



CANADA FONDS DES MÉDIAS  
MEDIA FUND DU CANADA

# 2021 CMF Virtual Industry Consultations

## Spark Courage

### DISCUSSION PAPER

March 11, 2021

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## Spark Courage

### The Canada Media Fund's 2021 cross-country virtual consultations

The CMF has a deep history of industry consultations—it's part of our DNA. Over the years we've often come together to talk about the specifics of our funding programs: how they worked, could be changed or enhanced, how to get the most out of them. This year we need to have a different kind of conversation, a broader one that takes stock of the profound changes underway.

*The pandemic rocked our industry and will have long-lasting impacts. As we begin to recover and find our footing again, we see that longstanding trends and digital shifts have accelerated. Think of the movies premiering directly online, the booming demand for video games, the growth in on-demand programming and viewership on our Canadian streaming sites and apps, how content makers now look to virtualized production to reduce both costs and their carbon footprint.*

*Long-standing systemic racism and discrimination in our industry have been fully exposed. Industry voices from underrepresented communities—the Indigenous Screen Office, Black Screen Office, Racial Equity Media Collective, Fabienne Colas Foundation, Reelworld Screen Institute, BIPOC TV & Film, Coalition MÉDIA and others—are leading the conversations with CMF and many others on the permanent, structural change that our industry needs to ensure all creative voices in the country are included and have access to resources.*

*Canada is modernizing the laws and regulations that govern our broadcasting and telecommunications sectors to support a stronger, competitive and more inclusive industry. An industry that builds on the foundations of its success to date—and grows to support the cultural and economic vitality of our communities, Canada's unique voice in the world, and its participation in the global creative economy.*

At this pivotal moment in time, the conversation we'd like to start in the coming weeks is one about the future of our screen content industry. Demand for content has never been greater, and the Digital Revolution brings an ever-increasing number of ways for audiences to experience it. Video games are adapted for movies and classroom use (think of *Assassin's Creed*). In-game screenings are held online within virtual worlds (a shorts festival happened in Fortnite just last month). Social media creates new ways to write—and show—drama and comedy (think of the international success of the teen series *Skam* and all the stories that Wattpad is turning into shows and films).

Content—the creative IP that our storytellers imagine and bring to life—remains at the heart of it all. As the largest content fund in the country, the CMF, too, needs to rethink and modernize its approach to supporting our content. We are looking ahead at the next three years and building a plan that supports the industry's recovery from the pandemic and its growth.

You are the people who dream, build and bring our content to audiences and the marketplace. We want to hear how you envision your future. What do you want to achieve in the coming years through pandemic recovery and beyond? What tools do you need and how can we best support you?

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Understanding your vision and the role we can play will give us a better sense of the resources we'll need to support Canada's content industry in the years ahead, and of the additional funding we may need to seek.

We hope that many of you will participate from coast to coast to coast. Whether you produce French-language documentaries and kids shows in Manitoba, design VR experiences out of Calgary, or run a video game studio in Quebec City or St. John's, please join in. Take a look at the questions we'd like to ask you, join one of our virtual meetings, or take a few minutes to fill out our questionnaire online.

This is the beginning of a conversation that we'd like to continue over this year. We need to understand your vision of the future first in order to imagine a new one for the CMF. A few months down the road, we'd like to get back to you with what we've sketched and hear what you think.

As the pandemic continues to take its toll, rest assured that the CMF will keep mobilizing its resources to support our industry and provide flexibility in the year ahead, that we'll forge ahead with measures and funding to address systemic racism and discrimination, as we've been doing in the past months.

What we'd like to discuss with you now is what you'd like to see happen next.

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## Putting our creative IP at the centre

Our screen content industry has grown remarkably over the past decade, with the CMF providing essential support along the way. Our film and television sector contributed \$12.8 billion to Canada's GDP in 2018–19 and provided 180,900 full-time equivalent jobs;<sup>1</sup> our video game sector, \$4.5 billion and 48,000 jobs in 2019<sup>i</sup>. Other digital media sectors, such as Extended Reality and mobile apps, are also contributing significantly to the Canadian economy<sup>1</sup>. The CMF has invested \$3.6 billion in content since 2010, triggering \$13 billion in production activity.

Our industry, like many others, was hard-hit by the pandemic. Film and television productions were ground to a halt. Many game, VFX and digital media studios were impacted by the move to remote work. Our companies lost some or most of the key business touchpoints—festivals, trade shows, industry conferences—they relied on for deals, sales and partners. Governments and industry organizations have stepped in to provide much needed relief and stability. As of March 3, 2021, the CMF had distributed \$93.1 million to 1,572 applications in all corners of our television and digital media sectors as part of the Department of Canadian Heritage's Emergency Support Fund for Cultural, Heritage and Sport Organizations.

As disruptive as it was to our industry, the pandemic also reaffirmed long-standing trends in our media markets. Spending time online, playing video games, and streaming films, TV shows and user-generated content continues to rise in Canada and all over the world. But for our content industry, the challenges in leveraging that digital growth at home and abroad remain. The market is flooded with content, making it harder for ours to get noticed. More apps and streamers keep launching, but the power of the larger players looms large. The FAANGs<sup>2</sup> and BATXs<sup>3</sup> command much of the audience and user base worldwide, and much influence over how the business is conducted.

What we heard from you in recent years and in previous consultations echoes loudly today. How challenging it is for many of our content companies to build their business up as they move from one project to the next (a vulnerability the pandemic has further exposed). How competition has increased globally, driving up the costs of content at all stages (from prototyping and development to production and marketing). How challenging it is to fully finance the creative vision for your projects, making it even more crucial to attract international partners and distributors right from the start. How changes in the marketplace are making it harder for content makers to retain control of, and benefit from, the ownership of their intellectual property (some streaming platforms, for instance, are buying producers out of all distribution rights).

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<sup>1</sup> In Ontario, for example, interactive digital media production other than video games generated \$370 million in revenue in 2017 compared with \$771 million for video games. (Source: [Interactive Ontario](#)).

<sup>2</sup> Facebook, Apple, Amazon, Netflix and Google.

<sup>3</sup> Baidu, Alibaba, Tencent and Xiaomi.



Indigenous and racialized content makers have especially said how important it is for them to own and control their stories, their creative IP, to grow and sustain the cultural and economic vitality of their communities. Indigenous creators have underlined the crucial importance of narrative sovereignty, of Indigenous stories told by the Indigenous peoples who experience them, to First Nations, Inuit and Métis communities.

Over the years, the CMF rolled out several programs and partnerships to help our industry position its creative IP in the increasingly globalized and digital marketplace. We have introduced new programs to better support the early stages of development, conceptualization and prototyping, including partnerships with Creative BC, SODEC, the Independent Production Fund, WildBrain and the Canadian Association of Content Exporters. We have partnered with the Shaw Rocket Fund to support digital media for kids. We have joined forces with the Quebecor Fund to help Quebec content businesses bring their IP to global markets. We have collaborated with other agencies to bring showcases and trade missions to key festivals and industry conferences in Canada and abroad. And we have forged partnerships with counterparts in Europe, Latin America, the Arctic Circle and South Africa to open opportunities up for codeveloped, coproduced creative IP for our Canadian content makers.

As we look to the future, content—**our creative IP**, owned and controlled by Canadian companies—needs to remain at the core of what the CMF does. Content **made by Canadians, and available to Canadians and the world**, however and wherever audiences experience it—on a TV screen, laptop, mobile phone or headset, through a gaming console or streaming stick, on a broadcaster’s channel or video-on-demand app.



**What is the content, the creative IP that you envision creating in years to come?** What's in store for your future portfolio of IP: Immersive XR experiences? Drama or comedy shows? Long-form documentary? Narrative video games or casual games for mobile phones? Animated or live-action series for kids? Content for mobile applications? Other, new forms of digital storytelling?

**What kinds of funders and investors will you need to finance that IP?** Domestic? International? Both?

**What partners will you need to surround yourself with to market and export your IP?**

- Your buyers and clients (if you don't sell directly to consumers)
- The marketing, distribution and export partners that will help you get to those buyers and clients (or to your consumers): domestic and international distribution companies, video game publishers, direct-to-consumer platforms...

**How could a content fund like the CMF best support you in creating and distributing IP and securing the partners you need?**

- We heard the early stages of your projects (the development stage of TV or web series, the conceptualization and prototyping of your game or VR experience) were particularly hard to finance. Is early stage funding an area that should be a priority?
- Many report that production costs are rising. Are you finding it harder to close your financing, and do you anticipate needing larger amounts from a fund like the CMF?
- Getting an early start on marketing and distributing your IP is crucial. What marketing, distribution and discoverability activities could the CMF support to help you secure distribution for your content in Canada and internationally?

**Do you see a need for the CMF to support creative entrepreneurship and company growth through company financing** (compared to project-based financing), beyond current emergency funding measures designed to stabilize companies through the pandemic?

- Are there alternative funding mechanisms for Canadian-owned and controlled IP that could help you build up your content portfolio and attract more capital for your business (for example, "slate funding" for multiple projects)?



## Supporting *all* creative voices

Systemic racism and discrimination must be addressed and dismantled in our industry, including at the CMF. We are consulting with equity- and sovereignty-seeking groups to bring about permanent, structural change to the CMF. New staff members from underrepresented groups have joined our ranks to lead and advise on a new Equity & Inclusion Strategy. Implementing the strategy in continued engagement and consultation with communities will be a core priority in the months and years to come.

The strategy was developed to respond to the priorities identified in our consultations with equity- and sovereignty-seeking content makers and producers in 2020–21. We'd like to thank all the individuals who participated in these conversations so far. You shared the core challenges that prevent you and your companies from entering the Canadian screen sector, building a stable business, and growing:

- The struggle to get broadcaster licenses, publishers or distributors for your content;
- The need to maintain full ownership and creative control of your creative IP;
- The need for more decision makers, staff, executives and board members from underrepresented communities;
- The barriers you face in accessing levels of funding comparable to those of white recipients at the development/prototyping and production stages of your projects;
- The need for ongoing collection and monitoring of data on underrepresented communities in terms of content ownership, participation in key personnel roles, and audience consumption;
- The need for more partnerships between the CMF, the industry and underrepresented community organizations to support training, export and development for content makers in the English- and French-language markets;
- The distinct challenges faced by underrepresented groups in the French-language market, which may require a distinct approach.

Supporting the diversity of expressions and creative voices in our country—in the diverse range of screen mediums and genres that our storytellers so richly explore, from drama and documentary to extended reality, video games and more—is a fundamental part of our *raison d'être*. We have made progress in many areas. Since the CMF was established in 2010, we have implemented programs to support content creation in all regions from coast to coast to coast: in Indigenous communities, in our English and French official language minority communities, in linguistic minority communities through our Diverse Languages Program, outside of our metropolitan areas, and in Canada's North.



CMF funding has supported screen content creation in English, French and 23 more languages, including over 600 projects in Indigenous languages. In 2017, we introduced gender parity measures to increase the number of women in key roles on the projects we fund. We are proud to be one of the founding partners of the Indigenous Screen Office, which works to support Indigenous sovereignty through storytelling on screen. More recently we provided funding to organizations that support racialized communities in our industry, including the Black Screen Office, the Black Academy, Coalition MÉDIA, Fabienne Colas Foundation, Racial Equity Media Collective, Creatives Empowered, BIPOC Film & TV and Reelworld Screen Institute.

Much more needs to be done to provide fair and equitable access to funding and resources to the storytellers in our country that continue to face discrimination—creators from racialized communities, from gender diverse and sexual minority communities, creators with disabilities.

We'd like to thank the many industry stakeholders from underrepresented communities who've participated in conversations and working groups with us so far. We'd also like to thank the more than 150 recipients of our emergency relief program for companies led by Black people and People of Colour who answered our survey recently. Your feedback and perspectives will inform the development of our Equity & Inclusion Strategy and the direction in which the CMF needs to go.

We encourage you to contribute your thoughts during our consultations if you haven't had the opportunity to do so yet, or to contribute again if you'd like to add to what you've shared with us so far.

We asked earlier about the creative IP and business that you envision in the years to come. **As a content maker from an underrepresented community**, what kinds of equity and inclusion measures, financial or otherwise, could the CMF put in place to ensure that your company and IP are given fair and equitable access to our funding and resources?

**As a company, support organization or industry association in the screen sector:**

- What are you currently doing to foster greater equity and inclusion?
- What initiatives would you like to commit to and collaborate on?

**Looking to the wider industry**, what actions would you like to see the CMF undertake or partner on to break down systemic barriers for underrepresented content makers in our sector overall?





## Getting our content to screens Thinking ahead with our partners in distribution

The creative IP that we fund at the CMF takes many different forms. And many different paths to screen. Video games, immersive digital media, television productions—each has its own distribution ecosystem with its own set of realities and challenges.

In our television sector, Canadian broadcasters have been important partners in building our domestic industry and continue to play a key role in funding our television content. In the case of the CMF, broadcasters trigger most of the financing we provide to independent producers in the four genres we are mandated to support: drama, children and youth, documentary, and variety and performing arts. These genres are not only important to the diversity of our cultural expressions, but also remain cornerstones of the television business. The first three are key battlegrounds in the global “streamer wars.” The five most watched CMF-funded programs at home in 2019–20 were all in variety and performing arts (Radio-Canada’s signature year-end show *Bye Bye* exceeded 4.5 million viewers).

Our broadcasters have embraced the Digital Revolution, too. Crave, illico, APTN lumi, IsumaTV, Noovo, Gem, ICI Tou.tv, StackTV, OUTtvGO... Viewership of Canadian online services is growing, but our domestic players are facing tremendous pressure from both global streamers and digital advertising giants.

New independent Canadian digital distribution platforms have also emerged in recent years. These platforms serve audiences with content that is often not available elsewhere in Canada, but many cannot trigger CMF funding through its current programs.

As the federal government’s work continues on Bill C-10 to amend the Broadcasting Act, and possible changes to CRTC regulation, much uncertainty remains on how partnerships between our independent producers and Canadian broadcasters may evolve in years to come. As your longtime co-partner, the CMF would like to take advantage of these consultations to think ahead together and envision our possible future partnerships in support of our content. How may we enable tomorrow’s *Heartland*, *Mohawk Girls*, *C’est comme ça que je t’aime*, *Diggstown*, *District 31*, *Kim’s Convenience*, *Fugueuse*, *Transplant*, *Schitt’s Creek*?

We would also like to think ahead with our Canadian distributors, long-standing partners of our domestic industry with deep knowledge and understanding of the distribution ecosystem.



**As a Canadian broadcaster**, how would you envision partnering with the CMF in the future to support the production and distribution of content in genres such as drama, children and youth, documentary, and variety and performing arts?

**As a Canadian distributor**, how could the CMF best partner with you in the coming years to support the production, distribution, export and discoverability of our country's content?

**As a broadcaster or distributor**, is there a better model to partner with production companies than the license fee model?



## Working towards a common vision

The table below sums up and builds on the threads we've touched upon in this discussion paper. It shows you the principles we propose to start from as we begin to collaboratively imagine in the coming weeks what a renewed CMF could be. We encourage you again to share your feedback and thoughts by joining one of our virtual sessions or filling out our online questionnaire.

The team at the CMF thanks you in advance for your time and participation. We are looking forward to hearing from you.

<b>IP-centric</b>	<p>Fund and support screen content IP made by Canadians and available to Canadians and the world, on all platforms.</p> <p><i>Market interest from Canadian and international partners and investors is valued and rewarded in the allocation of funding.</i></p> <p><i>Potential for and achievement of audience and commercial success at home and abroad, on all platforms, is valued and rewarded.</i></p>
<b>Equity and Inclusion</b>	<p>Ensure equitable access for equity- and sovereignty-seeking groups in all sectors of Canada's screen content industry.</p> <p><i>Equitable access to our funding and initiatives is provided to underrepresented communities.</i></p> <p><i>Principles of equity and inclusion are embedded in all programs and operations.</i></p> <p><i>The staff and competencies needed to serve underrepresented communities are in place.</i></p> <p><i>Progress is monitored; adjustments are made to ensure permanent change.</i></p>
<b>Ideas and Talent</b>	<p>Foster the emergence and growth of the talent and ideas needed for Canada's content IP to succeed at home and abroad.</p> <p><i>Creative development, ideation and prototyping are prioritized.</i></p> <p><i>New entrants and new ideas are fostered and supported.</i></p>
<b>Reward Canadian</b>	<p>Scale support to the level of benefit to Canadian workers and companies across the value chain.</p> <p><i>Canadian stories and points of view are prioritized.</i></p> <p><i>The retention of intellectual property is encouraged and supported.</i></p>



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### **Global View**

Support promotion, discoverability, distribution and exports in current and new markets globally.

*Access to international audiences, partnerships, investment and sales is facilitated and supported.*

### **Evidence-based Innovation and Results**

Enable evidence-based concertation, evaluation, planning and decision-making.

*Key results and tangible outcomes of support are measured.*

*The CMF is the go-to source for market and trends intelligence for Canada's screen content industry.*

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## Appendix—The CMF at a glance

### **The CMF's current funding model**

The Canada Media Fund delivers financial support to the Canadian television and digital media industries through two streams of funding.

The Experimental Stream encourages the creation of leading-edge, interactive digital media content and software applications.

The Convergent Stream supports the creation of innovative, convergent television and digital media content for consumption by Canadians anytime, anywhere.

For a full list of CMF programs, visit <https://cmf-fmc.ca/>.

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<sup>i</sup> CMPA, [Profile 2019](#).

<sup>ii</sup> ESAC, [The Canadian Video Game Industry 2019](#).

# CMF BY THE NUMBERS

# \$3.6B



Amount CMF has invested in Canadian television and digital media production since 2010–2011


# \$13B

Production activity triggered by CMF funding since 2010–2011

# L 27,000

Hours of television produced thanks to CMF funding since 2010–2011

# 48



Percentage of female producers working on CMF-funded television projects

# \$235M

CMF funding to 892 video games since 2010–2011

# 23M



Views from outside Canada of CMF's Encore+ YouTube channel

# 25




Number of languages CMF funds content in, including Arabic, Cantonese, Cree, Dakota, English, Farsi, French, Halkomelem, Hindi, Innu, Inuktitut, Italian, Maliseet, Mandarin, Mi'kmaq, Mohawk, Northern Tutchone, Ojibway, Oji-Cree, Punjabi, Russian, Spanish, Tagalog, Ukrainian and Urdu

# 615



Number of projects in Indigenous languages funded by CMF since 2010–2011

# 48%



Audiences who had an increased perception of Canadian content as a result of the MADE | NOUS campaign