



# Feature Films and Broadcasting

## Presentation to the Standing Committee on Canadian Heritage

Ottawa

March 8, 2005



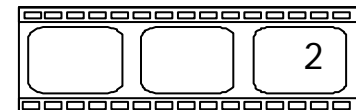
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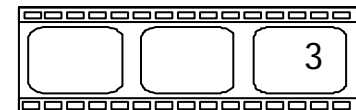
# Definitions

- **Feature films are a sub-category of drama and comedy programs which are defined as:**
  - Entertainment productions of a fictional nature, including dramatizations of real events
  - Must be comprised primarily of dramatic performances (i.e. more than 50%)
- **Programs are certified as Canadian if they meet the following criteria:**
  - Canadian producer
  - Canadians as key creative personnel
  - 75% service costs and post-production lab costs paid to Canadians
- **Feature films certified by Telefilm Canada as official co-productions are considered Canadian**



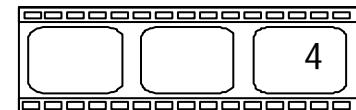
# Broadcast Windows for Canadian Feature Films

- Video-on-demand
- Pay-per-view
- Pay TV
- Specialty
- Conventional



# Video-on-Demand (VOD)

- **Allows viewers to select from a list of program titles and to choose when they view the program**
- **Also includes the ability to pause, fast-forward and rewind**
- **13 video-on-demand services approved:**
  - **several launched, including Rogers, Shaw, Videotron, Cogeco**



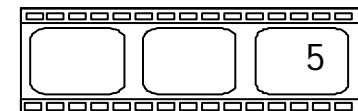
# VOD Contributions to Feature Film

- All new Canadian feature films made available
- Minimum 5% English-language and 8% French-language feature films must be Canadian
- Remit to the rights holders of Canadian films 100% of revenues earned from their exhibition
- 5% gross annual revenues to Canadian program production funds



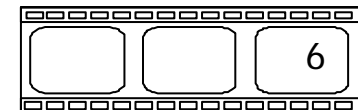
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# Pay-per-view (PPV)

- Provides programming at scheduled times
- Viewers select and pay for each program
- Viewers cannot pause, fast-forward or rewind as with VOD
- PPV services:
  - Viewer's Choice (Astral) - *English*
  - Canal Indigo (Astral) - *French*
  - Shaw PPV - *English*
  - Bell ExpressVu PPV - *English & French*



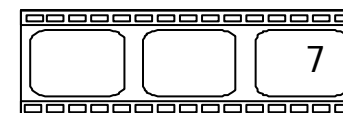
# PPV - English-language Contributions to Feature Film

- All new Canadian feature films made available
- Minimum 12 Canadian feature films/year
- Minimum 1:20 ratio of Canadian to non-Canadian films
- Remit to the rights holders of Canadian films 100% of revenues earned from exhibition
- 5% gross annual revenues to production funds



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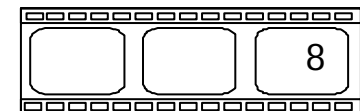
# PPV - French-language Contributions to Feature Film

- All new Canadian feature films made available
- Minimum 20 Canadian films/year
- Minimum 1:12 ratio of Canadian to non-Canadian films
- Remit to the rights holders of Canadian films 100% of revenues earned from exhibition
- 5% of gross revenues to production funds



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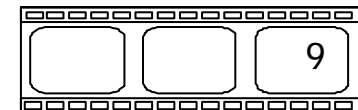
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# Pay TV

- A discretionary service that viewers pay for monthly
- Subscribers have access to multiple channels with scheduled feature films and programs
  - Astral
    - The Movie Network + MoviePix (Eastern Canada)
    - SuperEcran
  - Corus
    - Movie Central + Encore Avenue (Western Canada)



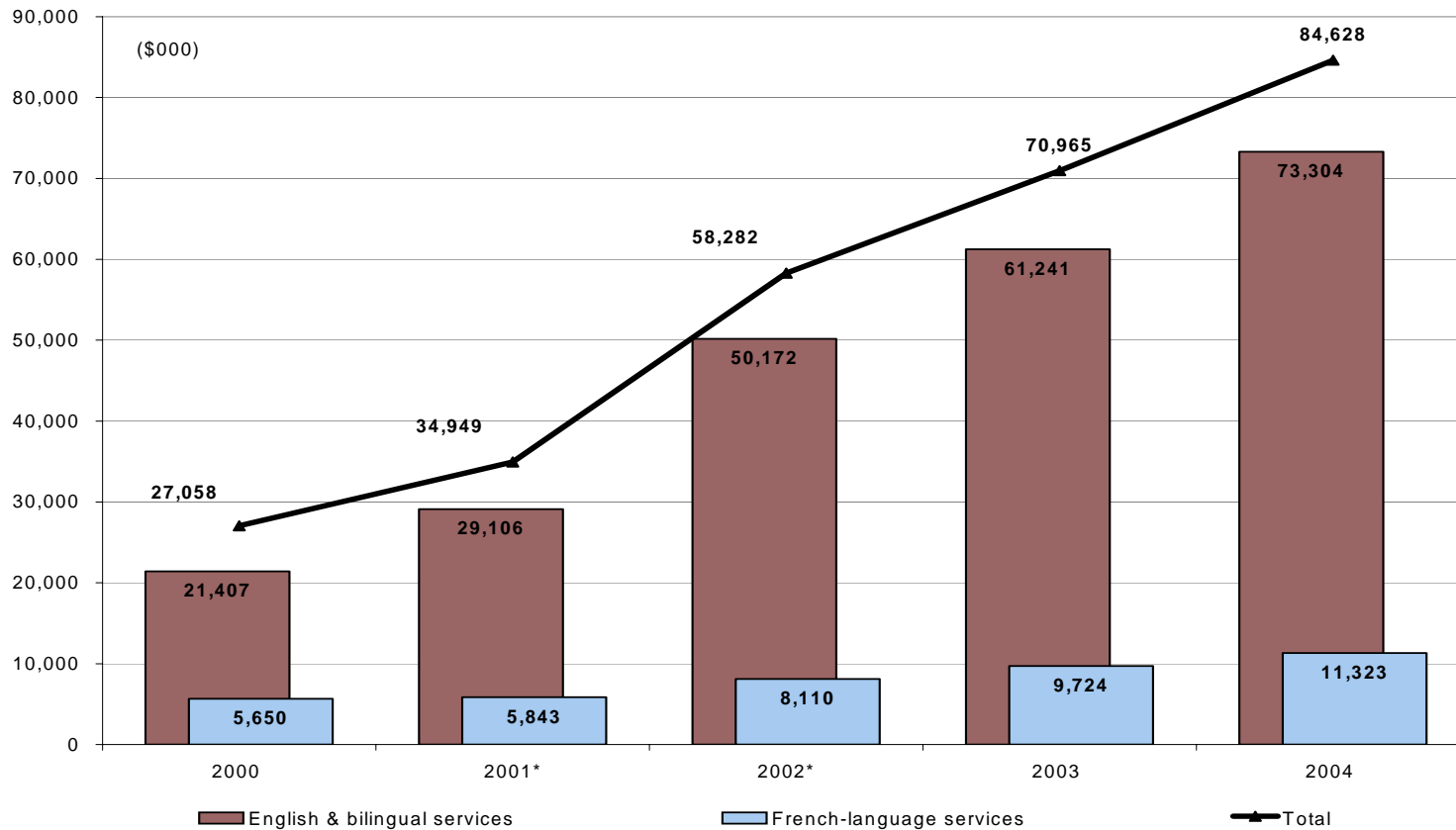
# Pay TV Contributions to Canadian Programming

Service	CPE*	Cancon (Overall)	Cancon (Evening)
TMN	32%	25%	30%
MovieCentral	31%	25%	30%
Super Écran	24%	25%	30%
Moviepix!	25%	20%	20%
Encore Avenue	25%	20%	20%

\*CPE: Canadian Programming Expenditures as a percent of total revenues



# Pay, PPV and VOD Services Canadian Programming Expenditures and Contributions to Canadian Production Funds



**Note:**

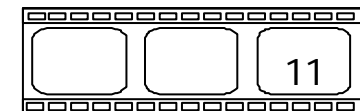
Revised definition of "revenue" to include DTH subscriber and return on investment revenues, came into effect in 2001 for the Moviepix service, and in 2002 for the TMN, Movie Central, Encore Avenue and SuperÉcran pay services.

Source: CRTC



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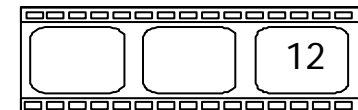
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# Specialty Services

## Examples of services focussed on drama, including feature films

- **ASTRAL**
  - Series+, Canal D
- **ALLIANCE ATLANTIS**
  - Showcase, Showcase Diva, Showcase Action, Independent Film Channel
- **CHUM**
  - Bravo, Drive-In Classics



# Conventional TV

## CBC/SRC

**In 2000:**

- **CBC committed to invest \$30 million over 5 years in Canadian feature films**
- **SRC committed to invest \$20 million over 5 years in Canadian feature films**



# Conventional TV Private Networks

- CHUM Ltd. (CITY-TV stations) committed to broadcast minimum 100 hours/year of Canadian features during peak viewing hours
- TQS committed to increase the presence of Canadian films in its schedule by 0.5% in each year of its licence term, from 7% in 2001 to 10.5% in 2008
- TVA committed to ensure an increased presence of Canadian feature films in its programming



# Viewing to Canadian English-language Feature Films

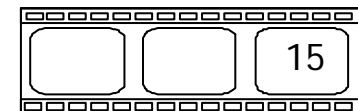
(as % of viewing to all English-language Feature Films  
Canadian & Foreign)

BBM Fall Surveys <i>All Persons 2+</i>	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
	0.8	1.6	1.3	1.8	2.3	4.4	4.4	4.5	4.3	5.2



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# Viewing to Canadian French-language Feature Films

(as a % of viewing to all French-language Feature Films  
Canadian & Foreign)

BBM Fall Surveys <i>All Persons 2+</i>	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
	2.1	**	5.0	2.3	4.3	3.3	5.0	6.9	13.2	8.1

*Note: In 2002, the large increase can be attributed to the popularity of 3 movies broadcast by TVA: “La vie après l’amour”, “Laura Cadieux...la suite” and “Miracle à Memphis: Elvis Gratton II”; (\*\*) 1995 data not available.*

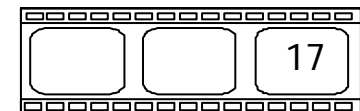
*Source: CRTC*





# Promotion of Canadian Feature Films

- The CRTC does not count Canadian feature film promotions as advertising under the 12 minute rule
- Priority programming includes entertainment magazine programs devoting 2/3 of their time to promotion of Canadian entertainment



# The Canadian Television Fund (CTF)

- **CRTC created Cable Production Fund in 1994**
- **Canadian Television Fund established in 1996**
  - **Cable & DTH licensees contributed \$113.9 million in 2003**
  - **\$15 million is set aside for feature films that will be broadcast on TV**



# Independent Production Funds

- Independent funds created through new licensing and transfer benefits
- Support the production of Canadian feature films and other television dramas



# Independent Production Funds Annual Contributions

<i>Fund</i>	<i>Annual Contribution in \$ millions</i>
A-Channel Production Fund	0.5
Astral – Harold Greenberg Fund	7.0
Canwest Western Independent Producers Fund	4.8
Cogeco Program Development Fund	2.3
Corus (Family Feature Fund)	5.0
Corus (Made-with-Pay Development Fund)	1.5
Rogers Telefund	13.0
Rocket Fund	5.0
Telus Broadcast Fund	2.0



# CRTC Incentives for Canadian Drama

- **In 2004-05, the CRTC instituted an incentive program to encourage the broadcast of more original Canadian television drama**
- **Canadian feature films broadcast for the first time on conventional or specialty television qualify for these incentives**

