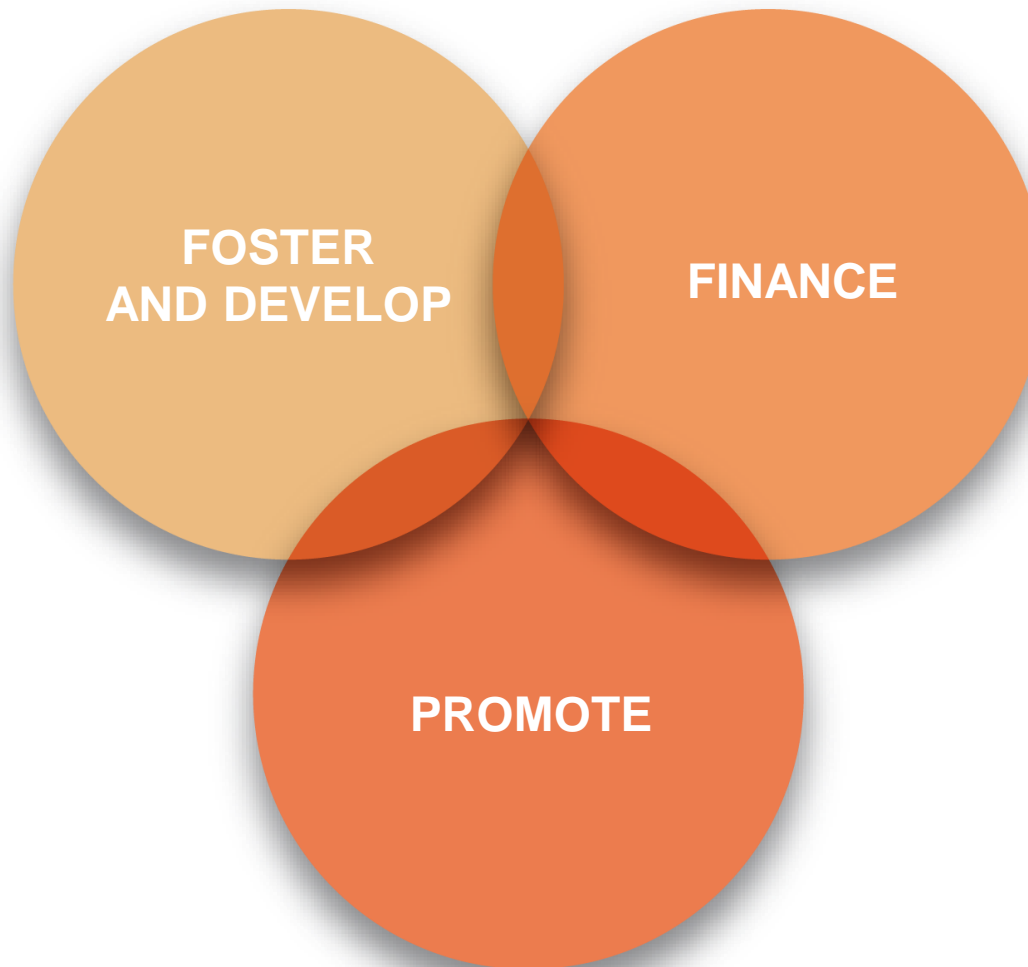
As the CMF is focusing on a ‘content-centric/ platform agnostic’ approach, it is looking at measures it can proactively take in the interim, within the parameters of its *Contribution Agreement*, to ensure its programs continue to meet the evolving needs of the industry.

In short, what steps can the CMF take to ensure its Programs remain relevant while this significant legislative review takes place?



CURRENT CONTEXT

CURRENT CONTEXT - CMF MANDATE



FUNDING CONTRIBUTORS

The CMF receives financial contributions from the Government of Canada and Canada's cable, satellite and IPTV distributors.

Canada

A^{top}

beanfield
METROCONNECT

Bell

COGECO

eastlink

MASKATEL

Northwestel

ROGERS
Cable

SaskTel

Shaw)

Shaw) Direct

SOGETEL

tbaytel

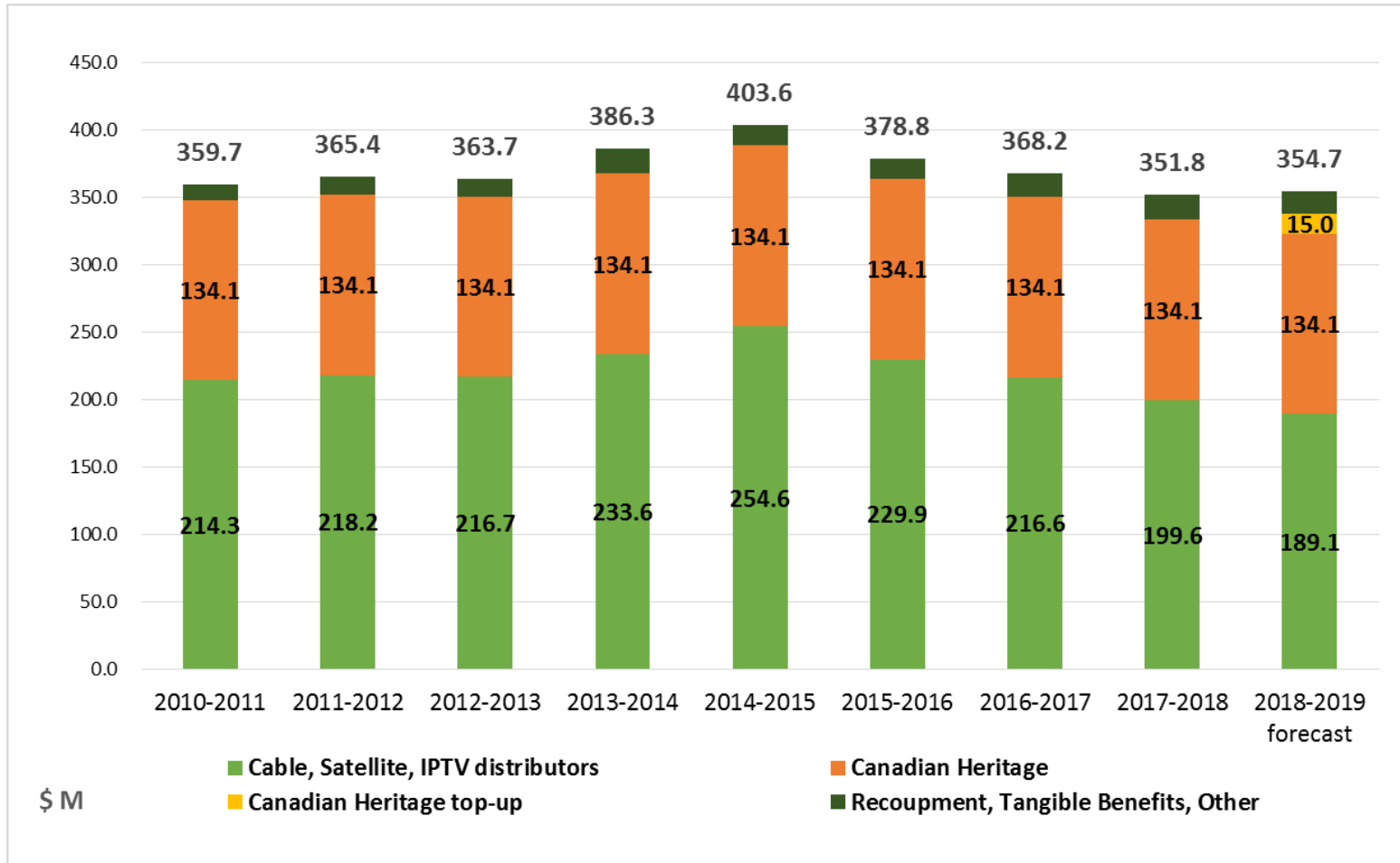
TELUS

MEDIA

VIDEOTRON
A Quebecor Media Company

Zazzen TV

CURRENT CONTEXT - CMF TOTAL REVENUE



CURRENT CONTEXT - MAJOR MILESTONES

2010-2011

- **CMF launch**
- Convergence requirements and Experimental Stream
- English POV and Diverse Languages

2013-2014

- Accelerator Partnership Pilot Program
- Anglophone Minority Incentive
- Digital Media Co-Production Incentive

2015-2016

- **Canadian Heritage's CMF Program Evaluation Report**
 - *"The CMF continues to be the best way for government to support Canadian television and digital content"*
- Corus 'Page to Pitch' Program

2017-2018

- **Export Pilot Program and CMF-Quebecor Fund Export Assistance Program Pilot Partnership**
- **Encore+**
- **Indigenous Screen Office**
- **Gender Parity Initiatives**
- **Creative Canada Policy Framework**
- **Increased contribution from Canadian Heritage**

2011-2012

- **CMF moves from an annual program to a permanent program at Canadian Heritage**
- Convergent Digital Media Incentive
- Introduction Digital Media and Original First Run PE Factors
- "Terms of Trade" provisions in Guidelines

2014-2015

- International Incentives
- CRTC's Let's Talk TV
- **CRTC's Simplified Approach to tangible benefits (CRTC 2014-459)**
 - **CMF receives 48% of all future tangible benefit**
- Northern Incentive
- trends.cmf-fmc.ca site
- Eye On Canada
- Visioning Strategy ("content centric/platform agnostic")

2016-2017

- **Commercial Projects Pilot Program and Web Series Pilot Program**
- **Consultation process with stakeholders in Indigenous community**

CURRENT CONTEXT – CMF PROGRAMS

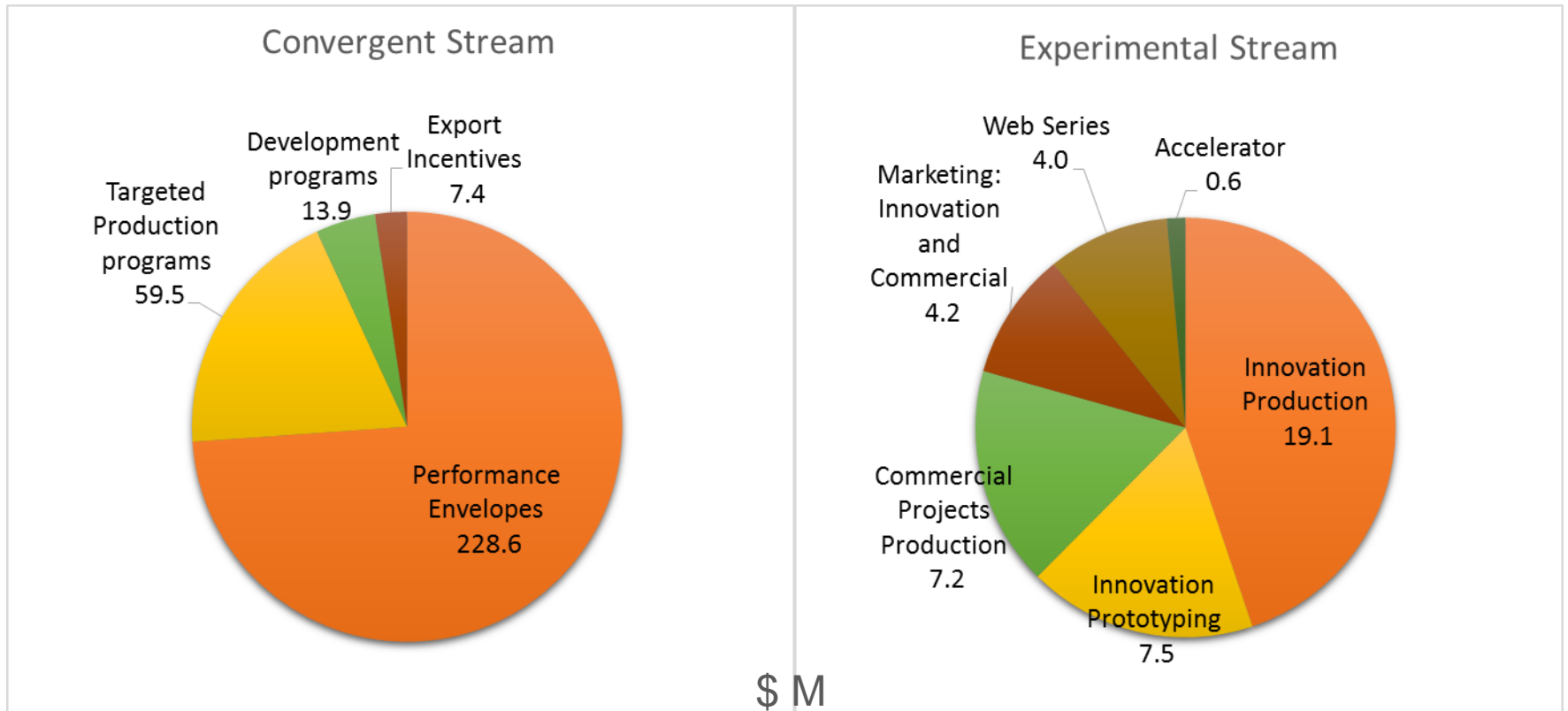
Convergent	Experimental	International
Aboriginal Program	Accelerator Partnership Program	Arctic Indigenous Film Fund
Anglophone Minority Incentive	Commercial Projects Pilot Program	Canada-Colombia Co-Development Incentive
Convergent Digital Media Incentive	Innovation Program	Canada-Denmark Co-Development Incentive for Digital Media Projects
Corus-CMF "Page to Pitch" Program	Web Series Pilot Program	Canada-Germany Digital Media Incentive
Development Programs (including Development Envelopes, Predevelopment, Regional Development)		Canada-Ireland Co-Development Incentive
Diverse Languages Program		Canada-Luxembourg Co-Development and Co-Production Incentive for Audiovisual Projects
English POV Program		Canada-Northern Ireland Co-Development Incentive
English Regional Production Bonus		Canada-South Africa Co-Development Incentive
Export Pilot Program		Canada-Wallonia Digital Media Incentive for Multiplatform Projects
CMF-Quebecor Fund Export Assistance Program Pilot Partnership		
Francophone Minority Program		
Northern Incentive		
Performance Envelope Program		
Versioning Program		

CURRENT CONTEXT- CMF Program Budget 2018-2019

Total budget: \$352.0M

Convergent: \$309.4M

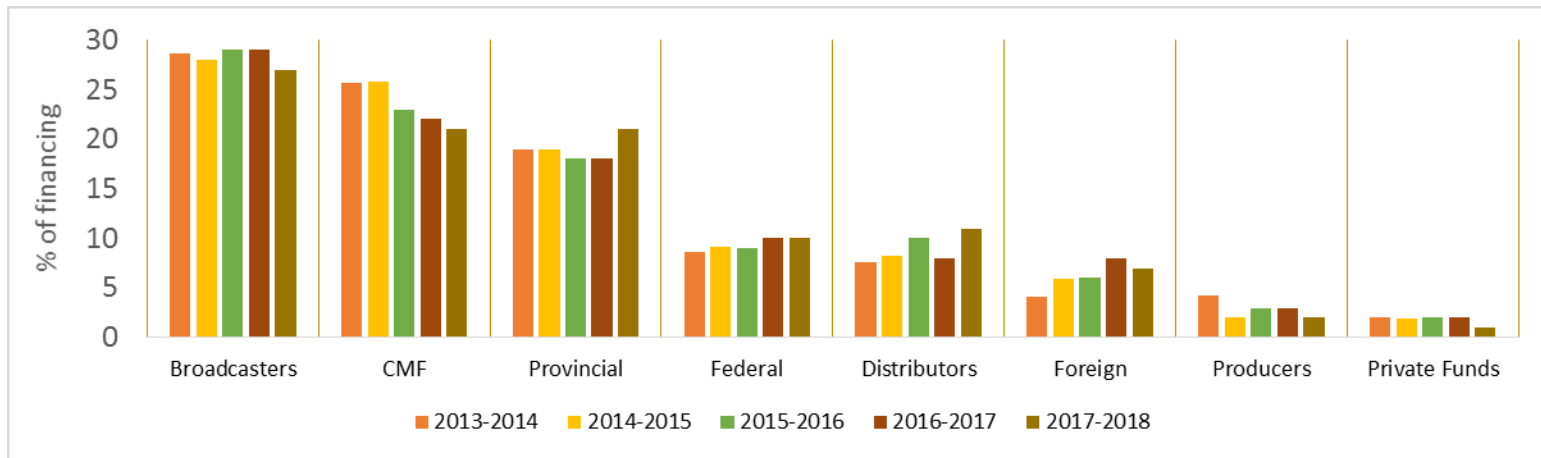
Experimental: \$42.6M



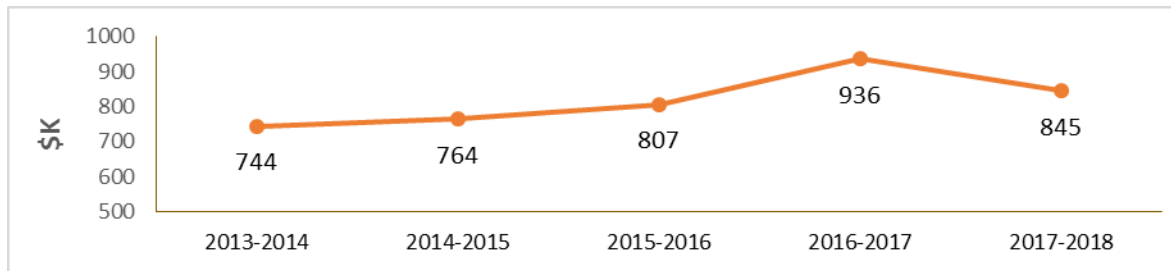
CURRENT CONTEXT – RECENT STATISTICS

Key Results – English Television Production

Financing Sources



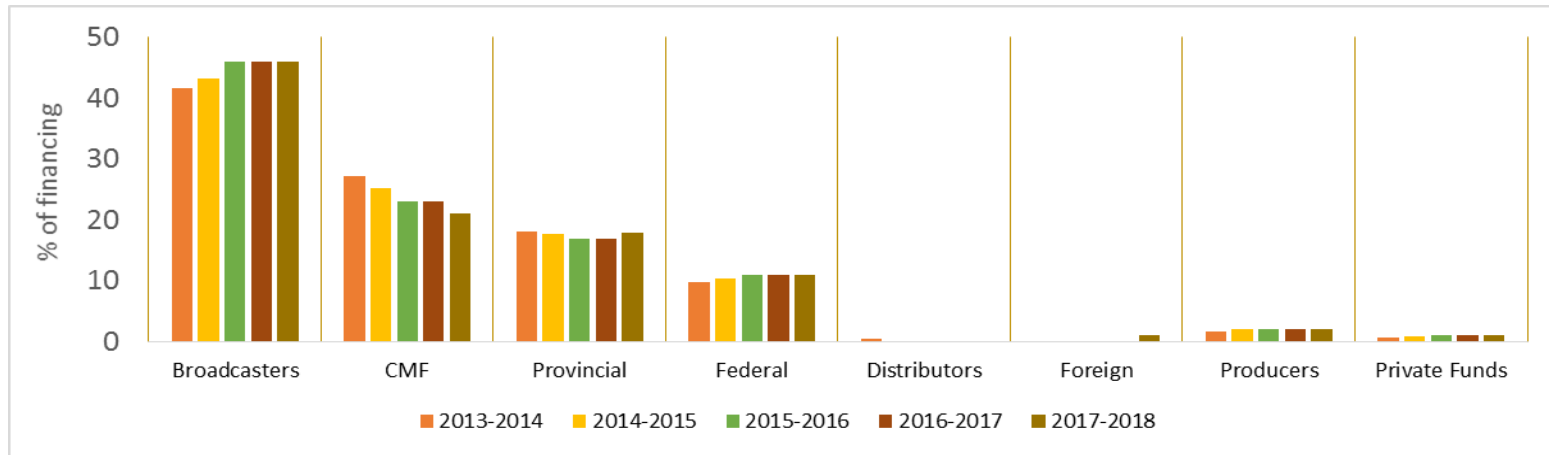
Average Budget Per Hour



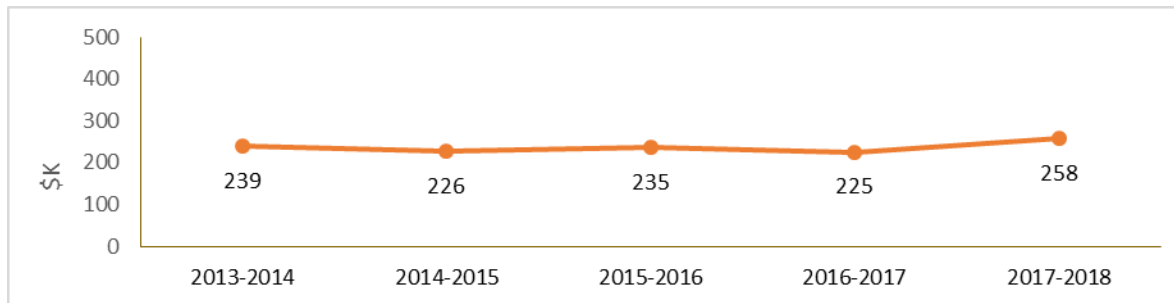
CURRENT CONTEXT – RECENT STATISTICS

Key Results – French Television Production

Financing Sources

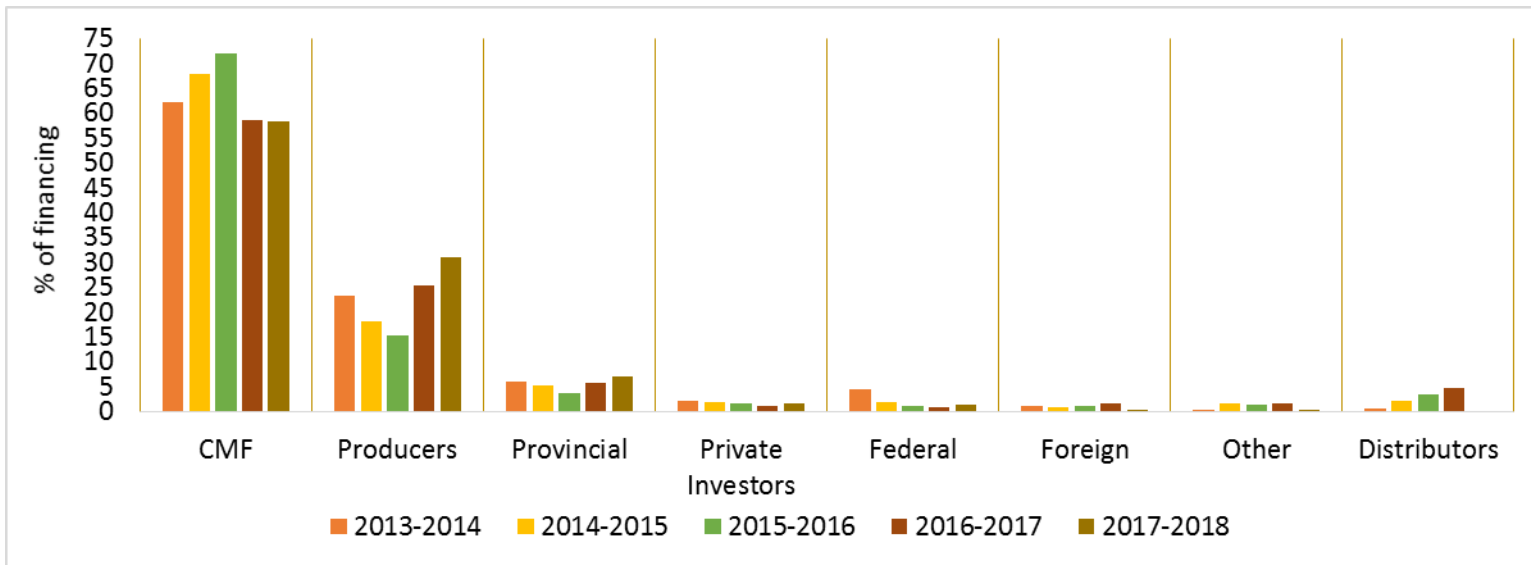


Average Budget Per Hour

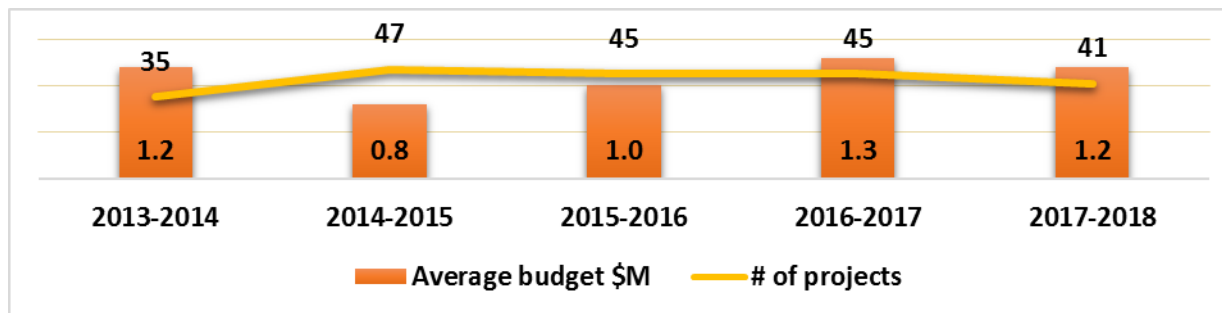


CURRENT CONTEXT – RECENT STATISTICS

Experimental Production – Innovation and Commercial Projects Programs
Financing Sources



Average Budget



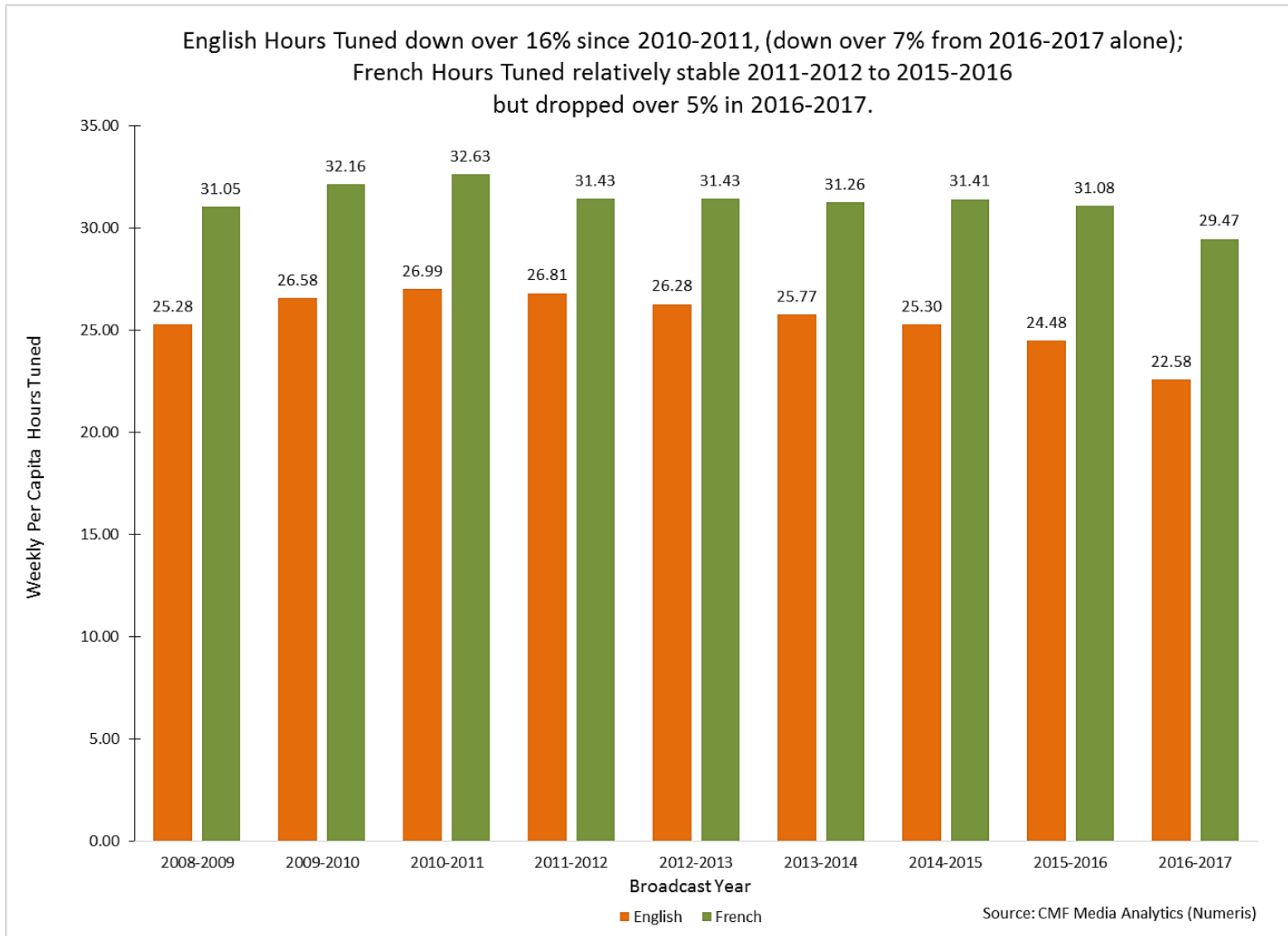
■ CURRENT CONTEXT – RECENT STATISTICS

Viewing to Long Form TV content is not declining, but is instead shifting from linear to non-linear platforms:

- In 2015-2016, estimated Adults 18+ weekly per capita consumption of content across all platforms increased from 28.6 hours (linear television only) to 36.3 hours when including unearthed internet platforms.

CURRENT CONTEXT – RECENT STATISTICS

Weekly Per Capita Hours Tuned to English and French TV



■ CURRENT CONTEXT - EXTERNAL ENVIRONMENT

■ Consumers

- On-demand/Online viewing (e.g., OTT)
- Abundance of options (e.g., some 25 online TV services are currently available to Canadians)

■ Regulatory/Legislative

- Community TV Policy – less BDU CMF funding
- Certified Independent Production Fund Policy – phasing out of “Convergence”, less restrictive CAVCO Canadian content certification, removal of broadcast trigger requirement
- Change in eligible platforms that can be used to meet the "shown in Canada" requirement necessary for tax credits
- Review of the *Broadcasting Act* and *Telecommunications Act*

■ Policy

- Creative Canada Policy Framework
- 5-year, CMF “Top-Up” from the Federal Government
- Changes to the Contribution Agreement
- Launch of the new Creative Export Strategy

■ Industry

- Consolidation
- Globalization





LOOKING FORWARD



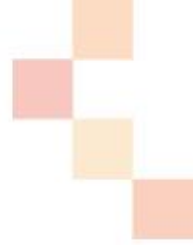
■ CORE QUESTIONS - OVERVIEW

What proactive measures can the CMF take in the next few years to ensure that its Programs remain relevant to the changing industry while still respecting Canada's existing legislation, regulation and policies?

- Tools in the CMF's control: license fee thresholds, genre allocations, types of financing tools such as equity, models of financing such as Performance Envelopes, etc.
- Three new areas of flexibility:
 - Expanded Funding Trigger
 - Early-stage Development
 - Sector Development Partnerships to address key gaps in system

HOW CAN THE CMF BE A BRIDGE TO WHAT'S NEXT?

■ CORE QUESTIONS – CONVERGENT DEVELOPMENT



Early-stage development

In June 2018, the Minister announced that the CMF would explore options to implement a Program aimed at early-stage development that did not require a commitment from a CRTC-licensed broadcaster.

This resulted from what the Minister heard from across the country. That the system is under pressure, is restricted, lacks innovation and risk taking in the Convergent Stream.

This is not a scriptwriting program as has been the case in the past. This program is to allow for direct creator access with market interest, but not a broadcast trigger in early stage development.

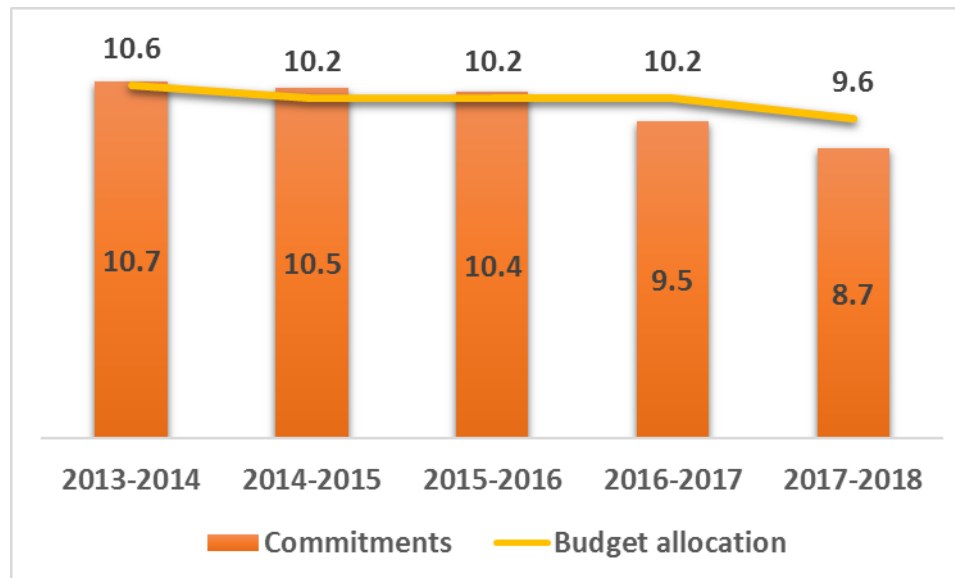
While final signoff for this initiative still requires approval from the Federal Government's Treasury Board, the CMF is requesting feedback on:

- How should eligible creator be defined?
- What would be a sufficient market interest test?

■ CORE QUESTIONS – CONVERGENT DEVELOPMENT

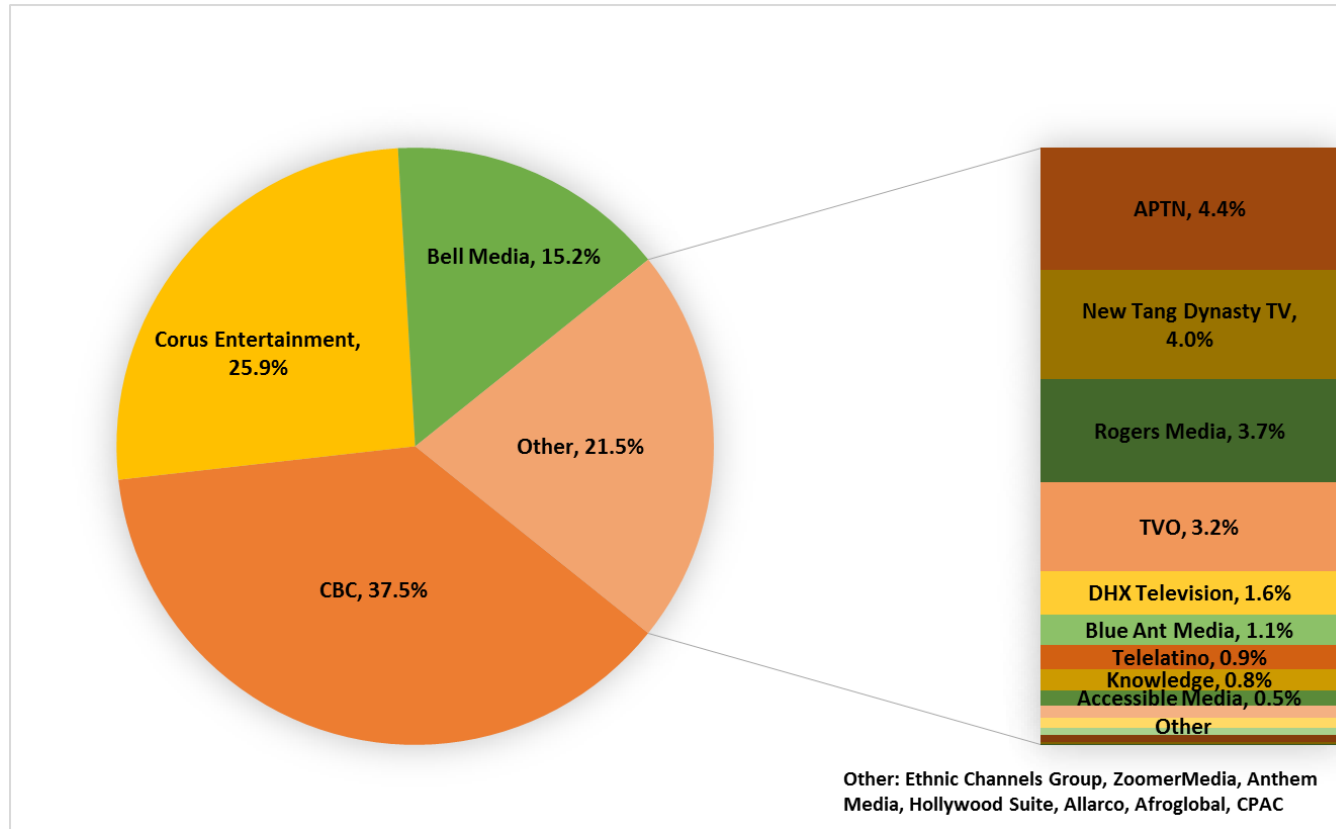
- Are the Development Envelopes working?

Funding trends (\$ M)



CORE QUESTIONS – CONVERGENT PRODUCTION

Performance Envelope Program - Distribution of English market allocations 2018-2019

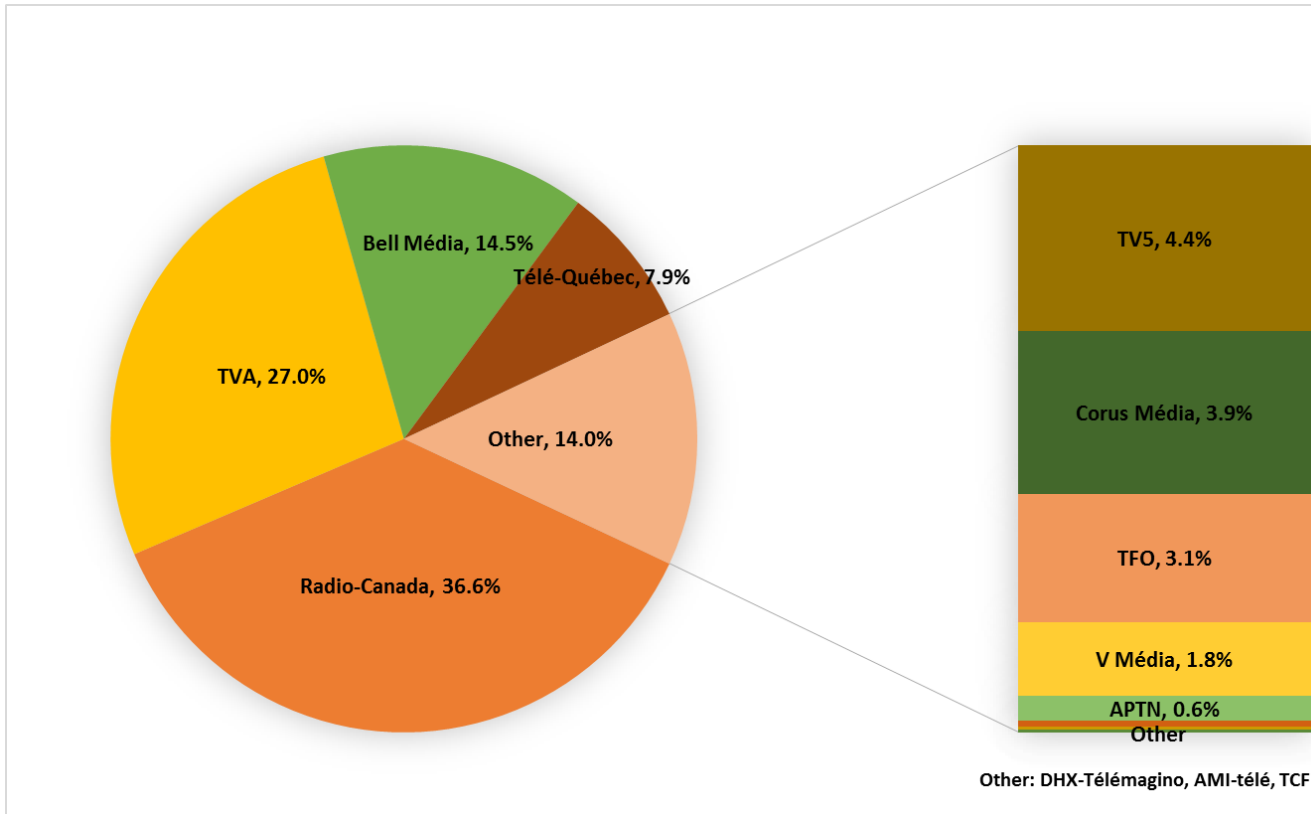


Underutilization of English market allocations

	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
% of allocations committed	99.8	99.9	99.5	98.6	100.0
Unspent funds \$M	0.3	0.2	0.9	2.3	0.0

CORE QUESTIONS – CONVERGENT PRODUCTION

Performance Envelope Program - Distribution of French market allocations
2018-2019



Underutilization of French market allocations

	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
% of allocations committed	100.0	99.6	100.0	100.0	96.5
Unspent funds \$M	0.0	0.3	0.0	0.0	2.7

■ CORE QUESTIONS – CONVERGENT PRODUCTION

PE Program – Alternatives

- In light of the significant changes taking place in the industry, is the PE Program, implemented 14 years ago, still the right system?

While the PE Program is designed to reward programs which generate large audience numbers (e.g., Audience Success represents 55% of PE Factor Weights in both language markets), conventional TV audiences continue to decline as consumers increasingly view content on digital platforms.

- As there is no universally accepted measurement system for content on digital platforms, what other methodology/criteria could be used for the PE Program (e.g., licence fee commitment, sales, etc.)?

■ CORE QUESTIONS – CONVERGENT PRODUCTION

As the PE Program is an “automatic” funding system, it is administratively efficient and cost-effective.

- If the CMF explored changes to the PE Program, what elements should be eliminated? What elements should remain?
- If the CMF explored alternatives and eventually eliminated the PE Program, would an existing selection process/criteria be a suitable replacement (e.g., a selective program or first-come/first-served)?
- Outside of existing project selection methods, what other selection methods should the CMF consider (e.g., a program based on matching the contributions of other financing partners)?
- In examining and designing a new selection method, should the CMF place a greater emphasis on some selection criteria over others (i.e., cost effectiveness over expert evaluation, etc.)?

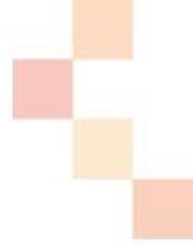
■ CORE QUESTIONS – CONVERGENT PRODUCTION

In June 2018, Canadian Heritage announced that the CMF would explore options to implement further flexibility in eligible funding triggers to projects in its Convergent Stream .

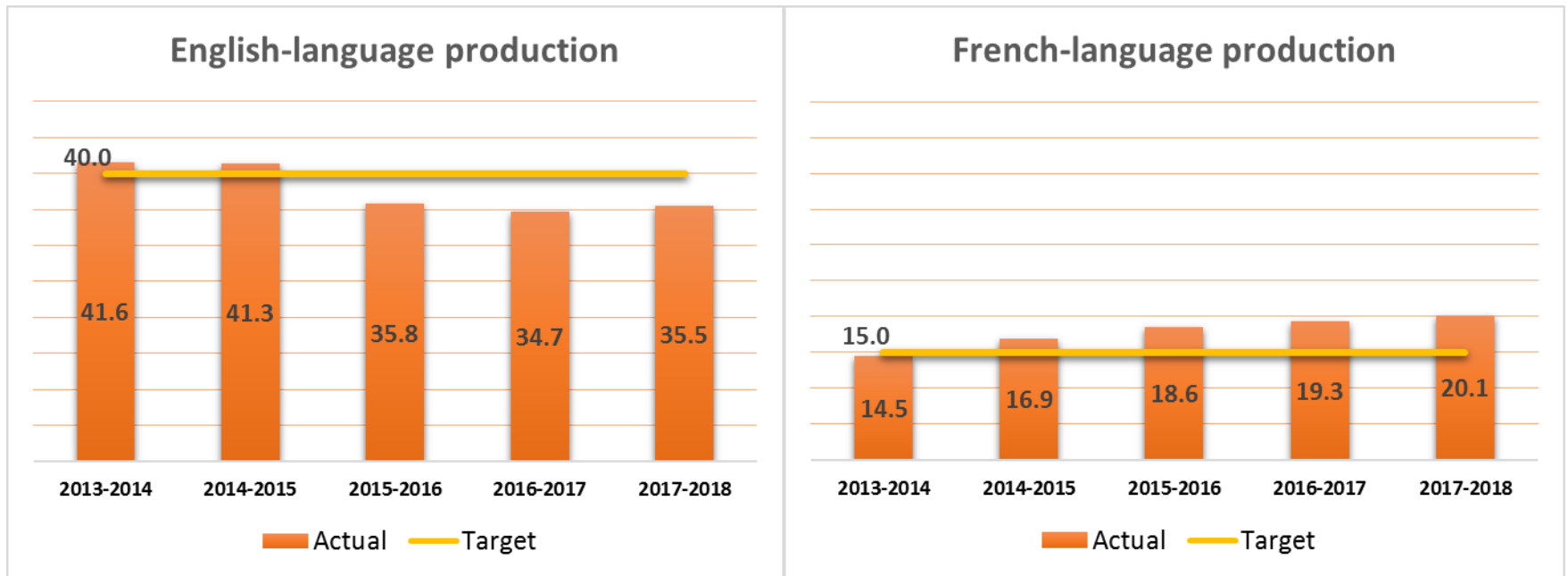
As the CMF broadens the funding trigger to include Canadian online platforms:

- Should «convergence» be redefined?
- What role, if any, should the CMF have in any trade negotiations between producers and broadcasters/licensors (e.g., license fee thresholds, other rights, etc.)?

CORE QUESTIONS – DIVERSITY OF VOICES



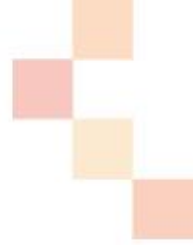
Regional Convergent funding – actual vs. target



% of funding by language

Regional production is outside of Toronto for English and outside Montreal for French

■ CORE QUESTIONS – DIVERSITY OF VOICES



Regional

One of the directives set out in the CMF's Contribution Agreement with Canadian Heritage is that « *it shall ensure funding support to regional television convergent productions* ». The CMF's current policy objective is 40% of its English production budget and 15% of its French production budget should support regional projects.

- What are the barriers to production across the country?

■ CORE QUESTIONS – DIVERSITY OF VOICES

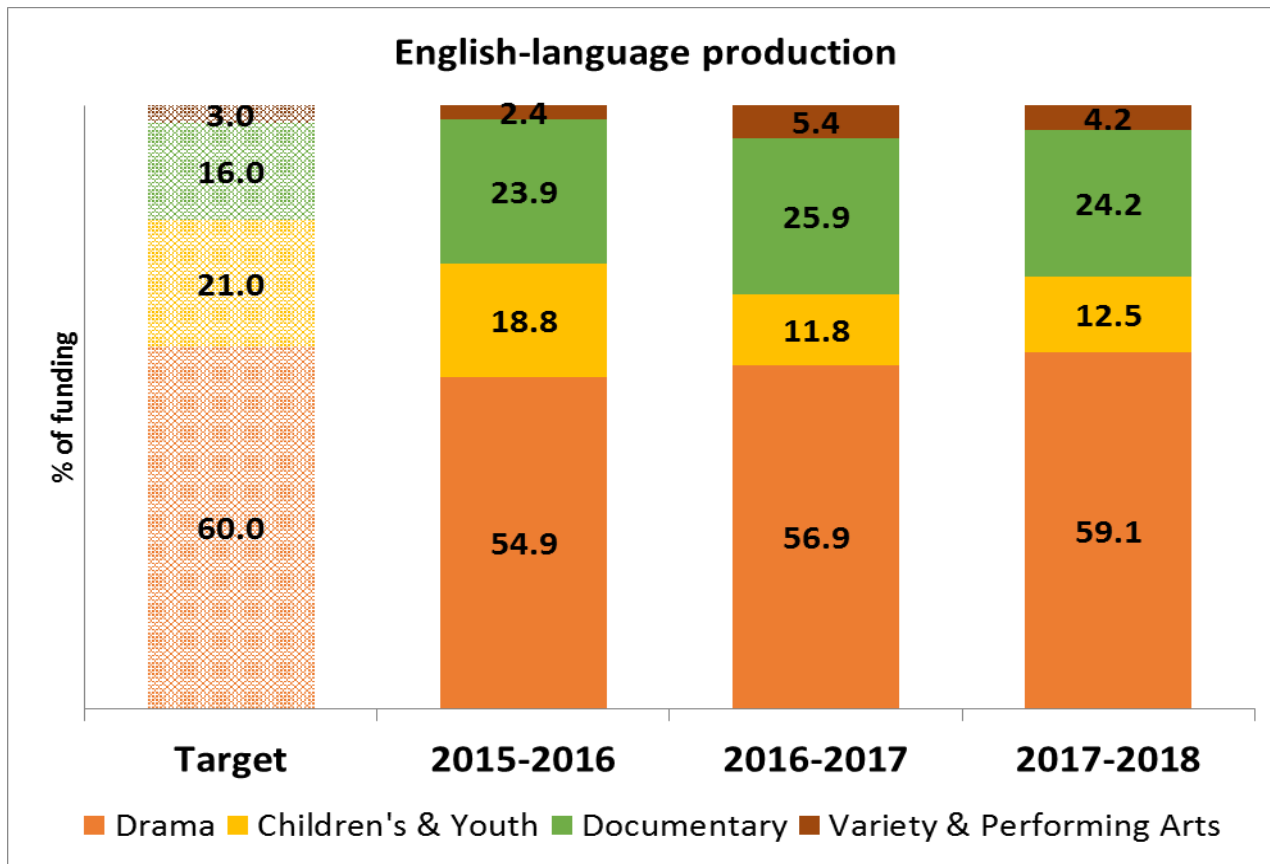
Indigenous Support

After a thorough environmental scan and consultation, the Indigenous Screen Office (« ISO »), supported by the CMF and a range of industry partners, was launched in Spring 2018.

In addition to the CMF working with the ISO, are there any other measures in CMF programs that can better support Indigenous content?

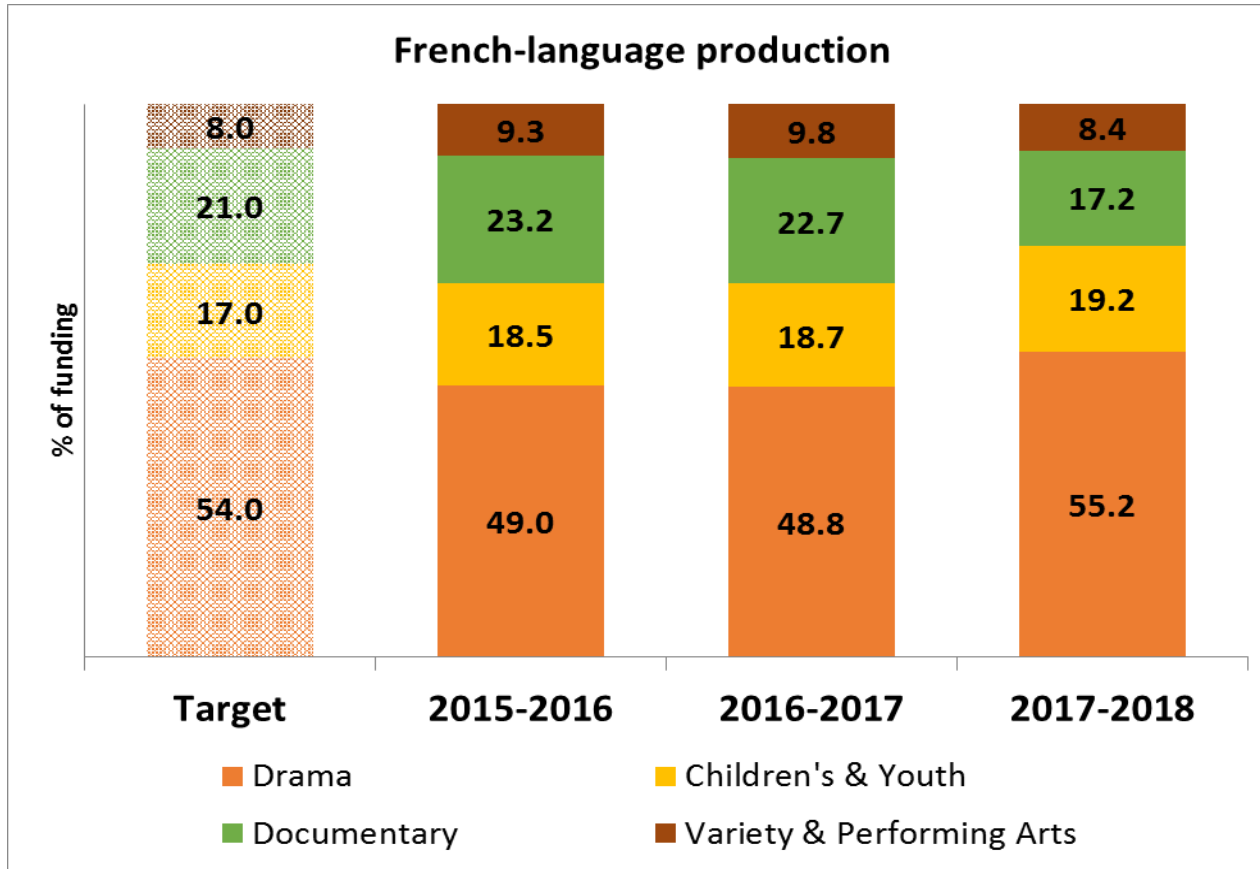
CORE QUESTIONS – DIVERSITY OF VOICES

Convergent funding by genre

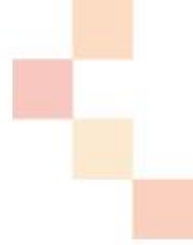


CORE QUESTIONS – DIVERSITY OF VOICES

Convergent funding by genre



■ CORE QUESTIONS – DIVERSITY OF VOICES



Genres

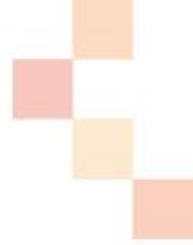
One foundational CMF policy is support for programming in the genres of Drama, Documentary, Children & Youth and Variety and Performing Arts.

In the English market, Children & Youth Programming has experienced noticeable decreases as content consumption has shifted significantly from broadcasters to online platforms.

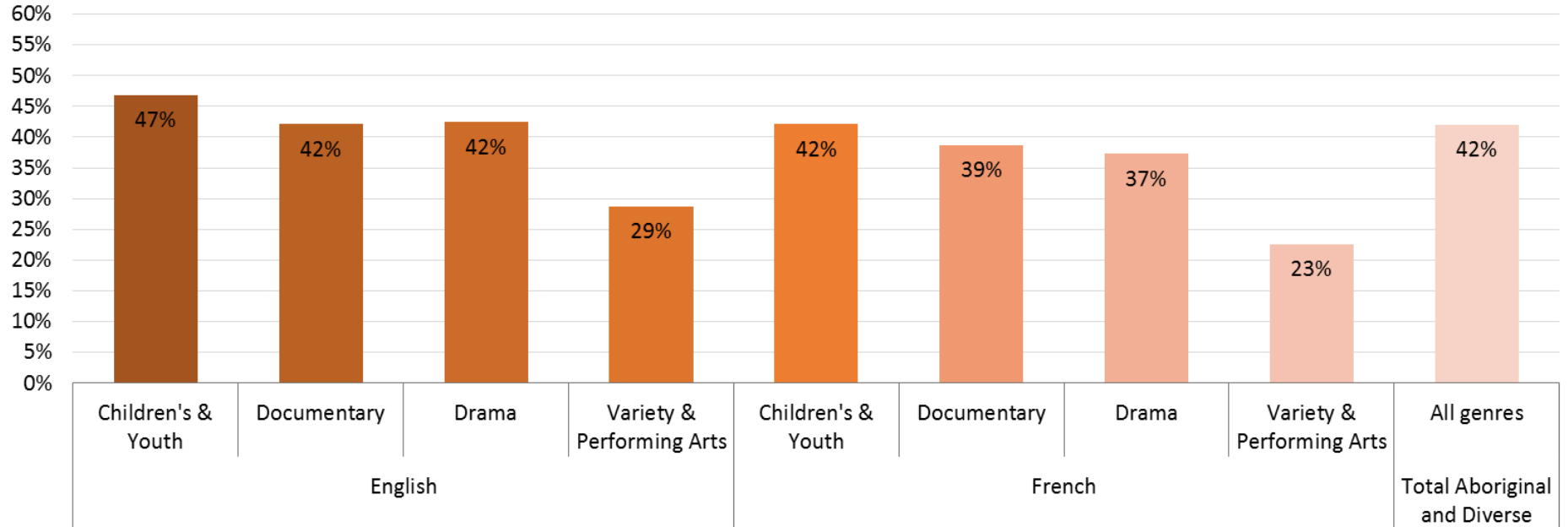
In the French market, it is the Documentary genre that has experienced a noticeable decrease.

- What measures can the CMF take to address this shift in Children & Youth and Documentary programming?
- Are the genre allocations still relevant?

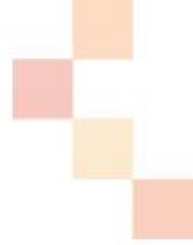
CORE QUESTIONS – DIVERSITY OF VOICES



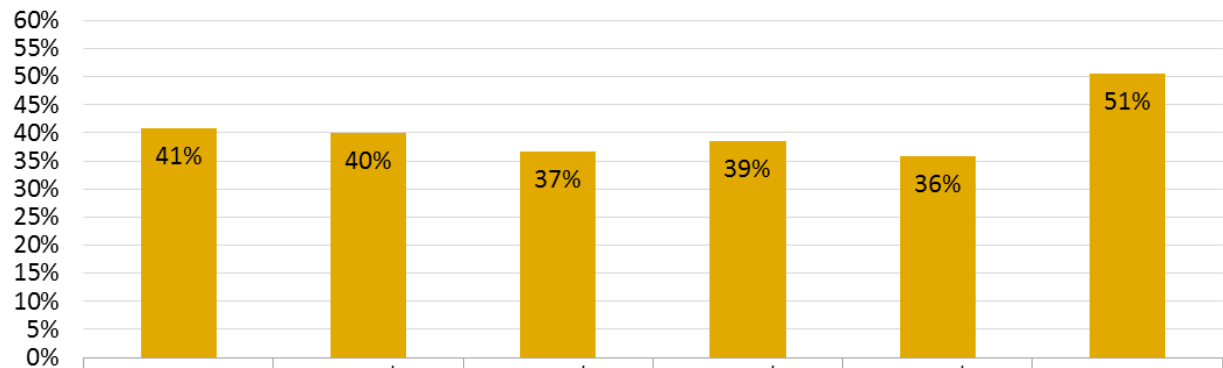
2017-2018 Television by Genre
Women as % of key personnel



CORE QUESTIONS – DIVERSITY OF VOICES

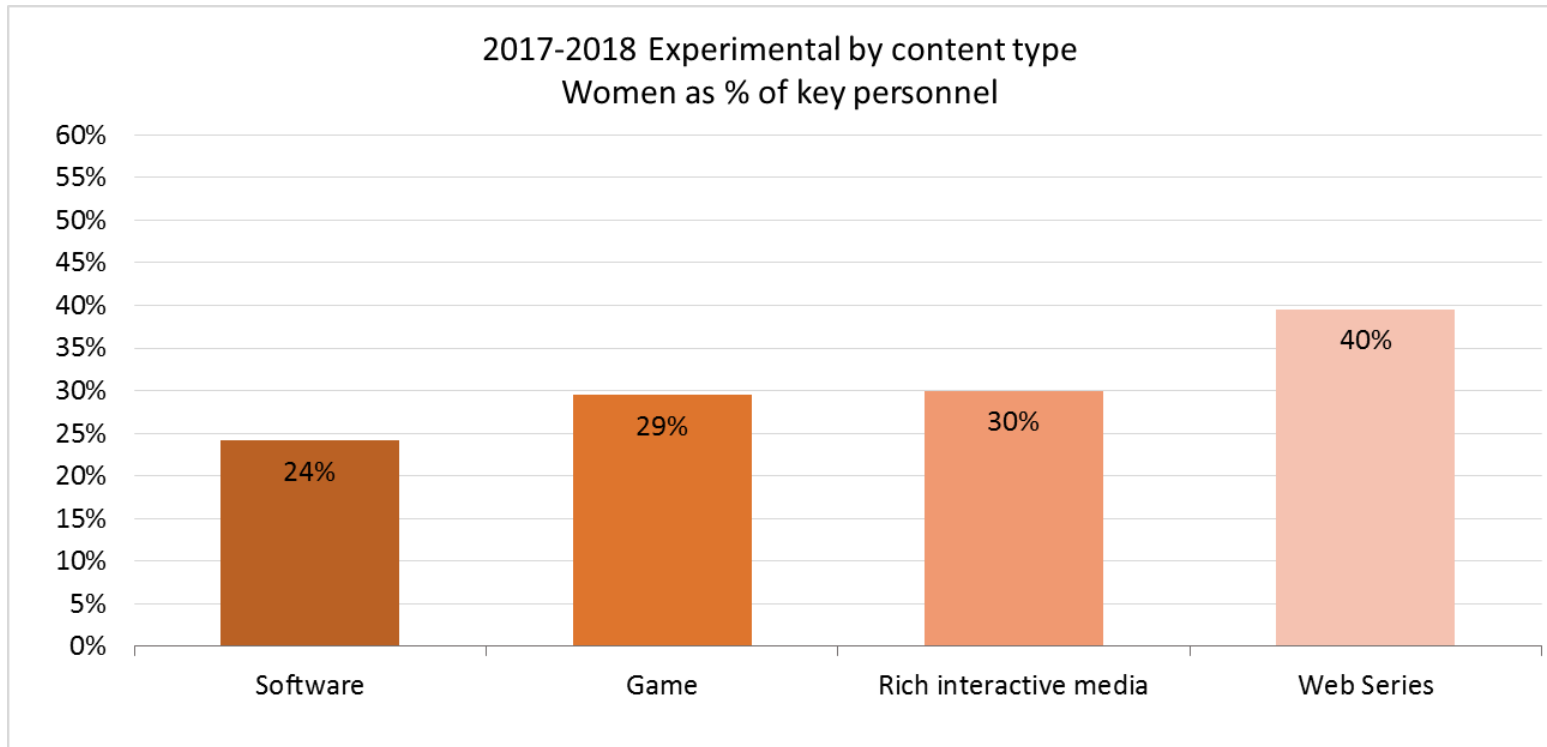
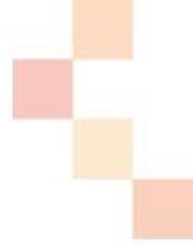


2017-2018 Television Production by per-episode budget size
Women as % of key personnel

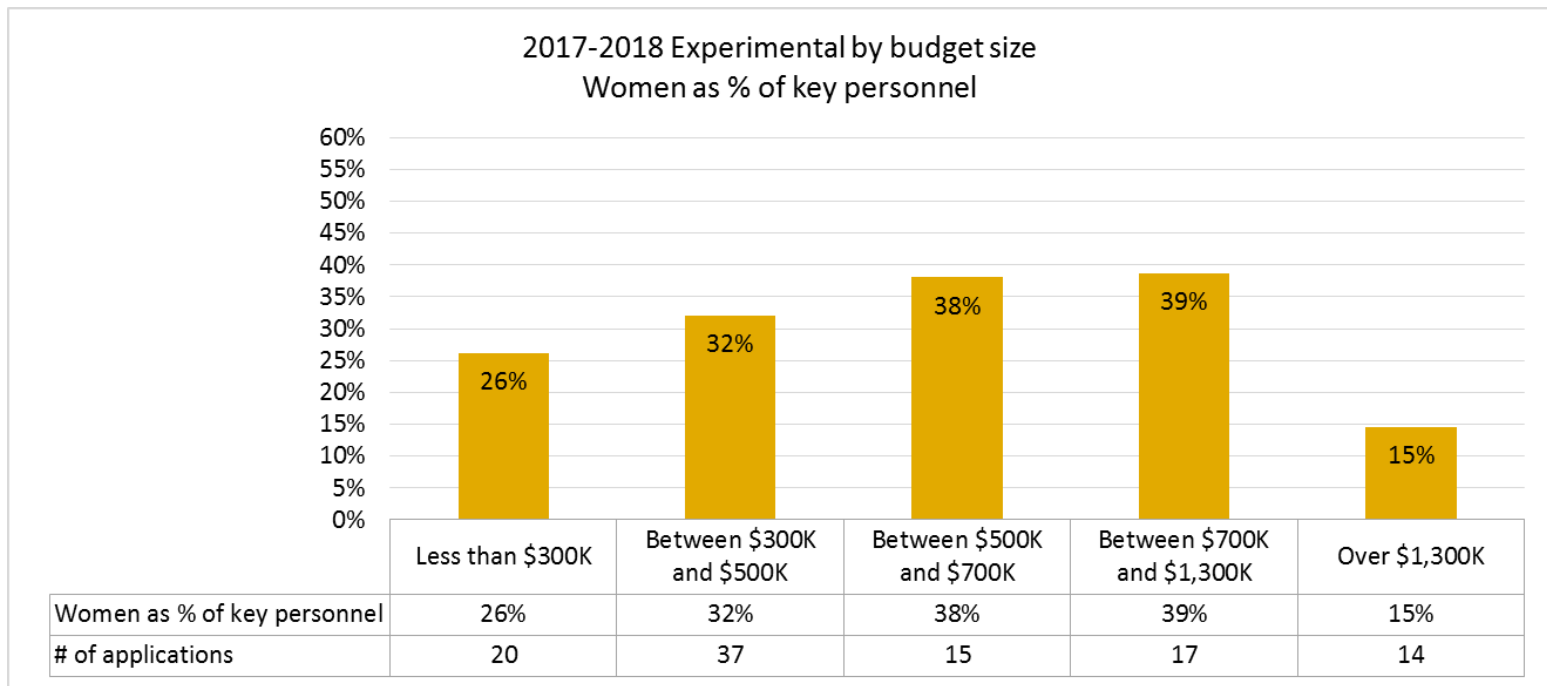
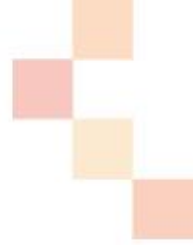


	Less than \$100K	Between \$100K and \$250K	Between \$250K and \$400K	Between \$400K and \$800K	Between \$800K and \$1,750K	Over \$1,750K
Women as % of key personnel	41%	40%	37%	39%	36%	51%
# of applications	138	129	59	102	35	21

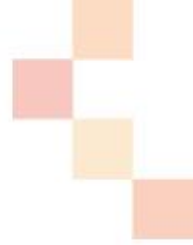
CORE QUESTIONS – DIVERSITY OF VOICES



CORE QUESTIONS – DIVERSITY OF VOICES



■ CORE QUESTIONS – DIVERSITY OF VOICES



In 2017-2018, the CMF introduced a number of measures to address gender parity in its programs, including Broadcaster requirements in connection with PE allocations, points awarded in CMF Selective Programs and gender representation on juries.

- Overall television projects, women filled 40.1% of the key creative roles. Analysis of the results on the individual key creative positions of writer, director, showrunner, producer are underway to determine if the bar has moved in these positions. If it is determined that it has not, what additional steps should the CMF take?
- Should the CMF be highlighting any key creative positions that it is currently not tracking?

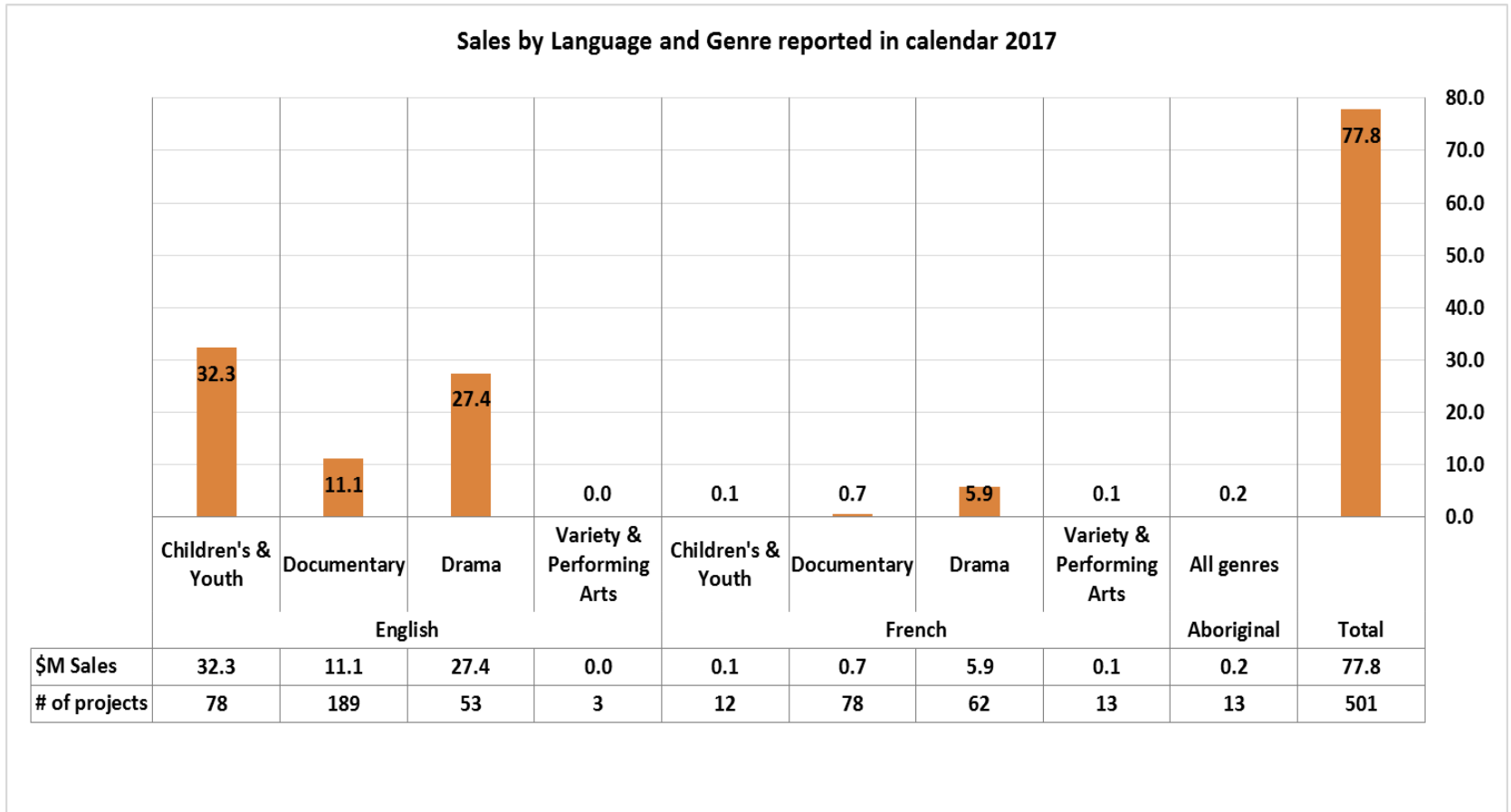


■ CORE QUESTIONS – DIVERSITY OF VOICES

The CMF's Gender Parity initiatives were an important first step in ensuring the CMF funds content from a diversity of Canadian voices.

- Moving forward, how should the CMF define « diversity »?
- What emphasis should diversity have in the overall CMF funding picture?
- Over and above everything we currently do, what else can be done to support diversity (e.g., training initiatives, mentorship programs, etc.)?

CORE QUESTIONS – EXPORT & DISCOVERABILITY



Convergent productions

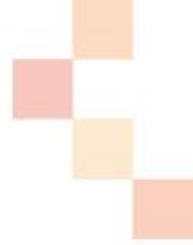


■ CORE QUESTIONS – EXPORT & DISCOVERABILITY

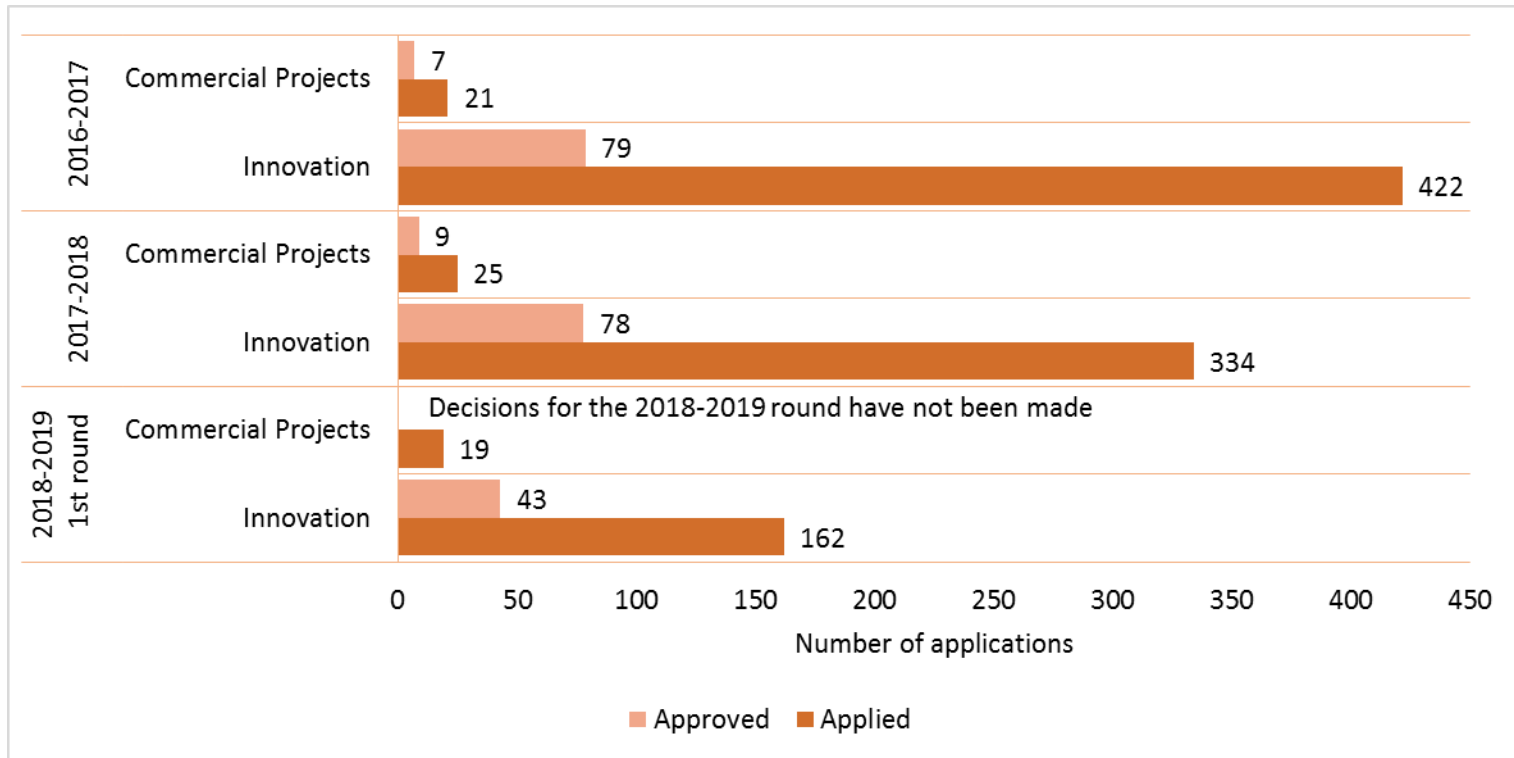
There has been an increased emphasis on the export and discoverability of Canadian content in recent years: more international partnerships are being made to finance content, the CRTC has emphasized « promotion over protection » and the Department of Canadian Heritage recently released its Creative Export Strategy.

- What is currently missing in the Canadian screen-based funding ecosystem to better support export activities?

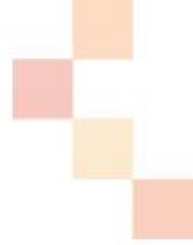
CORE QUESTIONS – EXPERIMENTAL



Innovation and Commercial Projects Pilot Program Demand



■ CORE QUESTIONS – EXPERIMENTAL



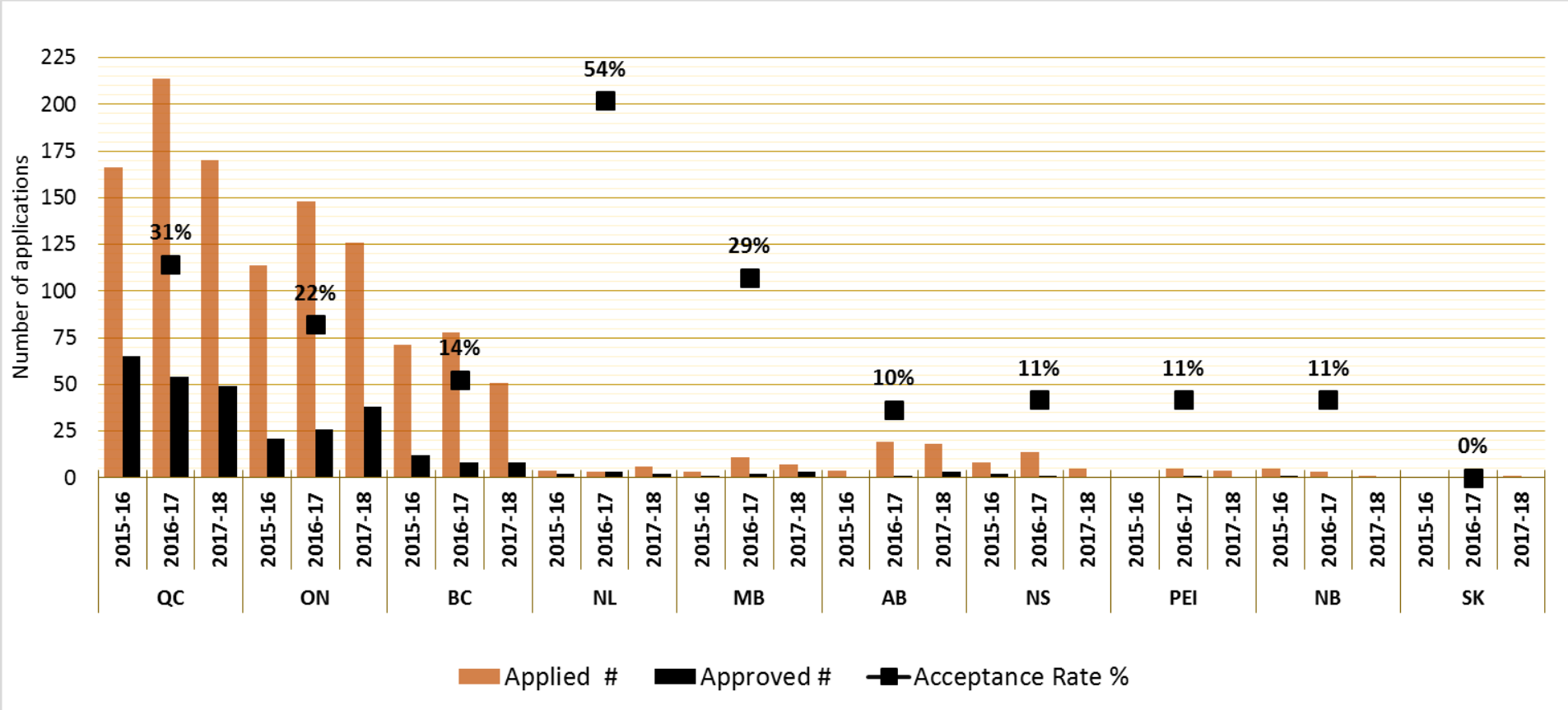
Innovation vs. C3P

In 2016-2017, the CMF split its Experimental Stream into the Innovation Program and the Commercial Projects Pilot Program (« **C3P** »).

- Should the CMF continue to have both the Innovation Program and the C3P? Or should a new approach be examined?

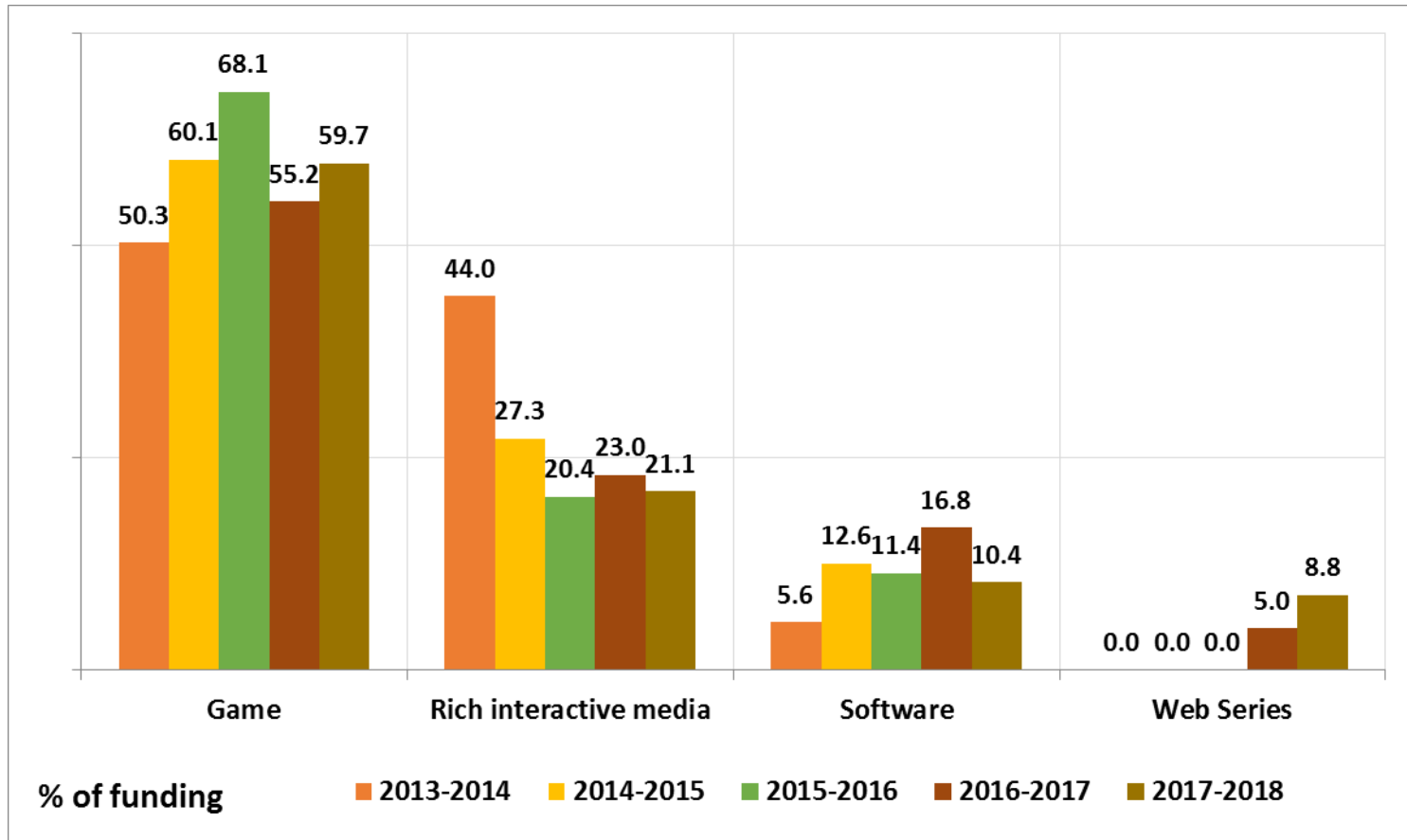
CORE QUESTIONS – EXPERIMENTAL

Experimental applications by province



CORE QUESTIONS – EXPERIMENTAL

Types of content funded



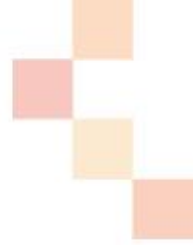
All activities/programs combined



■ CORE QUESTIONS – EXPERIMENTAL

- What are the barriers to Experimental Stream support:
 - Across the country?
 - By content type?

■ CORE QUESTIONS – EXPERIMENTAL

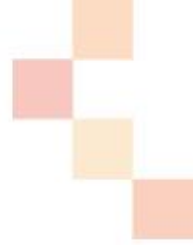


Experimental Recoupment

While the CMF will undertake a more detailed discussion and introduce proposals during October's Experimental Working Group, it is concerned with the level of complexity of its current Experimental Recoupment Policy (e.g., buy-out parameters, recoupment on derivative works, etc.).

- What are the challenges and concerns when it comes to the application of the CMF's Recoupment Policy?
- What is the general opinion on the effectiveness of the current policy?
- What should the CMF consider when looking at possible alternatives?

■ CORE QUESTIONS – FUTURE CONSIDERATIONS



- In the future, as the CMF updates its policies, what steps can the CMF take to help develop and produce the best Canadian content that is seen by both domestic and international audiences?

Comments/Questions





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Fonds des médias du Canada

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