Coalition of Canadian Audio-visual Unions

CCAU Backgrounder

Canadian Television Fund and its impact on Canadian drama

What is the Canadian Television Fund (CTF)?

The CTF provides about $260 million annually to support indigenous 10-point programming, employing the talent of Canadian screenwriters, directors and lead performers. It supports a wide range of genres including: drama, comedy, documentaries, children's, music, performing arts and variety programming. The CTF is funded by the federal government, which contributes about $100 million annually, Telefilm Canada, which contributes $60 million, with the balance from regulated contributions from cable companies and direct-to-home satellite service providers.

CTF funding is often the essential first step in the complex financing system for Canadian television programming. Typically, CTF financing provides between 20–30% of the total production budget for Canadian dramas written, directed and performed by Canadians. This money "triggers" other funding sources including broadcaster license fees and distributor investments. CTF funding provides direct equity investment through the Equity Investment Program (EIP) and/or tops up broadcast licence fees through the Licence Fee Program (LFP)

The CTF and drama

The CTF provides a significant share of the financing for English-language drama. The latest figure available for 2004 puts this share on average at 37.5% of the production budget. In 2005, the fund contributed $99.2 million to 36 English-language drama productions, while in 2004; it provided $85.9 million to 37 projects.

Canadian broadcasters reap significant benefits from the CTF. They use it to subsidize programming to fulfill their eight-hour priority programming requirements. They are also permitted to count CTF licence fee top-ups as company expenditures for CRTC purposes (a "double-dipping" practice which should be disallowed because it even further reduces broadcasters contributions to Canadian content.

With 10 one-hour dramas funded by the CTF this year, is the crisis over?

Some observers have suggested that the 2005 CTF drama decision to fund ten Canadian one-hour series signals the end of the drama crisis. However, the fact is that the CTF is a fixed source of money with little change from year to year.

Funding decisions are made based on the projects broadcasters put forward for approval, and the ratio between the number of one-hour series, half-hour series or or movies of the week (MOWs) will fluctuate accordingly.

The chart below, compiled from CTF data, shows that while there was a shift to ten one-hour series in 2005, up from six in 2004, there are far fewer MOWs – with only five this year compared with thirteen last year. Similarly, there are only four mini-series in 2005 while there were six in 2004.

	1-hour series	MOWs/pilots	Mini-series
2005	10	5	4
2004	6	13	6

This analysis also suggests that the networks' interest in one-hour dramatic series is directly linked to their upcoming license renewals. As license renewals approach, broadcasters may well be doing more one-hour drama series in order to avoid CRTC regulations to support this type of programming. For now, they wish to appear committed to Canadian drama, despite their lacklustre record over the past several years.

But this does not mean they will continue to support drama series once their new conditions of license are in place. Writers Guild of Canada statistics demonstrate that as broadcasters' licence terms run out, they contract fewer new projects for development.   While there were 64 new television movie projects developed in 2000, by 2004 there were only 48.   These numbers show that broadcasters are proceeding with the production of projects developed in the past, while developing fewer original projects for future use.

This shows that the 2005 CTF drama decisions do not necessarily signal resurgence in broadcaster commitment to indigenous drama. Since they are developing fewer Canadian dramas for future use, they seem to be producing only what they need to fulfill their current CRTC conditions of licence in anticipation of the upcoming licence renewals – when they will likely face a new set of regulated terms.

For more details, see the CCAU Report *The Need for a Regulatory Safety Net*, June 14, 2005