

## SUMMARY OF RESULTS FROM ONLINE CONSULTATION

### CANADA FEATURE FILM FUND / DEVELOPMENT ASSISTANCE PROGRAM PROPOSED GUIDELINES

#### 1. OVERVIEW

In response to its October 24, 2003 call for industry comments on the proposed CFFF Development Program Guidelines, Telefilm Canada received 28 replies from the following industry segments:

▪ Industry Associations	8 or 29%
▪ Producers	11 or 39%
▪ Writers	7 or 25%
▪ Other	2 or 7%
▪ <b>TOTAL</b>	<b>28 or 100%</b>

Responses primarily addressed the proposed changes to the Selective component of the Fund in the English language market. Few comments were made with respect to the proposed changes to the Performance component of the program.

#### 2. AREAS OF FEEDBACK

##### ALLOCATION OF RESOURCES

#### 1. Selective Component English

##### a) Financial Participation

Respondents were pleased that Telefilm Canada proposed to increase its per project caps. However, there was little agreement as to how resources should be allocated. Several respondents wanted to see higher caps, either per stage or overall, while others wanted producers to have greater flexibility in how resources are allocated per Stage, within the overall Cap.

##### **Telefilm Canada Response:**

Due to the significant changes to development stages and level of per project financing, Telefilm Canada will maintain the proposed stages and caps. Over the coming year as we implement these new policies we will evaluate the potential for greater flexibility.

##### b) Number of allowable applications at the Scriptwriting Stage

Some respondents felt strongly that the two-application limit to the Scriptwriting Stage was too restrictive and not reflective of the development process. Respondents were also concerned about the elimination of the outline to treatment phase of development.

**Telefilm Canada Response:**

Telefilm Canada will amend the proposed policy to support an unlimited number of applications at the Scriptwriting stage to the published maximum amount. Telefilm Canada will also continue to receive applications for outline to treatment.

***c) Corporate envelopes***

Several respondents were opposed to the proposed creation of Corporate Envelopes for producers who have a significant track record at the Canadian box office but with projects not eligible to the CFFF for purposes of a Performance Envelope. Other respondents recommended that Telefilm Canada consider Corporate Envelopes for experienced producers without a recent track record of Canadian box office success, based on a business plan.

**Telefilm Canada Response:**

The Corporate Envelopes proposed by Telefilm were meant to encourage Canadian producers with significant experience and success at the Canadian box office with foreign or non-CFFF films to produce Canadian films for Canadian distribution. In light of the negative reaction to the proposed Corporate Envelopes, Telefilm Canada will not introduce them at this time.

**ELIGIBLE ACTIVITIES**

**1. Non-Canadian costs**

***a) Non-Canadian script editors or consultants***

Reaction to the proposed eligibility of certain non-Canadian costs was mixed. In the case of non-Canadian script editors or consultants, responses were divided between writers and producers.

**Telefilm Canada Response:**

Telefilm Canada is committed to improving the overall quality of scripts it receives for production financing. As part of its overall strategy, the attachment of non-Canadian and Canadian story editors or consultants is intended to provide writers and producers with the possibility to work with some of the most experienced and successful professionals in the world. Telefilm Canada will maintain this flexibility and evaluate its usefulness over the coming year.

***b) International Treaty Co-productions and non-Canadian writers***

Some respondents stated that they would like to see reciprocity built into the proposed flexibility.

**Telefilm Canada Response:**

Telefilm Canada will maintain the proposed policy and work with our foreign counterparts for similar flexibility within their policies.

## ELIGIBLE APPLICANTS

### **1. Requirement to attach market elements**

There was no consensus in response to this proposed policy. While some respondents approved of the requirement to attach market elements at the Packaging Stage, recognizing its potential benefit to projects in development to succeed commercially, others were opposed because of the power that they felt would accrue to distributors as a result.

#### **Telefilm Canada Response:**

Telefilm Canada wishes to encourage greater collaboration between sectors of the Canadian feature film industry in the creation of commercially successful projects. At the same time, Telefilm Canada is aware of the need for a balanced approach in its development of policies so that they do not unfairly advantage or disadvantage different sectors of the industry. Telefilm Canada therefore consulted extensively with industry associations prior to introducing the proposed policy and the guidelines contain safeguards against potential abuses. For example, professional theatrical marketing experts may be hired to meet eligibility requirements. Furthermore, distributors are encouraged to work with producers at this Stage on either a 'fee for service' basis or for a right of first negotiation. Telefilm Canada will maintain this proposed policy.

### **2. Eligibility of broadcaster-affiliated and large companies**

At least one respondent was opposed to the proposed eligibility of broadcaster-affiliated and large companies to limited support through the CFFF development program.

#### **Telefilm Canada Response:**

Development is a significant cost for all companies regardless of size. Telefilm Canada wishes to encourage the development of Canadian feature films in all sectors of the Canadian film industry. Eligibility has therefore been extended to broadcaster-affiliated and large companies. However, the level of support is limited in recognition of these companies' greater capacity to manage risk. Furthermore, these large companies are not able to take producers fees and corporate overhead from the development budget.

## FINANCING

### **1. Conversion of Development advances to production equity investments**

There was some confusion about the proposal to allow development advances to convert to equity investments for projects produced with Telefilm Canada financing.

#### **Telefilm Canada Response:**

Telefilm Canada will clarify these terms in the final policy.

## **OTHER**

### **1. Turn-around times on applications for Greenlight advances**

There was some confusion about how to access a Greenlight advance.

#### **Telefilm Canada Response:**

Telefilm Canada will clarify eligibility in the final policy.

### **2. Evaluation Criteria**

Some respondents felt that the proposed evaluation criteria are too vague.

#### **Telefilm Canada Response:**

Telefilm Canada evaluation criteria remain unchanged from prior years. Telefilm Canada will provide further information on its criteria for evaluation in Frequently Asked Questions that accompany the guidelines on Telefilm Canada's website.