

Talent First
Annual Report 2012-2013

Address by Michel Roy, Chair of the Board, delivered at Telefilm’s Annual Public Assembly, held at the PHI Centre in Montreal on Wednesday, December 11, 2013, 10 a.m.

*“One thing and one thing alone
has the power to bring us all together: talent!”*
Michel Roy

Good morning, Ladies and Gentlemen.

I’d like to begin by thanking Ms. Greenberg for her warm welcome.

The PHI Centre’s mission is to make art accessible to as many people as possible and to foster encounters and exchanges of all kinds between artists, the work and the audience. That’s exactly what we at Telefilm try to do every day: to build long-lasting bridges between creative talent and Canadian audiences.

I would also like to introduce the Vice-Chair of the Board and Chair of the Audit and Finance Committee, a Toronto lawyer and specialist in intellectual property law, Ms. Elise Orenstein.

2012-2013—Talent First

We strongly believe that we have to put talent at the very heart of Canada’s audiovisual system. The title of our Annual Report says it all.

In 2012-2013, Canadian films won 60 international awards and other honours. As you’ll remember, this was the year of *War Witch*, *Vic + Flo Saw a Bear*, *Laurence Anyways*, *Blackbird* and *Midnight’s Children*... among many others.

2011-2012 was the year when film production in Canada was at its highest level in 10 years, with production worth a total of \$381 million. Canadian films took a 10% share of the national indie market, which represents box-office earnings of more than \$26 million. The national indie market does not include movies produced by U.S. studios.

I take all this as a sign of our industry’s strength and vitality.

I’d like to spend a few minutes providing you an overview of Telefilm in 2012-2013, and then look at some of the challenges that lie ahead over the next few years.

Telefilm Canada: Overview of 2012-2013

To get a clear picture of 2012-2013 we need to recall the main principles that guided Telefilm's actions throughout the year. Our core mandate, of course, is still to fund audiovisual productions. But we've broadened our vision in order to build audiences for Canadian content at home and around the world—diverse, high-quality content that is accessible anywhere, anytime and on all available platforms.

We are well aware that this is a long-term goal, which we'll achieve on a step-by-step basis. But if more and more industry players work together, aiming at the same target—as was the case this year—we'll be able to make steady progress. It's about time that Canadian audiences realized that our movies are among the best in the world and take an interest in them—not because they're Canadian or Quebec films, but because they're good and because they're entertaining.

That's what *fostering cultural success to stimulate demand for Canadian content* means. And we've developed this strategic direction by consulting and working very closely with the industry.

We established four principles to achieve our vision, and we remained true to these principles throughout the year:

- First, to maintain and expand our core role as funder;
- Then, to develop our role as promoter, at home as well as on the international scene;
- Third, to develop and share our market intelligence with the industry; and, finally,
- To reinforce our organizational excellence.

Focusing on the essentials: creation, promotion, partnerships

Refocusing—redefining—our programs was probably the single most important organizational task we undertook all year.

Indeed, we consolidated and then refocused our development, promotion, production and marketing programs so they would closely align with our objective: to attract audiences.

These changes required a lot of work on the part of our teams as well as rigorous follow-up. But we're already starting to see the benefits.

For example, our redesigned Development program has fulfilled its promises by supporting a greater variety of projects, by allowing greater autonomy for established production companies, and by paving the way for new partnerships, particularly through mentoring.

We've implemented innovative programs such as the Micro-Budget Production Program to help emerging Canadian directors and producers. We've also increased our promotional activities, regionally in Canada as well as internationally.

Overall, our various processes are now simpler. We make decisions more quickly. And our services are more connected, because most of our transactions are now conducted online.

The result is that industry entrepreneurs can now devote more of their time to creating audiovisual works and seeking out partnerships to develop and promote talent.

Our new Success Index allowed us to measure our funding results on the basis of several criteria—rather than relying solely on box-office performance, as we used to do.

The Index provides us with a picture of each company as well as an overall picture of our portfolio, year after year, from a cultural, commercial and industrial standpoint—the three key pillars of the industry's growth.

A collective effort to fund and to promote Canadian content

In 2012-2013, we invested \$96.9 million in the industry through our funding programs. 77% of this amount was dedicated to development and production—in other words, to the creation of audiovisual works—and 23% was invested in marketing, promotional events in Canada and participation in international events—in other words, bringing Canadian talent to audiences and promoting this talent.

We contributed financially to the production of 72 feature films and to the marketing of 94 feature films.

All of that means a significant amount of Canadian content on screens. This content is very valuable, and we have a collective responsibility to promote it on as many platforms as possible and to as many viewers as possible.

When I speak of “collective responsibility,” I mean to draw attention to the other stakeholders who participate in production funding with Telefilm.

As you can see on screen, Telefilm covered 35% of production budgets. The balance of funding came from provincial governments, distributors and exporters, the private sector, foreign participants, and broadcasters.

On the promotion side, we took part in some 160 events—more than 40 film festivals and close to 125 industry events in Canada and abroad.

As for coproduction, we know that it provides often needed complementary funding for projects and that it opens new markets—meaning that it brings in new audiences. During the year, we made recommendations to Canadian Heritage regarding the certification of 59 official coproductions involving 14 partner countries.

Organizational excellence

Turning to another subject, I'd like to take advantage of this assembly to highlight the effectiveness of Telefilm's administration.

Despite a demanding operating environment, we again managed to reduce our administrative expenses, which fell from a rate of 6.3% last year to 5.8% this year. This represents \$2.5 million in administrative savings. We reinvested this sum in our programs, most notably the Development program.

Still on the subject of administration, we polled our clients on changes made to our programs during the year, and the responses were very positive. I should also mention that the Canada Media Fund commissioned a KPMG study on the services Telefilm provides to the CMF, and the study highlighted the organization's excellence in managing their files.

The future: the issue of accessibility

In 2014, Telefilm's Board will begin laying the groundwork for the organization's next corporate plan, which will take effect in 2015.

Obviously, there will be continuity from our current plan to the next.

Promoting content and talent will remain a core focus. We still have some way to go in this regard because, according to a survey conducted by Ad hoc Recherche in April of this year, only 37% of English-speaking Canadians think that the quality of Canadian films is as good as the quality of foreign films.

Even in Quebec, where Quebec films are relatively popular, only one Quebecer in two thinks that Quebec films are as good as foreign films. We'd obviously like to see these numbers go up in the years to come.

It's also clear that we'll have to continue developing strategic partnerships. In this matter, we're on the right track. As proof we can point to our new Talent Fund, which offers individuals, businesses and broadcasters the opportunity to directly support the production and promotion of Canadian film and contribute to its success. This fund is attracting a lot of interest.

We'll also continue the discussions we started in October 2012 with all stakeholders in the Canadian broadcasting system on the promotion of Canadian content. Several industry organizations are now working with us to produce a national promotion strategy that will include a major communications push into social media.

Beyond promotion, however, we'll also have to examine, more broadly, the issue of access to Canadian film. Put another way, we'll need to have a clearer understanding of where and when Canadian consumers have access to our films, and of how we can improve their access.

We know that viewing habits are changing rapidly. Recent research conducted by Telefilm and HEC Montréal found that 81% of respondents had watched their most recent movie on TV. Among young people, 39% of 15-17 year olds had watched their most recent movie on a computer. And 55% of respondents said they wanted to watch more movies online.

The proliferation of viewing platforms is raising a lot of issues—which are also challenges for all industry players: which viewers should be targeted on each platform? How are we going to reach increasingly fragmented audiences with stories that interest them? In fact, the entire industry—Telefilm, the Canada Media Fund, the CRTC, provincial funding agencies and all other investors—are confronted by the same major issue: how do we reach audiences effectively and efficiently?

In light of the context I've just described, we should all be delighted with Québecor's *Éléphant* initiative, which already provides online access to more than 200 Quebec films. The company also plans to restore or digitize another 800 films over the next few years. And for its fifth anniversary, *Éléphant* announced that all of Canada, and, shortly, the United States, would have access to these movies thanks to an agreement with iTunes Canada. We need more of these kinds of multiplier initiatives.

Indeed, one thing and one thing alone has the power to bring us all together: talent!

Because screens in Canada and elsewhere have been literally bursting with talent for the last few years. Because a number of filmmakers and actors are doing our country proud by successfully meeting the challenge of international productions. Just think of...

- Denis Villeneuve, with *Prisoners*;
- Jean-Marc Vallée, with *Dallas Buyers Club*;
- Ken Scott, with *Delivery Man*;
- Philippe Falardeau, with *The Good Lie*;
- Christian Duguay, with *Jappeloup*;
- Atom Egoyan, with *The Devil's Knot*; or
- actress Sophie Nélisse, in *The Book Thief*.

And let's not forget *Gabrielle*, the movie by Louise Archambault that's representing Canada in the race for the best foreign-language Oscar.

And how about Sarah Polley, whose *Stories We Tell* has just made the Oscar shortlist in the best documentary category— the latest in a string of prestigious honours for her film.

All this talent demonstrates that Canada's audiovisual industry is a unique hotbed of creativity and innovation. It is a true source of cultural and economic pride for the country.

I want to congratulate all of the directors who have distinguished themselves this year, and I hope that they will serve to inspire the young talent emerging from sea to sea.

In closing, I would like to thank the members of the Board and the entire senior management team, as well as all our employees, for the work they've done during the year. Telefilm employees are skilled at what they do, and they're passionate about what they do. It's always a privilege for me to work with them. Together, over the last few years, we've put in place a solid governance structure that has enabled us to make a radical, decisive shift aimed at better promoting homegrown Canadian talent. And in the years ahead, it is with these same passionate, dedicated people that we'll find ways of making the work of these talented Canadians more accessible.

I wish you all an excellent day, and I would now like to invite our Executive Director, Carolle Brabant, to say a few words.