

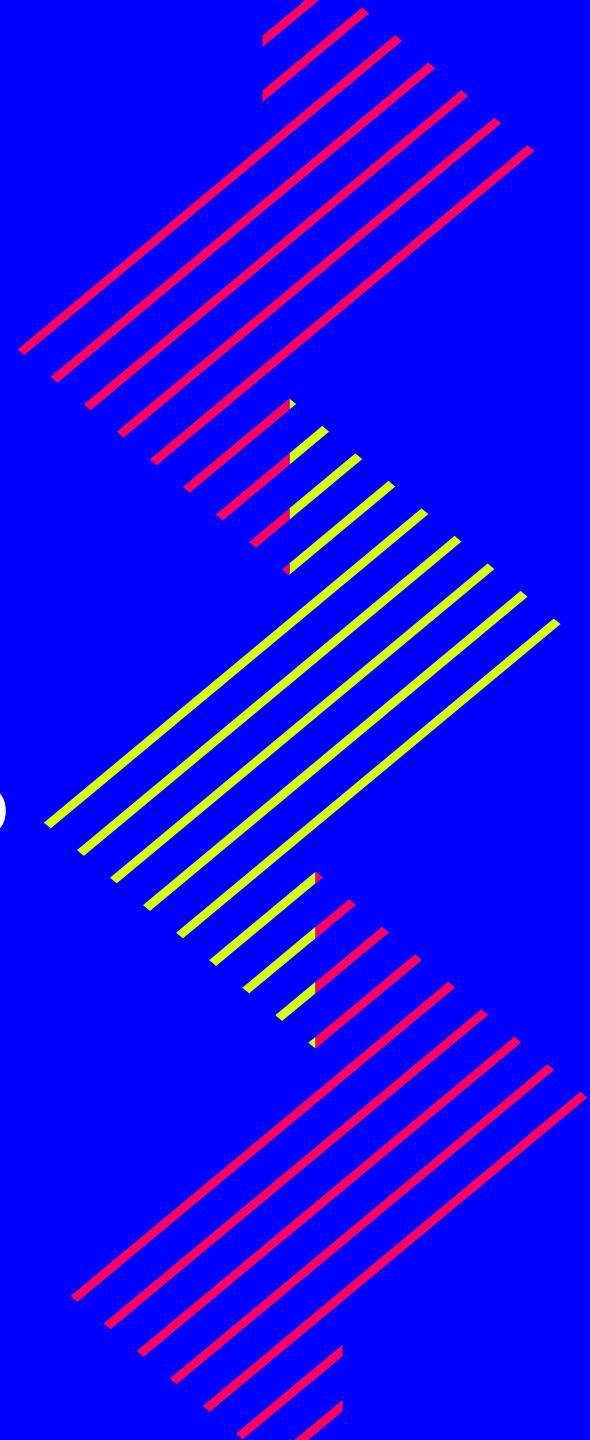
CANADA MEDIA FUND – CHILDREN & YOUTH CONTENT WORKING GROUP

October 2024



CANADA
MEDIA FUND

FONDS DES MÉDIAS
DU CANADA



AGENDA

- ▶ INTRODUCTION**
- ▶ LAND ACKNOWLEDGEMENT**
- ▶ CURRENT CONTEXT**
- ▶ CMF RESEARCH – SUMMER 2024**
- ▶ OPTIONS TO BETTER SUPPORT CHILDREN & YOUTH CONTENT**

CURRENT CONTEXT

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- CRTC
 - RELEASED DECISION ON INITIAL BASE CONTRIBUTIONS
 - UPCOMING DECISION ON INDIGENOUS CONTENT
 - UPCOMING CONSULTATION ON CANADIAN CONTENT
- DEPARTMENT OF CANADIAN HERITAGE CONTINUING TO MODERNIZE AUDIOVISUAL INDUSTRY
- CANADIAN ELECTION IN 2025 (OR SOONER...)
- ONGOING TECHNOLOGICAL AND COMPETITIVE DISRUPTION

CURRENT CONTEXT

- DECLINING BDU REVENUE
 - ESTIMATED AT 37% (\$133M) OF CMF FUNDING FOR THE 2024-2025
 - FOR CONTEXT, IT WAS 63.6% (\$231M) IN 2014-2015
- CMF HAS EXCEEDED GOVERNMENT OF CANADA STABILIZATION MONEY CAP (\$42.5M)
- ANTICIPATED REDUCED RESOURCES IN FUTURE YEARS
- SUNSETTING EDIA MONEY → LAST YEAR IS 2025-2026
- BASE CONTRIBUTIONS FROM FOREIGN STREAMERS LOWER THAN ANTICIPATED AND UNCERTAINTY WHEN/IF THE CMF WILL RECEIVE THESE ADDITIONAL FUNDS
- OVERSUBSCRIPTION IN ALL CMF PROGRAMS, DEMAND IS OUTSTRIPPING SUPPLY

CURRENT CONTEXT

CHILDREN & YOUTH CONTENT

- AUDIENCE HAS SHIFTED FROM TV TO ONLINE/STREAMING PLATFORMS
- CRTC REGULATORY POLICIES: GROUP BASED LICENSING, EMPHASIS ON PNI, REMOVAL OF GENRE PROTECTION
- RECENT CLOSURES OF TWO CANADIAN C&Y CHANNELS (VRAK, YOOPA)
- SIGNIFICANT REDUCTION IN COMMISSIONING OF C&Y CONTENT OVER THE PAST DECADE
- 2023-2024 MARKED AN ALL-TIME LOW FOR CMF-FUNDED ENGLISH-LANGUAGE C&Y PRODUCTIONS

CURRENT CONTEXT

DIFFERENT MEASURES TO SUPPORT C&Y CONTENT:

- **ENVELOPES:** DESIGNATED C&Y GENRE TARGETS:
 - IN 2019-2020, SET AT 21% (EN) AND 17% (FR)
 - IN 2022-2023, FRENCH C&Y GENRE TARGET WAS INCREASED TO 21%
 - IN 2024-2025, INCREASED TO 22% FOR BOTH LANGUAGE MARKETS
- **SHAW ROCKET FUND:** SINCE 2018, CMF AND SRF PARTNERSHIP INVESTED MORE THAN \$23M IN 50 DIGITAL ANIMATED SERIES OVER 6 ROUNDS OF FUNDING.
- **SODEC:** IN 2024, LAUNCH OF NEW \$3M PARTNERSHIP FOR THE PROTOTYPING OF QUEBEC-MADE ANIMATED SERIES FOR C&Y.
- **DISTRIBUTOR PROGRAM:** IN 2024, EXTRA POINTS AWARDED FOR PROJECTS FROM VULNERABLE GENRES (ONE-OFF DOCS OR C&Y PROJECTS).

CMF C&Y RESEARCH – SUMMER 2024

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- FROM 2013-2014 TO 2022-2023, THE OVERALL INDUSTRY GROWTH IN VOLUME OF CANADIAN C&Y PRODUCTION HAS INCREASED, WITH THE OVERALL C&Y GENRE GROWING BY 26%

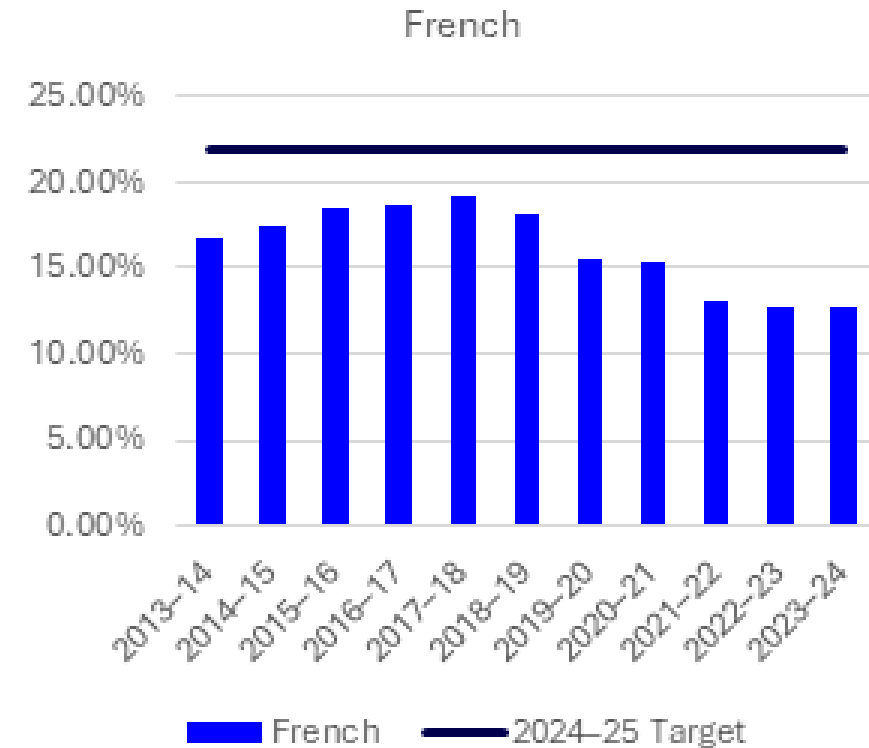
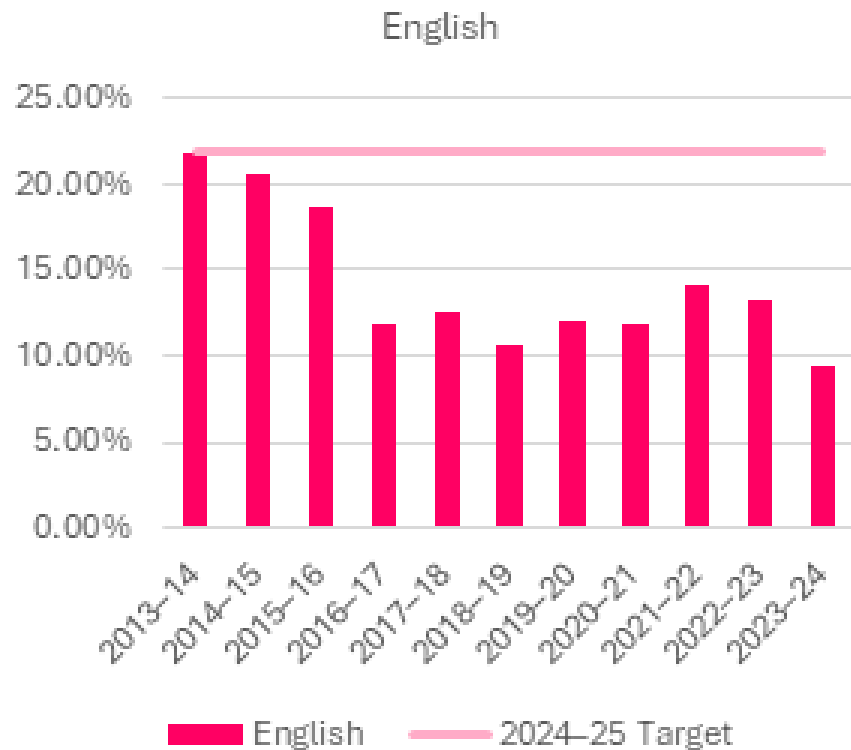
	2013-2014	2022-2023	% Change
CHILDREN & YOUTH	\$419M	\$527M	+26%

- HOWEVER, THE CMF'S CONTRIBUTION TO THE GENRE HAS DECREASED BY 29% DURING THIS SAME PERIOD

	2013-2014	2022-2023	% Change
CHILDREN & YOUTH	\$56M	\$40M	-29%

CMF C&Y RESEARCH – SUMMER 2024

- ENVELOPE PROGRAM C&Y GENRE SPENDING OVER THE LAST 10 YEARS IN BOTH LANGUAGE MARKETS



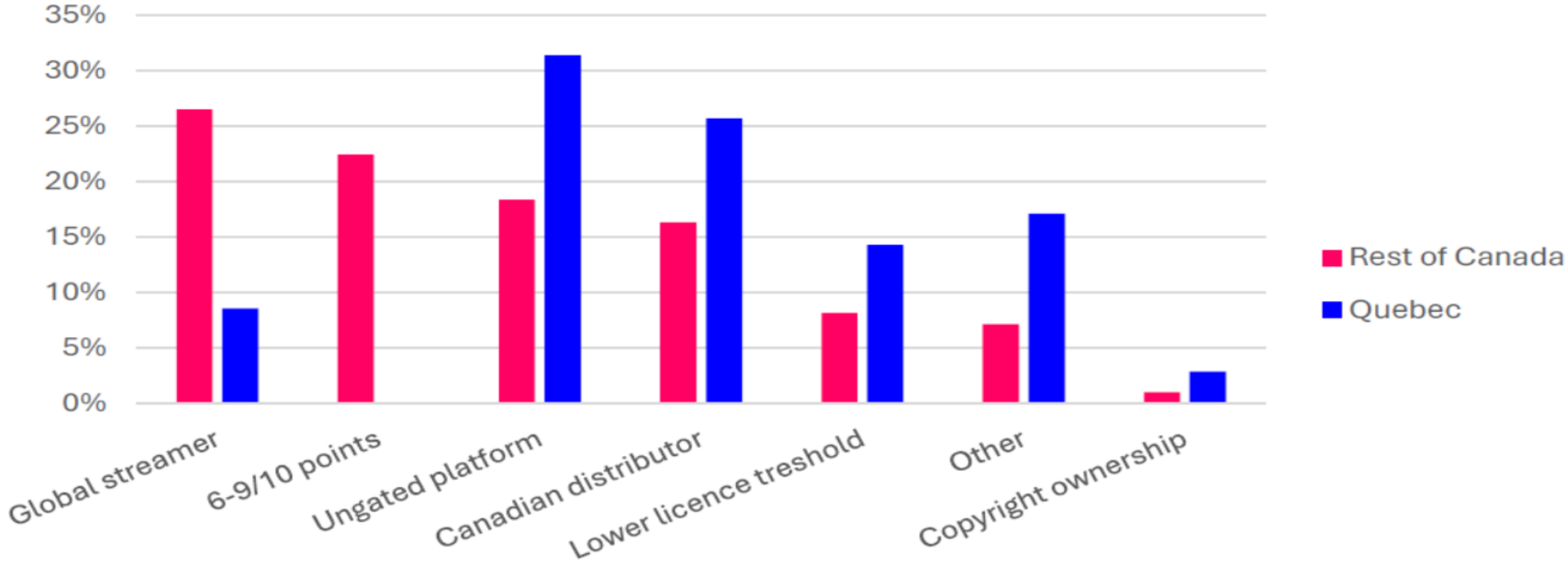
CMF C&Y RESEARCH – SUMMER 2024

WHAT WE HEARD:

- CHALLENGES AND FINANCING GAPS WITH CANADIAN BROADCASTERS
- GLOBAL SHIFT IN VIEWING HABITS
- NEED FOR DEDICATED FUNDS
- CULTURAL IMPORTANCE
- FUNDING GAPS AND COMPETING ON THE WORLD STAGE

CMF C&Y RESEARCH – SUMMER 2024

FIGURE 12: WHICH POTENTIAL FLEXIBILITY, IN TERMS OF ELIGIBILITY FOR CMF FUNDING, WOULD BE MOST USEFUL FOR YOUR COMPANY'S ABILITY TO DEVELOP OR PRODUCE CHILDREN/YOUTH PROJECTS?



OPTIONS TO BETTER SUPPORT CHILDREN & YOUTH CONTENT

OPTION 1 – LOWER LICENCE FEE THRESHOLD

CONSIDERATIONS

- LOWERING THRESHOLD RESULTS IN A FINANCING GAP THAT STILL NEEDS TO BE FILLED
- HAS A NEGATIVE IMPACT ON BROADCASTER ENVELOPE CALCULATIONS, PROVIDING A FURTHER DISINCENTIVE TO LICENCE C&Y CONTENT IN THE ENVELOPES
- DISTINCT APPROACH PER LANGUAGE MARKET

OPTION 2 – FLEXIBILITY IN CAVCO POINTS

CONSIDERATIONS

- C&Y CONTENT IS A MANDATED GENRE BY THE GOVERNMENT OF CANADA AND STAKEHOLDERS HAVE CALLED FOR FLEXIBILITY
- THIS FLEXIBILITY NEEDS TO BE BALANCED WITH THE GOVERNMENT'S OBJECTIVE OF ENSURING THE MAXIMUM AMOUNT OF CANADIAN TALENT ARE BEING USED ON CMF-FUNDED PROJECTS
- ARE THERE CAVCO POSITIONS THAT CAN BE FILLED BY NON-CANADIANS THAT STILL PRESERVE/DON'T IMPACT CANADIAN CULTURE?

OPTION 3 – EXPANDED MARKET TESTS

CONSIDERATIONS

- CANADIAN BROADCASTERS ARE STILL THE MARKET TEST THAT:
 - ARE CANADIAN-OWNED AND CONTROLLED COMPANY
 - CAN CONTRIBUTE TO PROJECT FINANCING
 - CAN ENSURE CANADIANS CAN VIEW CONTENT
- BUT...FEWER C&Y BROADCASTERS TO GO TO & OFFERING INCREASINGLY LOWER LICENCE FEES
- TENSION BETWEEN WHERE C&Y AUDIENCES ARE AND HOW MUCH THOSE PLATFORMS ARE CONTRIBUTING TO MAKING C&Y CONTENT

OPTION 4 – REMOVE GENRE FLEXIBILITY FOR BROADCASTER ENVELOPES

CONSIDERATIONS

- GENRE FLEXIBILITY HAS CONTRIBUTED TO DECREASE IN CMF-FUNDED KIDS CONTENT
- BUT... CANADIAN BROADCASTERS ARE IN FAVOUR OF HAVING MORE FLEXIBILITY IN HOW TO ALLOCATE CMF FUNDING
- AS CANADA NOW COMPETES WITH DIGITAL AND INTERNATIONAL DISRUPTION, INDUSTRY GENERALLY WANTS MORE CMF-FLEXIBILITY, NOT LESS

OPTION 5 – CHANGE THE C&Y GENRE TARGET

CONSIDERATIONS

- AS NOTED EARLIER, ENVELOPE C&Y GENRE BUDGET SPENDING HAS DECREASED OVER THE LAST 10 YEARS IN BOTH LANGUAGE MARKETS
- INCREASING THE C&Y GENRE TARGET WOULD ALLOCATE MORE FUNDS FOR KIDS CONTENT (AND PROVIDE MORE FUNDS TO THOSE THAT LICENSE KIDS CONTENT), BUT IT'S UNCLEAR WHETHER THAT WOULD LEAD TO MORE COMMISSIONING OF KIDS CONTENT (I.E., IF THERE IS MORE POTENTIAL FUNDING, IS THIS ENOUGH TO CHANGE BROADCASTERS' BUSINESS STRATEGY?)

OPTION 6 – CREATE NEW C&Y PROGRAM

CONSIDERATIONS

- HOW SHOULD THIS BE FUNDED? WHERE SHOULD THE CMF TAKE MONEY FROM?
- SHOULD MARKET TEST BE TIED TO AUDIENCES OR TO FINANCING?
- SHOULD THE FUND ALSO ALLOW LINEAR SHORT-FORM AND INTERACTIVE CONTENT?
- POSSIBILITY TO WIDEN TRIGGERS TO INTERNATIONAL (AS LONG AS CANADIAN BROADCASTER PARTICIPATES)?

DISCUSSION

FEEDBACK:

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