CANADA MEDIA FUND

Financing Working Group

Date: October 24, 2019

1. INTRODUCTION

The CMF, through the consultation and round table discussions with the industry, has heard a number of points of view regarding the various financing mechanisms used by the CMF. These mechanisms have been in place for over 30 years and the environment today, due to digital and international disruption, is very different.

Stakeholders have raised issues such as:

- CMF financing (license fee thresholds) is not aligned with the market and too expensive;
- equity investment creates difficulties when foreign financing is involved, and increasing equity as a percentage grinds the tax credit;
- questioning the need for genre allocations;
- the pros and cons of the Performance Envelope system; and
- how to consider a different way for the broadcaster and producer to work more cohesively as true partners on a "risk in/risk out" model for both the domestic and international recoupment possibilities.

CMF revenue from the regulated sector is in decline. The political environment is currently uncertain and the media sector competes with other significant government priorities.

These issues have called the CMF's role in the financing of content into question and whether the CMF has appropriate financing tools in place in order for Canada to remain competitive in the world market.

Recoupment and Approaches to Financing

While some genres, language markets and content types recoup better than others, the ability of the CMF to reinvest any funds recouped from projects in which it has an equity stake into its Program budget the following fiscal year continues to diminish as a result of declining equity returns This Working Group seeks stakeholder feedback on strategies for the best way the CMF can address recoupment in its Convergent Stream moving forward or if in fact recoupment should remain or other types of financing should be considered.

Licence Fee Thresholds

The majority of Licence Fee Thresholds (**"LFTs"**) have not changed for over a decade and, while the CMF will not examine each different language/genre/budget LFT individually, the CMF seeks stakeholder feedback on broad issues pertaining to LFTs.

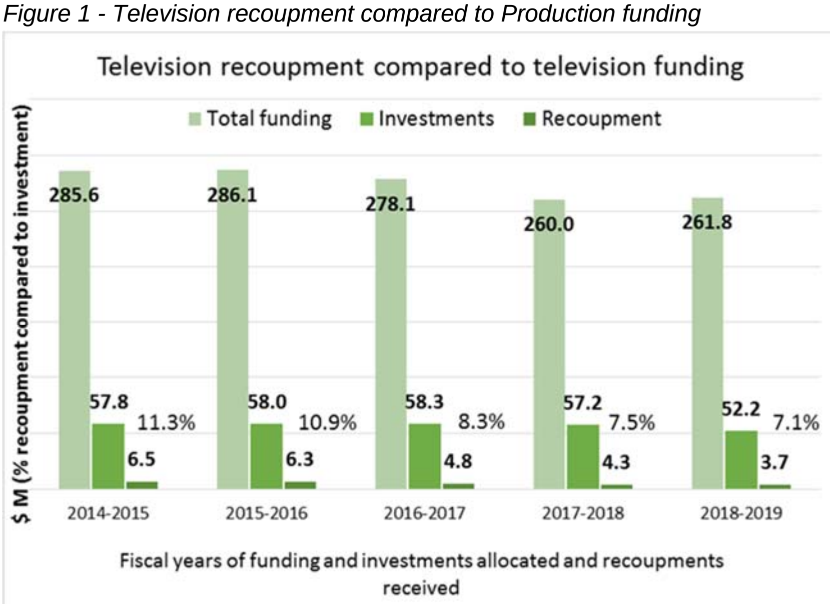
Performance Envelope Program

The CMF will give an overview of the recent changes made to the PE system (new triggers/weights, in-house/broadcaster affiliated caps, introduction of Alternative Access) and seeks stakeholder feedback on its gender balance strategy moving forward and the Performance Envelope system in general.

2. CMF'S RECOUPMENT AND APPROACHES TO FINANCING

In recent years, the difference between the CMF's total Convergent Stream investment to total Convergent Stream recoupment is moving farther apart[1]. Given the added resources required to administer CMF-equity projects, this growing divide is concerning.

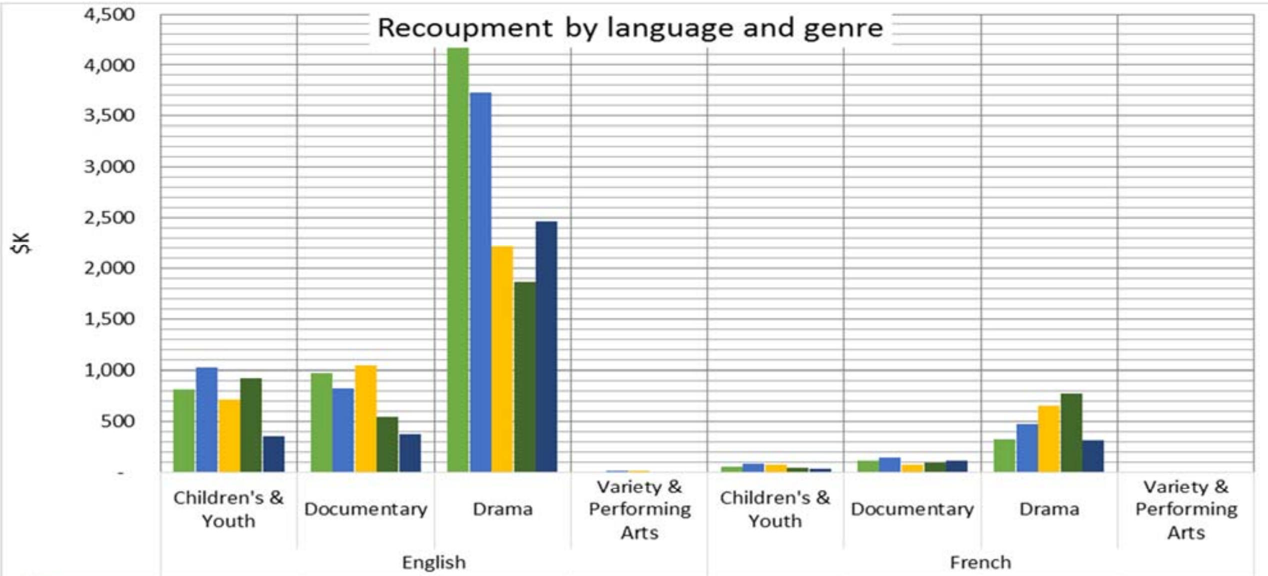
Figure 1 - Television recoupment compared to Production funding



[1]It is important to note that as projects do not recoup in a standard or scheduled manner, the total recoupment for each year is not based on the total investments made in that same year (but, rather based on a number of prior years).

Convergent Stream recoupment results differ based on both the genre and language market with English-language Drama still recouping the most between both markets and all genres.

Figure 2 – Television – Recoupment by language and genre



	English				French			
	Children's & Youth	Documentary	Drama	Variety & Performing Arts	Children's & Youth	Documentary	Drama	Variety & Performing Arts
2014-2015	815	978	4,189	8	56	117	327	1
2015-2016	1,025	826	3,733	19	89	147	478	4
2016-2017	721	1,046	2,219	11	74	74	657	1
2017-2018	930	545	1,869	9	43	101	780	0
2018-2019	355	375	2,472	3	38	117	319	0

While the CMF's recoupment is directly linked to (i) the number of projects receiving a CMF- equity investment, (ii) the amount of CMF-equity being invested and (iii) the manner and priority in which the CMF can recoup its equity (and potentially share in profits), there are two key elements that influence those factors and impact the CMF's level of recoupment:

- The Convergent Stream Funding Formula
- The Convergent Stream Recoupment Policy

a. *The Convergent Stream Funding Formula*

The CMF's current funding formula for television projects is stated in section 2.2. of the Performance Envelope Program Guidelines:

> *A licence fee top-up supplements a successful Applicant's Canadian broadcaster cash licence fees. As such, this type of contribution forms part of the broadcaster's licence fee for the Television Component and is non-recoupable. An equity*

investment is a cash investment in the project, which results in the CMF acquiring an undivided copyright ownership interest in all versions of the project. Equity investments are recoupable, and subject to a standard and non-negotiable recoupment schedule, as described and subject to, any exceptions in the CMF Standard Recoupment Policy.

The first CMF contribution to the Television Component will be in the form of a licence fee top-up to a maximum of 20% of the component's Eligible Costs.

Amounts in excess of this maximum will be in the form of an equity investment up to a maximum of 49% of Eligible Costs, licence fee top-up and equity investment combined. The CMF considers any eligible equity investment request of less than $100,000 to be too small for equity participation. Such requests shall be automatically converted into a licence fee top-up[2].

While the CMF has the power to shift this policy, as a result of this current formula[3], broadcasters (and producers, to the extent that they can negotiate on this point with broadcasters) in essence determine how much CMF equity will be contributed to a television project. As Table 1 illustrates, the percentage of projects with CMF equity has decreased significantly.

Table 1 - % of all television projects funded with CMF equity

English		*2012-2013*	*2013-2014*	*2014-2015*	*2015-2016*	*2016-2017*	*2017-2018*	*2018-2019*
	Children's & Youth	40%	35%	19%	13%	13%	15%	13%
	Documentary	49%	52%	18%	18%	20%	22%	19%
	Drama	54%	35%	28%	34%	24%	26%	26%
	Variety & Performing Arts	82%	69%	36%	29%	40%	33%	25%
French								
	Children's & Youth	67%	63%	32%	29%	14%	11%	19%
	Documentary	81%	75%	12%	8%	7%	4%	5%
	Drama	70%	61%	56%	51%	59%	54%	39%
	Variety & Performing Arts	22%	3%	0%	5%	3%	0%	0%
Aboriginal & Diverse		75%	75%	36%	41%	52%	43%	12%
Total		59%	55%	21%	19%	19%	19%	16%

[2]In 2018-2019, out of 407 projects that only received licence fee top-up contributions, 53% of those projects were either at the 20% licence fee top-up cut off or had less than $100K in equity.
[3]While this ratio of licence fee top-up/equity investment is for the Performance Envelope Program, a similar formula (with different licence fee top-up/equity caps), is applied to other Convergent Stream Programs.

In short, as the percentage of projects with CMF equity continue to decline, due to the decision making power the Broadcaster has in the CMF's funding formula, the CMF's current position will not improve until this formula is revised or different ways of financing the content are devised.

The CMF realizes, however, that any change it implements will not occur in a vacuum. While the CMF has examined strategies to increase its level of equity investment in the past (e.g., reversing the CMF's initial contribution to an equity investment, gradually decreasing the amount of licence fee top-up for subsequent seasons in a series[4]), the CMF is cognizant that any strategy it undertakes will have reverberations throughout the industry and possibly impact the ability of projects to complete financing.

Obviously, one of the most significant complicating factors that impacts the CMF's approach to increasing equity in projects is the tax credit grind. In short, because equity is considered "assistance" under the tax regulations and the level of assistance is deducted from the tax credit cap, as the CMF's equity in a project increases, so too does the level of "assistance" and the greater the project's tax credit is reduced.

While the CMF (and other industry partners) have begun to examine possible strategies to potentially amend how CMF equity is treated by Canada's income tax regulations, any potential change in legislation, if any, could be a number of years away.

In light of all of the above, any change in policy to CMF equity in projects would have to be balanced by the benefits it provided to the CMF's recoupment versus the impact it would have on the industry.

The CMF seeks stakeholder opinion on creative solutions to increase the CMF's equity in projects while minimizing impacts on industry stakeholders (e.g., should the approach differ based on genre/language?).

b. *Convergent Stream Standard Recoupment Policy*

Instead of finding a path to increase the CMF's equity in projects, another strategy is to make it easier for the CMF to recoup (and possibly, participate in profits) on those projects in which it has an equity investment.

[4]In an attempt to counter declines in its recoupment, in 2014-2015, the CMF introduced its policy where returning series would experience a decreasing licence fee top-up for each subsequent season (reduced by 2% per year). This practice was, however, abandoned in 2019-2020 there was both minimal positive impact on the CMF's recoupment and many stakeholders held that this approach was not aligned with the market and realities of returning season production costs.

All projects in the Convergent Stream where the CMF is an equity investor must comply with the recoupment model in the CMF's Standard Recoupment Policy (**"SRP"**) outlined in Table 2 below:

Table 2 – CMF Convergent Stream – Approved Recoupment Model

	ELIGIBLE DISTRIBUTOR	**PRODUCER (TAX CREDITS)**	**CANADA MEDIA FUND**	**OTHER FINANCIAL PARTICIPANTS**
Tier 1	100% = Distribution advance	% = 0	% = 0	% = 0
Tier 2	% = 0	100% of the provincial tax credit (equal to 50% of total net revenue in Tier 2	% = CMF's Equity as % of recoupable sources of production financing (excluding the distribution advance) multiplied by 50% of remaining revenue in the Tier	% = financial participation as % of recoupable sources of production financing (excluding distributors and tax credits) multiplied by 50% of remaining revenue in the Tier
Tier 3	% = 0	% = 0	balance of CMF Equity	balance of Other Financial Participants' participation (except tax credits)
Tier 4	% = 0	100% = federal tax credits	% = 0	% = 0

There are a number of elements in the SRP that limit the CMF's recoupment.

First, while it has been long established in the domestic and international marketplace, the treatment of Distributors in the SRP impacts the CMF's ability to recoup. In addition to the sole first-tier recoupment position, Distributors are also allowed to take their 30% distribution fees and deduct up to 10% of the revenues to repay their distribution expenses.

Should the CMF re-evaluate its current policies in connection with distributor fees and expenses?

Looking at statistics from 2017-2018 and 2018-2019 (see Table 3 below), approximately 70% of English Drama projects with equity in the English-language market had significant distribution advances[5].

[5]While a significant number of English Documentary and French Drama CMF equity television projects also had distribution advances, these were much smaller in size than those in English Drama.

Table 3 -% of CMF recoupable projects with distribution advances

English		*2016-2017*	*2017-2018*	*2018-2019*
	Children's & Youth	0%	50%	0%
	Documentary	41%	24%	35%
	Drama	42%	71%	69%
	Variety & Performing Arts	17%	50%	33%
French				
	Children's & Youth	17%	40%	29%
	Documentary	0%	0%	17%
	Drama	25%	20%	19%
	Variety & Performing Arts	0%	0%	0%

Due to Distributors' exclusive first position in the recoupment structure, they are able to recoup all of their distribution advances – no matter what size – before any other financial participant, including the CMF, can begin to recoup their respective investments. Therefore, even if the CMF has an equity investment in a project in a language and genre with a high potential to generate significant revenue, if the distribution advance is significant in size, it will be a long time before the CMF can even begin to recoup as all the revenues generated in the project will first go towards the reimbursement of the large distribution advance. This obstacle is further compounded by the fact that the CMF's Standard Recoupment Policy holds that the CMF will stop recouping its investment and participating in profits after 7 years from the date of the submission of the first exploitation report.

Further, the ability of production companies with *related distribution arms* to offer significant advances to productions instead of the same corporation's production arm contributing a producer's investment – which recoups much lower in the recoupment priority 'waterfall" – affects the recoupment of other investors.

From 2016-2017 to 2018-2019, 58% of all English Drama distribution advances were over $1M and all of these were from Eligible Distributors with related production arms.

Additionally, if producers with related distribution arms use some of their tax credit to finance their distribution advance, while they lose the benefit of recouping their tax credit on the 2nd recoupment tier, they are, in effect, recouping 100% of this tax credit on the first recoupment tier.

In light of the above, what steps could the CMF implement to ensure it has faster and more effective access to revenues while still keeping step with the industry-accepted practices in the marketplace?

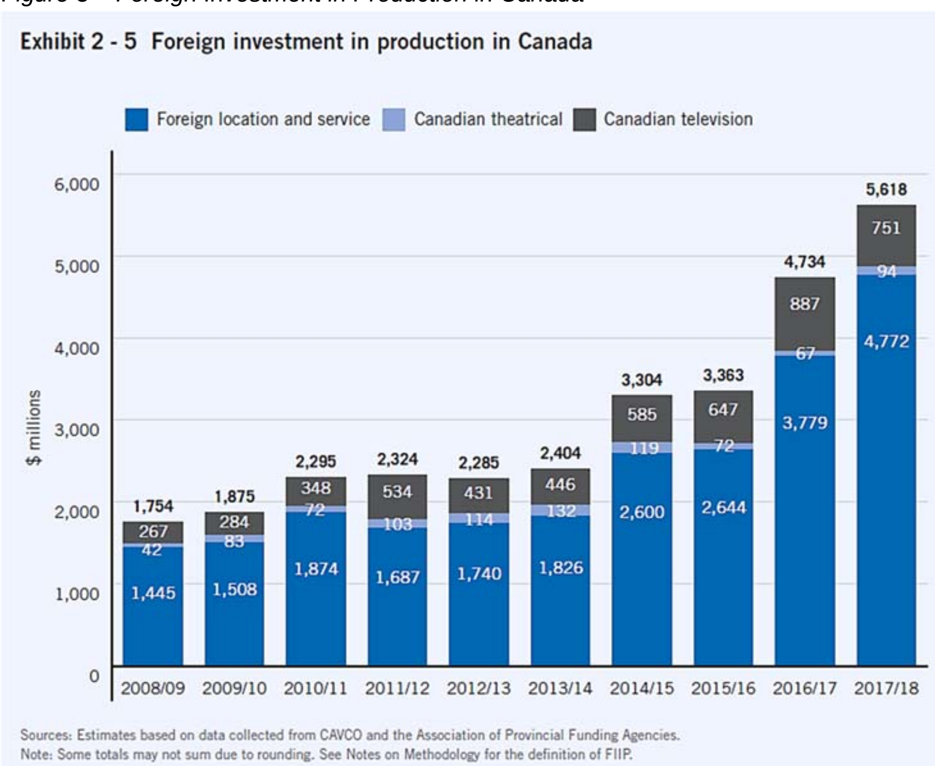
In lieu of a general change to policy, should the CMF adopt different recoupment approaches for distributors with related production arms?

Are there examples of other models (both in Canada and internationally) that the CMF should examine?

Further complicating matters is that international distributors are involved in a number of projects in the English market The infinite amount of content available to Canadian consumers (due to digital and international disruption) has generated more sophisticated audience demand for higher quality programming. As the cost to produce this higher quality programming has risen, it has become increasingly necessary for Canadian broadcasters and producers to secure international participation in order to complete their financing to get the production made.

The presence of these international presales in Canadian projects (see Figure 3 and Table 4 below) means there are ultimately fewer partners to sell the production to once its complete, thereby reducing its gross sales, and consequently, recoupment possibilities.

Figure 3 – Foreign Investment in Production in Canada[6]



[6]*Profile 2018,* page 15, https://cmpa.ca/wp-content/uploads/2019/04/Profile-2018-EN.pdf

Table 4 - % of CMF projects with foreign financing or co-productions

English		*2016-2017*	*2017-2018*	*2018-2019*
	Children's & Youth	27%	20%	30%
	Documentary	13%	8%	13%
	Drama	28%	22%	28%
	Variety & Performing Arts	0%	0%	0%
French				
	Children's & Youth	5%	2%	0%
	Documentary	3%	6%	5%
	Drama	3%	0%	0%
	Variety & Performing Arts	0%	0%	0%

In light of the above, in order for the CMF to continue to try and leverage its funding and encourage domestic and international collaboration, is there a moderate approach whereby the CMF can improve its ability to recoup while minimizing the negative impact on other parties?

In addition to Distributors' first position in the CMF's SRP, there is also a preferential recoupment position for producers based on their provincial tax credits.

Certain stakeholders have stated that the preferential recoupment position of the provincial tax credit prevents them from investing in projects in which the CMF is also an equity investor. Specifically, broadcasters stated that they are more likely to invest in projects where the CMF has no equity participation because they are not bound by the SRP and they can negotiate deals that are more advantageous. They argue that the preferential recoupment position for tax credits is problematic because it prevents other investors to recoup their contribution in a timely manner. A new approach to tax credit recoupment could encourage broadcasters and other potential investors to invest in projects, since they would have better and faster access to revenues.

Further, there is upward pressure on budgets to increase production value in order for projects to compete internationally. While broadcasters are being asked to contribute more money, they feel the current structure of the CMF's Standard Recoupment Policy will not allow them to make an acceptable return on their investment.

Producers, on the other hand, argue that the recoupment of tax credits is one of the only measures that allows them to capitalize their companies, thus enabling them to invest in development where their risk is higher and where the financing is not always available.

In light of the above, the CMF seeks stakeholder feedback on strategies to amend its current recoupment model (e.g., full *pro rata pari passu* for all financial participants without caps).

c. *Move away from Recoupment?*

If stakeholders feel that (i) increasing the number of projects with CMF equity, (ii) increasing the amount of CMF equity in each project or (iii) adapting the CMF's Standard Recoupment Policy to enable the CMF to improve its recoupment will have more unintended negative impacts to the Canadian industry than positive impacts, then the question is:

Should the CMF maintain return on investment and recoupment as a policy in the Convergent Stream?

While the Contribution Agreement between the CMF and Canadian Heritage holds that that the CMF will *"not create new dependencies and foster, to the extent possible, lessened reliance on subsidies over time…"*[7], this goal has always been counterbalanced with other objectives.

Supporting regional and official language minority community interests, the Indigenous production community, and diverse language producers are all vitally important cultural goals for the CMF and ensures that all Canadians have access to funding in order to tell Canadian stories. While there is nothing stopping projects from these communities to have a high potential to recoup, that is not the primary lens by which these projects are being selected and highlights the inherent tension from the CMF's cultural and industrial mandates.

Further, the CMF's directive is to support four genres in its Convergent Stream: Drama, Children & Youth, Documentary and Variety and Performing Arts. Even though Drama recoups the most (in both language markets), the CMF still has to ensure the remaining genres have a path to secure funding.

Therefore, the CMF's return on investment has always coexisted equally with a number of sometimes conflicting, but equally important, priorities.

In light of all of the above, should the CMF continue to emphasize return on investment as a priority?

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[7]*Contribution By the Department to the Canada Media Fund 2018-2019*, Appendix A, Guiding Principles, p.19.

Should the CMF eliminate equity investments as form of production financing in the Convergent Stream and convert all production funding to licence fee top-up, with no recoupable production funding taking place in this Stream?

For reference, from 2015-2016 to 2018-2019, 17%of overall projects had CMF equity for an average of $56.1M per year. If the CMF wanted to pivot away from equity investment as an option for its contribution type, there would be more CMF funding that did not grind down the tax credit and this would have a corresponding impact on government funds. While there are other issues the CMF would have to consider before implementing this approach, any change in CMF policy would not be done in a silo and there would have to be a coordinated strategy with the government and other government agencies.

Should the CMF adopt a more targeted approach and limit the projects in which the CMF makes equity investments (e.g., exclude Documentary and VAPA, but include English-language and French-language Drama; only include projects with a minimum budget; only include projects from specific CMF Programs)?

What other forms of contribution should the CMF consider? Are there examples from the international market?

3. CMF Licence Fee Thresholds

When the Performance Envelope Program was first introduced in 2004-2005, Program Guidelines included parameters which delineated the rights that broadcasters were permitted to licence from producers and defined the minimum amounts that broadcasters were required to pay for these rights (**"Licence Fee Thresholds**" or **"LFTs"**), in order to trigger CMF (then CTF) funding.

Licence Fee Thresholds were based on an observation of the market at the time[8], and set pursuant to consultation with industry stakeholders. As the majority of LFT's were set as a percentage of a production's Eligible Costs, the goal was that LFT's could adapt as the market changed.

Since that time, despite consulting with the industry for a number of years on this topic – while some License Fee Thresholds have been amended – the majority of LFT's have not changed.

[8]This observation was based on the dollar amounts evident in the CTF's Equity Investment Program ("EIP"): thresholds were set based on the average paid to projects that had received funding from the EIP, to which 20% was added in order to ensure that projects that had received above-average licences would continue to receive a "fair" licence.

In lieu of going through each language, genre and budget tier, the CMF seeks stakeholder opinion on more macro-changes to LFTs:

Should entities other than the CMF's recently revised definition of 'Canadian Broadcaster' be eligible to contribute to a project's license fee threshold (e.g., distributors, international entities, etc.)? If so, should the largest licence be required to come from the Canadian entity?

The CMF offers some LFT flexibility in its English POV Program where, as a pilot initiative, licence fees from foreign, scheduled broadcasters (as opposed to digital distributors or broadcasters offering on-demand content) may be considered Eligible Licence Fees for the purposes of meeting the Licence Fee Threshold, as long as the Eligible Licence Fees of the Canadian Broadcasters (cumulatively and in the aggregate) represent the larger share of the Project's Eligible Licence Fees.

Some stakeholders have communicated that Canadian broadcasters are no longer able to afford bigger budget animation series and foreign broadcasters are required in those projects' financial structures.

Should this exception be introduced to all projects or limited to certain language/genres?

Alternatively, instead of looking at who can help defray some of the responsibility of contributing a licence fee that meets threshold, should the CMF consider lowering (or eliminating) the threshold for certain types of projects (e.g., regional projects)?

Further, some broadcasters have submitted that the CMF's funding is too expensive. Should the CMF consider lowering (or eliminating) threshold for certain types of broadcasters (e.g., non-vertically integrated broadcasters)?

If the CMF lowered or eliminated the licence fee threshold, what unintended impacts could that create (e.g., completion of financing)?

Are there complementary measures the CMF could implement to counter any negative impacts (e.g., increase the CMF's maximum contribution amount)?

If the CMF eliminated LFT - and correspondingly increased its maximum contribution amount - the impact is likely to be fewer projects receiving CMF funds.

4. Performance Envelope Program

In 2019-2020, the CMF made a number of changes to its Performance Envelope Program:

a. *Shift some of the current Historic Performance Factor Weight to the Regional Factor Weight:* In order to address the continuing issue of supporting English regional production, the CMF reduced the current Historic Performance Factor Weight in the English-language market from 15% to 5% and reallocated the remaining 10% to the Regional Factor Weight (increasing it from 20% to 30%). While the CMF continues to exceed its target of 15% of the French production budget that should support regional projects, in order to promote consistency and illustrate the priority of Canadian production in the regions, the CMF reduced the current Historic Performance Factor Weight in the French-language market from 25% to 20% and reallocate the remaining 5% to the Regional Factor Weight (increasing it from 10% to 15%).

b. *Change the current Digital Media Investment Factor to an OTT Factor:* As a way to incentivize Broadcasters to licence content through their related online platforms, in 2019-2020, the CMF also eliminated the Digital Media Investment Factor (which rewarded Broadcasters' licensing of related digital media content) and introduced an Over the Top (**"OTT"**) Factor which rewards content licensed through Broadcasters and Broadcast Distribution Undertakings' (**"BDU"**) online services.

   As noted in last year's Funding Mechanism Working Group, rewarding programming which attract audiences has been one of the key performance measures guiding CMF policy since the inception of its predecessor, the Canadian Television Fund.

   Further, while the largest percentage of PE weight is attributed to the Audience Success Factors, these Factors are solely based on figures from Numeris, an independent and verifiable third-party measurement system that currently only tracks and reports linear viewing data from traditional broadcasters.

   As there is currently no widely used, industry standard metric to capture audiences over non-linear platforms that has a similar stature and credibility like Numeris, the CMF is evaluating a number of options to ensure these new platforms play an active role in licensing content.

As a transition step and until an agreed upon digital audience measurement system is in place, to receive this credit, however, the OTT Factor is calculated on the full licence provided by the broadcaster/ BDU and whether the particular project exclusively "premieres" on the online service for 7 days.

For reference, Table 5 below shows the current Performance Envelope Factor Weights (in both language markets):

Table 5

ALL GENRES	ENGLISH ENVELOPES	FRENCH ENVELOPES
AUDIENCE SUCCESS – TOTAL HOURS TUNED	40%	40%
AUDIENCE SUCCESS – ORIGINAL FIRST RUN	15%	15%
HISTORIC PERFORMANCE	5%	20%
REGIONAL PRODUCTION LICENCES	30%	15%
OTT LICENCES	10%	10%

c. *Alternative Access to the PE Program:* In 2019-2020, the Department of Canadian Heritage opened up eligibility to allow both broadcaster/BDU online services and exempt broadcasters to trigger Convergent Stream funding. As a result of this new eligibility, in order to on-board these new services and broadcasters into the CMF's funding ecosystem in a measured way, the CMF created a new access point into the PE system that is exclusively for eligible online services and Broadcasters that do not generate a PE allocation of their own.

A total amount of $2M (2/3 English and 1/3 French) was set aside for this new access and eligible broadcasters can access funds on a first-come/first-served basis up to a maximum of $100K and a maximum of 2 projects.

Further, in order to ensure that only those broadcasters who already meet the CMF's applicable requirements will be eligible to access these funds and meaningfully contribute to projects, broadcasters/services have to apply with a project and a connected producer.

d. *In-House and Broadcaster Affiliated Production*: In order to ensure the gradual integration of broadcasters as recipients to CMF funds (as stipulated in the Contribution Agreement between the CMF and Canadian Heritage), in 2019-2020, the CMF increased the In-house and Broadcaster Affiliated caps to 25% across all genres in 2019-2020.

e. *Genre Allocations and Flex:* Table 6 lists the current Genre allocations by Language-market:

Table 6

	ENGLISH ENVELOPES	FRENCH ENVELOPES
DRAMA	60%	54%
DOCUMENTARY	16%	21%
CHILDREN'S & YOUTH	21%	17%
VARIETY & PERFORMING ARTS	3%	8%

Further, the CMF's current flex level is at 50% (or 100% for broadcasters with PE allocations less than $5M).

As the recent changes to the PE Program occurred in 2019-2020, the CMF holds that not enough time has passed for it to effectively measure the impacts of such changes. In light of this fact - and the overall uncertainty in the marketplace - the CMF proposes to not make any changes to the PE Program's Factors, Weights, Genre allocations, Flex provisions, In-house/Broadcaster-affiliated caps or the Alternative Access for the 2020-2021 fiscal year.

However, the CMF is open to stakeholder opinion on any possible changes to the PE system in 2020-2021.

For future consideration, the CMF is also open to stakeholder opinion on any macro-changes to its funding mechanisms. As the PE system has been around for almost for fifteen years, the CMF wants to ensure that it is still providing resources to the industry in an efficient and effective manner. Should the CMF consider adjusting the current PE system to respond to the issues identified by stakeholders, the CMF and current market realities or consider a new approach for the future other than the PE system in the (i.e., a matching fund)?

f. *Gender Balance Initiative:* In 2017-2018, the CMF launched a 3-year initiative that aimed to increase the representation of women in key roles on CMF-funded projects.

A key element of this initiative is that broadcasters are required to direct at least 35% of their respective Performance and Development Envelope Allocation dollars (as applicable) to Eligible Projects where, of all the enumerated cumulative Producer, Director and Writer positions on a TV Component, at least 40% of the total number of positions are held by women.

In the years since this initiative was launched, the CMF has seen that women producers are well represented in CMF-funded projects, whereas the representation of women directors and writers still has room to improve (see Appendix A).

Women directors represent roughly 37% of all directors in Television projects.

In light of the above, should the CMF maintain its current strategy of mandating broadcasters to commit a designated percentage of their envelope to projects where women occupy key enumerated positions? Or, should the CMF target its focus on any particular key position?

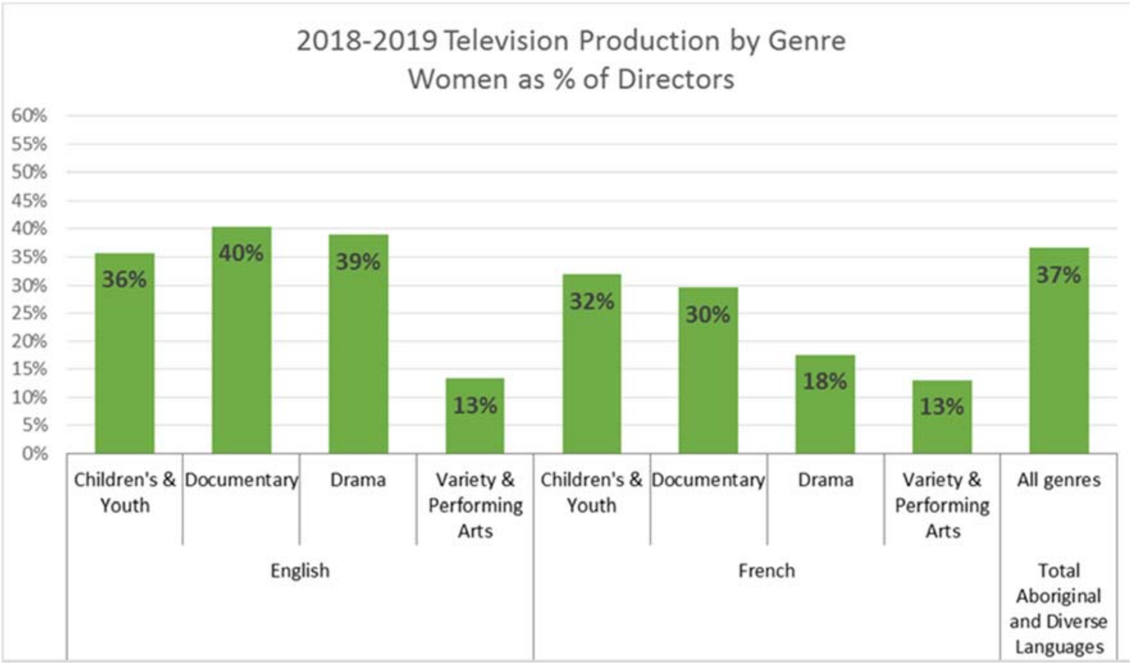
Should the CMF try and adopt a coordinated approach with the CRTC in connection with a gender requirement?

Alternatively, should the CMF pivot away from a mandated Gender Balance initiative and instead create a new Performance Factor that rewarded broadcasters for supporting projects where women occupied key positions?

Are there other creative positions (which can be confirmed at time of application) that the CMF should include in addition to directors and writers?

g. *Diversity Statistics:* While this data will not be used in the immediate term in connection with the Performance Envelope system, the CMF is currently examining options on the best strategies to collect information (on a voluntary basis) in connection with the level of diversity in Canadian television productions. While the exact breadth of the definition of ‘diversity’ is still being determined, the CMF hopes to begin this process in 2020-2021 in order to determine where the major gaps in the marketplace exist and which strategic measures should be implemented in the future.

APPENDIX A



2018-2019 Television Production by Genre
Women as % of Directors
60%
55%
50%
45%
40%
35%
30%
25%
20%
15%
10%
5%
0%
36%
40%
39%
13%
32%
30%
18%
13%
37%
Children's & Youth
Documentary
Drama
Variety & Performing Arts
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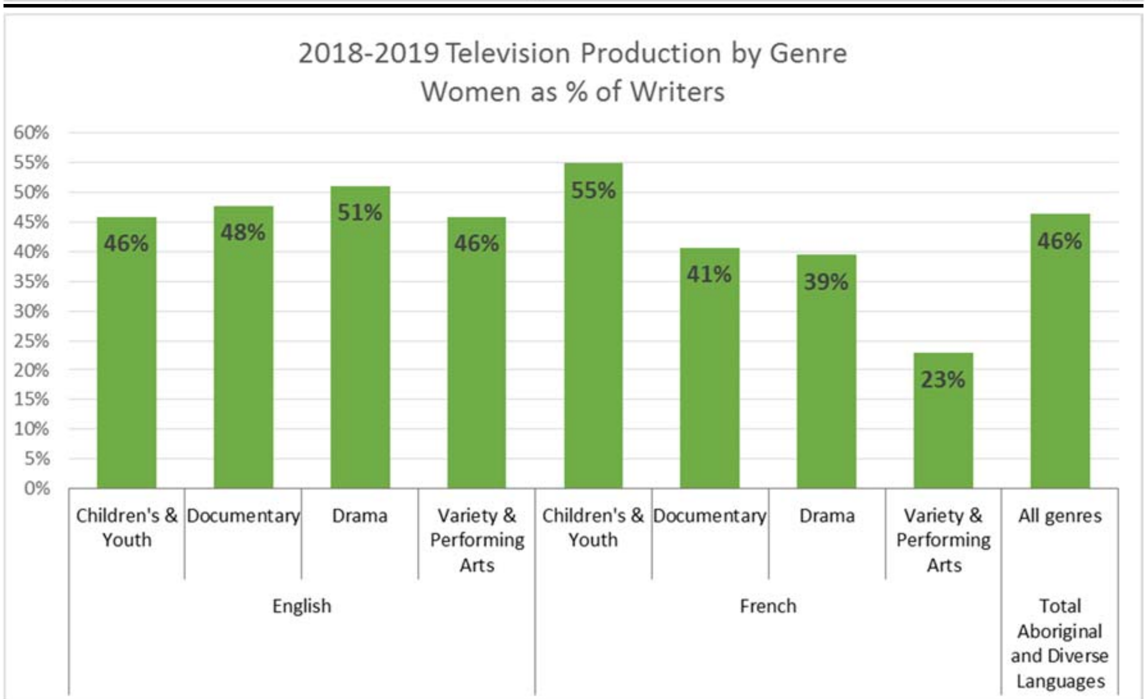
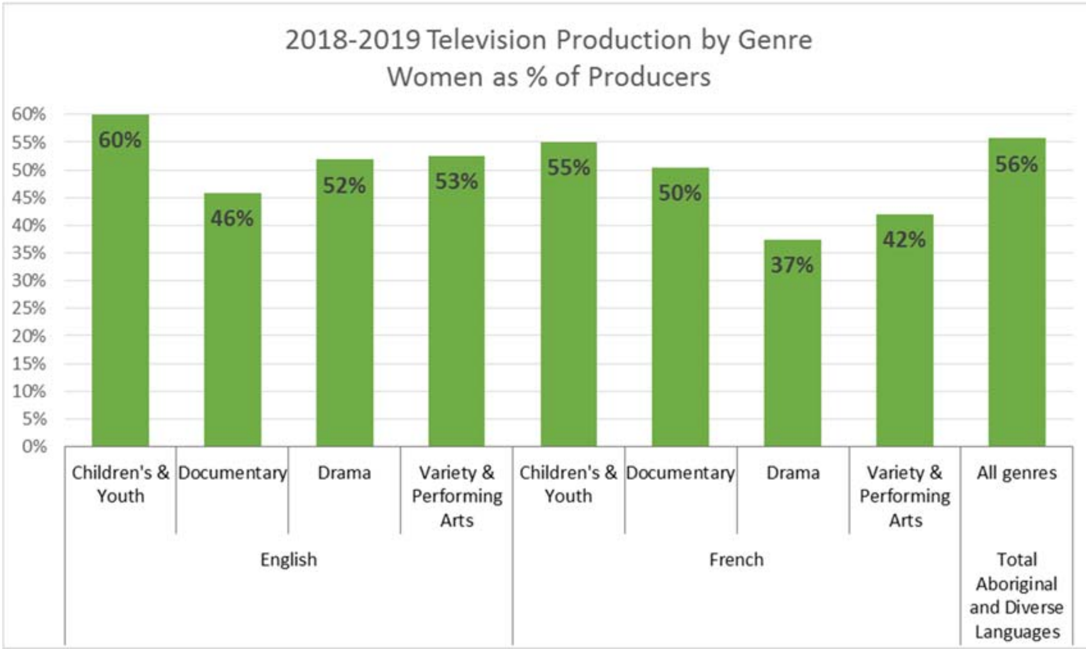
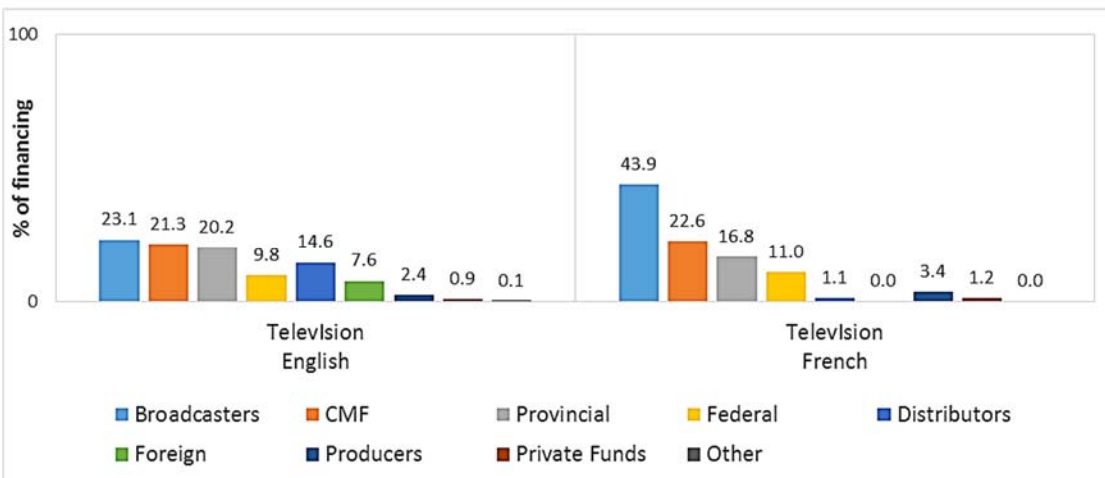
English
French
Total Aboriginal and Diverse Languages



2018-2019 Television Production by Genre
Women as % of Writers
60%
55%
50%
45%
40%
35%
30%
25%
20%
15%
10%
5%
0%
46%
48%
51%
46%
55%
41%
39%
23%
46%
Children's & Youth
Documentary
Drama
Variety & Performing Arts
Children's & Youth
Documentary
Drama
Variety & Performing Arts
All genres
English
French
Total Aboriginal and Diverse Languages

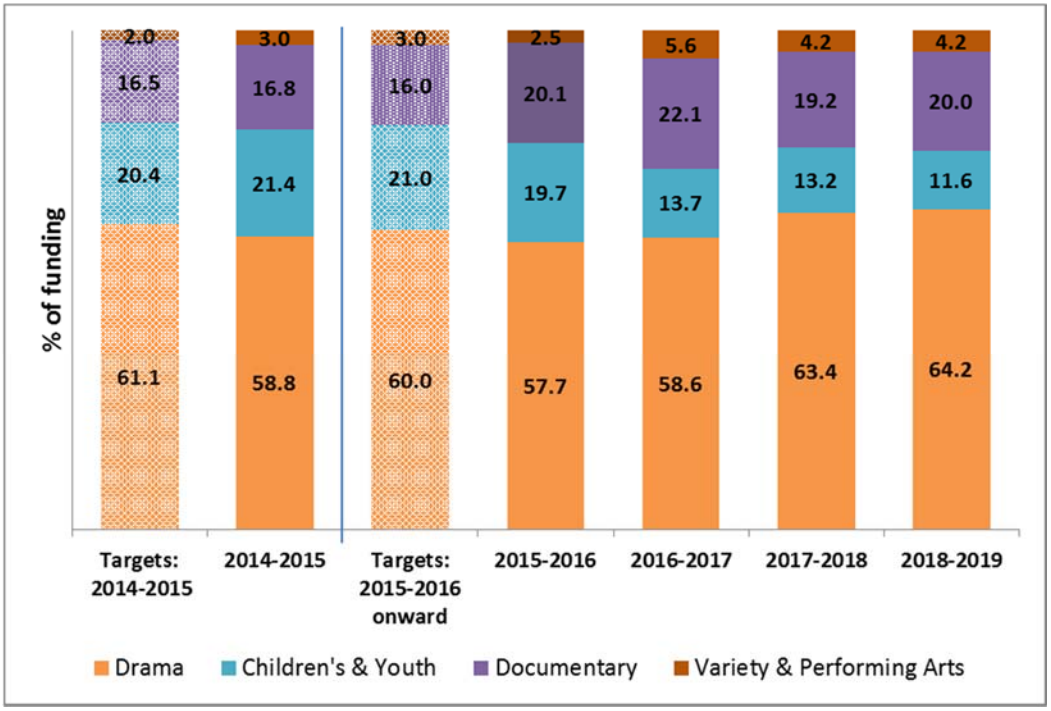


Drama production shares of financing – 2018-2019

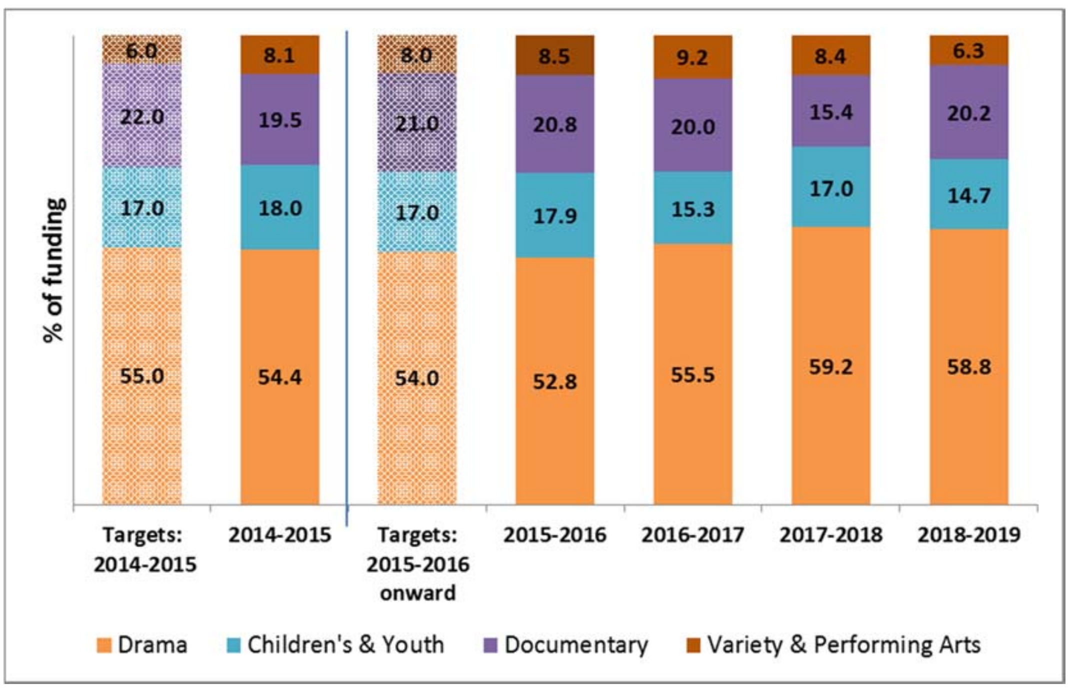


Performance Envelope genre share trends

English



French



Performance Envelope Broadcaster-affiliated and In-house production trends