

GETTING REAL

An Economic Profile of the
Canadian Documentary Production Industry

Volume 4

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DOCUMENTARISTES
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The Documentary Organization of Canada / l'Association des documentaristes du Canada (DOC) is the collective voice of independent documentary filmmakers across Canada. It is a member driven organization dedicated to promoting, supporting and developing the art form of documentary filmmaking. As a national non-profit association it advocates on behalf of its members to foster an environment conducive to documentary production and strives to strengthen the sector within the broader film production industry.

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Executive Summary

Introduction

Getting Real presents an updated snapshot of Canada's documentary production industry. Since the publication of the last edition, in 2007, the Canadian documentary production industry has confronted many challenges. In the years covered by this report (2006-2009), there has been increased market consolidation—Canwest purchased the Alliance Atlantis channels, CTV and Rogers acquired and split up the CHUM conventional assets ("A channel", and City-TV and OMNI respectively), and CTVglobemedia separated from BCE. Documentary financing has changed—the Canadian Independent Film and Video Fund was terminated, and cross-service licences became more common. Reality and lifestyle programming evolved to use more documentary conventions. Major broadcasters shifted their licence fees and their documentary-acquisition strategies to include this kind of factual programming. In late 2008, the world faced a financial crisis that caused a recession in many countries, including Canada. As a result, the broadcasting sector's advertising revenues dropped significantly, with ensuing layoffs and other cuts.

These circumstances took a significant toll on the documentary production industry: production declined to its lowest level in six years: \$413 million. This decrease has caused a simultaneous drop in direct and indirect employment in the industry: full-time equivalent jobs are at their lowest level in seven years at 13,400.

Canadians can't get enough documentaries!

During this time, there have also been some positive developments in the industry. Canadian audiences are flocking to see documentaries in theatres, at festivals, through digital media distribution, through semi-theatrical initiatives, and on French television.

The cumulative box-office grosses and wider distribution agreements for recently released documentary films demonstrate that Canadian documentaries are attracting larger and wider audiences more quickly.

- Released in October 2008, *Up the Yangtze* stayed in theatres for 27 weeks, across 23 theatres. Its cumulative worldwide box office gross is just over \$1 million USD.¹

One cause of this may be the buzz created by the Canadian documentary film-festival scene, attendance at which has risen every year. In 2010, for example, attendance figures at Hot Docs in Toronto reached 136,000. And when it isn't festival season, festivals and citizen groups are screening documentaries in urban areas and touring across rural areas.

- In 2009, Cinema Politica's Canadian locals held 327 screenings with an approximate total attendance of 35,683.

Now that the major theatrical cinema companies have converted many of their screens to digital, the potential for cheaper and wider distribution opportunities is growing. Cineplex, AMC, and Empire are in the process of converting larger shares of their screens to digital. More documentaries can be distributed more widely and without the extra costs of creating 35-mm prints and shipping them around the country.

Documentary film and television programming has also adapted very well to the digital-media market. Content is available on mobile applications, cable video on demand (VOD), online-video portals, broadcaster websites, and iTunes. Through curation, promotion, and syndication, Canadian documentaries are performing admirably in the face of a flood of foreign content. In 2009-10, almost

¹ Box Office Mojo, *Up the Yangtze* (2008). Online, <http://www.boxofficemojo.com/movies/?id=uptheyangtze.htm>

three million documentary videos were viewed on broadcaster websites, and just over three million were viewed on the NFB screening room. And despite their small share of the iTunes Store catalogue, Canadian documentary films are consistently among the top-200 downloaded videos.

According to the NFB's audience multiplier, in the non-theatrical (NT) educational market, documentaries are viewed millions of times over the span of seven years.

Rise of International Investment and Internet Critical Acclaim

Foreign investment in documentaries is at its highest level in 10 years: \$47 million. Canadian documentaries are in demand globally, while domestic market financiers are not supporting them as heavily. They are competing in the global market on traditional screens (film and television) and digital media. And online Canadian documentary projects are winning web-content awards every year.

Success in the French Market

Although the television market is becoming increasingly unfriendly to documentary production, some stories of success can be found in this medium, especially for French-Canadian productions. French television documentary production has grown by 3% in the last 5 years – and French-Canadian viewership of Canadian documentaries is rising: the average weekly number of hours viewed went up by 13%.

Declining Documentary Production

These accomplishments and new opportunities should not overshadow the recent declines in almost every sector of documentary production. The most severe drops in production are felt in television, because of decreasing licence fees. However, because a large proportion of documentary financing and funding structure depends on broadcaster licence fees, the impact of shrinking licence fees has reverberated across the entire documentary production industry, from feature-length production to the funding of cross-platform digital content.

Since 2006-07, production volumes have decreased:

- English television has decreased by 15%
- independent and affiliate production have dropped by 13%
- and feature-length productions has declined by 21%

Based on funding trends, fewer and fewer cross-platform and digital-media documentary productions were funded over the last three years, indicating that production in that market is also dropping.

Nationwide, the total number of television hours, projects, and production volume of the three major television formats for documentaries, namely one-offs, mini-series and series has decreased, even for documentary series that offer many economic efficiencies.

- total hours decreased by 13%
- total projects dropped by 20%
- and total volume declined by 14%

Overall production outside of Ontario has dropped, namely in Atlantic Canada, Quebec, and Western Canada and the Territories. While documentary production in all regions has declined by a minimum of 11%, Ontario production has grown by 17%. This indicates a greater centralization of documentary production in Toronto and Ontario.

Documentary production has to do more with less every year. Since 2004-05, its share of total hours has increased to 20%, but its share of total volume has decreased to 15%. The documentary production industry continues to produce a large portion of hours, but with less access to funding and financing.

Point of view (POV) production has been declining over the last five years and is becoming increasingly threatened. The number of single-episode projects, which include POV documentaries, is at its lowest level in five years, going from 352 projects to 233. The production volume of single-episode projects has also dropped to its lowest level in five years: \$91 million.

Broadcasters are not supporting POV documentaries: they have stopped commissioning them, or have limited their exhibition windows. In 2009-10, many one-off strands were closed or put on hiatus, including *The Lens*, *Wild Docs*, and *Global Currents*. Broadcaster licence fees for single-episode projects have also dropped to their lowest level in five years. In both English and French, the number of POV documentaries funded by the Canadian Television Fund (CTF) has dropped to its lowest level in four years.

Hours of Production

Total hours produced have declined over the past five years: from 1916 to 1586 hours. As broadcasters have become more vertically and horizontally integrated, new programming strategies, such as cross-service licensing agreements, have been implemented.

Documentary Viewership

Along with declining production levels, and a decreasing number of projects and hours, total average-hour viewership has also declined. The losses are localized to English specialty services and English private conventional stations, which have become increasingly consolidated. Although broadcasters are reporting more documentary hours, the mechanics of programming logs often cause the inclusion of non-documentary content in the scheduling data, which compromises the accuracy of the data.

Unlike other genres, Canadians prefer to watch Canadian documentaries: the majority of documentaries viewed in both English and French markets were Canadian: 50% of all English and 80% of all French documentaries were Canadian.

Financing and Funding: Decreased Broadcaster Licence Fees Create Instability

Underlying all of the recent declines in production is a single cause: the reduction of broadcaster licence fees. The funding and financing environment of documentaries is entirely tied to these fees. They contribute to financing in the form of capital, but they also trigger other public funds for television, feature-length, and cross-platform digital-media content. As licence fees have decreased, public funding and production volumes have mirrored that decline. Broadcaster licence fees and television public funding have dropped to their lowest level in five years.

- Total licence fees have fallen to 114 million, their lowest in 5 years.
- Since 2004-05, public funding (not including CTF) has dropped from 27 million to 18.1 million

Cross-platform documentary funds have contributed significantly less to documentary projects in the last three years. CTF has been increasing its contributions, but the recent rebranding (now the Canada Media Fund) and shift in mandate may exacerbate the funding problems facing documentaries.

Currently, every documentary market suffers from a crisis in financing: there is no large-scale funding for web-only documentary projects, and there is very little funding for completion or post-production funding for feature-length projects. The majority of feature-length projects intended for theatres have funding and financing tied to broadcaster licence fees. Although the NFB does not fund independent documentary production, its co-productions increased feature-film production volume.

Non-Theatrical Educational (NT) Market Challenges

Documentary film and video are an integral part of the non-theatrical educational market. Educational distributors licence re-versioned documentary content to various clients, including schools, libraries, government departments, universities, and others allowing producers to capitalize on the revenue

opportunities in this market.

Because of the limited research conducted on the non-theatrical educational market, its developments and challenges are almost completely overlooked by the government and other stakeholders. According to the sample we collected, current sales of Canadian documentaries to Canadian and international markets are declining. Since 2007-08, there has been little funding for the creation of NT documentary content. Without funding, the demand for Canadian documentaries in the NT market will remain untapped.

Alternative Distribution and New Digital Opportunities

Documentary filmmakers have shown great ingenuity in adopting new technologies and exploiting new platforms. Yet the digital distribution of documentaries remains dependent on television broadcasters. A negotiated terms of trade agreement remains elusive and the issue of ancillary rights is a thorny one between producers and broadcasters. Broadcasters pay very modest sums for digital rights when they provide television licence fees, but then don't necessarily exploit the properties. The exploitation of the digital-media sphere is untapped because of this restrictive ownership.

Broadcaster online-video portals are becoming popular places to watch video. The capital to make this more accessible to Canadians requires substantial public investment: the NFB or government contributions. Broadcasters and government-funded portals have the promotion, curation, and brand recognition to compete in a digital age. At present, there are few funds and opportunities to help producers promote, distribute, and curate their productions online.

These are some of the conditions, and ensuing conclusions, that prevailed in the Canadian documentary industry over the course of this report. While broadcasters shifted their programming away from documentary in favour of factual programming, the financing landscape became less stable and more tethered than ever to broadcasting licences. So, in spite of opportunities afforded by cross-platform production and digital distribution, documentary production contracted significantly. And this is regardless of audiences' appetite for the genre, and in spite of the genre's success in theatres and at festivals. The recession of 2008 further exacerbated the contraction and, at the time of publishing this edition of *Getting Real*, nothing, sadly, leads us to believe that documentary production has regained the vigour it enjoyed at the beginning of the millenium.



Lisa Fitzgibbons
Executive Director

1. Introduction

Getting Real creates a pictorial slice of the documentary sector by analyzing current statistics and providing a wealth of information on the financing, production, and viewing of documentaries in Canada. Focusing on television, feature-length/theatrical, non-theatrical educational, and online distribution, this report traces the developments in funding and policy that affect production. By analyzing documentary production by format, language, and region, the report presents a longitudinal overview of the developments in and growth of the industry. Supplemented by case studies and appendices contextualizing the economic information, Getting Real situates Canadian documentary production within the larger Canadian film industry, while framing it within a regional and provincial outlook.

This edition profiles the documentary filmmaking sector from 2006-07 to 2008-2009. By highlighting various policy developments, tracking funding restructuring, and investigating the changes ushered in by new media, Getting Real aims to monitor the trends, challenges, and opportunities affecting the industry.

This fourth edition expands on previous editions by adding new content and analysis, in light of changes in the industry, including:

- A refined methodology, to separate non-documentary content from Canadian Audio-Visual Certification Office (CAVCO) statistics. This methodology reduces the volume, but we perceive this to be a more accurate picture of production.
- Histograms contextualizing average budgets and broadcaster licence fees for 2008-09.
- A documentary-television audience-demographic profile for 2008-09.
- A broadcaster revenue-opportunities subsection that demonstrates how documentaries generate profits for broadcasters.
- An expanded funding subsection detailing the Telefilm Theatrical Documentary Fund and Ontario Media Development Corporation (OMDC) Film Fund results.
- A semi-theatrical and citizen-screening sub-section that examines alternative theatrical initiatives in Canada.
- A non-theatrical educational section that provides comprehensive revenue figures and audience statistics on this overlooked market.
- An expanded funding and financing subsection for cross-platform documentary projects and original web-based documentary content.
- More quantitative data on the availability and consumption of documentary content via alternative platforms.

Getting Real is the only publication focused solely on measuring documentary production in Canada. Although the Canadian Film and Television Producer's Association's *Profile* provides annual production values and audience-share statistics about documentaries, the documentary genre is blended in with other genres, and is not the publication's focus. *Getting Real* has thus become the go-to industry publication for detailed information on the documentary sector in Canada.

We invite you to explore our findings in greater detail and see for yourself the great challenges and opportunities the Canadian documentary production industry is facing – and meeting.

2. Methodology

In preparing this report, the Documentary Organization of Canada (DOC) borrowed several methodologies and concepts from the Canadian Film and Television Production Association's (CFTPA's) annual economic profile of the Canadian film and television production industry and its periodic research reports on the industry.

2.1 Volume of Production Estimates

Our estimates of the total annual volume of Canadian long-form documentary production comprise Canadian Audio-Visual Certification Office (CAVCO)-certified production, production certified by the Canadian Radio-television and Telecommunications Commission (CRTC-certified production), broadcaster in-house production, and National Film Board (NFB) in-house production.

Getting Real's topline documentary data differs from CFTPA's *Profile 2010* for the following reasons:

- The CAVCO data used in *Profile 2010* was gathered in October 2010, whereas the *Getting Real* CAVCO data was collected in July 2010. When CAVCO compiles data for a given broadcasting year, there may be data missing due to application lag. In order to account for the missing data from applications, Nordicity inflates the data by 10% across all genres. The variances between the data in *Profile 2010* and *Getting Real* would suggest that the inflation of the data was too high for the documentary genre.
- As more applications are completed, historical data also become more complete, and consequently, CAVCO data varies year by year.
- The topline data of *Profile 2010* only includes independent and broadcaster affiliate production, whereas *Getting Real* accounts for inhouse production and NFB production as well.

2.1.1 CAVCO-Certified Production

CAVCO publishes statistics for the annual volume (total budgets, number of projects, hours of production) for the documentary genre.

Documentary-genre statistics published by the CAVCO and included in the CFTPA's annual economic profile include both long-form documentary² production and factual documentary programming. Nordicity and DOC filtered out factual documentary programming from CAVCO's database of all documentary projects, so that we could highlight estimates and other long-form documentary measurements.

The filtering process used the following process (see Figure 2.1):

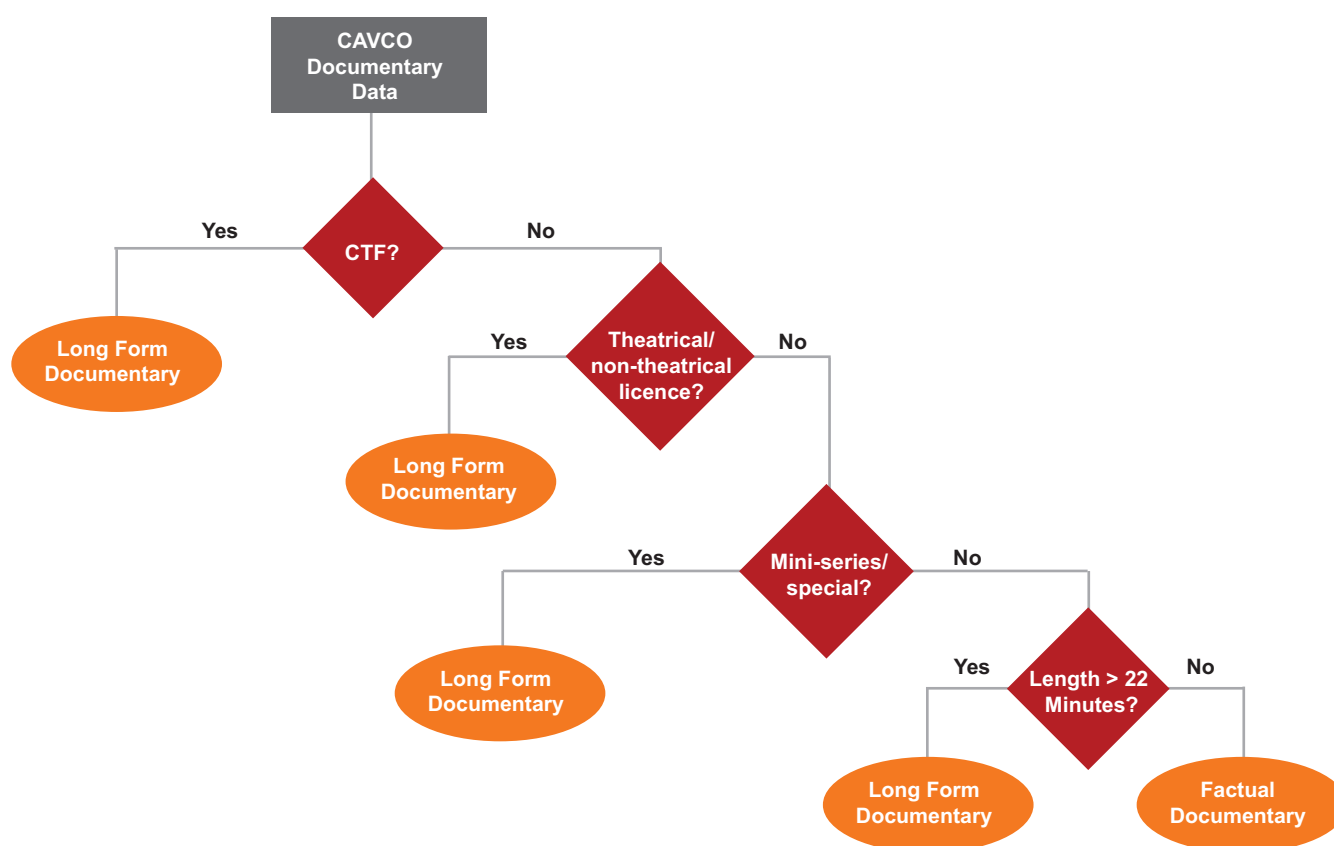
1. We filtered all Canadian Television Fund (CTF) -supported projects in the CAVCO documentary genre into the long-form documentary sub-genre. This decision was based on the assumption that documentary projects that have CTF support are more likely to be long-form documentaries, although CTF also funds many factual documentary projects.³
2. We filtered all non-CTF projects with a theatrical or non-theatrical licence in their first or second exhibition window into the long-form documentary sub-genre. We did this because factual programming only has a television window licence, so any projects with a theatrical or non-theatrical licence are likely to be in the long-form documentary sub-genre.

2 The Canadian Radio-television and Telecommunications Commission (CRTC) defines a "long-form documentary" as an original work of non-fiction, primarily designed to inform and/or provide an in-depth critical analysis of a specific subject or point of view over the course of at least 30 minutes (less reasonable time for commercials, if any). These programs cannot be used as commercial vehicles.

3 Because of the limited amount of title-specific data publicly available from CTF or CAVCO, we cannot accurately filter out CTF-funded projects that are factual documentary projects.

3. We filtered all mini-series and specials into the long-form documentary sub-genre. Most factual programs are television series, and thus any mini-series or specials in the documentary genre are likely to be long-form documentaries.
4. We filtered all projects with episode lengths greater than 22 minutes into the long-form documentary sub-genre. Projects with episode lengths of 22 minutes or less were placed into the factual documentary sub-genre. We did this because television series in the factual documentary sub-genre are more likely to consist of half-hour episodes with running times of 22 minutes (to allow for commercials), whereas television series from the long-form documentary sub-genre are more likely to consist of episodes with running lengths exceeding 22 minutes.
5. We filtered the balance of projects into the factual documentary sub-genre and removed them from the database prior to generating the estimates of volume of production in the long-form documentary sub-genre.

Figure 2.1 Long-Form Documentary Filtering Process



2.1.2 CRTC-Certified Production

The estimates of CRTC-certified production are calculated as a percentage of CAVCO-certified television production (see Table 2.1). This rate is based on industry research and an analysis of production titles that was conducted by the Department of Canadian Heritage in 2009. The rate includes all genres, not just documentary or long-form documentary sub-genres.

Table 2.1 Percentage Factor Used to Estimate CRTC-Certified Production Volume

Year	CRTC-Certified production percentage rate
1998-99	17.1
1999-00	17.2
2000-01	17.3
2001-02	17.3
2002-03	17.9
2003-04	19.0
2004-05	17.0
2005-06	19.0
2006-07	18.1
2007-08	16.5
2008-09	17.1

Source: Department of Canadian Heritage analysis: broadcaster in-house production.

In-House Production

Broadcaster in-house production estimates comprise in-house production at private conventional broadcasters, CBC/SRC, and specialty television services.

We did not use a filtering process to filter out factual documentary programming from documentary programming in the in-house segment. However, in-house production data are likely to be less affected than CAVCO data were by the co-mingling of factual documentary and long-form documentary programming.

Because of the nature of the statistics published by CRTC, we could not accurately determine the annual volume of long-form documentary in-house production at private conventional broadcasters, CBC/SRC, and specialty television services.

As well, detailed data on expenditures by private conventional broadcasters and CBC/SRC on the in-house production of long-form documentary programming are not available. Data are available, however, from the CRTC for expenditures by broadcasters in the Other Information programming category. This category includes CRTC program Categories 2 through 5 (Analysis and Interpretation, Long-Form Documentary, Reporting and Actualities, Religion, Formal Education & Pre-school, and Informal Education – Recreation & Leisure).

Getting Real 4 uses the same methodologies for the calculation of in-house production as the previous edition. Our methodologies assume that approximately 50% of in-house spending in the Other Information category can be attributed to long-form documentary production. For specialty television broadcasters that exhibit long-form documentary programming, we use attribution rates that reflect each specialty service's overall programming composition. These rates vary by specialty service.

We have no empirical basis for either the 50% rate or the variable rates applied to specialty television services' total in-house production levels. In this regard, the methodology may be considered somewhat crude. However, the methodology does recognize that the correct portion is neither 100% of Other Information category expenditures nor 0%, but rather lies somewhere in between.

In 2011, we expect the CRTC to begin publishing separate programming expenditures for long-form documentaries (Category 2b). Until they do, however, we have developed various ways to estimate the portion of program expenditures in each of the three in-house broadcasting segments that we think can reasonably be attributed to long-form documentary production.

Private conventional broadcasters: to estimate in-house long-form documentary production by private conventional broadcasters, we use data for expenditures classified under the Other Information category. Because this category includes programming other than documentaries, we assume that 50% of production in this category is attributable to the long-form documentary sub-genre.

CBC/SRC: CBC produces approximately 40 hours per year of long-form documentary programming (1998-99, and 2007-08). We assumed that 20 of these hours are attributable to CBC News Network and 20 to the broadcaster's conventional television service. To arrive at a production-volume estimate, the number of hours was then multiplied by the average hourly budgets for English-language long-form documentary production. A similar method was used to estimate in-house long-form documentary spending by SRC and RDI. For these networks, a total annual level of 20 hours of original long-form documentary production was used, as well as the average budget for French-language long-form documentary production. The estimate should be unaffected by factual documentary programming.

To estimate in-house long-form documentary production for 2008-09, we used data for CBC/SRC's programming expenditures under the Other Information category and reported in Conventional Television: Statistical and Financial Summaries 2005-2009⁴. Because this category includes programming other than documentaries, we assume that 50% of production in the Other Information category is attributable to the long-form documentary sub-genre.

Specialty television: The estimate of specialty in-house production includes some of the in-house production at CBC News Network (16% of total in-house production), RDI (16%), Discovery Canada (90%), and Documentary (90%). The figures for total in-house production were obtained from CRTC.⁵

2.1.3 National Film Board In-house Production

Statistics for NFB in-house long-form documentary production come directly from NFB. They exclude the value of NFB's co-production with independent producers; this figure is already included within the estimates of CAVCO-certified and CRTC-certified production.

2.1.4 Non-theatrical Educational (NT) Production

NT production includes productions for which the primary release window is an educational or public institution, or an exhibition channel other than television, theatrical cinema, or home video. We look at a few types of non-theatrical production.

Non-theatrical long-form documentary production that has been certified by CAVCO or CRTC is included in our statistics, as is non-theatrical long-form documentary production produced in-house by NFB. Any non-theatrical long-form documentary production not certified by CAVCO or CRTC or produced by NFB is excluded. For example, long-form documentaries produced with the support of the Canada Council for the Arts may be excluded if it did not receive certification from CAVCO or CRTC, or if it was co-produced by NFB.

2.2 Average-Budget and Licence-Fee Estimates

To provide consistency across projects of different program lengths, all average-budget and licence-fee statistics are expressed on a per-hour basis. Thus, a half-hour documentary with a budget of \$300,000 and broadcaster licence fee of \$100,000 is shown as a project with a budget of \$600,000 per hour and a broadcaster licence fee of \$200,000 per hour.

4 Canadian Radio-television and Telecommunications Commission, Individual Pay Television, Pay-Per-View, Video-On-Demand and Specialty Services: Statistical and Financial Summaries, 2005-2009, 2010. <http://www.crtc.gc.ca/eng/publications/reports/BrAnalysis/psp2009/individual/ipsp2009.pdf>. Accessed September 13, 2010.

5 Canadian Radio-television and Telecommunications Commission, Conventional Television: Statistical and Financial Summaries 2005-2009, 2010. <http://www.crtc.gc.ca/eng/publications/reports/BrAnalysis/tv2009/tv2009.pdf>. Accessed September 13, 2010.

2.3 Employment estimates

A high proportion of part-time workers are employed in this industry. Many of these workers may also hold part-time jobs in other industries or be self-employed. The production process is characterized by short projects ranging from one or two weeks in duration to six months. Some roles may provide employment throughout the year; most are temporary.

Film and television production comprises a broad range of occupations, from entry-level to highly skilled workers. Artists, writers, technicians, editors, graphic designers, and accountants are all involved in the production process.

We estimate employment in long-form documentary production in terms of full-time equivalent workers (FTEs) and not the actual number of employees, so that we can better capture the employment profile of the industry. The number of FTEs thus represents the number of persons that could be employed on a full-time basis throughout the year at the average wage. The nature of the production process and the prevalence of self-employed freelance workers employed on a part-time basis make the FTE unit a more useful indicator of employment. Measuring the size of the workforce in terms of number of employees unnecessarily inflates the employment impact of the industry, since many of these workers may only be employed for a portion of the year.

Documentary filmmakers and producers in other genres also typically operate on a self-employed basis. Because of this reality, Statistics Canada's conventional measures of employment may not capture documentary filmmakers. The FTE measure avoids the risk of employment under-reporting by relating the employment level directly to production expenditures.

2.3.1 Direct-Jobs Multiplier

We calculated the number of direct jobs by estimating the share of total production volume that is paid as salary and wages, and then dividing this number by an estimate of the average salary of an FTE in the long-form documentary production industry.⁶

We multiplied total production volume by 50% to estimate the portion of production budgets paid as salary and wages to production personnel. This assumption is based on data provided by CAVCO on the average portion of production budgets that include Canadian labour expenditures. CAVCO data does not include any labour costs incurred during development, because it is not eligible for tax credit calculations. Many point-of-view (POV) documentaries in particular are labour-heavy in that period (for research, treatment writing, shooting demos, etc.), and those costs are not counted by CAVCO.

We developed the average FTE salary assumption (see Table 2.2) based on data from Statistics Canada's 2006 Census, which indicated that the average FTE salary in the Canadian film and television production industry was \$47,869 in 2005-06. In order to create a time series of average FTE salary rates, we made annual adjustments to the 2005-06 average FTE salary assumption based on wage-inflation data from Statistics Canada's Survey of Employment, Payroll and Hours. We used the annual change in the average wage of employees paid hourly to estimate the rate of wage inflation applicable to the film and television production industry.

To reflect the fact that average wages are lower in the long-form documentary sub-genre than the overall Canadian film and television production industry, we adjusted the average FTE salary downward by 25%. In other words, we assumed that average wages in the long-form documentary genre are equal to 75% of average FTE wages across the Canadian production industry. Thus, the average FTE salary for this sub-genre in 2008-09 was \$39,229.

⁶ Statistics Canada, Survey of Employment, Payroll and Hours, CANSIM Table 281-0030.

Table 2.2 Average FTE Salary Assumption

Year	Overall film and television production (\$)	Adjustment factor	Documentary genre (\$)
1998-99	41,762	75%	31,321
1999-00	42,430	75%	31,823
2000-01	43,576	75%	32,682
2001-02	44,316	75%	33,237
2002-03	45,203	75%	33,902
2003-04	45,474	75%	34,106
2004-05	46,793	75%	35,095
2005-06	47,869	75%	35,902
2006-07	48,922	75%	36,692
2007-08	50,488	75%	37,866
2008-09	52,305	75%	39,229

Source: Nordicity calculations based on data from Statistics Canada, Census 2006, and Statistics Canada, Survey of Employment, Payroll and Hours, CANSIM Table 281-0030.

2.3.2 Spin-off Jobs

The number of spin-off FTEs is equal to the sum of indirect and induced FTEs.

2.3.3 Indirect Jobs Multiplier

We used a multiplier of 1.17 to estimate the number of indirect jobs. That is, for every direct FTE created in long-form documentary production, 1.17 additional FTEs are created in other industries supplying goods and services to long-form documentary production.

We obtained this multiplier from Statistics Canada's 2004 multiplier tables. It is based on the ratio of indirect and direct jobs generated per \$1 million of output in the industry group, Motion Picture and Video Production, Distribution, Post-Production and Other Motion Picture and Video Industries, which is the closest industry grouping to film and TV production (and excludes exhibition), including long-form documentary production.

2.3.4 Induced Jobs Multiplier

We applied a multiplier of 0.17 to estimate the number of induced FTEs attributable to long-form documentary production. That is, for every direct and indirect FTE, an additional 0.17 FTE is created in other industries in the Canadian economy because of the re-spending of income by direct and indirect workers.

We developed the induced-jobs multiplier using the ratio of the total-GDP multiplier (1.84) and indirect-GDP multiplier (1.57) derived by the Conference Board of Canada and applied to its analysis of the economic impact of the Canadian cultural industries in *Valuing Culture: Measuring and Understanding Canada's Creative Economy (2008)*.⁷ We assumed that the GDP-to-FTE ratio for induced jobs is equal to that for indirect jobs.

2.4 Export Value Estimates

Export value tracks the value of international financial participation in the film and television production industry in Canada. Export value better reflects the nature of film and television production in Canada than does a focus on simply exports. It acknowledges that film and television productions are intangible

⁷ Conference Board of Canada, *Valuing Culture: Measuring and Understanding Canada's Creative Economy*, July 2008. Available at www.conferenceboard.ca/products/publications.aspx.

products and that portions of the copyright can be exported to other countries. It also accounts for the budgets of productions shot in Canada, even when the copyright is held by a foreign entity.

Export value includes foreign presales and distribution advances for all projects certified by CAVCO, estimates of presales and distribution advances for CRTC-certified productions, and the total value of foreign location and services (FLS) production in Canada. We excluded any measurement of export value attributable to FLS production.

2.5 The Economics of Leading Canadian Documentaries

2.5.1 Overview

Our programming-economics analysis is based on data collected from CTF, CRTC, and CAVCO. It also draws upon data and analysis found in the *Analysis of the Economics of Canadian Programming*⁸ prepared by Nordicity for the Canadian Film and Television Production Association (CFTPA), the Alliance of Canadian Cinema, Television and Radio Artists (ACTRA) and the Writers Guild of Canada (WGC) in September 2009. This report was also based on data from CRTC and CAVCO, as well as Canadian Media Research Inc. (CMRI), BBM-Nielsen and interviews with Canadian producers.

2.5.2 Audience Data and Levels

Original airing on conventional television: Our assumptions came from reviewing the audience data provided by CMRI/BBM-Nielsen for average audience levels to the original airing on conventional television. While many Canadian long-form documentaries will attract upwards of 400,000 viewers on conventional television, the audience data supplied by CMRI/BBM-Nielsen (Table 2.3) indicate that the average audiences for leading Canadian single-episode documentaries on conventional television range from 158,000 to 232,000. We thus model the economics of single-episode documentaries by using an average audience level of 193,000 (see Table 2.3).

Table 2.3 Audience Data and Number of Airings for Leading Canadian Single-Episode Documentaries, 2006-07 to 2008-09

Title (broadcaster)	Average minute audience (000s)	Number of airings (3-year period)
<i>Vimy Ridge: Heaven To Hell</i> (Global)	232	1
<i>Path To War</i> (Global)	213	1
<i>The Road To Passchendaele</i> (Global)	207	2
<i>Ship of Ice</i> (Global)	203	1
<i>The Black Watch: Massacre at Verrieres Ridge</i> (Global)	200	1
<i>Lilith on Top</i> (Global)	197	3
<i>Mob Stories</i> (4-part series) (Global)	193	1
<i>Targa Newfoundland</i> (Global)	162	1
<i>The Limelighters</i> (4-part series) (Global)	161	1
<i>Golf: The Ridiculous Obsession</i> (CTV)	158	1
Average	193	1

Source: Nordicity/CMRI analysis based on data from BBM-Nielsen and CRTC program logs.

Specialty television audience levels: The audience data provided by CMRI/BBM-Nielsen was used to develop assumptions for the average audiences for each specialty-television airing of an episode of Canadian programming. The leading Canadian documentary series achieve average audience levels

⁸ Nordicity Group Limited, *Analysis of the Economics of Canadian Programming*. September 2009. <http://www.nordicity.com/reports/App%20C%20Final%20Nordicity%20Report.pdf>. Accessed September 13, 2010.

of between 23,000 and 65,000 on specialty television (see Table 2.4). The average number of viewers across these ten documentary series was 32,000.

Table 2.4 Audience Data and Number of Airings for Leading Canadian Documentary Series, 2006-07 to 2008-09

Title (specialty service)	Average minute audience (000s)	Number of airings (3-year period)
<i>How Do They Do It</i> (Discovery)	65	465
<i>Sea Hunters IV</i> (History)	34	54
<i>Turning Points of History</i> (History)	33	519
<i>Masterminds</i> (History)	33	1,314
<i>Disasters of The Century</i> (History)	33	1,803
<i>Frontiers of Construction</i> (History)	28	543
<i>Flightpath</i> (History)	27	479
<i>Things That Move</i> (History)	25	753
<i>Timeline: Century of Conflict</i> (History)	23	132
<i>Great Train Stories</i> (History)	23	60
Average	32	612

Source: Nordicity/CMRI analysis based on data from BBM-Nielsen. The table only includes television programs with 50 or more airings between 2006/07 and 2008/09.

2.5.3 Number of Ad Spots

The calculation of ad revenue is based on ad rates (i.e., CPM [cost per thousand] rates) and the number of ad spots that broadcasters sell for a particular television program. We assume that the broadcaster sells 24x30-second advertising spots for a single-episode documentary or a documentary series of one hour in length. While media-buying agencies report that 100% inventory sell-out rates are common, we assume an inventory sell-out of 80%.

2.5.4 CPM Rates

Research conducted by Nordicity shows that a top-10 program on Canadian television can command a CPM rate of \$25 from advertisers.⁹ Nordicity's research also shows that a program that falls within the top 10 to 20 programs on Canadian television commands a CPM rate of at least \$20.¹⁰

Our research also shows that Canadian programming is subject to a cultural discount of 15% to 25% in relation to the CPM rate that a top-10 program would yield.¹¹ For example, statistics published by Telefilm Canada indicate that a 30-second spot for a hit Canadian program such as *Corner Gas*, which typically garners an average audience of 1.2 million for its original airing, was approximately \$21,620 in spring 2005.¹² This implies that a 30-second spot for *Corner Gas* sells for a CPM rate of \$18 ($\$21,620 \div [1,200,000 \div 1,000] = \18.02). On the basis of this research, we used a discounted CPM rate of \$16 (75% x \$20) for a single-episode long-form documentary program airing on conventional television during prime time.

9 Nordicity Group Ltd., Analysis of the Economics of Canadian Television Programming, prepared for CFTPA, ACTRA and WGC, September 2009, p. 6.

10 Ibid.

11 Ibid.

12 Telefilm Canada, Canadian Documentaries: Selected Economic Indicators, prepared for the Documentary Policy Advisory Group, April 2005, http://www.onf-nfb.gc.ca/eng/publications/en/pdf/telefilm_economic_en.pdf. Accessed August 2, 2009.

Specialty-television airings: Nordicity's research indicates that ad rates on specialty television services are approximately 50% of those on conventional television.¹³ We thus set the CPM rate for all specialty television airings at \$8, or 50% of the discounted rate of \$16 we applied to the original prime time airing of single-episode long-form documentary programming.

Average budgets: For the single-episode long-form documentary, we used the average budget for English-language single-episode programming – \$390,000 (see Figure 4.11). For the long-form documentary television series, we use the amount reported for English-language television series – \$275,000 (see Figure 4.10)

Broadcaster licence fees: Broadcast licence fees are calculated on the basis of the percentages of total budget (see Figure 4.13). We use the rates for the English-language market (single-episode long-form documentary (30%) and long-form documentary series (36%).

Conventional television non-programming expenses: Our analysis includes estimates of non-programming expenses (e.g., administrative, technical, and marketing expenses) associated with the airing of Canadian programming on conventional television.

Our estimate of the conventional broadcasters' non-programming expenses associated with the exhibition of a single hour of television programming is based on the average per-hour non-programming expenses for the network operations of CTVglobemedia Inc. (CTVglobemedia) and Canwest Media Inc (Canwest). We estimated the total revenues and non-programming expenses in the English-language market by subtracting financial statistics for Quebec from that of all of Canada (Table 2.5). Non-programming expenses accounted for 30% of total revenues in the English-language private conventional television market in 2008.

Table 2.5 Calculation of Non-Programming Expenses (As a Percentage of Total Revenues) in the English-Language Private Conventional Television Market, 2008

Non-Programming Expenses Breakdown	Total Canada (\$)	Quebec (\$)	Estimate of English-language television market (Total Canada, excluding Quebec) (\$)	Percentage of revenues
Total revenues	2,138,346,606	462,224,514	1,676,122,092	100.0%
Non-programming expenses				
Technical	76,603,231	17,463,223	59,140,008	3.5%
Sales and promotion	223,007,077	57,378,955	165,628,122	9.9%
Administrative and general	288,194,264	68,849,530	219,344,734	13.1%
Depreciation of capital expenses	77,138,680	18,698,576	58,440,104	3.5%
Total non-programming expenses	664,943,294	162,390,288	502,552,968	30.0%

Source: Nordicity calculations based on data from CRTC.

As outlined in Table 2.6, we used the rate of 30% to estimate the hourly non-programming expenses at CTVglobemedia and Canwest. Dividing our estimate of each broadcaster's non-programming expenses by the annual number of national network hours (5,746) gives us a proportional pro-rata estimate of the per-hour non-programming expenses at each broadcaster (CTVglobemedia, \$44,771; Canwest, \$31,830). For our modelling, we used the average of \$38,301 across the two broadcasters.

¹³ Nordicity Group Ltd., p. 7.

Table 2.6 Calculation of Average Per-Hour Non-programming Expenses for Private Conventional Television Broadcasters, 2008 Estimates

	CTVglobemedia	Canwest
Total revenues (\$)	858,000,000	610,000,000
Non-programming expenses as a percentage of revenues	30	30
Estimate of non-programming expenses (\$) [A × B]	257,254,796	182,896,766
Annual number of hours [note 1]	5,746	5,746
Estimated non-programming expenses per hour (\$) [C ÷ D]	44,771	31,830
Average (\$)	38,301	

Source: Nordicity analysis based on data from CRTC.

Note: With an 18-hour broadcast day, each national broadcaster and its local affiliates must program a total of 126 hours per week of programming on a national basis. We deducted 15.5 hours per week to account for the production of local programming at local affiliates. This leaves a total of 110.5 hours of national network programming per week, or 5,746 hours per year (52 × 110.5).

2.5.5 Specialty Television Revenues and Costs

Our analysis also includes the revenues and costs associated with the airing of Canadian programming on specialty television services under the provisions of an original broadcasting licence. We arrive at an average per-hour subscription-revenue rate for the documentary genre by using the average across History Television, Documentary, and Discovery Canada. The average subscription revenue per hour for these three specialty television services is \$3,850 (see Table 2.7).

Table 2.7 Calculation of Average Per-Hour Specialty Television Service Subscription Revenues, 2008

	History Television	Documentary	Discovery Canada
Cable subscriber revenues (\$)	19,022,668	–	34,357,233
DTH subscriber revenues (\$)	6,704,764	–	11,359,361
Total subscriber revenue (\$)	25,727,432	4,343,631	45,716,594
Hours per year (18 x 365)	6,570	6,570	6,570
Subscription revenue per hour (\$)	3,916	675	6,958
Average subscription revenue per hour (\$)	3,850		

Source: Nordicity analysis based on data from CRTC.

Similarly, we calculate that the average level of non-programming expenses per hour for these three specialty television services is \$988 (see Table 2.8).

Table 2.8 Calculation of Average Per-Hour Specialty Television Service Non-Programming Expenses, 2008

	History television	Documentary	Discovery Canada
Technical expenses (\$)	1,244,881	1,185,487	979,264
Sales and promotion expenses (\$)	916,629	740,593	5,058,462
Administration and general expenses (\$)	5,325,788	597,751	3,280,866
Depreciation expense (\$)	331	0	146,381
Total non-programming expenses (\$)	7,487,629	2,523,831	9,464,973
Hours per year (18 x 365)	6,570	6,570	6,570
Non-programming expenses per hour (\$)	1,140	384	1,441
Average non-programming expenses per hour (\$)	988		

Source: Nordicity analysis based on data from CRTC.

2.5.6 Total Number of Airings and Repeats

Another key set of assumptions in our analysis is related to the number of times that a Canadian broadcasting group airs or repeats a program on its conventional or specialty television services. To establish our assumptions for the number of conventional and specialty airings for each type of program, we collect and examine the program-log data available at CRTC's file transfer protocol (FTP) site. We select one or two program titles and tabulate the actual number or average number of airings per unique episode.

Our analysis of the program-log data for History Television indicates that it is not uncommon for the broadcaster to air one-off documentaries 7 to 17 times over the span of several years. In our model we use an assumption of 13 airings. The program-log data for History Television also indicate that for the long-running documentary series, *Turning Points of History*, the specialty television service aired each episode 25 to 70 times. For our modelling, we use a conservative assumption of 30 airings per episode.

3. The Canadian Documentary Industry: Economic Impact

Despite the growth of specialty channels in Canada and the growing popularity of documentary film festivals, the Canadian documentary film and television production industry is facing many difficulties. This section looks at the industry's economic activity through its conventional windows (television and theatrical), production volumes, employment rate, and foreign investment.

3.1 Summary

Documentary production volume in Canada has dropped to its lowest level in six years – even lower than in 2003-04. Independent, affiliate, and NFB production volume have dropped for the last three years. At the same time, more documentary hours are being produced with fewer resources.

Employment in the documentary sector is also shrinking. In 2008-09, the sector shed 1,300 jobs and shrank by 11.4%, even as the full effect of the global recession had yet to be seen.

Foreign investment in Canadian documentaries, however, has increased to its highest level in ten years. As Canadian documentary funding and financing diminishes, the sector is having to find more opportunities abroad.

3.2 Impact of Documentary Production Volumes

3.2.1 Methodological Note

We developed a filter to accurately disaggregate long-form documentary from documentary factual programming (see Figure 2.1). *Getting Real's* topline documentary data differs from CFPTA's *Profile 2010* for the following reasons:

- The CAVCO data used in *Profile 2010* was gathered in October 2010, whereas the *Getting Real* CAVCO data was collected in July 2010. When CAVCO compiles data for a given broadcasting year, there may be data missing due to application lag. In order to account for the missing data from applications, Nordicity inflates the data by 10% across all genres. The variances between the data in *Profile 2010* and *Getting Real* would suggest that the inflation of the data was too high for the documentary genre.
- As more applications are completed, historical data also become more complete, and consequently, CAVCO data varies year by year.
- The topline data of *Profile 2010* only includes independent and broadcaster affiliate production, whereas *Getting Real* accounts for inhouse production and NFB production as well.

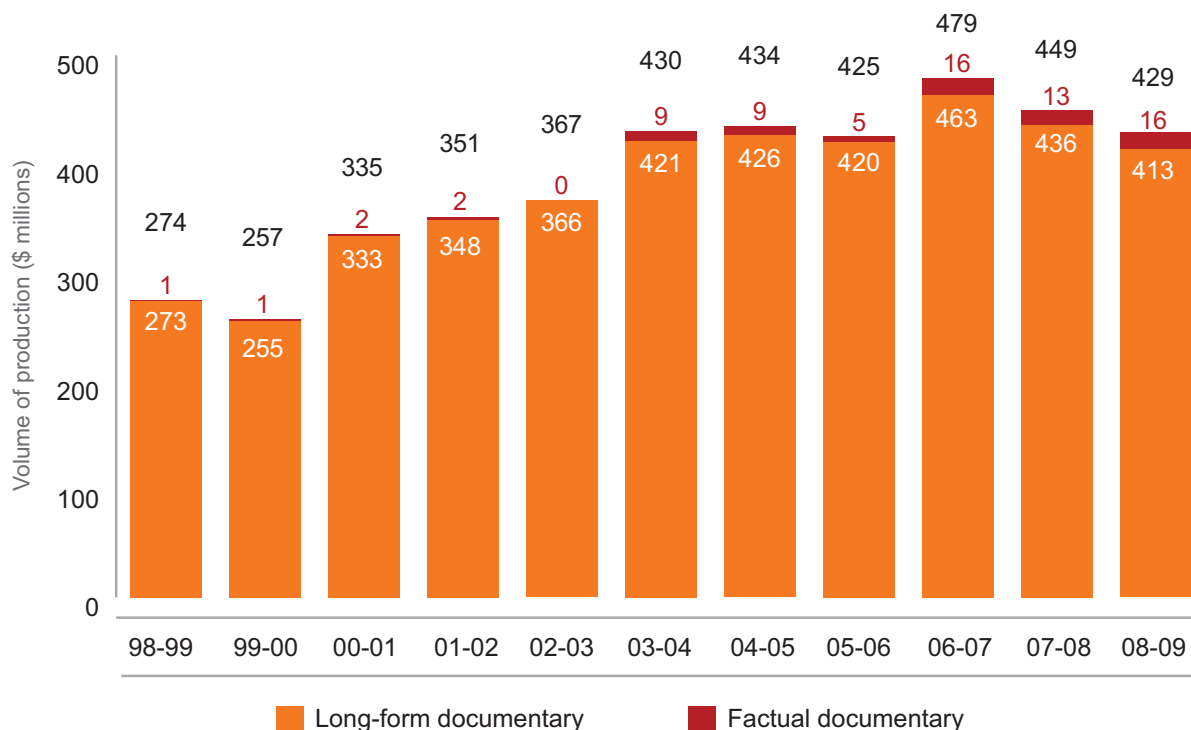
To be consistent with CFTPA which uses unfiltered data in *Profile*, Figure 2.1 compares the top-line data so as not to create any confusion. This figure compares the total production volume of long-form documentary and adds the factual documentary production volume. In all other figures, the long-form documentary data are presented.

3.2.2 Total Canadian Production

As with all Canadian production over the last decade, long-form documentary film and television production reached a peak in 2006-07. After 2007, documentary production decreased. In 2008-09, total Canadian long-form documentary film and television production decreased to \$413 million (see Figure 3.1).

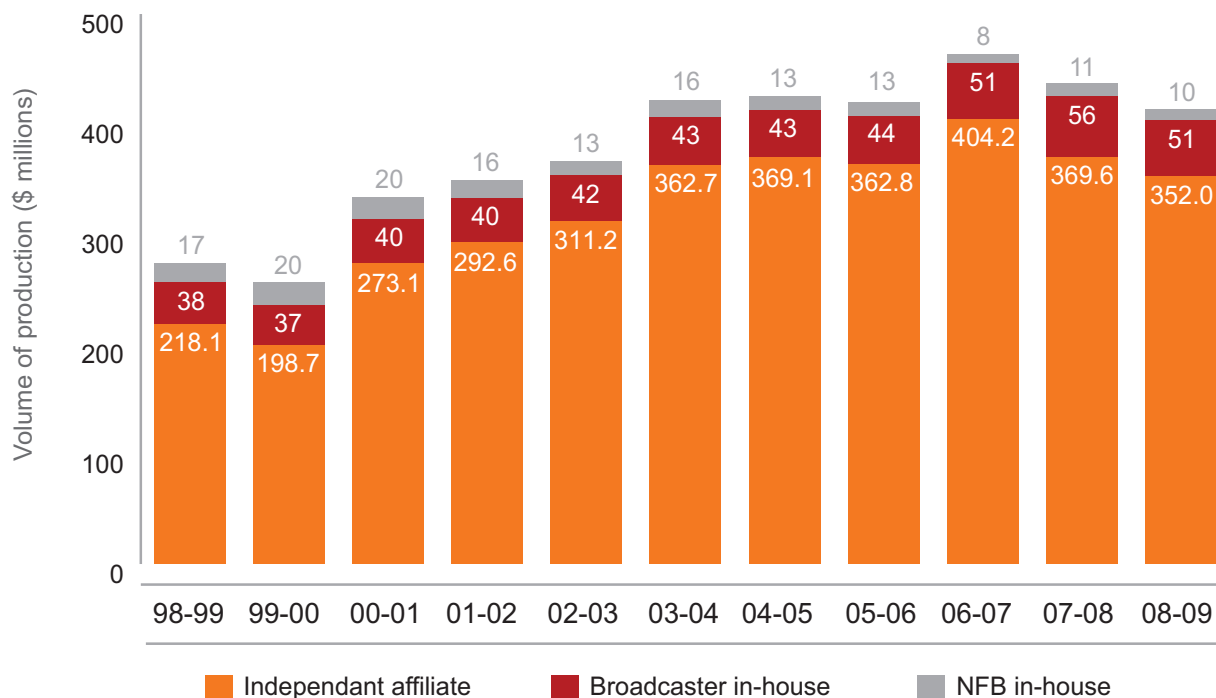
When the total volume of documentary production is broken down into its key segments (see Figure 3.2), a number of trends become evident. As documentary production has fallen over the last five years, independent and affiliate, and NFB in-house production, have also decreased, while broadcaster in-house production has increased.

Figure 3.1 Total Volume of Long-Form and Factual Documentary Production



Source: Nordicity Group Limited calculations based on data from CFTPA, CAVCO, CRTC, CBC/SRC, CTF, and NFB.
 Notes: Long-form documentary denotes CAVCO data that were filtered in order to separate out factual-documentary programming. Each of the data sources uses different documentary definitions. The data above may contain non-documentary content.

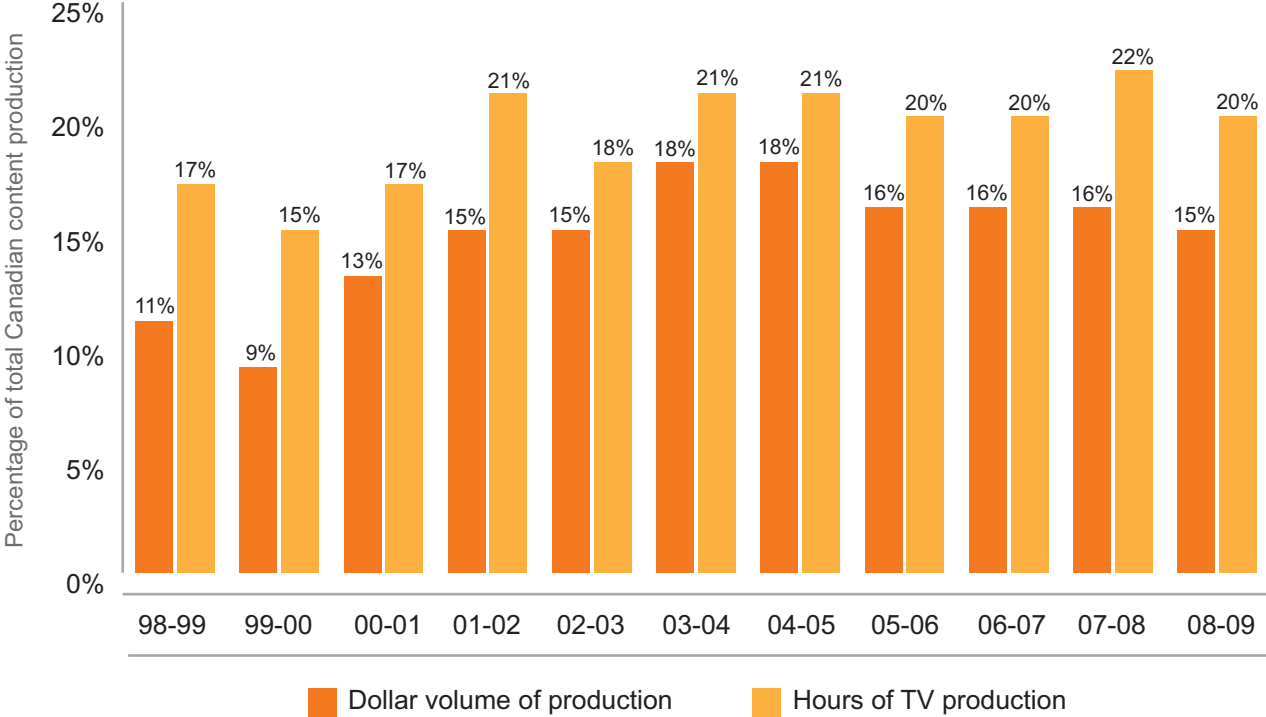
Figure 3.2 Long-Form Documentary Production by Key Segment



Source: Nordicity Group Limited calculations based on data from CFTPA, CAVCO, CRTC, CBC/SRC, CTF and NFB.
 Notes: Long-form documentary denotes CAVCO data that were filtered in order to separate factual-documentary programming. Each of the data sources uses different documentary definitions. The data above may contain non-documentary content.

Documentary production is doing more with less every year. Since 2004-05, its share of total hours has increased even as its share of total volume has decreased. In 2008-09, it produced 20% of all Canadian content hours but used just 15% of the total production volume – its lowest share since 2003-04 (see Figure 3.3).

Figure 3.3 Long-Form Documentary Production’s Share of Total Canadian Content Production

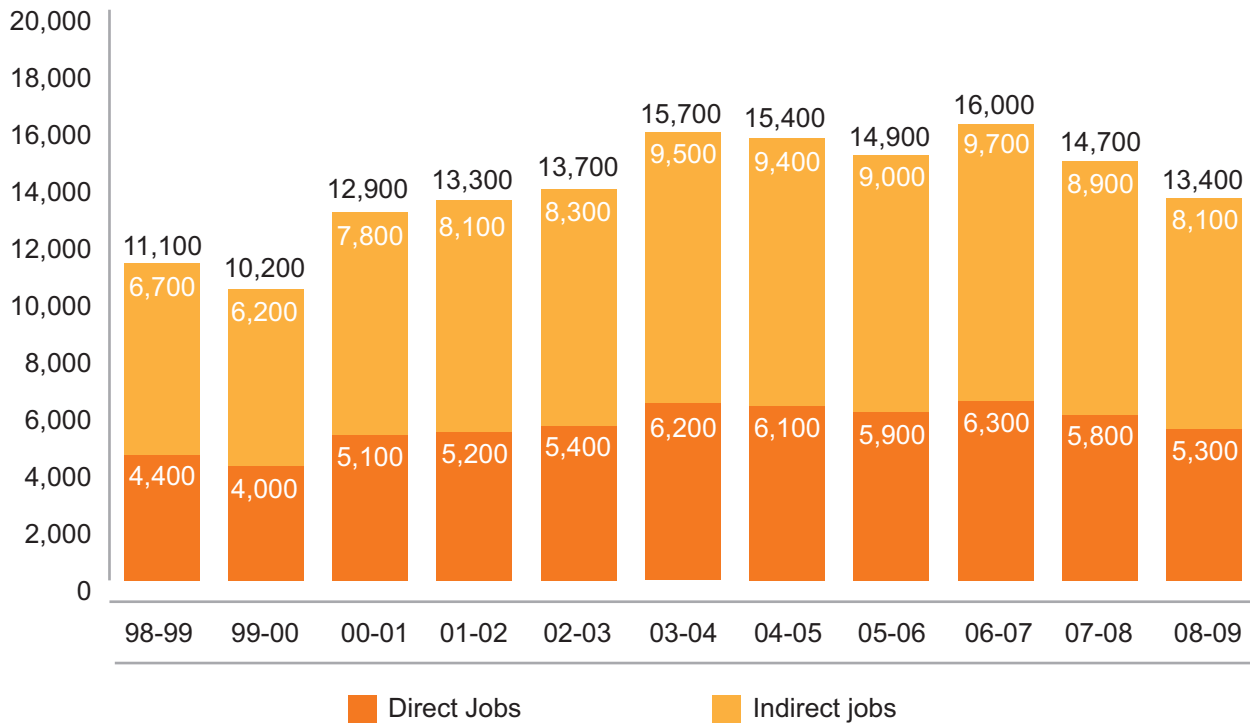


Source: Nordicity Group Limited calculations based on data from CFTPA, CAVCO, CRTC, CBC/SRC, CTF, and NFB.
 Notes: CRTC, CBC/SRC, and CTF all use different metrics to calculate their hours. The aggregate total above may contain factual documentary hours. Long-form documentary denotes CAVCO data that were filtered in order to separate factual-documentary programming. Each of the data sources uses different documentary definitions. The data in this figure may therefore be based on non-documentary content.

3.3 Impact of Documentary Production on Employment

Over the last five years, the number of FTE jobs in documentary production has shrunk by 13% – a loss of 2,000 jobs. The direct correspondence between employment and production can be seen in the drop of employment in 2008-09, when direct and indirect employment decreased by 800 and 500 jobs, respectively. Employment in the documentary sector has almost sunk back to its 2001-02 level of 13,300 (see Figure 3.4).

Figure 3.4 Employment (Full-Time Equivalent Jobs)

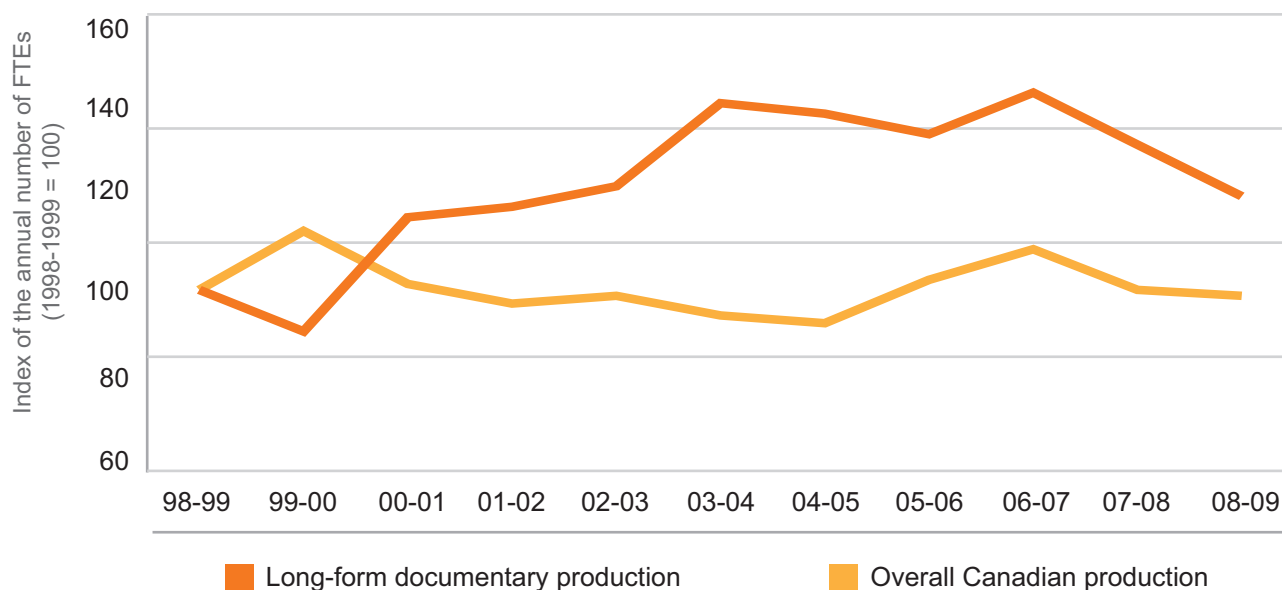


Source: Nordicity Group Limited calculations based on data from CAVCO, CTF, and Statistics Canada.

Notes: Long-form documentary denotes CAVCO data that were filtered in order to separate out factual-documentary programming. Each of the data sources uses different documentary definitions. The data above may therefore be based on non-documentary content.

Although employment growth in documentary production outpaced overall job creation in Canadian film and television production in the early 2000s, the documentary sector is now shrinking. The number of direct FTEs in documentary production decreased by 18.2% between 2004-05 and 2008-09; while the number of direct FTEs employed across all Canadian-content production increased by about 6% (see Figure 3.5).

Figure 3.5 Growth in the Number of Direct Jobs in Film and TV Production



Source: Nordicity Group Limited calculations based on data from CAVCO, CTF, and Statistics Canada.

Notes: Long-form documentary denotes CAVCO data that were filtered in order to separate out factual-documentary programming. Each of the data sources uses different documentary definitions. The data above may therefore be based on non-documentary content.

3.4 Documentary Production's Impact on Foreign Investment and Export

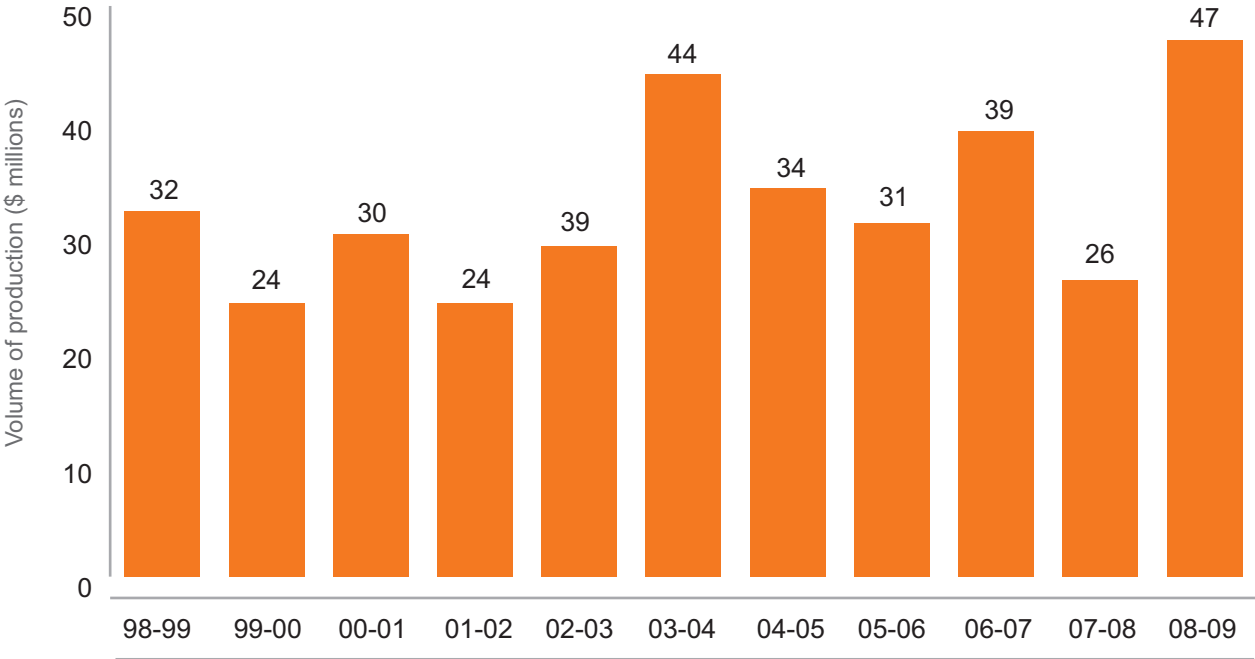
Canadian documentaries are critically acclaimed internationally, and they continue to sell well in other countries. Despite a tremendous drop in export value in 2007-08, our documentaries are doing better in the international market than ever before.

3.4.1 Export Value

Foreign investment in the documentary sector occurs when foreign companies buy licences to broadcast and distribute Canadian documentaries. In order to measure foreign investment of Canadian documentaries, the export value indicator is used. Export value is an indicator developed by the Canadian Film and Television Production Association (CFTPA) to measure trends in foreign demand for Canadian film and television production. It comprises the sum of foreign pre-sales and distribution advances for Canadian television programs and feature films.

In 2008-09, the documentary genre's export value increased significantly, to its highest value in 10 years – \$47 million. However, trends over the last 10 years also reveal that the export value tends to fluctuate (see Figure 3.6).

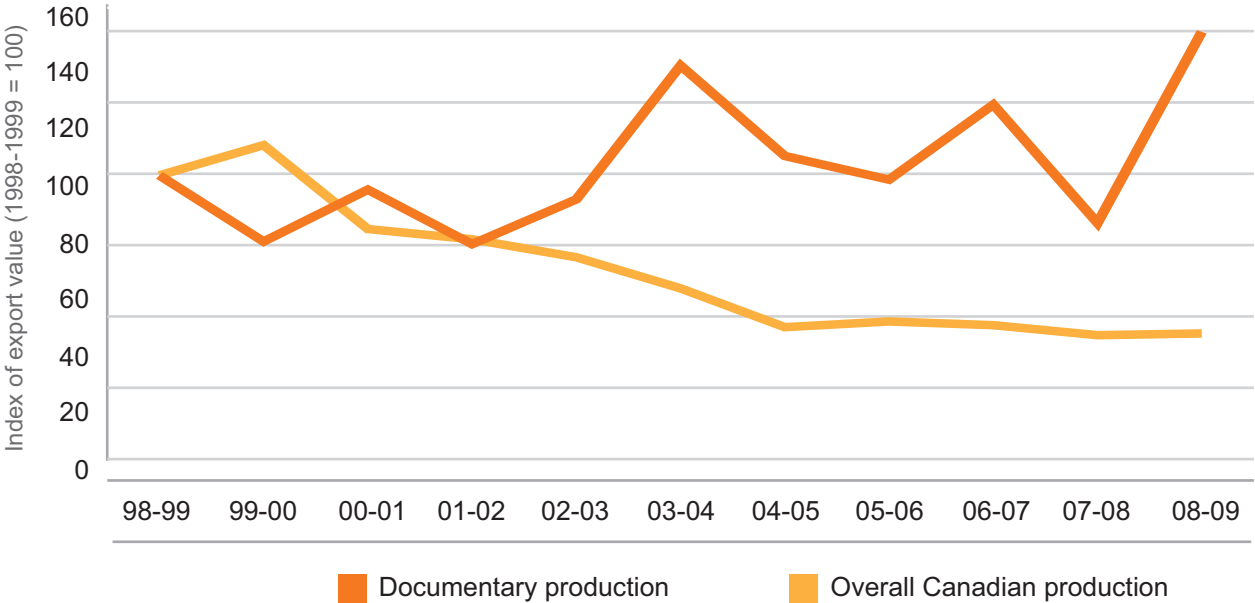
Figure 3.6 Export Value of Canadian Long-Form Documentary Production



Source: Nordicity Group Limited calculations based on data from CAVCO and CTF.
Notes: Long-form documentary denotes CAVCO data that were filtered in order to separate out factual-documentary programming. Each of the data sources uses different documentary definitions. The data above may therefore be based on non-documentary content.

The relation between production volume and export value differs from the export value of overall Canadian production. The decrease in export value in overall Canadian content is not linked to the production volume of Canadian content (see Figure 3.7).

Figure 3.7 Growth in Export Value of Canadian Long-Form Documentary Production



Source: Nordicity Group Limited calculations based on data from CAVCO and CTF.
Notes: Long-form documentary denotes CAVCO data that were filtered in order to separate out factual-documentary programming. Each of the data sources uses different documentary definitions. The data may therefore be based on non-documentary content.

Although documentary production tends to mimic production volume, in 2008-09, export value rocketed, while production volume continued its decline.

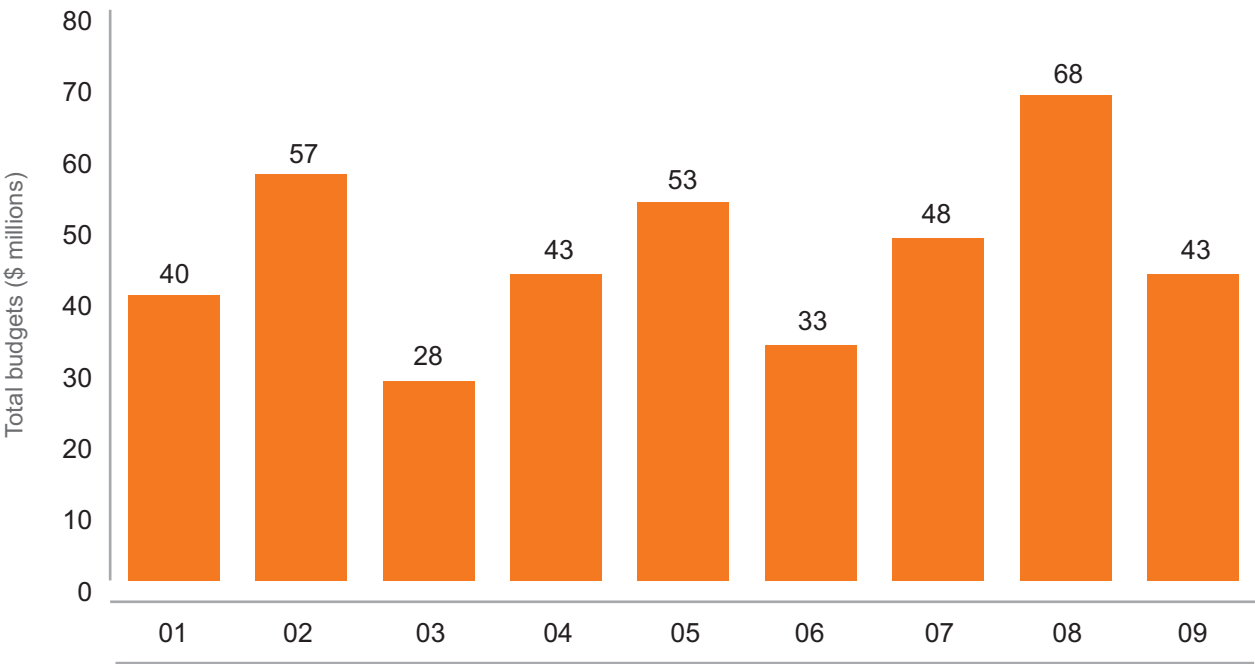
3.4.2 International Treaty Co-Production

Foreign companies invest in Canadian production through both international treaty co-productions and international co-ventures, while American companies tend to invest in Canadian production through co-ventures. Many Canadian specialty stations have sister stations in the United States, such as Discovery, National Geographic, and the Food Network. It is estimated that \$30 million of Canadian documentary volume a year comes from international co-ventures. None of the data in Figure 3.8 track the total volume of co-ventures.

Countries such as France, Germany, and the United Kingdom use the international treaty co-production system. Because English is considered a European language, France and Germany support the production of more international co-productions in English than in their native languages. As well, English co-productions can be sold to larger markets than can French and German co-productions. As a result, there is a higher volume of English than French co-productions.

Despite the jump in the number of treaty co-productions in 2008, in 2009 the value of those co-productions dropped to back to 2004 levels (see Figure 3.8).

Figure 3.8 Canada’s International Treaty Co-Production in the Documentary Genre (Canadian + Foreign Budgets)



Source: Telefilm Canada.

4. Television-Documentary Production

Documentary production reached a peak in 2006-07. Since the takeover of many specialty channels by larger networks (such as the CTVglobemedia purchase of CHUM assets in 2006-07, Canwest's acquisition of the Alliance Atlantis Channels in 2007-08, and Rogers' buying of the remaining CHUM assets (City-TV) in 2007-08), the television landscape has changed: it no longer comprises a diversity of voices, but, rather, is dominated by large conglomerates that use their horizontally and vertically integrated media assets in synergy. The result of this conglomeration is commissioned programming that suits the entire network rather than the specific mandates of the channels. Audience-friendly docutainment series multiplied and one-off POV strands were cut.

Despite "priority programming" regulations that were created to ensure exhibition of documentary programming during prime-time hours on the conventional television networks, and conditions of licence that mandate expenditures on documentary programming, documentary expenditures have dropped. Even though documentaries continue to give the most hours of programming for money invested, and have many international buyers and investments, broadcasters are choosing to spend their Canadian programming dollars elsewhere.

However, there are a handful of educational networks, CBC, French specialty channels, and pay TV channels, that are commissioning the last of the POV documentaries.

However, all of these trends are more indicative of the English documentary market than the French, which is growing. The Canadian French-television market remains sheltered from many of the structural and economic conditions that hinder Canadian English television. Nevertheless, fewer international co-productions are in French, and, consequently, there is less foreign investment in French-Canadian productions.

It is extremely difficult to track the production of documentary television, because many agencies involved in its regulation and production use conflicting definitions of documentary. CAVCO, CRTC, CTF, NFB, and broadcasters report and define documentary projects differently. The CRTC's communication monitoring reports and CTF annual reports rely on BBM data. BBM's program genre data is labeled by broadcasters using the CRTC definition. Furthermore, the CRTC's data rely on broadcaster reporting, which frequently miscategorizes other programming as documentaries.

Despite all this, our data attempt to represent television-documentary statistics. This section examines the production, financing, viewership, audience demographics, and revenue generation capacity of documentaries.

4.1 Summary

4.1.1 Production

Since 2004-05, documentary production has grown in particular market segments: the specialty in-house production sector, the French-language market, CTF-supported production, and productions from Ontario. However, documentary-production volume has declined in the following segments: the independent and affiliate production sector, the English-language and other-languages markets, non-CTF supported production, and productions from Atlantic Canada, Quebec, and Western Canada and the Territories. In addition, there has been a decrease in total documentary hours and projects of all formats.

4.1.2 Financing and Funding

Over the last five years, the financing structure of documentaries has shifted. In English production, it has changed from being dominated by licence fees to a situation in which multiple third-party financiers, foreign financiers, and Canadian distributors, have contributed more. In French production, provincial producer tax credits and private and public sources of financing are emerging as bigger contributors. Average hourly budgets appear to be increasing; however, outliers skew the budgets higher and the majority of projects are actually below the average hourly budget.

Total licence fees have decreased, as have their share in production financing. However, in all formats (except French single-episode documentaries), median licence fees have increased. Fifty percent of the licence fees were around or below the median licence fee in all.

Since 2004-05, the tax credits' share of financing has grown over the last five years, and now stands at 26%.

Direct public funding outside of CTF has dropped, and CTF's share of funding is decreasing. Presently, CTF-supported production is localized in Ontario, especially Toronto.

4.1.3 Audience

Canadian documentaries often have high average minute audiences (ranging from 600,000 to over 900,000). French documentaries have higher viewership than English ones. Since 2004-05, viewership of CTF-supported documentaries has decreased, but today it is stable. In 2008-09, in the French market, 80% of all documentaries viewed in Canada were Canadian; 50% of all English documentaries viewed in Canada were Canadian.

Audiences are increasing in every French market (public and private conventional, and specialty channels), whereas all English markets are diminishing, except for the CBC. There have been noticeable increases of viewership in the French markets and the English public conventional market.

4.1.4 Demographic Profile

Documentary television viewers are very similar to prime-time television viewers.

4.1.5 Revenue-Generation Capacity

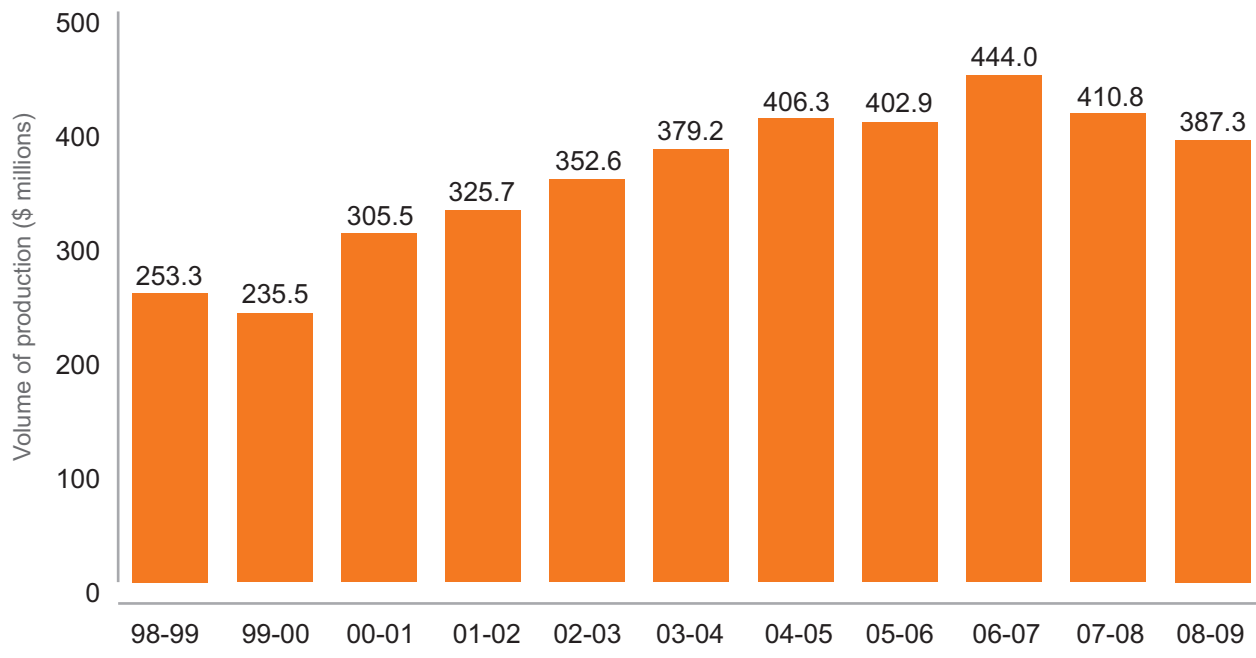
Documentaries do not generate revenue after their initial broadcast, but after numerous repeats across a corporate group, documentaries do generate small margins of profit for single episodes, and larger margins for documentary series. The average television licence length for a Canadian documentary is about five to seven years. Broadcasters can easily exploit the long-tail potential of documentaries during this time frame.

4.2 Total Documentary Television Production

4.2.1 Total Volume

Documentary television production (independent and in-house production) has dropped considerably over the last 5 years. Indeed, it is at its lowest production volume since 2004-05 (see Figure 4.1).

Figure 4.1 Total Volume of Long-Form Documentary* Television Production (Independent Production and In-house Production)



Source: Nordicity Group Limited calculations based on data from CAVCO, CRTC, CBC/SRC, CTF, and NFB.

* Long-form documentary denotes CAVCO data that were filtered in order to separate out factual-documentary programming.

Note: Each of the data sources uses different documentary definitions. The data may therefore be based on non-documentary content.

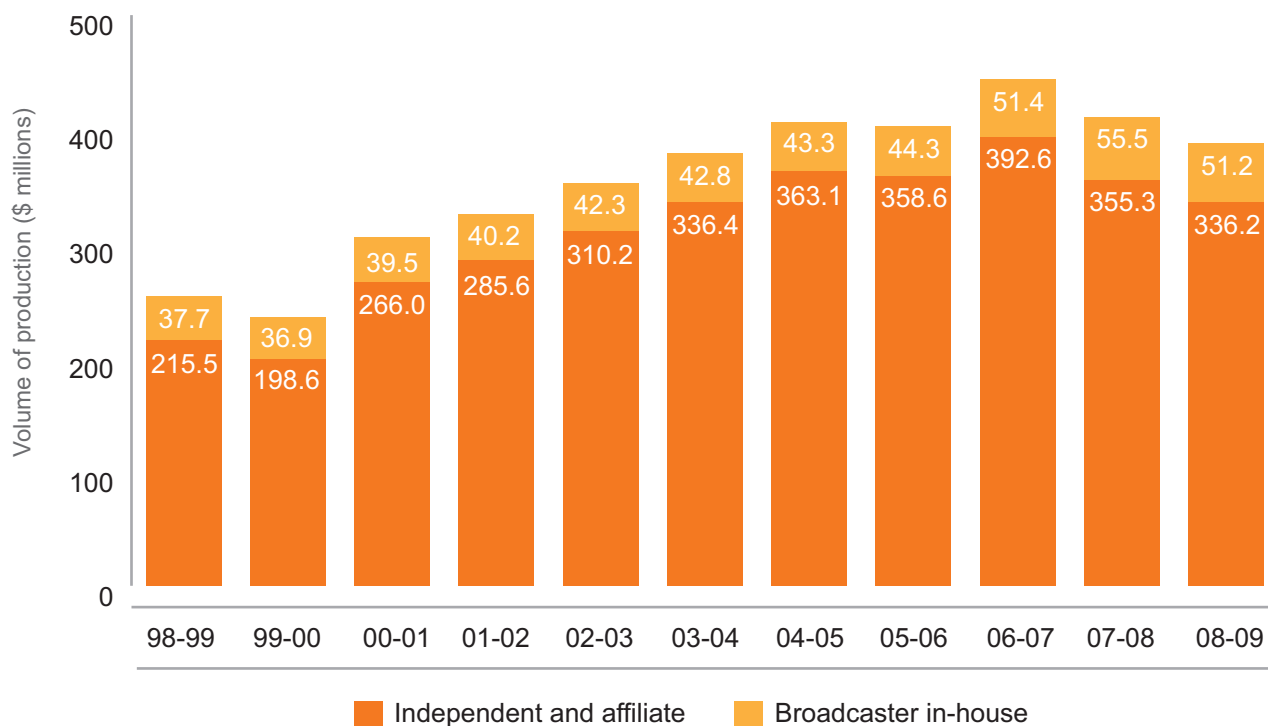
4.2.2 Volume by Market Segments¹⁴

The overwhelming majority of Canadian television documentaries are produced by independent production companies.¹⁵ As broadcaster in-house production – which includes the production of documentaries by CBC/SRC, private conventional broadcasters, and specialty-television broadcasters – has steadily increased over the last five years, independent and affiliate production has dropped (see Figure 4.2). Independent production has suffered the brunt of the losses. In-house production has remained relatively stable: in 2008-09, its share was 13% of total documentary television production.

¹⁴ In previous editions of *Getting Real*, the Volume by Market Segments figure included NFB. This edition does not report the television volume of the NFB data, because NFB television and non-theatrical data are aggregated.

¹⁵ Independent and affiliate production are combined because tax and privacy law prohibits CAVCO from revealing the names of the production companies.

Figure 4.2 Total Volume of Long-Form Documentary* Television Production, by Market Segment



Source: Nordicity calculations based on data from CAVCO, CRTC, CBC/SRC, and CTF.

* Long-form documentary denotes CAVCO data that were filtered in order to separate out factual-documentary programming.

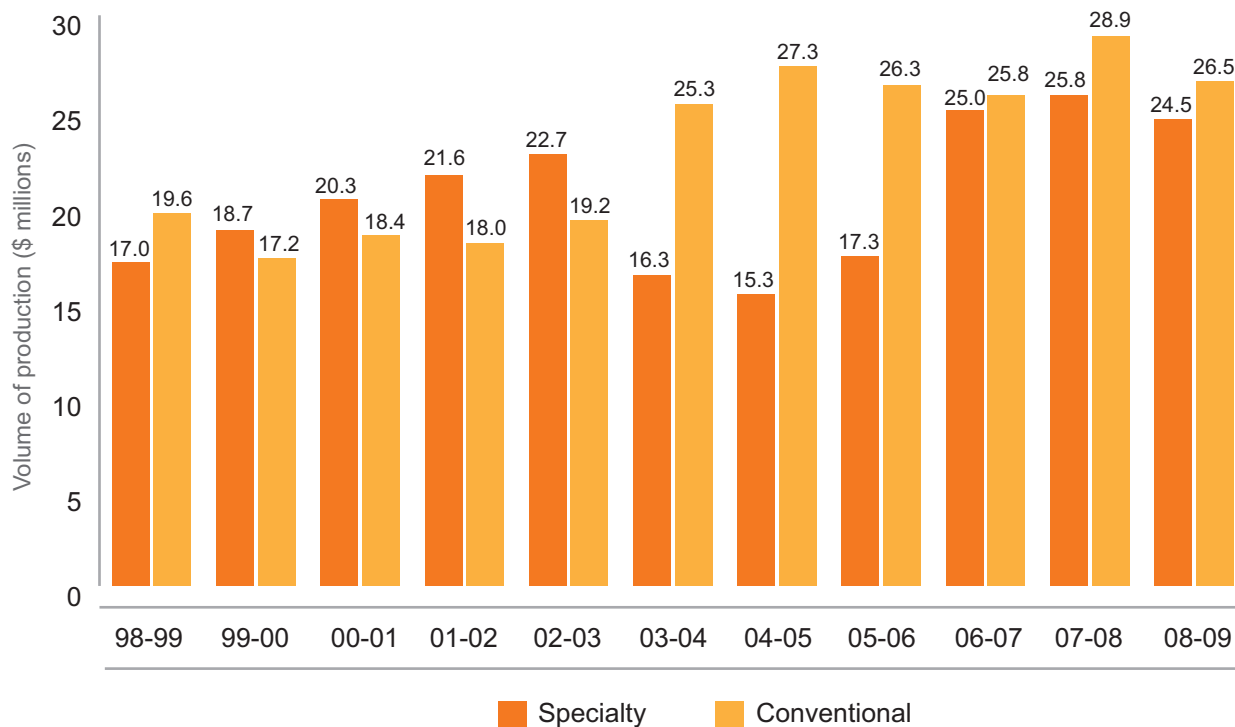
Note: Each of the data sources uses different documentary definitions. The data may therefore be based on non-documentary content.

4.2.3 Volume of In-house Production

Tracking in-house production volume of documentaries is notoriously difficult. Not only are expenditures on documentary production aggregated together with other information programming categories, the expenditures are reported by the broadcasters, who are prone to making reporting errors regarding documentary hours. The CRTC and CBC apply the definition of documentary differently, which results in an inaccurate reporting of expenditures.

Since 2004-05, as the number of specialty channels has grown, there has been an increase in specialty in-house production. During the same period, conventional production has slightly shrunk. Recently, conventional in-house production and specialty in-house production have both declined.

Figure 4.3 In-house Long-Form Documentary* Production, by Segment



Source: Nordicity Group Limited calculations based on data from CRTC, CBC, and CTF.

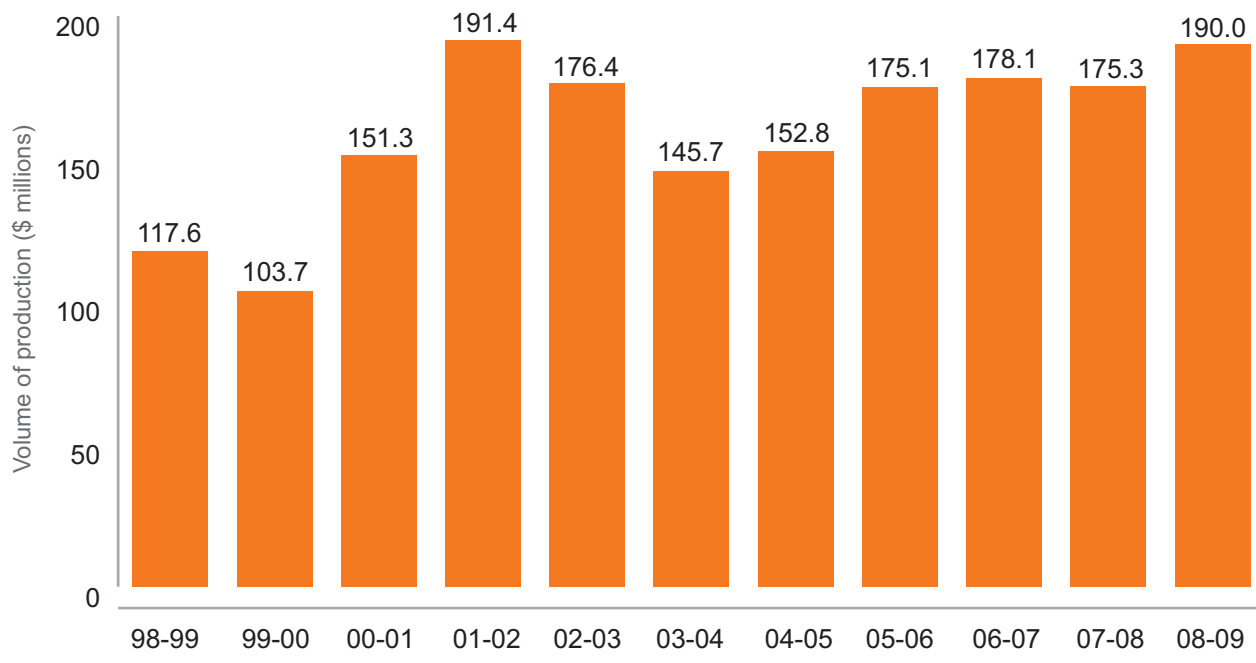
* Long-form documentary denotes CAVCO data that were filtered in order to separate out factual-documentary programming.

Note: Each of the data sources uses different documentary definitions. The data may therefore be based on non-documentary content.

4.2.4 Volume of CTF-Supported Production

CTF provides funding for under-represented programming on Canadian television, including documentaries. Over the last five years, the volume of CTF-supported documentaries has increased by \$37.2 million, or 24%. In 2008-09, \$54.6 million of CTF funding supported the production of 760.8 hours of documentaries, representing a total production volume of \$190 million (see Figure 4.4). CTF-supported documentary production represented 57% of total Canadian documentary production.

Figure 4.4 CTF-Supported Documentary Production



Source: CTF.

Over the last five years, the number of CTF-supported documentary hours has decreased, with its overall share of CTF hours decreasing to its 2004-05 level (see Table 4.1).

Table 4.1 Hours of CTF-Supported Production

Hours per genre unless specified otherwise

	98-99	99-00	00-01	01-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09
Documentary	713	634	968	1,120	1,000	738	839	836	799	805	760
All genres	2,245	2,035	2,387	2,790	2,554	2,141	2,445	2,275	2,298	2,167	2,210
Documentary share (%)	32	31	41	40	39	34	34	37	35	37	34

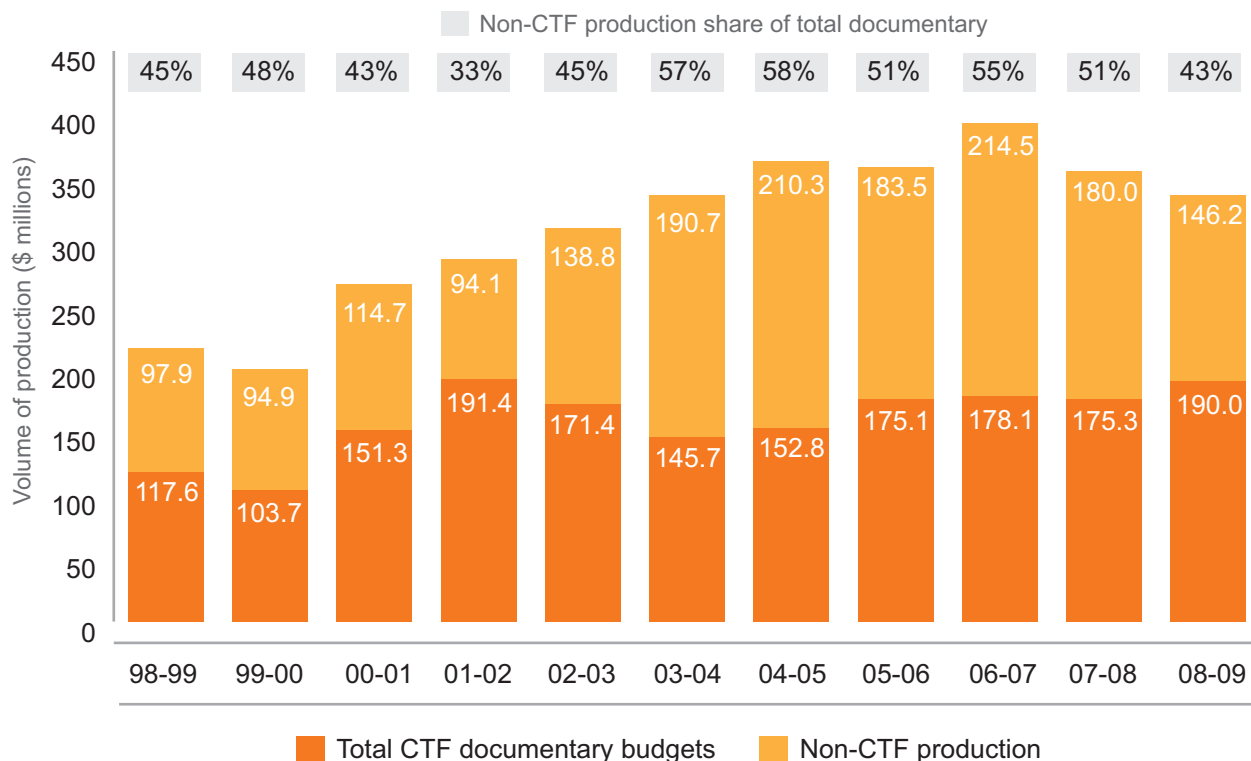
Source: CTF

4.2.5 Volume of Independent and Affiliate Non-CTF Production

Since 2004-05, an increasing volume of television documentary content has been produced without CTF funding. In fact, over the last five years, the growth in non-CTF production outpaced that of CTF-supported production. Many non-CTF documentary series may actually be factual-documentary programming.

However, recent declines in the volume of television documentary production are caused by the decrease in non-CTF production volume. Because non-CTF-funded documentaries rely on other funds and financing, the volume is less predictable. Between 2004-05 and 2008-09, non-CTF production fluctuated, but has now declined significantly (see Figure 4.5).

Figure 4.5 Long-Form Documentary* Television Production in the Non-CTF Segment



Source: Nordicity Group Limited calculations based on data from CAVCO and CTF.

* Long-form documentary denotes CAVCO data that were filtered in order to separate out factual-documentary programming.

Note: Each of the data sources uses different documentary definitions. The data may therefore be based on non-documentary content.

4.2.6 Volume by Format of Television Production

Documentary television productions are released in three major formats: television series, single-episode programs (including POV documentaries), and mini-series.

4.2.6.1 Documentary Television Series

Since 2004-05, broadcasters have shifted their emphasis from one-off strands to documentary series and mini-series. Although the number of documentary series hours took the brunt of the losses, production volume has grown. In 2008-09, it accounted for 44% of all projects, 82% of all documentary hours, and 71% of documentary production volume. However, it also had the largest share of declining hours and production volume in 2008-09: 79% of the decline of total hours, and 65% of the decrease in production volume were series.

Table 4.2 Long-Form Documentary* Television – Series Production (Independent Production Only)**

	98-99	99-00	00-01	01-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09
Number of projects	112	135	157	184	198	202	207	207	215	214	193
Number of hours	845	937	1,256	1,406	1,343	1,355	1,465	1,303	1,379	1,558	1,293
Dollar volume (\$ millions)	116	126	164	183	194	187	228	213	247	249	238

Source: Nordicity calculations based on data from CAVCO.

* Long-form documentary denotes CAVCO data that were filtered in order to separate out factual-documentary programming.

** Includes 22-minute/half-hour documentary series as well as one-hour series

4.2.6.2 Single-Episode Documentary Programs

Single-episode programs, or one-offs, include both short-length and feature-length documentaries. They are the traditional home of the genre's flagship POV documentaries and are shown either on their own or as part of documentary anthology strands. Today's landscape, which is dominated by niche specialty channels seeking to fill program schedules with high-volume content, has not been favourable to POV production. Thus, the growth of POV single-program production has not kept pace with that of documentary television series.

Since 2004-05, the number of single-episode projects has decreased more than any other format. In 2008-09, it continued this decline with a lower production volume, and fewer projects and hours:

- Single-episode documentaries represented 53% of total projects, 16% of total hours, and 27% of total production volume.
- They had the largest share of losses in projects, and a medium-sized share of losses of hours and production: 67% of the decline in projects, 20% of the decline of total hours, and 29% of the decline in production volume were in single-episode programs.

Table 4.3 Long-Form Documentary* Television – Single-episode Programs (Independent Production Only)**

	98-99	99-00	00-01	01-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09
Number of projects	222	214	279	304	312	359	352	349	310	275	233
Number of hours	201	198	266	288	298	360	348	358	379	324	256
Dollar volume (\$ millions)	88	60	84	90	90	110	103	127	123	96	91

Source: Nordicity calculations based on data from CAVCO.

* Long-form documentary denotes CAVCO data that were filtered in order to separate out factual-documentary programming.

** Single-episode programs include short-length documentaries (under 75 minutes) and feature-length documentaries (75 minutes and longer).

4.2.6.3 Documentary Mini-Series

Mini-series production has fallen tremendously over the last five years. Like single-episode documentaries, the numbers of projects and hours are shrinking. It has suffered the greatest losses in total production volume:

- In 2008-09, mini-series production accounted for 3% of total projects, 2% of total hours, and 2% of total production volume.
- Its losses in production did not have a major impact on the decline in 2008-09 – 6% of the total decline in hours were mini-series hours.

Table 4.4 Long-Form Documentary* Television – Mini-Series (Independent Production Only)**

	98-99	99-00	00-01	01-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09
Number of projects	14	16	26	25	33	45	41	23	27	15	15
Number of hours	42	50	63	59	92	117	104	63	68	38	37
Dollar volume (\$ millions)	11	13	19	13	26	39	32	19	23	9	8

Source: Nordicity calculations based on data from CAVCO.

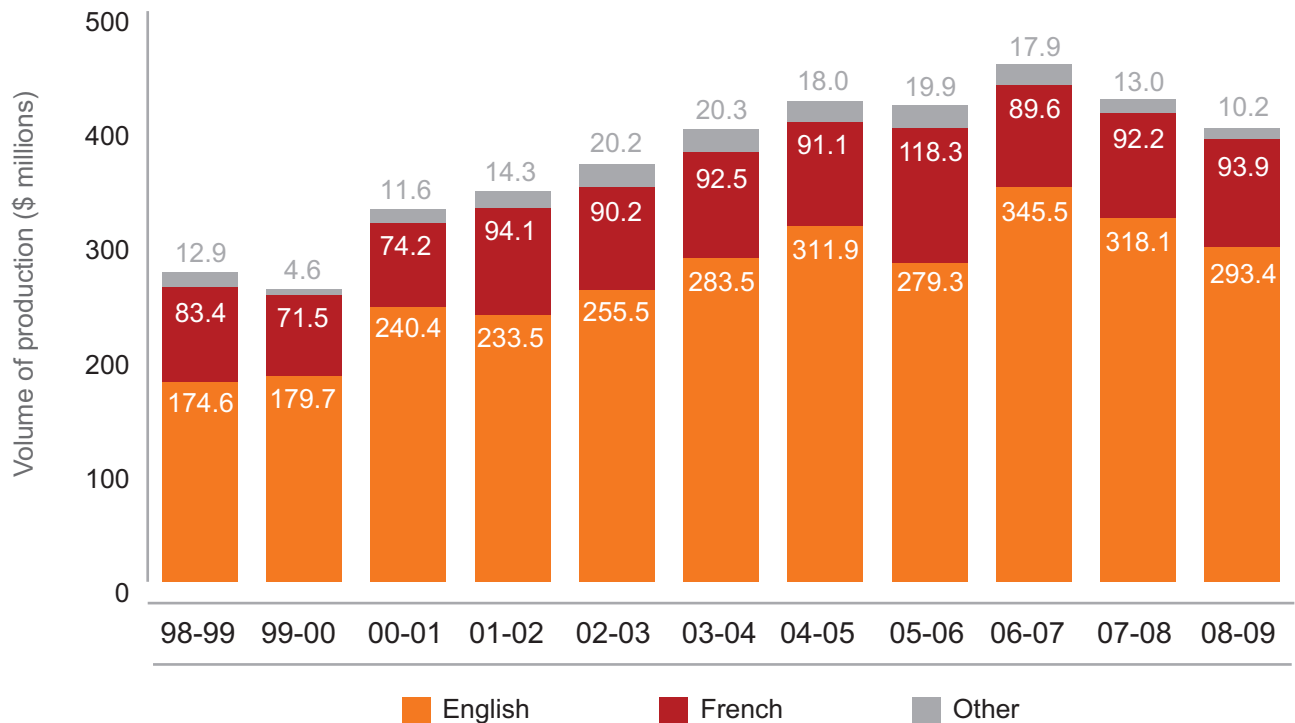
* Long-form documentary denotes CAVCO data that were filtered in order to separate out factual-documentary programming.

** A documentary mini-series is defined as a series of six or fewer episodes that has no intention of being renewed.

4.2.7 Volume by Language of Production

Since 2004-05, English and other-language markets have declined, while the French-language market grew. Because the majority of documentary television production is for the English-language market, it has suffered the greatest total production losses of the language markets over the last five years. Other-language production also declined considerably between 2004-05 and 2008-09. However, French-language documentary production increased by \$2.8 million, totalling \$93.9 million, or 24% of overall documentary production. French-language production is responsible for 100% of the production growth.

Figure 4.6 Long-Form Documentary* Television Production, by Language of Production



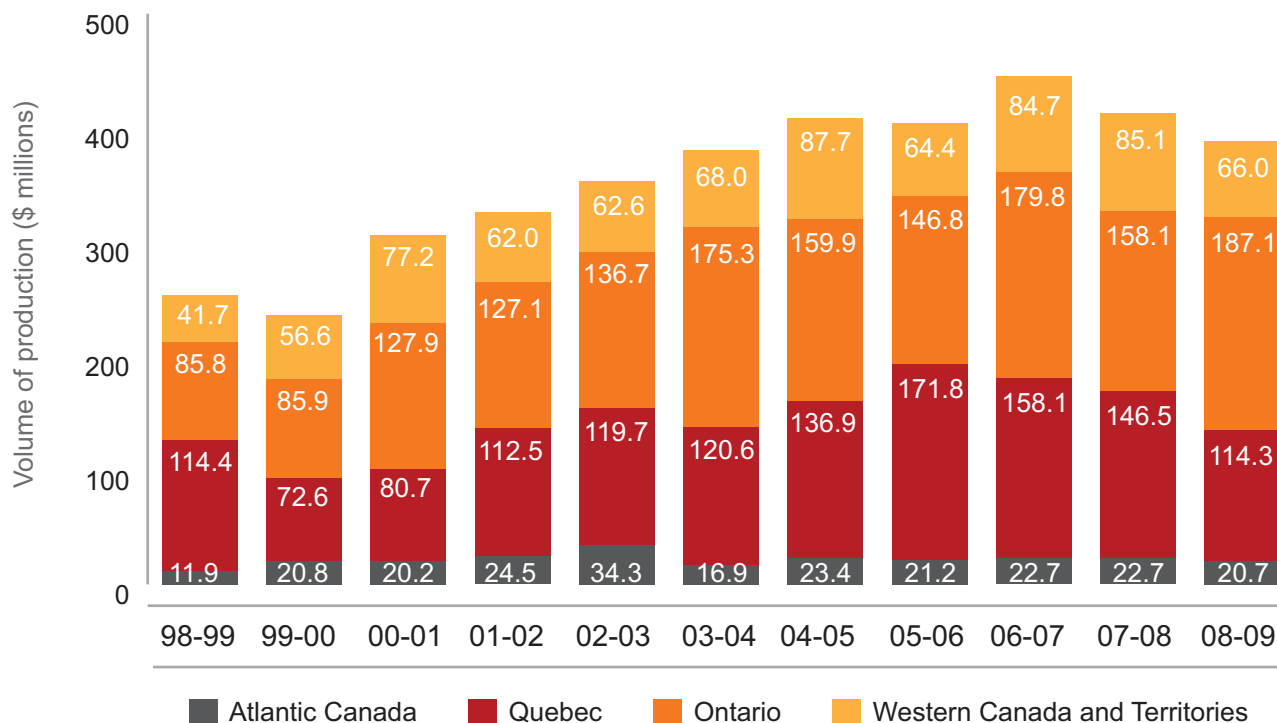
Source: Nordicity calculations based on data from CAVCO, CRTC, and CBC/SRC.

* Long-form documentary denotes CAVCO data that were filtered in order to separate out factual-documentary programming.
 Note: Each of the data sources uses different documentary definitions. The data may therefore be based on non-documentary content.

4.2.8 Volume by Region of Production

The majority of documentary television producers in Canada are based in Montreal and Toronto, the two largest centres for film and television production in Canada. As documentary production has been declining over the last five years, the majority of the losses (irrespective of the linguistic market) were in Atlantic Canada, Western Canada and the Territories, and Quebec. Ontarian documentary production has grown (see Figure 4.7). In 2008-09, Atlantic Canada's production volume totalled 5% of total production. Forty-five percent was situated in Ontario, Quebec production totalled 29%, and Western Canada and the Territories produced 17% of the total volume.

Figure 4.7 Long-Form Documentary* Television Production, by Region



Source: Nordicity calculations based on data from CAVCO, CTF, CRTC, and CBC/SRC.**

* Long-form documentary denotes CAVCO data that were filtered in order to separate out factual-documentary programming.

** Each of the data sources uses different documentary definitions. The data above may therefore be based on non-documentary content.

4.3 Documentary Television Financing

From 2006-07 to 2008-09, there have been many shifts in the Canadian documentary funding and financing environment. At the beginning of 2007-08, the fate of CTF was uncertain, as Quebecor and Shaw held back their contributions to the Fund. Many producers did not know if they had a future in the television market because of this instability. Because of the rising profits for cable and satellite providers, however, the Fund is now larger than ever. In March 2010, Canada New Media Fund and CTF were merged into one fund, the Canada Media Fund, a large portion of which would be earmarked for digital-media-component production.

In 2008, the federal government shut down the Canadian Independent Film and Video Fund (CIFVF). CIFVF provided support for non-theatrical programs, and also contributed to funding for television projects. The dissolution of the fund created a funding gap for television documentary programs.

The end of 2008 was also marked by a global credit crisis. Advertisers drastically reduced their expenditures on television, and so the conventional television market suffered significant losses and looked for ways to cut costs.

4.3.1 Trends in Average Budgets

This section reviews trends in average budgets for documentary series and single-program documentaries.

4.3.1.1 Distribution of Budgets

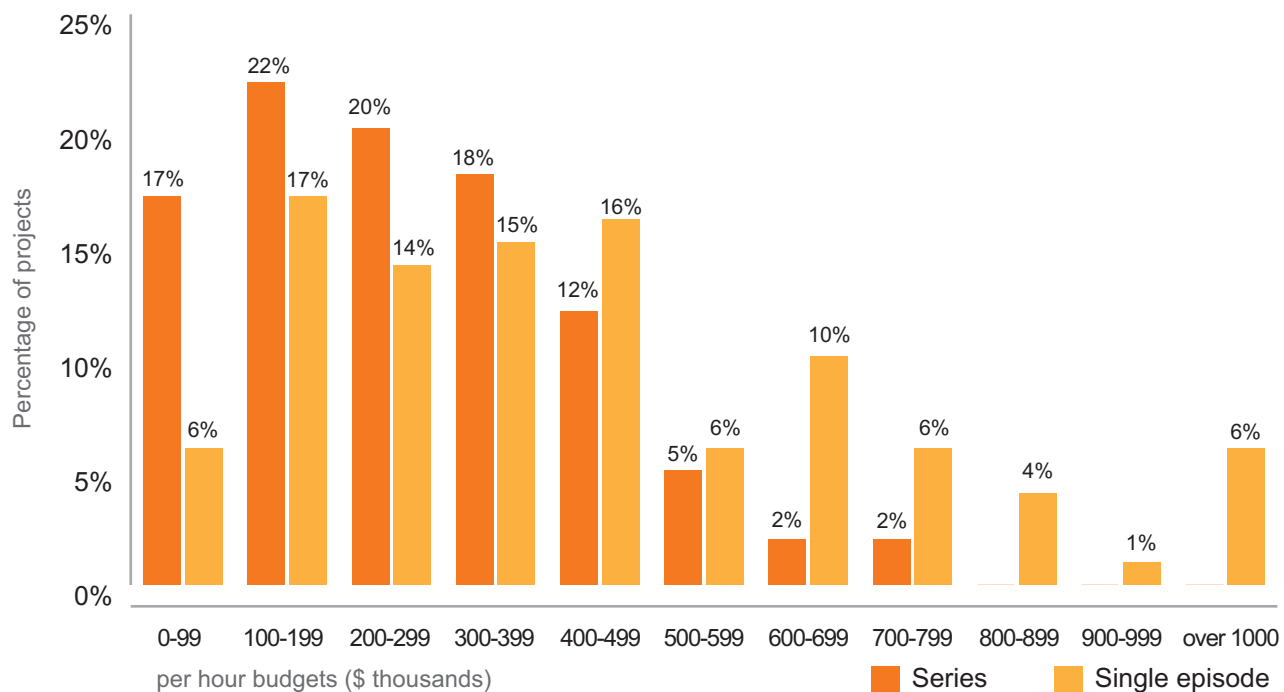
We looked at the distribution of the number of independent projects across various budgets sizes to give a better impression of the sizes of budgets in 2008-09 (see Figure 4.8). Overall, English documentary series projects have budgets ranging from less than \$100,000 to about \$800,000:

- 57% of the projects' budgets are equal to or below the average budget of an English television documentary series: \$275,000 per hour.
- 91% of all budgets were under \$500,000 per hour.

Both English single-program and feature-length documentaries had a much more varied distribution of budgets, ranging from below \$100,000 to over \$1 million. Because single-episode documentaries include television features, which are more likely to be co-productions as well, there is a wider array of projects with higher budgets:

- 52% of the projects' budgets were below or equal to the average budget of English single-program documentaries: \$390,000.
- 68% of the budgets were below \$500,000.

Figure 4.8 Per-Hour Budgets,* English Long-Form Documentary Series*** vs. Single-episode Documentaries,**** 2008-09 (2009 Real Dollars)**



Source: Nordicity Group Limited calculations based on data from CAVCO.

* The data include budgets for foreign co-production projects.

** Long-form documentary denotes CAVCO data that were filtered in order to separate out factual-documentary programming.

*** Documentary series denotes half-hour and hour-long documentary budgets. In order to calculate the distribution by hour, the half-hour documentary budgets are doubled.

**** Single-episode category includes short-length documentaries (under 75 minutes) and feature-length documentaries (75 minutes and longer).

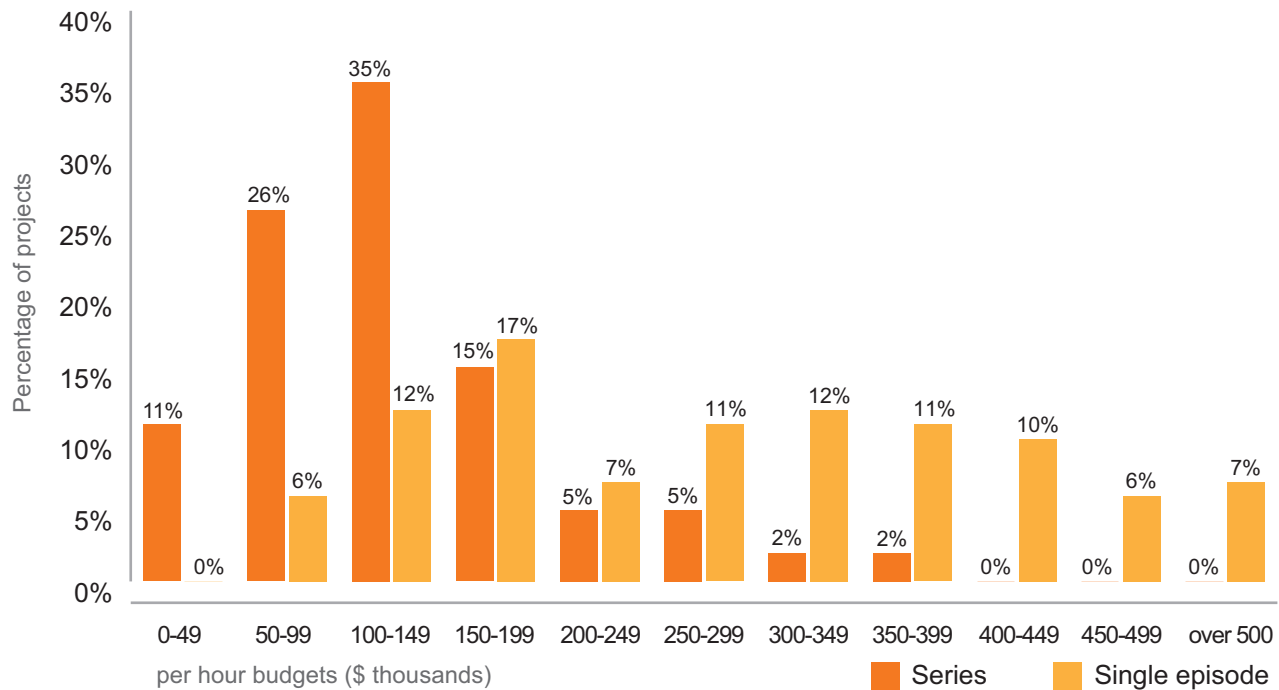
Per-hour French-language documentary budgets were much smaller than those of the English market, ranging from less than \$50,000 to over \$500,000. As with English documentary series, the distribution of projects by per-hour budgets is smaller than single-episode. Budgets range from less than \$49,000 to \$399,000:

- 72% of the budgets of French series are around or below the average documentary series budget of \$127,000.
- 87% of the projects had budgets under \$200,000.

For French single-episode documentary budgets, the distribution of budgets is wider, between \$50,000–\$99,000, and over \$500,000. Unlike the distribution of English single-episode documentary budgets, the distribution of budgets is more evenly spread out, rather than being concentrated below the average single-episode budget (see Figure 4.9). There are fewer international co-productions in French television than in English, which accounts for the lower budgets of single-episode documentaries:¹⁶

- 53% of all projects were around or below the average single-episode budget of \$265,000.
- 76% of all projects had budgets below \$400,000.

Figure 4.9 Per-Hour Budgets,* French Long-Form Documentary Series*** vs. Single Program,**** 2008-09 (2009 Real Dollars)**



Source: Nordicity Group Limited calculations based on data from CAVCO

* The data include budgets for foreign co-productions projects.

** Long-form documentary denotes CAVCO data that were filtered in order to separate out factual-documentary programming.

*** Documentary series denotes half-hour and hour-long documentary budgets. In order to calculate the distribution by hour, the half-hour documentary budgets are doubled.

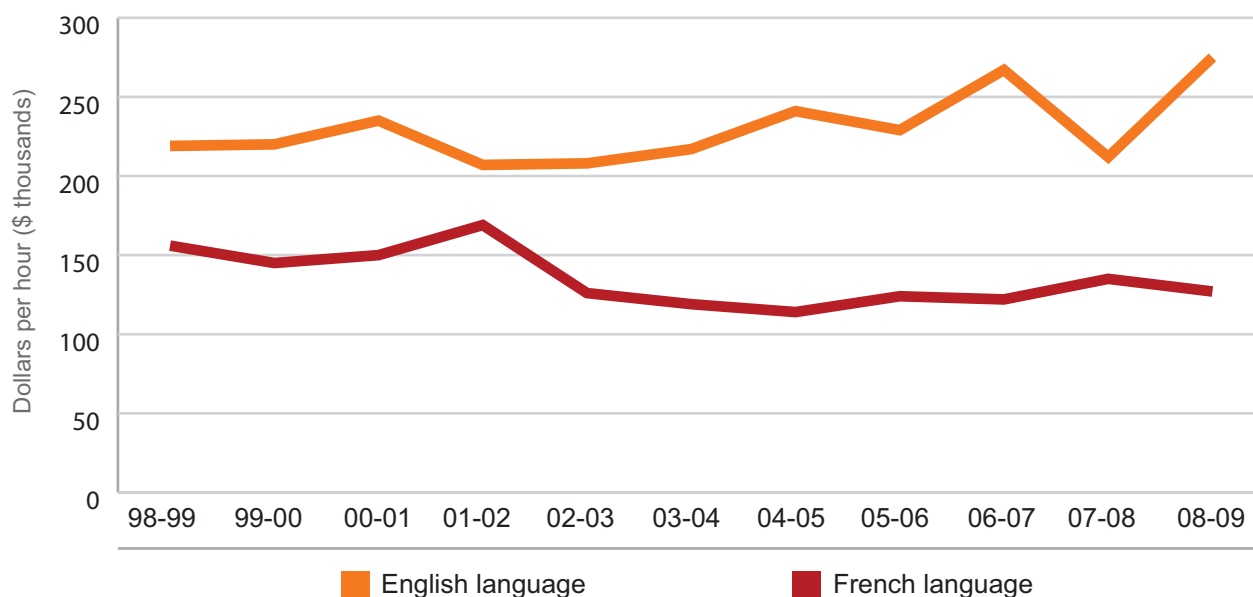
**** Single-program category includes short-length documentaries (under 75 minutes) and feature-length documentaries (75 minutes and longer).

¹⁶ The major co-production partners of Canada are France, Germany, and the U.K. France partners on more English productions because of the larger English television market.

4.3.1.2 Documentary Television Series Budgets

The average budgets for documentary series in Canada's English and French-language markets took diverging paths in recent years. The average hourly budget of English series has fluctuated erratically. The French-language market, however, continued its trend of producing lower-budget television series, and has also invested more in documentary series. However, given that 57% of all English series documentaries and 72% of all French series documentaries have budgets below or in the vicinity of the average budget, clearly outliers are driving the average budget higher.

Figure 4.10 Average Hourly Budgets* for Long-Form Documentary Television Series*** (2009 Real Dollars)**



Source: Nordicity calculations based on data from CAVCO and Statistics Canada.

* The data include budgets for foreign co-production projects.

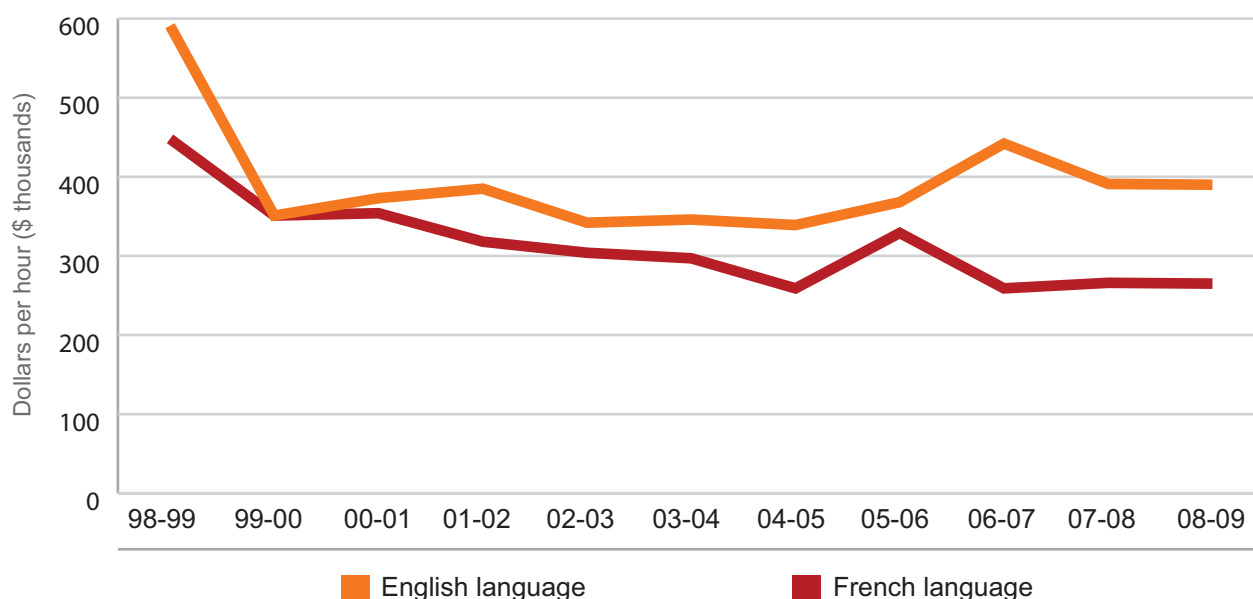
** Long-form documentary denotes CAVCO data that were filtered in order to separate out factual-documentary programming.

*** Documentary series denotes half-hour and hour-long documentary budgets. In order to calculate the distribution by hour, the half-hour documentary budgets are doubled.

4.3.1.3 Single-Program Documentary Budgets

The budgets of the English and French-language markets for single-episode documentaries have begun to stabilize. Over the last five years, English budgets have gradually increased, while the budgets of French programs are shrinking (see Figure 4.11). However, given that 50% of all English single-episode documentaries and 52% of all French single-episode documentaries have budgets below or in the vicinity of the average budget, clearly outliers are driving the average budget higher.

Figure 4.11 Average Hourly Budgets* for Single-Program Long-Form Documentaries*** (2009 Real Dollars)**



Source: Nordicity Group Limited calculations based on data from CAVCO, CTF, and CFTPA Profile 2009.

* The data include budgets for foreign co-production projects.

** Long-form documentary denotes CAVCO data that were filtered in order to separate out factual-documentary programming.

*** Single-program category includes short-length documentaries (under 75 minutes) and feature-length documentaries (75 minutes and longer).

4.3.2 English-Language Production Financing

Over the last five years, the sources of growth for funding have been Canadian distributors, foreign financiers, provincial producer tax credits, and CTF. Broadcaster licence fees continue to be a major source of financing, and private and public sources of funding are decreasing. Despite the increase in contributions of foreign financing, provincial tax credits, CTF, and Canadian distributors, financing contributions decreased by \$23 million (net) (see Table 4.5).

As well,

- Total licence fee contributions to financing have decreased by \$6 million.
- Direct public funding has shrunk by \$9 million, and its share has shrunk by 3%.
- Since 2004-05, private sources contributed \$8 million less than they once did.
- Contributions from foreign financing have risen over the last five years, increasing by \$5 million. Their total share rose from 11% to 14%.

However, since 2009, many contributors have been giving less and their financing shares have dropped significantly. In particular, broadcasters are contributing less and their share is decreasing; they are responsible for over half of the decline in volume of English production. The only sources of growth came from foreign financing, Canadian distributors, and CTF. Despite this increase, there was a net decline in English documentary financing of \$20 million.

As well,

- Direct public funding contributions shrank by \$7 million.
- Foreign financing contributions jumped by \$17 million. Their share increased from 7% to 14%.

Table 4.5 Financing of English-Language Long-Form* Documentary Television Production

(\$ millions)

	2001-02		2002-03		2003-04		2004-05		2005-06		2006-07		2007-08		2008-09	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Private broadcaster licence fees	62	32	60	29	66	28	78	29	78	33	92	31	87	33	73	30
Public broadcaster licence fees	10	5	13	6	18	8	12	4	9	4	25	8	17	6	11	4
Producer federal tax credit	16	8	18	9	23	10	27	10	24	10	31	10	26	10	24	10
Producer provincial tax credit	17	9	20	10	22	9	33	13	32	13	45	15	41	16	40	16
Canadian distributor	8	4	8	4	9	4	13	5	8	3	14	5	13	5	14	6
Foreign	16	9	23	11	25	11	30	11	22	9	33	11	18	7	35	14
Production company	14	7	17	8	21	9	18	7	16	7	15	5	8	3	5	2
CTF	34	18	30	14	28	12	27	10	26	11	29	10	29	11	31	13
Public**	1	1	5	2	7	3	10	4	2	1	2	1	8	3	1	1
Other private***	13	7	17	8	15	6	19	7	17	7	10	3	16	6	11	4
Total	192	100	211	100	234	100	267	100	235	100	295	100	264	100	244	100

Source: Estimates based on data obtained from CAVCO. Note: some totals may not add due to rounding.

* Long-form documentary denotes CAVCO data that were filtered in order to separate factual-documentary programming.

** Public includes financing from the National Film Board, provincial governments, Telefilm Canada, and other government departments and agencies.

*** Other private includes financing from independent production funds, broadcaster equity, and other private investors.

4.3.3 French-Language Production Financing

Over the last five years, the financing of French-language independent production has become more reliant on public broadcaster licence fees, provincial producer tax credits, CTF, and public sources. Broadcaster licence fees continue to be a major source of financing, but private broadcaster licence fees are decreasing. The increased contributions have outweighed the reduction in licence fees. There has been a net growth of \$4 million in contributions. The source of this growth comes from more public broadcaster licence fees, increased direct public funding, growing CTF funding, and rising contributions from provincial producer tax credits (see Table 4.6).

As well,

- Since 2004-05, private broadcaster licence fee contributions have decreased by \$5 million.
- From 2004-05 to 2008-09, CTF's total contributions to financing increased by \$4 million, and its share increased from 23% to 27%.

Since 2007-2008, financing contributions have grown by \$4 million (net). The sources of this growth include increased contributions from producer provincial tax credits, and private and public sources of funding. CTF and Canadian distributors have reduced their contributions.

Table 4.6 Financing of French-Language Long-Form Documentary* Television Production

(\$ millions)

	2001-02		2002-03		2003-04		2004-05		2005-06		2006-07		2007-08		2008-09	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Private broadcaster licence fees	15	19	16	20	18	22	18	23	19	19	17	21	13	16	13	16
Public broadcaster licence fees	11	14	12	16	11	14	11	14	12	12	9	11	14	18	14	17
Producer federal tax credit	6	8	6	8	7	9	8	10	10	10	8	10	8	10	8	10
Producer provincial tax credit	14	17	14	18	13	16	11	14	17	16	12	15	12	16	14	17
Canadian distributor	1	2	1	2	2	3	2	2	3	3	3	4	2	3	1	1
Foreign	2	3	1	1	0	0	0	0	1	1	2	2	0	0	0	0
Production company	3	4	3	4	4	5	4	5	5	5	2	3	2	2	2	2
CTF	20	25	18	23	15	18	18	23	20	19	21	26	23	29	22	27
Public**	1	1	2	3	4	5	2	3	5	4	2	3	1	2	4	4
Other private***	7	9	5	7	7	8	4	5	11	11	4	5	3	4	4	5
Total	80	100	79	100	82	100	78	100	103	100	79	100	78	100	82	100

Source: Estimates based on data obtained from CAVCO. Note: some totals may not add due to rounding.

* Long-form documentary denotes CAVCO data that were filtered in order to separate factual-documentary programming.

** Public includes financing from the National Film Board, provincial governments, Telefilm Canada, and other government departments and agencies.

*** Other private includes financing from independent production funds, broadcaster equity, and other private investors.

4.3.4 Single-Program Documentaries vs. Television Series Financing

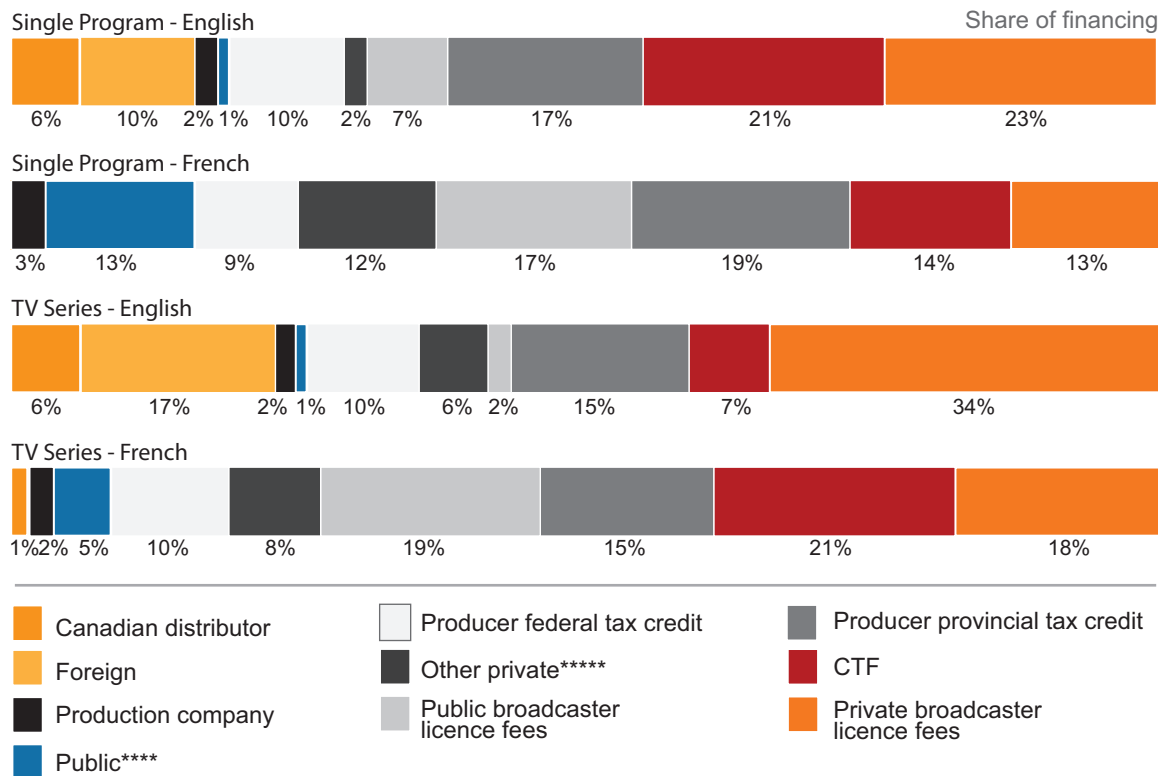
This section reviews and compares the financing sources for single-program documentaries vs. documentary series. The budgets of single-program documentaries and documentary series also include co-productions, which can skew the data. The shares of some financiers may be higher because foreign financiers provide larger sums for international co-productions. The outliers of the budgets over-represent some financiers indicated in Figure 4.12.

Single episodes are the usual format of the POV-documentary genre. Because of their length and the fact that they don't fit into schedules as neatly as other genres, financing them is difficult. They lack the economies of scale of documentary series, and thus are more expensive to produce. Given the differing markets and funding options for English and French markets, there are very few similarities between the financing of single-episode documentaries in the two markets.

Yet English and French single-program documentaries are beginning to have similar financing structures in some regards: licence fees and producer tax credit shares are relatively equal, for example. Moreover, some key financing elements, such as the heavy CTF support for French single programs, have been transferred to the English market. Some financing traits remain different, however: English single-program documentaries rely on foreign sources, while French ones have more public funding.

As is the case for single-program documentaries, English and French documentary series' financing structures are becoming more similar. They both rely heavily on broadcast licences and producer contributions. However, English series rely more on foreign financing, whereas French documentary series are financed primarily by CTF.

Figure 4.12 Financing of CAVCO-Certified Long-Form Documentary* Production (Single Program vs. TV Series***), 2008-09**



Source: Nordicity Group Limited calculations based on data from CAVCO and CTF.

* Long-form documentary denotes CAVCO data that were filtered in order to separate out factual-documentary programming.

** Single-episode programs include short-length documentaries (under 75 minutes) and feature-length documentaries (75 minutes and longer).

*** Documentary series denotes half-hour and hour long documentary budgets. In order to calculate the distribution by hour, the half hour documentary budgets are doubled.

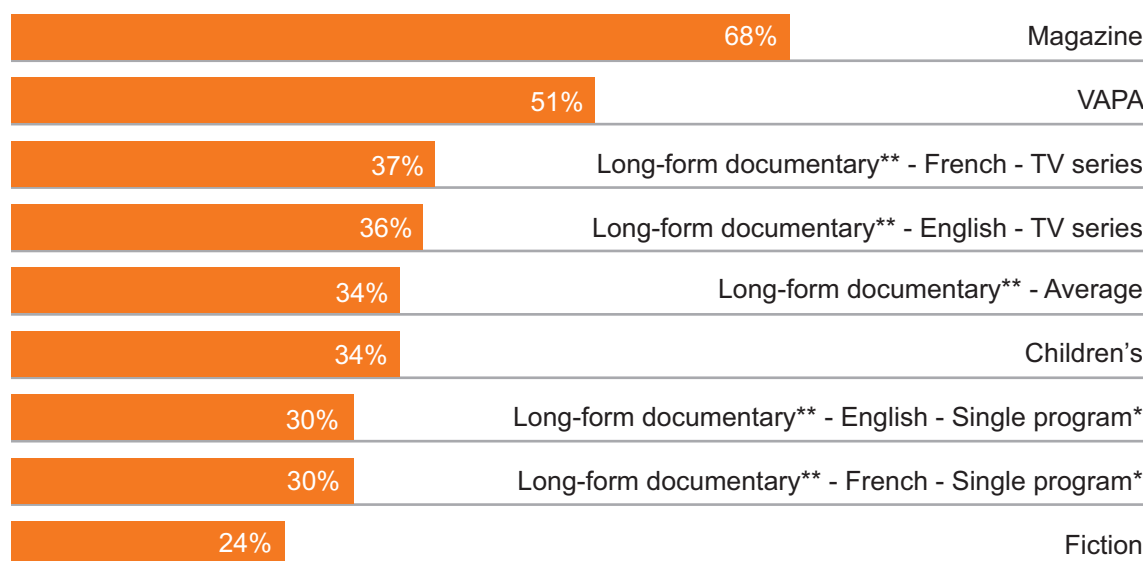
**** Public includes financing from the National Film Board, provincial governments, Telefilm Canada, and other government departments and agencies.

***** Other Private includes financing from independent production funds, broadcaster equity, and other private investors.

4.3.5 Broadcaster Licence Fees

Broadcaster licence fees continue to be a significant source of financing for Canadian documentary production (see Figure 4.13). In 2008-09, Canadian broadcaster licence fees contributed, on average, 34% of the total financing for Canadian documentary production.

Figure 4.13 Share of Total Financing from Broadcaster Licence Fees, Independent Production, 2008-09



Source: Nordicity Group Limited calculations based on data from CAVCO, CTF, and CFTPA Profile 2009.¹⁷

* Single-program category includes short-length documentaries (under 75 minutes) and feature-length documentaries (75 minutes and higher).

** Long-form documentary denotes CAVCO data that were filtered in order to separate out factual-documentary programming.

*** Each of the data sources uses different documentary definitions. The data may therefore be based on non-documentary content.

Over the last five years, broadcasters contributed a larger amount to series than to single-program documentaries. However, broadcaster licence fees are now at their lowest in five years for both formats: \$114 million in total. The average share of documentary series licence fees is also shrinking. Broadcasters are pulling their support from documentaries for both formats (see Table 4.7).

¹⁷ Canadian Film and Television Production Association, Profile 2009, January 2009. <http://www.cftpa.ca/newsroom/pdf/profile/profile2009-en.pdf>. Accessed September 13, 2010.

Table 4.7 Share and Total Dollar Amount of Broadcaster Licence Fees for TV Series* and Single-Program Long-Form Documentaries*****

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Total Volume of Production (\$ millions)								
TV series	183	194	187	228	213	247	249	238
Single program	90	90	110	103	127	123	96	91
Licence Fee Shares (percentage of total financing)								
TV series	39.4	39.0	41.2	38.6	38.7	41.3	42.6	36.2
Single program	30.8	26.6	29.1	29.7	30.5	31.6	29.0	30.7
Dollar Amount of Licence Fees (\$ millions, real dollars, 2009)								
TV series	72	76	77	88	82	102	106	86
Single program	28	24	32	31	38	37	28	28

Source: Nordicity calculations based on data from CAVCO

* Documentary series denotes half-hour and hour-long documentary budgets. In order to calculate the distribution by hour, the half-hour documentary budgets are doubled.

** Single-program category includes short-length documentaries (under 75 minutes) and feature-length documentaries (75 minutes and longer).

*** Long-form documentary denotes CAVCO data that were filtered in order to separate out factual-documentary programming.

4.3.5.1 Distribution of Licence Fees

The median licence fee does give an indication of what a typical licence fee can be, but it does not show the range of the licence fees offered. There may be a high concentration of low licence fees, or many that are very high. In order to contextualize the licence fee data in Table 3.7, we looked at the distribution of the number of independent projects across various licence fees.

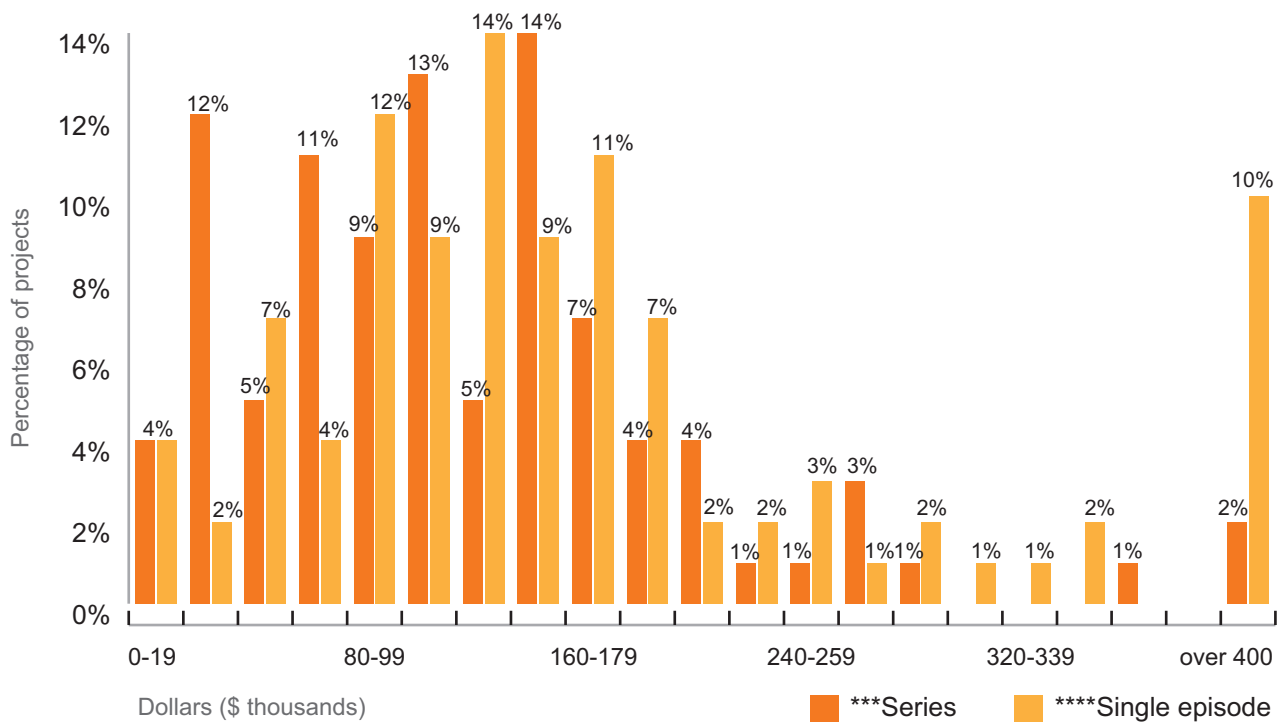
The licence fees per hour for English series ranged from below \$20,000 to over \$400,000 (see Figure 4.14). There are a few English series that are co-productions, which accounts for the higher licence fees:

- 54% of all projects had licence fees around or less than the median licence fee, \$113,757.
- 80% of all projects received licence fees under \$180,000.

The spread for English single-episode documentaries is wider. There is a higher concentration of co-productions and features in English single-programs (especially features), which accounts for the large spike in higher licence fees.

- 52% of all the projects had licence fees around or less than the median licence fee, \$130,000.
- 72% of the projects had licence fees below \$180,000.

Figure 4.14 Broadcaster Licence Fees* for Long-Form Documentaries (\$ Per Hour), English Series vs. Single-Program, 2008-09**



Source: Nordicity Group Limited calculations based on data from CAVCO.

* The data include licence fees for foreign co-productions.

** Long-form documentary denotes CAVCO data that were filtered in order to separate out factual-documentary programming.

*** Documentary series denotes half-hour and hour-long documentary licence fees. In order to calculate the distribution by hour, the half-hour documentary budgets are doubled.

****Single-program category includes short-length documentaries (under 75 minutes) and feature-length documentaries (75 minutes and longer).

There are some notable differences in the distribution of documentary licence fees for the French market. Because of the lack of co-productions, budgets are lower, and thus licence fees are lower.

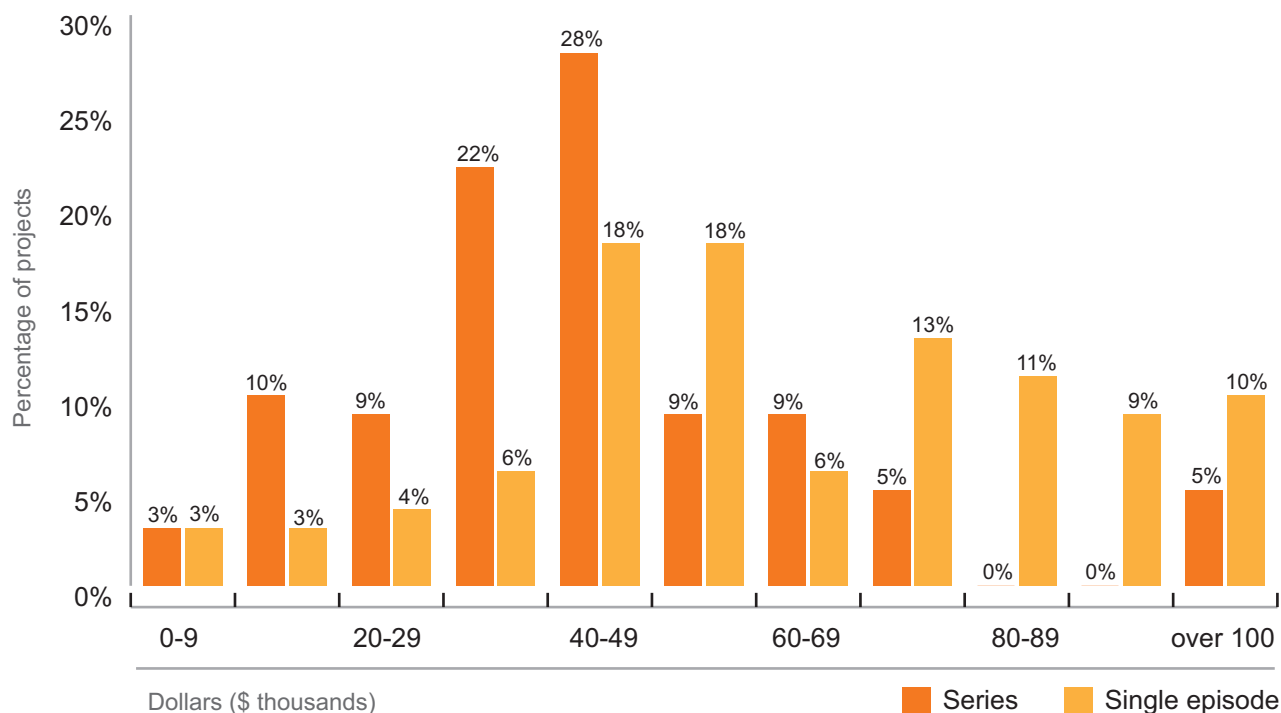
French documentary series projects have licence fees that range from below \$10,000 to over \$100,000 (see Figure 4.15). The majority of licence fees are below the median licence fee:

- 72% of all projects had licence fees around or less than the median licence fee, \$43,375.
- 95% received licence fees under \$80,000.

As for French single-program documentaries, the licence fees are equally spread above and below the median licence fee:

- 53% of all projects had licence fees around or less than the median licence fee, \$60,000.

Figure 4.15 Broadcaster Licence Fees* for Long-Form Documentaries (\$ Per Hour), French Series*** vs. Single-Program,**** 2008-09**



Source: Nordicity Group Limited calculations based on data from CAVCO.

* The data include licence fees for foreign co-productions.

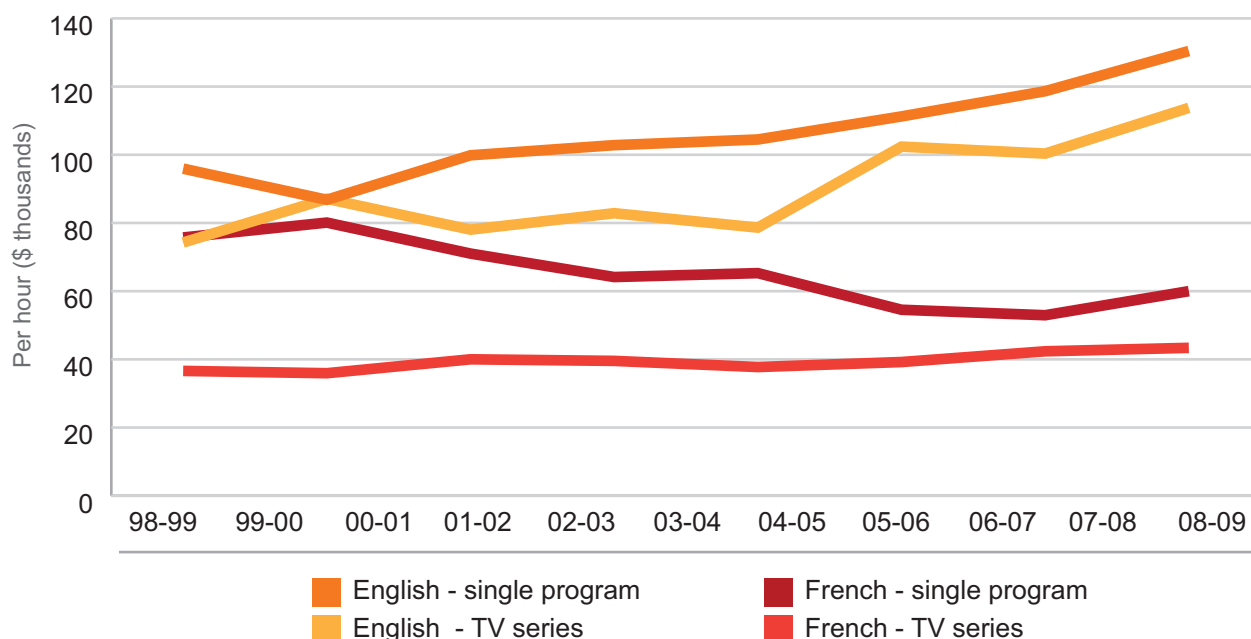
** Long-form documentary denotes CAVCO data that were filtered in order to separate out factual-documentary programming.

*** Documentary series denotes half-hour and hour long documentary licence fees. In order to calculate the distribution by hour, the half hour documentary budgets are doubled.

****Single-program category includes short-length documentaries (under 75 minutes) and feature-length documentaries (75 minutes and longer).

Over the last five years, the median licence fees for English single programs and television series have increased (see Figure 4.16). In the French-language market, the broadcaster licence fees for single-program documentaries have decreased, but the licence fees for series have slightly increased. The median licence fees of English programming continue to outpace those of French programming. Median licence fees are increasing in each language market for each format. Given the presence of licence fees above \$400,000 in the English market, and licence fees above \$100,000 in the French market, it is reasonable to assume that the median licence fee does not fully represent the typical documentary licence fee.

Figure 4.16 Median Broadcaster Licence Fees for Long-Form Documentary* Production (Real 2009 Dollars)



Source: Nordicity Group Limited calculations based on data from CAVCO and CTF.****

* Long-form documentary denotes CAVCO data that were filtered in order to separate out factual-documentary programming.

** Single-program category includes short-length documentaries (under 75 minutes) and feature-length documentaries (75 minutes and longer).

*** Documentary series denotes half-hour and hour long documentary licence fees. In order to calculate the distribution by hour, the half hour documentary budgets are doubled.

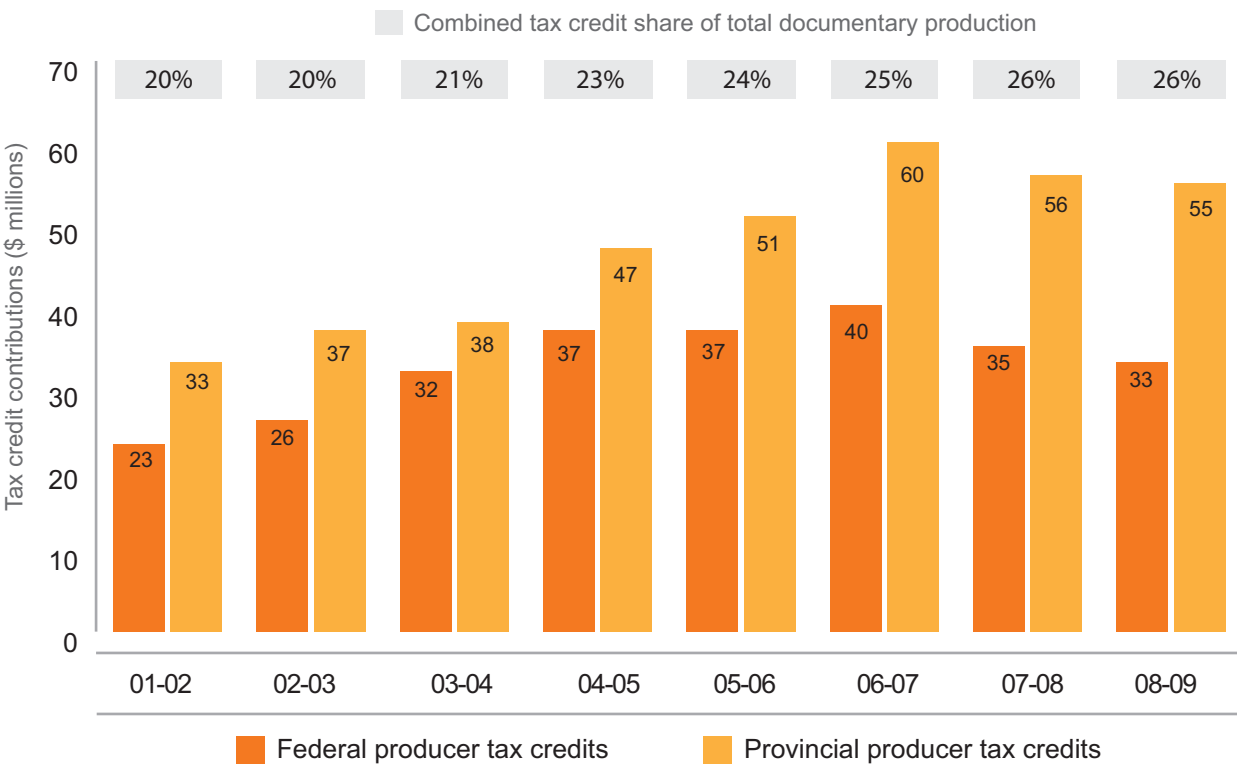
****Each of the data sources uses different documentary definitions. The data may therefore be based on non-documentary content.

4.3.6 Federal and Provincial Tax Credit Contributions

Since 2004-05, total producer tax credit contributions for Canadian documentaries has increased (see Figure 4.17). Provincial producer tax credits have increased, while federal producer tax credits have decreased. The share of contributions of total financing has increased over the last five years.

Recently, both federal and provincial producer tax credits have begun to shrink, because of the contraction of documentary production. Provincial tax credits are responsible for the majority of the growth in this form of financing.

Figure 4.17 Producer Tax Credit Contributions for Long-Form Documentary* Production



Source: Nordicity calculations based on data from CAVCO.

* Long-form documentary denotes CAVCO data that were filtered in order to separate out factual-documentary programming.

4.3.7 Direct Public Funding

Direct public funding comes in many formats, including loans, equity investments, grants, and contributions from public-sector sources. The major sources of direct public funding are the NFB (co-productions), CTF, Telefilm Canada, government departments, and provincial-government agencies. Unfortunately, it is unclear how much of the NFB funding outlined in Table 4.8 actually goes to television financing. Many feature-length funds also provide funding for television. Table 4.8's data show general direct public funding, rather than simply direct public funding for television projects.

Since 2004-05, direct public funding in all forms has decreased. There has been a net decrease in public funding of \$ 8.9 million, or 33%. The NFB was responsible for 40% of the decrease in funding, and other direct public funding sources were responsible for the remaining 60%. During that same period, CTF support increased, but its contributions did not offset the decrease in total public funding. It remains the most stable source of funding for documentaries.

Table 4.8 Direct Public Funding for Long-Form Documentaries*

(\$ millions)	01-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09
National Film Board (in-house and co-production)	18.0	14.1	21.2	18.0	16.1	12.5	16.4	14.5
Other direct public funding**	1.9	10.6	8.3	9.0	5.3	4.9	7.3	3.6
Total direct public funding	19.9	24.7	29.5	27.0	21.4	17.4	23.7	18.1
CTF	55.7	50.0	44.6	46.5	48.3	51.6	53.4	54.6
Total direct public funding + CTF	75.5	74.7	74.1	73.6	69.7	69.0	77.1	71.5

Source: Nordicity tabulations based on data from CAVCO and NFB.***

* Long-form documentary denotes CAVCO data that were filtered in order to separate out factual-documentary programming.

** Other direct funding excludes NFB co-productions and includes Telefilm, CIFVF, provinces, and public broadcaster equity and assistance.

*** Each of the data sources uses different documentary definitions. The data may therefore be based on non-documentary content.

4.3.7.1 CTF Funding

Over the last five years, CTF has undergone a series of policy and funding changes. From the introduction of the BPE envelope system in 2005, to the tumultuous years of 2007-08, when BDUs withheld funding, to the final reconstruction of the fund as the Canada Media Fund, much has changed. Numerous funding streams were announced, changed, and cancelled:

- 2005-06 was the last year of the feature-length fund.
- In 2005-06, CTF introduced the 2 Essential Requirement documentary category.
- In 2007-08, CTF created the English Regional Production Incentive, whose mandate was to provide more funding to the regions.
- In 2007-08, CTF launched the Digital Pilot Program, which provided funding for digital media components.

In both English and French, the number of POV documentary projects has shrunk every year. Only 5% of all English documentary projects were POV in 2008-2009. The percentage of French POV projects also decreased from 25% in 2005-2006, to just 8% in 2008-2009.

CTF documentary funding: Since 2004-05, CTF has steadily increased its funding (see Table 4.9). However, other financiers have contributed more and more financing to CTF projects. Of the net \$ 37.2 million growth in CTF-supported production volume, CTF is responsible for 21% of the growth, while other financing contributed the other 79%. It is clear that CTF continues to operate as a good incubator of funds and production, drawing in funding from more financiers while reducing its own contributions. For every single CTF dollar contributed, another \$3.60 was provided by other sources.

Table 4.9 CTF Share of Documentary Funding

\$ millions, unless specified otherwise

	98-99	99-00	00-01	01-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09
CTF funding	32.5	31.8	44	55.7	50	44.6	46.5	48.3	51.6	53.4	54.6
Other financing	85.1	71.9	107.3	135.7	126.4	101.1	106.3	126.8	126.5	121.9	135.4
Total budgets	117.6	103.7	151.3	191.4	176.4	145.7	152.8	175.1	178.1	175.3	190.0
CTF share of total budget	27.6%	30.7%	29.1%	29.1%	28.3%	30.6%	30.4%	27.6%	29.0%	30.5%	28.7%

Source: Nordicity calculations based on data from CTF.

From 2004-05 to 2008-09, documentary production received more funding, and a larger share of funding. But overall, its share of funding has now decreased from 22.0% to 19.8% (see Table 4.10).

Table 4.10 Documentary Share of CTF Funding

\$ millions, unless specified otherwise

	98-99	99-00	00-01	01-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09
Documentary	32.5	31.8	44	55.7	50	44.6	46.5	48.3	51.6	53.4	54.6
All genres	199	181.2	194.4	226.9	254.3	218.9	235.5	248.9	251.8	242.2	275.2
Documentary share	16.3%	17.5%	22.6%	24.5%	19.7%	20.4%	19.7%	19.4%	20.5%	22.0%	19.8%

Source: CTF.

CTF-supported hours by program type: Between 2004-05 and 2008-09, CTF supported fewer documentary hours in total (see Table 4.11). By 2008-09, there were more one-off and mini-series hours produced, but fewer hours of series and features. Since 2007-08, there have been more hours produced in every format, except for series.

Table 4.11 Types of CTF-Supported Documentary Production (English- and French-Language Production Only)

	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
Hours of Production							
One-off	184.9	126.0	130.0	142.0	157.1	134.8	139.0
Feature	32.8	18.5	42.0	37.5	48.1	35.3	39.8
Series	637.0	466.0	523.5	519.0	532.5	563.0	484.0
Mini-series	109.0	96.5	68.0	96.5	61.5	70.5	98.0
Total	963.7	707.0	763.5	795.0	799.2	803.6	760.8
Share of Total Hours							
One-off	19%	18%	17%	18%	20%	17%	18%
Feature	3%	3%	6%	5%	6%	4%	5%
Series	66%	66%	69%	65%	67%	70%	64%
Mini-series	11%	14%	9%	12%	8%	9%	13%
Total	100%	100%	100%	100%	100%	100%	100%

Source: CTF.

Note: Totals in the table do not match overall genre totals because they do not include Aboriginal-languages production.

CTF Support by Region of Production: Over the last five years, CTF funding for both linguistic markets increased in all regions except Atlantic Canada (see Table 4.12). Since 2004-05, Atlantic Canada and Montreal have received a smaller share of funding, while the rest of the regions received more, notably Ontario, Toronto, and Quebec. In 2008-09, however, CTF funding increased in Atlantic Canada, Ontario, and Toronto. Subsequently, Ontario and Toronto received a larger share of the total funding. Many of the fluctuations between the English regions are caused by the production-incentive initiative.¹⁸

Table 4.12 CTF Funding for Documentary Production, by Region (English- and French-Language Production Only)

	02-03	03-04	04-05	05-06	06-07	07-08	08-09
CTF Funding (\$ millions)							
Toronto	13.2	14.6	12.2	12.8	12.8	12.8	16.3
Montreal	14.8	12.2	16.4	18.9	18	18.6	18.1
Ontario (excl. Toronto)	1.8	0.5	1.8	1.1	1.7	1.1	3.1
Quebec (excl. Montreal)	4.1	1.8	1.9	3.5	1.9	3.1	2.7
Western Canada and Territories	10.3	9.7	8.8	7.9	13.1	12.3	11.1
Atlantic Canada	4.1	4	4	2.2	2.7	3.2	3.3
Total	48.3	42.8	45.1	46.4	50.2	51.1	54.5
Share of Total Funding							
Toronto	27%	34%	27%	28%	25%	25%	30%
Montreal	31%	29%	36%	41%	36%	36%	33%
Ontario (excl. Toronto)	4%	1%	4%	2%	3%	2%	6%
Quebec (excl. Montreal)	8%	4%	4%	8%	4%	6%	5%
Western Canada and Territories	21%	23%	20%	17%	26%	24%	20%
Atlantic Canada	8%	9%	9%	5%	5%	6%	6%
Total	100%	100%	100%	100%	100%	100%	100%

Source: CTF

4.4 Television Documentary Supply and Audience Demand

This section analyzes the viewership of television documentaries. It provides snapshots of Canadian viewership habits, the documentary share of viewership in Canada, the total hours tuned of Canadian documentaries, and how many hours were scheduled by selected private and public conventional broadcasters.

4.4.1 Note on Methodology

Recently, Statistics Canada has cut back its analysis of the film and television production industry. As a result, data that were previously available in the last edition of *Getting Real* are no longer compiled, and, consequently, are absent from this edition of the report.

¹⁸ The English Production Incentive provides funding for regions that have seen a drop in production by a set percentage.

4.4.2 Viewing of Canadian Content

In 2007-08, the top-10 most-viewed documentaries had average minute audiences ranging from approximately 600,000 to just above 900,000 viewers. The top 10 comprised six French and four English productions (see Table 4.13). The highest-rated French Canadian documentary was *Céline, les coulisses de Las Vegas*; the highest-rated English Canadian documentary was *The Bush Years*.

Table 4.13 Top 10 Canadian Documentaries, 2007-08 Broadcast Season (September 2007 to August 2008)

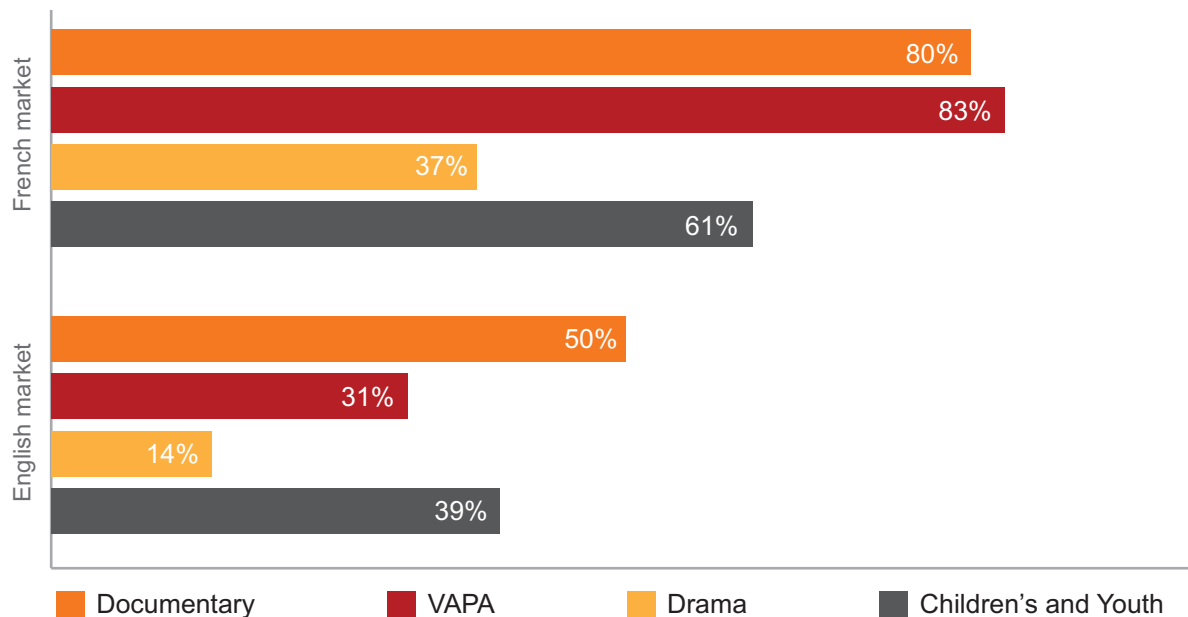
Rank	Title	Average Minute Audience	Broadcaster
1	<i>Céline, les coulisses de Las Vegas</i>	936,100	TVA
2	<i>Ce n'était qu'un rêve, la vie de maman Dion</i>	835,900	TVA
3	<i>Babine: Fabrication</i>	820,300	SRC
4	<i>The Bush Years (DOC ZONE)</i>	744,600	CBC
5	<i>Pharma Sutra (W-FIVE PRESENTS)</i>	741,100	CTV
6	<i>Kilimandjaro, un sommet de générosité</i>	680,500	TVA
7	<i>Lise Dion 20 ans de carrière</i>	675,300	TVA
8	<i>Shockwave (DOC ZONE)</i>	625,600	CBC
9	<i>To Hell With Manners (W-FIVE PRESENTS)</i>	620,200	CTV
10	<i>Ferland, les adieux du petit roi</i>	615,700	TVA

Source: CTF Research (BBM Canada).

Note: For documentaries with multiple episodes or multiple airings, only the audience statistic for the highest-rated episode was included in the data table. When a documentary series had more than one episode that qualified for the top-10 list, only the highest-rated episode was included in the data table. Note as well that programs considered "lifestyle" documentaries were excluded from this list.

Compared with foreign documentaries, Canadian documentaries attract high viewership in both the English and French markets on Canadian television (see Figure 4.18). In the English market, they have the highest share of all the genres; in the French market, they are second only to variety and performing arts programming.

Figure 4.18 Share of Viewing of Canadian Programs (2008-09 Broadcasting Year)

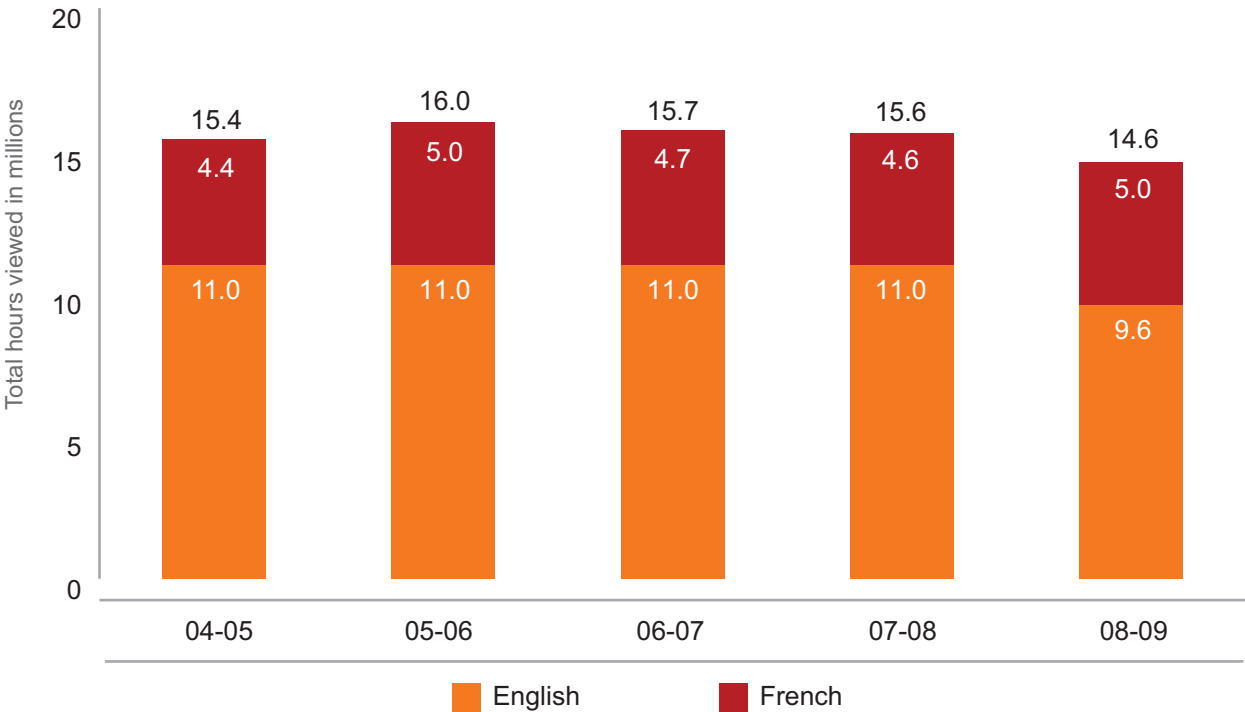


Source: CTF.

4.4.2.1 Viewing of Canadian Long-Form Documentaries

Over the last five years, the total viewership of Canadian long-form documentaries has moved more or less in tandem with the rise and fall of production volume (see Figure 4.19). From 2004-05 to 2005-06, audiences grew; from 2006-07 to 2008-09, they shrank. The two language markets have opposite trends, however: total English audiences dropped, while total French audiences increased. More recently, in 2008-09, total documentary viewership decreased for both markets combined, but it should be noted that the decrease is entirely attributable to the English market, as the French market viewership increased.

Figure 4.19 Average Weekly Number of Hours of Canadian Long-Form Documentaries,* by Language

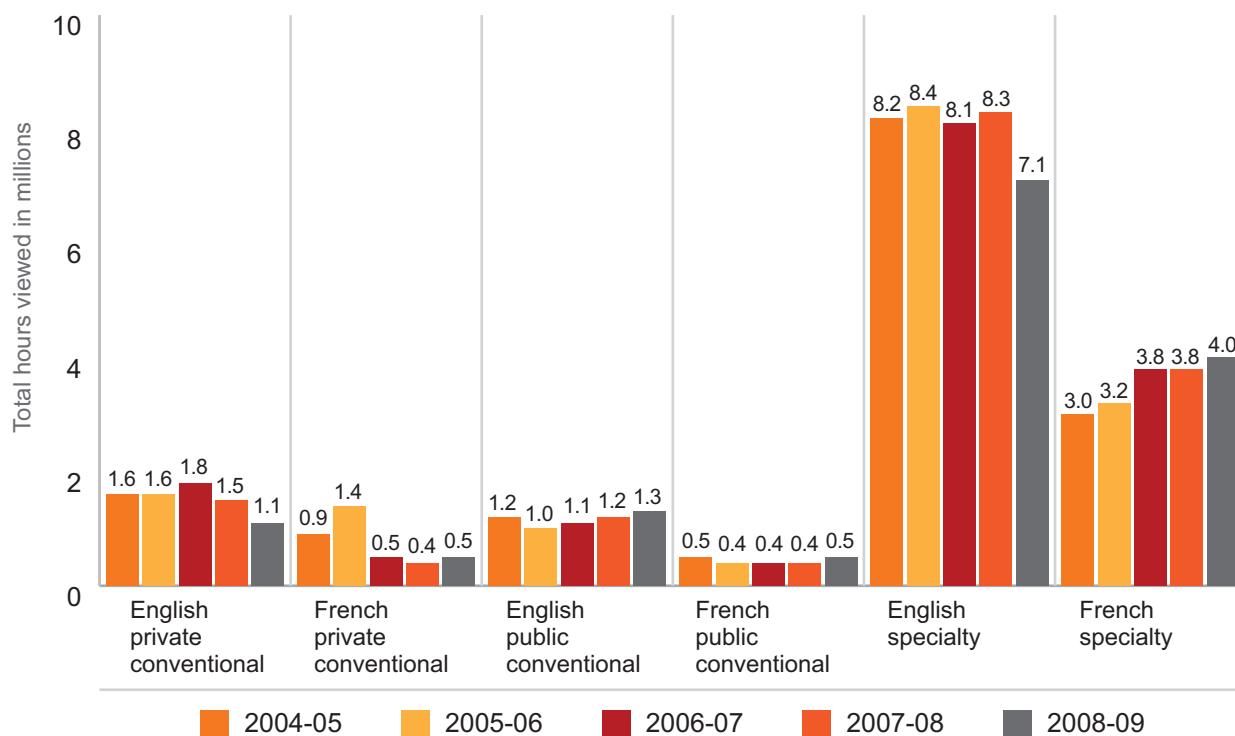


Source: CRTC Communications Monitoring Report 2008, 2009, and 2010.**
 * Long-form documentary denotes CRTC’s definition of documentary.
 ** CRTC’s Communications Monitoring Report relies on BBM Nielson data. As a result, some factual documentary programming may be included, as broadcasters misapply the program categories.
 *** Each of the data sources uses different documentary definitions. The data above may be based on non-documentary content.

From 2004-05 to 2008-09, the decrease in documentary viewership occurred in the English specialty market, as well as in the English and French private conventional market (see Figure 4.20). In the French specialty market, and the English and French public conventional markets, viewership is increasing or stable.

In 2008-09, audiences decreased overall. English specialty viewership dropped significantly, and is the major source of the drop of viewership. Viewership on English private conventional also dropped. In every other market, there has been a growth in viewership, but it was not enough to outweigh the total loss of 1.6 million viewers.

Figure 4.20 Average Weekly Number of Hours Viewed of Canadian Long-Form Documentaries,* by Service and Language



Source: CRTC Communications Monitoring Report 2008, 2009, and 2010.**

* Long-form documentary denotes CRTC's definition of documentary.

** CRTC's Communications Monitoring Report relies on BBM Nielson data. Broadcasters categorize programs for BBM. Given that factual and lifestyle programs are miscategorized as documentaries, the data above may contain non-documentary content.

*** Each of the data sources uses different documentary definitions. The data above may be based on non-documentary content.

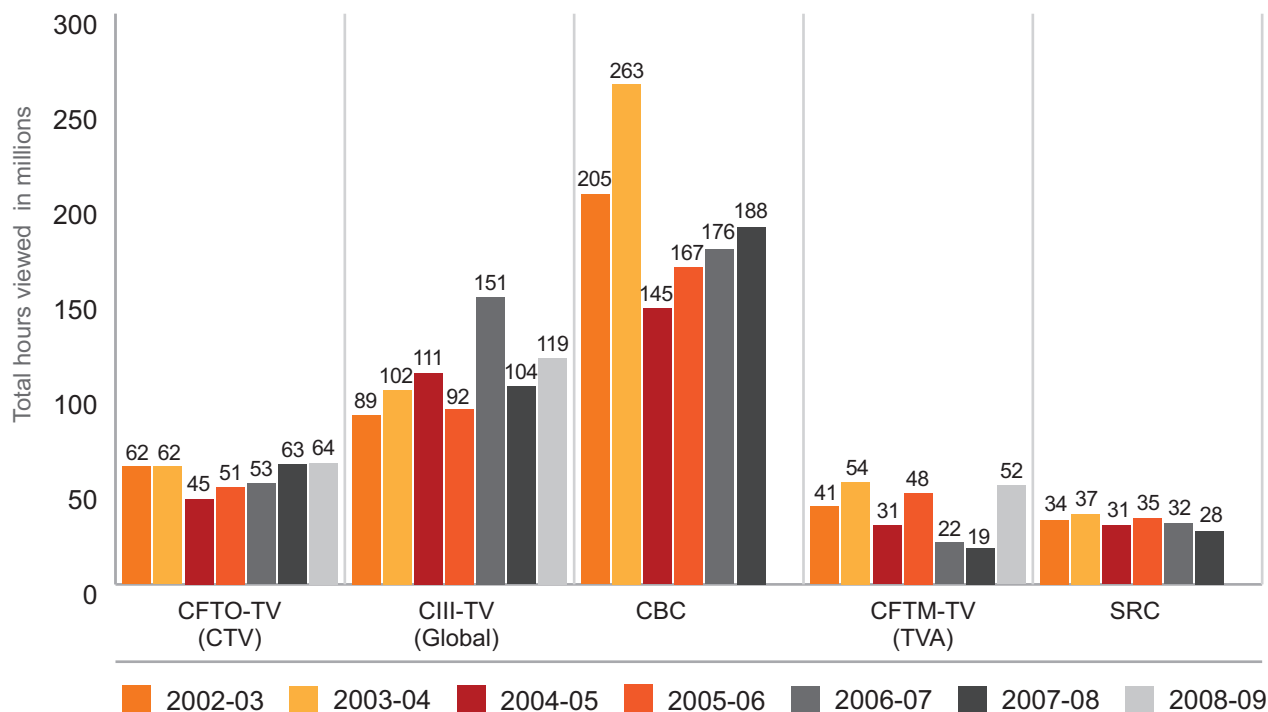
4.4.2.2 Documentary Programming During the Peak Viewing Period

Although the CRTC has mandated that conventional broadcasters program documentaries during peak viewing hours, fewer and fewer documentaries have actually been shown. In addition, the hours being reported by the broadcasters as Category 2b programming (long-form documentaries) are sometimes not documentaries, but, rather, lifestyle, reality, variety, and performing arts shows. As a result, outside of CBC and SRC, and the documentary-strand anthology series on Canwest and CTV, the share of Canadian documentaries is even less than it appears to be (see Figure 4.21).

Since 2003-04, CBC and SRC's scheduled documentaries have dropped. Over the last five years, the total number of documentaries scheduled on the private conventional stations (CTV, Global, and TVA) has increased. The most notable increases in hours were on Global and TVA. The net increase in hours was an extra 49 hours scheduled per year. In 2007-08, CBC scheduled more hours and SRC scheduled less.

Every private conventional station, especially Global and TVA, scheduled more hours for documentaries in 2008-09.

Figure 4.21 Documentary Programming During the Peak Viewing Period



Source: CRTC, CBC/SRC.

Notes: CBC/SRC data for 2008/09 were unavailable.

CRTC's *Communications Monitoring Report* relies on broadcaster programming logs that contain logging errors and the categorization of reality, lifestyle, and factual documentary programming as long-form documentaries.

4.5 Documentary Viewers: Demographic Profile

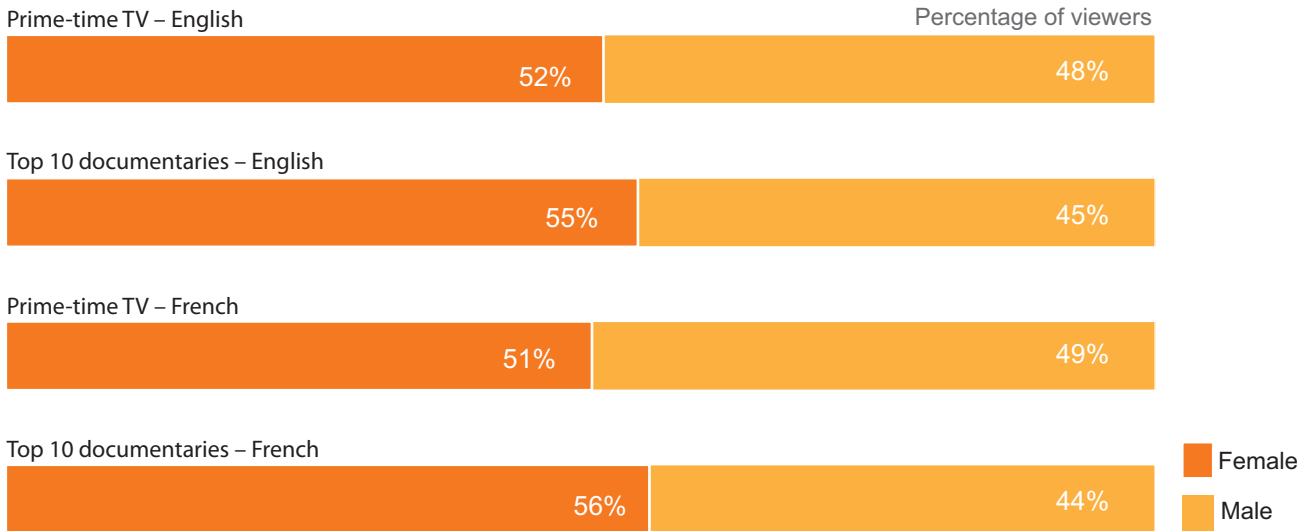
The following viewer demographic profile draws a picture of documentary viewers and the future of documentary viewership. The profile draws information from BBM Nielsen's viewership statistics of the top 10 documentaries in both English and French, and then compares them to regular Canadian prime-time audiences. The viewer demographics are broken down by gender, age, education level, occupation, and household income. The profile highlights characteristics of television viewers only.

There are a number of significant problems with BBM Nielsen's methodology of measuring documentary viewership. First, and most importantly, BBM's data is categorized by broadcasters who misapply the documentary definition. Second, because BBM tabulates segments of analysis and interpretation programs rather than simply long-form documentary programming. Thus, our demographic profile only provides the broad strokes of possible viewership demographics.

4.5.1 Gender

Documentary audiences are split roughly half and half genderwise, for both English and French audiences (see Figure 4.22).

Figure 4.22 Documentary vs. Prime-Time Viewership, by Gender

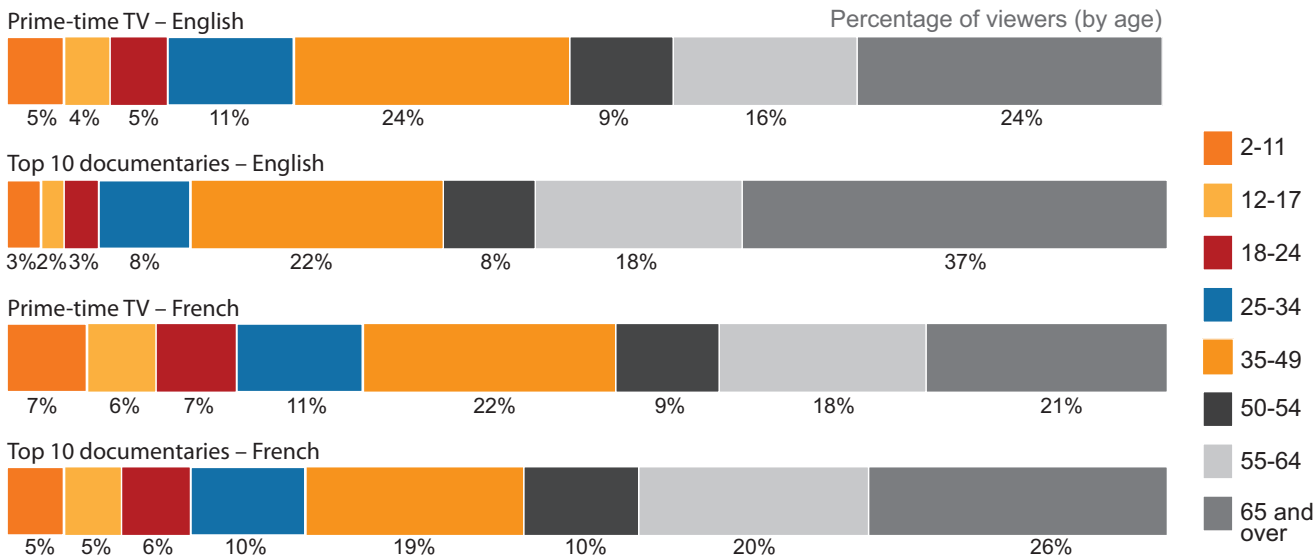


Source: CTF.

4.5.2 Age

English and French documentary audiences tend to be 50 years of age and older (see Figure 4.23).

Figure 4.23 Top-10 Documentary Viewers vs. Prime-Time Viewers, by Age



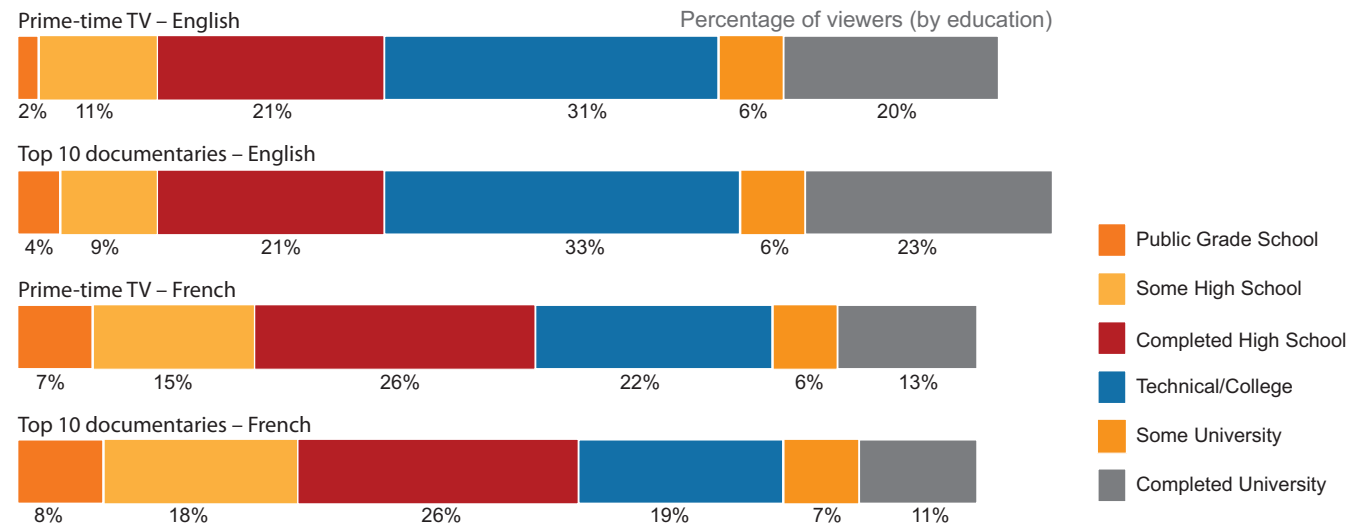
Source: CTF.

Note: Some percentages do not add up to 100% due to rounding or because they do not reflect data that was considered insufficient for reporting by BBM standards.

4.5.3 Education

Documentary viewers in the English market skew college and university graduates. Documentary viewers in the French market skew high school graduates and those with some university education or currently in university. (see Figure 4.24).

Figure 4.24 Top-10 Documentary Viewers vs. Prime-Time Viewers, by Educational Attainment



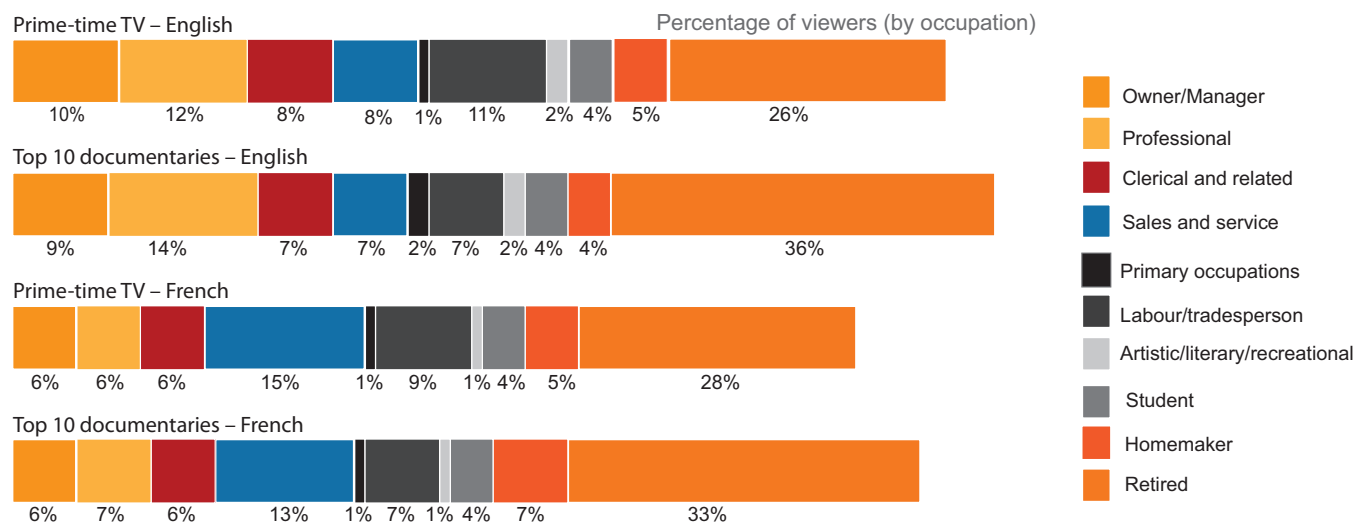
Source: CTF.

Note: Some percentages do not add up to 100% due to rounding or because they do not reflect data that was considered insufficient for reporting by BBM standards.

4.5.4 Occupation

English documentary audiences are more likely to skew professionals and retirees. French audiences are more likely to skew sales and services and retirees. (see Figure 4.25).

Figure 4.25 Top-10 Documentary Viewers vs. Prime-Time Viewers, by Occupation



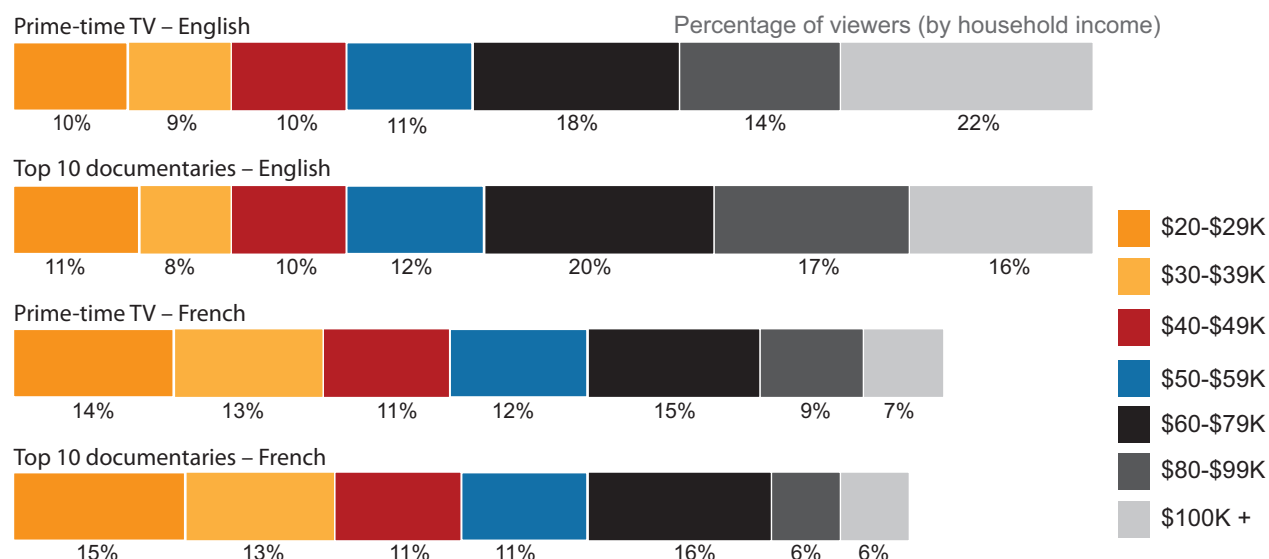
Source: CTF.

Note: Some percentages do not add up to 100% due to rounding or because they do not reflect data that was considered insufficient for reporting by BBM standards.

4.5.5 Household Income

The majority of English documentary audiences skew towards family incomes between \$60,000 and \$99,000. French documentary audiences' family incomes skew between \$60,000 and \$79,000 (see Figure 4.26).

Figure 4.26 Top-10 Documentary Viewers vs. Prime-Time Viewers, by Household Income



Source: CTF.

Note: Some percentages do not add up to 100% due to rounding or because they do not reflect data that was considered insufficient for reporting by BBM standards.

4.6 The Economics of English-Canadian Long-Form Documentary Programming

4.6.1 Case Studies: Leading Canadian Long-Form Documentaries

4.6.1.1 Introduction

The case study methodology followed in this section is drawn from the Analysis of the Economics of Canadian Programming, which was prepared by Nordicity for CFTPA, ACTRA, and WGC in September 2009.

The economic analysis consists of two case studies of the lifetime value of Canadian long-form documentary programming. The subjects are generic rather than specific titles, and include a leading one-off long-form documentary program and a leading long-form documentary television series. For both case studies, the revenues generated by multiple airings of long-form documentary programming on both conventional and specialty television services are taken into account. For the most part it uses the same data and assumptions as the September 2009 report. In some cases, certain assumptions are updated so that they are consistent with new long-form documentary genre data.

4.6.1.2 Analysis

One-Off Long-Form Documentary

A one-off long-form documentary that garners an audience of just under 200,000 in its original airing will incur a shortfall of \$99,911 for the broadcaster following this airing (see Table 4.14). However, if the broadcaster is part of a broadcasting ownership group that also operates a specialty television service, it can repeat the long-form documentary numerous times on its specialty television platform, although it will garner lower audiences and lower advertising rates during these airings.

Table 4.14 One-Off Long-Form Documentary, Conventional Television Airing

Broadcaster Revenue—Original Airing	
Average audience (Average Minute Audience)	193,000
Number of ad spots	24
Cost Per Thousand/Mille (CPM) (\$)	16
Sell-out rate	80%
Per-episode revenue for original airing (\$)	59,290
Broadcaster Cost—Original Airing	
Average budget per episode (\$)	390,000 ¹⁹
Broadcaster licence fee (\$)	120,900 ²⁰
Other broadcaster expenses (\$)	38,301
Total broadcaster cost per episode (\$)	159,201
Broadcaster net benefit (\$)	(99,911)
Conventional Net Surplus/(Deficit) (\$)	(99,911)

Source: Nordicity analysis based on data from CMRI, BBM-Nielsen, producer interviews, and CRTC. Numbers may not add up due to rounding.

Following 13 repeats on specialty television – a reasonable number for a leading documentary program²¹ – the one-off long-form documentary will generate a small surplus – \$1,187 – for the broadcasting ownership group that controls a conventional and specialty television service (see Table 4.15). Any subsequent repeats will increase this surplus.

Table 4.15 One-Off Long-Form Documentary, Specialty Television Airing

Broadcaster Benefits	
Average audience (Average Minute Audience)	32,000
Number of ad spots	24
Cost Per Thousand/Mille (CPM)	8
Sell-out rate	80%
Per-episode revenue for each repeat airing (\$)	4,915
Number of repeats	13
Total ad revenue from repeat airings (\$)	63,898
Subscriber revenue per hour (\$)	3,850
Allocated sub revenue (\$)	50,047
Total revenue (\$)	113,944
Costs per hour (\$)	988
Broadcaster costs (\$)	12,846
Net benefit (\$)	101,098
Conventional/Specialty Surplus/Deficit (\$)	1,187

Source: Nordicity analysis based on data from CMRI, BBM-Nielsen, producer interviews, and CRTC. Numbers may not add up due to rounding.

¹⁹ As noted in Section 3.3, the average budget does not necessarily reflect the most common budget. The budgets for most single-episode documentaries are actually below this amount. Thus, broadcaster benefits would be much higher.

²⁰ As noted in Section 3.3, the median licence fee does not necessarily reflect the most common licence fee, just the one situated in the middle. The licence fees for most single-episode

²¹ Nordicity Group Ltd., 2009, p. 13.

Long-Form Documentary Television Series

A long-form documentary television series for which each episode airs 30 times on a specialty television service (a reasonable number of repeats²²) will also generate a large per-episode surplus for a Canadian broadcasting ownership group, if the program can garner an average audience of 32,000 per episode (see Table 4.16). Again, research indicates that this is a reasonable average audience level for the genre.²³

Table 4.16 Economics of Long-Form Documentary Series on Specialty Television

Broadcaster Benefits	
Average audience (Average Minute Audience)	32,000
Number of ad spots	24
Cost Per Thousand/Mille (CPM) (\$)	8
Sell-out rate	80%
Per-episode revenue for each airing (\$)	4,915
Number of airings	30
Total ad revenue from all airings (\$)	147,456
Subscriber revenue per half hour (\$)	3,850
Allocated sub revenue (\$)	115,493
Total broadcaster benefit (\$)	262,949
Broadcaster Costs	
Average budget per episode (\$)	275,000 ²⁴
Broadcaster licence fee (\$)	99,000 ²⁵
Overhead costs per hour (\$)	988
Total overhead costs (\$)	29,644
Total broadcaster costs (\$)	128,644
Total Surplus/(Deficit) (\$)	134,305

Source: Nordicity analysis based on data from CMRI, BBM-Nielsen, producer interviews, and CRTC. Numbers may not add up due to rounding.

4.6.1.3 Conclusion

Although documentaries do not generate revenue from their initial broadcast, after repeated broadcasts across a corporate group, they do generate small margins of profit for single episodes, and larger margins for documentary series. The average television licence length for a Canadian documentary is about five to seven years. Broadcasters can easily exploit the long-tail potential of documentaries during this timeframe.

However, given the outliers, which skew average budgets and median licence fees higher, the average budgets and broadcaster licence fees used in this exercise actually inflate the broadcaster's costs. The total surplus of a single episode and a series in their first airings, and their repeated airings, could fluctuate depending on the budgets of the particular documentaries. Because the majority of budgets

22 Nordicity Group Ltd., 2009, p. 13.

23 Nordicity Group Ltd., 2009, p. 29.

24 As noted in Section 4.3, the average budget does not necessarily reflect the most common budget. The budgets for most documentary series are actually below this amount. Thus, broadcaster benefits would be much higher.

25 As noted in Section 4.3, the median licence fee does not necessarily reflect the most common licence fee, just the one situated in the middle. The licence fees for most documentary series are actually below this amount. Thus, broadcaster benefits would be much higher.

and licence fees are lower than their averages and medians, it is possible that broadcasters have much higher surpluses than noted in Table 4.16.

4.7 Industry Outlook

Since 2006-07, the television documentary production sector has been in decline. Although French-language documentary production has increased, its growth did not outpace the drop in volume in the English-language sector. As broadcasters reduced their licence fees, and public and private funds contributed less towards documentary production, CTF's incremental contributions could only support a certain amount of production. Foreign financiers became a larger share of financing, as producers found they could only push tax credits so far.

Canadians prefer home-grown documentaries over foreign ones, but when fewer are being made and scheduled on specialty channels, viewership drops. The increase in viewership of documentaries in French-Canada did not make up for the drop in viewership on English specialty services.

In the long run, research shows that documentaries that are repeatedly shown can generate ad sales. As baby boomers enter retirement, broadcasters will be able to take advantage of this large group, and the inherent long-tail possibilities of documentaries. However, there are also numerous structural, financial, and industry trends that could prevent broadcasters from exploiting the efficiencies of documentaries.

4.7.1 Market and Industry Trends

During the last months of 2008, the global credit crisis created an advertising slump, and in 2009, conventional stations reported a 7.7% loss in operating revenues, the largest annual decrease in 30 years.²⁶ Cuts were made across the broadcast sector. CBC, Rogers, and CTV all cut staff.

There have also been cancellations of documentary strands and closures of documentary departments. In 2009-10, three documentary strands were cancelled or on hiatus: *Wild Docs*, *The Lens*, and *Global Currents*. At the same time, CTV has shuttered its documentary department and centralized its documentary production into its factual entertainment department. With fewer documentary one-off strands, and the departure of a documentary commissioning department, it is clear that the drop in documentary production will continue.

4.7.2 Funding and Financing

4.7.2.1 CIFVF

Through its annual \$1.5 million budget, CIFVF funded \$190 million worth of production of animation, docudramas, documentaries, dramas, and other genres – a total of 886 projects. Of those, 422 were for conventional and educational television. Many documentary filmmakers accessed CIFVF to start projects that would later be financed by broadcasters (such as *The Corporation*) or accessed the Fund for critical completion money. The flexibility of the fund allowed it to invest in both innovative projects and young talent. In 2008, the program was closed, leaving a funding gap for documentary producers.

4.7.2.2 CMF

In 2009, the Department of Canadian Heritage decided to merge the Canadian Television Fund and the Canada New Media Fund (CNMF) into one fund: the Canada Media Fund (CMF). With a mandate to create innovative media projects in both official languages, CMF will significantly affect the television financing environment, because producers must produce television and digital media products in order to access funding.

²⁶ Statistics Canada, *The Daily*, Monday July 12th 2010, Television Broadcasting. <http://www.statcan.gc.ca/daily-quotidien/100712/dq100712a-eng.htm>.

4.7.3 The New Television Regulation System: 2011

Since 2008, the CRTC has made significant changes to television regulation. In particular, it reviewed the concentration of ownership, cable regulation, and television regulation. Many of the policies will come into force in 2011, namely cable and television regulations. The new policies will have a significant impact on the Canadian documentary industry, but it is still unclear whether that impact will be positive or negative. What is known is that there will be significant shifts.

4.7.3.1 Cable Regulations

Under the new cable regulations, cable companies are no longer tied to Canadian carriage rules and they will be able to redesign their packages. At the same time, mandatory carriage and Category 1 digital channels have to reapply to maintain their preferential treatment on cable. The public broadcaster's specialty services and educational broadcasters may lose their mandatory carriage, which would mean less money flowing to primary documentary commissioning departments. Furthermore, the reorganization of the packages may result in lower subscription revenues for channels that commission documentaries. Since many documentary programs are commissioned by specialty channels, the loss of revenues from lower subscription revenues from these channels could result in fewer documentaries being commissioned.

4.7.3.2 Programming of National Interest

In 2009, following the one-year licence renewals of the major private conventional corporate groups, the CRTC held a hearing on the scope of the new group-based licences for corporate groups. It introduced the concept that major corporate groups would have to spend a portion of their entire revenue or entire programming budgets on Canadian programming. Moreover, the participating broadcasters would have to spend a certain amount on programs of national interest. The programs will be able to appear on the different services of the corporate group, and the group will be able to pool money for licences across services.

DOC advocated for documentaries to be included as one of the genres of the programs of national interest. This could result in a growth of documentary volume, but these programming expenditures are for the entire corporate group, and, consequently, there may be a reduction in volume because of the loss of licences resulting from 2nd windows.

DOC also argued for a review of the programming categories in its intervention. A new system should address the reporting problems of the past programming regime. A more refined definition of documentary, applied properly, may create better data.

5. Feature-Length and Theatrical Documentary Production

Over the last ten years, feature-length documentaries have emerged as theatrical blockbusters. Through wider worldwide distribution, they are making cumulative box office returns in the hundreds of millions of dollars. From the socio-political films of Michael Moore, such as *Fahrenheit 9/11*, *Sicko*, and *Capitalism: A Love Story*, to DisneyNature's *Earth* and *Oceans*, documentaries are attracting large audiences and securing international distribution.

In 2010, for example, *Babies* was released across 534 theatres on the Mother's Day weekend, in competition with *Iron Man 2*. The film made \$2 million USD in its opening weekend. As of June 2010, its domestic gross was \$7.2 million USD.²⁷ DisneyNature's latest documentary, *Oceans*, was released in 1,206 theatres; it has made \$75 million USD worldwide as of June 2010. When Disney produces documentaries, it can only mean that the genre has great market potential.²⁸

Audiences are flocking to Canada's numerous documentary film festivals. Many Canadian feature-length documentaries have secured worldwide theatrical distribution and had amazing success at the box office. *Sharkwater* opened in 60 theatres in November 2007. Its cumulative worldwide box office gross is \$1.6 million USD.²⁹ Released in October 2008, *Up the Yangtze* stayed in theatres for 27 weeks, across 23 theatres. Its cumulative worldwide box office gross is just over \$1 million USD.³⁰

5.1 Summary

As television production volumes decrease, feature-length production has also decreased, to its lowest volume in six years. However, the production of feature-length documentaries with theatrical distribution as their primary window (theatrical) has increased over the last five years. The volume of English theatrical is growing; French theatrical is shrinking.

Although more funds exist for documentary feature films, the funding environment is tied to television financing. Canadian broadcasters are commissioning fewer features, and so more documentary filmmakers are seeking funding from foreign sources.

In the theatres, Canadian documentaries are accumulating large box-office grosses more quickly, but continue to take advantage of their long-tail advantage through repeat theatrical screenings. Canadian documentary film festivals are increasing in size and attendance year after year. At the same time, other festivals and citizen groups are bringing documentaries to theatres across the country.

And, while documentary filmmakers have always taken advantage of digital technology in order to make their productions more efficient, the theatrical distribution system is catching up: major theatrical chains are converting their screens to digital.

5.2 Measuring Feature-Length and Theatrical Documentary Production

Tracking and measuring the production of the theatrical documentary is extremely difficult. Documentary producers want to distribute their films across as many windows as possible, and access as much funding as possible. Although feature-length documentaries may not appear in theatres,

27 Box Office Mojo, *Babies* (2010). Online, <http://www.boxofficemojo.com/movies/?page=weekend&id=babies.htm>

28 Box office statistics from Box Office Mojo include Canadian statistics in the domestic gross; it is therefore not possible to disaggregate Canadian numbers from the total.

29 Box Office Mojo, *Sharkwater* (2007). Online, <http://www.boxofficemojo.com/movies/?id=sharkwater.htm>

30 Box Office Mojo, *Up the Yangtze* (2008). Online, <http://www.boxofficemojo.com/movies/?id=uptheyangtze.htm>

they are formatted so that they could, if need be. Often, feature-length documentaries are versioned in multiple ways to suit different windows. This helps producers access multiple funds. Consequently, a theatrical documentary, a television feature-length documentary, and a television documentary have many of the same financiers. Because producers aim to have multiple windows as part of their distribution strategy, it is difficult to demarcate documentaries by their release windows. CAVCO statistics demarcate the various windows of a documentary, but many that were intended to be only television features obtain theatrical distribution.

Unlike the previous edition of *Getting Real*, the theatrical section in this report does not attempt to account for the potential for theatrical release of a documentary. Instead, it delineates the production volume and financing for documentaries that applied to CAVCO with a theatrical release window and those that did not.

As with the definition of documentary, numerous definitions of feature-length films are used by various agencies. The data used for production volume were taken from CAVCO, CTF, and Telefilm, all of whom use the same definition of feature-length: a film with a length of 75 or more minutes. If another definition is used in this report, it will be indicated.

5.2.1 Volume of Production

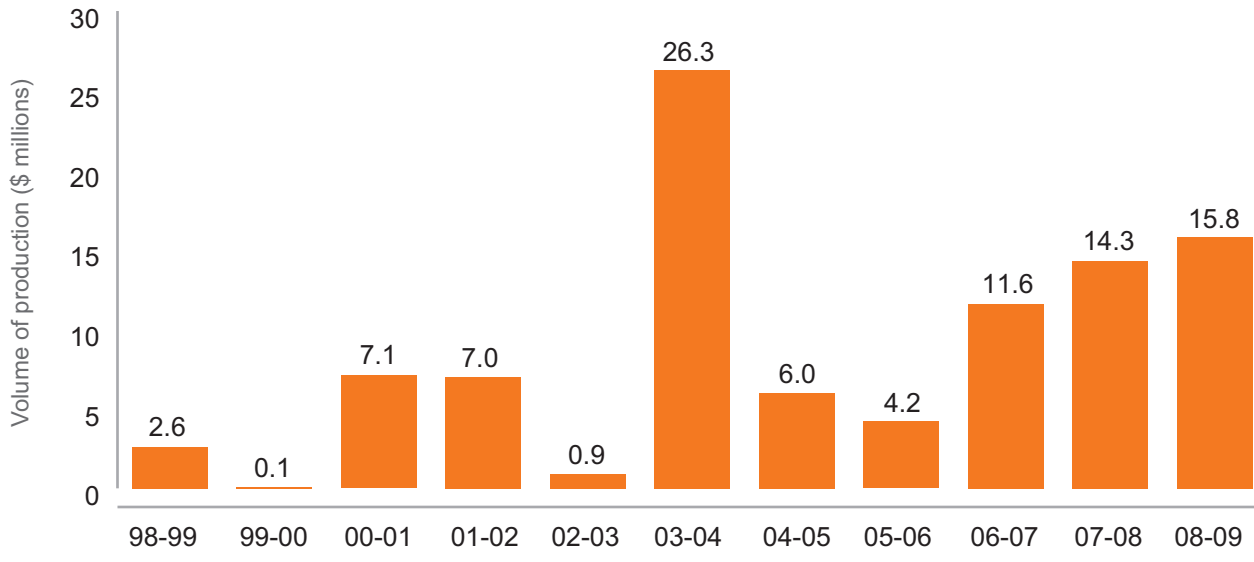
This section analyzes and reviews the volume of production of theatrical documentaries, and the production volume of feature-length documentaries.³¹ The total volume of theatrical documentaries no longer includes projects that intended to have theatrical as their second-release window.

5.2.1.1 Total Volume

Over the last few years, the production of Canadian documentaries with a planned theatrical release (first window only) has increased (see Figure 5.1). The production of IMAX documentaries might be causing this growth, although it is not possible to segment their production value because of tax confidentiality rules. These outliers could thus be increasing the total production volume of theatrical releases when there are actually very few non-IMAX documentaries being produced. On average, it takes a producer five to seven years to develop, produce, and post-produce a theatrical documentary. The spikes in production volume could result from a producer finishing development, and accessing funding. One project could drive the production volume higher, while the development period is not reflected.

³¹ The data presented only includes productions that applied for CAVCO certification. A large volume of documentary films never receive CAVCO certification or tax credits.

Figure 5.1 Theatrical Documentary Production (Independent Production Only)

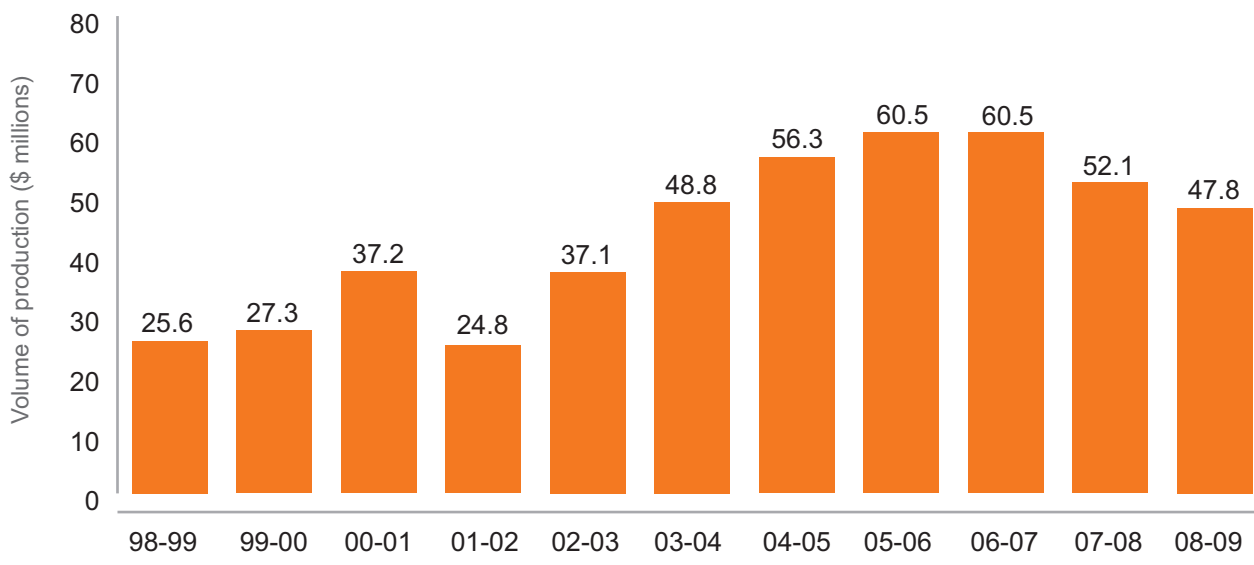


Source: Nordicity Group Limited calculations based on data from CAVCO.

Feature-length documentaries are documentaries that run 75 minutes or longer. They may have theatrical, non-theatrical, and television release windows. Consequently, the volume shown in Figure 5.1 is included in Figure 5.2, as is some of the production volume of television.

The production volume of feature-length production is less erratic than theatrical volume. Because of its link to television funding, the historic volume of feature-length documentary production reflects a mix of theatrical production, as seen in Figure 5.1, and some of the recent trends in television-production volume, as discussed in Section 4. However, unlike theatrical production, feature-length production decreased, to its lowest level in six years.

Figure 5.2 Documentary Feature Film* Production



Source: Nordicity calculations based on data from CAVCO.

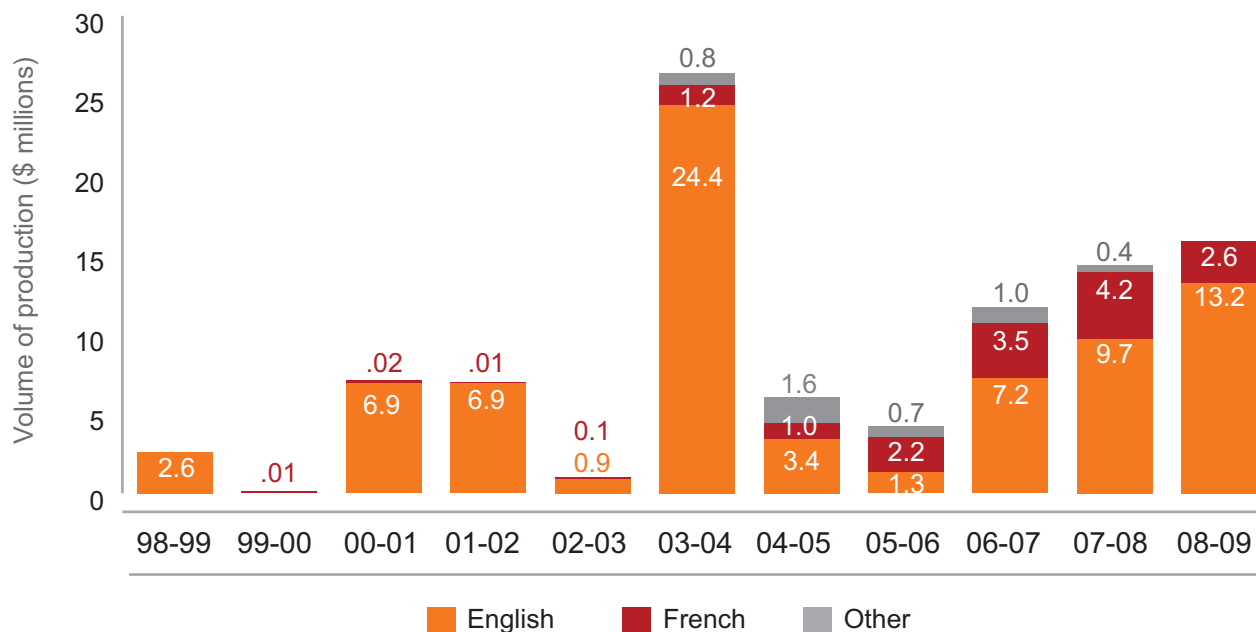
*Includes feature-length production for theatrical, non-theatrical, and television release windows.

The incongruities of theatrical and feature-length production can be explained by the numerous funds that exist for financing feature-length documentaries. There is more funding for features that have television windows than those that do not. The Rogers Documentary Fund provides funding to applicants that have secured a broadcaster license and the Telefilm Theatrical Documentary Program requires either a broadcaster license or a distributor commitment, while the OMDC Film Fund requires both a broadcaster commitment and a viable theatrical release. Furthermore, in the Alliance Atlantis benefits package, Canwest set up a fund for feature-length documentaries for its specialty channels valued at \$7 million, which could be responsible for some of the feature-length production volume.

5.2.1.2 Language of Production

Since 2004-05, English and French theatrical production volumes have risen, while productions in other languages (including bilingual and Aboriginal-language productions) fell (see Figure 5.3). More recently, English theatrical production has continued to grow, French theatrical production has dropped, and production in other languages has been absent. English theatrical production has thus been the driving force behind the growth.

Figure 5.3 Documentary Language of Production, Theatrical Production



Source: Nordicity Group Limited calculations based on data from CAVCO.

5.2.1.3 Region of Production

Measuring the production volume of different regions is an increasingly difficult task. Although production companies may apply for tax credits for principal photography in one province, they may have to go to another province for post-production. The production process thus moves documentarians all over Canada to access the best tax credits and funds. Consequently, tracking the production volumes of theatrical production is very elusive. The data in Table 5.1 indicate an attempt to locate production based on tax credits.

Over the last five years, theatrical documentary production has oscillated between Ontario and Quebec. In Atlantic Canada, there has been no theatrical production; in Western Canada and the Territories, there was a surge in production. More recently, Quebec and Western Canada and the Territories are the only regions producing theatrical documentaries. It appears as if Quebec theatrical production is a major source of growth in the market irrespective of linguistic markets.

Table 5.1 Volume of Theatrical Documentary Production, by Region

\$ millions	98-99	99-00	00-01	01-02	02-03	03-04	04-05	05-06	06-07	07-08	08-09
Atlantic	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Quebec	0.0	0.1	7.1	6.4	0.1	23.4	4.2	3.0	5.6	7.7	12.6
Ontario	0.0	0.0	0.0	0.6	0.7	1.5	1.8	0.2	5.8	6.6	0.0
Western Canada and Terr.	2.6	0.0	0.0	0.0	0.1	1.4	0.0	1.1	0.3	0.0	3.2
Total	2.6	0.1	7.1	7.0	0.9	26.3	6.0	4.2	11.6	14.3	15.8

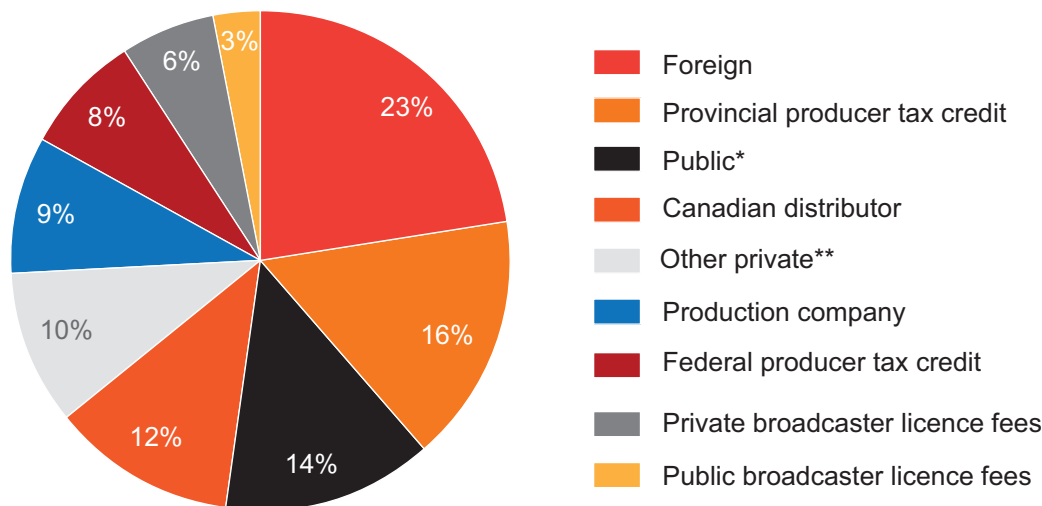
Source: Nordicity calculations based on data from CAVCO.

5.3 Financing Theatrical Documentary Production

Despite OMDC and Telefilm having created feature film funds that in part support documentaries, financing a feature-length documentary intended for theatrical release remains a challenge. These funds do provide financing for theatrical documentaries, but in order to access as much funding as possible, producers have to obtain a broadcaster's licence. In the case of the OMDC Film Fund, a licence is a funding requirement.

Meanwhile, the NFB continues to co-produce documentaries with independent producers and directors.

The Canadian theatrical documentary industry is mainly funded through foreign sources (distribution pre-sales, and licence fees) and producer investments (tax credits and direct investments) (see Figure 5.4).

Figure 5.4 Sources of Financing for Theatrical Documentaries, 2001-02 to 2008-09

Source: Estimates based on data obtained from CAVCO and CTF. Note: some totals may not add due to rounding.

* Public includes financing from the National Film Board, provincial governments, Telefilm Canada, and other government departments and agencies.

** Other private includes financing from the independent production funds, broadcaster equity, and other private investors.

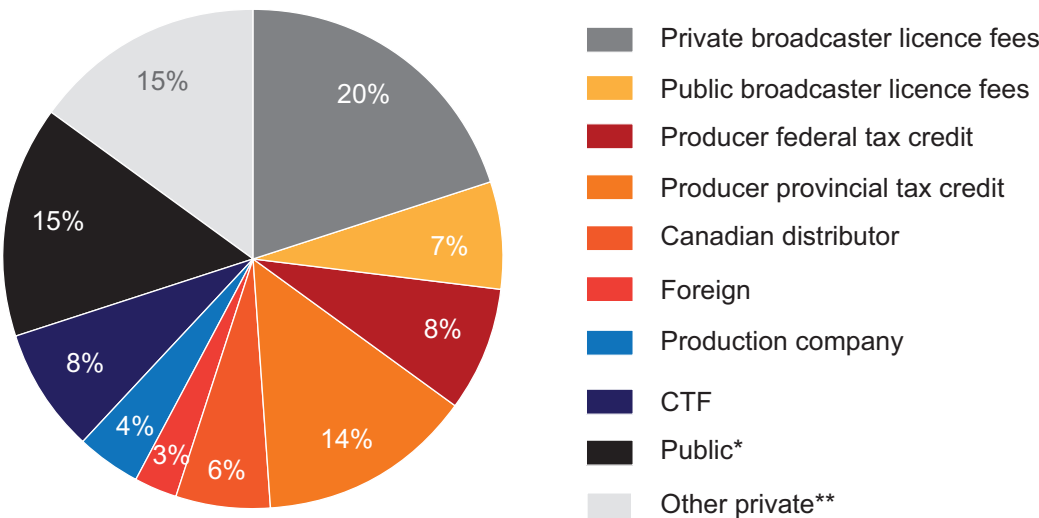
5.3.1 Financing of Feature-Length Documentary Productions

Feature-length documentaries have a wider variety of financiers than those solely intended for theatrical release (see Figure 5.5).³² Broadcasters play a larger role in the financing because of the guidelines of

³² The financing information of theatrical-release documentaries is a subset of feature-length, and is included within the

documentary funds. As with documentaries intended primarily for theatrical release, producers finance the majority of the projects through tax credits and their own contributions.

Figure 5.5 Sources of Financing for Feature-Length Documentaries (NT, TV and Theatrical), 2006-07 to 2008-09



Source: Estimates based on data obtained from CAVCO and CTF. Note: some totals may not add due to rounding.
* Public includes financing from the National Film Board, provincial governments, Telefilm Canada, and other government departments and agencies.
** Other private includes financing from the independent production funds, broadcaster equity, and other private investors.

5.3.2 Feature-Length and Theatrical Documentary Funding

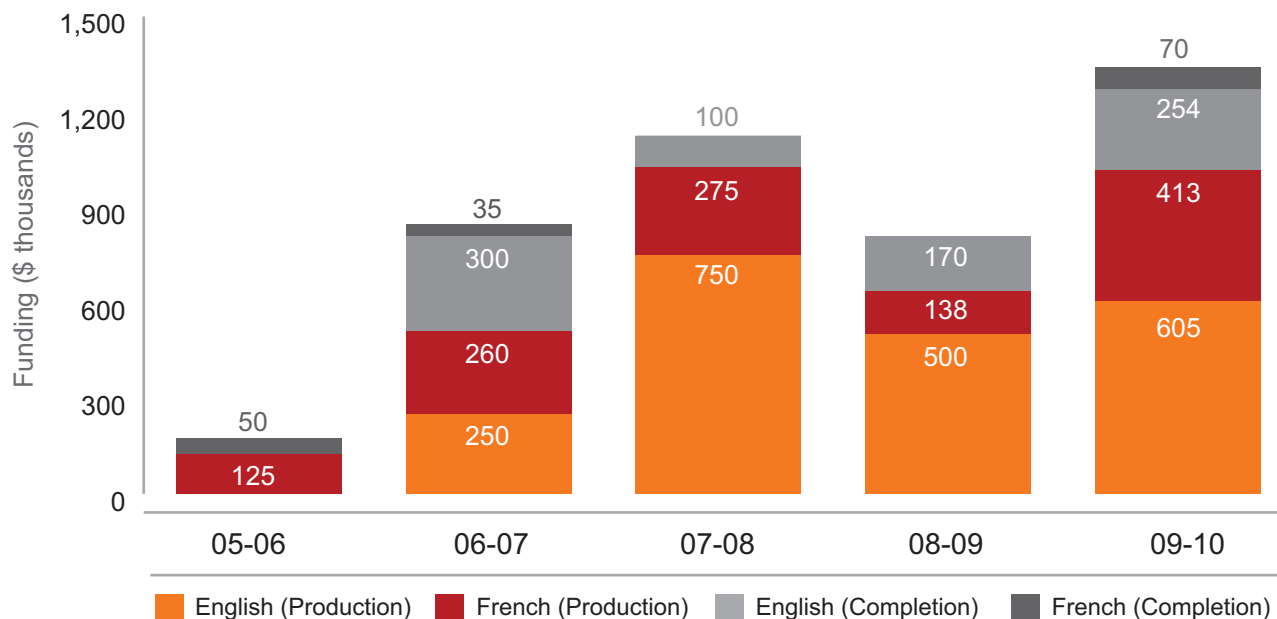
5.3.2.1 Telefilm’s Theatrical Documentary Program

In 2005-06, Telefilm introduced the Theatrical Documentary Program in partnership with CBC and the Rogers Group of Funds. The Program funds both the production and completion of feature-length documentaries intended for theatrical release. Because of its partnerships with broadcasters, the program requires producers to have a theatrical distributor or a broadcast licence in order to access the maximum amount of funding.

From its launch in 2005-06 to the present, funding for feature-length and theatrical documentaries has grown (see Figure 5.6): it has provided \$3.3 million to production funding and \$978,000 to completion funding.

feature-length financing data.

Figure 5.6 Telefilm Theatrical Documentary Program Funding Volume



Source: Telefilm.

The average budget of projects funded by Telefilm's Theatrical Documentary Program has fluctuated over the years (see Table 5.2). In the beginning, it was quite high – \$1.9 million. However, in recent years, it has dropped from its 2006-07 level, although it is increasing year after year. The four-year average is just under \$1.4 million.

Table 5.2 Telefilm Feature Film Documentaries, Average Production Budget per Fiscal Year

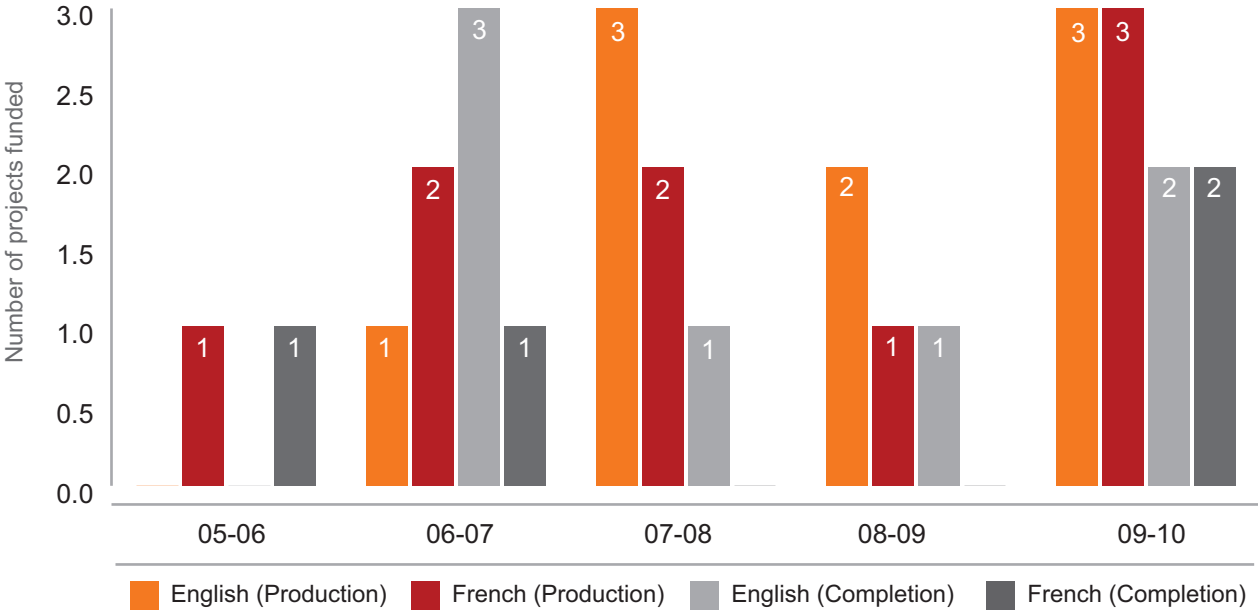
	Total Production Budgets	Number of Productions		Average Production Budget
2006-07	5,766,720	3		1,922,240
2007-08	6,560,676	6		1,093,446
2008-09	3,782,978	3		1,260,993
2009-10	7,846,881	6		1,307,814
Four-year total	23,957,255	18	Four-year average	1,396,123

Source: Telefilm Canada.

The number of projects has also grown since the creation of the Fund (see Figure 5.7). In 2005-06, only two projects were funded. In 2010, 10 projects were funded, the most supported in the history of the fund. The fund has supported 18 films for production and 11 for completion funding.

During the Fund's first year, every project supported was French (two). Since 2006-07, there has been a minimum of one French project funded per year, to a maximum of four. The minimum number of English projects during this time was three, the maximum five.

Figure 5.7 Telefilm Theatrical Documentary Program Funding, Number of Projects



Source: Telefilm Canada.

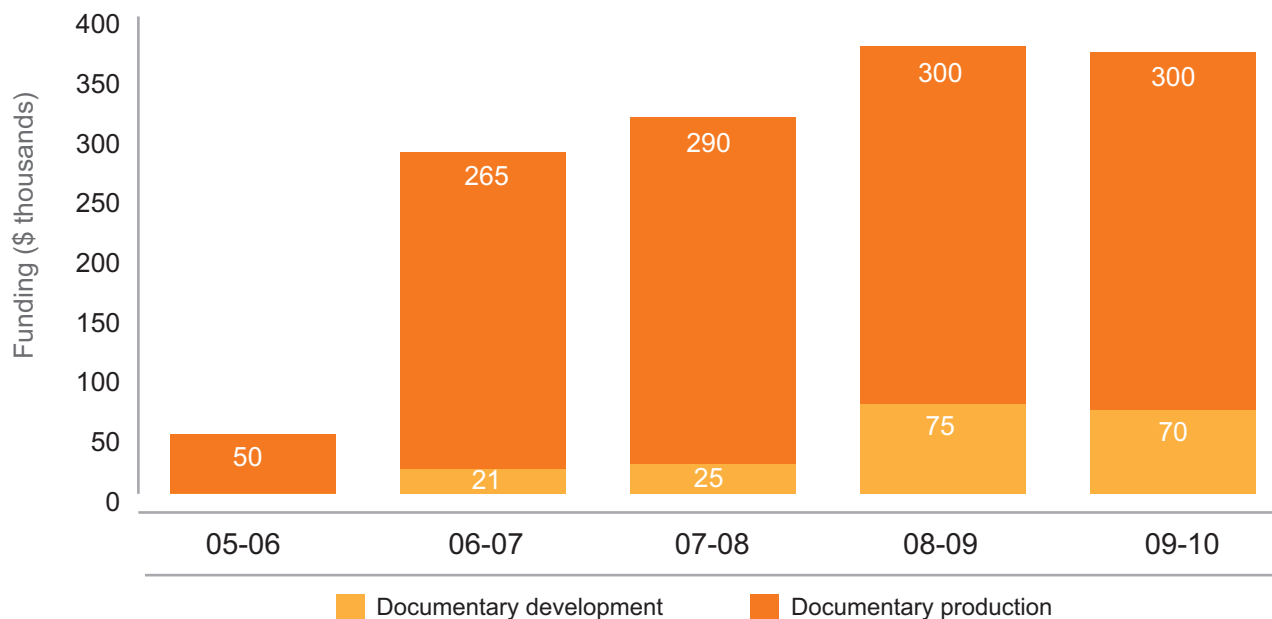
5.3.2.2 OMDC Film Fund

The OMDC Film Fund was launched in 2005. It supports the development and production phases of Canadian feature-length films (see Figure 5.8). Producers applying to the Fund require a television licence. The projects are predominantly English; only one Franco-Ontarian project was funded in 2007-08 in the development program. Since its launch, the Fund has distributed almost \$15 million to 117 projects. The total funding for development and production has increased from \$1 million per year to the current \$4 million per year, with a relative increase in the number of projects funded annually. Although drama has taken the majority of the funding from the inception of the Fund, 17% of the Fund to date has gone to support feature documentary projects.

Twenty documentary projects have been funded through the development and production phase. The total funding contribution to documentary projects is approximately \$1.4 million, about 9% of the total fund. Almost \$200,000 in development funding has gone to documentary funding, and just over \$1.2 million in production funding has been awarded to documentary features:

- Eight documentary projects have been supported through development funding by OMDC, averaging two per year. Each project receives an average grant of \$23,000.
- Twelve documentary projects have been supported through production funding by OMDC, averaging two per year. Each project receives an average grant of \$100,000.

Figure 5.8 OMDC Film Fund Funding Volume



Source: OMDC.

5.3.2.3 Canada Council for the Arts Funding

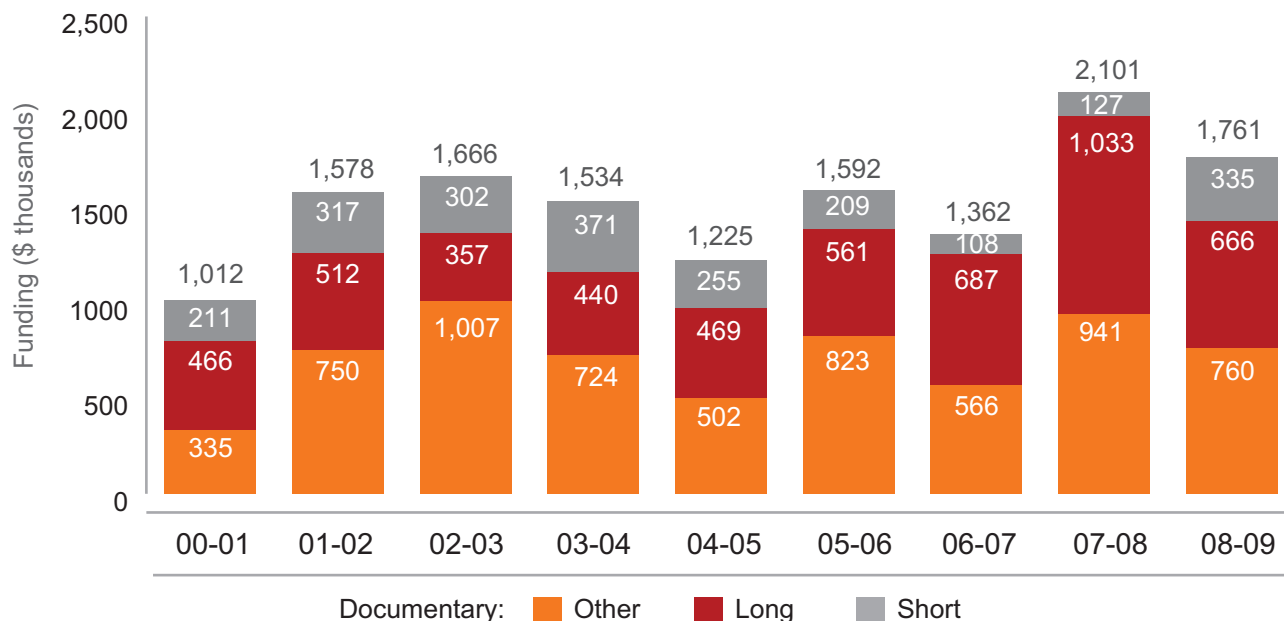
Documentary projects funded by the Canada Council for the Arts vary in length, from shorts, to long-form, to feature-length productions. Because it provides funding to directors rather than production companies, the Council's grants usually go to non-television documentaries. Although its maximum contribution is \$60,000, its funding helps emerging artists enter into video and film production, and it also helps more established artists get new works into release. Its grants cannot fund an entire documentary, but they do provide valuable "seed money" that can help secure other funds.

Given the Council's mandate to support independent directorial film and video projects (projects where the director has complete control over the project), the Canada Council for the Arts grants are perfectly suited to one-off independent auteur documentaries.

Some Canada Council for the Arts funded documentaries include *A Place Called Chiapas*, *Antoine*, *Hardwood*, *Last Train Home*, *RIP!: A Remix Manifesto*, and *The Meaning of Life*.

Since 2004-05, the Canada Council for the Arts provided increasing support to documentaries (see Figure 5.9). However, more recently, its support has dropped in all formats, except documentary shorts.

Figure 5.9 Canada Council for the Arts Documentary Funding Volume



Source: Canada Council for the Arts, 2010.

5.3.3 Theatrical Documentary Box Office Performance

There is a wide disparity between documentary films' range of revenues in Canadian box offices (see Table 5.3). The dominant hits are blockbusters, IMAX, and 3-D films whose subject matter is either music or the natural world. IMAX and IMAX 3-D films have two sources of revenue: theatrical and museum theatres. They therefore have larger box office returns. Meanwhile, outside of Michael Moore's *Capitalism: A Love Story*, most authorial and political films did not earn more than \$350,000. The only Canadian film in the top 10 was an IMAX co-production, *Under the Sea 3D*.

Table 5.3 Top-10 Documentary Films in Canadian Theatres, 2009

Rank	Title	Box Office Gross in Canada in 2009 (\$)	Country of Origin
1	<i>Michael Jackson's This Is It</i>	6,998,465	USA
2	<i>Earth</i>	3,798,643	UK-Germany-USA
3	<i>Capitalism: A Love Story</i>	1,607,443	USA
4	<i>Under the Sea 3D</i>	1,534,109	USA/Canada
5	<i>U2 3D</i>	1,340,303	USA
6	<i>Aventure africaine IMAX 3D</i>	520,638	USA
7	<i>Food, Inc.</i>	313,958	USA
8	<i>The September Issue</i>	238,797	USA
9	<i>Good Hair</i>	161,833	USA
10	<i>The Cove</i>	148,524	USA

Note: Box office data include only receipts earned during the 2009 calendar year.

Source: Data compiled by the Department of Canadian Heritage based on data from Motion Picture Theatres Association of Canada.

Although *The Corporation* and *Les voleurs d'enfance* remain the top-grossing Canadian theatrical documentaries, Canadian documentaries are achieving higher box-office returns more quickly than ever. Five films released since 2007 have surpassed \$100,000 in sales, and many have passed \$500,000. Of the two top features released in 2008, one has over \$600,000 in cumulative box-office sales: *Up the Yangtze*.

Internationally, many of these films have achieved great success. *The Corporation* earned an additional \$3.5 million USD at U.S. theatres.³³ *Sharkwater* has brought in \$1.6 million USD in cumulative box-office revenue combined with foreign receipts.³⁴ Worldwide, *Up the Yangtze* has collected \$1.1 million USD in box-office sales.³⁵

3-D and IMAX films have been excluded from this list because they are released in museums and theatres simultaneously. Instead, we highlight documentaries that are more authorial in nature (see Table 5.4). The two IMAX 3-D films that were excluded from the top 10 were *Deep Sea 3D* and *Dinosaurs of Patagonia 3D*, which both grossed over \$1 million.

Table 5.4 Top Canadian Documentary Films in Canadian Theatres, 2002 to 2009

Rank	Title	Cumulative Box Office Gross Receipts in Canada (\$)	Year of Release
1	<i>The Corporation</i>	1,900,000	2004
2	<i>Les voleurs d'enfance</i>	1,746,841	2004
3	<i>Le dernier continent</i>	1,122,663	2007
4	<i>Sharkwater</i>	936,523	2007
5	<i>Up the Yangtze</i>	628,645	2008
6	<i>Ce qu'il reste de nous</i>	546,395	2004
7	<i>Manufactured Landscapes</i>	428,000	2006
8	<i>FIX</i>	300,000	2002
9	<i>La planète blanche</i>	230,241	2006
10	<i>The Take</i>	162,803	2004
11	<i>Le peuple invisible</i>	116,651	2007
12	<i>Québec sur ordonnance</i>	112,828	2007
13	<i>Metal: A Headbanger's Journey</i>	94,762	2006
14	<i>Saving Luna</i>	84,000	2008
15	<i>Radiant City</i>	82,392	2007

Note: Box office data include only receipts earned in Canadian theatres from the time of release until July 2009.

Source: Compiled by the Documentary Organization of Canada based on a survey of Canadian documentary producers and distributors and data supplied by the Department of Canadian Heritage and the Motion Picture Theatres Association of Canada.

5.3.4 Documentary Film Festivals

Documentary festivals have become the focal point of documentary networking, distribution, pitching, and investment in Canada. What began in the 1980s as a way to showcase films has now become a place where producers, broadcasters, distributors, technology experts, and international investors come to network, pitch, secure distribution deals, and learn about new developments in technology. Outside

33 Box Office Mojo, *The Corporation* (2004). <http://www.boxofficemojo.com/movies/?id=corporationus.htm>.

34 Box Office Mojo, *Sharkwater* (2007). <http://www.boxofficemojo.com/movies/?id=sharkwater.htm>

35 Box Office Mojo, *Up the Yangtze* (2008). <http://www.boxofficemojo.com/movies/?id=uptheyangtze.htm>

of their shift to marketing and industry meetings, film festivals have multiplied and flourished across the world.

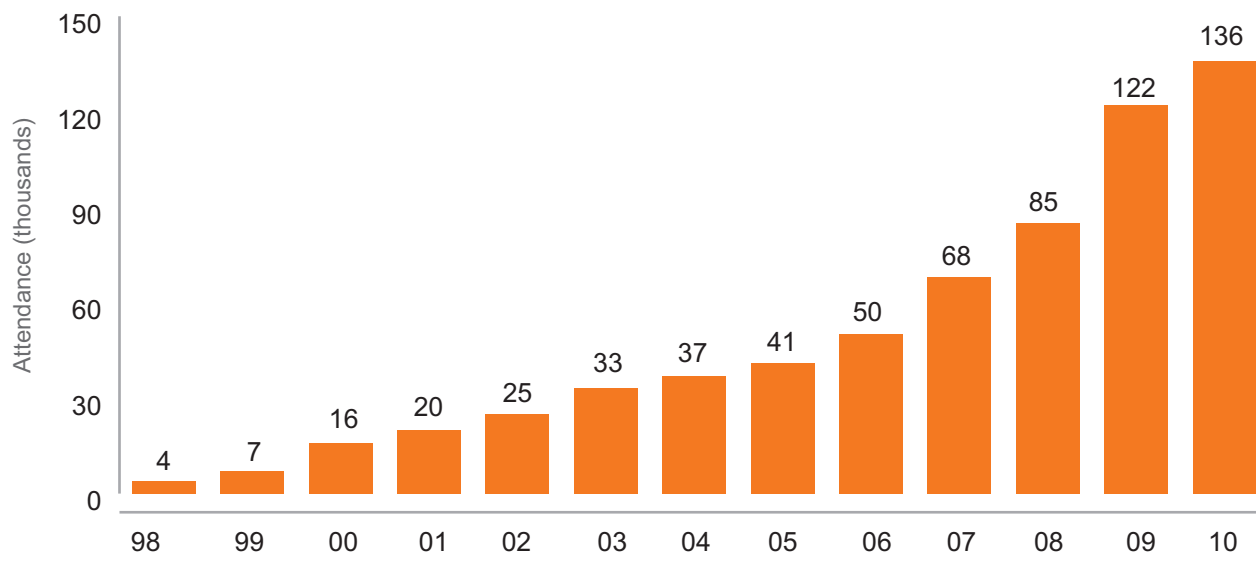
Currently, the largest documentary festival in the world is the International Documentary Film Festival Amsterdam (IDFA). Every November, filmmakers from up to 250 countries submit their films to IDFA. In 2009, a Canadian-Chinese production, *Last Train Home*, won the VPRO IDFA Best feature-Length Documentary Award, and in 2008, *RIP!: A Remix Manifesto* won the Audience Award.

Canada has four official documentary film festivals: DOXA, Global Visions, the Hot Docs International Documentary Festival (Hot Docs), and Rencontres internationales du documentaire de Montréal (RIDM).

Hot Docs is North America's largest documentary film festival. It is also one of the world's leading documentary festivals. Like IDFA, the festival also organizes professional development, marketing, and networking events. Over the last decade, the annual attendance at Hot Docs has skyrocketed from 16,000 to 136,000 – a 750% increase (see Figure 5.10). The majority of this growth happened between 2005 and 2009; its annual average growth rate was 39.51%. Between 2000 and 2004, attendance rose at an average annual growth rate of 26.25%. In 2010, Hot Docs held 275 public screenings of over 170 films over 11 days. 170 of those screenings had rush sales, and overall box office sales increased by 10%.

This growth was due to a number of initiatives Hot Docs set up with local schools. In 2009, the festival estimated that 50,000 of the 122,000 attendees were students of the Docs for Schools program. In addition, because Hot Docs is also an industry event, the attendance figures include attendees at the industry and market components.

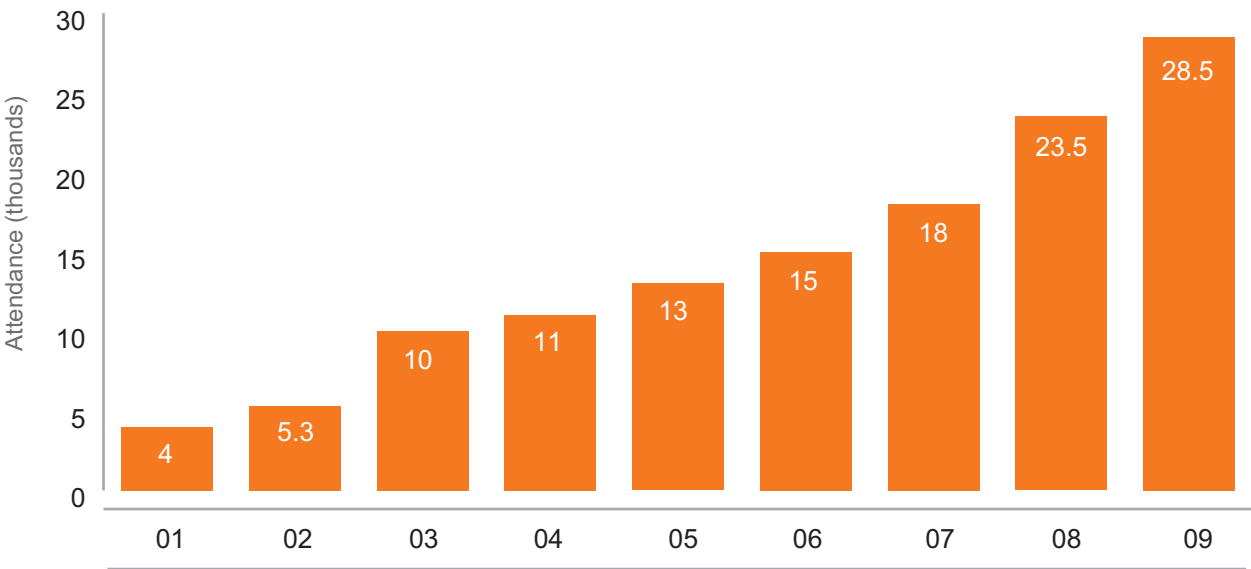
Figure 5.10 Annual Attendance, Hot Docs International Documentary Festival



Source: Hot Docs.

Like Hot Docs, Rencontres internationales du documentaire de Montréal (RIDM) also organizes professional development, marketing, and networking events – the Doc Circuit. In its fifth year, Doc Circuit was attended by 250 participants. In 2009, the festival screened more than 100 films over 10 days. There were 42 Canadian films, and 78 screenings of those films. RIDM’s attendance has grown steadily over the last 9 years. Since 2001, its attendance has increased at an average annual growth rate of 68.5% (see Figure 5.11).

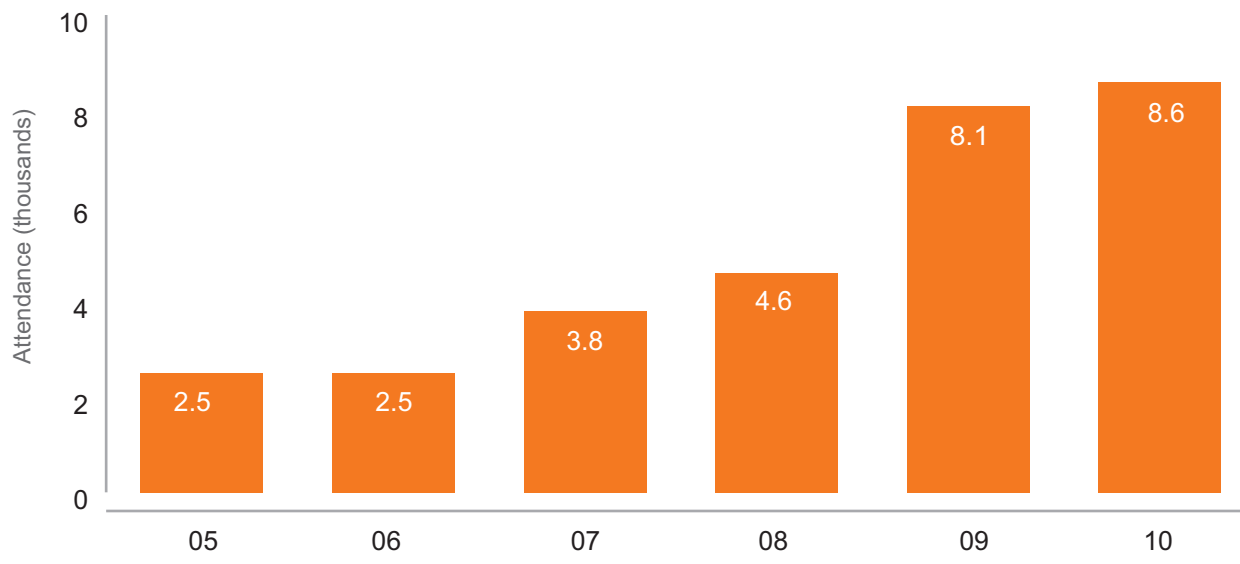
Figure 5.11 Annual Attendance, Rencontres internationales du documentaire de Montréal (RIDM)



Source: RIDM 2010.

Unlike Hot Docs and RIDM, DOXA does not have an industry or market component. However, like Hot Docs, it does have a youth program – Connexions Youth Forum and Rated Y for Youth. In 2009, the festival grew from a six-day event to a 10-day one. These added screening days account for the nearly 76% growth in attendance from 2008 to 2009 (see Figure 5.12). This year, DOXA’s attendance grew by 7%. Of the 76 films screened at DOXA, 27 were Canadian.

Figure 5.12 Annual Attendance, DOXA



Source: DOXA, 2010.

5.3.5 Semi-Theatrical and Alternative Distribution Initiatives

Over the last decade, feature-length documentaries have exhibited to larger audiences in a variety of different ways. From salon gatherings to travelling film festivals, Canadians are seeing documentaries both off the beaten path and in established cinemas.

5.3.5.1 Theatrical Screening Initiatives

There have been numerous monthly documentary screenings initiated by various film festivals, including the following.

- Hot Docs started Doc Soup in Toronto, expanded it to Calgary, Edmonton, and Vancouver. Almost every month, a documentary is shown in a local theatre in one of those cities, often with the director in attendance for a follow-up question-and-answer period.
- The new Toronto documentary festival Movies of Uncommon Knowledge – MUCK – has a triple bill of documentaries every month. Four of the 18 documentaries are Canadian.³⁶
- The NFB has many community screenings in cities where it runs cinemathèques. In Toronto, its Green Screens initiative puts on a free environmental film screening each month.
- Since 2008, Planet in Focus, the environmental film festival, in partnership with the Gardiner Museum, holds a monthly documentary screening at the Museum called Mixed Green. About 5% of the documentary films they show are Canadian documentaries.³⁷

5.3.5.2 Grassroots and Citizen-Led Alternative Screenings

Open Cinema operates in Victoria, BC. It hosts salons at which audiences come together to discuss documentaries following screenings. It usually has a large percentage of Canadian documentaries, about 60-75%. Open Cinema's sixth season's six screenings were attended by a total of over 850 people.³⁸

Launched in 2008, Cinema Politica is a non-profit grass-roots media network based in Montreal that screens international and Canadian cinema. Its aim is to support independent, critical, radical and thought-provoking films, including many documentaries. There are 37 locals in Canada, and 10 active

³⁶ MUCK, request for data 2010.

³⁷ Planet in Focus, request for data 2010.

³⁸ Open Cinema, request for data 2010.

chapters outside of Canada. In its 2009 season, Cinema Politica's Canadian locals held 327 screenings with an approximate total attendance of 35,683; 89 films at those screenings were Canadian documentaries.³⁹

5.3.5.3 Circuits and Tours

In its earliest years, the NFB traveled across Canada with projectors and screens to rural and remote areas to showcase Canadian films to Canadians. Recently, given the ubiquity of cinemas in university campuses, the ease of renting equipment for screenings, and the interest in activism through cinema, there has been a return to this form of mobile theatrical distribution.

The Toronto International Film Festival (TIFF) coordinates a program called the Film Circuit, where it goes to regions around Canada that do not have exposure to Canadian and independent/non-Hollywood cinema. Currently, the Circuit goes to 170 communities. Every season it screens six films, at least one of which is a documentary. Many Canadian documentaries have been included in this program over the years, including *Act of God*, *The Corporation*, *Manufactured Landscapes*, and *Up the Yangtze*. In 2008-09, 25,000 people watched Canadian and foreign documentaries – 8% of the total box office.⁴⁰

Since 2000, Planet in Focus has toured environmental documentaries outside of non-metropolitan Toronto. What started with two Canadian documentaries and 150 attendees has grown to include 30 documentaries, 50% of which are Canadian, and almost 15,000 attendees.⁴¹

In Western Canada, the Travelling World Community Film Festival tours different theatres, bringing documentaries to regions that don't often secure theatrical distribution. Réseau plus and La tournée des rencontres screen French-Canadian features to Francophone communities across Quebec and Canada. In rural Ontario, MUCK plans to start MUCK On the Road – a travelling documentary film festival.

Even IMAX recognizes the value of traveling around to different regions to access audiences that cannot get to its various multiplexes and museum theatres: it has created an inflatable, fully operational traveling theatre that can be moved around underserved regions.

5.3.6 Digital Cinema

Digital technology has made producing films more accessible, efficient, and inexpensive. Many of the costs of entry are reduced, and more filmmakers are entering the theatrical scene. New filmmakers can afford a high-end digital camera for a fraction of the price of film cameras. Digital-editing software suites make video and sound editing more efficient.

As well, digital technology allows filmmakers to cut their distribution costs, because they no longer have to print 35-mm reels for theatrical distribution, which saves them tens of thousands of dollars. Nor do they have to ship the reels around their theatrical circuits. Instead, they can send a hard drive or use digital wireless transmission, such as satellite download.

However, the cost-efficiency and accessibility ushered in by digital cinema can only be exploited if theatrical exhibitors have digital projection screens and the appropriate digital communication infrastructure. Because of the recent growth of IMAX megaplexes that support 3-D cinemas, it is now obligatory to have digital cinema projection. In Canada, 23%, or 43, of AMC's screens are digital.⁴²

39 Cinema Politica request for data 2010.

40 TIFF, request for data 2010.

41 Planet in Focus, request for data 2010.

42 AMC, request for data 2010.

Cineplex Entertainment is also in the process of converting its screens to digital. According to the company's recent quarterly report, 238 of its 1347 screens across Canada are now digital.⁴³ And Empire Theatres has partnered with Barco digital projection screens to begin outfitting their theatres with digital screens.⁴⁴

Within the next few years, the digital conversion will be complete for many major theatrical chains. Distributors and producers will be able to take advantage of the reduced costs of distribution.

5.3.7 Industry Outlook

Unfortunately, the increasing volume of feature-length documentaries intended for theatrical release does not mean that there is growth in that sector. The volume of feature-length documentary production is a better indicator of the state of the industry, and at present it is shrinking. Despite the increasing funding possibilities for feature-length production, funding is dependent on broadcaster licences, which trigger funds as financial contributions. Foreign financiers and producers cannot shoulder the entire cost of production. As broadcasters shift their programming dollars away from documentaries, feature-length production and, by extension, theatrical production, will continue to decline.

However, audience demand for feature-length documentaries is increasing. Cumulative box-office grosses are growing more rapidly than ever, demonstrating that wide theatrical distribution can create larger demand. Furthermore, film festival audiences are growing every year. Film festivals and citizen-run initiatives recognize this demand and facilitate new opportunities to exhibit Canadian feature-length documentaries. As digital technology enables cheaper distribution across the country, semi-theatrical distribution of documentaries may increase.

5.3.7.1 Digital Platforms Condense Windows

Digital-streaming technology has disrupted the regular windowing strategy for feature-length films. The strategy starts with the festival circuit, followed by the theatrical release, then television, and then home-video/non-theatrical distribution. Internet streaming and video on demand (VOD) have altered this sequential order. Now, digital distributors are pre-empting this order by making features available for streaming at different times during the window release strategy.

New players are disrupting the traditional model in order to comply with audience demand. Recently, Netflix has received the rights – before rental chains and cable TV stations – to carry films. Some industry observers see the multi-level non-linear distribution order as an opportunity for producers: one can release several versions of the DVD with new materials, and streaming can create anticipation for the theatrical release.

5.3.7.2 3-D Technology

IMAX has experimented with 3-D documentaries for a number of years, but now this technology is becoming more affordable. And as it becomes more accessible to filmmakers, documentarians can take advantage of the technology and its wide audience appeal, especially for nature and science documentary filmmakers. However, the added costs of equipment, personnel, and expertise create new financial obstacles.

⁴³ Cineplex Entertainment, request for data 2010.

⁴⁴ Digital Cinema Report, "Empire Theatres Selects Barco Projectors for more than 300 Screens." <http://www.digitalcinemareport.com/Empire-Theatres-Barco-Canada-digital-projectors>. Accessed September 1, 2010.

6. Non-Theatrical Educational Market

The non-theatrical educational (NT) market is almost completely overlooked by economists and market researchers of the Canadian audio-visual sector. It comprises many different players: large Crown corporations (CBC and NFB), nationally and regionally specific educational distributors, and small independent film distributors. Today, because of the low cost of Internet marketing and the prevalence of DVD copying, many filmmakers have become self-distributors.

Unlike other genres in the Canadian television and film industry, documentaries easily exploit the NT market. The niche subject matter of documentary projects can be marketed to different educational-interest groups. Indeed, this market is commonly referred to as the bread and butter of the documentary industry. A documentary versioned for the NT market is not simply a television documentary on a DVD with an institutional licence: producers re-package the film for the educational market. Often, the documentary is broken down into separate episodes, with accompanying educational modules, including teachers' guides, educational aides, and additional content. Thus, a documentary sold for the NT market costs from \$80 to \$200, because it is much more than just a DVD.

Because of the various audiences and age groups, a documentary can be repurposed for several different markets. For instance, the post-secondary market requires different kinds of educational material than the K-12 market. These repurposed NT market documentaries are sold to various clients, including schools, museums, libraries, universities, government departments, non-profit organizations, hospitals, workplaces, homes, and more.

This section does not attempt to track the total production volume of the NT market. Instead, its focus is on the total revenue of the NT market, its clients, and its estimated audiences. Moreover, because of the difference in sales and technique, we also look at self-distributors. A case study of the CIFVF provides a glance into the financing of NT documentaries. Finally, we analyze the use of digital technology by NT distributors.

6.1 Summary

According to our sample, the NT market generates millions of dollars in revenue, both in Canada and abroad. Building-level⁴⁵ and district-level sales are quickly becoming the major source of revenue: their share now represents over two-thirds of all sales. Although there has yet to be an airtight way of researching audiences, the NFB audience multiplier demonstrates that the estimated views of NT documentaries are in the millions.

At present, self-distribution is not widespread in Canada. Because of its low adoption rate, revenues are not as high as for regular NT distribution. However, self-distributors are generating sales in the high tens of thousands from Canadian and international clients.

The CIFVF financing case study reveals that NT market documentaries receive financing from a diversity of sources, including educational broadcasters, government funds (Telefilm, CTF), corporations, and producer tax credits. The average budget of NT documentary projects is \$127,000, but the majority of all budgets are below that index. Despite being primarily created for the NT market, the financiers of CIFVF documentaries suggest that NT market documentaries can have theatrical and broadcast windows.

All surveyed distributors were using digital media to improve their sales and promotion. If the distributor

⁴⁵ Building level licences are purchased by individual educational institutions, such as government offices, post-secondary. District level licences are purchased by libraries, regional, municipal, and provincial school boards.

was not already using digital streaming to distribute content, it was part of its future plans. The digital-streaming services used a variety of different business models. Some relied heavily on government funding, but others had significant access to capital to help set up their own infrastructure.

6.1.1 Methodological Note

Although Statistics Canada does collect information on the non-theatrical sector, it does not share those numbers publicly, nor does it parse the information by genre or unit sales. Furthermore, the other body that has researched the non-theatrical market, the Educational Media Producers and Distributors Association of Canada (EMPDAC), shut down operations in the late 1990s. EMPDAC also did not ask its members to disaggregate its numbers by genre. Because of this situation, DOC developed a survey to collect relevant data from participants.

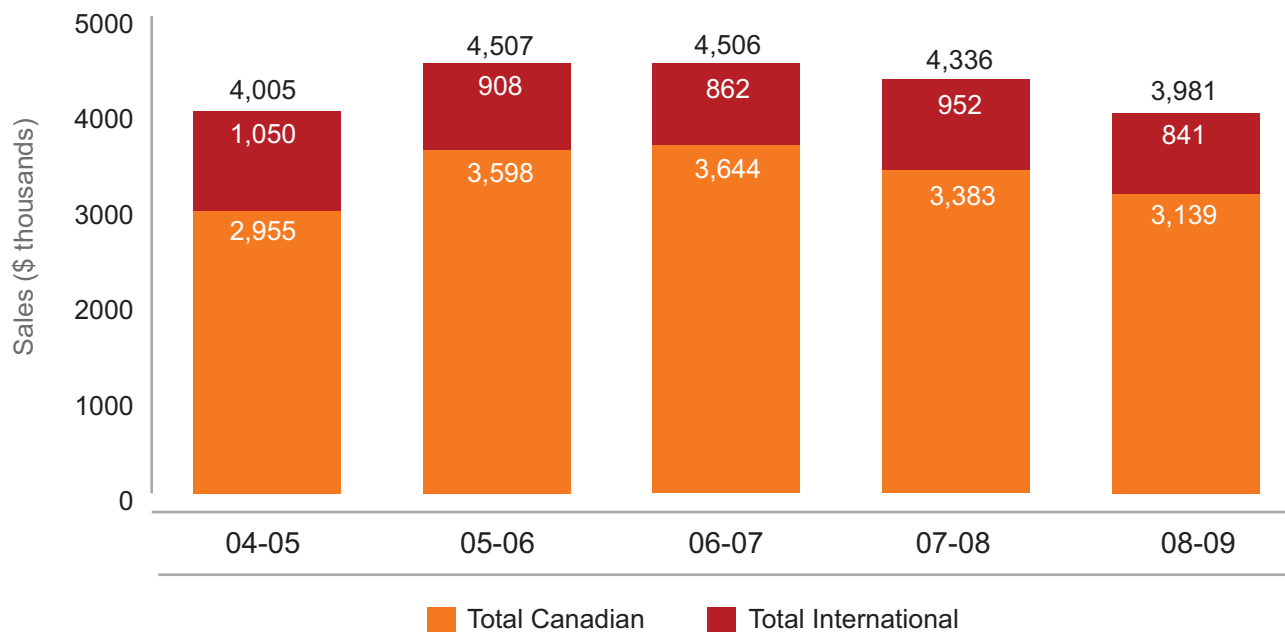
As well, because there has yet to be any comprehensive research done on self-distribution in the documentary market, we also designed a survey for gathering data about this new form of video distribution. There is almost no information or trade publications on the NT market. Our research is mainly derived, therefore, from interviews with the distributors.

Of the 30 distributors contacted, only six – or 20% – returned the survey. In addition, the data collected for the self-distribution section were also gathered through a voluntary survey; seven participants returned those. The data presented in this section clearly do not represent the entire NT market, and should be regarded simply as a sample that helps indicate the present performance of a number of companies.

6.2 Total Revenue

In the NT market, Canadian documentaries generate millions of dollars in sales, both in Canada and abroad. Since 2004-05, total sales have declined; this has been caused mainly by falling international sales. Canadian sales are actually higher than they were in 2004-05. Recently, however, both Canadian and international sales have fallen (see Figure 6.1).

Figure 6.1 Non-Theatrical Total Sales (2009 Real Dollars)

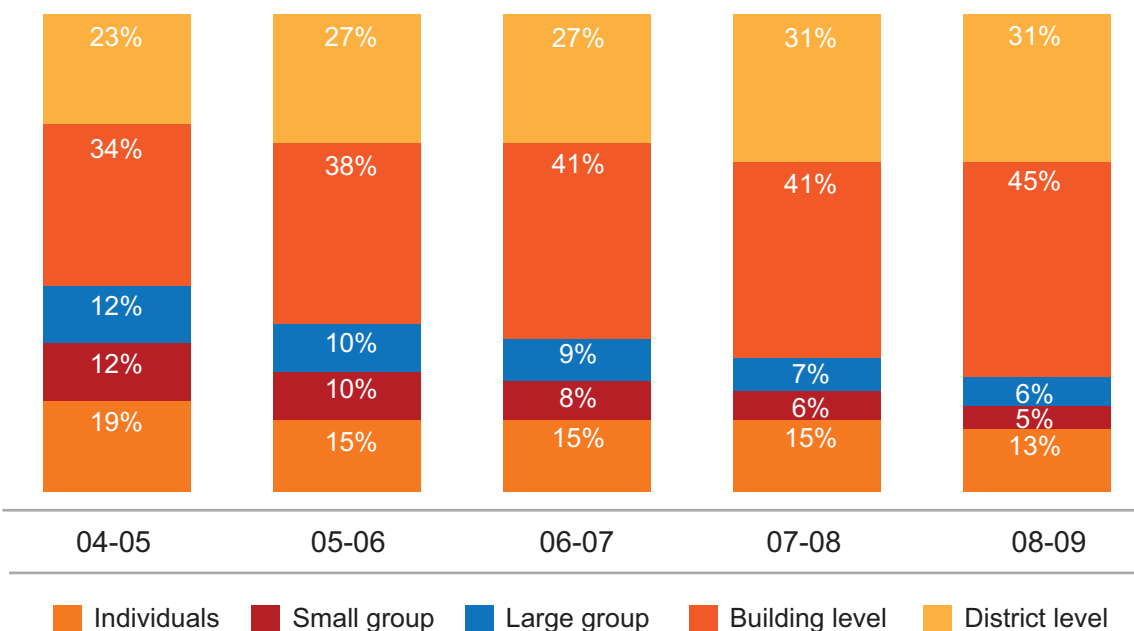


Source: Documentary Organization of Canada, NT Documentary Survey.

6.2.1 Total Sales by Market Type

The NT market sells to groups of various sizes, from individuals to entire school board districts. Over the last five years, there has been an increase in both building-level and district-level sales, while individuals, and large and small groups, are licencing/purchasing fewer NT market documentaries. In 2008-09, building-level sales gained a larger share than the other markets (see Figure 6.2).

Figure 6.2 Total Sales by Market Type



Source: Documentary Organization of Canada, NT Documentary Survey.

Notes: An individual licence is a home-video sale. A small group sale is a group licence intended for audiences under 20 people. A large group sale is a group licence intended for audiences above 20 people. Building level licences are purchased by individual educational institutions, such as government offices, post-secondary institutions, and museums. District level/ Regional licences are purchased by libraries, regional, municipal, and provincial school boards.

6.3 NT Documentary Audiences

In 2001, the NFB designed an audience multiplier to calculate the estimated audiences of the NT market. Through interviews with, and statistics from, different clients of the NT market, it concluded that each unit on average was viewed a certain number of times, until the unit wore out and needed to be replaced. VHS tapes had a lifespan of about seven years. The NFB has yet to update the methodology in line with the lifespan of DVDs and the more recent market changes. However, given the shift to digital streaming, such research may not be needed, because digital streams record the number of views automatically.

According to the NFB's research, every documentary tape/DVD unit sold to the educational market (schools, school boards, school districts, and post-secondary institutions) was viewed at least 74 times a year. Every documentary tape/DVD unit sold to the special/institutional markets (business & industry, health, libraries, government, military, museums/galleries, associations, and social welfare groups) was viewed, on average, 55 times. Thus, the audience per unit can be calculated by the total number of unit sales X, multiplied by the audience multiplier (74 or 55), and by its life span, 7.

For example, if 18,925 units were sold in the educational market in 2004-05, the cumulative audience for those units would be $18,925 \times 74 \times 7 = 9,803,150$ views. This market's audience is thus much larger than it seems at first blush.

The NT documentary survey gathered the unit sales of both the educational and special markets between the years of 2004-05 and 2008-09 in order to provide some perspective on the potential size of the NT documentary audience. Because of the survey's scope (five years' worth of data) and number of respondents, the audience statistics shown in Table 6.1 do not reflect the entire NT documentary audience, which is much larger. For every year prior to the gathered data, residual audience views of the prior unit sales are added to the new views, and the loss of audience due to the wearing out of media is subtracted. Nevertheless, the information highlighted in Table 6.1 gives an excellent indication of the NT documentary market's audience size.

Table 6.1 Total Number of Views, NT Documentary Sample

Year	Total Cumulative Number of Views (Over 7 Years)
2004-05	16,143,715
2005-06	21,152,782
2006-07	15,713,551
2007-08	14,351,946
2008-09	12,624,759

Source: DOC calculations based on survey data.

It is clear that the NT documentary audience is very large. If one adds residual audiences from years before, and takes into consideration the rest of the sales of the distributors not participating in the survey (24 other companies), not only would the total views of a unit be much larger, but the enormous size of the market would become apparent.

Unfortunately, outside of the NFB audience multiplier methodology, which has yet to be updated, there is no way to calculate the NT market's total audiences. The sale of one unit means not just one viewer, but dozens. The media production industry would do well to further develop a methodology that could accurately research the audience size.

6.4 Self-Distribution

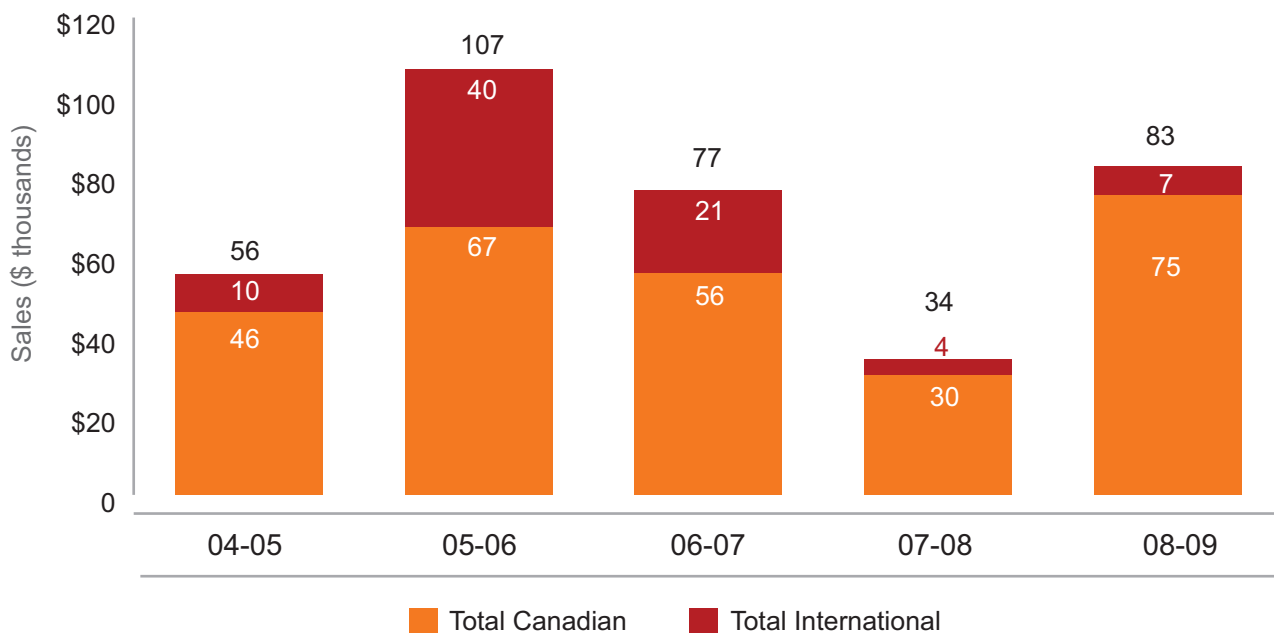
Digital technology has enabled many documentary producers to distribute their own content. Through small websites and homemade warehouses, documentary producers can take orders, ship out copies, and receive payments as easily as a major distributor can. Self-distributors may not have the same promotional and marketing opportunities, but controlling all the costs of distribution and keeping all the revenues are factors that entice many producers to self-distribute.

As with the NT documentary survey, DOC initiated a self-distribution survey to help us track the self-distribution trend. Seven self-distributors, of an estimated 20 to 25, participated. The data shown in Figure 6.3 should be regarded simply as a sample.

6.4.1 Total Volume of Sample

Overall, the sales volume through self-distribution is not very substantial, but over time, many more filmmakers will likely go the self-distribution route. The self-distributing producers in our sample sold the majority of their works to Canadian markets. However, in 2005-06, a substantial volume sold internationally as well. In 2008-09, Canadian sales jumped, because many of the respondents only started to self-distribute that year. It is therefore clear that self-distribution is becoming more popular in Canada.

Figure 6.3 Self-Distribution Sales Revenue

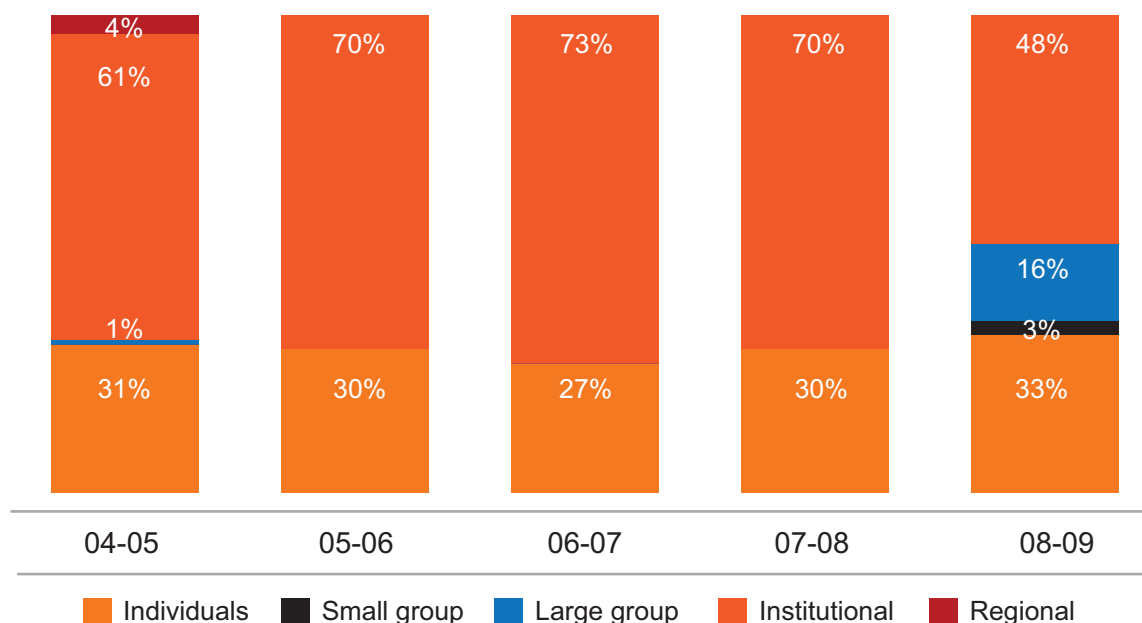


Source: Documentary Organization of Canada, Self-Distribution Documentary Survey.

6.4.2 Markets

During the last five years, most self-distributors have sold their productions to either institutions or to the home-video market. However, with the advent of more self-distributors in 2008-09, the diversity of market types has increased (see Figure 6.4).

Figure 6.4 Self-Distribution Sales by Market



Source: Documentary Organization of Canada, Self-Distribution Documentary Survey.

Although the Internet may have facilitated cheap communications and billing for self-distribution, recent Internet-streaming technology may create new hurdles. As more NT distributors launch streaming portals for their content to different markets, self-distributors may not be able to compete, because of the additional costs of running a video portal. There are ways around the costs of the streaming and operating the server – for instance, by providing the videos in a streamable format for the school's video servers. However, not all classrooms, boardrooms, libraries, and hospitals are outfitted with monitors hooked into a streaming network for content, and therefore DVDs will not be obsolescent in the near future. In the meantime, producers can take advantage by cutting out the middleman and distributing their own DVDs.

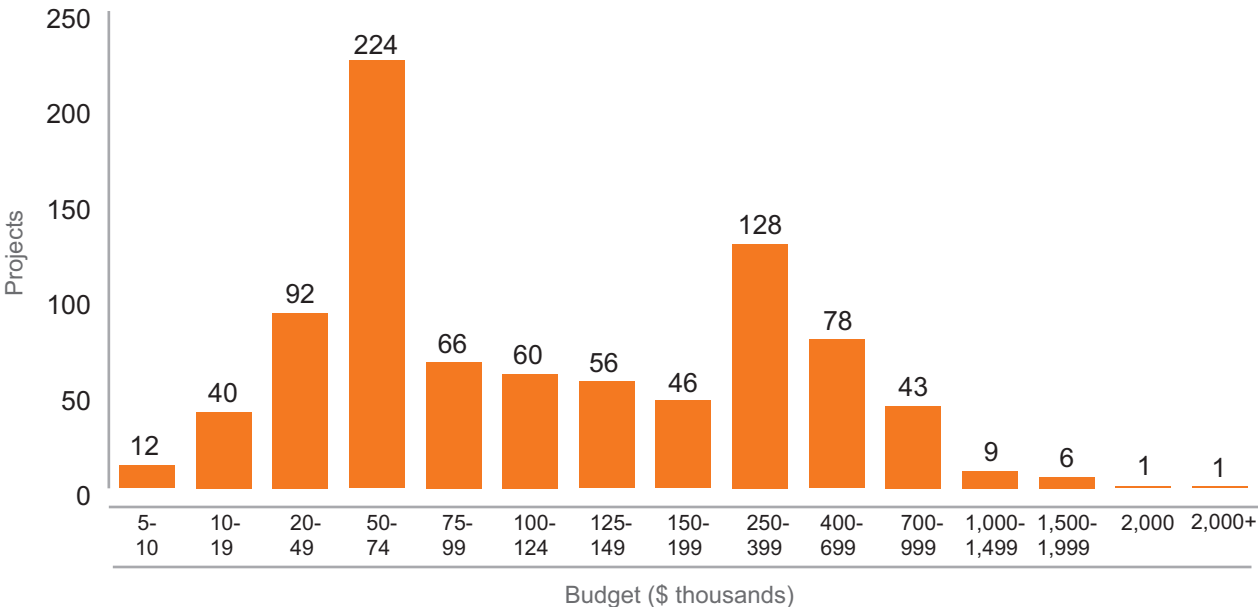
6.5 Canadian Independent Film and Video Fund

The Canadian Independent Film and Video Fund (CIFVF) was founded in 1991 to support non-theatrical film, video and new-media projects for the purpose of enabling life-long learning. In 2009, the federal government ended its support to the CIFVF, and the Fund was no longer able to sustain its operations. Over the course of its existence, the Fund supported 886 independent productions through \$17.9 million in funding. It also triggered other kinds of financing, such as broadcaster licences, the CTF, tax credits, and Telefilm. After nearly 20 years, the total volume supported by CIFVF projects stands at \$190 million. Popular non-theatrical projects funded by the CIFVF include *The Corporation*, *The Meaning of Life*, and *A Scattering of Seeds*.

Because the Fund existed for almost two decades, the financing of its projects gives insight into the funding environment and the financing of the non-theatrical documentary market. Although not all of the projects are documentaries, CIFVF-funded projects give an indication of some of the players in the non-theatrical funding environment.

The average budget of a CIFVF project was around \$137,000 – but this figure masks a range of budgets. The lowest budget was \$3,700; the highest was over \$2.1 million. The budgets tend to skew towards the high end, however: the majority of projects have budgets between \$20,000 and \$700,000 (see Figure 6.5).

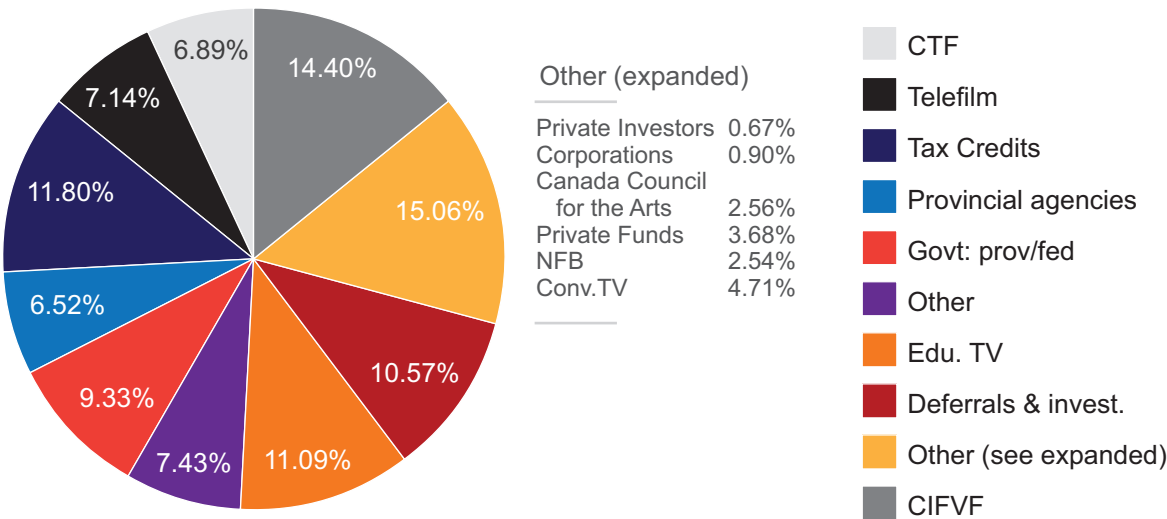
Figure 6.5 CIFVF Distribution of Projects by Budget Ranges



Source: CIFVF, 2009.

Because of the Fund’s guidelines, which required a video distributor, non-theatrical distributor, or television broadcaster, there was a variety of financiers: broadcasters, private investors, federal and provincial funders, television and film funds, private corporations, producers, and private funds (see Figure 6.6).

Figure 6.6 Financing of CIFVF Projects (1991-2008)



Source: CIFVF, 2009.

Because the Fund was market agnostic, broadcaster licences did trigger funding. Of the 886 projects supported by the CIFVF, 422 projects were funded by either educational or conventional television licences. Although some of the largest contributors do support the largest number of projects, some financiers that support large production volume do not disperse it to as many projects (see Table 6.2).

Table 6.2 Sources of Funding for CIFVF Projects 1991-2008

Source	Projects
CIFVF/Total	886
Deferrals and investments	639
Educational TV	348
Other	316
Government: provincial/federal	300
Provincial agencies	278
Tax credits	275
Conventional TV	170
Telefilm	155
NFB	139
CTF	135
Private funds	104
Canada Council for the Arts	88
Corporations	52
Private investors	49

Source: CIFVF.

CIFVF created projects for the non-theatrical, theatrical, and television markets using a small amount of funding to trigger a large production volume over the last two decades. In its absence, many emerging filmmakers cannot get the funding for their first production, or the start-up funding to experiment in a digital landscape.

Many documentaries start in the television market or as theatrical releases, and make their way into the non-theatrical market after their first windows. CIFVF provided funding for all of those windows, as well as development funding. Outside of the Hot Docs development fund, there are very few non-broadcast documentary-development funds.

6.6 Digital Transition

Digital technology has created numerous efficiencies for the NT market. DVDs are more reliable than VHS tapes. Online billing, catalogues, and advertising have facilitated quicker sales and better client relationships. Digital video streaming eliminates shipping costs. In Canada, NT distributors are converting their operations to digital formats, to take advantage of the new opportunities.

Of the distributors surveyed by DOC, all of them were using digital technology for marketing and catalogues. Many used ebusiness for online billing. Every distributor wants to start streaming their content, and if they have not already started, they are taking steps to incorporate digital video streaming into their business model.

Canadian NT distributors are using different business models for streaming. Distribution Access and Moving Images provide digital content for school servers. Moving Images sells streaming rights for school district servers, and does not host any content, although it plans to make video previews available for regular customers. Distribution Access launched Access Learning, a digital library that operates over their clients' LAN and WAN systems. Subscription rates are based on the population of the school or the size of the district (number of viewers). Currently, 85% of Distribution Access's titles are available from the library – 4,000 titles in the form of 40,000 clips.

Visual Education Centre launched a subscription service called Learn 360. It offers 6,000 titles from Nelvana, TVOntario, PBS, National Geographic, and A&E. The Ontario Ministry of Education and the Toronto Catholic School Board have already signed agreements to use Learn 360. Teachers and students can also use the platform to upload their own content.

Finally, the NFB has entered into agreements with numerous school boards across the country, including in British Columbia, New Brunswick, Ontario, and the Yukon, to offer streaming of 1,500 of its titles online. Through the NFB screening room, it provides access to these videos, which are already available for free public streaming.

Clearly, Canadian NT distributors are taking their business online and converting their content to follow consumption trends. While some distributors can afford the costs of streaming and hosting, others offload those costs to schools and institutions. As more and more distributors make province-wide deals, smaller distributors may not be able to sell to the same clients as they once did. Exclusive content-streaming agreements with tight digital-rights management locks could prohibit schools from adding new content to their video portal.

6.7 Industry Outlook

The NT market generates millions of dollars in sales revenue from Canada and abroad. Over the last five years, its clients have been consolidating, mainly into the regional/district-level sales, and building-level sales. Despite the introduction of many new digital technologies since the beginning of the millennium, the NT market is adapting to the challenges of the larger market. Documentary filmmakers and distributors are able to access clients more efficiently and cheaply. Yet fully capitalizing on the digital market requires the access to capital to make the digital transition.

However, with the recent funding changes to the Canadian television market and the non-theatrical market, the NT market could begin to lose its supply of content. Funds such as CIFVF provided support for projects that were exclusively made for educational purposes. In the absence of content, especially in the case of documentaries made exclusively for the educational market, distributors will carry more foreign material and sell less Canadian content to foreign markets. This robust, overlooked, million-dollar market could be seriously compromised.

7. Alternative Platforms

Although television and theatrical film are the primary public exhibition windows for documentaries, many new platforms have emerged that provide new distribution opportunities, exhibition windows, and documentary forms. This section examines the production of cross-platform documentary projects, original documentary web content, and new distribution avenues: online DVD rentals, digital distribution, and VOD (online and mobile).⁴⁶ We also look at how the Canadian documentary community has taken advantage of these new opportunities, and the current challenges it faces. Some data in this section covers 2006-2007 to mid-2010.

7.1 Summary

Since 2007, the production of cross-platform documentary content has been decreasing, because funding and financing of the content is too dependent on broadcasters: many funds are tied to licence fees, and most projects require those contributions for financing.

Outside of NFB productions, there are very few original online documentary projects. Funding for projects not tied to broadcasting assets is lacking. The market requires funding and capital to take advantage of this new platform. Although its parliamentary appropriation has not increased in the last fifteen years, the NFB has access to means that independent producers rarely see.

Increasingly, Canadians are using online DVD rental services, VOD, and their mobile phones to watch content, and documentary producers are using these alternative-distribution channels to their advantage. The online DVD market lets documentaries take advantage of the long tail; titles missed in the theatre and older titles are given new life through larger and more easily accessible catalogues. However, VOD services continue to function as a catch-up service for documentaries on pay-TV channels. Moreover, their performance is contingent on title and topicality. iPhone applications are replacing mobile television as the preferred way to deliver mobile content. Lower costs of entry may result in more video iPhone applications.

Canada's appetite for online video is growing, and documentaries are being consumed online in the millions: almost three million on broadcaster sites and over three million on NFB's site and other smaller independent sites. Broadcaster online-video portals and government-funded online-video portals dominate the market, because they have the resources to market, powerful brands, and digital rights to high-quality content. Although online subscription services are appearing as a supplementary service from cable companies, it remains to be seen whether they can attract as many viewers as broadcaster- and government-funded portals.

Launched in 2008, iTunes Store Canada's sales results demonstrate Canadian online purchase habits towards documentaries: Canadians are more willing to purchase than rent Canadian titles. Currently, iTunes Store Canada has very few Canadian documentary titles, but they sell well despite competing with an enormous amount of foreign content.

7.2 Cross-Platform and Trans-Media Content

Although there have always been stories told across different media, telling a story across different platforms (trans-media) has become the expected production slate for all content creators. Digital video has caused this shift. Digital video allows for audio-visual content to broadcast across many different platforms, including mobile devices and the Internet. Over the last 13 years, different funds have been

⁴⁶ Unlike this report's other sections, Section 7 does not provide any top-line production statistics. Because reporting on cross-platform or original content is not required, tracking production is exceedingly difficult. The CMF will be collecting more information about the projects it finances, and will report on them in 2011.

created to foster the development of content that enhances and extends the intellectual property of one platform to another.

Documentaries are well-suited to cross-platform story telling, because they require so much research and editing. The extra footage is often supplied as DVD extras, but now can be framed as new content in a larger narrative structure across different platforms.

City Sonic is a great example of a documentary cross-platform project that uses multiple platforms that engages a niche audience.

***City Sonic* (<http://www.citysonic.tv>)**

Making Toronto's Music History into a Multiplatform, Multi-User, and Mobile Experience

Kensington Communications, White Pine Pictures, and Aux.TV produced 20 videos featuring Toronto musicians talking about various places in the Toronto music scene. Musicians and directors were paired for each video, including musicians such as Getty Lee, Divine Brown, and the Great Lake Swimmers, and directors such as Bruce Macdonald.

Initially launched in 2009 as individual shorts on outdoor screens at TIFF, it was then remodelled into a four-part series hosted by Liisa Ladouceur on Aux.TV. The shorts were made available on the web through an interactive website that links the content to other resources and Google Maps.

Finally in 2010, the project was made mobile. Inspired by the *[murmur]* project, where different markers are placed on signs posted around the city from which users can access content on their mobile devices, *City Sonic* marked signs at the various locations showcased in the videos that would geo-trigger an iPhone application and make new content available. The iPhone app allowed users to access the videos, enter contests, and compete against other users for prizes (which were provided by local music stores). The content is also accessible through other smart phones.

City Sonic shows the potential to repurpose content in multiple ways across different platforms and in different ways for maximum storytelling and audience participation. It demonstrates the move from a production slate based on single deadlines to an extended lifespan of intellectual property assets through various incarnations.

7.2.1 Cross-Platform Documentary Funding

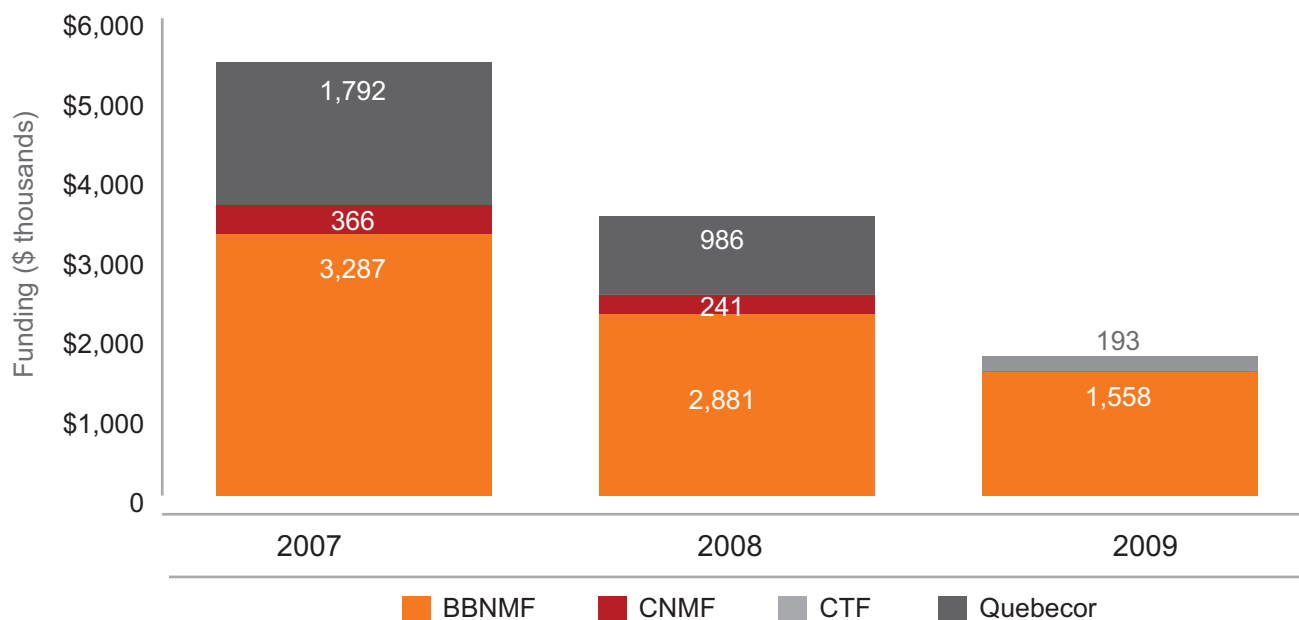
There are four major sources of funding for cross-platform content. Over the last 13 years, these funds have contributed almost \$160 million to the production of interactive content (a sizable portion of that funding went towards cross-platform documentary content, such as *City Sonic*):

- The Bell Broadcast and New Media Fund and the Quebecor Fund began operating in 1997 and 2000, respectively. They give funding to television and accompanying digital-media components. Rather than having separate allocations for each genre, the projects are judged on the basis of innovation and merit.
- CNMF had a mandate to create innovative interactive digital media content. Its projects did not have to be associated with a television program. Consequently, a few projects funded were documentary cross-platform projects, but it was not a major source of funding.
- Launched in 2008-09, CTF's Digital Media Pilot Program funded digital components accompanying a television program on a first-come, first-served basis.

Cross-platform documentary funding has been decreasing in the last three years (see Figure 7.1). Because the Bell Fund, CTF Pilot Program, and Quebecor Fund require projects to be associated with television components, the volume is also contingent on the television documentary market.

- The Quebecor Fund did not fund any documentary projects in 2009, a 100% decrease in funding from 2008. However, the Quebecor Fund has announced funding for two documentary cross-platform projects in its first round of funding in 2010.
- In 2008-09, the disappearance of CNMF support for cross-platform documentary projects is expected, given that its mandate does not include the support of documentary content. In addition, the Fund was slowly being dissolved.

Figure 7.1 Cross-Platform Documentary Funding



Source: Bell Broadcast New Media Fund, CTF, Quebecor Fund, and Telefilm.

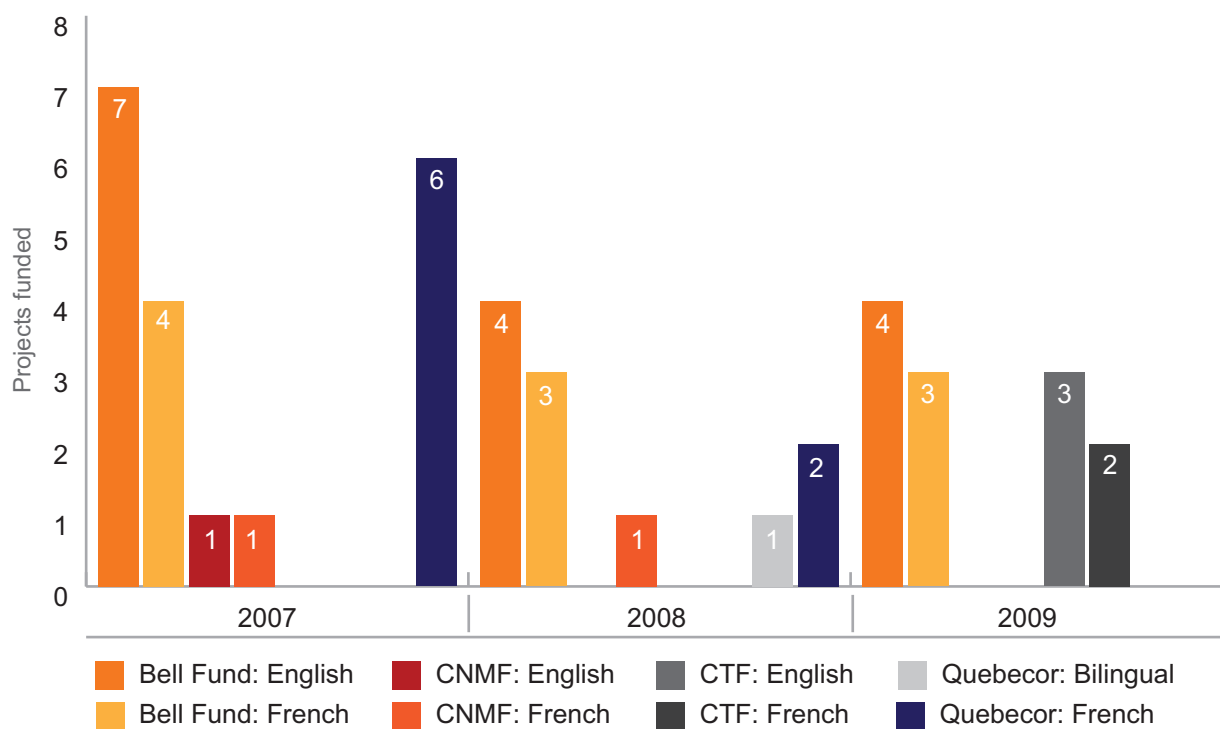
Since 2007, overall cross-platform funding has been increasing: funding now stands at \$11 million (see Table 7.1). Although CNMF is in the process of spending its remaining budgetary allotment, the Bell Fund and Quebecor Fund have grown in size, by 4.6% and 3.4% respectively; as well, the CTF Digital Media Pilot Program was created. However, the documentary share of the funding has been decreasing. Documentary cross-platform projects are receiving a lower share of the funding from all funds – it has decreased by 24% per year since 2007.

Table 7.1 Cross-Platform Documentary Funding Share

Fund	2007	2008	2009	Average Annual Growth Rate
Total Funding				
Bell Fund	10,132,610	10,720,101	11,528,548	5%
CNMF	5,651,000	6,947,000	4,807,000	-5%
CTF	—	—	1,998,822	—
Quebecor Fund	4,398,609	4,754,654	4,848,605	3%
Total	10,049,609	11,701,654	11,654,427	5%
Documentary Funding Share				
Bell Fund	32%	21%	14%	-19%
CNMF	6%	3%	0%	-33%
CTF	—	—	10%	—
Quebecor	41%	21%	0%	-33%
Total	27%	16%	8%	-24%

Source: Bell Broadcast and New Media Fund, CTF, Fond Quebecor, and Telefilm.

Since 2007, fewer documentary projects are accessing the funds (see Figure 7.2). Given the recent decrease in documentary television production, and the changing approach towards documentary television commissioning, fewer documentary projects are receiving cross-platform funding. The number of projects accessing the funds has dropped from 19 to 12 (there may be some overlap between the projects and the funds).

Figure 7.2 Cross-Platform Funding, Projects, and Language

Source: Bell Broadcast New Media Fund, CTF, Fond Quebecor, and Telefilm.

Despite the growth in the number of projects being funded in 2009 with the addition of the CTF Digital Media program, the number of documentary projects funded is lower than for other genres (see Table 7.2). Many of the funds are triggered by broadcaster licences. The lack of projects is due to the absence of funding for online components. Given the recent shift away from documentary commissioning, there is less funding for TV productions in general, and consequently fewer cross-platform components.

Table 7.2 Cross-Platform Documentary Project Share

Fund	2007	2008	2009	Average Annual Growth Rate
Total Projects				
Bell Fund	35	35	41	6%
CNMF	34	24	24	-10%
CTF			30	—
Quebecor Fund	13	13	13	0%
Total	82	72	108	11%
Documentary Share of Projects				
Bell Fund	31%	20%	17%	-28%
CNMF	6%	4%	0%	-33%
CTF	-	-	17%	—
Quebecor	46%	23%	0%	-33%
Total	23%	15%	11%	-17%

Source: Bell Broadcast and New Media Fund, CTF, Quebecor Fund, and Telefilm.

7.2.2 Financing of Cross-Platform Documentary Projects

In 2008-09, CTF provided funding for almost a third of all projects. Its financing statistics are therefore a good case study for analyzing the financing of cross-platform documentary content.

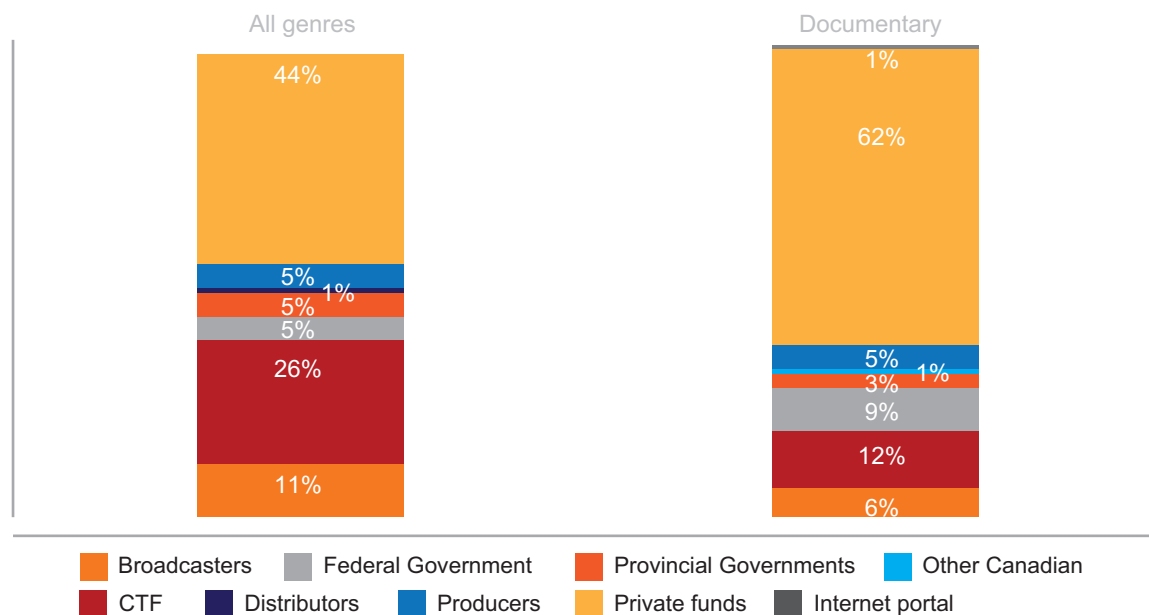
The financing of CTF cross-platform projects in Canada depends primarily on private funds or other government investments (see Figure 7.3):

- 81% of all financing is provided by private funds or the government: 26% by CTF, 44% by other funds, and 10% by government aid.
- Broadcasters provided 11%: 4.8% by specialties, 4.7% by the public broadcaster, 2% by educational, and 0.1% by conventional stations.
- Producers contributed 5% of total financing.

Documentary cross-platform projects financed by CTF rely even more heavily on private funds and government investment.

- 87% of all financing is provided by private funds, the CTF, and the government: 12% by the CTF, 62% by private funds, and 12% by government aid.
- 5% is contributed by producers.
- Broadcasters provided 6% of total financing: 3.5% come from educational, 1.2% from public broadcaster, 1.3% from specialty channels.

Figure 7.3 Financing of CTF Cross-Platform Projects, All Genres vs. Documentary, 2008-09



Source: CTF.

When 87% of the financing of documentary projects comes from public and private sources of funding, and producers are contributing almost as much as broadcasters, it is clear that financing of the cross-platform documentary content is still in its infancy and requires some intervention and aid. Unlike film and television financing, there are no tax credits and broadcaster licence fees are minuscule.

At present, no federal tax credit allows for producers to recoup digital labour costs, but there are some provincial tax credits and funds available for interactive digital media component production. The Government of Ontario, for example, has an interactive digital media tax credit, administered by OMDC, which also offers an interactive digital media fund. Manitoba introduced a new media tax credit which was cancelled in 2010; British Columbia provides financing through the Digital Media Development Fund.

In 2009, CNMF and CTF were combined into the Canada Media Fund (CMF). According to the mandate of the CMF, all projects of the convergent stream must have a digital component. As a result of this mandate, the volume of cross-platform projects is expected to grow substantially. However, the reluctant support of broadcasters, the requirement of broadcaster licences, and the absence of third-party investment will perpetuate the immature and failing financing model of cross-platform projects.

7.3 Original Content

Although the majority of web-based series are comedies, dramas, reality-television productions, and magazine shows, there are many online documentary projects of note, including many coming out of Canada. The majority of projects are created by the NFB, but there are some examples of original documentary content created by independent producers. Canadian content received many awards at the Webby Awards:⁴⁷

- NFB's *St-Michael's Filmmaker in Residence* won best documentary series in 2008, and NFB's companion site to *Waterlife* won best single-episode documentary in 2010.

⁴⁷ Awards for the best of the Internet. It has been called the Oscars of the Internet.

- Other Canadian projects nominated by the Webbies include Brett Gaylor's *OpenSource Cinema*, which received an honourable mention in 2010; as well, The Globe and Mail's documentary series *Beyond the Veil* was nominated.

7.3.1 NFB

Over the last three years, the NFB has introduced interactive documentaries in its production slate. As a Crown corporation it has access to means not available to independent producers. The NFB actively pursues exploration and experimentation using interactive digital media. Its projects are an exception in the Canadian industry and should not be used as a measure of the market.

Besides *St-Michael's Filmmaker-in-Residence*, the NFB has produced seven other online documentary projects. These are not simply broadcasts of video content online, but meticulously designed and constructed non-linear storytelling projects.

***Highrise: Exploring Vertical Living* (<http://highrise.nfb.ca>)**

Continuing the *Filmmaker in Residence* program, *Highrise* is a multimedia program that will span many years, and many countries. The project focuses on vertical urban living around the world using diverse digital interactive navigation tools, innovative audio-visual devices (such as the bumble bee 360-degree camera). Its combined footage totals almost 90 minutes of video.

Much like many of its earlier collaborative projects, *Highrise* incorporates community input from participants from around the world. *Highrise* aims to push the boundaries of conventional documentary storytelling using the most innovative approaches.

Over the last decade, the NFB has supported the creation of many user-generated and collaborative content spaces, including:

- *Citizenshift*: Since 2004, *Citizenshift* (and *Parole citoyenne*, its French counterpart launched in 2003) has acted as a social media space that allows Canadians to share podcasts, photos, videos, and blogs that discuss many issues, including arts and music, immigration, media, politics, and war and peace.
- *Who We Are*: Launched in 2006, *WhoWeAre.ca* is a community video portal that gives Canadians a place to talk about their experiences as immigrants.

7.3.2 Independent Web Content

EyeSteelFilm has created user-generated projects that incorporate video, social media, and documentary film, including

- *Homeless Nation*: *Homelessnation.org* is a social-media portal where Canada's homeless community can communicate, and share video and audio. It raises awareness about issues facing homeless people in Canada, is a place for advocacy, and a place to help locate missing persons.
- *Open Source Cinema*: *Open Source Cinema* is a website where filmmakers collaborate towards the creation of a documentary. Sections of *RIP!: The Remix Manifesto* were created using Open Source Cinema. Currently, four projects are underway, including one in conjunction with *homelessnation.com*.

7.3.3 Fonds TV5

Launched in 2009, Fonds TV5 has provided funding for young creators of original Francophone web content. Available to all genres, and all regions across the country, Fonds TV5 finances productions

for all phases of production, from development to marketing. Like the Bell Fund, Fonds TV5 works as advisors to the project. This mentorship between young creators and experienced producers of the fund allows for the creation of successful projects and an understanding of the changing media environment. In 2009, it funded eight projects, many of which were documentaries. The projects consist of five six-minute videos, which are streamed on TV5's website. One of the projects, *Au nord de la Transcanadienne*, is an interesting example of how original web content profiled a Franco-Ontarian community.

Au nord de la Transcanadienne

Au nord de la Transcanadienne is one of the videos funded by Fonds TV5. It tells the story about a small northern Franco-Ontarian community of 6,000 people. Because of the close-knit nature of small communities, and the subject matter, *Au nord de la Transcanadienne* is extremely popular within the community, and the most viewed project of 2009. Since being launched online, it has had 13,000 views on the portal, and many more on YouTube and Vimeo.

It allows for the community to see stories about themselves, and their concerns. Fonds TV5's videoplayer includes a social media communication platform that allows for the videos to be shared. Clearly, regional viewers will tune in to documentaries whose subject matter speaks directly to their experience.

In Canada, there are few documentary producers creating original web-content documentaries. Outside of Fonds TV5, there is no funding for web-based documentaries. This unfortunate reality makes the financing structure precarious, and production practically non-existent. The projects created by independent producers are driven by user-generated content, but few solely web-based documentaries have been produced.

7.4 Online DVD rentals

Beginning with the success of Netflix in the U.S, and spreading around the world, online DVD-rental services are a popular alternative to the traditional video-rental market. In Canada, six companies offer different catalogues across the country: Videomatica.ca, Zip.ca, Canflix.com, Dvd-link.ca, Starflix.com, and Cinemail.ca. Their services rival bricks-and-mortar stores. Indeed, in the wake of the success of Zip.ca, Rogers partnered with the company so that it would distribute Rogers' DVDs online. At the same time, other stores that carry specialized catalogues began to offer their catalogues for online rental: Cinemail.ca and Videomatica.ca were both originally bricks-and-mortar stores.

Because the rental services are private companies, they do not tend to share information about their rentals. Only Zip.ca offered information about its Canadian documentary library and its rentals in 2009; they reveal some interesting numbers on the performance of Canadian documentaries in the online DVD rental marketplace (see Table 7.3).

Table 7.3 Zip.ca Canadian Documentary Performance 2009

	Total titles	Total Canadian titles	Total doc. titles	Total Canadian doc. titles	Canadian doc. titles % of total	Canadian doc. titles % of Canadian	Canadian doc. titles % of documentary
Titles	80,609	2,277	6,647	479	1	21	7
Rentals	2,715,995	71,069	135,325	8,656	0.3	12	6

Source: Zip.ca.

In the online-DVD market, Canadian documentaries are holding their own. Those making up the highest share of the rentals are a mix of long-tail titles, new releases, and recent theatrical hits. Given their availability, Canadians usually rent Canadian documentaries following their theatrical release. In addition, documentaries post-release continue to be long-tail winners.

7.5 Digital Distribution

7.5.1 Video on Demand (Cable)

Over the last five years, a new kind of VOD service has entered the Canadian VOD market: subscription VOD. In the past, the VOD channel was a transactional service whereby you ordered a film “à la carte,” and paid for each transaction, similar to PPV. Now, VOD services offer catch-up services for missed programming via subscription-based VOD channels. Pay-TV channels such as SuperChannel, The Movie Network, and Movie Central have VOD channels that let viewers watch films, TV series reruns, and recently aired programming. TMN, Super Channel, Movie Central, and the Documentary Channel program their VOD channels with documentary films and series.

According to the VOD program suppliers, the success of a documentary is contingent on the title and the topicality. Some have been known to reach the top-five most-downloaded programs. In January 2009, on Super Channel’s On Demand channel, five documentaries placed in the top 100, one of which was Canadian (they sat in the 50–100 range, the lower end of the scale).⁴⁸ In 2009, The Movie Network On Demand offered viewers over 70 documentaries. Six of these titles were in the top-50 most-popular downloaded titles in the month that they were on the service; 24 were in the top 100.⁴⁹

VOD serves as a form of catch-up programming where viewers watch a film they missed in the theatre, or on the regular cable channel. Although VOD channels make films more accessible to viewers, they operate similarly to a video rental service with limited shelf selection and a rapid rotation of titles. Consequently, the long-tail qualities of documentaries cannot be exploited.

7.5.2 Mobile Video

Mobile video is becoming an increasingly important platform for content delivery. As a result, quicker and more efficient forms of delivery are developing. Mobile television is quickly being replaced by iPhone applications. These apps use wireless Internet technology to transmit video, and Internet servers to store content. Longer and higher-quality video can be transmitted through the apps, and the cost of entry is significantly lower. Consequently, documentary filmmakers and other content providers are using iPhone applications as a way to distribute their content.

The most notable video iPhone application in Canada is the NFB app. Launched in October 2009, it has 955 documentaries available for streaming, or storage, in Canada and internationally. Since its launch, the application has had considerable traffic. It has been downloaded 235,996 times, and 821,893 videos have been viewed.

Outside of the NFB iPhone application, there are very few examples of documentary producers using mobile distribution. As smart phones rely more and more on wireless Internet and internal memory capacity for video viewing, the mobile market will subside as an independent platform, and become an extension of online-video distribution.

7.5.3 Online VOD

According to Comscore’s 2009 Canadian online video statistics, online video’s reach in Canada is the highest in the world (90.5%), and the average minutes each user spends watching online video

⁴⁸ Superchannel information request, May 2010.

⁴⁹ Astral/TMN information request, June 2010.

increased 114% from 2008 to 2009.⁵⁰ Broadcasters, producers, and distributors have followed the audiences and have used the Internet to distribute feature films, television shows, and original web content.

Documentaries lend themselves perfectly to the world of online video. They have great repeat value, speak to niche audiences, and cover specific subject matters. As a result, there are many legitimate – and illegitimate – video aggregators of documentary content.

7.5.3.1 Online Video Business Models

Although there has yet to emerge a one-size-fits-all business model for online video streaming, there are a number of ways in which broadcasters, distributors, and producers are being paid for their content:

- Donation – using online payment methods, users can support content by making electronic donations.
- Electronic sell-through – downloadable videos can be sold or rented.
- Subscription VOD – streaming videos are accessible to subscribers who pay a monthly fee.
- Free on demand/ad-supported – as with television, the user watches for free, with interruptions from advertisers.

7.5.3.2 Electronic Sell-Through

In the United States, there are three major EST content providers: Amazon, iTunes, and Netflix. Each provides either video for sale or for rent. Of the three, Canadians have had access to the iTunes Store Canada since 2008.

The iTunes Store Canada offers television content and feature films for mobile, desktop, and console devices. In May 2010, 1,421 television documentary videos were available to rent as one-offs and series, and 671 feature-length documentary titles. In both the documentary television and feature film catalogues, Canadian content is overwhelmed by foreign content:

- Television – 18 Canadian vs. 1403 foreign titles.
- Feature films – 33 Canadian vs. 638 foreign feature films.

However, despite small numbers, Canadian content sells well. Canadian consumers prefer to buy, rather than rent, Canadian content:

- The anthology series *Doc Zone* and *The Nature of Things* placed sixth and ninth, respectively, on the list of the top-10-selling documentary series, and 55th and 156th, respectively, on the top-200 list of sold television series.⁵¹ As for rentals, only one Canadian one-off from the *Doc Zone* anthology series made it to the top 200 list, at 74th.⁵²
- Twelve Canadian films were listed in the top 200, representing a 6% share of the rankings, whereas only seven Canadian documentary films were among the top 200 rented, a 3.5% share of the rankings. *The Corporation*, *Hitman Hart: Wrestling with the Shadows*, *Manufacturing Consent*, *Next: A Primer on Urban Painting*, and *Petropolis* were among the titles sold and rented.

Given that the same titles appear in the top-200 sales and rental figures, and more Canadian content is purchased than rented, it is clear that Canadians would rather purchase online documentaries than

⁵⁰ Comscore presentation, CFTPAs Primetime 2010.

⁵¹ iTunes Store Canada, May 2010.

⁵² The ratings of the top-200 documentary sales and rentals change day by day. This information provides only a snapshot of the performance of Canadian documentaries compared to other documentaries for sale and rent on the iTunes Store Canada for a slice of time.

rent them. This trend may be due to Apple's curation of Canadian content, because Apple sells many of the top Canadian titles at reduced prices. Nevertheless, on the iTunes Store Canada, despite the low volume of Canadian documentary videos (1% of all documentary television videos and 5% of all documentary films), they perform quite admirably in the face of vast volumes of foreign content.

MoboVivo also offers online video for sale and rent. The company enters into partnerships with different broadcasters and distributors, including CBC, Rogers, National Geographic, BBC Worldwide, IMAX, Marble Media, and Reel Girls Media. At present, there are 271 documentary videos, ranging from six to 52 minutes in length.

7.5.3.3 Subscription Video On Demand

As with subscription VOD offered through cable, subscription VOD on the Internet requires its users to subscribe to the service. In Canada, the majority of these services are extensions of cable and satellite companies – Bell, Rogers, Shaw, and Videotron (Illico). Presently, the SVOD services offered by the cable companies have two operating philosophies:

1. Providing subscribers of premium content the same content over the Internet (Shaw and Bell);
2. Providing subscribers access to a portal of video content brokered by the cable company and content providers (Rogers and Videotron).

7.5.3.4 Free On Demand

Because broadcasters have the finances to support streaming costs, the brand recognition to attract large audiences, and the digital rights to exhibit high-quality programming online, the most popular, free, on-demand video players are operated by broadcasters. As a result of audience fragmentation, more viewers migrating to the Internet for entertainment, and a need to offer legitimate streaming alternatives for viewers, broadcasters around the world have launched online video portals.

Two well-known broadcaster online video portals are HULU and the BBC iPlayer:

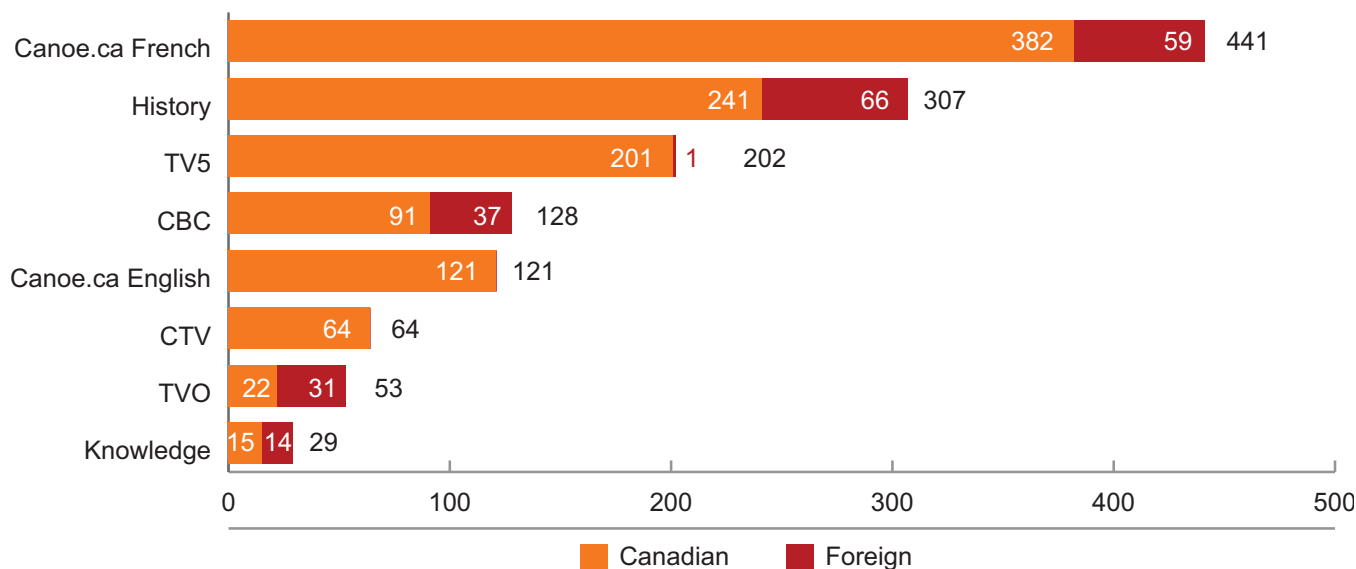
- Created in 2007, FOX, ABC, NBC, and other investors came together to form HULU. Its content comes from these broadcasters, and it licenses content from foreign broadcasters. In its catalogue, HULU has many documentary television programs from PBS and the History Channel.
- Launched in 2007, the iPlayer allows users access to all of BBC's programming from the last seven days. It offers a large selection of factual and documentary programming.

7.5.3.5 Canadian Broadcaster Online Video Portals

In Canada, all major broadcasting groups have an online video portal. Some may aggregate all of their online videos together, while others keep them on separate pages. Educational and independent specialty channels also have online streaming websites.

Currently, there are over a thousand documentary videos available on the Canadian broadcaster online video-portals, 85% of which are Canadian (see Figure 7.4). The videos are a mix of one-offs and documentary series.

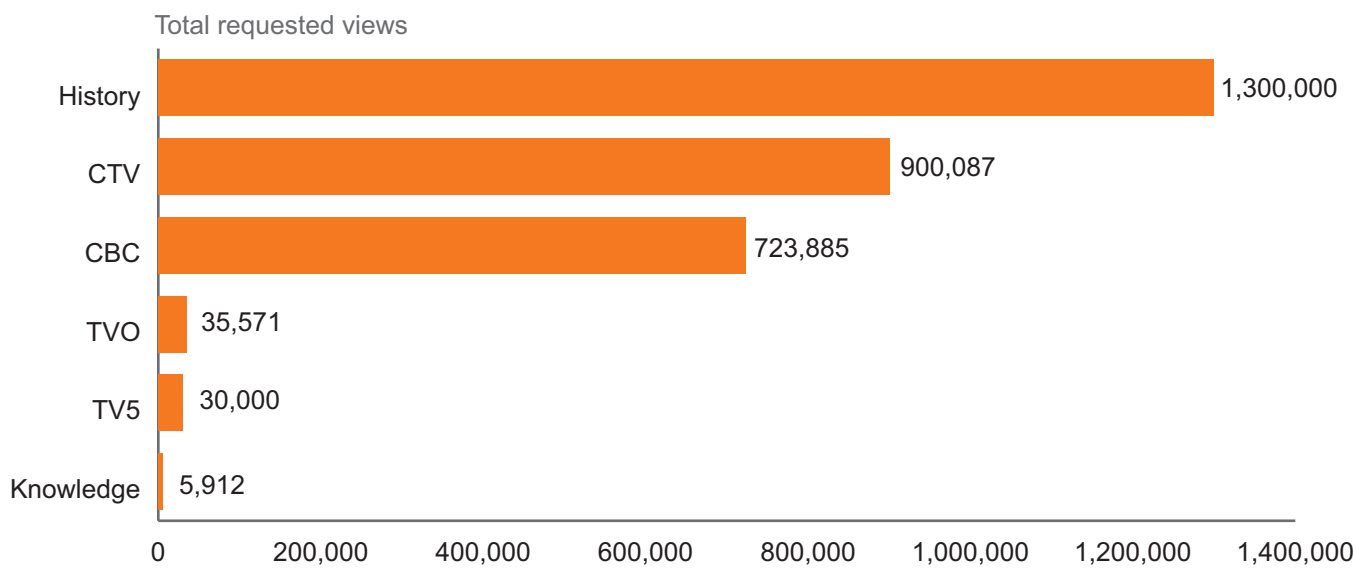
Figure 7.4 Online Broadcaster Video-Portal Documentary Libraries



Source: Canoe, CBC, CTV, History, Knowledge, TV5, and TVO, June 2010.

Documentaries are being watched by many Canadians (see Figure 7.5). From September 2009 to June 2010, almost three million documentary videos were watched online on broadcaster portals. The majority of the requested views were on History, CTV, and CBC.

Figure 7.5 Online Broadcaster Video-Portal Documentary Viewership



Source: CBC, CTV, Canwest, Knowledge, TV5, and TVO, June 2010.

Note: Because numerous broadcasters only had data from 2009-10, the information gathered should be considered a snapshot of the current viewership of documentaries online. Broadcasters use different streaming window strategies; the discrepancies between viewership of the portals can be explained due to these strategies.

7.5.3.6 Online Documentary Aggregators

There are also a growing number of independent film online video portals with large catalogues of documentary content, including Babelgum, IndieMoviesOnline, and SnagFilms. These services provide

opportunities for producers and content rights owners to distribute their films online, and to share in the advertising revenue. SnagFilms' catalogue contains only documentary films; of the 1,350 listed, 660 are available to Canadians. IndieMoviesOnline's catalogue has 38 documentaries, while Babelgum has 622 videos in its documentary themed section.

In Canada, there are two major documentary aggregator websites: the NFB Screening Room, and the Hot Docs Library. The NFB Screening Room launched on January 2009 and provides its catalogue online. The Hot Docs Library started streaming in February 2010. Hot Docs Library streams Canadian independent documentaries of many different languages.

- NFB's portal has over 3.3 million views because of its large catalogue and larger promotional campaigns.⁵³
- The Hot Docs library has over 20,000 views, but it has existed for a shorter time, has a smaller catalogue, and doesn't aggressively market.⁵⁴

7.5.4 Conclusion

There is a wide range of business models for the digital distribution of documentaries, but none of them replace the revenue-generation capacity of television and theatrical. Apple uses iTunes as a way to funnel sales into its technology; producers only receive royalty payments after high thresholds are reached. Subscription on-demand services have not existed long enough to assess, but if Netflix is any indication of success, a portal needs significant volume to generate profit. The free-on-demand portals are almost always operated by large media conglomerates that can afford the marketing and infrastructure. Online advertising is rising, but digital rights agreements more often than not exclude producers from revenue sharing. The documentary-centric online portals are not entirely free-on-demand, but use donation and electronic sell through (EST) business models as well. Finally, Canadian documentary portals rely heavily on subsidies from all levels of government.

Although audiences are purchasing and viewing documentaries online, the revenues derived from digital distribution do not outweigh the costs. Digital distribution is, rather, an ancillary way of generating extra revenue from older catalogues; it does not replace television broadcasting.

7.6 Industry Outlook

Alternative platforms have become an extended distribution arm for television and film productions. Digital distribution, VOD (cable), and online-DVD services extend distribution on new platforms and to new markets. Cross-platform projects exist in order to extend the experience of the linear audio-visual project, and re-aggregate audiences back to television and film productions. Because alternative platforms rely on content from television and film, the funding and financing of cross-platform projects is tied to television financing.

Documentary cross-platform funding is decreasing because of the intrinsic link between alternative platforms and television content. After all, television production is the largest incubator of documentary content. When broadcasters do not support documentaries as heavily, fewer projects can expand to cross-platform. In contrast, the digital distributors, the Internet portals, and other players in the digital world cannot adequately finance cross-platform projects.

As a result, there are fewer made-for-the-web documentaries. There are no financiers, and there is not enough funding to support a long-form web documentary. The web-only documentaries that do exist rely on user-generated, collaborative, and social modes of production. The projects tend to operate toward a social, rather than a commercial end. Unlike a drama web series, which can sell merchandise,

⁵³ NFB data request, June 2010.

⁵⁴ Hot Docs data request. June 2010.

license its content to other regions, and syndicate on other web portals, documentary-collaborative projects do not lend themselves to monetization.

7.6.1 Platform Agnosticism, Convergence, and Clash

Vertically integrated companies distributing content across multiple platforms program their distribution channels agnostically: content is not embedded to one particular platform, but is accessible through all of them (TV, mobile, and the Internet). This alters the consumption and dissemination of documentary content. However, communication and cultural policy have not caught up to relieve the tension. The cultural policy tool kit is thus badly out of date.

Internet service providers are not considered broadcasting distribution undertakings, and so they do not contribute to the CTF. As well, there are no quota regulations for cultural content on new media platforms, the public broadcaster does not have the appropriate budget to operate on all desired platforms, and tax credits do not exist for digital media production.

Although the government has mandated the creation of more content for these platforms directing more funding to cross-platform projects, the available funding is not enough to sustain the television production demand, nor the required digital-media components.

As digital-media and continuing-media producers will be required to work together, the business models, financing sources, required skill sets, and production conditions will not be easily synthesized and the cultures of production will clash. Until now, there has been no meaningful attempt by the funds to address this situation.

7.6.2 Digital Rights, Financing, and Funding

Producers and broadcasters disagree about the value and ownership of digital rights, and therefore the terms of trade discussions between the broadcasters and CFTPA are at a standstill. Producers argue that they do not receive licence fees that are equal to the fair value of the digital rights. As for cross-platform projects, producers receive licence fees that do not significantly contribute towards the budgets of the production. The result is a large gap in financing, and a lack of incentive to take on the risk of producing such content.

Despite the promise of more funding for digital-media projects, CMF requirements will further exacerbate the financing problems of cross-platform documentary content and web documentary content. Continually linking all digital media funding to broadcaster licences and equity loans also prevents documentary filmmakers from moving into producing web series. Apart from Fonds TV5, other web content funds⁵⁵ exclude documentary production.

Without comprehensive provincial and federal digital-media tax credits, the financing model for digital media content will be precariously underdeveloped. Producers will continue to rely on private and government funds that are triggered by a television licence. And broadcasters will continue to be reluctant to finance any cross-platform content. However, the instability of financing digital-media content and the lack of outside financiers will create undue stress on the television market, because all television projects require digital-media components to access the CMF.

7.6.3 Transforming Business Models

Television dollars are now being changed into digital pennies. There is no one-size-fits-all business model for the digital distribution of professional video content that competes with the revenues of television advertising sales. Instead, digital distribution operates as an on-demand catch-up service

⁵⁵ The Independent Production Fund has a web-series fund for scripted drama only.

for viewers that attempts to compete with illegitimate streaming sites. As for cross-platform interactive content, content owners can licence the modules for different regions or negotiate revenue sharing agreements for ad revenues. In both cases, the risk and costs are high and the reward and revenues are low.

7.6.4 National Digital Strategy, Infrastructure, and Technology

In 2010, the federal government announced the National Digital Economic Strategy consultations, wherein it would develop a national plan for Canada's digital future. The strategy aims to address many of the infrastructural issues that encumber the Canadian media environment: lack of broadband for rural communities, foreign ownership regulations, the lack of support for Canadian digital content, and the costs of maintaining the telecommunications hardware.

7.6.5 The Future of Documentary Content in a Digital Environment

Canadian author Cory Doctorow once said that the biggest problem for writers is not piracy, but obscurity. This is equally true for audio-visual content on the Internet, and especially for documentaries, whose subject matter is often more specific than other video content. In 2008, the annual average growth rate of digital information was 60%⁵⁶, and with the addition of more users every day, that rate is accelerating. There is more data on the Internet than ever before, especially video. In Canada, online-video consumption grew by 140% from 2008 to 2009.⁵⁷ The majority of that content is being viewed on Google-related sites (e.g., YouTube), and Microsoft sites. Further down the list are the Canadian broadcaster websites.

In the near future, professional video content will be accessible through almost every kind of device – exposure to audiences and promotion will be paramount. All stakeholders in the digital media environment must work together to promote Canadian content across all platforms: if they do not, the promise of the open sea of limitless content will become a flood. Clearly, there is plenty of content on the Internet – so much that users are relying on social media networks for recommendations, or their favourite blogs. The organization of content into themes and useful subject matter – the semantic web – is the next step.

Documentaries naturally lend themselves to semantic organization. In order to take advantage of the semantic web, documentaries must be properly curated, so that they fit into themes and so that information about them can flow through the networks. Nevertheless, in order to overcome the warehouse effect, proper promotion of content is essential. For documentary content to succeed in this growing international market of unlimited distribution potential, it has to use the strengths of the Internet. The most effective strategy used to monetize content and reach large audiences for advertising revenue is syndication of content across multiple video players.

Through a three-fold strategy of curating, promotion, and syndication, documentaries can succeed in the digital media environment, and use the principles of the Internet for their own benefit. However, because documentary content is heavily reliant on broadcaster licence fees to trigger funding for feature-length, cross-platform, and television content, and because broadcaster licence fees are decreasing, there may be fewer opportunities to take advantage of digital media. Furthermore, unless there is a resolution to the negotiation of ancillary rights between broadcasters and producers, the latter will continue to face a disincentive vis-à-vis digital production.

56 EMC, New Study Forecasts Explosive Growth Of The Digital Universe; Spotlights Worldwide Phenomenon Of "Digital Shadow". <http://www.emc.com/about/news/press/2008/20080311-01.htm>. Accessed September 1, 2010.

57 Comscore presentation, CFTPA's Primetime 2010.

8. Conclusion

Television documentary production is the driver for all documentary production in Canada, because it provides a stable base for re-versioning projects on other platforms and windows. Feature-length documentaries are cut for television, extended for the theatres, and released for online distribution. When television production is healthy, other distribution markets are healthy too.

Over the last three years, television production has declined, resulting in a decrease in the number of feature-length productions and cross-platform documentary projects being funded. Ultimately, the decline is caused by major broadcasters reducing their commissioning of documentary programming. When broadcasters allocate their licence fees elsewhere, less financing money is available for documentary producers. Indeed, the licence fees trigger tax credits, and thus the majority of documentary funds.

The current race to convergence has concentrated many of Canada's leading documentary assets in the hands of five major broadcasting corporate groups. Many of these groups have decreased both their documentary commissioning and the possible exhibition windows. Although a number of broadcasters are friendly towards commissioning documentaries, they cannot support the multi-million-dollar volumes of the documentary industry alone.

Ironically, as broadcasters reduce their documentary commissioning, especially of POVs and one-offs, there is increasing demand for documentaries in Canada. Documentary film-festival attendance is rising every year, sometimes by the tens of thousands. Feature-length documentary films have higher cumulative box-offices grosses faster. Interest is so keen that we have seen the emergence of citizen's groups that are programming documentary salons to screen films that are not shown in major theatres.

In an age of niche-driven audiences, long-tail distribution, and content-driven social media networks, documentaries are an ideal media product because they speak to many niche issues and perspectives. The underlying challenge for the documentary industry is how to take advantage of the new opportunities of digital media to meet this demand, while coping with continually diminishing financial returns. An analogue dollar is only worth one digital penny, it seems.

As funding and financing opportunities decrease, producers are concentrating more on creating projects than on distributing them online. The increasing demands of consumers cannot be fulfilled if it becomes harder and harder to produce. Thus, Canadian documentary producers are confronting a classic market failure: there is a demand for their product, but financing structures disable the efficient allocation of resources to meet this demand. Broadcasters ultimately control the supply of documentaries through their licence fees, which act as contributions and funding triggers.

Moreover, there is no longer a fund for the non-theatrical educational market. Documentary producers rely on the stability of this market for future revenues. If there is no longer content being produced specifically for this market, it could be quickly overwhelmed by foreign imports. The multi-million dollar revenues generated by Canadian documentaries could disappear.

At the heart of this market failure is a clash of distribution philosophy: broadcasters want high ratings from first airings, but documentaries typically garner long-tail success. To exploit documentaries successfully, broadcasters must exhibit them properly – multiple repeats over the span of their licence term. Broadcasting schedules do not have unlimited shelf space, however – and unlimited shelf space is crucial for the long-tail distribution philosophy to operate. Time is a scarce resource.

Although the majority of major broadcasters have online-video portals that could be used to fulfill the long-tail promise of documentary programming, current online advertising rates do not yield the same returns as television, thus making this kind of shift unappealing.

If broadcasters continue to shift their licence fees away from documentaries, the industry will continue to contract. The documentary production industry is thus facing a significant challenge: finding a new financing partner that can fill the gap left by licence fees, be a secure distribution partner to trigger funds, and distribute the genre effectively. Already, documentary producers are confronting this challenge by trying out new distribution techniques and business models. As these new business models mature, the documentary industry will continue to adapt and innovate.

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Appendix A: Glossary of Terms

Affiliate production	Production conducted by companies that are 33% (or more) owned by broadcasters.
Atlantic Canada	The provinces of New Brunswick, Prince Edward Island, Nova Scotia, and Newfoundland.
Canadian content production	In-house station production by Canadian broadcasters and the NFB, and independent production certified as Canadian content by CAVCO or the CRTC.
Canadian Television Fund (CTF)	A public-private initiative that provided funding to Canadian producers creating distinctively Canadian television programs and feature films. It is funded by money from the Canadian federal government, cable-television companies, and direct-to-home satellite television companies. On April 1, 2010 the CTF was amalgamated with the Canada New Media Fund to create the Canada Media Fund (CMF).
CAVCO	Canadian Audio-visual Certification Office.
CAVCO-certified production	Productions certified as “Canadian” for the purpose of accessing the Canadian Film or Video Production Tax Credit (CPTC). It does not include foreign productions that use the Film or Video Production Services Tax Credit (PSTC), which must also get certification from CAVCO, but are not considered “Canadian” productions.
CBC	Canadian Broadcasting Corporation (for French programming, see SRC).
CFTPA	Canadian Film & Television Producers Association (now the CMPA).
CIFVF	Canadian Independent Film and Video Fund.
CMPA	Canadian Media Production Association (formerly the CFTPA).
CNMF	Canada New Media Fund.
Conventional television broadcasters	Canadian television broadcasting licensees that are available to the public through over-the-air transmission, basic cable, and direct-to-home television services.
CPM	Cost per thousand (coût pour mille).
CPTC	Canadian Film or Video Production Tax Credit.
Cross-platform project	A project that tells a story across different digital devices/platforms in order to extend the user’s experience.
CRTC	Canadian Radio-television and Telecommunications Commission.
Digital media	Media produced using digital means, or viewed through digital means.
Direct jobs	Jobs that are directly involved in the production of television programs and feature films. Direct jobs refer to jobs at production companies, or production jobs at television broadcasters.
Direct public funding	Loans, equity investments, licence fees, grants, and contributions from government sources, including the CBC. Direct public funding excludes tax credits.
Electronic sell-through (EST)	Downloadable videos that are either sold or rented. This definition differs from the one used in CFTPA’s Digital Rights Report, June 2010, for it sees rentals as a similar kind of transaction as selling video digitally.

Export value	The value of international participation in the Canadian production industry.
Factual documentary	CAVCO-certified non-CTF documentary content that has been filtered out using the long-form documentary filter.
Feature-length documentary	Documentary with a running length of 75 minutes or more. CTF, CAVCO, and Telefilm all have the same time restriction in their definition. The CRTC does not set a time limit on feature-length films.
Free on demand	Ad-supported or “free” online content, with interruptions from advertisers.
Full-time equivalent (FTE) jobs	The number of jobs in an industry, if it is assumed that all workers work on a full-time basis. The number of full-time equivalent jobs in an industry is typically fewer than the total number of jobs, as many jobs are done on a part-time basis.
In-house production	Productions created internally by private conventional television broadcasters, the CBC, and specialty and pay television services.
Independent production	Production created by private companies not affiliated with broadcasters.
Indirect jobs	Jobs created in other industries through the economic activity generated in the film and television production industry. It includes all jobs created outside of production companies and broadcasters, and jobs across all other sectors of the economy, such as the services, retail, and construction sectors.
Indirect public financing	Non-direct forms of government financial support, including tax credits or rebates that reduce the tax owed by production companies.
International co-venture	An agreement between two companies from different countries that contribute financing and human resources. These usually do not qualify for CAVCO certification, and, consequently, don’t access public incentives.
International treaty co-production	Production developed jointly by production companies in treaty countries. These productions are considered to be indigenous in both countries, and are thus fully entitled to legislative and regulatory benefits in their respective countries. The objective of treaty co-productions is to maximize the efficient use of available public incentives in each treaty nation.
Long-form documentary	Any non-CTF CAVCO-certified documentary that passed through the long-form documentary filter successfully.
Long-form documentary filter	A filter devised to differentiate misreported documentary content in the CAVCO data.
Mini-series	A documentary series of six episodes or fewer that will not be renewed.
Mobile application	Interactive applications designed for mobile devices.
One-off	See Single program.
Online video portal	An online service where users can access streaming video content.
OMDC	Ontario Media Development Corporation.
NFB	National Film Board.
Non-CAVCO production	Indigenous production that is certified as Canadian by the CRTC, rather than CAVCO.

Non-CTF Production	Canadian production certified as Canadian content by CAVCO or the CRTC, but created without the support of the CTF. This type of production typically receives between 6 and 9 points on the CAVCO 10-point scale for Canadian content. In some cases, a non-CTF production will actually receive 10 points.
Non-theatrical educational (NT) production	Includes productions for which the primary release window is an educational or public institution, or an exhibition channel other than television, theatrical cinema, or home video.
POV documentary	A documentary told with a strong authorial voice or subjective point of view that shapes the story line. Also known as auteur documentaries because of their similarities to the auteur film movement.
PSTC	Film or Video Production Services Tax Credit.
Semi-theatrical market	Comprises film salons, citizen-led screenings, cinemathèques, and film-festival off-season screenings and tours.
Single program	Includes short films, feature films, specials, and pilots. In the documentary genre, most single-program productions are in the category of short films, since feature films are generally 75 minutes or longer.
SRC	Société Radio-Canada (for English programming, see CBC).
Specialty television services	Television broadcasting licensees that are only available to the public over cable television or direct-to-home satellite services. These services typically focus on a particular programming theme, such as sports, food, history, or music. While some specialty television services are included in basic cable (and direct-to-home satellite) packages, the majority are only available in optional packages.
Subscription VOD	Online-streaming videos accessible to subscribers who pay a monthly fee (usually through a cable service, but also through online rental services such as Netflix).
Theatrical documentary	A documentary production whose primary release window is a theatrical release. Theatrical documentaries are usually feature-length documentaries.
Trans-media	Telling a story across multiple digital devices, sometimes with user-generated content and collaboration.
Video on demand (VOD)	A video portal accessible through cable services, where viewers can rent, or access for free, television and film content.
Volume of production	Total expenditures on film or TV productions in Canada (i.e., the sum of all Canadian production budgets).
Web-based original content	Video productions made entirely for online consumption.
Western Canada and the Territories	Comprises Alberta, British Columbia, Manitoba, the Northwest Territories, Nunavut, Saskatchewan, and the Yukon.

Appendix B: Definitions of “Documentary”

One of the greatest challenges in preparing a profile of the documentary industry that is based on data from different sources is the fact that each source’s definition of the term “documentary” is different. This appendix describes those different definitions. This review also helps to differentiate documentary from other non-fiction programming, such as reality programming.

Canadian Television Fund (CTF)

CTF defines a documentary as an original work of non-fiction, primarily designed to inform but that may also educate and entertain, providing an in-depth critical analysis of a specific subject or point of view over the course of at least 30 minutes (less a reasonable time for commercials, if any). These programs shall not be used as commercial vehicles.

This definition excludes such programming as current affairs, public affairs, human interest or lifestyle productions, “how-to” productions, reality television, instructional television, formal or curriculum-based educational programming, magazine productions, talk shows, reporting and current events, religious programming, promotional productions, travelogues, and interstitials.

CTF also makes a distinction between factual documentaries (as described above) and auteur point-of-view (POV) documentaries. CTF defines an Auteur/POV documentary as “a non-fiction representation of reality that contains the following elements:

- informs and engages in critical analysis of a specific topic or point of view;
- provides an in-depth treatment of the subject;
- is meditative and reflective;
- is primarily designed to inform but may also entertain;
- treats a specific topic over the course of at least 30 minutes (including commercial time);
- requires substantial time in preparation, production and post-production;
- has an original narrative and visual construction (which may include scenes of dramatic re-enactments);
- has enduring appeal and, therefore, a long shelf life.”⁵⁸

A POV does not include documentaries that are:

- “a docu-drama, docu-soap, re-enactment, or performance piece with people playing themselves, or with professional actors;
- a factual project;
- a profile or biography;
- segmented or capsular one-off or series;
- a video “diary” of social events (e.g., a series on graduations or family reunions);
- a project dependent on light “information.””⁵⁹

CRTC

Until September 2000, the CRTC did not have a broadcast category for documentaries. Before then, broadcasters classified any documentary programs they aired under either Analysis & Interpretation or Informal Education Programs. In some cases, documentary programs may also have been classified under Reporting & Actualities, Religion, or Human Interest categories.

The CRTC’s 1999 Broadcasting Policy created the concept of priority programming, which includes

⁵⁸ CTF, *Broadcast Performance Envelope Guidelines, Appendix B: Programming Genres: Definitions and Essentials Requirements*.

⁵⁹ CTF, *Broadcast Performance Envelope Guidelines, Appendix B: Programming Genres: Definitions and Essentials Requirements*.

drama, music and dance, variety programs, entertainment magazines, regionally produced programs, and long-form documentaries. To guide broadcasters, the CRTC formulated the following definition for “long-form documentary”:

Category 2 b) Long-form documentary: Original works of non-fiction primarily designed to inform but may also educate and entertain, providing an in-depth critical analysis of a specific subject or point of view over the course of at least 30 minutes (less a reasonable time for commercials, if any). These programs shall not be used as commercial vehicles.⁶⁰

CAVCO

CAVCO actually uses a negative definition for documentaries. CAVCO's regulations define types of non-fiction programming that are excluded from the category of a documentary for purposes of the federal tax credit, instead of defining what type of programming is included. The regulations exclude the following types of non-fiction programming from the documentary genre:

- (i) “news, current events, or public affairs programming, or a program that includes weather or stock market reports;
- (vii) reality television;
- (x) a production produced primarily for industrial, corporate, or institutional purposes; and
- (xi) a production, other than a documentary, all or substantially all of which consists of stock footage.”⁶¹

A large part of the data used to prepare *Getting Real* came from CAVCO. The CAVCO data classify production as either documentary, “doc-fiction,” or “doc-variety.” Productions classified under all three of these categories were included in the definition of documentary in this report, but the filter methodology was used in an attempt to exclude factual documentary programming.

NFB

The NFB only supports the development and production of POV documentary. POV, or auteur, documentaries, may include autobiographical narratives, documentary essays, investigative documentaries, experimental films, and direct cinema.

Société de développement des entreprises culturelles (SODEC)

Like CTF, SODEC uses two definitions for documentaries. The broad definition includes a wide range of non-fiction programming types that examine issues of social, political, and cultural importance. SODEC also maintains a POV definition, however, which emphasizes that the filmmaker maintains creative control at each stage of the development and production process.

Conclusion

This comparison of the definitions and their application provide us with a few key observations about documentary data collection:

- There is an active attempt to exclude lifestyle and reality programming within each definition.
- The data-collection environment is interdependent, and not easily separable – one application of the definition by one party can undermine the accuracy of the data collection practices of others.
- All parties – broadcasters, funding agencies, and producers – make mistakes in the application of the definition of documentary.
- The parties that have a separate definition for POV are less likely to misapply the documentary definition.

In 2010, the CRTC asked for comments on updating and evaluating program categories, including documentaries. In addition to asking stakeholders to comment on improving the definition of

⁶⁰ CRTC, Television Programming Categories, www.crtc.gc.ca

⁶¹ Income Tax Act and Regulations, Subsection 1106(1)(b)

documentary, the CRTC introduced a possible “documentary reality-style” programming category. The re-evaluation of the documentary definition and the creation of this category may result in fewer misapplications of the definition of documentary, and, consequently, more accurate statistics.

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