



TELEFILM
C A N A D A

Corporate
Plan
2024
2027

PARTNER
OF ▶
CHOICE

Together, for a lasting impact

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MESSAGE FROM THE EXECUTIVE DIRECTOR AND CEO



Over the next three years, Telefilm is determined to meet the many challenges and take advantage of the many opportunities facing the audiovisual industry.

We are aware that the changes taking place in the industry's environment may create uncertainty, but they also offer great potential from a social, cultural and economic standpoint. At Telefilm, we see these challenges as vectors of innovation that strengthen our mission to promote national audiovisual production that reflects and values all Canadian and Indigenous perspectives.

Achieving our ambitions requires a holistic vision and a coherent strategic course of action. That is why we are taking steps to modernize both our organization and our business practices. The consolidation of key sectors under a single vice presidency, combining program strategy and industry development, is a good example of our approach. This drive for renewal is fully reflected in our corporate plan.

The new, highly experienced and proactive executive management team is now in place to lead Telefilm into the future, in close collaboration with our teams and partners. The next cycle of strategic actions will also be marked by the strengthening of our organizational capacity. This is achieved through a working environment that fosters both a sense of belonging among our employees and an active commitment to our shared success.

The 2024-2027 corporate plan is based on a participatory approach, the result of consultations and working sessions with industry representatives, employees and Telefilm's Board of Directors. I am therefore delighted to briefly present our strategic priorities.

Our first priority is to **strategically review our programs and activities** to increase Telefilm's impact on the industry and with audiences. Our second priority, in line with best practices in environmental, social and governance (ESG) issues, is to **refresh our organizational culture and improve our operational efficiency**. It also includes **modernizing the work environment and responsibly exploring automation and artificial intelligence** to better support certain processes. Finally, our third strategic priority is to confirm our key role in the **modernization of the audiovisual sector** by leveraging our efforts to influence the legislative reforms that will pave the way for a **prosperous** and **sustainable** future for our industry.

Our commitment is based on a deep belief that

we have
what it takes
to **succeed**
together.

Julie Roy
Executive Director and CEO
Telefilm Canada

ENVIRONMENTAL SNAPSHOT

Highlights

▶ **95%**

of Canadians say they watched one or more feature films in 2023.

71% of these films were watched online.

[ERm Research survey, 2023]

▶ **74%**

of Canadians have watched at least one film in a movie theatre in the past year.

(In Quebec, 83% of reported doing so, marking it as the province with the highest rate of in-theatre attendance.)

[ERm Research, 2023]

▶ **\$890M**

Despite a more challenging economic environment, Canadian movie theatres ended 2023 with their best ticket sales since the start of the pandemic, at nearly \$890 million.

This represents a 33% increase over 2022.

[Movie Theatre Association of Canada, 2024]

▶ **Streaming**

Canadian youth between the ages of 2 and 17 continue to favour viewing and activities on streaming platforms, social media services and video games. In contrast, television viewing (cable and satellite) accounts for only 9% of screen time.

[OTM Jr., 2023]

▶ **94%**

Telefilm's 2023 survey on sustainability awareness found that **94% of Canadian audiovisual production workers believe it is important to integrate environmentally responsible practices.**

[Telefilm, 2023]

The transforming factors shaping our industry

After a period of growth in content consumption, coupled with the granting of emergency aid during the pandemic, the entertainment sectors are now facing a slowdown in a global economy hit by inflation and rising interest rates. In addition, many challenges persist: rapid technological growth, changing consumer preferences, shifting social norms and the pressures of the climate crisis. Against this backdrop, the passage of the *Online Streaming Act* (Bill C-11) is both a necessary and a hopeful call to action, paving the way for a revision of Canada's audiovisual regulatory system that will make it possible to better navigate the new realities of an increasingly digital world.

ENVIRONMENTAL SNAPSHOT



Redefining the audiovisual industry in times of **economic slowdown**

Although inflation has now begun to decline, it remained at a historically high level of 3.9% in 2023. It had reached 6.8% in 2022—its highest level in 40 years [Statistics Canada, 2024]. Persistently high inflation has forced the Bank of Canada to raise the key interest rate rapidly and repeatedly to bring inflation back to target. And so it was that the key interest rate rose from 0.25% to 5% between March 2022 and July 2023. As for the audiovisual industry, the few prosperous years that marked the “streaming wars” have given way to a certain measure of economic uncertainty, both internationally and locally. Platforms have significantly reduced their operating costs and investments in content. All players in the Canadian value chain are also feeling the effects of the economic slowdown. Broadcasters, exhibitors, festivals and distributors are facing financial difficulties, sometimes requiring drastic mitigation measures.

Meanwhile, the independent production sector was hit by the concurrent SAG-AFTRA and Writers Guild of America strikes in the United States, which resulted in significant losses for the sector, particularly in the areas of foreign production and production services. It was against this turbulent backdrop that Bill C-11, which amends the *Broadcasting Act*, was passed in April 2023, marking the beginning of a process to redefine the policies and regulations governing Canadian audiovisual production and broadcasting. After submitting an initial briefing and participating in public hearings, **Telefilm Canada is determined to continue its work, in consultation with all partners, to ensure a relevant contribution to this modernization process, in line with its mission and programs.**



The great technological leap with **generative AI**

The rapid adoption of generative artificial intelligence (AI) systems has paved the way for the creation of content in a variety of genres and formats, at times of a quality comparable to that produced by professionals. While many Canadian professionals are excited about the rise of these generative AI tools, many are also concerned, particularly about copyright infringement of images and other intellectual property, and the replacement of key positions in the film and television industry. A growing body of analysis is also arguing that AI-based automated systems can improve business processes in many organizations. For example, some AI tools can analyze audience data to generate customized recommendations based on user preferences and viewing trends. In short, it's important to distinguish between the opportunities to streamline certain tasks and the very real risks associated with these technological advances.

Telefilm aims to integrate artificial intelligence and automation into its strategic plan to increase operational efficiency, while ensuring that AI is used ethically, in a manner that respects the environment and the rights and sovereignty of creators.

ENVIRONMENTAL SNAPSHOT



Audiences suffering from **media overload**; shorter release windows

Recent data from Statistics Canada and other studies point to growing user fatigue: information overload, dissatisfaction with algorithm-based recommendations, and declining trust in social media are just some of the factors that explain why consumers feel somewhat exhausted because of time spent in front of screens. While interest in audiovisual content offerings remains high, the proliferation of choices and platforms poses significant challenges to the industry, particularly when it comes to content discoverability. In a recent survey, 35% of Canadians said they “always” or “often” had a hard time finding and selecting a show or movie to watch across multiple streaming platforms [OTM, 2022].

Another cumulative effect of the pandemic and the shift to online viewing is the weakening of film distribution: in particular, the 74- to 90-day exclusive theatrical release window model for exhibitors is coming to an end, with a trend now moving toward shorter windows. There is also a move to more diversified release strategies, with fixed-date releases or direct-to-streaming at higher prices. **Telefilm is committed to continuing its efforts to support the distribution, promotion and reach of Canadian and Indigenous audiovisual content.**



Renewed commitment to **social** and **environmental responsibility**

Evolving social and cultural norms emphasizing equity, diversity and inclusion (EDI) continue to transform our societies. In Canada, many initiatives aimed at eliminating systemic barriers and biases to ensure equitable access to opportunities in the audiovisual production sector have emerged in the last five years within both public and private organizations. As we strive to better reflect the multiple realities that define our creative industries, it is also essential to recognize and support the importance of reconciliation initiatives with Indigenous peoples.

At the same time, growing concern about the environmental impact of audiovisual production is leading to an increased awareness of environmental responsibility, as evidenced by efforts to reduce the environmental footprint of film sets and transportation. **Telefilm Canada intends to continue its efforts in the areas of EDI and environmental stewardship, but also to pay greater attention to accessibility issues. This is a priority that will consolidate the changes made and strengthen Telefilm’s environmental, social and governance commitments.**

Strategic plan summary



Conduct a strategic review of our programs and initiatives to maximize our impact on the industry and the public

Initiatives

- **Redefine** the criteria for evaluating the performance of our programs and initiatives, to better measure the success of Canadian and Indigenous cinema, including the diversity and the vitality of the sector
- **Strengthen** our business intelligence strategy and data analytics to drive organizational and industry excellence
- **Simplify** and **harmonize** our programs and initiatives



Evolve our organizational culture and optimize our operational efficiency

Initiatives

- **Develop** a reference framework that reflects an ESG (environment, social and governance) vision to guide the implementation of responsible, equitable, inclusive and sustainable policies and practices
- **Update** our work environments and methods to strengthen the sense of belonging to the organization and to the audiovisual industry
- **Explore** automation and artificial intelligence opportunities to improve the efficiency of our operations



Play a leading role in the modernization of the audiovisual sector with our various partners

Initiatives

- **Renew** our practices to be the driver of change and innovation in the audiovisual sector
- **Position** the cultural, social and economic value of the feature film format in the context of the modernization of Canada's broadcasting framework
- **Ensure** the sustainability of Telefilm's funding

Our mission

Invest in the Canadian and Indigenous audiovisual industry to make it **shine brightly** on every screen.

Our vision

An audiovisual industry that drives **prosperity** and creates **lasting impact**, thanks to **Canadian** and **Indigenous cinema** that embodies its aspirations and reflects the cultural, linguistic and regional **diversity**, for **audiences** at home and abroad.



Details of the strategic plan: priorities and initiatives



Strategic priority 1

Conduct a strategic review of our programs and initiatives to maximize our impact on the industry and the public

INITIATIVE 1



Redefine the criteria for evaluating the performance of our programs and initiatives, to better measure the success of Canadian and Indigenous cinema, including the diversity and the vitality of the sector

Expected Results

- ✓ Programs and initiatives that are better structured for greater equity, prosperity and vitality of the industry
- ✓ A framework that ensures the coherence of programs and initiatives, and their harmonization
- ✓ Greater transparency on the performance and impact of Telefilm, its programs and initiatives

INITIATIVE 2

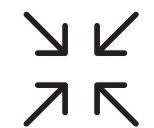


Strengthen our business intelligence strategy and data analytics to drive organizational and industry excellence

Expected Results

- ✓ Implementation of a data management framework and business intelligence strategy
- ✓ Greater performance of analytical tools and systems
- ✓ Business intelligence tools available for decision-making and continuous improvement of programs and initiatives

INITIATIVE 3



Simplify and harmonize our programs and initiatives



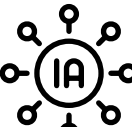
Expected Results

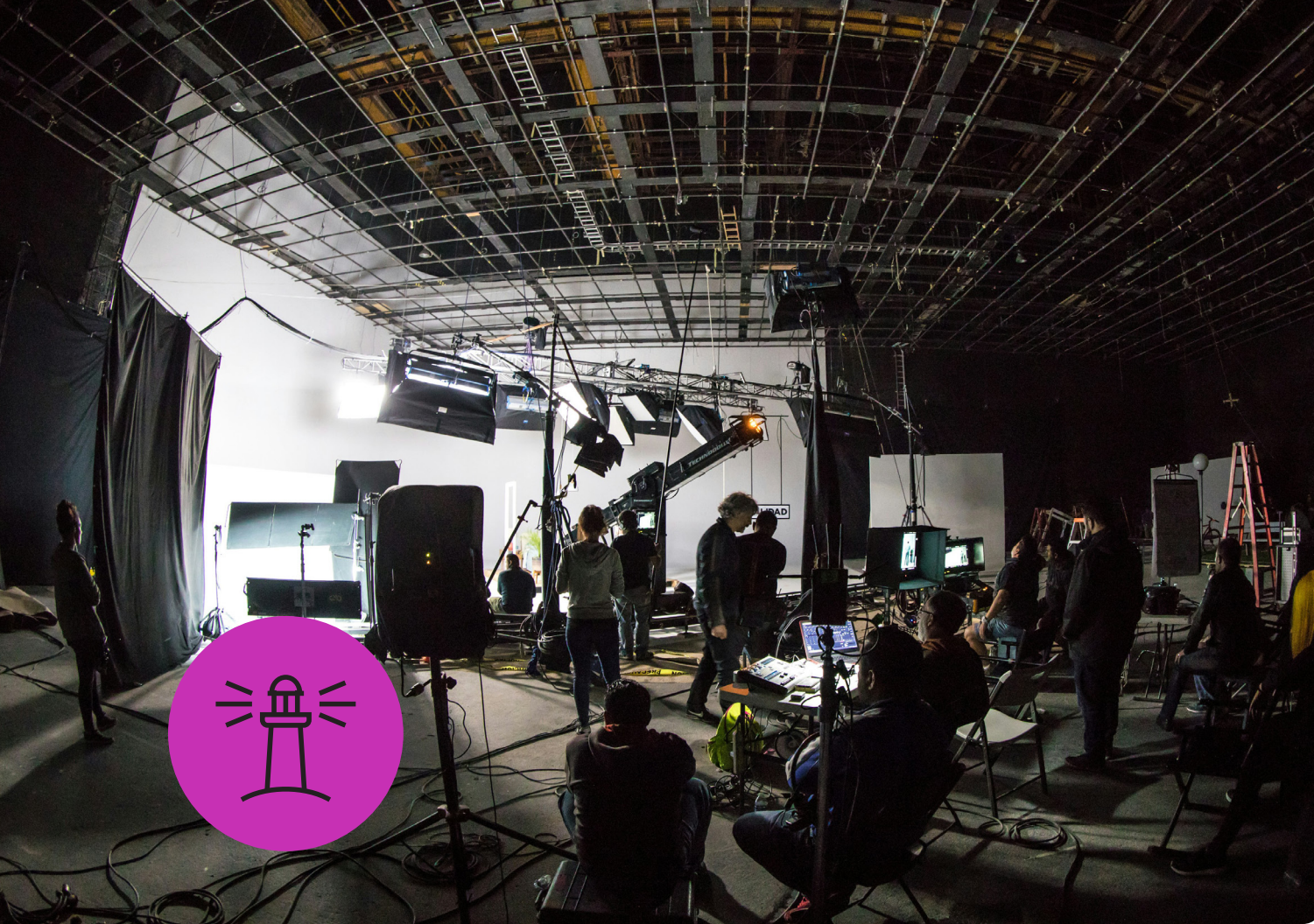
- ✓ Simpler and more cohesive programs and initiatives that serve and amplify success and growth
- ✓ Simplified processes, guidelines and essential requirement documentation
- ✓ Stronger relations with other funding agencies and better program and initiative alignment



Strategic priority 2

Evolve our organizational culture and optimize our operational efficiency

INITIATIVE 1	Expected Results
 <p>Develop a reference framework that reflects an ESG (environment, social and governance) vision to guide the implementation of responsible, equitable, inclusive and sustainable policies and practices</p>	<ul style="list-style-type: none"> ✓ A sustainability policy framework informed by ESG principles ✓ Publication of an annual sustainability report ✓ Sustainability vision integrated in the revised Telefilm's policies
INITIATIVE 2	Expected Results
 <p>Update our work environments and methods to strengthen the sense of belonging to the organization and to the audiovisual industry</p>	<ul style="list-style-type: none"> ✓ Redesigned work environments and adapted work methods in a hybrid context ✓ An organizational culture that reflects and celebrates the Canadian and Indigenous audiovisual industry
INITIATIVE 3	Expected Results
 <p>Explore automation and artificial intelligence opportunities to improve the efficiency of our operations</p>	<ul style="list-style-type: none"> ✓ Definition and publication of a framework for the use of artificial intelligence at Telefilm ✓ Greater productivity in program and initiative management achieved by using automation and artificial intelligence



Strategic priority 3

Play a leading role in the modernization of the audiovisual sector with our various partners

INITIATIVE 1



Renew our practices to be the driver of change and innovation in the audiovisual sector

Expected Results

- ✓ A lasting, concerted impact to better support the career paths of groups seeking equity in the industry
- ✓ Alternative funding approaches and methods are identified and integrated into Telefilm's strategy

INITIATIVE 2

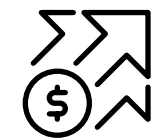


Position the cultural, social and economic value of the feature film format in the context of the modernization of Canada's broadcasting framework

Expected Results

- ✓ Strategic contributions with the Canadian Radio-television and Telecommunications Commission (CRTC) and stakeholders
- ✓ Increased and shared recognition of the importance of cinema and feature films by stakeholders

INITIATIVE 3



Ensure the sustainability of Telefilm's funding

Expected Results

- ✓ The additional parliamentary appropriation becomes permanent from 2026-2027

FINANCIAL INFORMATION

Assumptions

Telefilm's budget assumptions for 2024-2025 are based on the continuity of its financing, with additional funding of \$98.5M expected over the next two fiscal years (2024-2025: \$49.5M and 2025-2026: \$49.0M). This funding follows the phase-out of the additional funds obtained of \$105M (2021-2022: \$20M, 2022-2023: \$35M and 2023-24: \$50M).

As announced in the 2023 Federal Budget, the 2024-2025 budget also takes into account the reductions to which it is subjected as part of the federal government's refocusing exercise.

The Statement of Operations has been prepared in accordance with the Canadian Public Sector Accounting Standards (CPSAS) that was in effect as of March 31, 2024.

Statement of Operations

<i>In millions of Canadian dollars</i>	Actual 2022-2023*	Annual budget 2023-2024	Annual budget 2024-2025
Assistance expenses			
Development of the Canadian audiovisual industry			
Production Program	80.1	83.1	84.3
Development Program	8.9	11.9	10.0
Theatrical Documentary Program	5.5	4.5	4.8
Talent to Watch Program	3.7	4.0	4.0
International Funds Contributions	2.0	1.7	2.1
Administration of recommendations for audiovisual treaty coproduction	0.4	0.4	0.5
Community engagement contributions	0.4	0.4	0.4
	101.0	106.0	106.1
Promotional support in Canada and abroad			
Marketing Program	5.4	10.5	10.3
National and International promotional activities	15.1	8.1	7.9
National promotion programs – Festivals and industry events support	12.3	8.1	6.9
International Promotion Program	1.3	1.1	1.4
Theatrical Exhibition Program	10.9	0.8	0.8
Theatrical Distribution Compensation Program	3.9	–	–
Export Assistance Program	0.5	0.7	0.3
	49.3	29.1	27.5
Short-Term Compensation Fund	8.5	–	–
	158.7	135.1	133.6
Operating and administrative expenses	34.6	36.7	36.6
Cost of operations	193.3	171.8	170.1
Revenues	21.7	19.1	19.1
Net cost of operations before government funding	171.6	152.7	151.1
Government funding			
Parliamentary appropriation	171.1	151.9	152.8
Surplus (deficit) for the year	(0.6)	(0.8)	1.7

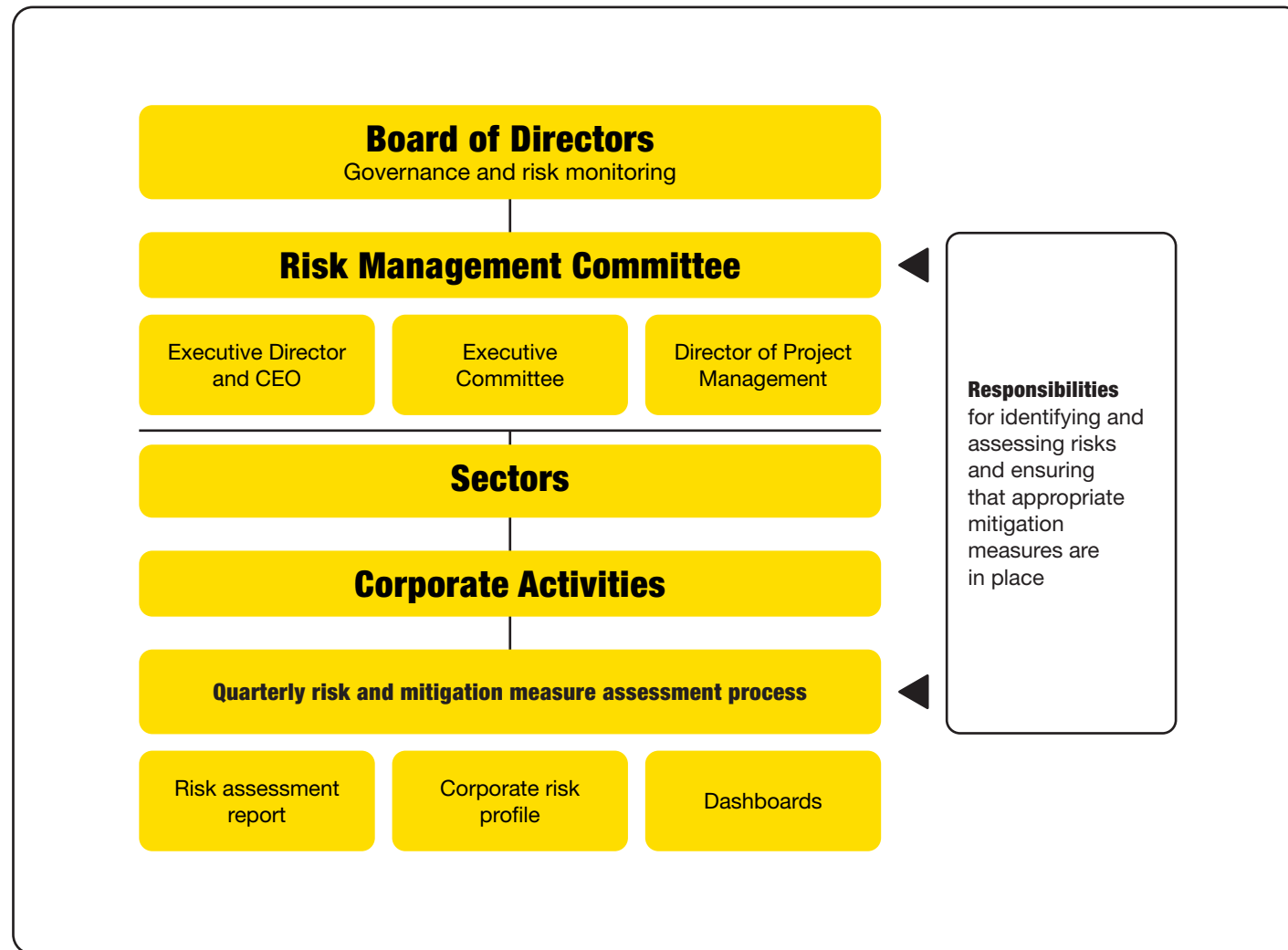
Figures are rounded

* Includes the second year of the \$105M additional funds (2021-2022: \$20M, 2022-2023: \$35M and 2023-24: \$50M); the Recovery Fund for Arts, Culture, Heritage and Sport sectors; the Reopening Fund for events and In-person experiences; the Canada Arts and Culture Recovery Program (CACRP) and the Short-Term Compensation Fund for Canadian Audiovisual Productions (STCF)

RISK MANAGEMENT

The Risk Management Committee is responsible for identifying and assessing risk and ensuring that adequate mitigation measures are in place.

The committee is composed of the Executive Director and CEO, all members of the Executive Committee, and the Director of Project Management. Risks are reviewed during each fiscal quarter, and management considers both internal and external factors and their potential impact. The Executive Director and CEO reports on risk assessment to the Board of Directors.

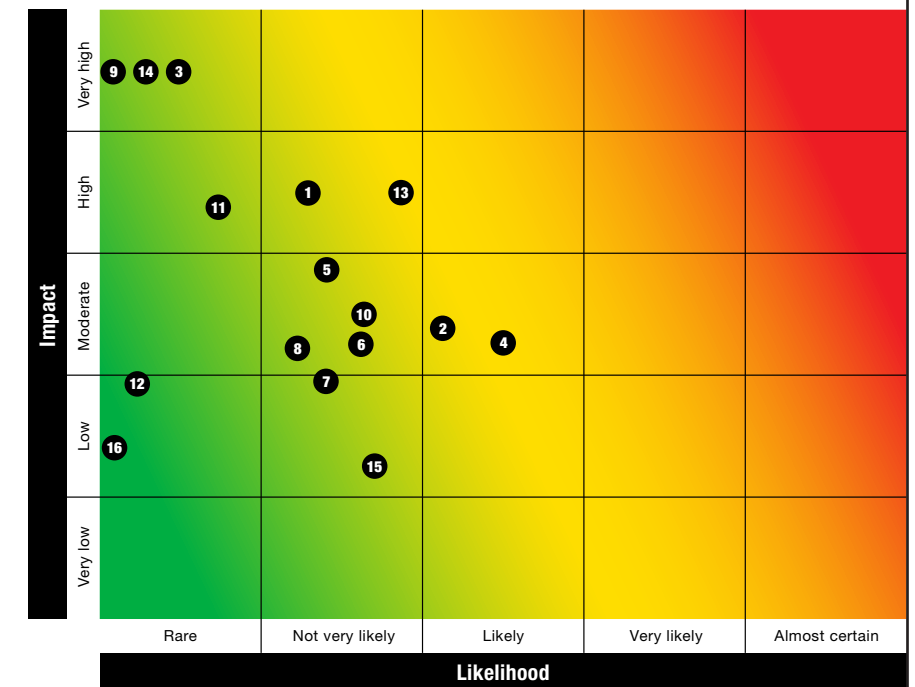


Residual risk heatmap

The following matrix shows current residual risks

Legend

1. Management of funding programs
2. Representation – Programs
3. Available funding
4. Discoverability and promotion
5. Telefilm's added value (perception)
6. Representation – Workplace
7. Talent management
8. Strategic plan
9. Services agreement
10. Crisis management plan
11. Financial management
12. Fraud
13. Cybersecurity and information security
14. Funds are not available on a timely manner
15. Eco-Responsibility
16. Unused parliamentary appropriation



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