CMF Consultations
Linear Program Design

October 29, 2025

CANADA MEDIA FUND FONDS DES MÉDIAS DU CANADA

AGENDA

- Welcome
- Housekeeping
- Land Acknowledgement
- Current Context
- Ideas to Consider
- Questions to Consider

CURRENT CONTEXT

CURRENT CONTEXT – CMF'S BALANCING ACT

<u>**Balancing:**</u>

- **Stability** for legacy platforms and creating **new access** points to unlock CMF financing
- Support for **linear television** content and **interactive and emerging digital** content
- Direction of **Government of Canada** (e.g., 10/10 CAVCO points and mandated genres) and possible **CRTC** regulatory changes ("Canadian content" and elimination of "PNI")
- **Project-by-project** financing and evolving the CMF's funding model with new ways to support the industry (e.g., **business development**)
- Role as a **vehicle for public policy** objectives and **lever of industry** for economic impact

CURRENT CONTEXT – MOVING PARTS

- ***CRTC:***
  - Decision on the definition of a "Canadian program" (*BNC CRTC 2024-288*)

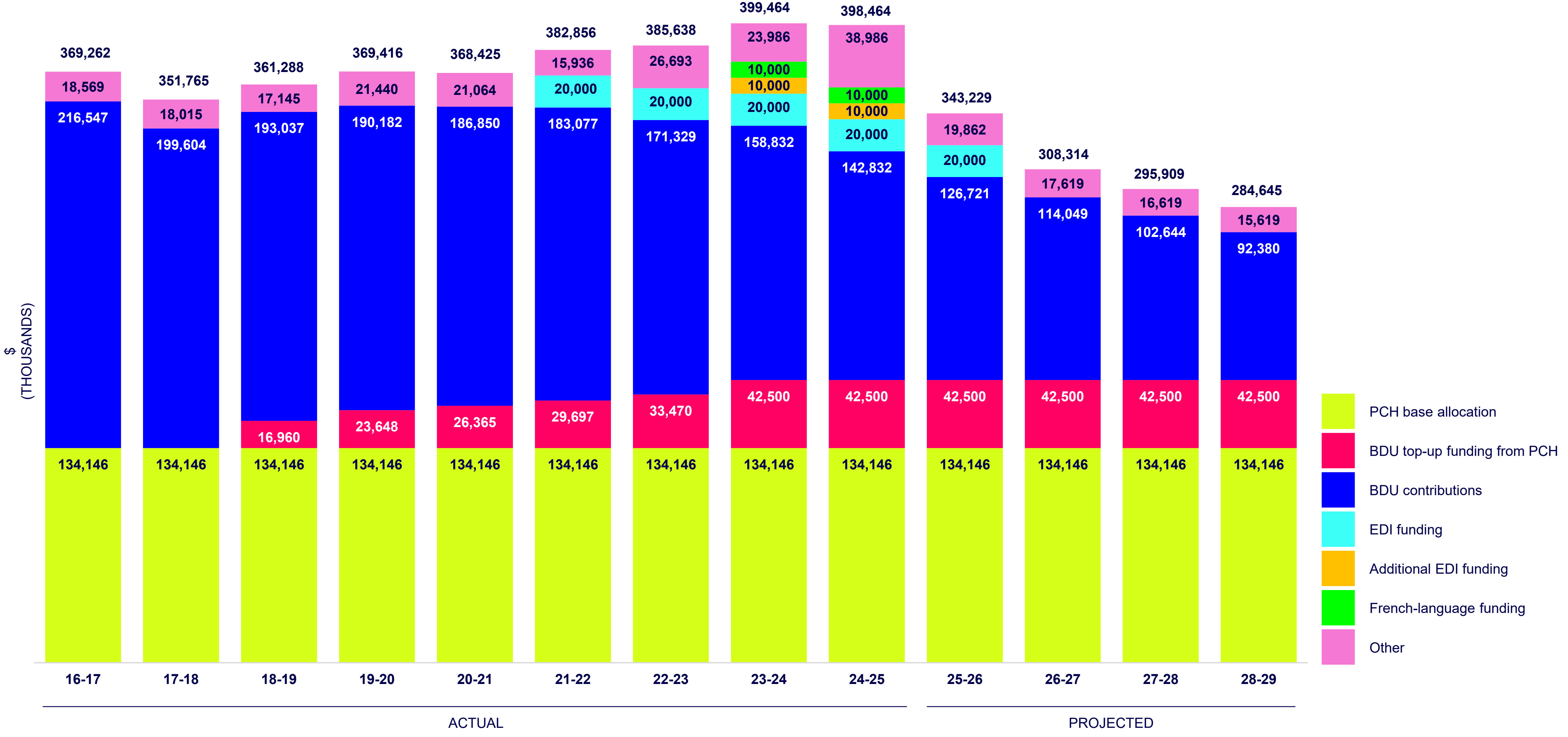
- ***Government:***
  - Department of Canadian Heritage continuing to modernize the audiovisual industry
  - Federal Government Fall Budget

- ***Online Streamers:***
  - Payments from foreign online streaming services are on pause as streamers challenge the decision at the Federal Court of Appeal

- ***Industry:***
  - Ongoing technological and international disruption

- ***CMF Revenue and CMF Demand →***

CURRENT CONTEXT – CMF REVENUE



CURRENT CONTEXT – CMF REVENUE

Private-side Revenue

Declining BDU revenue

- Estimated at **35%** of CMF Content funding for 2025-2026
- For context, it was **63%** in 2014-2015
- BDU revenue is projected to decline by **$35M (27%)** over next 3 years

Public-side Revenue

- Final year of Government of Canada funds designated for equity-deserving communities
- No confirmed additional commitments from Canadian Heritage

CURRENT CONTEXT – CMF DEMAND: FUNDING

Snapshot of 2024-2025

- *Selective Programs:* Budget of $77.3M and demand of $295.9M

- *First-come/First-served Programs:* demand continues to outstrip supply
    - For example, English Regional Production Bonus Applicants received **63%** of their requests in 2020-2021
    - The proration has declined each year and in the Spring 2025 Round, Applicants received **34%** of their funding request

CURRENT CONTEXT – CMF DEMAND: PROGRAM ADMINISTRATION

- **Demand**: not just about how much we have to *distribute*...it's about the *cost to evaluate*
  - 2022-2023: 1,750 applications processed
  - 2023-2024: 2,100 applications processed
  - 2024-2025: 2,250 applications processed

- **CMF Administration Fee:** capped at 6% of revenue

- As our revenue declines, our 6% administration fee cap will not go as far:
  - We will not be able to <u>evaluate files the same way</u>
  - We will not be able to <u>effectively sort through all the demand</u>

CURRENT CONTEXT – PROBLEM TO SOLVE

- *In the face of anticipated budget declines, how do we evolve and re-imagine the CMF's program model and infrastructure, while minimizing the destabilization to Canada's audiovisual industry.*

IDEA #1 –
NEW PROGRAM MODEL

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1. More emphasis on (i) market-driven projects in "Ideation" and "Creation" pillars and (ii) opportunities for business development and capacity-building in "Industry" pillar

2. Distributor Program changes from a Selective Program to an Envelope Program

3. Broadcaster and Distributor Programs become primary access points needed to unlock most linear Programs

IDEA #1 – NEW PROGRAM MODEL

- Access to certain Linear Content Programs (Regional, OLMC, Documentary and Program for Black and Racialized Communities) would now require both:
    - a minimum financial commitment from a Canadian Broadcaster or Distributor; **and**
    - a minimum Envelope allocation from one (or both) of the Broadcaster or Distributor Envelope allocations

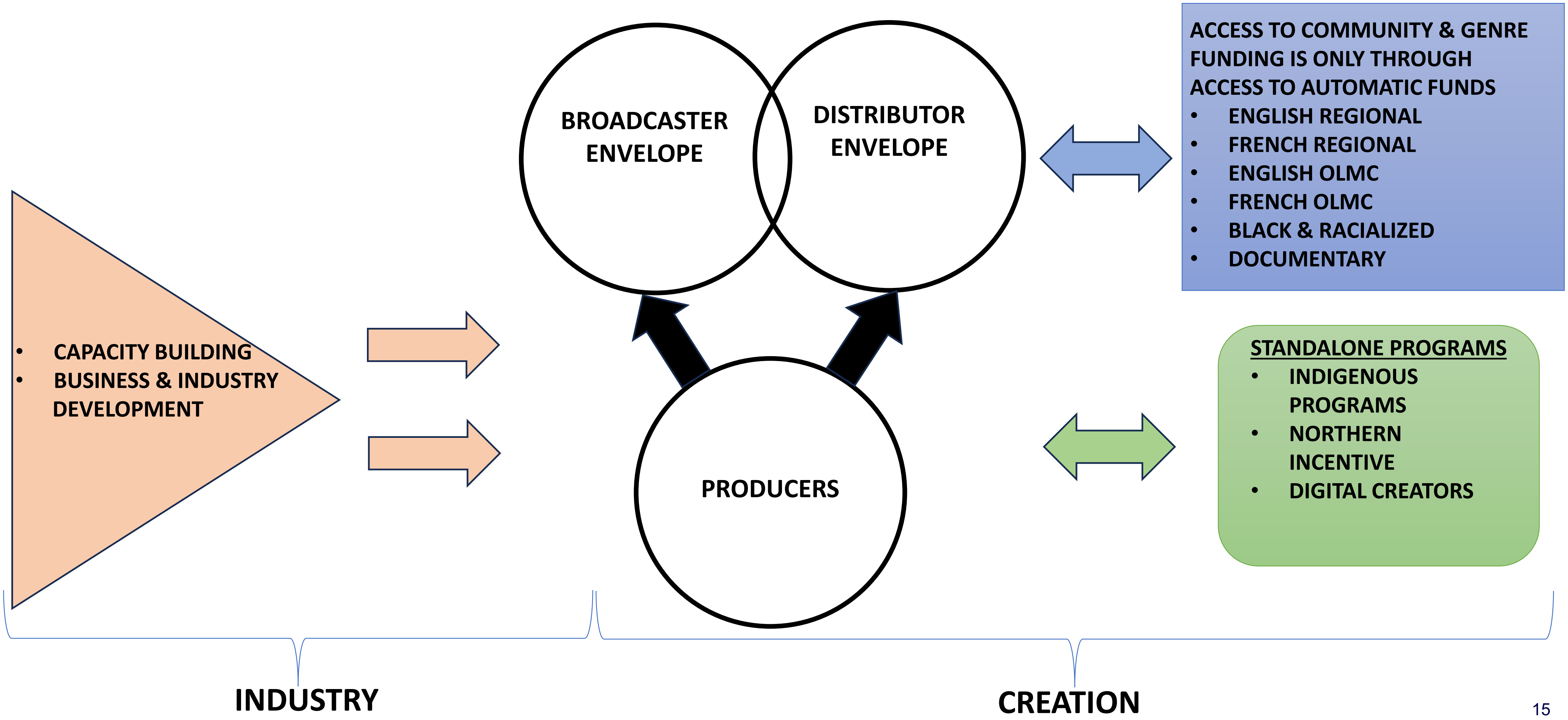
- Across all Programs:
    - The maximum CMF contribution would be 49% of Eligible Costs
    - The nature of contribution would have uniform splits of licence fee top-up (or non-repayable contribution) and equity investment

IDEA #1 – NEW PROGRAM MODEL

- More resources would be devoted to initiatives for business development and capacity-building for newer entrants and mid-career producers under CMF's Industry vertical

- Invest differently in this cohort to allow them to progress and grow to a stage where they are more resilient and better prepared to attract market interest and investment (e.g., Slate Development Program, CMF-Quebecor Fund Export Assistance Program, Indigenous Company Impact Support Program).

IDEA #1 – NEW PROGRAM MODEL (PRODUCTION)



IDEA #2 – DOCUMENTARY

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4. **Expand linear content market test**
    - Mirror CMF's approach with Children & Youth Content: allow foreign streamers & broadcasters to contribute up to 25% of required threshold needed to unlock CMF funds for Documentary projects

5. **POV Program**
    - Focus program on format and length (one-off documentaries of at least 75 min), not style/approach
    - Change from a Selective Program to a First-come/First-Served Program where an Envelope commitment is also required

6. **More flexible documentary definition**
    - Possible expansion for documentary series to include more original Canadian IP unscripted content (e.g., lifestyle, reality and "how-to" programming) for Regional, OLMC, Indigenous and Black & Racialized Programs
    - CMF contribution would only be equity investment and we would share in ancillary revenues (e.g., merchandising, etc.).

IDEA #3 –
REVENUE CORRIDOR

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- The CMF is exploring introducing a new type of funding contribution in linear projects:
  - Instead of the first 20% of the CMF's contribution being in the form of a Licence Fee Top-Up, an initial percentage (possibly between 3-5%) of the CMF's funding would be in the form of a **"Recoupable Contribution"**
  - The nature of contribution after this initial tier would shift to a Licence Fee Top-Up, up to a designated cap
  - The remaining nature of contribution would then shift to an equity investment until the total project cap of 49% was met

IDEA #3 – REVENUE CORRIDOR

- Recoupable Contributions would be recouped in a small revenue corridor alongside Distribution Advances on the first tier of the CMF’s recoupment schedule outlined in its Standard Recoupment Policy

- For example, for every $1.00 in revenue a project receives, the CMF would recoup $0.05 until its Recoupable Contribution was fully recouped

- The CMF is exploring applying this to certain genres and budget tiers or applying it uniformly to all funded linear television projects

- This would not apply to any projects that met the expanded definition of Documentary as the CMF’s contribution for those projects would be 100% equity investment

QUESTION #1 – BROADCASTER ENVELOPE PROGRAM BUDGET

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- Further modernization of the CMF’s Program Model will require reallocating resources as overall revenue goes down. For example:

    - Children & Youth
    - Business Development
    - Interactive and emerging media

- As the single largest CMF Program, any discussion of resource allocation must begin with the Broadcaster Envelopes

QUESTION #1 – BROADCASTER ENVELOPE PROGRAM BUDGET

- Canadian Heritage directive: the Broadcaster Envelope budget cannot be less than the amount the CMF receives from regulated (i.e., BDU) contributions to the CMF

- For 2025-2026, that would be **$121M (35% of program budget)**

- For context, English and French Envelopes are currently **$206M (60% of program budget)**

QUESTION #1 – BROADCASTER ENVELOPE PROGRAM BUDGET

English and French Broadcasters:

- ***ACCESS*** **TO OVERALL CONTENT PROGRAMS**
  - English and French Broadcasters currently have access to roughly **78%** of the CMF's overall content budget
- ***CONTROL*** **OVER JUST LINEAR CONTENT PROGRAMS**
  - English and French Envelopes currently represent roughly **68%** of the CMF's linear content budget
- ***CONTROL*** **OVER OVERALL CONTENT PROGRAMS**
  - English and French Envelopes currently represent roughly **60%** of the CMF's overall content budget

QUESTION #1 – BROADCASTER ENVELOPE PROGRAM BUDGET

- In addition to the possible decline in the Broadcaster Envelope Program budget due to the CMF's overall revenue decline, what would be a reasonable percentage drop this Program could experience in 2026-2027 to balance:
    - the Government of Canada's directive
    - the CMF's mandate to modernize
    - stability in the ecosystem

QUESTION #2 –
EQUITY, DIVERSITY, INCLUSION, AND ACCESSIBILITY REQUIREMENTS

QUESTION #2 – EDIA REQUIREMENTS

- “Diverse Communities” (Indigenous, Black and Racialized, 2SLGBTQ+ and Persons with disabilities) have been supported through a variety of initiatives over the past 5 years, including the creation of distinct policies with specific ownership and control requirements

- Recently, the CMF has been asked by members from both Diverse and non-Diverse Communities to allow exceptions to the current requirements to enable greater collaborations in content creation

QUESTION #2 – EDIA REQUIREMENTS

- Are the CMF’s rules connected to producers from Diverse Communities **too strict** (e.g., majority ownership, approvals, creative and financial control requirements) and preventing potential partnerships?

- Are they **too loose** and should they be strengthened to ensure Diverse Communities have increased access, autonomy and agency in Canada’s audiovisual industries?

- Or are they striking **the right balance** of safeguarding key policy objectives of supporting productions that are owned and controlled by members of Diverse Communities and allowing for strategic collaboration with companies led by members of non-Diverse Communities?

QUESTION #3 – PREDEVELOPMENT

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Currently, the CMF offers:

- a **Predevelopment Allocation** that offers Applicants up to $35K for eligible costs devoted to one Project;

- a **Slate Development Pilot Program** that offers Applicants up to $75K (for Documentary and Children & Youth projects) or $100K (for Drama projects) for eligible costs devoted to up to three Projects

QUESTION #3 – PREDEVELOPMENT

- While the specifics of each Program are slightly different, the CMF is considering phasing out the Predevelopment Program and merging its budget with the Slate Development Pilot Program:

    - to maximize Program funds and operational efficiency
    - to streamline its Program model
    - to provide Producers with more autonomy in the Projects they choose to develop

- What elements of the Predevelopment Program should be integrated into a larger Slate Program (e.g., higher overall contribution amounts? Regional carve-out similar to the one we have for EDIA?)

- Should the CMF's decision to eliminate the Predevelopment Program be different based on language market?

FEEDBACK:

written responses required by **November 28, 2025**

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