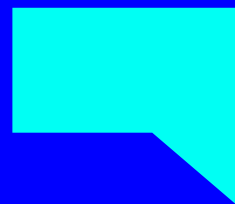
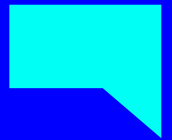
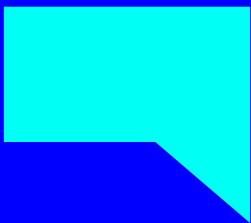


SPARK COURAGE: WHAT WE HEARD

2021 CONSULTATIONS
SUMMARY REPORT

JUNE 17, 2021



SPARK COURAGE: WHAT WE HEARD



A message from Valerie Creighton, president and CEO of the Canada Media Fund

My sincerest thanks to all the creators, producers and industry stakeholders who participated in our Spark Courage cross-country virtual consultations from March 11 to April 9.

We launched the consultations on March 11 with the publication of a discussion paper and an invitation to the industry to participate and inform our thinking about a growth strategy for the screen sector and a new program model for the CMF.

Nearly 1000 people participated, making this one of the largest industry consultations in the CMF's history:

- 807 individuals representing a wide range of occupations and organizations in our television, film and interactive digital media sectors across the country joined one of our virtual roundtables or townhall meetings.
- We received 181 written submissions from screen content creators and professionals—writers, directors, producers, actors and other talent—and key national and regional organizations.

We came together this spring to discuss the future of our screen content sector at a time of great disruption, reassessment and uncertainty. The pandemic continues to affect our industry and accelerate digital trends. Long-standing systemic racism and discrimination in all corners of our industry have been fully exposed. Modernization of the laws and regulations governing our country's broadcasting and telecommunications sectors is under way.

WHO CONTRIBUTED TO THE CONSULTATIONS?

- Writers, directors, actors and other talent, and producers in television, film and interactive digital media—established and emerging
- Industry stakeholders from First Nations, Inuit and Métis communities
- Industry stakeholders from Black and racialized communities across Canada
- Member associations representing our industry nationally, provincially, and territorially
- Unions and professional guilds
- Funding and support agencies from coast to coast to coast
- Canadian broadcasters and distributors

SPARK COURAGE: WHAT WE HEARD



As the CMF looks ahead at the next three years and builds a plan to support the industry's recovery and its growth, we asked how you envisioned your future. You shared the opportunities you saw in the market and the challenges you faced in the industry. You provided your perspectives on the role the CMF can play to support you in the coming years. You offered many examples of tools, policies and best practices to inform and inspire the direction of the CMF's support model going forward.

I am pleased to now report back on what we heard.

As I reflect back on the roundtables and townhall discussions, all of which I attended with members of our executive, board and partners from the Department of Canadian Heritage, five points stand out for me:

1. The industry is aligned on the need for extensive change in the CMF's funding model. There was support across the consultation for the CMF to move towards a more flexible, content-centric, platform agnostic approach that will help our intellectual property (IP), creators and content succeed at home and in the global marketplace. This is a vote of confidence from the industry in the direction we believe the CMF needs to go.
2. The CMF plays and should continue to play a fundamental, unique role in the screen industries—to foster, finance and promote Canadian screen content and IP, made and owned by Canadians, and seen and experienced by Canadians—but expand how it achieves this mandate to reflect the multi-platform, global nature of the industry.
3. More funding is needed overall in the system and specifically at the CMF to support growth, particularly in Interactive Digital Media (IDM), to attract investment and to ensure Canadian content and IP thrive—in both linear and IDM, in English, French, Indigenous languages and diverse languages, and in content from equity-deserving communities—amidst competition from foreign services and content from all over the world.
4. More flexibility is needed in the way the CMF supports the industry, its talent and companies, and the retention and monetization of IP, which requires significant changes and less prescriptive requirements in the current contribution agreement with Canadian Heritage.
5. There is an urgency to act because of the impacts of COVID-19, the digital revolution, the globalized entertainment market, competition from foreign players, talent drain to the United States, and the growth of service production (linear) and work-for-hire (IDM) in Canada.

SPARK COURAGE: WHAT WE HEARD



This report highlights the 15 main takeaways that emerged from the consultations—key areas to consider in a modernized program architecture for the CMF, areas where many of the conversations we had this spring intersected and converged. It considers the perspectives of diverse regions, linguistic communities, and equity- and sovereignty-seeking communities—and the holistic equity and inclusion lens that needs to inform everything the CMF does.

In the coming months, the CMF team will continue to analyze the information, experience and market intelligence that you shared. As you often mentioned this spring, the devil is in the details. We will also consult with additional groups (for example, persons with disabilities and LGBTQ2S+ communities).

We will reach out to industry stakeholders again in the fall to continue the conversation on the particular topics and issues that need further discussion and to reflect on priorities that best align with and reinforce the unique role that the CMF plays in our ecosystem.

I thank you again for the time, experience and intelligence you have contributed to the consultations and look forward to reconnecting with you in the fall.

Valerie Creighton,
President and CEO,
Canada Media Fund

SOVEREIGNTY-SEEKING COMMUNITIES:

- First Nations
- Inuit
- Métis

EQUITY-SEEKING COMMUNITIES:

- Racialized
- LGBTQ2S+
- Genders
- Deaf persons and persons with disabilities
- Official language minority communities (OLMC)
- Regions



CONSULTATION TAKEAWAYS

- 1.** Broaden market triggers and factors: Linear sector
- 2.** Broaden market factors: IDM sector
- 3.** Increase funding for IDM production
- 4.** Increase funding to early-stage IP development and prototyping
- 5.** Consider expanding support to more genres
- 6.** Keep, or change, ten out of ten CAVCO scale (10/10): Linear sector
- 7.** Streamline and simplify CMF application processes
- 8.** Invest more in production projects and marketing
- 9.** Reconsider recoupment
- 10.** Better support the retention and monetization of Canadian IP, and the fair distribution of its value
- 11.** Explore support options beyond project-by-project funding
- 12.** Partner to collect and share more data and market intelligence
- 13.** Leverage partnerships to strengthen and grow the industry
- 14.** Foster greater alignment of the funders that support the industry
- 15.** Achieve permanent structural change by using a holistic equity and inclusion lens

1. BROADEN MARKET TRIGGERS AND FACTORS: LINEAR SECTOR



There was extensive discussion and agreement on the need for the CMF to introduce a wider set of market triggers as an essential step to sustaining and growing the pipeline for Canadian linear IP. We heard from many creators, producers, distributors and their respective member associations that a single-trigger model, centred on Canadian broadcasters, no longer aligns with the realities of an increasingly digital and globalized media market. Stakeholders from First Nations, Inuit and Métis communities, and from Black and racialized communities, consistently said that the single broadcast trigger in the CMF's Convergent Stream is a systemic barrier to accessing funding.

Participants shared ideas on potential new triggers. They also offered thoughts on safeguards to be considered to maximize benefits to Canadian stakeholders. A list is provided in the side bar. In early-stage funding (pre-development and development), many of the creators, producers, member associations, unions and guilds who contributed to the consultations favoured a “no-trigger” approach, with direct access to funding for writers, directors or producers.

EXAMPLES OF NEW TRIGGERS SUGGESTED BY PARTICIPANTS

- Canadian distributors
- Canadian streamers not affiliated with a broadcaster
- Canadian content aggregators
- Canadian private companies and investors
- Education sector
- Foreign partners (broadcasters, distributors, streamers)
- Brands
- Crowdfunding
- Community support
- Track record/previous achievements

“NO-TRIGGER” ACCESS IN DEVELOPMENT

- writer-, director-, producer-accessed

CONDITIONS/SAFEGUARDS TO CONSIDER

- Content must be available to Canadians
- IP retention and monetization
- Encourage/require triggers to contribute to content development and production
- Sharing of revenues
- Specificities of Canada's language markets

1. BROADEN MARKET TRIGGERS AND FACTORS: LINEAR SECTOR



Canadian broadcasters shared their perspectives on the role they continue to play as partners in the creation and distribution of Canadian IP, promotion of Canadian culture and talent, and engagement with Canadian audiences. They spoke of the impact that increased competition from international platforms has had on their ability to partner with independent producers in the country (for example, rising production budgets, ability to compete on licence fees). They offered new avenues to consider on how to foster producer-broadcaster partnerships in support of our content and talent.

Smaller broadcasters that serve Indigenous, racialized, LGBTQ2S+ or official language minority (OLMC) communities or that are tasked with educational and cultural mandates spoke of the particular challenges they faced in the current model. Some noted the important role played by the CMF's Performance Envelope Program in supporting their Canadian programming and fulfilling their CRTC conditions of licence. Several mentioned they were struggling to increase their CMF envelope: as Canadian broadcasters, they may qualify as "triggers," but the performance factors used in the CMF's Performance Envelope calculations do not adequately reflect their unique roles.

This is an area where feedback from creators, producers, distributors and several broadcasters largely intersected: the CMF needs to consider a wider set of market factors in the allocation of funding. To sustain and grow the pipeline of Canadian IP, both triggers and market factors need to be diversified, in support of both cultural and economic goals. On the latter, some suggested that greater emphasis on early-stage IP valuation could support better assessment of commercial potential. On the former, many stakeholders, including those from Indigenous, Black, racialized and OLMC communities, noted the need for other dimensions of success (for example, cultural and social value and impact, engagement with underserved communities and audiences, achievements not formally reflected in credits) to be recognized and rewarded.

APPROACHES RECOMMENDED BY BROADCASTERS TO FOSTER NEW COLLABORATIONS WITH PRODUCERS INCLUDED:

- More flexibility on license fee thresholds
- Encourage co-licensing partnerships between several broadcasters, in particular partnerships focused on supporting content from equity- and sovereignty-seeking communities
- Foster export-focused partnerships between independent producers and broadcasters
- Encourage partnerships between Canadian and international broadcasters

Broadcasters also contributed their perspectives on the other key topics addressed throughout this report, including supported genres (takeaway #5), equitable distribution of IP value (#10), and equity and inclusion initiatives (for example, more funding needed for content in diverse languages) (#15). These perspectives are reflected in the sections that follow.

2. BROADEN MARKET FACTORS: IDM SECTOR



The need for a wider set of market factors to be considered in the allocation of funding was also reflected in feedback from IDM stakeholders. While there is no market trigger mechanism in the Experimental Stream, market factors inform selection lenses and decision-making processes.

Contributors spoke of the variety, complexity and constantly evolving nature of products, markets and business models in the IDM industry. Some sectors such as videogaming are more mature. Others such as immersive and location-based experiences are emerging, and their commercialization models are not yet clearly defined. Stakeholders offered varying takes on the selection lenses that should guide funding allocation. Some insisted on the importance of innovation; others, market and audience. Several participants, including representatives of IDM member associations, noted that selection factors and juries need to be adapted to specific IDM verticals. For instance, non-gaming IDM should not be evaluated through a gaming lens.

The need for cultural goals to be better recognized and rewarded in the CMF's set of market factors for the IDM sector was also raised in written submissions and in discussions with IDM producers and leaders. "Cultural R&D" was suggested as a key area where the CMF could play a unique role and bring most value to the Canadian IDM ecosystem. Innovation in IDM storytelling (rather than technology) was noted as another unique role and key area for support, one that may be at a disadvantage in current programs. Feedback from equity- and sovereignty-seeking groups also emphasized the need for cultural and social dimensions to be factored in, including contributions to nurturing emerging and more diverse talent.

3. INCREASE FUNDING FOR IDM PRODUCTION



Member associations, creators and industry stakeholders spoke of the tremendous innovation and potential for growth in Canada's IDM sector. Comments and written submissions reflected the vast spectrum of IDM projects our content makers are working on, spanning a wide variety of mediums and formats (for example, virtual and augmented reality, videogaming, hybrids, location-based and site-specific media) and targeting a large array of audiences and markets at home and abroad (including underserved audiences and institutional markets, such as the education sector). They also reflected the need to support both "content" (the interactive creative storytelling) and "container" (the enabling technology) in what is essentially a "techno-creative industry," as one participant referred to it.

We heard of the need for the CMF to further support that variety of projects in the future. We also heard of the need to expand support to *a larger number of projects* in years to come. Contributors shared the challenges they faced in obtaining funding in a sector where heavy investment in R&D, iterative development of "living IP," and high levels of risk are often the norm. They also spoke of the chronic oversubscription in the CMF's Experimental Stream, with some saying it discouraged them from even applying to the CMF.

Provincial and territorial interactive media associations tabled a three-tier model for funding IDM: (a) innovation funding focused on creators and new entrants to support first projects and higher levels of risk; (b) slate funding focused on companies already active in the market to support second projects and beyond; and (c) distribution-focused funding to support commercialization.

OVERSUBSCRIPTION IN THE CMF'S EXPERIMENTAL STREAM

Oversubscription has been increasing over the last three years for IDM project funding (in the Prototyping, Innovation and Commercial programs), rising from 200% in 2018-2019 to 285% in 2020-2021.

4. INCREASE FUNDING TO EARLY-STAGE IP DEVELOPMENT AND PROTOTYPING



There was consensus around the need for more early-stage funding (ideation/ conceptualization, predevelopment, development and prototyping) to sustain and grow the pipeline of Canadian IP in both our linear content and IDM sectors. The crucial role played by early-stage funding and the challenges faced by stakeholders on this issue were consistently raised across all 17 virtual sessions and were widely addressed in written submissions from member associations, unions and guilds, creators and professionals.

The Writers Guild of Canada and SARTEC pointed out that script and concept development is the “R&D stage” of film and television content creation but remains precarious work for Canadian screenwriters. Content makers in our townhall sessions spoke of the need for more early-stage development funding in both our linear and IDM sectors. Emerging creators and stakeholders from Indigenous, Black and racialized communities also underlined the need to strengthen early-stage support. Contributors noted that development is a high-risk process, with many projects never moving into production. Given the high level of uncertainty, some suggested that support in finding “pathways to production” is an important complementary dimension to consider.

While we heard that more early-stage funding is needed overall, we also noted perspectives on how to approach access to and allocation of that funding. These perspectives are reflected in takeaways #1 (“no-trigger” access) and #11 (slate-based approaches to funding).

5. CONSIDER EXPANDING SUPPORT TO MORE GENRES



The CMF currently funds linear content in four genres mandated in its contribution agreement with the Department of Canadian Heritage: drama, documentary, children's and youth, variety and performing arts. The CMF also funds a wide variety of media content and software applications in the IDM sector. As addressed in takeaway #3, there is a need for the CMF to continue and expand support to a wide variety of IDM projects in years to come.

In the linear sector, feedback points to the need to continue to support the current four mandated genres, and to expand the amount of funding available for these genres. This was reflected in the views and production plans shared by content makers in their written submissions and in virtual sessions. Indigenous content makers provided examples of the challenges they faced with funding for documentary and drama, for instance. Member associations in Quebec reported on the significant underfunding of French-language content across all four genres and the challenges needing to be addressed in the province's animation sector.

Several contributors from our production, distribution and broadcasting sectors spoke of opportunities to support the creation of original Canadian IP in other popular and highly successful genres, such as formats and content in the reality, lifestyle and game show genres. Many participants from racialized communities noted that flexibility to produce factual and lifestyle content would create more opportunities for them to secure a broadcaster trigger. Some participants cautioned against potential dilution of support to the current genres of drama, documentary, children's and youth, and variety and performing arts.

6. KEEP, OR CHANGE, TEN OUT OF TEN CAVCO SCALE (10/10): LINEAR SECTOR



While there was broad agreement that the CMF should keep its focus on content created by Canadians, stakeholder views in the linear sector varied on whether or not requirements on key creative positions should be maintained or changed. Currently, CMF funding for linear television content is restricted to projects that score 10/10 on the Canadian Audio-Visual Certification Office (CAVCO) scale, with some exceptions¹.

Representatives from our unions and guilds argued that the 10/10 requirement is a fundamental element to ensure the health of the industry and retention of Canadian talent that must be maintained in full. Some producers and broadcasters voiced a similar view. Others suggested to consider more flexibility or exceptions to broaden partnership and co-financing opportunities and grow the pipeline for Canadian IP. The United Kingdom's model for British content was cited by some as a possible model.

Some representatives from racialized communities suggested greater flexibility in the 10/10 scale, particularly around cast, so they can more easily work with racialized creators in the U.S. and other countries in the Global South with which there are no coproduction treaties or for projects with budgets that are too low to trigger a coproduction.

¹Director (2 pts.), Screenwriter (2 pts.), First and Second Lead Performers (performer or voice) (1 pt. each), Production Designer (1 pt.), Director of Photography (1 pt.), Music Composer (1 pt.), Picture Editor (1 pt.). Certain exceptions apply.

Ref. cmf-fmc.ca/document/appendix-a-definitions-and-essential-requirements
crtc.gc.ca/eng/cancon/c_cdn.htm

7. STREAMLINE AND SIMPLIFY CMF APPLICATION PROCESSES



There was extensive feedback and agreement on the need for application processes to be lightened and streamlined. Stakeholders noted that current application processes were complex and costly and acted as a deterrent for many, in particular smaller companies, new entrants and stakeholders from equity- and sovereignty-seeking communities. Streamlined processes would further reduce barriers to entry and provide more equitable access to a wider range of diverse applicants.

Some suggested the CMF also offer administrative support services at application, in particular to new entrants, small companies, and applicants from equity- and sovereignty-seeking groups, as a way to further promote equitable access. Others asked the CMF to support business assistance offered by other organizations (for example, associations) through sector development funding.

Participants from the emerging creator community suggested the CMF consider application eligibility for content makers operating in alternative structures, such as co-operatives and collectives, as a further way to foster greater access.

Contributors also provided feedback on post-application process optimizations and alignments. That feedback is reflected in takeaway #14.

MORE UPSTREAM ENGAGEMENT TO FOSTER NEW ENTRANTS

“I think of the CMF last.”

“Make yourselves better known.”

In comments and written submissions, some contributors noted that the CMF could play a more proactive role in making itself known to potential new entrants and emerging creators—to inform them of the support they could benefit from and “demystify the process.” Upstream engagement could further reduce barriers to entry and foster a larger and more diverse pool of applicants.

8. INVEST MORE IN PRODUCTION PROJECTS AND MARKETING



We heard from a wide range of contributors from our linear and IDM sectors (creators, producers, member associations, distributors, broadcasters) that individual projects need larger investments.

In production, stakeholders unpacked several factors driving the need for larger project contributions, underlining the need to both rectify current imbalances and increase production value:

- More project funding in production is needed to ensure that other categories of funds can be used for their intended purposes, such as producer fees (many producers noted they had to reinject fees into production) and tax credits (needed for reinvestment and capitalization, further addressed in takeaway #14).
- Beyond the need to rectify those pressures on compensation and the capitalization of our companies, larger production investments are needed to boost production value and support Canadian IPs that are competitive and appealing to audiences at home and abroad.

Several contributors also noted that larger participations from the CMF in financing structures would support the retention of IP in Canadian hands (further addressed in takeaway #10).

Citing the specific challenges to production in Quebec, AQPM proposed a re-examination of the CMF's government-mandated one-third/two-thirds funding split between the French and English markets, suggesting 40% should be dedicated to French-language content, particularly in expensive genres like drama series.

8. INVEST MORE IN PRODUCTION PROJECTS AND MARKETING



In marketing, stakeholders across our linear and IDM sectors spoke of the rising complexity and costs associated with the marketing and commercialization of their projects (for example, marketing materials and assets, market research, audience engagement and community building, self-distribution initiatives, discoverability efforts, and travel). Feedback reflected the need for projects to access more marketing funds and for marketing efforts to be enabled and supported earlier in the project lifecycle. Some cautioned against increasing marketing investments at the expense of production, underlining again the need to increase project funding for both. Racialized producers in particular raised the need for funds for community engagement, niche marketing or impact campaign work in order to best reach their audiences and achieve their goals for connecting with and representing stories from their communities.

Beyond the need for larger investments in production and marketing, contributors spoke of the need for more flexibility to be introduced in the use of that funding, offering varied perspectives (for example, eligible expenses, criteria, caps).

In the area of marketing and commercialization, contributors also noted the need for broader mechanisms and initiatives in support of our companies and industry overall. These considerations are reflected in takeaways #11 and #13.

MORE PARTNERSHIP-BASED INITIATIVES TO CO-FUND PROJECTS

Some contributors provided feedback on potential co-funding partnerships to consider, building on the CMF's previous initiatives in this area (co-funding incentives with other agencies internationally, with other funders or distributors in Canada). These partnerships allow funders to proactively pool their resources and to offer larger contributions to projects. Suggestions included partnerships with private-sector investors for videogames and further consideration of current international incentives, which can facilitate coproduction.

9. RECONSIDER RECOUPMENT



Many contributors and member associations in both the linear and IDM sectors pointed to the need to revisit the CMF’s approach on recoupment. Stakeholders noted that lowering the CMF’s recoupment requirements may allow producers and developers to secure more funding for their projects from private investors and other sources.

Contributors offered varied perspectives on the IP and stakeholders who could benefit from this shift in approach. Some remarked it could help attract projects with higher commercial potential. A wide range of others noted that lowering recoupment could benefit smaller companies, new entrants and those facing structural barriers the most. Some suggested to consider tiered support models, adapting financial instruments and requirements to the realities of client groups based on their size, maturity or the structural barriers they face. Discussions and written submissions also pointed to the need to consider the cases in which no recoupment should be performed at all.

Some IDM company owners made the distinction between recoupment and profit-sharing in the Experimental Stream, suggesting that recoupment works because it has a ceiling on the amount to be repaid. Profit-sharing should be eliminated because it has no ceiling beyond the time limit of seven years, which is viewed as a significant liability given how quickly things move in the IDM industry.

AN EXAMPLE OF HOW A DIFFERENT APPROACH TO RECOUPMENT COULD FOSTER MORE PRIVATE INVESTMENT

Stakeholders from racialized and Black communities noted that more soft funding and a lower recoupment position from the CMF could facilitate partnerships with other investors by allowing them to recoup first, including international financiers in the U.S., for instance.

10. BETTER SUPPORT THE RETENTION AND MONETIZATION OF CANADIAN IP, AND THE FAIR DISTRIBUTION OF ITS VALUE



Discussions and written submissions strongly indicated the need for the CMF to play a more active role in safeguarding and supporting the retention of Canadian IP in the hands of Canadian stakeholders.

While feedback pointed to differences in how disruption and increased internationalization are impacting the linear and IDM sectors (for example, global streamers most often acquiring all rights to content in film and television, foreign acquisitions of companies in IDM), views largely intersected on the benefits of supporting Canadian ownership and control of IP:

- It allows Canadian companies to build their IP portfolio, generate revenue streams, and capitalize and grow over time.
- It ensures benefits flow back to Canadian stakeholders and the country's industry.

Contributors noted that IP *value* retention, beyond copyright retention, was a key dimension to consider in measures to safeguard Canadian control of IP. Many discussions also raised the need to foster fair and equitable distribution of that value:

- Across the Canadian value chain (writers and creators, producers, distributors, broadcasters/platforms);
- For equity- and sovereignty-seeking stakeholders who face systemic barriers, often resulting in increased structural pressures to cede rights (for example, to a more established company in Canada)².

Participants pointed to various mechanisms that could foster greater and more equitable IP value retention and distribution:

- criteria and requirements in program guidelines;
- industry-wide code of practice;
- including distributors as a trigger for CMF funding so that they can bring their expertise to making deals by territory to maximize revenue from IP;
- dedicated initiatives for groups facing systemic barriers to ensure benefits flow back to their communities (for example, funding for Indigenous producers to acquire the adaptation rights to Indigenous IP).

² Stakeholders from equity-seeking groups noted that pressures to cede rights also manifest in mentoring and training relationships, and that safeguards are needed to ensure mentorees can retain their IP rights when engaging in mentoring programs.

11. EXPLORE SUPPORT OPTIONS BEYOND PROJECT-BY-PROJECT FUNDING



Feedback reflected wide interest in exploring avenues for support beyond the current project-by-project funding model, in both the linear and IDM sectors, with a wide range of contributors noting the flexibility and efficient delivery of COVID relief funds as a model to build upon. Participants however shared important factors and nuances to consider.

The discussions addressed both IP-focused funding (funding for multiple IP projects or “slate funding”) and company-focused funding (costs not related to specific IP projects such as operations and administration, business development, legal affairs). Both were noted as ways to foster the strengthening and growth of companies. On company-focused funding, equity- and sovereignty-seeking groups in particular noted workforce development and community engagement as two areas where their companies play an important role in “lifting up” our industry more widely, as one contributor put it, given the considerable resources and effort they invest in engaging and nurturing underserved talent, communities and regions.

APPROACHES ADDRESSED DURING THE CONSULTATIONS

IP-FOCUSED FUNDING	COMPANY-FOCUSED FUNDING
<ul style="list-style-type: none">• Project-by-project (<i>current model</i>)• Slate funding: early stage (development/prototyping)• Slate funding: production	<ul style="list-style-type: none">• Funding for specific “business projects”• Operational funding

Early-stage slate funding for IP (in conceptualization/ideation, predevelopment, development, prototyping) was the most widely recommended measure across all sessions and submissions by creators, producers and developers, industry associations, funders and distributors. Several contributors pointed to a previous initiative in this area in British Columbia (Creative BC’s Slate Development Fund), which had a positive impact on company growth. Some noted that particular attention should be paid to ensuring broad access for a large pool of companies.

The need for companies to access business support services and fund business-related initiatives or “business projects” was also widely reflected in discussions and written submissions. Further details on the comments provided in this area can be found in the box below.

11. EXPLORE SUPPORT OPTIONS BEYOND PROJECT-BY-PROJECT FUNDING



Feedback suggests that a more nuanced approach may need to be considered when looking at production slate funding for IP and company-focused operational funding. Some noted that an appropriate balance needs to be found and that funding and budget priorities need to be established. The more widely shared view across all consulted groups was that if the CMF were to consider forms of operating or business support, priority should be given to equity- and sovereignty-seeking groups, underrepresented regions, and small or emerging companies.

Other factors to consider were shared over the course of the consultations (see side bar), underlining the complexities of these approaches to funding.

ACCESSING BUSINESS SUPPORT SERVICES

Discussions and submissions widely reflected the need for individual companies in both the linear and IDM sectors to access outside help to support their sustainability and their growth, especially in the areas of business and market development, marketing and commercialization, and skills development (see list). Smaller and emerging companies in particular noted they often do not have the in-house capacity to fully support these activities nor the financial resources to hire expert help. Contributors also noted the need for more business development travel funds.

Feedback indicates that the CMF could play a role in this regard—either by providing business support services to individual companies in kind, or through dedicated funding for companies' "business projects."

Beyond direct support from the CMF to individual companies, contributors noted that business support could also be enabled through open-access or shared resources, partnerships with industry organizations, grouped initiatives for pools of CMF clients, and sector-wide initiatives (see takeaways #12 and #13).

Business support: examples of needs noted by contributors

- Funding to onboard a business incubator or accelerator program (for example, expand on the CMF's current Accelerator Partnership Program)
- Funding to attend industry events, for business development trips
- Funding for mentors and upskilling (emerging and senior talent and staff)
- Exploratory research to investigate markets, audiences or new business verticals for the company
- In-kind services for the company: marketing, business development (for example, broker access to partners, investors, publishers, buyers)

EXAMPLES OF OTHER FACTORS TO CONSIDER REGARDING SLATE AND COMPANY-FOCUSED FUNDING

- Safeguard against creating or reinforcing discrimination, hierarchies or entitlements
- Ensure community engagement, workforce development and retention are enabled and supported (for example, smaller companies faced with "talent poaching")
- Ensure emerging companies are not disadvantaged due to smaller slates
- Ensure benefits of company-focused funding also trickle down to creators (was not necessarily the case with COVID relief funds)
- Ensure equitable access in regions
- Potential eligibility misalignments with other programs and funders
- Company-focused funding to companies involved in multiple business verticals, including ineligible ones
- Could be labour intensive and increase administrative pressures

12. PARTNER TO COLLECT AND SHARE MORE DATA AND MARKET INTELLIGENCE



Data and market intelligence were very frequently referenced in submissions and in discussions with stakeholders in both the linear and IDM sectors. Contributors noted that gaps need to be filled in a number of areas.

Regarding the state of the industry in Canada (for example, employment, production, financing), contributions pointed to significant gaps in data, research and intelligence on equity- and sovereignty-seeking production communities in particular (including below-the-line staff). An expanded domestic dataset is needed that captures and reflects the situation of all groups in our industry (including women, regions, Indigenous communities, Black and racialized communities, OLMC communities, stakeholders with disabilities and LGBTQ2S+ communities, with consideration given to intersectionality). This includes an expanded dataset from the CMF on the projects and industry stakeholders it funds and supports.

Contributions also noted the need for the industry to work collaboratively on shared, actionable tools (for example, databases of talent from equity- and sovereignty-seeking communities, guide on inclusion and positive portrayal of people with disabilities in media).

Feedback also indicated a need for research and intelligence on markets and demand in Canada and abroad or, as one contributor put it, “guidance on what the market wants.” Participants cited many areas where knowledge gaps could be addressed (for example, landscape of content buyers, emerging business models for new formats of IDM, alternative distribution models, trends in global demand for content from Indigenous, Black or racialized creators). They also pointed to significant knowledge gaps needing to be addressed on demand here at home (on racialized audiences in Canada, for example).

Several contributors emphasized here again the need for the industry to work collaboratively on shared tools (for example, an industry-wide “data service” or set of “market data benchmarks”). The CMF would lead in some areas, and act as a convener or supporting partner in others.

- Participants pointed out that over three quarters of game revenues in British Columbia are international. What are the trends in sales of that gaming IP?
- Black and racialized stakeholders noted opportunities for their content with audiences in the U.S., in Africa’s French-language markets. How can we seize those opportunities?

13. LEVERAGE PARTNERSHIPS TO STRENGTHEN AND GROW THE INDUSTRY



Data and market intelligence were part of a wider set of discussions on various avenues for increased collaboration and partnerships in support of sector development, including the roles the CMF could play.

Participants contributed numerous examples of sector development initiatives and models (see table below for an overview of the types of activities discussed). These contributions underlined three key dimensions to sector development partnerships:

- Strengthening the industry's infrastructure in Canada;
- Connecting to the domestic market;
- Connecting to global markets.

While connections to global markets was particularly noted as an area for sector development partnerships to consider, all three dimensions were raised in discussions and submissions. In particular, feedback reflected more substantial gaps and needs for groups facing structural challenges or systemic barriers (including women, Indigenous stakeholders, Black and racialized stakeholders, OLMC stakeholders and regional stakeholders) across all three dimensions of sector development mentioned above. It was noted that for some groups (women, Black and racialized communities, for instance), key sector organizations were volunteer-based and lacked access to operational funding, facing greater precarity. It was suggested that operational funding for these organizations be considered.

Participants noted that when considering sector development partnerships, contributions should be prioritized for sector development leads/service providers that “already do the work” (with the right expertise and connections to the relevant stakeholder groups).

13. LEVERAGE PARTNERSHIPS TO STRENGTHEN AND GROW THE INDUSTRY



EXAMPLES – SECTOR DEVELOPMENT PARTNERSHIPS

The table below provides an overview of the partnership areas, types of activities, and examples of partnership leads/services providers that participants discussed.

SUPPORT AREAS	ACTIVITIES	LEADS / SERVICE PROVIDERS
<p>Strengthening the industry's infrastructure in Canada</p> <ul style="list-style-type: none"> • Workforce development • Shared services/ infrastructure • Equity, diversity and inclusion (EDI) infrastructure development • Concertation/ consultation <p>Connecting to the domestic market</p> <ul style="list-style-type: none"> • Business development/ partnership building • Public awareness <p>Connecting to global markets</p> <ul style="list-style-type: none"> • Business development/ partnership building • Coproduction • Export • Cultural diplomacy 	<ul style="list-style-type: none"> • Training, mentoring, internships • EDI workshops for industry • Career fairs • Shared production resources for IDM producers • Operational support for EDI sector dev. organizations (women, Black, racialized stakeholders) • Family care initiatives/programs • Building bridges between linear and IDM production sectors • Partnerships between regional and EDI associations and national funders (for example, programs, jury processes) • Partnerships between domestic broadcasters (for example, CBC-APTN) • Public awareness campaign on value of IDM sector • Brokering access to business networks and partners (coproducers, streamers, broadcasters, distributors, publishers, investors) • Markets, forums, showcases • Pitch sessions • Competitions • Equity-focused content accelerator/mission abroad • Bundling projects for export 	<ul style="list-style-type: none"> • Member associations • Unions and guilds • Grassroots organizations • Festivals • Incubators and accelerators • Training institutions • Funders • Government departments or agencies

14. FOSTER GREATER ALIGNMENT OF THE FUNDERS THAT SUPPORT THE INDUSTRY



A particular focus of sector development discussions concerned how the various funding support agencies in our infrastructure, including the CMF, could better partner and align on funding tools and mechanisms to streamline application and reporting processes for applicants, ensure complementarity of funding programs, and gain in efficiency.

Suggestions included the harmonization of budget templates across funders, more regular check-ins between funders, closer concertation on program design and data/metrics, and funder partnerships on international- and equity-focused programs. The importance of applying a holistic equity lens was noted, and the need to account for the various perspectives and needs of regions, linguistic communities, and equity- and sovereignty-seeking communities. For example, it was suggested that access to national funders in the West could be improved with the opening of a funders' office in the region. The merits of a single agency for the screen sectors were also raised as content is often developed for multi-platform distribution and no longer in silos.

A large number of contributors noted that two key elements of Canada's funding infrastructure—tax credits and interim financing— are particularly problematic. While recognizing that neither are within the CMF's control, they urged funders and industry organizations to work together to expedite tax credit disbursement. On interim financing, participants noted prohibitive interest rates and barriers to access, in particular for equity- and sovereignty-seeking groups. Some suggested that an alternative approach to interim financing be contemplated (for example, a public, government-backed interim financier).

OPTIMIZING PROCESSES TO BETTER SERVE THE NEEDS OF CMF APPLICANTS

In addition to closer alignments with other funders, contributors noted several areas where CMF processes could be optimized. They pointed to the need for more flexibility in access and disbursement of funds and in reporting requirements to better align with project workflows. Examples included: applications on a rolling basis, larger instalments earlier in the process, more gradual payment schedules, streamlined iterative reporting.

15. ACHIEVE PERMANENT STRUCTURAL CHANGE BY USING A HOLISTIC EQUITY AND INCLUSION LENS



There was extensive discussion on the need for the CMF to carefully consider how the new program model will dismantle existing barriers to access for equity- and sovereignty-seeking groups. The new program model, approach to triggers and market weights should not hinder these communities from successfully developing or producing their content.

Black, racialized and Indigenous communities continue to see a strong need for specific programs which their communities can access. Such programs provide a dedicated access point for applicants and a bridge to other CMF programs and can enable creators to maintain ownership and control of their IP.

These communities also want more investment as noted elsewhere in development (including early-stage and export market support to raise foreign financing), marketing (specifically for impact/outreach work), company infrastructure development and business affairs costs. Additionally, racialized creators commented on the need to access funds to produce content in foreign languages, beyond the support provided by the CMF's Diverse Languages program. Indigenous creators commented on the limitations of the CMF's current Indigenous program and other gaps that need to be addressed (for example, support to Indigenous languages, particular challenges to Indigenous production in the French-language market, support to Indigenous IDM, such as immersive storytelling). Racialized and Indigenous creators working in Quebec and underserved regions noted they face additional systemic barriers to produce, finance and exploit their IP. There was a shared call across all communities for more representation among decision-makers in the industry and in executive, staff and board positions of all institutions, including the CMF.

Communities already accessing funds from the CMF, including Indigenous communities, OLMC communities, regional communities and women through gender parity initiatives, have called for more funding for their content creators. Participants also noted that analysis is needed to understand how intersectionality will be supported in these programs from now on (for example, inclusion of racialized creators, non-binary or trans communities).

15. ACHIEVE PERMANENT STRUCTURAL CHANGE BY USING A HOLISTIC EQUITY AND INCLUSION LENS



The new program model and ways of working at the CMF need to consider additional support mechanisms to ensure that systems are accessible to people with disabilities (i.e., application portals, outreach and communication methods). The CMF has driven more industry conversation around support and solutions for racialized communities, women and Indigenous communities, and should now consider similar support for creators and professionals with disabilities in our screen content sectors.

Organizations that support equity-seeking groups continue to be underfunded and need ongoing support to continue to work on development and capacity building within their communities. The CMF has funded some organizations representing racialized stakeholders recently, but their future is precarious without core support to bring them through the first years of operations. The CMF should undertake partnerships with these and other stakeholder organizations to support long-lasting change. Finally, the CMF must continue collecting data to monitor funding disbursement and explore ways to incentivize other stakeholders (especially broadcasters and other funders) to continue making space for content from these communities.



NEXT STEPS

Feedback and submissions received over the course of these consultations have provided the CMF team with crucial insights on the state of our screen content sector, the opportunities that lie ahead, the challenges that need to be addressed—and the role that the CMF can play, as the largest content fund in our country, to help our industry recover from the pandemic, become more inclusive and grow in the years to come.

The takeaways presented in this report will anchor our thinking and guide us in the next few months as we further the development of a new program model for the CMF. We will engage our partners at the Department of Canadian Heritage, who joined our virtual sessions this spring to hear your perspectives and recommendations, to discuss the program changes the industry needs.

We will reach out to stakeholders again this fall to discuss specific issues that need further consideration, and to share information on the direction we will take for a new program model. We will begin to make changes to the program model in 2022, with full implementation taking place over a minimum of two years.

As always, we will remain open to feedback and ideas as we build for the future—together.



CANADA
MEDIA FUND

FONDS DES MÉDIAS
DU CANADA