



Executive Summary

Entertainment One (eOne) is pleased to share its priorities and recommendations for the 2018 federal budget of the Government of Canada.

eOne is the global entertainment leader in independent content ownership and distribution for film, television, music, family and digital content headquartered right here in Canada. We know that the cultural industries are a vital component of Canada's economy.

The key recommendation to the Standing Committee on Finance is to ensure government policy promotes export of Canadian cultural products by supporting independent Canadian production and distribution companies. eOne has welcomed the recognition of the need to strengthen export from the Minister of Heritage over the past year through the Canadian Content in a Digital World consultation process, and looks forward to helping shape the framework to achieve these ambitious and important objectives.

About Entertainment One

Headquartered in Toronto, with offices in Vancouver, Montreal, and around the world, we are Canada's largest independent studio and leading producer and exporter of English- and French-language film, television, music and digital content. Currently, within Canada eOne employs over 800 full time employees. Globally we have delivered over 500 hours of television programming and distributed roughly 200 theatrical releases this past year.

eOne tells Canada's story every day. Seen, heard and experienced in every part of the country, eOne tells Canada's story at home and abroad, in every platform available to consumers. At eOne we believe there is more of Canada's story to share with the world.

The industry

According to the Canadian Media Producers Association's Economic Report, in 2015-16, the screen sector value chain in Canada generated \$20.1B in GDP for the country's economy¹. Statistics Canada cites film, television and video production revenues in Canada as reaching \$4.85B in 2015, with profit margins more than doubling since two years prior.² In Ontario alone, 2016 was the best year ever for film and television production, with \$1.7B contributed to the provincial economy and over 35,000 jobs.³ The ancillary economic benefits in the value chain including in the construction and renovation industries through the amount of soundstage space constructed, as well as through tourism spurred by film and television productions, is

¹ <http://www.cmpa.ca/sites/default/files/documents/industry-information/profile/Profile%202016%20-%20EN.pdf>

² <http://www5.statcan.gc.ca/cansim/a26?lang=eng&id=3610038&p2=33>

³

http://www.omdc.on.ca/collaboration/research_and_industry_information/industry_profiles/Film_TV_Industry_Profile.htm#footnote-a



impactful.⁴ The industry is poised for incremental growth that will continue to provide good paying jobs and attract the best and brightest of our youth and future generations that will ensure Canadian stories will continue to be told to global audiences.

The strength of the industry is augmented by government support from all levels of government, whether it be municipal accommodations for filming on sites, provincial tax credits for productions, or federal legislation that ensures sustained Canadian content on television, in films, and on the airwaves – recognizing the economic impact of this important sector across the country.

One overlooked area of the value chain is in the international distribution space. It is important that the revenues generated by assets created by Canadians is brought back to Canada and reinvested in the domestic industry. The film and television sector plays an important role not only economically but culturally; as such, it's crucial that government support mechanisms and regulations are sustained in partnership with private industry investment, to allow the industry to continue to grow and maximize its contribution to Canada's overall economic growth. Given the continued void in policy in this space, eOne has joined together with other export focused companies and has formed the Canadian Association of Content Exporters (CACE) to advocate for a stronger content export environment for Canadian-based exporters that will benefit all participants who create and produce content.

Overview of challenges

A strong Canadian industry is required to ensure Canadian stories are seen and heard for many years to come, and that a strong Canadian content ecosystem flourishes from creative origination to deficit financing and, ultimately, to worldwide exploitation.

As more foreign players continue to work within our borders, eOne believes it is more important than ever to institute ways for Canadian sales companies to remain healthy and continue to play a vital role in our industry as exporters of Canadian cultural products.

Proposals

Through its membership in industry organizations CAFDE (Canadian Association of Film Distributors and Exporters) and CACE, respectively, eOne puts forth the necessity of government policy that supports Canadian distribution companies in order for the Canadian film and television industry to continue in its growth and be competitive in a crowded international marketplace.

CACE members have submitted a number of proposals to strengthen the Canadian television industry in this new digital era, including the proposed creation of a distribution advance top-up fund, as well as a Canadian Film and Video Production tax credit bonus program. Both of these proposals are expanded upon in CACE's pre-budget submission as well as the organization's

⁴ <http://www.nordicity.com/media/2013724dgfjbufnd.pdf>



recent discussion paper, *Taking Canada to the World: Toward a National Export Strategy for Canadian Television and Digital Media Content*.

CAFDE has separately submitting a number of proposals regarding the Canadian film distribution sector; in particular, the group is looking to secure a formalized Canadian distribution policy that nurtures independent Canadian companies and strengthens reinvestment in our economy. CAFDE proposes that the Canadian Government introduces a policy which would resemble, in many ways, the 1988 Distribution Policy, but modernized to take into account the changing circumstances in a new digital era.

As members of the above organizations, we support these proposals and firmly believe that the value of content created in Canada should stay in the hands of Canadian companies to reinvest in the ecosystem.

Conclusion

Entertainment One looks forward to the Government of Canada's support and implementation of the recommendations outlined in this pre-budget submission. We would welcome the opportunity to participate in any consultations or opportunities to move these issues forward and ensure the continued strength of the industry and of Canadian content.