



**Speech delivered by Carolle Brabant, C.P.A., C.A., MBA  
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Good morning ladies and gentlemen. I am very pleased to be invited again to speak at Prime Time in Ottawa. I must admit that I've been looking forward to talking about my subject for today. Last year, I came to discuss the ideas behind Telefilm's corporate plan—called *Fostering Cultural Success*.

I talked about how Telefilm was *Daring to Change*, from a financial lever to a lever of overall success for the industry. The wheels of change, I am happy to say, have definitely been set in motion.

I'm not here to read you a report card, but rather to connect what we pledged to do with what we are actually doing – and to explain why it's more relevant than ever.

Well, the proof is in the pudding, as they say. And last November, when Telefilm's Chair, Michel Roy, and I announced our new Success Index, which measures the commercial, cultural and industrial success of your creations, we laid the foundation for important changes. And, in doing so, we began building the bridge between words and actions and, more importantly, *success*.

You in the Canadian industry are no strangers to success—and here we could mention Oscar nominations, foreign and US sales, as well as innovative marketing in social media. When times are hard, success attracts even more attention.

The plan Telefilm embarked on last year was based on two beliefs we strongly hold: First, the industry has reached a level of maturity and production capacity that enables Telefilm to expand our role in promotion and audience building around the world. And second, our current environment of economic restraint and limited public resources requires us to embrace innovation in our funding approach.

People who know me know that I am a pragmatic optimist. I'm not one to deny the existence of challenges, but I am more focused on finding the opportunities that surround those challenges—which sometimes uncover the most rare and significant of opportunities. For me, this is the process that drives innovation.

So now is not the time to roll over—to cling to the old ways—now is the time to work harder, to be more creative and to learn from one another. *This is after all the Year of the Dragon.*

I have every confidence—every confidence—that we will succeed. And Telefilm is ready to accompany you.

Canadian screen-based content is too good and too important not to succeed. We have a strong international reputation—and we have consistently “punched above our weight class” in both artistic achievement and commercial success. Now, have a quick look at what I mean...

**[SHOWREEL]**

Over the last year, Telefilm has worked very hard to emphasize its role as a promoter. More specifically, we have made good use of our brand image and our communication channels on the international scene to give greater visibility to our Canadian talent and to our industry's success stories.

For example, at the Toronto International Film Festival, our signature *Talent To Watch* sessions were designed to spotlight the creative talents of our country's emerging and established filmmakers in the national media. Hosted by an industry veteran, these sessions delivered a lively and insightful look at why Canadian cinema is applauded around the world.

Every time I see the work we can produce, I am very proud.

So the core of my message through the remaining minutes of my talk today will be, essentially, where do we go from here? How do we keep reaching for the top of that potential you just saw on the screen?

To bring those questions into focus, I want to briefly contrast two real-life trends that touch our lives every day and show us what interesting times we live in.

The first one represents our challenge—the current global economic problem. The European Union is facing the biggest crisis in its history. The U.S. is slowly climbing out of a deep financial crisis that has now lasted five years. Economists are even worried about China now. In Canada, it seems like we have a seat in the lifeboat—but economic restraint is a fact of life in this country as well.

Now what could possibly be the silver lining in such a rain cloud?

Well, consider this equally familiar trend. What was the most popular Christmas present this past year? A tablet computer.

One of the major functions of the tablet and other mobile devices is streaming media via the Internet.

Here in Canada, some eight million homes have broadband Internet connections—this represents the highest market penetration according to international standards. Internet is also the best platform for continuous broadcasting of content.

According to PriceWaterhouse Coopers, Canadians will have almost doubled their spending for online movies over the five-year period ending in 2014.

And even though the traditional models for media distribution still dominate in Canada, as Robert Tercek noted yesterday, it's changing rapidly. That's because their competition now includes low-cost or no-cost Internet media streamers like YouTube and Netflix.

These new platforms, which give consumers much greater freedom of choice represent new demand opportunities for Canadian audiovisual content.

At our presence at MIPCOM in Cannes last fall, it was clear that Canada's youth programming had made a name for itself... in non-traditional markets.



Not only have Canadian producers made the shift to new media and digital broadcasting, they have also become sought-after coproducers. There can be no doubt that when it comes to coproduction, the creativity, entrepreneurial spirit and success of Canadian businesses have put them in high demand.

More and more countries are showing an interest in Canadian youth content, including, most recently, several Arab countries, South Africa and a number of Latin American markets.

So, what's my point in contrasting these two trends—the global economy and the media revolution? Well, simply this.

Even though economic times are just about the toughest they've ever been, one of the biggest and fastest-growing social and technological transformations is all about our industry. ***Your industry.***

Both trends are unfolding on a global scale, and both at the same time. On one hand, we may have never experienced a tougher time to finance the production of our works. But on the other hand, we've probably never had a better time to reach our consumers and build audiences.

But just like the pressure on traditional media distribution models, we are going to see continuing pressure on traditional funding models.

Telefilm's corporate plan is our declaration that we believe in the entrepreneurial spirit of our industry, and its ability to adapt to this new reality. In other words, our industry is mature enough and resourceful enough to develop relationships with alternate sources of financing.

So what existing financing options can we leverage and what new ones can we create?

First, we were extremely pleased to see that Canadian private-sector investments and foreign participation doubled in our last fiscal year to account for 26% of total production budgets. That investment enabled Telefilm to stretch our budget farther and support five more films in 2010-2011—that's about 10% more.

Our ability to stretch and adapt really represents a larger commitment from Telefilm to work at peak efficiency. We are streamlining our program structure to free up operating budgets that can be reinvested in our financing programs for the industry. It's a simpler and more flexible approach to our business, focused on client needs and automation of processes.

Secondly, on the coproduction front, it is interesting to note that this sector of activity remains an important one, and is rising gradually.

Last year, Canada's projects with other countries rose to over 60, representing foreign investment in excess of \$230 million.

Telefilm will continue to develop coproduction as both a funding option and an important source of new audiences.

Last November, for example, we joined the Ontario Media Development Corporation in a trade mission to Mumbai and Goa to forge new relationships and to build foundations for future collaboration between Ontario-based and Indian producers.

Beyond these improving prospects for private sector and foreign investment is a world of innovation that is just beginning to be explored.

As my colleague Valerie Creighton said yesterday—when she spoke about the joint project between Telefilm and the Canada Media Fund to expand audiences—yes, the world is going media-crazy, and Canada is particularly plugged into this trend with some of the most tech-savvy users in the world.

Our filmmakers are starting to build social media marketing success stories like *Hobo With A Shotgun* [Jason Eisener], and have experimented with online releases of feature films such as *Enfin l'automne* [Olivier Roberge & Patrick Boivin]—the first Canadian feature-length film on Youtube.

As well, a pair of documentary filmmakers, for *Indie Game: The Movie*—which has been optioned by HBO—used two Kickstarter campaigns to help finance their film, and netted double their financing objective.

And, the First Weekend Club raised enough funds for the beta launch of their new streaming service for Canadian films.

These developments are part of a bigger picture of upside opportunities that are designed to exploit digital media production and multiplatform delivery. This part of our situation today I find truly fascinating—and is part of the reason why today we define “success” differently with our new Index.

I believe that the challenges of a poor economic environment can be tempered by emerging opportunities in the current social and technological environment—opportunities such as audience building, and ultra-low budget production.

Digital platforms... creative thinking... this is the perfect segue way to announce that Telefilm will be launching a new **micro budget program** for 2012.

This new pilot program aims to finance the production and marketing of micro budgeted feature films that will use innovative production techniques and benefit from complementary release strategies to reach audiences across multiple digital platforms.

The program targets a new generation of filmmakers: young directors and producers who are accomplished short filmmakers and poised to produce and release their first feature-length film.

What's most interesting with the micro budget program is that we're financing projects, not processes.

Also, our high stake in these small projects represents a strong lever for additional investment. So even though we expect to support 8 to 10 films per year with investments of \$100,000 to \$120,000 per project, total budgets for each project could climb as high as \$250,000.

Our industry faces financial challenges—and we have choices to make. We can lament the lack of financing, or we can take advantage of the situation by applying our creativity to production, just as we do on an artistic level.

Personally, I believe that our industry is flourishing and we have much more to gain by adapting our funding model to the economic realities we face today.



I know that many people have been inspired by the Steve Jobs story in recent months. When I read his biography, I was struck by what he said about the need to “Think Different” in a period of crisis. When Jobs was fired by Apple, the company he co-founded, he could have felt defeated and victimized. But soon came Pixar and then his return to the company... *and look at Apple today.*

I know it’s a paradox, but fundamental change and growth are most likely to occur when we’re out of our comfort zone.

Telefilm has made a commitment to work with the industry in order to redesign its funding model. This is what we mean when we say that Telefilm wants to become an innovative investor—to help the industry diversify its financing partnerships so as to be even more solid and less dependent on any one source of financing.

Our corporate plan is also committed to finding and developing new sources of financing for the industry. So it makes me particularly proud today to also announce the creation of a **new private donation fund**. Canadian corporate and individual donors will have an opportunity to support audiovisual content through a donation to film production.

When we get the new private donation fund up to full operating capacity, we plan to disburse about \$5 million per year in two programming streams: one stream supporting first films by emerging filmmakers, and another stream supporting films by our experienced and award-winning filmmakers to extend their global reach.

The programs will be administered by Telefilm—*we're good at that*—but the funds of course will be kept completely separate from our traditional programs.

We've talked to prospective donors in the corporate sector, and the response is very enthusiastic.

I would like to thank Perrin Beatty, President & CEO of the Canadian Chamber of Commerce, Canada's most influential business association, for lending his invaluable support to this initiative.

Supporting arts and culture, and young talent, are both priorities in many corporate charitable giving programs.

It's going to be exciting to develop the private donation fund, and it's going to be another great benefit for the industry. One more tool in our toolbox to support success.

With these announcements today, my objective is two-fold.

First, I want to share with you my optimism for the future and my firm belief that with the right amount of determination, perseverance and creative innovation we can turn challenges into opportunities.

The Canadian industry still has a solid level of public support compared to many other countries—namely the Government’s support of the Canada Media Fund, the Canada Feature Film Fund and our tax credit programs.

We are also in the privileged position of producing content in English, French and Aboriginal languages, which have potential audiences on every continent.

Yes, we have our work cut out for us. But on the other hand, we have a mature and resourceful industry with an excellent international reputation and a proven ability to outperform our budgets. Plus, we also have a proliferation of platforms and markets that need and want our content.

And finally, my second objective is to challenge you... to challenge you to remain optimistic—to continue to believe that tough times bring opportunities—and to pull out all the stops on creativity, from the art form itself... through to the financing for your production and the marketing of the finished product.

We all need to “Think Different”.

Thank you very much.