

**2011 Annual Public Meeting**  
**Complementary Q&A for the Web**

Several questions were put to Telefilm Canada during its recent annual public meeting in Winnipeg. The organization committed to posting answers on its website to questions that its Chair and Executive Director were unable to answer, for lack of time, during the event.

The following are questions submitted by participants who attended the event in person or via the webcast, as well as through Twitter.

**1. What was the amount of Telefilm's budget in 2010-2011?**

Telefilm had a budget of \$115 million, of which \$105 million stemmed from its parliamentary appropriation and \$10 million from its return on investments.

**2. Your new success index has three components. How is each component weighted?**

The index is weighted as follows: 60% for the commercial component, 30% for the cultural component and 10% for the industrial.

Box-office earnings continue to account for a significant part of the weighting—40% of the new index. Having audiences see movies in theatres is still very important. But the fact is that audiences also watch Canadian movies on other platforms (TV, DVD, Web, [national sales]), as well as in foreign markets (international sales)—thereby accounting for a weighting of 20%.

We are recognizing that Canadian feature films have a major cultural value, not only in Canada—because filmmakers reflect who we are—but also on the international scene, where the Canada brand is strong. For the first time, our movies' cultural value is being formally and explicitly recognized and will account for 30% of the success index.

Accounting for 10% of the success index, the industrial value weighting denotes that it is important to diversify our film industry's funding sources through greater support from the private sector.

**3. What are the main challenges facing Telefilm over the next year?**

The three main challenges are as follows: 1) to stimulate demand for Canadian content in an environment where competition is fierce; 2) to ensure that the industry is funded at a time when the global economic situation remains precarious; and 3) to continue the process to make our programs simpler and more efficient for our clients.

By fostering Canadian cultural success, by better promoting Canadian content, we hope to stimulate the interest of audiences in Canada and elsewhere. We need to do better, not only by drawing larger audiences into movie theatres but also by ensuring that more Canadian content is present and promoted on other platforms as well as abroad.

As for funding, there's no question that Canadian and international sales have to increase, as does funding from the private sector. To achieve this, existing partnerships will need to be maintained and new partnerships developed.

Finally, our other challenge involves moving ahead with the three key projects identified in our corporate plan: implementing the success index, putting in place a national and international promotional strategy, and simplifying our programs to make it easier to do business with us.

**4. How important will the regions be in your new strategies?**

The promotional strategy we are currently developing will be firmly anchored in the regions, and more on that will be communicated at the appropriate time. That said, the fact that we held our annual public meeting in Winnipeg this year—and in Halifax last year—shows we are working hard to get closer to our clients, to our partners and to local communities. Our screenings in Ottawa and elsewhere are another example of this. In addition, we are constantly providing information to and consulting with our clients in the regions.

**5. Your corporate plan aims to foster cultural success. Can you explain why you set this as a goal for Telefilm and how you plan to achieve it?**

Over the last 10 years, Canada's audiovisual industry has changed a great deal and acquired greater expertise, both in terms of its professional development and in terms of the international recognition it has earned. There is no longer any doubt that the industry turns out high-quality products and possesses a high degree of expertise and know-how. Despite its success at home and abroad, however, Canadian content remains, to a certain extent, a hidden treasure. As such, it is important that measures be taken to further highlight the value of Canadian content. Promoting Canadian talent and projects is key to achieving this.

Telefilm will therefore continue to act as an investor—an important role given that our investment represents close to a third of production budgets—while placing greater focus on its role as a promoter. Working with our clients and partners, we will take advantage of all opportunities, in Canada and abroad, to raise the profile of our talented artists and artisans and the success they achieve.

Festivals, markets and industry ceremonies such as the Oscars, Césars, Golden Globes, Genies, BAFTAs and Jutras are excellent allies in the promotional field. But we also organize our own events, in partnership with the private sector. This includes events like our screenings in Ottawa and the screening of *Passionflower* for 300 guests at our annual public meeting in Winnipeg on November 23, 2011.

But we're setting our sights even higher. With support from the Canada Media Fund, we are developing a national and international promotional strategy to create real buzz around Canadian content. We will work with local partners, such as Manitoba Film and Music, to get closer to decision makers and business people in each region, in order to make consumers more aware of the value of Canadian content. We will also work with our many international partners to achieve this goal. We will define the terms of this global promotional strategy in time for our next fiscal year.

Our new success index will also demonstrate to Canadians that our movie industry makes an outstanding contribution in commercial, cultural and industrial terms.

**6. How might the new success index affect the way funding is granted to producers via distributors?**

No changes will be made next year. The new index will be implemented gradually. Telefilm will first analyze the data for 2010 and 2011 and then determine how the new index will be put in place. Once this is established, Telefilm will inform its clients.

**7. Will the new success index replace the Department of Canadian Heritage's 5% box-office target?**

The 5% target served as a first index for measuring the reach of Canadian film. Reaching Canadian audiences in movie theatres—as well as by other means—remains an important goal. The 5% target remains in effect and is tied to Canada's feature-film policy which, as such, falls under the responsibility of the Department of Canadian Heritage.

Telefilm and Canadian Heritage share their data and work to build Canadian audiences. Telefilm created its own success index, which is directly tied to its new corporate plan and thus falls within its own area of responsibility and action.

**8. According to your annual report, Telefilm support for regional English-language projects declined this year, to the benefit of projects from Ontario. What are you planning to do to address this?**

Each year, Telefilm invests in some 50 films at the production stage, of which only about 10 represent investments of more than \$1.5 million per film. These investments are the result of a rigorous selection process that puts in competition the very best projects from all regions of Canada. With such a small number of films accounting for a significant portion of investments made by Telefilm, it goes without saying that the regional breakdown of Telefilm's investments fluctuates from year to year.

**9. When and how will the new success index take effect?**

The success index will take effect in April 2012, which marks the start of our next fiscal year. It will be an annual index, which will allow us to compare variances in the performance of our entire portfolio of projects from one year to the next.

By April 2012, we will have compiled all relevant data for 2011 and as such have a basis for comparison. We will start reporting results of the success index in our 2012-2013 annual report.

**10. Why do regional offices sometimes ask producers to withdraw their project?**

When financial resources for a given fiscal year have been exhausted, Telefilm may advise producers to submit a project during the following fiscal year.

**11. Will there be significant changes this year to the requirements concerning development applications?**

No changes are planned between now and the end of March 2012. Telefilm is continuing its consultations on the topic of its support for project development in the 2012-2013 fiscal year, which starts on April 1, 2012. The organization has committed to simplifying its programs and processes and intends to make sure that the new development guidelines reflect the main goal of its corporate plan, which is to stimulate demand for Canadian content. Announcements will likely be made in early 2012.

**12. How will you ensure that co-productions obtain better financial support?**

Telefilm support for Canada's audiovisual industry at festivals, markets and other events facilitates international partnerships and helps promote Canadian audiovisual products and talent. Starting in April 2012, Telefilm will have in place a comprehensive national and international promotional strategy that will enable it to work closely with its Canadian clients and partners, as well as with its large international network, to encourage foreign investment in Canadian production, notably through co-production.

**13. Promotion is incredibly important, yet advertising costs are not eligible at Telefilm. Why?**

Advertising-related expenses are eligible under the Canada Feature Film Fund's marketing program.

**14. Will the implementation of this success index change how performance envelopes are awarded?**

Telefilm will continue to reward the success of companies that help to stimulate demand for Canadian content. Telefilm will take account of commercial, cultural and industrial success as defined by its new index.

**15. It seems that feature-film producers have a tendency to defer their fees and finance their movies with their own money. What is Telefilm doing to help producers survive financially?**

Telefilm does not encourage producers to defer their production fees. Feature films must be funded by the Canada Feature Film Fund, other provincial funding instruments, tax credits and the Canadian or foreign private sector.

**16. At the moment, we are limited in terms of our ability to use foreign actors. These actors could help us improve our box-office results. Has Telefilm thought about renegotiating Canadian content requirements?**

To access funding under the Canada Feature Film Fund, productions must obtain a minimum Canadian content score of 8 out of 10. As such, the lead actor and lead supporting actor can be non-Canadian if the production so chooses.

**17. Are we going to see more big-budget movies, or are you going to focus instead on lower-budget productions? What will the breakdown be, if any?**

Telefilm will continue to support a wide variety of projects, from international co-productions to low-budget films, by favouring projects that have the best chances of stimulating demand for Canadian content. That said, Telefilm is planning to review its funding programs for low-budget feature films—films that are often directed by emerging filmmakers and important from a cultural standpoint.

**18. Canada's multicultural aspects are no longer reflected in your funding policies. The Canadian mosaic has changed. Will Telefilm alter its perspective to reflect this change?**

As per its assigned mandate, Telefilm continues to support projects in the two official languages, based on the following ratio: about one third of its investments are allocated to French-language projects and two thirds to English-language projects.

We encourage diversity in storytelling. Our commitments for multicultural and Aboriginal projects have increased, rising from 7% to 10% of total funding. In 2010-2011, we funded

34 projects having major multicultural elements, including Deepa Mehta's *Midnight's Children*, Rob Lieberman's *Breakaway*, and Ant Horasanii's *Lost Journey*. We also support festivals and industry events across the country that reflect Canada's cultural diversity.

**19. What can Telefilm do to encourage the provinces to better support audiovisual content—in addition to tax credits—such as Quebec does with SODEC?**

Telefilm recognizes that provincial support is crucial to the development and promotion of regional industries. We were delighted that Manitoba's minister of Heritage, Culture and Tourism, as well as the mayor of Winnipeg, attended the special screening of Shelagh Carter's *Passionflower*, one of the many activities organized around our annual public meeting in St. Boniface on November 23. Equipped with a solid *national* and international promotional strategy, Telefilm aims to increase the number of its partnerships across the country to raise awareness among government leaders and others of the value of film activity in their communities.

**20. Performance-based envelopes drain off a lot of money. Are any changes planned?**

Telefilm has always maintained a balance between the Canada Feature Film Fund's performance and selective components in order to encourage the success of a wide range of talents and projects across the country. We will continue with this approach.

**21. Will you simplify the initial application process for production and development requests?**

Telefilm has committed to adopting a true client-focused approach, which means simplifying our guidelines and processes. We want to make it easier for our clients to do business with us.

**22. Will all films benefit from the possibility of accessing envelopes as a result of the new success index?**

As is currently the case, Telefilm will continue to reward companies for their portfolios as a whole. In future, companies will be rewarded on the basis of their commercial, cultural and industrial success.

**23. How will Telefilm see to it that Canadian movies attract Canadian audiences?**

Over the next few years, as indicated in our five-year corporate plan, we will *foster cultural success* in order to make Canadian audiences aware of the commercial, cultural and industrial value of our country's movie industry. National and international promotion will be a key tool in helping us achieve this objective. We will work with institutional and private partners from across the country to encourage various communities to "fall in love" with their local movies and talent; at the same time, we'll promote the Canada brand, which is becoming even stronger on the international scene.

**24. How would you respond to critics who might say that you are abandoning the struggle to build greater market share across the country?**

Nothing could be further from the truth. Getting Canadians to watch Canadian movies in movie theatres remains a very important goal. Fostering cultural success and focusing on national and international promotion can't help but stimulate Canadian demand for Canadian content—and therefore have a positive effect on the market share of Canadian movies in Canadian movie theatres.

**25. Have you thought about improving the marketing of Canadian movies outside Canada, in the United States and the United Kingdom, for example? This would make it easier to enhance the visibility of our movies and obtain a return on investment in film.**

All of Telefilm's foreign initiatives and efforts are focused on this goal, whether at festivals, markets or other events such as Canada's Oscar selection (Philippe Falardeau's *Monsieur Lazhar* this year) or *Canadian Front*, held at MoMA in New York each year.