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# **From Script to Screen**

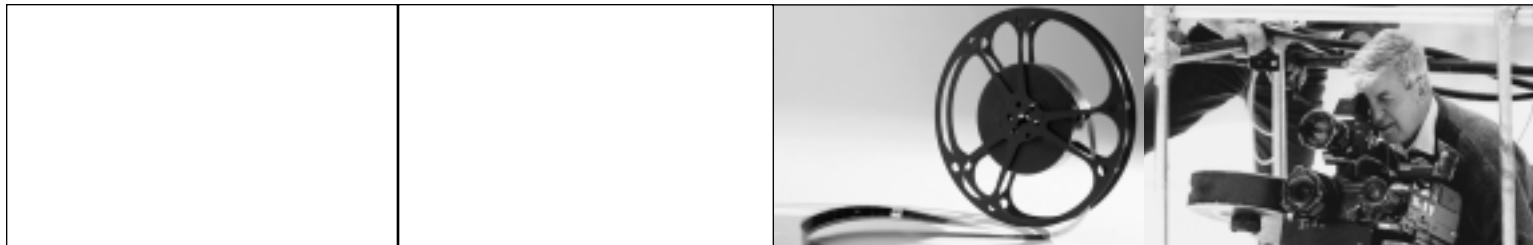
## **New Policy Directions for Canadian Feature Film**

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## **FROM SCRIPT TO SCREEN:**

### **New Policy Directions for Canadian Feature Film**

#### **Foreword**

The Government of Canada is pleased to launch the new Canadian Feature Film Policy. The policy signals a major shift in the federal government's support of Canadian feature films — from building an industry to building audiences.

More than two years of dialogue with industry representatives, film experts and the public have helped set the stage for a new public policy approach to supporting Canadian feature films. Four clear objectives emerged from the process:

- to develop and retain talented creators;
- to foster the quality and diversity of Canadian feature films;
- to build larger audiences at home and abroad for Canadian feature films; and
- to preserve and disseminate our collection of Canadian feature films for audiences today and tomorrow.

The new Canadian Feature Film Policy addresses each of these goals by refocusing the public investment in Canada's feature film industry using a comprehensive script to screen approach to funding. It establishes the Canada Feature Film Fund to provide assistance for screenwriting, production, marketing and other promotional activities. It also introduces a new way of supporting the industry by taking a performance-based approach to funding Canadian producers and distributors.

The policy does not stop here. It allocates additional resources for professional development for creators and invests in preserving Canadian films and making them accessible to Canadians today and in the future.

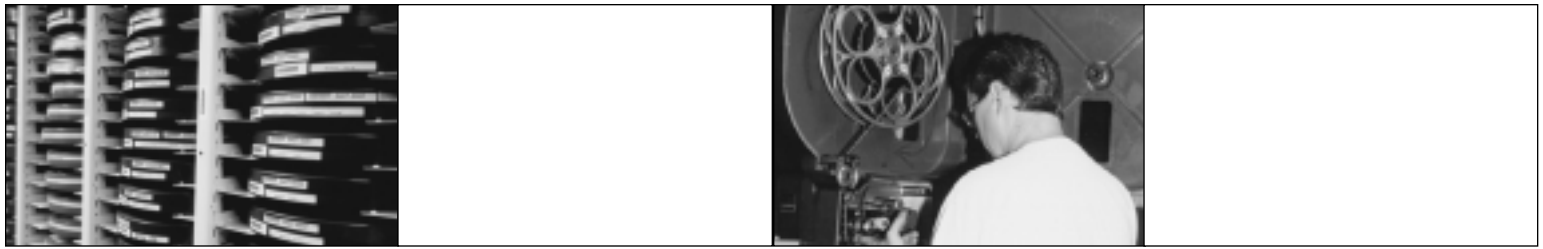
By restructuring support mechanisms and refocusing public investment in domestic distribution, the new Canadian Feature Film Policy will ensure greater transparency and accountability in the funding process.

The new policy has some ambitious goals to meet. It aims to capture 5% of the domestic box office in five years and to increase audiences for Canadian feature films abroad.



Achieving success will require teamwork and vision. Special partnerships, including a permanent advisory group, will also help ensure that Canadian feature films reach larger audiences. The new Canadian Feature Film Policy will offer an effective tool for connecting Canadians to one another and to the world through a kaleidoscope of Canadian experiences.

The Government of Canada will invest \$15 million in 2000-01 and \$50 million annually beginning in April 2001, to implement the new policy. This will approximately double the government's total annual investment in Canadian feature films — bringing a greater diversity of Canadian voices to cinemas in every corner of the country and other parts of the globe.



## Film Matters

Film is a powerful and enduring medium that influences the way we see the world by offering compelling pictures of faces, places and experiences that we might not otherwise encounter. Film matters because it provides a window on history and a mirror of society, allowing us to reflect on the past and assess the present. Through film, we can step into the future to experience what life might be like in forty, one hundred or one thousand years from now. Film entertains. It can also educate and enlighten. Filmmakers challenge our preconceived notions and draw us into the unbounded realm of imagination.

Film is a hub of cultural expression where print, music and image come together. Books find new audiences in movie adaptations and film success can draw new readers to particular novels or authors. Newspaper and magazine reviews and reports introduce readers to new films, new actors and new directors. The themes and scores that set the scene, create the mood and emphasise dramatic movie moments offer a vital outlet for talented musicians and composers. And soon after moving images fade from the big screen, video stores and broadcasters provide yet more opportunities for film to reach huge, new audiences.

In the earliest hours of a new millennium, we are on the verge of a major transformation in the way stories are created and how they will be delivered. Digital production and cinemas are already part of the landscape, and distribution over interactive digital networks will soon be a reality. While the digital revolution will have a profound impact, it will not replace the unique experience of seeing movies projected on the big screen. Film will still matter.

In every form of cultural expression, governments have a vital role to play in creating a supportive policy and program environment and in fostering partnerships with creators and entrepreneurs. Filmmaking is an expensive and risky form of storytelling. No matter how promising the script, how famous the cast or how large the budget, there is no assurance of success. The problem is compounded by the ever-growing dominance of Hollywood – the world's largest exporter of filmed entertainment and a global magnet for writers, actors and directors. Governments can play a role to reduce the risk and enhance the opportunities for success. Around the world, many countries have been reviewing and modernising their support for feature film to build stronger, more competitive domestic feature film industries.



## Film in Canada

More than three decades ago, the federal government set out to build a feature film industry in Canada. The creation of the Canadian Film Development Corporation, now Telefilm Canada, was the first in a series of efforts that would encourage production and build private sector capacity for feature filmmaking in Canada.

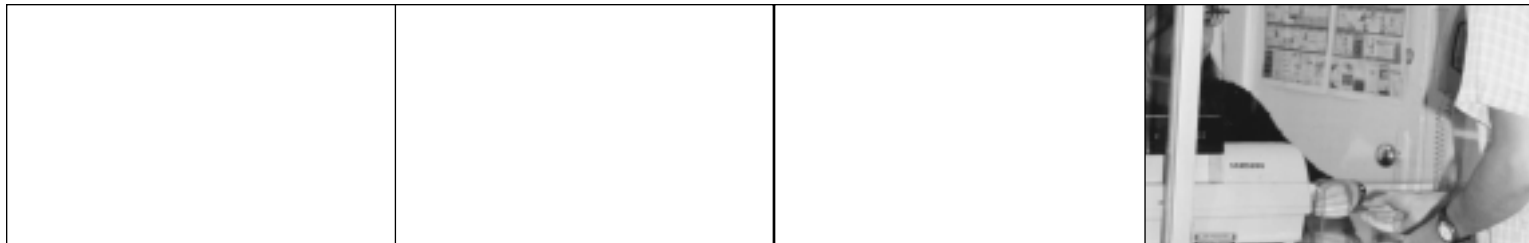
Since that time, there have been breakthroughs and setbacks. Overall, these efforts have succeeded and a foundation has been laid. Across Canada there is a community of talented directors, writers and actors, as well as dynamic production and distribution companies. Talented newcomers, many of them graduates of first-rate training institutions, join that community every year. Film festivals and innovative distribution networks have sprung up across the country. Canadian films such as *Le déclin de l'empire américain*, *I've Heard the Mermaids Singing*, *Margaret's Museum*, *Waydowntown*, *The Sweet Hereafter* and *The Red Violin* have achieved critical and artistic success. In recent years, the French language market has flourished with a series of breakout commercial hits including *La vie après l'amour*, *Les Boys*, *C't'à ton tour*, *Laura Cadieux* and *Miracle à Memphis*.

Partnerships have also played an important role in nurturing Canada's feature film industry. Provincial and municipal governments have joined the effort to stimulate growth in the industry. The public and private sectors have also found new and innovative ways to work together to achieve results.

However, while increasing numbers of Canadians are watching more movies on more screens, Canadian films are earning a meager share of the domestic market – only \$13.8 million or 2.1 percent in 1999. This is the lowest at-home performance of any comparable country and a clear call for a fresh and decisive public policy approach.

With a view to addressing this issue, the federal government launched a thorough review of the feature film sector in 1998. A discussion paper was released to the public to initiate debate and solicit submissions. A Feature Film Advisory Committee was also created to assist the government in its examination of the issues facing the feature film industry. Numerous individuals, associations and businesses were consulted. Round-table discussions with close to 100 film experts were also held across the country.

The consultation process reaffirmed both the strong foundation that has been built and the roadblocks to success. At only \$2.5 million, average production budgets are too small to sustain the more expensive genres of story telling. For example, such a budget would not even support a simple round of re-shooting. Average marketing budgets are also inadequate in the face of the well-financed and heavily-promoted competition from Hollywood. In our segmented industry, there is not enough script to screen continuity to involve marketing perspectives in the early stages of project development.



The review process suggested one defined policy objective. Now that the Canadian industry has come of age and the building blocks of a vibrant industry are in place, it is time to focus on securing a larger share of our own market. The new Canadian Feature Film Policy therefore concentrates on filling cinemas with enthusiastic audiences for Canadian feature films.

This single goal can lead to profound change. Success at the cinema will drive success in the video store and on the television screen. Success will attract private sector investment, leveraging every dollar of public support further. A Canadian star system will truly flourish as more Canadian directors and actors establish a track record and a presence in the hearts and minds of their audiences. With improving odds and stronger bottom lines, success will allow producers to nurture and develop new talent and take bigger creative risks.

The challenge is clear. Having built an industry, it is now time to build audiences. The consultations revealed that no single intervention and no amount of public sector investment could singlehandedly put Canadian film on the path to greater success. In response, the government is launching a comprehensive policy that covers and integrates the full range of activities – creation, production, distribution, exhibition and preservation. The new Canadian Feature Film policy aims to create the conditions for success by supporting filmmaking from script to screen.

## **A Script to Screen Approach**

The new policy sets out four clear objectives to guide the design and implementation of policies and programs that will create these winning conditions:

- to develop and retain talented creators by investing in screenwriting and professional development for filmmakers;
- to foster the quality and diversity of Canadian film by restructuring support programs to reward ongoing performance and by encouraging an increase in average production budgets;
- to build larger audiences at home and abroad through more effective support for marketing and promoting Canadian films; and
- to preserve and disseminate our collection of Canadian films for audiences today and tomorrow.



The Government's target goal is to capture 5% of the domestic box office in five years and to increase audiences for Canadian feature films abroad. To meet this goal, the new Canadian Feature Film Policy aims to:

- improve the quality of Canadian feature films by fostering an increase in average production budgets to at least \$5 million; and
- encourage more comprehensive national and international marketing strategies by promoting an increase in average marketing budgets to at least \$500,000.

The main instrument for achieving these goals will be Telefilm Canada, which will be given additional resources through the new Canada Feature Film Fund, as well as the external advice required for the task. In support of the new policy, the federal government will double its total investment in feature film, adding an additional \$50 million per year, starting in the 2001-02 fiscal year. It will also establish a permanent advisory group on feature film issues, with a primary mandate to advise Telefilm Canada on how best to achieve the new policy goals while remaining flexible to changing conditions, responsive to film creators and entrepreneurs and accountable to Parliament.

Telefilm Canada will immediately begin intensive consultations and implementation planning with the target of having the new approach in place before April 2001. It will provide the Minister of Canadian Heritage with detailed recommendations on the membership and mandate of the new permanent advisory group.

The Department of Canadian Heritage will also strengthen its partnerships with exhibitors, video retailers and Canadian broadcasters, both private and public. The Department will continue to encourage ongoing dialogue with the Canadian film community on issues related to implementation of the new policy direction.

## **The new Canadian Feature Film Policy at work**

### **Develop and retain talented creators by investing in screenwriting and professional development for filmmakers**

Canada's screenwriters and filmmakers play a crucial role in connecting Canadians to one another and to the world. The new Canadian Feature Film Policy therefore aims to ensure that today's aspiring creators and quiet achievers become tomorrow's celebrated film personalities. A key element is stepped up support for the front-end phases of filmmaking such as professional development, screenwriting and project development.

Since the fall of 1999, Telefilm Canada has provided significant financial assistance to national film training centres. The policy deepens the government's investment in a new generation of Canadian storytellers by establishing the Screenwriting Assistance Program. The program is dedicated to developing a pool of creative, talented and experienced screenwriters and a bank of promising Canadian



screenplays. In conjunction with the other elements of the policy, the program provides a continuum of vital support from script to screen. The aim is to foster excellence and innovation in Canadian creators by giving them the time, money and tools to develop their stories for exhibition on the big screen.

The new Canadian Feature Film Policy also earmarks funding for professional development for filmmakers. These new funds support regionally and culturally diverse early-career filmmakers through film cooperatives that offer them greater opportunities to upgrade and refine their skills. Special funding through the new Independent Filmmakers Assistance Program will also help ensure that independent directors, often in the first stages of their careers, receive the support they require to complete low-budget feature film projects. In addition to fostering excellence and innovation in new filmmakers, this funding will ensure that Canada's cultural diversity, linguistic duality and shared values are reflected in film.

The new Canadian Feature Film Policy also provides stable support to filmmakers through the Canadian Independent Film and Video Fund, a non-profit private sector organisation. This investment will allow the group to continue its work in offering filmmakers opportunities to gain experience by working on non-theatrical productions.

**Foster the quality and diversity of Canadian film by restructuring support programs to reward ongoing performance and by encouraging an increase in average production budgets**

Fostering quality and diversity among Canadian filmmakers requires a commitment to their ideas, their vision and their ability to tell Canadian stories as varied as our landscape. It is an investment the federal government has been making for more than three decades. In making the shift from building an industry to building audiences, the federal government will continue to encourage the creativity and diversity that have been the hallmarks of Canadian cinema, while at the same time, provide the industry with the tools to attract audiences. The federal government is therefore restructuring its production and distribution assistance programs so that Canadians can benefit from a diverse and accessible range of Canadian choices at local theatres.

The Project Development, Production and Marketing Assistance Program aims to help producers develop their projects more fully and increase average production budgets. It also aims to allow distributors to increase their marketing budgets. The traditional funding formula, which provides two-thirds of program funding to English-language projects and one-third to French-language productions, remains in place. Resources will be allocated to both producers and distributors mainly through two distinct components:

- **Performance-based component:** This new initiative will reward the producers' and distributors' performance in reaching Canadian audiences. A funding envelope will be determined based on a formula of annual allocation to eligible producers and distributors that relies primarily on ongoing success at the box office, yet also recognises the degree of Canadian content in the film and critical acclaim achieved.



- **Selective component:** This component is designed to give priority to new players who do not necessarily have a track record in the industry, but are submitting promising projects. It will provide funding to produce and distribute innovative projects and culturally-relevant Canadian feature films on a qualitative, project-by-project basis.

### **Build larger audiences at home and abroad through more effective support for marketing and promoting Canadian films**

Film distributors play a key role in building audiences through partnering with producers. This is an important partnership that must be maintained and reinforced. The new Canadian Feature Film Policy therefore ensures that both producers and distributors have a stake in the success of feature film projects through performance-based funding. The greater diversity and quality of Canadian films expected to result from the new Canadian Feature Film Policy will also help ensure that Canadian distributors are in a much stronger position to market films with greater market potential. In support of this key role, financial assistance to distributors will be predominantly for marketing and promotional activities.

Another policy initiative is the increased support for promoting Canadian feature films. The Complementary Activities Program will provide funds for:

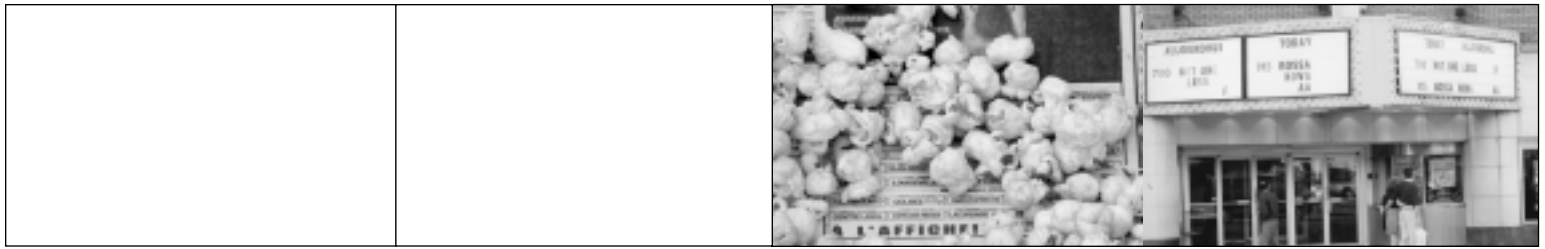
- Canadian film festivals,
- participation in foreign film festivals and trade shows,
- Canadian film awards ceremonies, and
- alternative distribution networks.

These efforts will ensure that Canadian films reach more Canadians in every corner of the country and help raise the national and international profile of Canadian films with moviegoers, critics and the media.

### **Preserve and disseminate our collection of Canadian films for audiences today and tomorrow**

Film is a powerful means of providing snapshots of moments, places and faces in Canadian history. By preserving our film heritage, we value and strengthen the Canadian experience for generations to come. The federal government is therefore taking steps to ensure the continued protection and long-term accessibility of the growing wealth of Canadian feature films.

Partners in the private and public sectors play a role in the collective effort to preserve and disseminate our feature film heritage. Key players include our nation's cinémathèques, the National Film Board and the National Archives of Canada whose state-of-the-art storage facility in Gatineau, Quebec safeguards many of Canada's film treasures.



The new Canadian Feature Film Policy provides funding aimed at restoring, preserving and disseminating our collection of feature films through the following initiatives:

- Telefilm Canada will require that the cost of preservation copies be included in production budgets;
- The Department of Canadian Heritage will establish a program aimed at restoring and preserving copies of existing Canadian feature films, particularly those at risk; and
- The program will also provide funding to projects that will offer Canadians increased opportunities to access Canadian feature films that are no longer in commercial distribution.

## Safeguarding our investment

The federal government is committed to increasing transparency and accountability in all publicly-funded Canadian feature film projects. The new performance-based funding mechanism aims to build greater transparency and accountability into the funding process. Ongoing work to streamline and simplify the tax certification process and the development of an enhanced management control framework are now guiding the government in steps to restore confidence in the funding process.

Thirty years of public policy and government funding have been instrumental in promoting a significant pool of Canadian productions and viable Canadian distribution companies. By renewing that commitment and enhancing the management controls of funding systems, the federal government is continuing to build Canada's capacity to bring compelling Canadian stories to the big screen.

## The road ahead

Canada's creators provide a window on the Canadian experience through books, magazines, film, video, music, multimedia and the creative arts. Homegrown choices reflect the diversity of Canada's cultures and languages. They also allow Canadians to tell their stories in communities from every corner of the country — from Italy Cross, Nova Scotia to Amos, Quebec and from Yorkton, Saskatchewan to Rock River, Yukon. They help Canadians share those same stories with audiences around the world. The Government of Canada is therefore committed to continuing to nurture and support our storytellers. This new policy does so by reaffirming Canada's commitment to feature film.

The government's investment in Canadian feature film is more than just the vote of confidence that it clearly represents. It is a partnership among government, entrepreneurs and storytellers. The policy will create the environment which will allow filmmakers to reach for new goals and Canadians to journey as far as their imaginations can take them.



## FROM SCRIPT TO SCREEN: Policy Resource Allocation

| Current & New Resources Allocation<br>(\$millions) |                      |                    |                             |
|----------------------------------------------------|----------------------|--------------------|-----------------------------|
|                                                    | Current<br>Resources | Transition<br>Year | Future<br>Years             |
|                                                    |                      | 2000-2001          | 2001-2002<br>and<br>Ongoing |
| <b>Current Resources</b>                           | <b>\$50.00</b>       | <b>\$50.00</b>     | <b>\$50.00</b>              |
| <b>New Resources</b>                               |                      | <b>\$15.00</b>     | <b>\$50.00</b>              |
| <b>Total Policy Resources</b>                      | <b>\$50.00</b>       | <b>\$65.00</b>     | <b>\$100.00</b>             |

| Professional Development                                                           |                |                |                 |
|------------------------------------------------------------------------------------|----------------|----------------|-----------------|
| Film and Video Production Co-operatives                                            | \$1.90         | \$2.90         | \$2.90          |
| Non-Theatrical Production — Canadian Independent Film and Video Fund               | -              | \$1.80         | \$1.80          |
| Independent Filmmakers Assistance Program — Telefilm Canada                        | -              | \$1.80         | \$1.80          |
| Canada Feature Film Fund                                                           |                |                |                 |
| Screenwriting Assistance Program — Telefilm Canada                                 | -              | \$0.45         | \$2.30          |
| Project Development, Production and Marketing Assistance Program — Telefilm Canada | \$45.00        | \$53.50        | \$85.00         |
| Complementary Activities Program — Telefilm Canada                                 | \$3.10         | \$3.30         | \$4.95          |
| Preservation                                                                       |                |                |                 |
| National Archives of Canada                                                        | -              | \$0.60         | \$0.60          |
| AV Preservation Trust                                                              | -              | \$0.15         | \$0.15          |
| <b>Total Resources</b> (including administration costs)                            | <b>\$50.00</b> | <b>\$64.50</b> | <b>\$99.50</b>  |
| Policy Monitoring and Administration (Canadian Heritage)                           | -              | \$0.50         | \$0.50          |
| <b>Total Policy Resources</b>                                                      |                | <b>\$65.00</b> | <b>\$100.00</b> |