

**CANADA MEDIA FUND****Working Group of the National Focus Group****October 27, 2010****SUBJECT: English POV Program**

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**ISSUE:**

Should the CMF renew the English POV Program for 2011-2012 and, if so, what changes to the program should be made, if any?

**RECOMMENDATIONS:**

1. Renew the English POV Program for 2011-2012.
2. Lower the Licence Fee Threshold of the English POV Program from 20% of the Television Component's Eligible Costs to 15%.

**DISCUSSION:****Rationale for Recommendations**

1. Renew the English POV Program for 2011-2012.

The structure of the English POV Program creates a lag between CMF selective funding decisions and broadcaster commitments. This was intended to allow producers to obtain broadcast licenses with the extra leverage of a CMF commitment in hand. Successful applicants will have until December 6<sup>th</sup>, 2010 to obtain broadcast licence agreements.

Since we are still far off from the December 6<sup>th</sup> deadline, results from the 2010-2011 Program are too preliminary to make meaningful determinations about its success or failure. As such, the CMF recommends continuing the English POV Program for 2011-2012, in part to give the Program more time to find its feet or not. In a year, the CMF expects to have more data upon which to base a renewal decision.

2. Lower the Licence Fee Threshold from 20% of the Television Component's Eligible Costs to 15%.

The Documentary Organization of Canada (DOC) has recommended this change, despite their concern of seeing a negative impact on the size of the production budgets, and to "ghettoize" the documentary genre. Given the continued challenges of interesting broadcasters in POV documentaries, the CMF recommends this adjustment to the Program in 2011-2012.

### **Comments from the Documentary Organization of Canada (DOC)**

On October 20, 2010, the CMF received comments on the English POV Program from DOC. In DOC's view, "While it is still early to make judgments on the effectiveness of the POV Fund overall, it is clear that it has failed in enticing broadcaster involvement in the projects selected for POV funding." In fact, only 8 out of the 21 projects financed up to now have met the 20 % minimum threshold, 7 others have broadcasters but they don't meet the threshold yet, and 6 don't have a broadcaster licence at all. DOC's preferred response is not to discontinue the POV Program, however. DOC proposes a number of changes that it believes will improve matters for POV documentaries. For DOC, the major reason behind the failure of the POV Program thus far is "the broadcasters' reluctance to commit to the genre." As such, most of DOC's recommendations for changes to the POV Program focus on overcoming this obstacle, either by incenting broadcasters to return to POV documentary commissioning, or to seek triggering entities other than broadcasters. DOC's recommended changes to the Program are as follows:

- Lower the Broadcaster threshold to 15%;
- Change the broadcast requirement to licence POV/auteur documentaries so that TV isn't the only trigger, allowing major broadcaster groups to commission films exclusively for their online, mobile and VOD platforms;
- Allow the aggregate licence fee for all platforms to count towards the threshold;
- Set a 2-year cap for TV licence exclusivity to encourage co-operation between broadcasters and encourage 2nd window licence fees, which would help reach the threshold;
- Allow distribution advances from Telefilm eligible distribution companies to count towards the broadcaster threshold;
- Allow licence fees from recognized online subscription and online streaming services such as Netflix, the Hot Docs Library or Isuma.TV to count towards the threshold;
- Examine if there is a way to extend the window for confirming a broadcast trigger. A 12-month window is preferable. Also, it should be noted that the majority of the POV/Auteur commissioning decisions are made in spring and early summer. The July-December period is the slow period for documentary commissioning since programmers have spent their budgets by June. Even shifting the window to the January-June period would be of great help.

In addition, DOC believes that projects funded through the POV Fund should not be required to have substantial online components and think[s] that online/alternative distribution for these films should satisfy the requirement. This would include VOD, streaming and distribution over mobile platforms.

### CMF Results to Date: Preliminary Outcomes

Although it is still too early to know the final results of this program, a preliminary analysis shows that:

- 33 projects were submitted
- 7 were ineligible because they could not confirm the involvement of a third party to 15% on application
- 5 were rejected because they did not meet the definition of POV documentary
- \$2.6 million was allocated to 21 Television Components, and \$0.9 million was allocated to 13 rich and substantial digital media components. For the 8 other digital media components, the 2<sup>nd</sup> platform requirement was met with VOD (4 projects), basic website (1 project) or non-simultaneous digital distribution (3 projects)
- To date, 15 projects have been licensed by broadcasters, but only 8 have licenses that meet the threshold requirement of 20%. Six still have not obtained licenses for broadcasters.
- Broadcasters that have awarded licenses: TVO (42%), CBC (21%), Knowledge (16%), documentary (11%), ACCESS (5%) and Discovery (5%)
- Although this was not the case at the launch of the program, projects may now be supported by both the English POV Program and the Performance Envelope Program
- Third-party entities that have made funding commitments to project to meet the 15% minimum requirement at application stage : Alberta Film Development Corporation, Banff Center of the Arts, Canada Council for the Arts, Council for the Arts and Letters Québec, Emploi Québec, Grand Council of the Crees, the National Film Board of Canada, Nunavut Film, Rogers Fund, SODEC, distributors, private investors

### CMF Data to Date: Use of Flex

Flex plus allocations					
\$K	Original Allocations	Flex to Genre	Total to date	Total % to date	Original Shares
English					
Drama	\$57,230	\$38,405	\$95,635	67.8%	61.1%
Documentary	\$15,455	\$2,685	\$18,140	12.9%	20.4%
Children's & Youth	\$19,108	\$5,546	\$24,654	17.5%	16.5%
VAPA	\$1,873	\$771	\$2,644	1.9%	2.0%
Total	\$93,667	\$47,406	\$141,073	100.0%	100.0%
French					
Drama	\$24,702	\$19,013	\$43,715	58.6%	55.0%
Documentary	\$9,881	\$1,461	\$11,342	15.2%	17.0%
Children's & Youth	\$7,635	\$6,228	\$13,863	18.6%	22.0%
VAPA	\$2,695	\$2,929	\$5,624	7.5%	6.0%
Total	\$44,913	\$29,632	\$74,545	100.0%	100.0%

**CMF Data to Date: POV Documentary applications to the Performance Envelope Program**

<b>Performance Envelope Documentary #'s to date</b>					
Data: 2010-2011 at October 19, 2010; 2009-2010 at September 30, 2009					
<b>Television only</b>		# of applications		\$K requested	
		2009-2010	2010-2011	2009-2010	2010-2011
English					
One-offs					
	POV	5	1	\$458	\$263
	Non-POV	20	29	\$3,172	\$5,273
Sub-total		25	30	\$3,630	\$5,535
Mini-series					
		4	2	\$521	\$861
Series					
		11	13	\$3,277	\$7,543
Total		40	45	\$7,428	\$13,939
French					
One-offs					
	POV	15	9	\$1,799	\$925
	Non-POV	26	23	\$2,878	\$2,098
Sub-total		41	32	\$4,677	\$3,023
Mini-series					
		7	5	\$1,108	\$795
Series					
		24	20	\$8,217	\$7,154
Total		72	57	\$14,002	\$10,972

**CMF Data to Date: One-off documentary financing****One-off documentary financing**

as at Oct. 19, 2010

**2010-2011**

<b>Television components</b>		
<i>English</i>	<i>\$K</i>	<i>%</i>
Average Budget:	\$579	100%
Average CMF funding:	\$211	37%
Average licence Fee:	\$150	27%
Range of budgets:	High \$1,250	Low \$169
<i>French</i>	<i>\$K</i>	<i>%</i>
Average Budget:	\$276	100%
Average CMF funding:	\$88	32%
Average licence Fee:	\$67	25%
Range of budgets:	High \$500	Low \$135

**2009-2010**

<b>Television components</b>		
<i>English</i>	<i>\$K</i>	<i>%</i>
Average Budget:	\$564	100%
Average CMF funding:	\$161	31%
Average licence Fee:	\$135	32%
Range of budgets:	High \$3,225	Low \$94
<i>French</i>	<i>\$K</i>	<i>%</i>
Average Budget:	\$347	100%
Average CMF funding:	\$122	37%
Average licence Fee:	\$67	26%
Range of budgets:	High \$1,222	Low \$101

**2010-2011 DM components**

(Only 1 DM component in each language, so cannot publish stats for those)

English component budget: \$20K

French component budget: \$3K

**CMF Data to Date: Broadcaster financiers of POV documentaries**  
**Broadcasters of POV Program projects**

<b>2010-2011</b>	
as at Oct. 19, 2010	
<b>15</b> out of 21 projects have broadcaster licences <b>(correction from presentation slide)</b>	
Most projects have more than one broadcaster	
	<b>% of TV projects</b>
TVO	42%
CBC	21%
Knowledge documentary	16%
ACCESS	11%
Discovery	5%
Private broadcasters	5%
	11%
(5% = 1 project)	

**4 DM components have broadcaster contributions**

They are from Knowledge and TVO, each in 2 projects

**CMF Data to Date: Broadcasters of one-off documentaries**
**Broadcasters of One-off documentaries**

<b>2010-2011</b> as at Oct. 19, 2010		<b>2009-2010 final</b>	
<i>English</i>	<b>% of TV projects</b>	<i>English</i>	<b>% of TV projects</b>
CBC	54%	CBC	27%
Discovery	15%	Bravo	10%
documentary	8%	History	8%
History	8%	Vision TV	8%
APTN	4%	documentary	7%
Knowledge	4%	Knowledge	7%
Movie Central	4%	APTN	5%
Vision TV	4%	Discovery	5%
		Mystery	5%
		Super Channel	5%
		Canwest Conv.	3%
		TVO	3%
		SCN	2%
		Citytv	1%
		CTV Conv.	1%
		ichannel	1%
		Sun TV	1%
		The Movie	
		Network	1%
		The Pet Network	1%
		Movie Central	0%
Private broadcasters	35%	Private broadcasters	55%
		89 projects in total	
<i>French</i>		<i>French</i>	
Radio-Canada	44%	Radio-Canada	53%
Canal D	24%	Canal Vie	15%
Télé-Québec	24%	Télé-Québec	12%
Canal Vie	8%	Canal D	8%
		TFO	5%
		TVA	3%
		APTN	2%
		Super Écran	2%
Private broadcasters	32%	Private broadcasters	30%
		66 projects in total	
(4% = 1 project)			

**1 related DM component with funding: Knowledge financing**

(French related DM component is not funded and does not have broadcaster financing)