

**Telefilm Canada Annual Public Meeting**  
**PHI Centre, December 11, 2013**

**Questions received from the public**

**TELEFILM CANADA PROGRAMS**

- 1. I'd like Telefilm Canada management to tell us about their vision regarding the development of feature film projects. I heard that in the years to come, development funding would become the sole responsibility of producers as your organization would no longer be able to provide support. Is this correct? Would you please elaborate on your intentions?**

We will definitely keep supporting development, but following the many consultations we've had with members of the industry, we increased the autonomy of production companies. We've given producers the responsibility of bringing their films to the screen. We want the ties between producers and screenwriters to be strong.

Throughout the first year of our new Development Program we've been able to maintain a diversified portfolio of businesses and projects of different sizes and scope, as well as from many different regions. This program also promotes mentorship and we're very pleased with the enthusiastic response it has generated.

We were able to save some \$2.5 million in administrative expenses and reinvested most of this sum in project development.

- 2. I would like to know how performance envelopes are awarded. Who do they go to... producers and distributors?**

Our performance envelope component is set to be replaced in 2014-2015 by a new fast-track funding stream. But until then, performance envelopes are available to producers and distributors alike.

Fast-track funds will only be awarded to production companies that have produced highly successful feature films on a regular basis.

- 3. Following the recommendations made by the GTEC (*Groupe de travail sur les enjeux du cinéma québécois*) during your industry consultation process, what are your intentions – and more concretely, your action plans – regarding attendance, screenplay assistance and film marketing? Will there be a drop in the contributions made to marketing programs?**

Access

The increase in the number of distribution platforms for movies presents a great opportunity for the film industry since it provides consumers with a variety of ways to watch content, whether it's in a movie theatre, at home, right away or later. It's a great way for our cinema to get better known and demonstrate its worth. The challenge this new reality creates will drive us to become more creative and innovate, not only in marketing our productions, but also in making our content accessible on a wider range of platforms.

### Screenwriting

As far as our Development Program is concerned, we're giving established companies greater autonomy and flexibility. Producers are now responsible for bringing quality films that resonate with audiences to the screen.

### Promotion

It's important that we develop partnerships and create corporate alliances to maintain our level of support. At Telefilm, diversifying our sources of revenue is one of the pillars of our corporate plan. We'd like to see the entire industry adopt this kind of approach to promote and ensure growth.

We expect our Marketing Program to have the same amount of resources.

#### **4. The Quebec English-language Production Council would like to know what the current Telefilm policy is for the official language minority in Quebec. We would like to know what changes in that policy are being proposed by Telefilm to meet its obligations under the Official Languages Act. We would also like to know the Telefilm timetable and deadline for OLMC consultations with the QEPC.**

As a federal agency, Telefilm Canada is under obligation to take measures that enhance the cultural development of our official language minority communities and support their growth, and we fulfilled this obligation.

We met with representatives of the Quebec English-language Production Council on several occasions and will be happy to meet with them again in early 2014.

#### **5. How do you select projects for funding?**

Telefilm Canada bases its decisions on a variety of factors when choosing which projects to fund. Our main objective is to maintain a portfolio of diversified projects that stand a real chance of being successful. The creative elements of a project have a huge influence on our decision-making process, but we also take into account a production company's track record—including the experience of the film's director, screenwriter and entire creative team—market interest, the movie's marketing strategy as well as its potential for reaching audiences. Telefilm's Success Index is a great tool for assessing how companies and creative teams perform at the commercial, cultural and industrial levels.

#### **6. Please describe how the Talent Fund works.**

The goal of this new private donation fund is to find and develop new sources of financing for the industry, as well as to promote Canadian film production and talent. The Fund is managed by Telefilm Canada, thereby ensuring the highest standards of efficiency and governance. Contributions are considered to be "Gifts to Canada" for tax purposes, which means corporate donors receive tax deductions while individual donors receive tax credits. Also, the CRTC recognizes the Fund as a Certified Independent Production Fund, which enables broadcasters to contribute as part of their Tangible Benefits.

The Talent Fund consists of two streams. One will provide better support to promising emerging filmmakers while the other is aimed at established filmmakers, seeking to help them achieve their full potential both in Canada and abroad.

- 7. I wanted to share some comments with you regarding your eligibility requirements. Your documentation states that funding is available to Canadian companies. A change you could make right away that would be very helpful to a lot of people would be to replace “companies” with “businesses.” Since there are less financial hurdles to producing a film now than ever before, there’s a wider range of people making them nowadays, which is good from a cultural standpoint. But the requirement of being an incorporated company to have access to assistance is a major obstacle for most people. I know this would mean you’d take on more financial responsibility with each project, but I think Telefilm needs to adapt to the evolving culture of the film industry and find a way to fund businesses that are not incorporated, especially when they’re not asking for that much money.**

Thank you for your feedback. As you know, making a movie isn’t just creative work, it’s also a business venture. Our main funding program, the Canada Feature Film Fund, takes into account the track record of both production companies and creative teams. We prioritize projects from teams that have proven they can get their films to the screen, meaning they can assume the contractual obligations that come with the process.

Also, our Micro-Budget Production Program is available to help support projects from applicants even if they plan to get incorporated once we’ve made our decision regarding their film.

#### **CHALLENGES FOR TELEFILM AND THE INDUSTRY**

- 8. How do you deal with the challenge of running out of money? Is there any real incentive for the private sector to help out? Will it intervene in Telefilm’s business?**

First of all, we manage our public funds diligently. And we’ve been able to cut down on our administrative expenses. Also, consolidating and simplifying our programs has led to considerable savings which we’ve reinvested in industry projects over the last two years.

Furthermore, we’re working hard to ensure our investments go a long way with other industry stakeholders, both in marketing and production. We welcome private funding and encourage companies here at home and abroad to show their support for our industry. Our joint promotional efforts with the private sector—most notably our Talent Fund—will help showcase Canadian companies and talent, as well as to raise awareness amongst a growing number of investors. Our new Micro-Budget Production Program also relies on a fresh wave of support from the private sector.

We invite the industry to widen its network of partners within the country and abroad through such means as coproduction. Support from the private sector and foreign investors will enable us to sustain a considerable amount of Canadian content and to ensure it is adequately marketed to help draw in the crowds it deserves.

The experiences we’ve had working with private partners—such as Birks, Technicolor and PricewaterhouseCoopers—have been very positive since they’ve enabled us to promote Canadian talent here at home as well as abroad. We’d love to see the number of these partnerships grow.

**9. Will Telefilm commission more studies to help the industry learn more about our audiences?**

Yes, this is one of the four pillars in our corporate plan, [Fostering Cultural Success](#). We're committed to providing thought leadership for the industry by gathering and sharing market intelligence with our clients, especially when it comes to helping them meet challenges related to the multiplatform environment and to seizing new opportunities to reach audiences.

Among other things, further studies will help us figure out how to better inform young audiences about the films we produce here. Age is a determining factor in consumer habits. Our young people are the No. 1 consumers of films in the country, and they like to watch them on several different platforms.

**10. Can we hope to one day have greater access to Canadian films in independent movie theatres and venues in the regions?**

In developing the next Telefilm Canada corporate plan, the Board of Directors will take a close look at the important issue of the accessibility of films produced here. Our goal is to reach greater audiences across the country. We want Canadians to have access to Canadian films anytime, anywhere, whether its through traditional distribution means or digital platforms. The new digital environment offers some fantastic opportunities for reaching audiences that we must take into serious consideration.

**MISCELLANEOUS**

**11. Are you worried about the Harper government pushing for cable providers to unbundle channels without consulting stakeholders in the cultural sector? Should this happen, what do you think the consequences would be for the Canadian audiovisual industry?**

The CRTC is currently looking into the issue of future distribution models in order to adjust the legislation and rules that govern broadcasting over the next few years, so indeed change has arrived. We'll be seeing many more of these innovative commercial offers, as well as adjustments being made to business practices, in the years to come.

The CRTC will hold a formal Public Proceeding (on the review of television policy) in September 2014. All stakeholders will be able to participate.

The film industry is obviously part of this wave of change, which means it has to adapt. Our films must be seen, and Canadians want to see them. That presents us with a variety of options, which include revamping some of our promotional practices to ensure Canadians can see films produced here in Canada based on their wishes and preferences, while making sure that all industry players find the right business models to secure their financial sustainability in this new environment.

**12. What measures does Telefilm Canada plan on adopting to encourage the creation of original music—as opposed to existing music—for use in productions that benefit from its support? Isn't there a way to convert these efforts into "CanCon" points? And what about ensuring that the funds allotted to this portion of production budgets (for music) are in line with global budgets in the Quebec/Canada/North America market, taking into account actual production costs and the economic impact of working in the "Made in Quebec" production environment?**

We strongly encourage our clients to use Canadian music whenever possible, but all artistic decisions having to do with the films themselves are made by the production team.