

Supporting the independent film and television production industry as it recovers from the COVID-19 pandemic

Submitted by:

Canadian Media Producers Association (CMPA)

The Canadian Media Producers Association (CMPA) is Canada's leading trade association for independent producers engaged in the development, production and distribution of English-language television programs, feature films and digital media. The CMPA works on behalf of its 500 members across Canada to promote and stimulate the Canadian independent production industry.

251 Laurier Avenue West, 11th Floor
Ottawa, Ontario, K1P 5J6
+1.800.656.7440
ottawa@cmpa.ca

1 Toronto Street, Suite 702
Toronto, Ontario, M5C 2V6
+1.800.267.8208
toronto@cmpa.ca

600-736 Granville Street
Vancouver, British Columbia V6Z 1G3
+1.866.390.7639
vancouver@cmpa.ca

www.cmpa.ca

About Independent Producers

Independent producers are risk-taking entrepreneurs who start with a spark – an idea, a concept, or a story – and work with creative talent and broadcasting and distribution partners to build it into a full-form story to be told on the screen. Independent producers tell stories that represent all Canadians and reflect the diverse and varied voices that make up this great country.

There is a strong cultural and economic value to telling these stories. Prior to the COVID-19 pandemic, production volume in Canada for 2018/19 reached an all-time high of \$9.3 billion, resulting in 180,900 full-time equivalent (FTE) jobs, while contributing \$12.8 billion to the national GDP.

The COVID-19 pandemic has had a devastating impact on the country's film and television production sector. Projections based on historical data from the CMPA's economic report, *Profile*¹, show that a production shutdown beginning in mid-March has put as much as \$2.5 billion in production volume – made up of both domestic and foreign location production – at risk. The shutdown has also resulted in a loss of tens of thousands of jobs across the country.

As Canada's production industry faces unprecedented upheaval caused by COVID-19, 2018/19 numbers are a great reminder of the robust sector that we have built in this country. It also serves as a strong motivator for those across the industry to pull together so we can hit the ground running once this storm passes.

Currently, there are a number of obstacles that are preventing production from fully resuming across the country. In this context, the CMPA is pleased to offer the following recommendations to the House of Commons Standing Committee on Finance as part of its 2021 Pre-Budget Consultations.

Summary of Recommendations

Recommendation 1: Government support for the creation of a \$50 million emergency temporary fund that will indemnify independent Canadian producers across the country for costs of COVID-related interruptions. This fund would provide producers with affordable coverage for COVID-19 losses, ensure stability in the screen sector and enable the industry to get back to work.

Recommendation 2: Interim government support to offset the expanded health and safety protocols that can add up to 15% in additional costs to production budgets.

Recommendation 3: The pending budget must reflect the federal government's commitment to augment Telefilm Canada's annual parliamentary appropriation by \$50 million which was affirmed within the Liberal Party of Canada's 2019 election platform.

Recommendation 4: Government support for organizations and communities working to elevate underrepresented voices in the screen-based industry, including immediate and direct annual funding allocation for the Indigenous Screen Office (ISO) to support development, production and training for Indigenous screen content creation.

¹ [Profile 2019](#). (Canadian Media Producers Association)

Returning to Production

As the economy reopens, many Canadian independent producers are unable to return to production because of a lack of pandemic insurance coverage available on the commercial market. Canadian productions are at risk of being abandoned without an urgent and ongoing solution, and Canadian production companies may not survive ongoing delays in their ability to go back to work.

Insurance companies that service the Canadian independent production sector will not provide coverage for COVID-19 related insurance claims, yet lenders and completion bonders, broadcasters and government agencies such as Telefilm and the Canada Media Fund, have identified the lack of insurance coverage for COVID-19 events as a significant concern which may hamper producer's ability to close financing and get their productions off the ground.

Without Canadian domestic production, close to 63,000 FTE direct and indirect jobs may not return to the economy². The domestic film and television sector represents \$3.5 billion in labour income and contributes \$4.4 billion to GDP. Canadian broadcasters may seek relief from their conditions of their licence that require them to commission and broadcast Canadian stories. This is an urgent global problem and other countries, such as the UK, France and Australia, have responded to support their domestic producers with government backed insurance schemes.

The CMPA has asked the federal government to create an emergency temporary fund of at least \$50 million that will indemnify independent Canadian producers across the country for costs of COVID-related interruptions. Such a fund, similar to the ones in the UK and France, would provide producers with affordable coverage for COVID-19 losses, ensure stability in the screen sector and enable the industry to get back to work.

Recommendation 1: Government support for the creation of a \$50 million emergency temporary fund that will indemnify independent Canadian producers across the country for costs of COVID-related interruptions. This fund would provide producers with affordable coverage for COVID-19 losses, ensure stability in the screen sector and enable the industry to get back to work.

In addition to the concern noted above with regard to access to affordable COVID-19 insurance options, as producers look to resume live-action production, new production strategies and practices, including additional health and safety protocols, will need to be implemented for all stages and types of productions. It is estimated that expanded health and safety protocols would add 5% to 15% in additional costs to production budgets.

It is very difficult to identify new sources of financing or revenue to address these unbudgeted costs for productions that are already financed, or partially financed, as deals are predicated on a proposed financing model that predates COVID-19. As such, Canadian film and television producers are seeking interim relief options for these costs in order for physical production to resume. Relief to assist in offsetting these exceptional costs for fixed project budgets could come in the form of a fund, similar to the program announced in July 2020 by the Société de développement des entreprises culturelles (SODEC) for Quebec productions, or an extension of the Canadian Film or Video Production Tax Credit (CPTC) to include these as eligible costs.

Recommendation 2: Interim government support to offset the expanded health and safety protocols that can add up to 15% in additional costs to production budgets.

² [Profile 2019](#). (Canadian Media Producers Association)

Support for Feature Film

Our feature film industry has long been considered a cultural hub of Canadian creative expression for its ability to reflect our country's regional, linguistic and cultural diversity on screen. Furthermore, this sector is responsible for an average of \$330 million in national production volume and the creation of over 7,100 FTE jobs per year.

Unfortunately, Canada has seen persistent volatility in its feature film production sector while Telefilm has seen a steady decrease in its spending power. Though Telefilm is an essential support to Canada's creative community, its parliamentary appropriation has not kept pace with the rate of inflation. Its current "power to spend" is the same as it was in 2002/03, thus its capacity to support the industry has decreased considerably.

As we head into a defining decade marked by heightened global demand for media content, there are numerous challenges currently facing Canadian feature films. Most crucially, it is difficult to finance high-quality Canadian productions, the sector struggles to retain top creative talent, and Canadian feature films are at risk of being left behind in the era of online digital video streaming.

Recognizing the important contributions Canadian feature films make to the cultural and economic fabric of the country, the CMPA and the Association québécoise de la production médiatique (AQPM), along with 32 other cultural industry organizations, submitted a formal proposal to the Minister of Canadian Heritage and Multiculturalism in August 2018 which called upon Government to implement a long-term funding strategy that better reflects the realities of the feature film environment and increases the global cultural reach of Canada's filmmakers. It remains our collective view that a revitalized support system at home combined with bold new initiatives are necessary for the industry to make strides and attain forward momentum in the current globalized media landscape.

An increase to Telefilm's parliamentary appropriation of \$50 million per year will achieve these aims by:

- Better positioning Telefilm to effectively carry out its expanding mandate in development, production and marketing/promotion across all platforms;
- Supporting a new generation of Canadian filmmakers –one that is inclusive of women and BIPOC and diverse communities; and,
- Strengthening Telefilm's role with respect to the production of official co-productions, exports and branding Canada abroad.

Of important note, the Liberal party included the following commitment in their election platform last year: "continue to support Canadian film by increasing annual funding for Telefilm Canada by nearly 50 per cent a year."³

Recommendation 3: The pending budget reflects the federal government's commitment to augment Telefilm Canada's annual parliamentary appropriation by \$50 million which was affirmed within the Liberal Party of Canada's 2019 election platform.

³ [Forward: A Real Plan for the Middle Class](#) (Liberal Party of Canada)

Elevating Underrepresented Voices

The CMPA is supportive of efforts to combat systemic barriers and anti-racism in the screen-based media industry and the promotion of voices and stories from those who have been underserved and underrepresented in the sector. Advancement will require government resources for organizations and communities undertaking work on these important initiatives.

At this time, the CMPA specifically supports the Indigenous Screen Office (ISO) call for immediate, direct annual funding allocation to support the building of an Indigenous screen sector in Canada, through the mechanism of the ISO Story Fund – supporting development, production and training for Indigenous screen content creation.

The ISO is a national advocacy and funding organization serving Indigenous (First Nations, Inuit and Metis) creators of screen content, including film, television, web, gaming and emerging technologies.

Recommendation 4: Government support for organizations and communities working to elevate underrepresented voices in the screen-based industry, including immediate and direct annual funding allocation for the Indigenous Screen Office to support development, production and training for Indigenous screen content creation.

Conclusion

In addition to the recommendations above, it is essential that the industry maintain stable financial support from the federal funding agencies such as the Canada Media Fund (CMF), the CPTC and the Film or Video Production Services Tax Credit (PSTC).

The CMPA and its members are eager to work with the government to develop the policies and programs that will allow the independent production sector to properly recover and thrive – so we can create good middle-class jobs, promote Canadian culture at home and abroad and produce great content.