

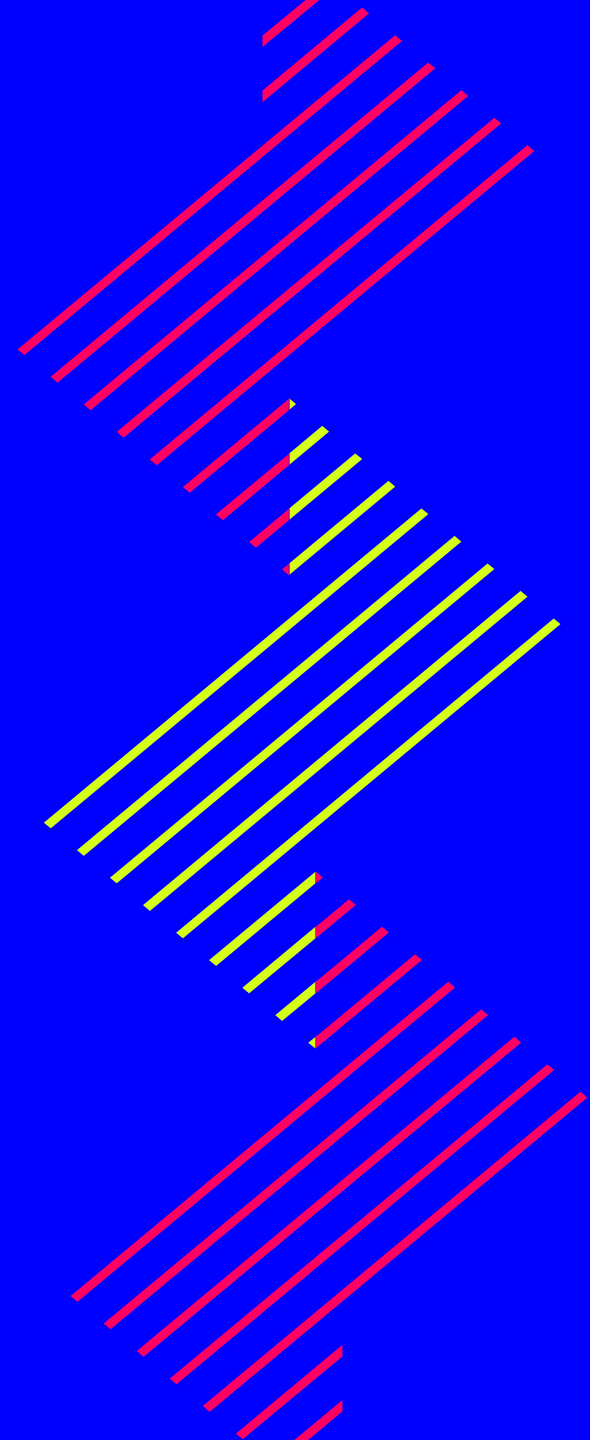
# **CANADA MEDIA FUND – FUTURE PROGRAM MODEL WORKING GROUP**

**November 2024**



**CANADA  
MEDIA FUND**

**FONDS DES MÉDIAS  
DU CANADA**



# **AGENDA**

- ▶ **INTRODUCTION**
- ▶ **LAND ACKNOWLEDGEMENT**
- ▶ **CURRENT CONTEXT**
- ▶ **FUTURE PROGRAM MODEL**
  - **RESILIENCE**
  - **DIVERSITY**
  - **EVOLUTION**

# **CURRENT CONTEXT**

# CURRENT CONTEXT

- 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
  - BDU DECLINES ARE PROJECTED TO CONTINUE
- 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**

## **CMF'S REALITY**

- REFLECT PUBLIC POLICY GOALS OF GOVERNMENT WHILE SERVING INDUSTRY
- CONTINUE TO SUPPORT A DIVERSITY OF CANADIAN CREATORS WITH LESS FUNDING SUPPORT AND DECLINING REVENUES RESULTING IN DECLINING BUDGETS

# **FUTURE PROGRAM MODEL**

# **FUTURE PROGRAM MODEL**

## **IN LIGHT OF THIS REALITY...**

- THE CMF MUST ACT AS A LEVER FOR CANADA'S AUDIOVISUAL INDUSTRY BY STRENGTHENING AND CREATING MORE OPPORTUNITIES FOR CANADIAN COMPANIES
- THOSE OPPORTUNITIES MUST BE AVAILABLE TO A DIVERSE RANGE OF CANADIAN CONTENT AND COMMUNITIES
- THE EXISTING CMF PROGRAM MODEL MUST EVOLVE



# **RESILIENCE**

# **FUTURE PROGRAM MODEL – RESILIENCE**

- INDUSTRY SUPPORT – SECTOR DEVELOPMENT PROGRAM, CREATED TO FILL IN GAPS IN THE INDUSTRY
- TESTING MODELS BEYOND PROJECT-BY-PROJECT SUPPORT:
  - SLATE DEVELOPMENT PILOT PROGRAM
  - QUEBECOR FUND EXPORT ASSISTANCE PROGRAM
  - CREATIVE BC VIDEO GAMES BUSINESS DEVELOPMENT PROGRAM
- AIM IS TO EXPAND INTO MORE OPPORTUNITIES FOR CORPORATE SUPPORT
  - STRENGTHEN CANADIAN COMPANIES AND POSITION PRODUCERS FOR GREATER SUCCESS, TO BE MORE RESILIENT TO WITHSTAND DISRUPTION IN THE INDUSTRY AND TO DEVELOP THEIR IP

# **FUTURE PROGRAM MODEL – RESILIENCE**

- DECLINING CMF BUDGET → NEED TO ENSURE FUNDING GOES TO APPLICANTS WITH TRACK RECORD OF DELIVERING PROJECTS TO CANADIAN AUDIENCES
- BALANCE THIS LENS WITH RECOGNITION THAT SOME STAKEHOLDERS HAVE NOT HAD SAME ACCESS TO FUNDING.
- PLACE MORE EMPHASIS ON FOLLOWING THE NEEDS OF MARKETPLACE... BUT ACKNOWLEDGE THAT THE MARKETPLACE IS LARGER THAN JUST CANADIAN BROADCASTERS (E.G., CANADIAN DISTRIBUTORS, DIFFERENT MARKET CHANNEL PARTNERS IN IDM, INTEGRATING ONLINE STREAMERS, ETC.)

# RESILIENCE – QUESTIONS TO CONSIDER

- THE CMF IS CONTEMPLATING ADDING INITIATIVES THAT PROVIDE SUPPORT FOR COMPANIES (RATHER THAN JUST SUPPORTING PROJECTS).
  - WHAT SORT OF COSTS AND ACTIVITIES SHOULD THE CMF CONSIDER FUNDING THROUGH COMPANY SUPPORT?
- WITH ANTICIPATED DECLINES IN ITS PROGRAM BUDGET, THE CMF NEEDS TO ENSURE ITS FUNDING DOLLARS ARE DISTRIBUTED TO THE PROJECTS AND COMPANIES THAT CAN SUCCESSFULLY MAKE AND DELIVER CONTENT TO CANADIAN AND INTERNATIONAL AUDIENCES.
  - WHAT ARE YOUR THOUGHTS ON HOW THE CMF CAN BEST BALANCE THIS APPROACH WITH ENSURING NEWER ENTRANTS TO THE CMF'S ECOSYSTEM HAVE OPPORTUNITIES FOR CMF FUNDS?
  - HOW CAN CMF BEST SUPPORT COMPANIES THAT HAVE NOT HAD THE SAME HISTORICAL ACCESS TO THE CMF BE IN A BETTER POSITION TO SUCCEED?

**DIVERSITY**

# **FUTURE PROGRAM MODEL – DIVERSITY (COMMUNITIES)**

- **2010:** VARIOUS SUPPORT FOR DIFFERENT REGIONS, LANGUAGES AND INDIGENOUS COMMUNITY SUPPORT
- **2017:** GENDER BALANCE INITIATIVES
- **2020:**
  - ENVELOPE FACTORS, PROGRAM BUDGET CARVE-OUTS, SELECTIVE PROGRAM POINTS, SECTOR DEVELOPMENT AIMED AT INDIGENOUS AND EQUITY-DESERVING COMMUNITIES
  - MAY 2020: EQUITY, DIVERSITY AND INCLUSION STRATEGY
- **2022:** CMF CREATES “GROWTH & INCLUSION” DEPARTMENT:
  - LOWERING BARRIERS TO ACCESS AND INCENTIVIZING THE INDUSTRY TO WIDEN ITS LENS IS **NOT ONLY THE RIGHT THING TO DO, BUT THE SMART THING TO DO**
    - NEW IDEAS, NEW APPROACHES AND NEW AUDIENCES WILL ONLY HELP CANADA’S A/V INDUSTRY BE STRONGER, GROW LARGER AND BETTER COMPETE AROUND THE WORLD
- **2024:** LAUNCH OF NEW EQUITY, DIVERSITY, INCLUSION AND ACCESSIBILITY STRATEGY

# **FUTURE PROGRAM MODEL – DIVERSITY (CONTENT)**

- **2010:** DRAMA, DOCUMENTARY, CHILDREN & YOUTH, VARIETY AND PERFORMING ARTS (LINEAR) AND INNOVATIVE CONTENT (IDM)
- **OVER THE YEARS:**
  - INTRODUCTION OF COMMERCIAL AND ITERATION PROGRAMS IN IDM
  - INTRODUCTION OF DIGITAL CREATOR PILOT PROGRAM
  - PARTNERSHIPS TO SUPPORT CHILDREN & YOUTH CONTENT, WEB SERIES, EXPORT, ORIGINAL IP

# **FUTURE PROGRAM MODEL – DIVERSITY (CMF ACCESS POINTS)**

- **2010:** CRTC-LICENCED CANADIAN BROADCASTER (LINEAR), MARKET CHANNEL PARTNER (IDM)
- **2014:** FOREIGN BROADCASTERS CAN CONTRIBUTE TO THRESHOLD IN POV PROGRAM
- **2019:** ONLINE SERVICE OWNED BY CANADIAN BROADCASTER OR CANADIAN BROADCAST DISTRIBUTION UNDERTAKING
- **2023:** FOREIGN BROADCASTERS AND CANADIAN DISTRIBUTORS CAN CONTRIBUTE TO THRESHOLD IN ALL LINEAR SELECTIVE PROGRAMS
- **2024:**
  - CANADIAN DISTRIBUTORS CAN CONTRIBUTE TO THRESHOLD IN ALL CMF LINEAR PROGRAMS
  - CANADIAN DISTRIBUTORS CAN SOLELY TRIGGER CMF FUNDING IN DISTRIBUTOR PROGRAM



# FUTURE PROGRAM MODEL – DIVERSITY

- CMF HAS STARTED TO ADAPT **HOW IT SUPPORTS** DIVERSE CONTENT AND COMMUNITIES:
  - INDIGENOUS PROGRAM → INDIGENOUS SCREEN OFFICE
  - VERSIONING → EXPANDED ELIGIBLE COSTS IN PRODUCTION BUDGET
  - WEB SERIES → PARTNERSHIP WITH IPF IN DEVELOPMENT AND PRODUCTION
  - SLATE DEVELOPMENT PILOT PROGRAM
  - ITERATION PROGRAM
  - CORPORATE SUPPORT
  - DISTRIBUTOR PROGRAM
  - CHILDREN AND YOUTH FUNDING
    - RECENT CONSULTATION
    - PARTNERSHIP WITH SHAW ROCKET FUND

# DIVERSITY – QUESTIONS TO CONSIDER

- THE CMF HAS A TRACK RECORD OF SUPPORTING A DIVERSE RANGE OF CONTENT AND COMMUNITIES. IN THE PAST 5 YEARS, IT HAS BOTH (A) WIDENED CMF ACCESS POINTS AND (B) ADJUSTED HOW IT SUPPORTS CERTAIN CONTENT AND COMMUNITIES.
  - IN THE FACE OF ANTICIPATED PROGRAM BUDGET DECLINES, WHAT OTHER CHANGES IN PROGRAM DESIGN SHOULD THE CMF CONSIDER IN THE DEVELOPMENT OF A FUTURE PROGRAM MODEL TO ENSURE A DIVERSITY OF CONTENT AND COMMUNITIES ARE STILL SUPPORTED?
  - BY CONTINUING TO INTRODUCE MORE DIVERSITY IN THE ACCESS POINTS THAT UNLOCK CMF FUNDING, HOW CAN THE CMF EFFECTIVELY MANAGE ADDED DEMAND FOR PROGRAM RESOURCES WITH LESS FUNDING AVAILABLE?

# **EVOLUTION**

# **FUTURE PROGRAM MODEL – EVOLUTION**

- **CMF DISTRIBUTION OF FUNDING**
  - AUTOMATIC (ENVELOPES), SELECTIVE, FIRST-COME/FIRST-SERVED, RESUME, PARTNERSHIPS
  - HOW RESILIENCE AND DIVERSITY ARE EMPHASIZED THROUGH THESE FUNDING DISTRIBUTION MECHANISMS
  - HOW THE CMF CAN SIMPLIFY ITS DISTRIBUTION MECHANISMS FOR BOTH APPLICANTS AND ITS PROGRAM ADMINISTRATION

# **FUTURE PROGRAM MODEL – EVOLUTION**

- **UNLOCKING OF CMF FUNDING**
  - RE-IMAGINING THE BALANCE BETWEEN (A) ENCOURAGING THE MARKET AND (B) FOLLOWING THE MARKET
  - ALLOWING MORE FLEXIBILITY IN MARKET TESTS IN THE FACE OF OVERSUBSCRIPTION AND DECLINING BUDGETS

# **FUTURE PROGRAM MODEL – EVOLUTION**

- **BALANCING THE CMF'S RESOURCES**
  - LINEAR AND IDM
  - BROADCASTER ENVELOPES AND REST OF LINEAR CONTENT
  - ESTABLISHED APPLICANTS AND NEW ENTRANTS
  - CORPORATE AND PROJECT-BASED SUPPORT

# **FUTURE PROGRAM MODEL – EVOLUTION**

- **TYPE OF RESOURCES THE CMF ALLOCATES**
  - DIFFERENT TYPE OF FINANCING FOR DIFFERENT TYPES OF MARKET TESTS
  - DIFFERENT APPROACH FOR CORPORATE FINANCING
  - STRATEGIES FOR NEW PRIVATE SECTOR INVESTMENT THAT STILL RESPECT THE PARAMETERS OF THE GOVERNMENT'S PUBLIC POLICY OBJECTIVES

# EVOLUTION – QUESTIONS TO CONSIDER

- IN THE FACE OF ANTICIPATED PROGRAM BUDGET DECLINES (WHICH WILL RESULT IN LOWER ADMINISTRATION COSTS) AND A GROWING APPLICANT POOL, HOW CAN THE CMF:
  - ADJUST THE WAY IT DISTRIBUTES ITS FUNDING?
    - MORE AUTOMATIC PROGRAMS? A MORE SELECTIVE/CURATORIAL APPROACH? MORE FIRST-COME/FIRST-SERVED?
  - BALANCE (A) ITS ROLE OF ENCOURAGING PUBLIC POLICY GOALS OF GOVERNMENT THAT ARE NOT SERVED EFFECTIVELY BY THE MARKETPLACE WHILE (B) FOLLOWING MARKET FORCES?
  - EFFECTIVELY CALIBRATE THE RESOURCES DEVOTED TO ALL OF THE COMMUNITIES AND CONTENT IT SERVES:
    - LINEAR AND IDM?
    - DIFFERENT TYPES OF BROADCASTERS, APPLICANTS AND DISTRIBUTORS?
    - PROJECT AND CORPORATE SUPPORT?
  - INTEGRATE DIFFERENT FINANCING TOOLS TO BETTER SUPPORT A MORE DIVERSE PROGRAM DESIGN?



**FEEDBACK:**

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