

CANADA MEDIA FUND –

MOVING TOWARDS A MODERNIZED FUNDING MODEL

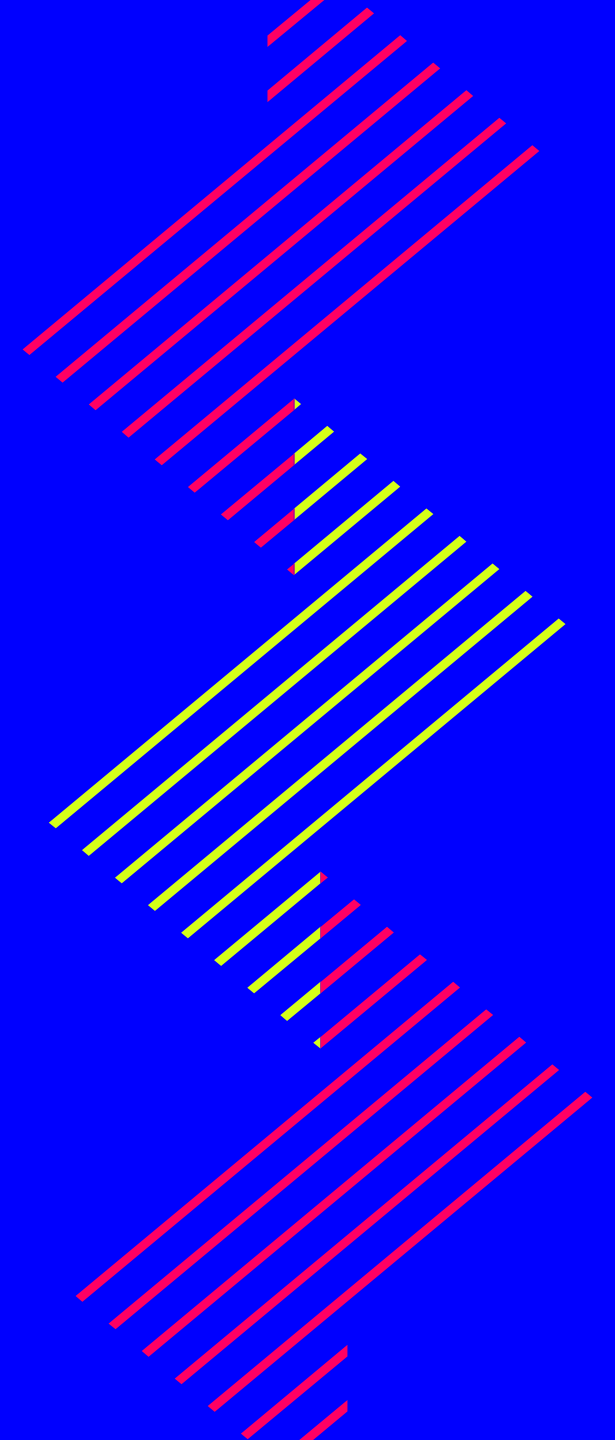
Fall Consultations

October 2023



**CANADA
MEDIA FUND**

**FONDS DES MÉDIAS
DU CANADA**



AGENDA

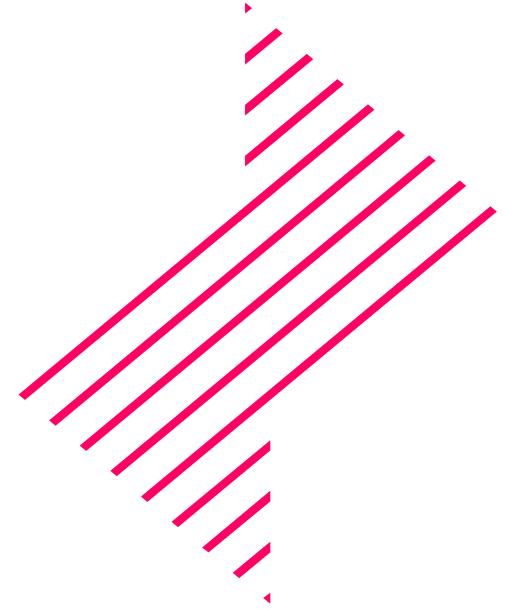
➤ CURRENT CLIMATE

➤ POLICY DIRECTION

➤ FORM & STRUCTURE

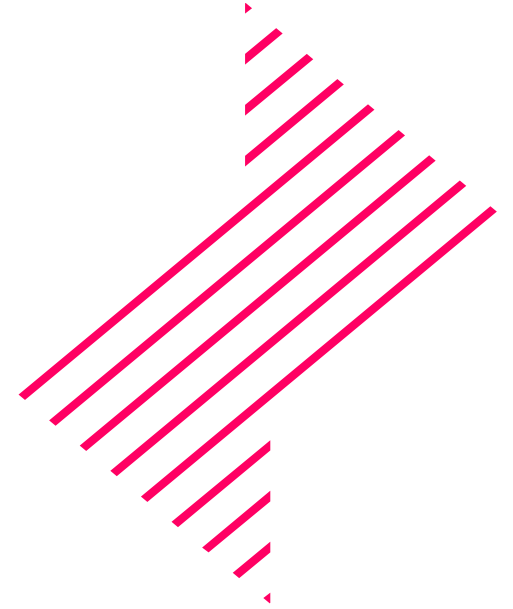
➤ RULES

➤ DISCUSSION



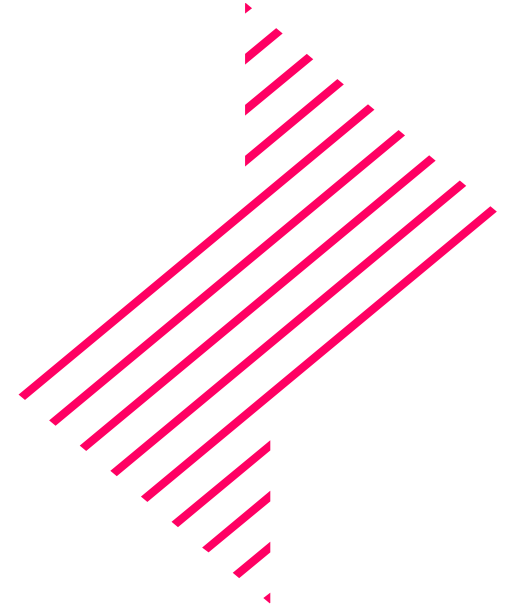
CONTRIBUTION AGREEMENT

- **SUSTAINABILITY:** THE CMF PROGRAM WILL NOT CREATE NEW DEPENDENCIES AND WILL FOSTER, TO THE EXTENT POSSIBLE, LESSENERED RELIANCE ON SUBSIDIES OVER TIME;
- **CMF PROGRAM AS CATALYST:** THE CMF PROGRAM WILL RELY ON MARKET FORCES TO THE EXTENT POSSIBLE;
- **INNOVATION:** THE CMF PROGRAM WILL ADOPT NEW APPROACHES AND ONLY CARRY FORWARD PRACTICES OF THE CANADIAN TELEVISION FUND PROGRAM WHEN REQUIRED TO MEET THE OBJECTIVES OF THE CMF PROGRAM;



CONTRIBUTION AGREEMENT

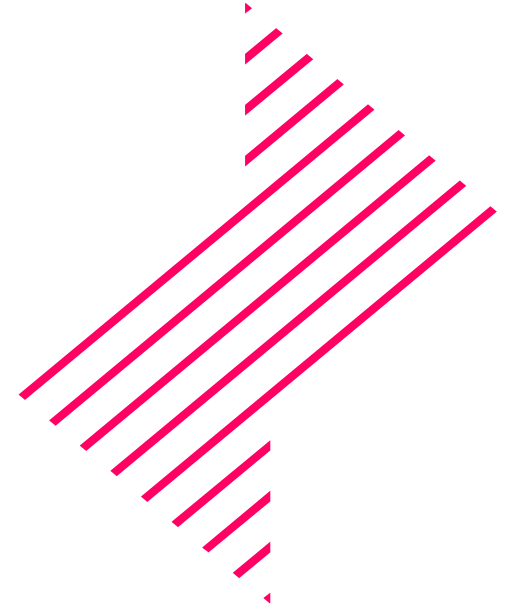
- ▶ **ONGOING RECALIBRATION:** THE CMF PROGRAM WILL EVALUATE IMPACTS AND IMPLEMENT CONSEQUENTIAL CHANGES TO ENSURE A DYNAMIC MARKETPLACE FRAMEWORK, WITHOUT CREATING UNDUE DISRUPTION TO THE PRODUCTION SYSTEM AS A WHOLE;
- ▶ **ADAPTABLE:** THE CMF PROGRAM WILL ADJUST TO CHANGING MARKET CONDITIONS OVER TIME; CMF PROGRAM IS ONE PIECE OF THE PUZZLE: SYSTEM-WIDE ISSUES ARE DEALT WITH BY THE REGULATORY SYSTEM AND THE CMF CANNOT FIX EVERYTHING;
- ▶ **SMART CHANGE MANAGEMENT:** THE CMF PROGRAM WILL NOT BE OVERLY CAUTIOUS AND WILL NOT PROTECT THE STATUS QUO.



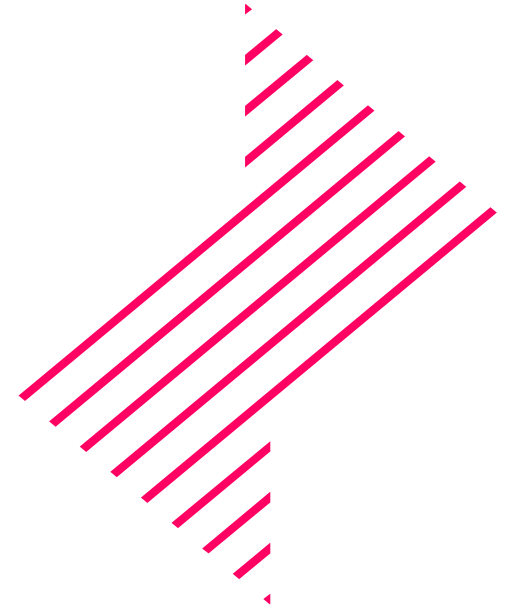
GUIDING PRINCIPLES

➤ MORE BALANCE:

- BALANCE IN ALLOCATION OF FUNDS
- BALANCE IN UNLOCKING FUNDS
- BALANCE IN MOVING FORWARD WHILE
RECOGNIZING IMPACT OF RAPID CHANGE



CURRENT CLIMATE



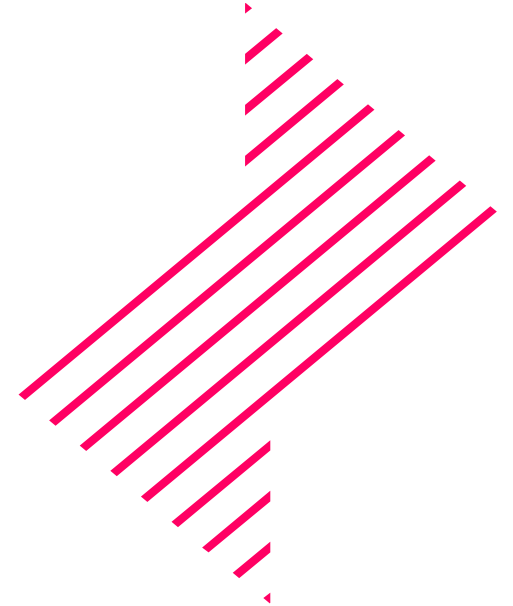
CURRENT CLIMATE

➤ MODERNIZATION OF THE SECTOR

- PASSING OF BILL C-11
- ONGOING CRTC CONSULTATION
- DEPARTMENT OF CANADIAN HERITAGE MODERNIZING AUDIOVISUAL INDUSTRY
- TECHNOLOGICAL AND COMPETITIVE DISRUPTION

➤ DECREASING RESOURCES

- DECLINING BDU REVENUE
- GOVERNMENT OF CANADA STABILIZATION MONEY CAP
- NO IMMEDIATE CONFIRMATION ON INCREASED PUBLIC FUNDING
- NO IMMEDIATE CONFIRMATION ON INCREASED PRIVATE FUNDING



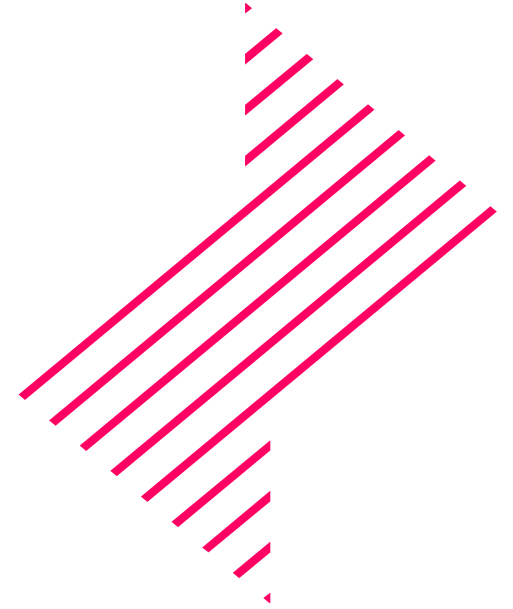
CURRENT CLIMATE

➤ PROGRAM DEMAND/OVERSUBSCRIPTION

- *SELECTIVE:*
 - BUDGET OF \$87.5M/DEMAND OF \$255.5M
- *FIRST-COME/FIRST-SERVED:*
 - BUDGET OF \$29.7M/DEMAND OF \$46.9M

➤ SERVING A GROWING AUDIOVISUAL SECTOR

- UNDERREPRESENTED GROUPS
- MARKET-READY DEVELOPMENT
- DIGITAL MEDIA



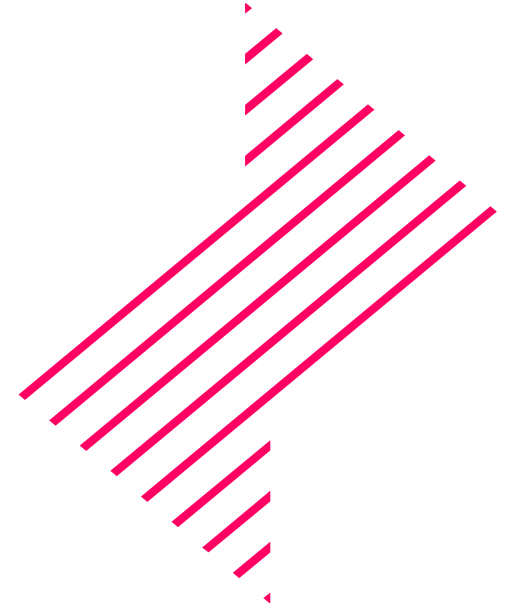
CURRENT CLIMATE

▶ BROADCASTING DISTRIBUTION REVENUE

- ESTIMATED AT **43.4%** OF CMF FUNDING FOR THE 2023-2024 YEAR
- BDU DECLINE BEGAN TO ACCELERATE IN 2017-2018
 - 2016-2017 BDU REVENUE: \$216.5M
 - 2017-2018 BDU REVENUE: \$199.6M
- BDU DECLINES ARE PROJECTED TO CONTINUE

▶ PUBLIC FUNDING

- GOVERNMENT-WIDE SPENDING REDUCTION IN 2024-2025 BUDGET



CURRENT CLIMATE

➤ BALANCE IN ALLOCATION OF FUNDS

➤ ENVELOPES AS A PORTION OF OVERALL CONTENT PROGRAMS

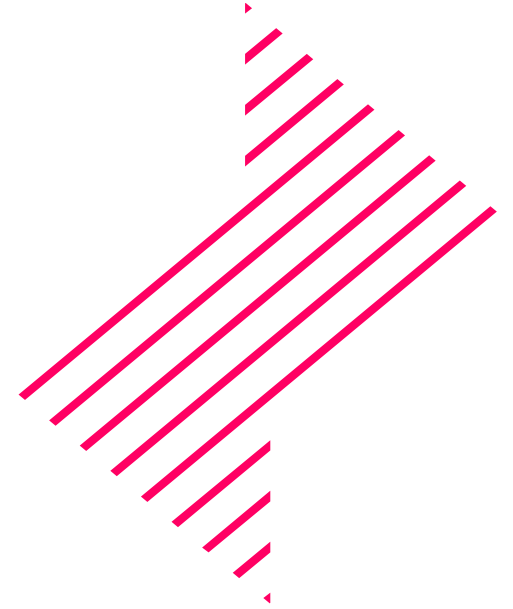
- THE ENVELOPE SYSTEM CURRENTLY REPRESENTS ROUGHLY 64% OF THE CMF'S OVERALL CONTENT BUDGET

➤ ENVELOPES AS A PORTION OF LINEAR CONTENT PROGRAMS

- THE ENVELOPE SYSTEM CURRENTLY REPRESENTS ROUGHLY 70% OF THE CMF'S LINEAR CONTENT BUDGET

➤ BROADCASTER ACCESS IN OVERALL CONTENT PROGRAMS

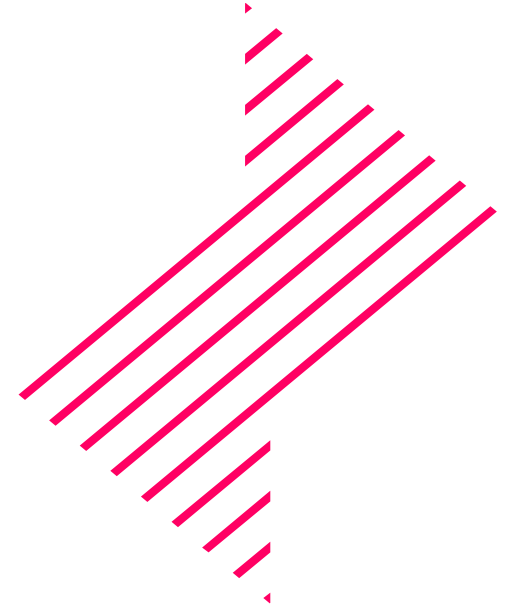
- BROADCASTERS CURRENTLY HAVE ACCESS TO ROUGHLY 85% OF THE CMF'S OVERALL CONTENT BUDGET



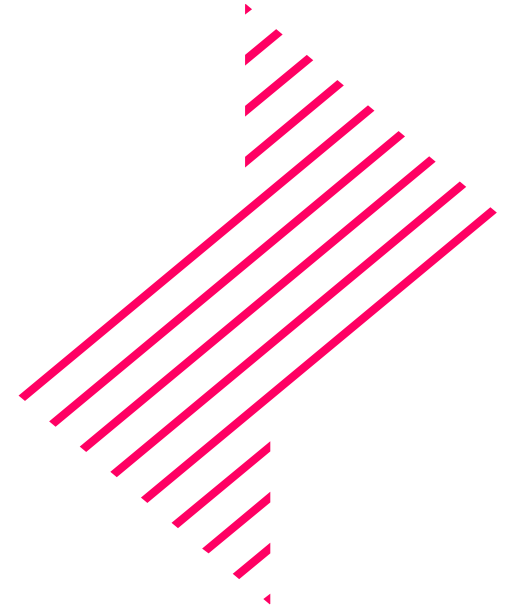
CURRENT CLIMATE

▶ BALANCE IN UNLOCKING FUNDS

- COMMITMENT TO EQUITY, DIVERSITY, INCLUSION AND ACCESSIBILITY
- EXPANDED TRIGGER PROGRAM
- INCREASE RESOURCES TO:
 - SLATE DEVELOPMENT PROGRAM
 - DIGITAL MEDIA
 - SECTOR DEVELOPMENT

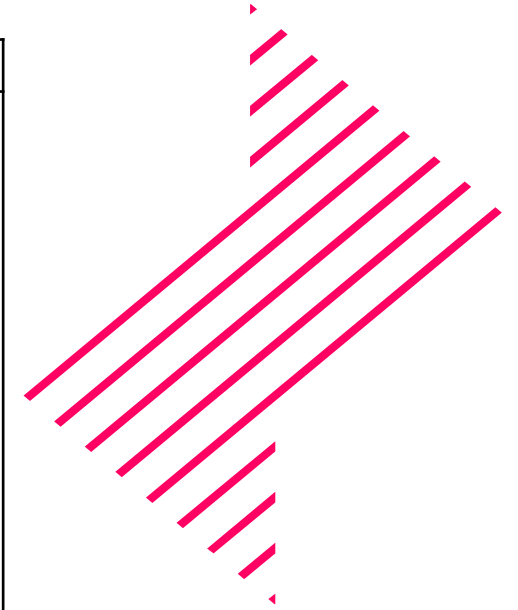


POLICY DIRECTION – FORM & STRUCTURE



FORM & STRUCTURE – CURRENT PROGRAM MODEL

CONVERGENT	EXPERIMENTAL	SECTOR DEVELOPMENT
• Anglophone Minority Incentive • Development Envelope Program • Diverse Languages Program • Francophone Minority Program • Indigenous Program • International and National Partnerships • Pilot Program for Racialized Communities • Early-Stage Development Program • Performance Envelope Program • POV Program • Predevelopment Funding • Regional Production Funding • Slate Development Program • Targeted Development Funding • Versioning Program	• Accelerator Partnership Program • Commercial Projects Pilot Program • Conceptualization Program • Digital Creator Pilot Program • Digital Linear Series Program • Innovation Program • International and National Partnerships • Prototyping Program	• Sector Development Support



FORM & STRUCTURE – NEW PROGRAM MODEL

IDEATION		CREATION		INDUSTRY
LINEAR	IDM	LINEAR	IDM	
• Predevelopment Funding • Dedicated Development Funding • Development Envelope Program • Early-Stage Development Program • International/National Partnerships • Slate Development Program	• Conceptualization Program • Prototyping Program • International/National Partnerships	• Anglophone Minority Incentive • Broadcaster Envelope Program • Diverse Languages Program • Francophone Minority Incentive • Digital Creator Pilot Program • Expanded Trigger Program • Indigenous Program • OLMC Program • Pilot Program for Racialized Communities • POV Program • Regional Production Funding • Versioning Program • International/National Partnerships	• Accelerator Partnership Program • Commercial Projects Program • Digital Linear Series Program • Innovation Program • International/National Partnerships • Iteration Program	• Sector Development Support • Promotion • Research/Market Trends • Data collection

• NEW ELEMENTS

FORM & STRUCTURE

▶ REORGANIZE CMF PROGRAMS

- CONVERGENT, EXPERIMENTAL, & SECTOR DEVELOPMENT → IDEATION, CREATION & INDUSTRY

▶ CREATE EXPANDED TRIGGER PILOT PROGRAM

- CANADIAN DISTRIBUTOR AS TRIGGER

▶ EXPAND SLATE DEVELOPMENT PROGRAM

- INCREASE TO THE PROGRAM BUDGET

FORM & STRUCTURE

➤ EXPAND SECTOR DEVELOPMENT SUPPORT

- INCREASE TO THE PROGRAM BUDGET

➤ EXPAND INTERACTIVE DIGITAL MEDIA (IDM) SUPPORT

- CREATE AN IDM ITERATION PROGRAM AND INCREASE IDM PRODUCTION PROGRAM BUDGETS

FORM & STRUCTURE

▶ ADJUST PROGRAM DELIVERY

- ANGLOPHONE MINORITY & FRANCOPHONE MINORITY PROGRAMS →
MERGE INTO OLMC PROGRAM
- DIVERSE LANGUAGES PROGRAM →
DIVERSE LANGUAGES ENVELOPE
- INDIGENOUS PROGRAM →
*PARTNERING WITH ISO ON NEW APPROACHES FOR INDIGENOUS
CONTENT SUPPORT*
- PERFORMANCE & DEVELOPMENT ENVELOPES →
MERGE CALCULATIONS

FORM & STRUCTURE

➤ SERVE CLIENTS DIFFERENTLY

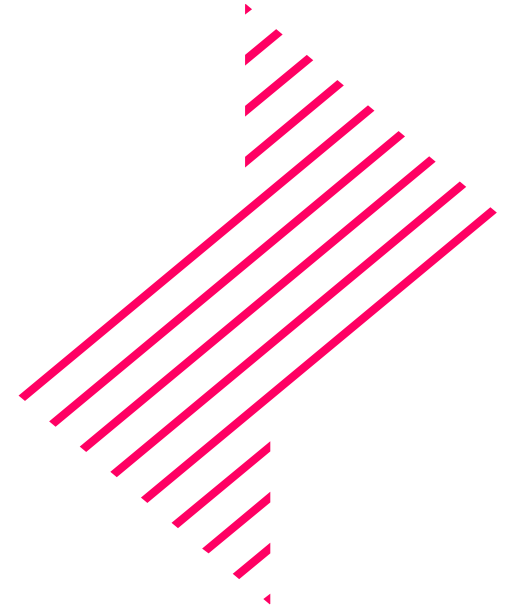
- DIGITAL LINEAR SERIES →
ELIGIBLE IN ALL CMF LINEAR PROGRAMS
- EARLY-STAGE DEVELOPMENT PROGRAM →
PROVIDE CREATOR SUPPORT THROUGH SECTOR DEVELOPMENT
- ACCELERATOR PARTNERSHIP PROGRAM →
PROVIDE ACCELERATOR/MENTORSHIP SUPPORT (BOTH LINEAR AND INTERACTIVE CONTENT) THROUGH SECTOR DEVELOPMENT

FORM & STRUCTURE

➤ SERVE CLIENTS DIFFERENTLY

- VERSIONING PROGRAM →
*ALLOW VERSIONING EXPENSES AS ELIGIBLE MARKETING
EXPENSES IN PRODUCTION BUDGET*
- INTERNATIONAL INCENTIVES →
REVIEW SUPPORT FOR INTERNATIONAL INITIATIVES

POLICY DIRECTION – RULES



RULES

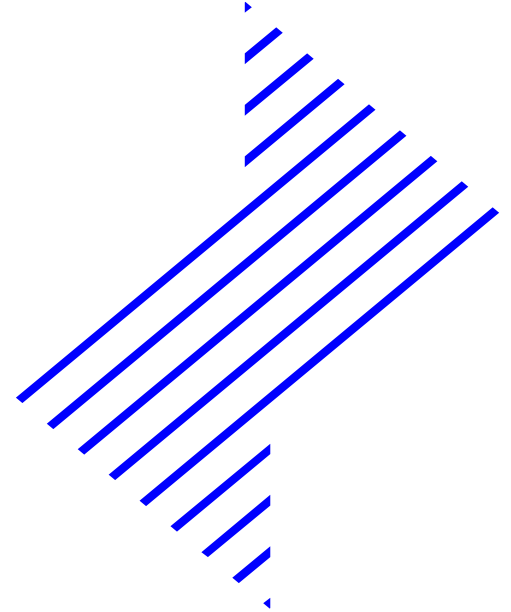
▶ EXPANDED MARKET TEST/FUNDING TRIGGERS

- CANADIAN DISTRIBUTORS CONTRIBUTE TO THRESHOLD

▶ PROGRAM FLEXIBILITIES FOR INDIGENOUS APPLICANTS/PROJECTS

▶ LANGUAGE

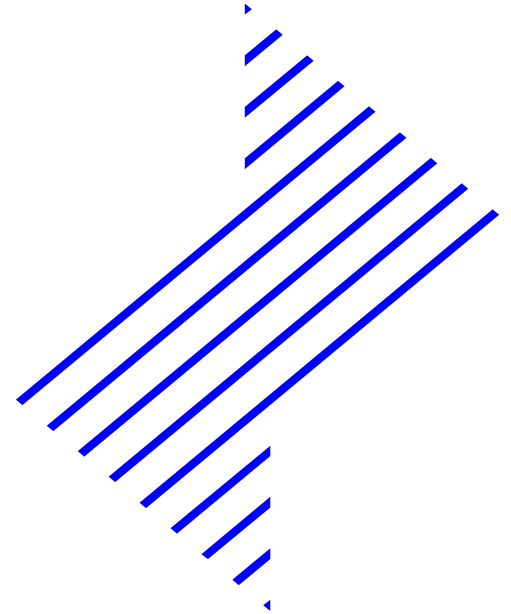
- SHIFT AWAY FROM “ORIGINAL LANGUAGE OF PRODUCTION” AND MOVE TOWARDS LOOKING AT THE LANGUAGE RIGHTS BEING LICENSED



RULES

▶ PERFORMANCE ENVELOPE (PE) PROGRAM FACTORS & FACTOR WEIGHTS

- CHANGES TO BE ANNOUNCED IN APRIL 2024 FOR THE 2025-2026 YEAR
- REVIEW EMPHASIS ON AUDIENCE, LICENSING IN VULNERABLE GENRES AND CULTURAL METRICS (E.G., CSA'S/GÉMEAUX)



DISCUSSION



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DU CANADA

FEEDBACK:

consultations@cmf-fmc.ca



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FONDS DES MÉDIAS
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