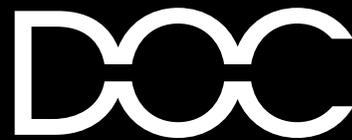


GETTING REAL

An Economic Profile of the Canadian
Documentary Production Industry



DOCUMENTARY ORGANIZATION OF CANADA
DOCUMENTARISTES DU CANADA

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DOCUMENTARY ORGANIZATION OF CANADA
DOCUMENTARISTES DU CANADA

The Documentary Organization of Canada/ l'Association des documentaristes du Canada (DOC) is the collective voice of independent documentary filmmakers across Canada. DOC is a national non-profit arts service association representing over 800 directors, producers and craftspeople in the documentary community, from all provinces and regions of our nation. DOC 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

OVERVIEW

Since the publication of *Getting Real 4*, which covered the period up to 2008/09, the Canadian documentary production industry has continued to confront numerous challenges. *Getting Real 5* provides a more recent snapshot of the industry and the issues it faces, with data analysis up to and including the fiscal year ending March 31, 2011 (2010/11).

In the last few years, the Canadian broadcasting sector has consolidated to the point where the industry has become dominated by a handful of large ownership groups: Bell/CTV, Shaw/Corus/CanWest, Quebecor, Rogers and Astral. This has challenged the Canadian documentary funding model, a model that has come to rely heavily on broadcast licence fees, just as broadcaster demand for Canadian television documentaries has been waning. While some new funding sources may provide potential alternatives, the loss of other funding programs has exacerbated the decline of documentary production in Canada. As a result of these challenges, there is little good news in this report for the Canadian documentary production industry.

Based on the data compiled, Canadian documentary production volume has declined significantly since 2008/09, decreasing by more than \$100 million by 2010/11. Decreases in documentary volume over the last three years occurred in both the French- and English-language sectors, in noticeable contrast to *Getting Real 4*, where the decline was experienced solely in the English-language market.

The impact of this dramatic decline has been the loss of almost 4,000 jobs (FTEs) across the documentary production sector since 2008/09. Yet while employment levels in the industry were spiraling downwards, the documentary production segment still represented a vital sector in the Canadian film and television production industry in 2010/11, contributing \$625 million to national Gross Domestic Product (GDP).

Canadian documentary film festivals continue to be successful and generate enthusiastic “buzz,” with Canadian audiences for these films growing every year. Documentary films continue to garner international recognition, winning a multitude of awards from festivals around the world. In true Canadian tradition, Canadian documentaries produced for the non-theatrical market continue to make major contributions to civic discourse through a wide array of community-based screenings, as demonstrated in this report’s case studies.

Yet these accomplishments should not overshadow the challenges that the documentary industry faces, which cannot be overstated and which the full report outlines in detail.

DECLINING DOCUMENTARY PRODUCTION

According to the data in this report, since 2008:

- Documentary production volume decreased by more than 21% or \$105 million by 2010/11
- The number of documentary projects dropped 23% from 591 to 457 projects by 2010/11
- The total number of documentary hours declined to 1,445 hours—a drop of 555 hours—by 2010/11

Canadian television is the single largest market for Canadian documentaries. The data illustrates that 98% of all documentary production in the English-language market is produced for television, while 87% of all French-language documentary production is destined for television. Moreover, 67% of all TV documentary production is attributable to documentary series irrespective of linguistic market. These numbers highlight the dependence of the documentary genre on broadcasters.

The financial crisis that hit world markets in 2008 had an impact on advertising revenues for Canadian broadcasters, causing them to pull back from commissioning new programming. Yet by 2010, Canadian conventional broadcasting revenues rebounded to pre-2008 levels, and specialty cable channel revenues continued to grow despite the recession.¹

Still, Canadian documentary production has continued to decline. Despite the turnaround in revenues and overall Canadian content hours by 2010/11, Canadian broadcasters have steadily been reducing the number of documentary projects they license since 2008.

PRODUCTION VOLUME BY LANGUAGE AND REGION

The data in this report demonstrates that documentary production volume has decreased in both language markets since 2008. Total English-language documentary production levels dropped dramatically by \$85 million—25%—since 2008/09.

As the largest producing province in the English-language market, Ontario experienced the highest loss in actual production volume, losing \$64 million by 2010/11. Nonetheless, the province still generated 61% of all English-language documentary production volume in that year. Other regions, including Atlantic Canada, the Prairie Provinces and Quebec, suffered significant declines in production volume, ranging from 25% to a staggering 75% in Atlantic Canada. While British Columbia experienced a decline in the two previous years, it was the only province to see its documentary production volume increase in 2010/11.

French-language documentary programming was managing a modest growth rate of 3% at the time of the last report, but total French-language documentary production volume has decreased by nearly 12% since 2008/09. By 2010/11, French-language documentary production volume sat at \$85 million, its lowest point since 2004/05.

¹ CRTC, Communications Monitoring Report 2012, p. 68.

It should be noted that although French-language production occurs predominantly in Montreal and the province of Quebec, French-language production outside of Quebec rose from 13% of all French-language production in 2008/09 to 21% in 2010/11.

Documentary production in languages other than English and French has been in serious decline since 2005/06, when it hit a high of \$21 million in production volume. That number dwindled to \$2 million by 2010/11.

PRODUCTION VOLUME BY FORMAT AND SUB-GENRE

As the data for 2009/10 demonstrates, conventional broadcasters in both the English- and French-language markets broadcast on average less than two hours of Canadian documentary programming on a weekly basis. There were much higher levels of documentary hours viewed on the specialty services in both markets. On average, Canadian documentaries were viewed on English-language specialty channels more than nine hours per week, and more than four hours per week on French-language channels.

The next section will address this issue in more detail, but there continue to be issues with the definition of “documentary” for Canadian regulatory and funding purposes. The regulatory regime has recently been re-designed to focus Canadian broadcasting groups on licensing Programs of National Interest that include the documentary genre. This new regulatory framework was implemented in September 2011, and its impact has yet to be analyzed.

The production of feature-length documentary films has also declined in both linguistic markets since 2008/09. The number of feature documentaries in the English-language market dropped from 30 projects to eight projects by 2010/11, and production volume dropped from \$23 million to \$4 million. This represents an overwhelming decline of 83% over a three-year period. While there might be a time lag in some reporting of the data, feature documentary production is clearly facing a severe decline in the English-language market.

While the French-language market has a more vibrant theatrical sector, the production of documentary features in that market also dropped from 35 to 23 projects, and production volume declined from \$14 million to \$11 million over the same time period.

DOCUMENTARY BUDGET LEVELS

While broadcasters are licensing fewer projects, overall per-hour documentary budgets have increased for series and single-episode production in both English- and French-language production.

In the English-language market, the average per-hour budget for documentary series has increased over the past several years, reaching a high of just over \$306,000 in 2010/11, an 8% increase since 2008. The per-hour average budget for single-episode productions for 2010/11 reached \$421,000. While still higher than last reported, this figure represents a decline from 2009/10, when it reached a high of approximately \$537,000 per hour.

Since 2008, the average per-hour budget for French-language documentary series increased 10%, up to \$142,000 in 2010/11, while the average per-hour budget for single-episode production increased by 12%, up to \$324,000. The marked disparity in the average budgets between the English- and French-language markets, however, remain.

Historically, documentary features in the English-language market have had higher average per-hour budgets than other sub-genres, but this trend has changed noticeably in the past three years. Average per-hour budgets for English-language features dropped 29% to \$370,885 by 2010/11. In comparison, feature per-hour budgets for French-language documentaries jumped radically to \$412,772 in 2010/11 after having suffered a sharp decline to \$275,361 the year before.

Notwithstanding the general increase in average budget levels, the total quantum of dollar amounts that broadcasters were spending on documentary production significantly declined by 2010/11. Total English-language private broadcaster licence fees dropped from a high of \$117 million in 2008/09 to \$74 million in both 2009/10 and 2010/11, a decrease of 37% overall. Since 2008, French-language private broadcaster licence fees also fell 28% to \$13 million in 2010/11.

DOCUMENTARY FINANCING

Financing for Canadian documentaries varies by format, sub-genre and language. In the English-language market in 2010/11, private broadcasters were the single largest financing source at 30%. Provincial tax credits were next at 17%, and the Canada Media Fund (CMF) tied with Canadian distributors at 12%. Public broadcasters accounted for only 4% of documentary financing in the English-language market.

In marked contrast, financing in the French-language market in 2010/11 was dominated by the CMF at 26%, followed by provincial tax credits at 19%, then private and public broadcasters at 15% and 14% respectively. In both linguistic markets, federal tax credits averaged 9-10% of financing.

Most financing from Canadian broadcasters exists in the form of a broadcaster licence fee. Across sub-genres, public and private broadcaster licence fees averaged 35% of the total financing for both French- and English-language documentary TV series. By contrast, licences for single-episode documentaries averaged 25% of the total financing in both linguistic markets in 2010/11.

In the English-language market in 2010/11, series licence fees increased slightly, while single-episode licence fees were relatively stable and feature licences declined. The median licence fee for a documentary series was \$108,923 and the median licence fee for a single-episode documentary was \$120,210. For feature films, the median licence stood at \$88,636.

In the French-language market, all sub-genres saw increases in licence fees except for series in 2010/11. The median licence fee for a documentary series was \$32,500, the median licence fee for a single episode was \$80,000 and for feature films the median licence fee was \$85,150. As is the case with average budgets, the marked disparity between the two linguistic markets remains with licence fees as well.

Based on the data, Canadian broadcasters contributed a small amount to the funding of feature-length documentaries. In 2009/10 they contributed less than \$3 million to the English-language market, but almost dropped off the chart completely by 2010/11. In the French-language market, they contributed less than \$1 million per year by 2010/11. Broadcaster participation is, of course, critical to feature-film financing, as many public and private funds require broadcaster participation as an eligibility requirement.

Producer tax credits offered by federal and provincial governments also play an important role. Combined, they account for 27-28% of Canadian documentary financing in both linguistic markets.

The CMF continued to dominate as the single largest public/private source of funding for Canadian documentaries. In terms of both dollars and hours, CMF funding decreased in 2010/11, but the CMF's share of funding of total production budgets simultaneously increased to 32%. Not only were broadcasters licensing fewer total hours of documentaries, then, but they were also increasing the amount they were funding per project from their CMF envelopes.

Other public and private funds combined to provide on average 10-11% of financing. These sources include the National Film Board, Telefilm Canada and provincial agencies such as the Ontario Media Development Corporation (OMDC) and Société de développement des entreprises culturelles (SODEC). Over the past few years, Telefilm has had fluctuating levels of support for documentaries through their Theatrical Documentary Fund, which is partly underwritten by the Rogers Group of Funds. The amount of funding available through this program is small, often less than \$1 million per year. Meanwhile, the National Film Board has been shifting an increasing portion of its budget to interactive projects. The Canada Council for the Arts also provided varying levels of support for the documentary genre, often exceeding \$1.5 million per year.

AUDIENCES

Canadian television programming often struggles to compete with US programs made with much higher budgets and more aggressive promotional support. Still, numerous Canadian television programs generate audiences in excess of one million viewers.

During the 2011 broadcast year, *The Big Bang Theory* was the most popular television series in Canada, with an average minute audience (AMA) of over 3.1 million. The highest rated Canadian-produced television series was the English-language drama, *Combat Hospital*, with an AMA of close to 1.8 million. It was closely followed by the popular English-language police dramas, *Rookie Blue* and *Flashpoint*. In the French-language market, all the top ten Canadian-produced television programs garnered audiences in excess of one million viewers.²

As seen above, conventional broadcasters do not schedule much Canadian documentary programming, but when they do, audience numbers are respectable. In the 2010/11

² CMPA, *Profile 2011*, p. 52.

broadcast year, the top ten most viewed English-language documentaries garnered average minute audiences in excess of 800,000, with an episode of CBC's *Doc Zone* reaching 930,000 viewers. In the French-language market, the highest rated documentary in 2010/11, *Réal Giguère, l'homme derrière l'image*, garnered almost 1.5 million viewers in terms of average minute audiences.

The average weekly number of documentary hours viewed on the specialty services in both markets is much higher, but English-language specialty channels provide significantly more hours of both Canadian and foreign documentaries than the French-language services do.

Audiences for theatrically released documentary feature films in Canada vary significantly. The major box office success stories are big budget science and nature 3D or music films. Nonetheless, Canadian documentary films about environmental and ecological topics reached the list of top ten documentary films in Canada in both 2010 and 2011. The box office receipts, however, were small in comparison to those of blockbuster 3D films.

Documentary film festivals, meanwhile, continue to grow and thrive in Canada. In the spring of 2012, Hot Docs Canadian International Documentary Festival wrapped its most successful festival to date, with audience numbers reaching an estimated 165,000. The 11-day event featured 395 public screenings of 189 films on 14 screens, as well as conferences and seminars.

In November 2012, the Montreal International Documentary Festival (Rencontres internationales du documentaire de Montréal—RIDM) featured 12 days of screening, events and activities. Founded in 1998, RIDM presents a selection of the year's best documentaries from Canada and around the world for both general and professional audiences. Documentary film has a unique place in Quebec culture, and the festival's total attendance was more than 40,000—an increase of 33% over the prior year.

CASE STUDIES

Documentaries are well suited to what is called “long-tail” distribution.³ With this edition of *Getting Real 5*, we aim to demonstrate the breadth of markets that documentaries reach over time, while simultaneously underscoring the difficulties faced by documentary producers in reaching these markets.

As the four case studies at the end of the report indicate, documentary content can be repurposed to reach the following markets:

- Theatrical market
- Festival and film circuit market
- Community-based market
- Educational market
- Training market
- Web

The Canadian funding model is predicated on broadcaster participation: the licence fee is the lynchpin that enables access to other financing tools. Without broadcaster licence fees, it is extremely difficult to secure adequate financing, and with the loss of the Canadian Independent Film and Video Fund (CIFVF), difficult to produce for the non-broadcast market.

CONCLUSION

In light of diminished broadcaster demand, overall documentary production has declined since 2008/09. This reduction has been exacerbated by consolidation in the broadcasting sector. Broadcaster licence fees trigger the vast majority of funding programs in Canada, primarily through the Canada Media Fund (CMF). Documentary production has become increasingly dependent on this funding model to the detriment of other financing structures. The loss of programs such as the Canadian Independent Film and Video Fund (CIFVF) and the lost participation of an agency such as the Canadian International Development Agency (CIDA) have eliminated most non-broadcast funding sources and limited alternate markets for Canadian documentaries, as illustrated in the four case studies at the end of the full report.

Since the publication of *Getting Real 4* in 2009, several factors have altered the Canadian documentary production sector, which has resulted in a dramatic decline. Programs such as the CMF’s POV Fund (as described in the Industry Overview) represent an acknowledgement of some of the challenges faced by documentary producers. One program, however, is simply insufficient to address the systemic issues that are eroding the genre’s viability.

3 A content distribution strategy that emphasizes the success of niche content over time. Hits and middle titles have the highest frequency of viewership/purchase, but the aggregate of the “tail” (rest of the titles) is considerably large.

INDUSTRY OVERVIEW

INTRODUCTION

The data in *Getting Real 5* is derived predominantly from the broadcast and theatrical market sectors in Canada. Because there are methodological difficulties with capturing data in the educational and non-theatrical sectors, this report cannot quantify the relative size of those markets, both of which remain crucial to documentary production.

Nonetheless, the data clearly indicates that since 2008, the Canadian documentary production sector has been in decline—it has lost more than \$100 million in production volume during the time frame of this report. Fewer feature-length documentaries are being produced, and broadcaster demand has been shrinking. The following section provides an overview of some of the issues and challenges facing the documentary industry, as well as a review of the major environmental factors affecting Canadian documentary production today.

CONSOLIDATION OF OWNERSHIP IN THE CANADIAN BROADCASTING SECTOR

The most significant issue facing the production industry in Canada has been the consolidation of ownership in the broadcasting sector. While it was already occurring in the mid-2000s, this consolidation reached a zenith in the English-language market with the sale of CanWest Global Communications to Shaw Communications in 2010, and when CTVglobemedia was acquired by BCE Inc. (Bell) in 2011.

At the time of this report, Bell is seeking to enter the French-language market through the purchase of Astral Media, so consolidation of ownership will increasingly become an issue in Quebec as well. Currently, Quebecor is the main player in television, cable and print, and thus dominates the French-language media market.

In essence, large integrated media companies that control access to both production funding and broadcast distribution now dominate the Canadian broadcasting landscape. According to the CRTC, in 2010 the five largest private-sector media corporations (BCE, Shaw/Corus, Quebecor, Astral and Rogers) garnered more than 75% of all commercial television revenues in Canada.⁴

One of the major impacts of consolidation has been the collapse of the orderly marketplace, with fewer separate windows (i.e., conventional, pay-TV and specialty channels) being available to generate licence fees and revenue opportunities for documentary producers. The data indicates that the total broadcaster licence fee paid by one large media company for multiple windows is now less than what producers could previously garner through separate individual licence fees paid for each broadcast window.

4 CRTC, Communications Monitoring Report 2012.

Consolidation also has meant that large broadcast groups are able to reduce their levels of commissioned programming from independent producers, as program rights can be spread across multiple channels. Furthermore, the loss of individual commissioning editors at the channel level has meant that large broadcasters appear to adopt a commissioning strategy based on providing programming suitable for the media group's entire stable of broadcast holdings rather than the specific mandates of individual channels. As a result, this strategy has led to the blurring of mandates across the different specialty channels owned by each corporation.

CONSOLIDATION IN THE CANADIAN PRODUCTION INDUSTRY

At the same time, consolidation is also occurring in the Canadian production industry. The independent production industry in Canada is highly competitive; production companies are now competing for fewer broadcast slots. To survive and thrive, independent production companies need to maintain a slate of projects, preferably big-budget series, which also requires a major investment in infrastructure. Over recent years, a handful of large diversified production companies have emerged. Documentary production companies, however, are often smaller companies dedicated to developing and producing a few key projects at a time. With shrinking broadcast outlets, it is difficult for smaller documentary producers to keep their businesses going. They often must move into factual entertainment to generate income that will allow them to undertake a documentary now and then.

BROADCASTERS' DIMINISHING DEMAND FOR DOCUMENTARY PROGRAMMING

While consolidation was underway, the financial crisis that hit world markets had an impact on advertising revenues for Canadian broadcasters in 2008 and 2009. However, according to the CRTC, Canadian conventional broadcasting revenues rebounded to pre-2008 levels, increasing by 9% in 2010 alone. At the same time, specialty cable channel revenues continued to grow despite the recession because of the continuing growth in subscription revenue. Total combined revenues for commercial television rose by 6% in 2011.⁵

Unfortunately, documentary programming did not rebound in the same manner. It has continued to decline since 2008, as evidenced by this report. The documentary production industry has fallen victim to a decrease in demand. This decrease may have been initiated by the financial downturn in 2008, but it was exacerbated and entrenched by consolidation in the Canadian broadcasting industry.

Over recent years, program schedules for Canadian conventional television networks demonstrate a reduced commitment to documentary programming, indicating that the genre is no longer a priority for broadcasters. Private conventional networks in particular seem to be dedicating fewer time slots to documentaries, especially one-off documentaries. At the same time, while Canadian specialty channels rely predominantly on documentary series to fill their

⁵ CRTC, Communications Monitoring Report 2012.

schedules, the type of Canadian programs being commissioned increasingly fall into the lifestyle, reality or factual entertainment style of programming.

DEFINITION OF “DOCUMENTARY”

The industry has continued to struggle with the porous definition of “documentary” as a genre in the Canadian production support system. Both the Canada Media Fund (CMF) as the primary funding body and the Canadian Radio-television and Telecommunications Commission (CRTC) as the federal broadcasting regulator have struggled with defining “reality” and “lifestyle” programming as a separate category from documentary production. For funding and regulatory purposes, both agencies seek ways to support documentaries while also excluding the more populist reality, lifestyle and “docutainment” types of programs.⁶

To that end, the CRTC fine-tuned its definition of documentary programming, a redefinition that commenced in the 2011/12 broadcast year. This is a welcome undertaking, as one of the difficulties in generating data for this report and prior ones has been the challenge of separating factual entertainment or current affairs programs from actual documentary programs. For example, the data in *Getting Real 5* includes some *W5* and *The Fifth Estate* programs, but these series may more accurately be described as current affairs or journalistic programming. There are other examples of broadcasters coding programs as documentary when they fall more into reality or factual entertainment categories. The new CRTC definitions hopefully will help address this difficulty and provide a foundation for more accurate reporting.

THE NEW PROGRAMS OF NATIONAL INTEREST (PNI) REGULATORY REGIME

Another shift in the broadcasting landscape is the new regulatory regime put in place by the CRTC. In 2010 and 2011, the CRTC undertook a policy review of the Canadian broadcasting sector. As a result, it instituted the new Programs of National Interest (PNI) regime for the large English-language broadcast ownership groups, including Shaw Media, Bell/BCE Inc., Rogers Communications and Corus Entertainment. It should be noted that in the French-language market, TVA (owned by Quebecor) is not required to abide by similar rules given the high level of spending it historically invests in Canadian programming.

The CRTC has long recognized the importance of the documentary genre to Canadians. In its decision that implemented the PNI system, the Commission stated: “Drama programs

6 In Broadcasting Regulatory Policy CRTC 2011-401, the CRTC noted that “reality television programming can have documentary-like elements and that this type of programming could therefore be confused with what the Commission currently defined as category 2(b) Long-form documentary. It also noted that reality television does not need the same regulatory support as long-form documentaries. Consequently, including reality television in the same category as long-form documentaries would be inconsistent with the objective of supporting programs of national interest. Accordingly, the Commission created a separate program category for reality television to ensure that only true long-form documentaries qualify as programs of national interest.”

and documentary programs are expensive and difficult to produce, yet are central vehicles for communicating Canadian stories and values.”⁷

The CRTC’s new broadcasting regulations went into effect September 1, 2011. They are based on a required percentage of broadcaster revenues being allocated to Canadian drama, documentary and awards shows. The previous Priority Programming structure emphasized the number of exhibition hours of certain types of prime-time programming. By contrast, the new regime defines spending requirements for a smaller group of PNI, programs that must be broadcast in prime time, and which include documentaries.

The data in this report does not reflect the new PNI regime, and as a result, the impact of this change in regulation is yet to be determined.

FEATURE-LENGTH DOCUMENTARIES

Canadian feature-length documentaries face considerable challenges because public and private funding sources often require a broadcast licence. At the provincial level, funding agencies such as the Ontario Media Development Corporation (OMDC) and Société de développement des entreprises culturelles (SODEC) in Quebec support feature films, including documentaries. At the federal level, however, the situation changes. As the largest documentary funder, the CMF only provides financing for feature-length films if there is a broadcaster involved who allocates funds from its envelope or triggers the CMF’s POV Fund. Telefilm’s Theatrical Documentary Fund is partially underwritten by the Rogers group of funds, but to access Rogers financing, a broadcast licence is also required. Because major broadcast outlets have licensed fewer feature-length documentaries in recent years, feature-length documentaries have become the hardest sub-genre to finance.

TERMS OF TRADE

Terms of Trade agreements between the large broadcasters and the Canadian Media Production Association (CMPA) on behalf of the production industry were signed in 2011 and are now in effect.⁸ These agreements outline the terms under which rights are to be negotiated, and were the result of significant pressure applied by the CRTC. Canadian producers and broadcasters are required to adhere to Terms of Trade as they apply to all independently produced projects developed and commissioned by these private broadcast groups. The Commission recognized that Terms of Trade agreements were necessary to establish a fair and equitable basis for licensing negotiations. At the time of writing this report, the CBC is negotiating with the producer groups, but has yet to sign a Terms of Trade agreement.

⁷ Broadcasting Regulatory Policy CRTC 2010-167.

⁸ See CMPA website: <http://www.cmpa.ca/business-affairs-production-tools/terms-trade>.

CANADA MEDIA FUND (CMF)

The Canada Media Fund is the largest single source of funding for independent television production, including documentaries. The vast majority of CMF funds are assigned to broadcaster performance envelopes, allowing broadcasters to determine the projects they wish to support and the amount of funding they wish to allocate. The calculation of the broadcaster performance envelopes is complex, and based on a number of factor weights, including audience measurement.

While overall levels of CMF funding allocated to the documentary genre are relatively consistent with previous years, data shows that fewer documentary projects are being funded. Data in this report demonstrates that the number of documentary projects dropped from 591 to 457 projects, a 23% decline from 2008/09 to 2010/11. CMF data in a later section of this report supports the conclusion that broadcasters are triggering fewer documentaries.

There also have been a number of changes in policy since the publication of *Getting Real 4*, but the most significant has been the transformation of the Canadian Television Fund (CTF) into the Canada Media Fund. The new policy framework of the CMF requires television projects to contain a substantive digital media component. This shift has forced the independent production industry to move more aggressively into the digital world. Yet these previously separate sectors have different business models and face challenges in working together. Budget and financing implications are adding to the producers' burden, especially for smaller projects such as documentaries, where budget and financing options are already restricted. By necessity, content creators must move into the digital arena. Thus, while the CMF policy is still a work in progress, it has dramatically altered the Canadian production landscape.

One area of concern in *Getting Real 4* was that the CMF's policy of allowing broadcasters to access 15% of their performance envelope for in-house production and 7.5% for documentary production would reduce independent production. As evidenced in *Getting Real 5*, however, in-house production has only marginally increased; this allowance has not resulted in a major increase of broadcaster in-house production. Broadcasters are unable to access federal and provincial film production tax credits, which has made in-house production less attractive than independently produced production. Therefore, the impact of this policy on reducing independent production has not been as significant as anticipated.

The creation of the CMF has also resulted in the CBC no longer having a fixed performance envelope. Under CMF, the CBC's envelope allocation is based on the same criteria as private broadcasters, which has resulted in a smaller envelope.

Educational broadcasters have also been affected by the CMF's policy focus on audiences. In the past, educational broadcasters were a valuable source of funding for documentary producers across the country. As regional broadcasters, however, the emphasis on audience calculations has resulted in lower funding levels relative to the mainstream broadcasters. The existing policy appears to be a disincentive for educational broadcasters to fund documentaries within the CMF.

THE CMF'S POV FUND

In response to industry concerns about stand-alone auteur projects and the attendant need to develop a new initiative, the CMF carved out a space for English-language point-of-view (POV) documentaries. The original intent of the POV Fund was to allow documentary producers to produce one-off projects and trigger CMF funding without requiring a broadcaster's financial participation. However, given the policy directive of the CMF's convergent stream to invest in production designed for television, producers are required to have a broadcaster licence before finalizing the budget. Given the broadcasters' retreat from the documentary genre, this has proven difficult. The POV Fund is still in its infancy, and documentary producers continue to work with the CMF to address issues in this important but small fund.

LOSS OF OTHER SOURCES OF DOCUMENTARY FUNDING

Documentary producers have been further affected by the loss of the Canadian Independent Film and Video Fund (CIFVF), as well as the cancellation of federal government funding through the Canadian International Development Agency (CIDA) and other programs such as Trade Routes and PromArt, all of which had been intended to access international markets.

The demise of the CIFVF has been particularly detrimental. It played a critical role in the production of non-broadcast and educational films and videos, products often supplied by Canadian producers to schools and universities. Many documentary filmmakers accessed CIFVF to kickstart their projects or to acquire critical completion financing. In some cases, successful projects then were able to secure broadcaster licences, such as *The Corporation*. The feature-length version of *The Corporation* went on to gross over \$1.9 million in Canadian box office receipts and had a worldwide gross of over \$5.5 million. The flexible eligibility requirements of the CIFVF allowed it to play a key role, both by investing in innovative film, video and new media projects and by supporting emerging talent.

In 2008, however, the CIFVF was shut down. This created a funding gap for documentary producers for projects that were not broadcaster-driven. The CIFVF addressed the educational and non-theatrical markets, secondary but critical markets for documentaries.

In 2009, the Standing Committee on Canadian Heritage released a report entitled *Report on the Analysis of the Arts Programs that were Cancelled in Summer 2008*. The Committee concluded that "cuts to arts programming, particularly the loss of the Department of Heritage's Trade Routes and Department of Foreign Affairs PromArt, had major negative impacts on Canadian arts organizations."⁹ These programs helped support documentary producers not only in establishing key international connections for production, but also by developing export markets for sales and distribution.

9 See: www.parl.gc.ca/HousePublications/Publication.aspx?DocId=3821320&Mode=1&Parl=40&Ses=2&Language=E.

The Standing Committee found that “these cuts were ideological in nature,” and called on “the government to reinstate the programs.” However, the Government’s official response indicated that they had no intention of restoring these funds.¹⁰

CROWDFUNDING

Crowdfunding has emerged as an alternative financing vehicle that has generated a lot of interest in Canada, driven by recent multi-million dollar successes on platforms such as Kickstarter in the US.¹¹ The CMF commissioned a study entitled *Crowdfunding in a Canadian Context*, released in August 2012. The report notes that crowdfunding has become popular in art, film, music and interactive digital media, and is best suited to smaller scale projects with funding goals between \$10,000 and \$50,000. In a Canadian context, crowdfunding appears to be most common among independent filmmakers for one-off projects. In particular, the study found that documentary films seemed to be one of the most common types of projects featured on crowdfunding platforms.¹²

A few Canadian crowdfunding platforms have emerged, and Doc Ignite is the only such platform that is specifically film-based. Doc Ignite is a crowdfunding site for Canadian documentary works-in-progress that is managed by the Hot Docs International Documentary Film Festival organization. Every two months, Doc Ignite features a new doc-in-progress that has been carefully selected by Hot Docs to showcase the best films in production by a variety of talented Canadian filmmakers. Individuals pledge monetary support to help fund, launch and promote these documentaries.¹³

As the CMF study points out, industry stakeholders agree that while crowdfunding is not a panacea for the Canadian industry’s funding challenges, it provides an interesting new option for content producers. To date, the amounts typically raised are below the level of a standard broadcast licence fee and do not trigger any additional funding sources. Furthermore, the study points out a lack of clarity regarding legal and regulatory issues related to crowdfunding in Canada, as well as the significant amount of time and energy required to mount a successful crowdfunding campaign. It concludes that producers should recognize the experimental nature of the process and proceed with caution.

TAX CREDITS

In some provinces, producers have been severely impacted by their province’s about-face on tax credit programs. New Brunswick cancelled its tax credit program in 2011, but bowed to industry pressure and announced the creation of a new tax credit program a few months

10 See Government Response: First Report of the Standing Committee on Canadian Heritage, *Report on the Analysis of the Arts Programs That were Cancelled in Summer 2008* (Presented to the House on August 19, 2009): www.parl.gc.ca/HousePublications/Publication.aspx?DocId=4017766&Language=E&Mode=1&Parl=40&Ses=2.

11 For example, the record-breaking crowdfunding campaign for the game “Double Fine Adventure” that raised over \$3.3 million on Kickstarter in March, 2012. See *Crowdfunding in a Canadian Context*, p.7.

12 Canada Media Fund, *Crowdfunding in a Canadian Context: Exploring the Potential of Crowdfunding in the Creative Content Industries*, August, 2012.

13 See Doc Ignite website: www.hotdocs.ca/docignite.

later.¹⁴ Early in 2012, Saskatchewan cancelled its tax credit program altogether, forcing local producers to consider relocating to larger production centres. Meanwhile, other provinces have increased their tax credit levels in recent years.¹⁵ These actions create an unequal playing field for producers from different regions across the country, as the availability of provincial financing sources can influence the decision-making of broadcasters. Small documentary producers are particularly vulnerable to the loss of these types of financing sources, which makes them uncompetitive as production partners.

SUMMARY

Consolidation in the broadcasting and production sectors has made it harder for documentary producers to compete and share their stories with Canadian audiences, which then threatens their ongoing viability. While some new funding sources may provide alternatives, the loss of other funding programs has exacerbated the decline of documentary production in Canada. It is too early to know what the effect of the CRTC's new PNI policy will be, but that will largely depend on the commitment of large media corporations to Canadian documentary programming.

14 Playback Online, New Brunswick unwraps new tax credit, November 22, 2011. <http://playbackonline.ca/2011/11/22/new-brunswick-unwraps-new-tax-credit/>.

15 The Globe and Mail, "Producers abandoning Saskatchewan as tax credit ends," June 27, 2012. <http://www.theglobeandmail.com/arts/film/producers-abandoning-saskatchewan-as-tax-credit-ends/article4374797/>.

NOTES ON METHODOLOGY

INTRODUCTION

Getting Real 5 provides an overview of the documentary sector by analyzing current statistics and presenting a wealth of information on the financing, production and viewing of documentaries in Canada. Supplemented by case studies, this report situates Canadian documentary production in the larger Canadian production and broadcasting industry. This edition profiles the documentary production sector up to the fiscal year ending March 31, 2011 (2010/11).

To prepare *Getting Real 5*, the Documentary Organization of Canada (DOC) hired the Nordicity Group to compile the statistical data that forms the basis for the report. Nordicity transferred several of the methodologies and concepts from the Canadian Media Production Association's (CMPA's) *Profile*, its annual economic profile of the Canadian film and television production industry, and fine-tuned the database for the documentary sector.

Susan Brinton of Suebee Media was then brought on board to undertake and write the detailed analysis of the data and its implications. Together with DOC, she drafted the overview of the documentary industry and documented the challenges the industry is facing.

KEY DEFINITIONS AND CONCEPTS

Getting Real is the only publication focused solely on measuring documentary production in Canada. Although the CMPA's *Profile* provides production statistics about the documentary genre, documentaries are blended with other genres and are not the publication's focus.

The CRTC defines a "long-form documentary" as:

An original work 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 reasonable time for commercials, if any). These programs shall not be used as commercial vehicles.

The Canada Media Fund uses the same definition to determine eligibility for its documentary funding. It further states that projects presenting information primarily for their entertainment value, including lifestyle and reality types of programming, are not considered documentaries for CMF purposes.

Documentary-genre statistics published by CAVCO and found in the CMPA's annual economic profile include both "long-form" documentary production and "factual" (reality or lifestyle) documentary programming. Factual documentary programming is not eligible for funding, and does not qualify as documentary under the existing regulatory framework. Therefore, Nordicity and DOC developed a methodology for filtering out factual documentary programming from CAVCO's database of all documentary projects. This filtering

exercise permits DOC to generate estimates and other metrics of the long-form documentary sub-genre on an exclusive basis.

Getting Real 5 also differs from the CMPA's *Profile* in that it incorporates National Film Board documentary production, as well as independent and broadcaster in-house production. Independent production is defined as projects produced by a Canadian company that is not affiliated with, owned by or controlled by a Canadian broadcaster, and whose principal business is the production of film, video or digital media programs.

Historical data in *Getting Real 5* was revised in accordance with revisions to the CAVCO data. CAVCO data is subject to revisions due to the tax credit application lag, where producers have up to 42 months after the end of the first fiscal year-end following completion of principal photography to apply to CAVCO for a tax credit.

For theatrical documentaries, there are two sources of data. First, Nordicity data for theatrical documentaries is based on CAVCO and CMF data. Second, Telefilm tracks data for the Theatrical Documentary Fund and international treaty co-productions. Given the different methodologies and timelines for gathering all of this data, the numbers for theatrical documentaries and feature-length documentaries in *Getting Real 5* may be understated in more recent years. In the CAVCO database, theatrical documentaries may be identified as Movies of the Week (MOWs), mini-series or limited series if broadcaster licence fees are a component of the financing; therefore that data does not capture the theatrical version. In Telefilm's Theatrical Documentary Fund, projects that access funding from the Rogers contribution may not be classified as theatrical documentaries due to the requirement of a broadcast window within two years.

Lastly, when reading charts that incorporate percentage amounts, percentages were rounded up or down accordingly. As a result, the total amounts may not appear to reflect the precise sum of the components in each line of a specific chart.

For further information on the methodology used by Nordicity in the preparation of the data for this report, please refer to Appendix C—Detailed Methodology.

ECONOMIC IMPACT

INTRODUCTION

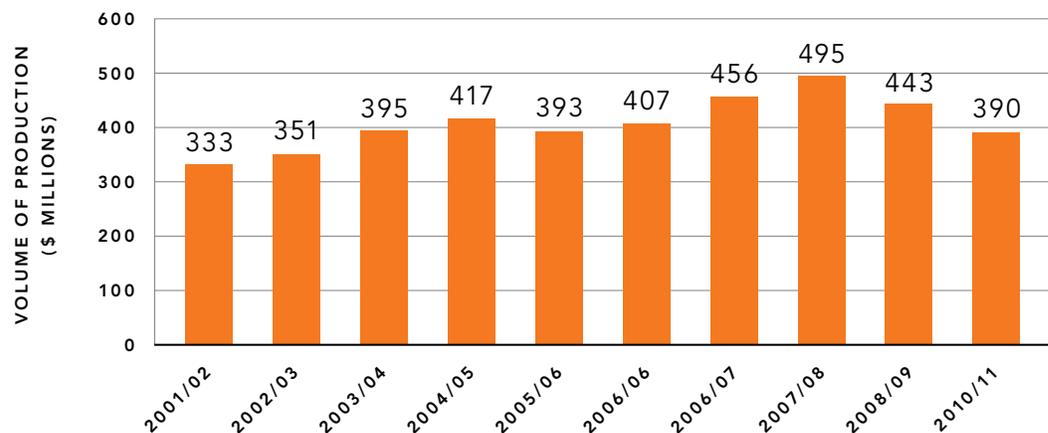
This section provides an overview of total documentary production in Canada, its share of total Canadian content production and its economic impact in terms of jobs, export value and contribution to national Gross Domestic Product (GDP).

As described in Appendix C—Detailed Methodology, data collected for this report is collated from a number of sources, including the Canadian Audio-Visual Certification Office (CAVCO) and the Canadian Radio-television and Telecommunications Commission (CRTC), both of which use CRTC genre definitions. The term “long-form documentary” as used by the CRTC does not imply the program is of feature-length, but rather that the documentary program is in formats suitable for a television half-hour time slot or longer.

Total Canadian Documentary Production

Long-form documentary production levels have been dramatically eroding over the past three years. From 2008/09 onward, documentary production volume has decreased by more than 21%. At \$390 million, the production volume of Canadian documentaries in 2010/11 was at its lowest level in eight years. In total, documentary production volume has shrunk by more than \$100 million since 2008/09.

Exhibit 1-1: Total Documentary Production (\$M)



Source: CAVCO, CRTC and NFB

Note: data for the number of projects and hours for 2001/02-2010/11 includes amounts for NFB in-house projects. The NFB amounts have been entered manually. For hours in the following charts for 2001/02-2005/06, no data was available from NFB, so Nordicity estimates have been prepared based on the average project length (in hours) for the 2006/07-2010/11 period.

TOTAL DOCUMENTARY PRODUCTION VOLUME BY SEGMENT (NFB, IN-HOUSE, INDEPENDENT)

This section examines documentary production broken down by the segments of NFB production, broadcaster in-house production or independently produced production.

By segment, independent documentary production has declined since 2008/09. It has decreased by 11% in 2010/11 since the previous year. Broadcaster in-house production also declined in 2010/11, although it remained at volume levels higher than pre-2008/09. Only the NFB showed more production activity in 2010/11 than the previous two years.

Exhibit 1-2: Total Documentary Production Volume by Segment (NFB, In-house, Independent)

| | 01/02 | 02/03 | 03/04 | 04/05 | 05/06 | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 |
|------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Independent /Affiliate | 290 | 310 | 350 | 380 | 357 | 375 | 413 | 436 | 379 | 336 |
| Broadcaster In-house | 28 | 29 | 29 | 24 | 22 | 25 | 33 | 49 | 55 | 45 |
| NFB | 16 | 13 | 16 | 13 | 13 | 8 | 11 | 9 | 8 | 10 |
| Total | 333 | 351 | 395 | 417 | 393 | 407 | 456 | 495 | 443 | 390 |

Source: CAVCO, CRTC and NFB

Documentary Production's Share of Total Canadian Content Production

Documentary production volume contributed significantly to the total number of all Canadian content projects being produced, averaging 48% of all projects in the previous two years but declining to 44% of all Canadian content projects by 2010/11. The number of documentary projects dropped by 134 projects or 23% over the past two years. Furthermore, while total Canadian content hours reversed the trend and increased in 2010/11, documentary hours of all Canadian content continued to decline for a total loss of 555 hours or 28% since 2008/09.

Exhibit 1-3: Documentary Production's Share of Total Canadian Content Production

| | 01/02 | 02/03 | 03/04 | 04/05 | 05/06 | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 |
|---|-------|--------|-------|-------|-------|-------|-------|-------|-------|-------|
| Volume | | | | | | | | | | |
| Documentary (\$M) | 333 | 351 | 395 | 417 | 393 | 407 | 456 | 495 | 443 | 390 |
| Total Canadian content production (\$M) | 1,996 | 2,071 | 1,993 | 2,012 | 2,274 | 2,477 | 2,466 | 2,620 | 2,434 | 2,404 |
| Share | 16.7% | 17.0% | 19.8% | 20.7% | 17.3% | 16.4% | 18.5% | 18.9% | 18.2% | 16.2% |
| Number of projects | | | | | | | | | | |
| Documentary | 555 | 577 | 658 | 647 | 620 | 609 | 637 | 591 | 584 | 457 |
| Total Canadian content production | 1,210 | 1,304 | 1,294 | 1,386 | 1,432 | 1,447 | 1,433 | 1,238 | 1,208 | 1,042 |
| Share | 45.9% | 44.3% | 50.9% | 46.6% | 43.3% | 42.1% | 44.5% | 47.7% | 48.4% | 43.8% |
| Hours | | | | | | | | | | |
| Documentary | 1,772 | 1,764 | 1,853 | 1,957 | 1,717 | 1,761 | 2,244 | 2,000 | 1,691 | 1,445 |
| Total Canadian content production | 8,738 | 10,022 | 9,009 | 9,532 | 9,137 | 9,724 | 9,575 | 9,477 | 7,317 | 7,646 |
| Share | 20.3% | 17.6% | 20.6% | 20.5% | 18.8% | 18.1% | 23.4% | 21.1% | 23.1% | 18.9% |

Source: CAVCO, CRTC, NFB, APFA and Nordicity estimates

Note: data for the number of projects and hours for 2001/02-2010/11 includes amounts for NFB in-house projects. For hours for 2001/02-2005/06, no data was available from NFB, so Nordicity estimates have been prepared based on the average project length (in hours) for the 2006/07-2010/11 period.

Employment (Full-Time Equivalent Jobs)

Not surprisingly, given the decrease in documentary production volume, there was a corresponding drop in the number of full-time equivalent (FTE) jobs in the documentary production sector over the past few years. FTE jobs in documentary production declined almost one-third since 2004/05. Since 2008, FTE jobs dropped by more than 24%, representing almost 4,000 jobs lost in the documentary sector.

Exhibit 1-4: Employment (Full-Time Equivalent Jobs)

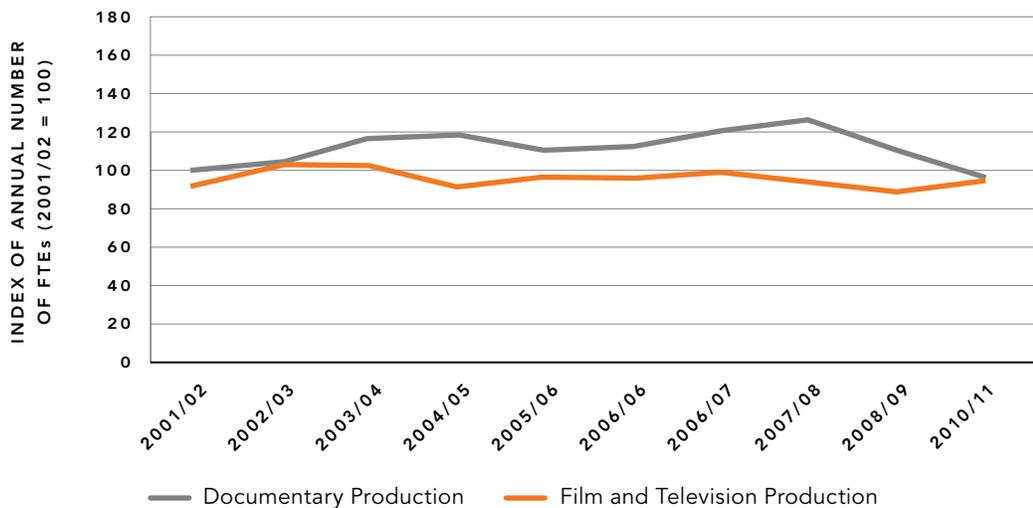
| | 01/02 | 02/03 | 03/04 | 04/05 | 05/06 | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 |
|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Direct jobs | 5,000 | 5,200 | 5,800 | 5,900 | 5,500 | 5,600 | 6,000 | 6,300 | 5,500 | 4,800 |
| Spin-off jobs | 9,900 | 10,200 | 11,400 | 11,700 | 10,800 | 10,900 | 9,300 | 9,700 | 8,500 | 7,300 |
| Total | 14,900 | 15,400 | 17,200 | 17,600 | 16,300 | 16,500 | 15,300 | 16,000 | 14,000 | 12,100 |

Source: CAVCO, CRTC, NFB and Statistics Canada

GROWTH IN THE NUMBER OF DIRECT JOBS IN FILM AND TV PRODUCTION

As the chart below illustrates, since 2001/02 employment growth in documentary production was outpacing overall job creation in Canadian film and television production. However, by 2008/09 the reversal was dramatic, indicating a steady decline in employment in the documentary industry.

Exhibit 1-5: Growth in the Number of Direct Jobs in Film and TV Production



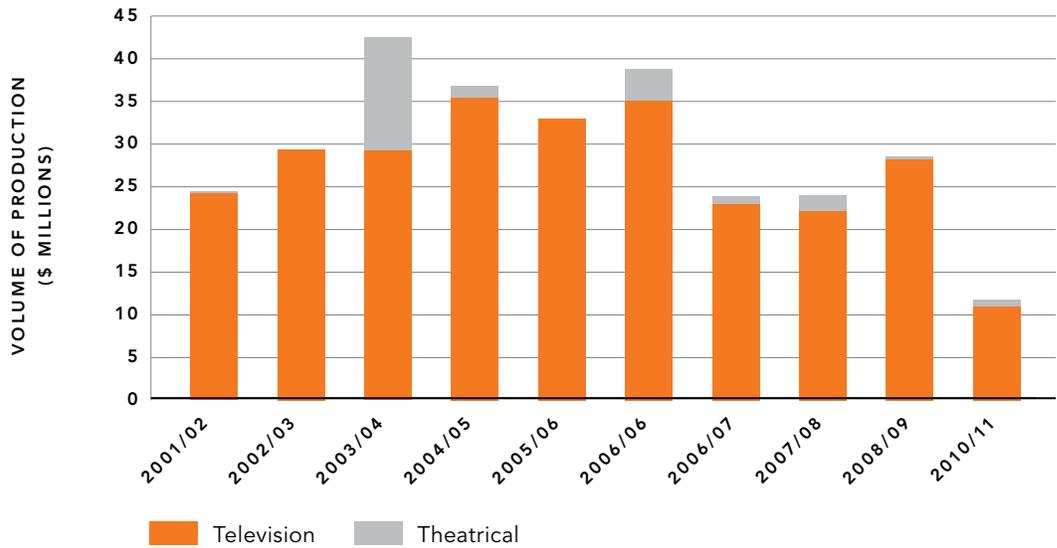
Source: CAVCO, CRTC, NFB and Statistics Canada

Export Value of Canadian Documentary Production

Export value is an indicator used to measure trends in foreign demand for Canadian film and television production. It represents the sum total of foreign pre-sales and distribution advances paid for Canadian television programs and feature films.

Canadian documentaries receive critical acclaim internationally and continue to sell well in distribution to foreign markets. Yet despite an increase in export value for Canadian documentaries in 2009/10, as compared to the previous two years, foreign pre-sales and distribution advances have been declining since 2006/07. Export value radically dropped in 2010/11, down 57% from the previous year and overall by 71% since 2003/04.

Exhibit 1-6: Export Value of Canadian Long-form Documentary Production by Segment

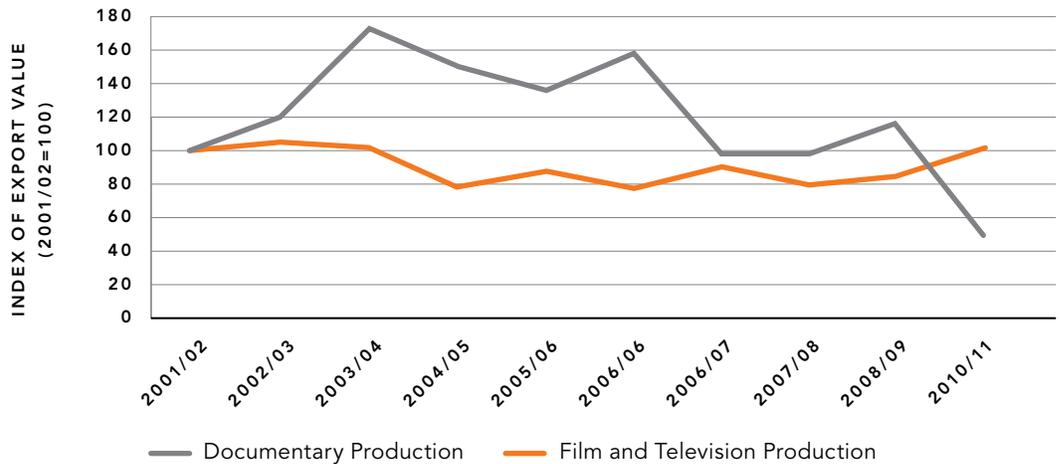


Source: CAVCO and CRTCC

GROWTH IN EXPORT VALUE OF CANADIAN LONG-FORM DOCUMENTARY PRODUCTION

Trends over the past 10 years illustrate that export values fluctuate over time. While export growth in documentary production outpaced the Canadian film and television sector overall in the earlier years of the past decade, the trend has been noticeably downward since 2003/04, and significantly so since 2006/07.

Exhibit 1-7: Export Value of Canadian Long-form Documentary Production



Source: CAVCO and CRTCC

SUMMARY OF THE ECONOMIC IMPACT OF DOCUMENTARY PRODUCTION IN CANADA, 2010/11

Despite the declines occurring in Canadian documentary production volume and hours, this industry segment continues to represent a vital sector in the Canadian film and television production industry. Through both direct and spin-off employment totaling 12,100 jobs, the documentary production sector in Canada contributed \$625 million to Gross Domestic Product in 2010/11. Thus, whether viewed as offering a creative contribution or economic value, the documentary production industry remains a valuable sector in this country.

Exhibit 1-8: Economic Impact of Documentary Production in Canada, 2010/11

| | | INDEPENDENT AND AFFILIATE PRODUCTION | BROADCASTER IN-HOUSE AND NFB | TOTAL |
|-----------------|-----------------------------|---|---------------------------------|---------------|
| Direct | Employment (FTEs) | 4,100 | 700 | 4,800 |
| | Labour income (\$ millions) | 168 | 27 | 195 |
| | GDP (\$ millions) | 190 | 31 | 221 |
| Spin-off | Employment (FTEs) | 6,300 | 1,000 | 7,300 |
| | Labour income (\$ millions) | 234 | 37 | 272 |
| | GDP (\$ millions) | 349 | 55 | 405 |
| Total | Employment (FTEs) | 10,400 | 1,700 | 12,100 |
| | Labour income (\$ millions) | 402 | 65 | 467 |
| | GDP (\$ millions) | 539 | 86 | 625 |

Source: CAVCO, CRTC, NFB and Statistics Canada

PRODUCTION

INTRODUCTION

This section provides a more detailed look at independent documentary production in Canada. The data is broken down by language, region and documentary sub-genre, including single-episode, series, mini-series, feature and treaty co-production.

Tracking the level of documentary production in Canada has its challenges. Many agencies are involved in the funding and production of documentaries, and they often use differing definitions of what constitutes a documentary program. Nonetheless, the methodology used for this report attempts to represent a reasonable snapshot of the Canadian documentary production sector at this point in time. For a detailed discussion of the differing agencies' definitions of documentary as a term, please see Appendix B—Definitions of "Documentary."

OVERVIEW

Total Canadian documentary production volume has declined by 23% across all languages since 2008/09. The degree of decline varied by language, as well as by region and sub-genre, as outlined in the following exhibits.

Exhibit 2-1: Total Independent Documentary Production Volume by Language (\$M)

| | 01/02 | 02/03 | 03/04 | 04/05 | 05/06 | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 |
|--------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| English | 196 | 211 | 246 | 280 | 234 | 267 | 315 | 334 | 278 | 249 |
| French | 79 | 79 | 84 | 80 | 103 | 91 | 90 | 96 | 97 | 85 |
| Other | 14 | 20 | 20 | 20 | 21 | 17 | 8 | 6 | 4 | 2 |
| Total | 290 | 310 | 350 | 380 | 357 | 375 | 413 | 436 | 379 | 336 |

Source: CAVCO and CRTC

English-language Independent Documentary Production

Overall, English-language documentary production volume hit a peak in 2004/05, declined for two consecutive years, and then peaked again in 2008/09. Since that high point in 2008/09, however, total English-language documentary production levels have dropped dramatically—by \$85 million or more than 25% over the past three years.

From a peak in 2007/08, the total number of projects and hours of production have declined at an alarming rate, reaching their lowest points in 10 years by 2010/11. Since 2008/09, the number of documentary projects decreased by 31% to 242 projects, while total hours were reduced by 30% to 815 hours by 2010/11.

In comparison to overall volume, since 2008/09 the total number of hours and projects declined at a more extreme rate than the total volume of documentary production. This decline indicates that fewer documentary projects were being produced at a lower number of total hours, but budget levels were not dropping at the same rate. In other words, fewer projects and less hours were being produced, but at somewhat higher budget levels.

By region, in the three-year period from 2008/09-2010/11, documentary production volume steadily declined. Ontario experienced the largest drop in actual production volume, losing \$64 million by 2010/11. Atlantic Canada, together with Saskatchewan and Manitoba, suffered the highest percentage declines, ranging from 43% to a staggering 75% in Atlantic Canada. Quebec and Alberta lost more than 25% of their documentary production volume. While declining in the two previous years, British Columbia was the only province to see its production volume increase in 2010/11.

Exhibit 2-2: Total Independent Documentary Production Activity by Region, English-language (\$M)

| TOTAL VOLUME (\$M) | 01/02 | 02/03 | 03/04 | 04/05 | 05/06 | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 |
|--------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Atlantic Canada | 20 | 28 | 10 | 18 | 15 | 13 | 14 | 12 | 8 | 3 |
| Quebec | 29 | 25 | 47 | 53 | 54 | 49 | 69 | 33 | 35 | 24 |
| Ontario | 96 | 101 | 137 | 125 | 111 | 137 | 163 | 216 | 163 | 152 |
| Manitoba | 2 | 6 | 6 | 11 | 5 | 10 | 7 | 7 | 11 | 4 |
| Saskatchewan | 11 | 7 | 8 | 8 | 6 | 9 | 12 | 8 | 4 | 4 |
| Alberta | 8 | 16 | 12 | 15 | 19 | 10 | 15 | 16 | 17 | 12 |
| BC and Territories | 31 | 27 | 26 | 48 | 24 | 40 | 34 | 43 | 39 | 50 |
| Total | 196 | 211 | 246 | 280 | 234 | 267 | 315 | 334 | 278 | 249 |

| NUMBER OF PROJECTS | 01/02 | 02/03 | 03/04 | 04/05 | 05/06 | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 |
|--------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Atlantic Canada | 21 | 34 | 27 | 28 | 26 | 19 | 22 | 20 | 20 | 9 |
| Quebec | 25 | 27 | 50 | 44 | 36 | 34 | 50 | 27 | 19 | 26 |
| Ontario | 184 | 179 | 186 | 175 | 164 | 172 | 204 | 200 | 163 | 121 |
| Manitoba | 7 | 11 | 12 | 27 | 19 | 20 | 18 | 20 | 29 | 20 |
| Saskatchewan | 17 | 26 | 20 | 22 | 21 | 26 | 20 | 19 | 13 | 8 |
| Alberta | 21 | 28 | 29 | 35 | 43 | 21 | 27 | 16 | 21 | 17 |
| BC & Territories | 66 | 58 | 61 | 57 | 50 | 60 | 49 | 50 | 63 | 41 |
| Total | 342 | 362 | 385 | 389 | 358 | 352 | 391 | 352 | 328 | 242 |

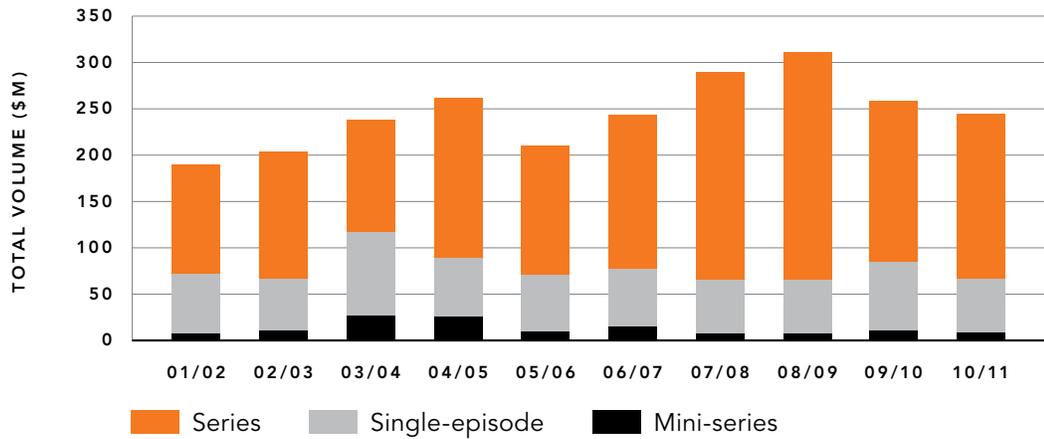
| NUMBER OF HOURS | 01/02 | 02/03 | 03/04 | 04/05 | 05/06 | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 |
|------------------|--------------|--------------|--------------|--------------|------------|--------------|--------------|--------------|------------|------------|
| Atlantic Canada | 48 | 73 | 44 | 74 | 55 | 44 | 68 | 58 | 33 | 24 |
| Quebec | 63 | 106 | 128 | 181 | 112 | 145 | 209 | 73 | 30 | 70 |
| Ontario | 578 | 535 | 597 | 537 | 462 | 538 | 853 | 765 | 592 | 477 |
| Manitoba | 19 | 32 | 34 | 61 | 23 | 79 | 35 | 26 | 68 | 30 |
| Saskatchewan | 84 | 48 | 63 | 97 | 53 | 80 | 95 | 53 | 18 | 26 |
| Alberta | 119 | 82 | 61 | 76 | 102 | 46 | 116 | 58 | 55 | 65 |
| BC & Territories | 160 | 144 | 108 | 129 | 117 | 130 | 119 | 137 | 139 | 123 |
| Total | 1,071 | 1,021 | 1,034 | 1,155 | 924 | 1,061 | 1,496 | 1,170 | 936 | 815 |

Source: CAVCO and CRTC

ENGLISH-LANGUAGE DOCUMENTARY TV PRODUCTION VOLUME BY SUB-GENRE

English-language documentary production volume is dominated by television series, which represents 73% of total documentary production. Even series production suffered a decline of 27% since 2008/09. Mini-series and single-episode productions fluctuated over the past 10 years, but were at the low end of the range by 2010/11, declining significantly from the previous year.

Exhibit 2-3: English-language TV Production Volume by Sub-genre (\$M)



Source: CAVCO and CRTC

ENGLISH-LANGUAGE DOCUMENTARY, SINGLE-EPISODE AND SERIES

There were too few projects to break down documentary mini-series by region, so the following analysis focuses on documentary single-episode and series production where the vast majority of TV production volume occurs.

Exhibit 2-4: Five-year Summary—English-language Single-episode and TV Series by Region

| SINGLE-EPISODE | 2006/07 | | 2007/08 | | 2008/09 | | 2009/10 | | 2010/11 | |
|--------------------|-----------|---------------|-----------|---------------|-----------|---------------|-----------|---------------|-----------|---------------|
| | \$M | % |
| Ontario | 27 | 44.5% | 29 | 49.1% | 33 | 58.0% | 23 | 31.9% | 30 | 51.3% |
| Quebec | 11 | 17.2% | 9 | 15.2% | 5 | 9.2% | 26 | 35.0% | 12 | 20.9% |
| BC and Territories | 12 | 20.2% | 13 | 21.4% | 10 | 17.2% | 13 | 18.0% | 10 | 16.5% |
| Prairie Provinces | 8 | 12.7% | 6 | 9.4% | 7 | 12.4% | 9 | 12.1% | 5 | 8.9% |
| Atlantic Canada | 3 | 5.4% | 3 | 5.0% | 2 | 3.3% | 2 | 2.9% | 1 | 2.4% |
| Total | 62 | 100.0% | 59 | 100.0% | 58 | 100.0% | 73 | 100.0% | 58 | 100.0% |

| SERIES | 2006/07 | | 2007/08 | | 2008/09 | | 2009/10 | | 2010/11 | |
|-------------------------|------------|---------------|------------|---------------|------------|---------------|------------|---------------|------------|---------------|
| | \$M | % |
| Ontario | 83 | 50.3% | 115 | 51.3% | 168 | 68.3% | 121 | 69.5% | 114 | 63.7% |
| BC and Territories | 22 | 13.3% | 20 | 8.9% | 27 | 11.0% | 24 | 13.8% | 40 | 22.3% |
| Quebec | 37 | 22.4% | 52 | 23.2% | 21 | 8.5% | 3 | 1.7% | 12 | 6.7% |
| Atlantic Canada* | 8 | 4.8% | 11 | 4.9% | 9 | 3.7% | 4 | 2.3% | n/a* | n/a* |
| Manitoba & Saskatchewan | 12 | 7.3% | 15 | 6.7% | 8 | 3.3% | 10 | 5.7% | 3 | 1.7% |
| Alberta | 3 | 1.8% | 11 | 4.9% | 13 | 5.3% | 12 | 6.9% | 10 | 5.6% |
| Total | 165 | 100.0% | 224 | 100.0% | 246 | 100.0% | 174 | 100.0% | 179 | 100.0% |

Source: CAVCO and CRTC

*Too few projects available to track separately by sub-genre in particular years

English-language single-episode documentary production volume peaked in 2009/10 at \$73 million. It then began decreasing by 21%, falling to \$58 million by 2010/11. With the exception of Ontario, every region experienced a reduction in production volume in 2010/11, most notably Quebec. Previous years indicate that 2009/10 was an exceptional year for English-language documentary production in Quebec. Across the five years of data, Ontario stands out in terms of the growth in its percentage of English-language single-episode documentary production volume. Ontario grew from 44.5% of single-episode production volume in 2006/07 to 51.3% in 2010/11, albeit with a dip in 2009/10.

For English-language documentary series, production volume has been decreasing since the high of \$246 million reached in 2008/09, down by 27% to \$179 million by 2010/11. Once again, across the five years, Ontario's percentage of production volume increased from 50%

in 2006/07 to 64% by 2010/11, though it was at its highest in 2009/10 when Ontario garnered 70% of total documentary series production volume. BC saw its percentage of series production volume grow significantly in 2010/11 in comparison to 2009/10, and to a lesser degree so did Quebec. All other regions experienced a decline in series production during the same time frame. It is noteworthy that both BC and Quebec were eligible territories for the CMF's English Production Incentive Program in 2010/11.

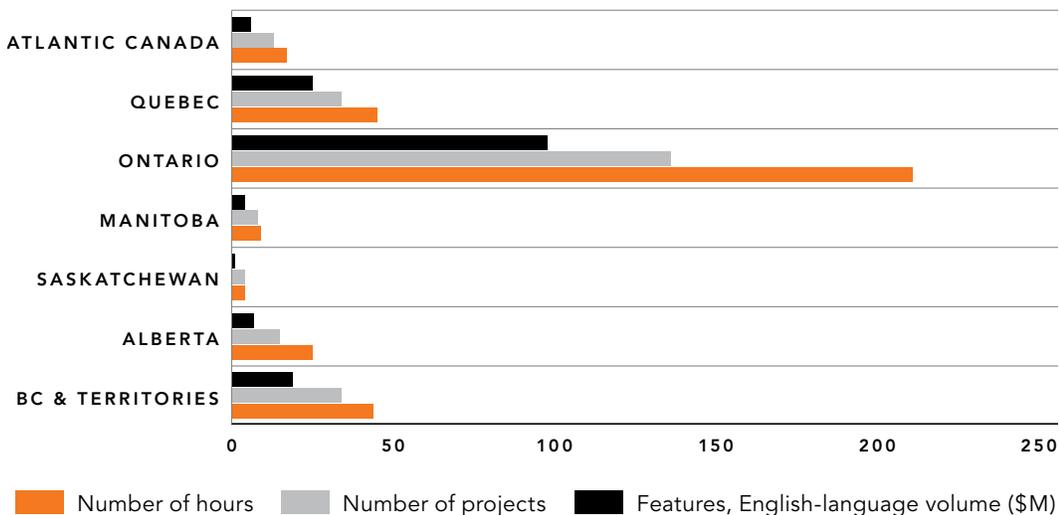
FEATURE DOCUMENTARIES—ENGLISH-LANGUAGE

The volume of English-language documentary feature production declined radically in 2010/11. After averaging almost \$23 million in the previous five years, in 2010/11 this amount dropped to \$4 million. The number of projects and total hours similarly show dramatic declines in 2010/11. From a regional perspective, since 2001/02 more than 61% of documentary features were produced in Ontario across the 10-year time frame, with Quebec and BC accounting for an additional 28%.

Exhibit 2-5: English-language Feature Documentary Activity

| | 01/02 | 02/03 | 03/04 | 04/05 | 05/06 | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Features, English-language volume (\$M) | 7 | 6 | 7 | 18 | 24 | 23 | 24 | 23 | 20 | 4 |
| Number of projects | 14 | 14 | 20 | 26 | 33 | 34 | 35 | 30 | 27 | 8 |
| Number of hours | 20 | 22 | 29 | 39 | 50 | 56 | 50 | 42 | 36 | 11 |

Ten-Year Total



Source: CAVCO and CRTC

Note: as noted in the Methodology section, different methodologies and timelines for feature data may understate the numbers for feature documentaries in the most recent years.

TREATY CO-PRODUCTION—ENGLISH-LANGUAGE

English-language documentary treaty co-productions of television programs noticeably declined from the high in 2008, with Canadian participation—the Canadian portion of the budgets—dropping to less than \$13 million by 2010/11. Feature documentary treaty co-productions were too few to track separately in various years, but there was some production activity in 2009/10 and 2010/11 that accessed up to \$1.1 million in Canadian funding.

The following English-language treaty co-production data was provided directly by Telefilm Canada, as it is the agency that tracks and certifies official treaty co-productions for both television and feature film; therefore, these totals are not included in the previous charts.

Exhibit 2-6: Total English-language Treaty Co-production Television Documentary Activity

| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|------------------------------|------|------|------|------|------|------|------|------|------|------|
| Canadian participation (\$M) | 15.3 | 14.4 | 7.9 | 13.5 | 22.2 | 9.2 | 16.2 | 31.0 | 14.9 | 12.9 |
| Foreign participation (\$M) | 13.1 | 17.9 | 11.4 | 17.8 | 23.5 | 12.7 | 21.6 | 32.2 | 13.9 | 13.6 |
| Total budget (\$M) | 28.4 | 32.2 | 19.3 | 31.2 | 45.7 | 21.9 | 37.7 | 63.2 | 28.8 | 26.6 |
| Number of projects | 24 | 28 | 17 | 20 | 21 | 13 | 17 | 26 | 12 | 15 |
| Number of hours | 60 | 71 | 40 | 44 | 87 | 42 | 76 | 117 | 51 | 32 |

Source: Telefilm Canada

Exhibit 2-7: Total English-language Treaty Co-production, Feature Documentary Activity

| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|------------------------------|------|------|------|------|------|------|------|------|------|------|
| Canadian participation (\$M) | 0.0 | 0.0 | x | 0.0 | x | 0.0 | x | 0.0 | 0.7 | 1.1 |
| Foreign participation (\$M) | 0.0 | 0.0 | x | 0.0 | x | 0.0 | x | 0.0 | 2.3 | 1.5 |
| Total budget (\$M) | 0.0 | 0.0 | | 0.0 | x | 0.0 | x | 0.0 | 3.0 | 2.6 |
| Number of projects | 0 | 0 | x | 0 | x | 0 | x | 0 | 3 | 3 |
| Number of hours | 0 | 0 | x | 0 | x | 0 | x | 0 | 4 | 4 |

Source: Telefilm Canada

Note: an 'x' in the charts denote that too few projects were available to track separately in particular years.

French-language Independent Documentary Production

French-language independent documentary production volume peaked in 2005/06. Although it rebounded somewhat in 2008/09 and 2009/10, overall production volume has declined by 18% since 2005/06. The most dramatic decrease occurred from 2009/10 to 2010/11, when total production volume fell from \$97 million to \$85 million.

Similarly, the total number of projects declined since 2005/06, but levels did increase somewhat in 2008/09 and 2009/10. By 2010/11, the total number of documentary projects had decreased by 28% since 2005/06. Total hours of documentary production fluctuated from 2005/06-2009/10, peaking in 2008/09 but declining overall by 13% from 2005/06 to 2010/11. By 2010/11, both the total number of documentary projects and total hours dropped to a 10-year low.

Since 2005/06, the total number of projects declined more significantly than the total volume of documentary production, indicating that fewer projects were being produced. At the same time, the total number of hours declined less dramatically than production volume, suggesting that French-language documentary producers were doing more hours per project, albeit with less financing. This data contrasts with that of the English-language market. In Ontario, English-language production in 2010/11 equaled 477 hours for 121 projects at budgets of \$152 million. By contrast, Quebec French-language production equaled 502 hours for 121 projects with total budgets of \$67 million.

Exhibit 2-8: Total French-language Independent Documentary Production Activity by Region

| TOTAL VOLUME (\$M) | 01/02 | 02/03 | 03/04 | 04/05 | 05/06 | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 |
|--------------------|-----------|-----------|-----------|-----------|------------|-----------|-----------|-----------|-----------|-----------|
| Atlantic Canada | 3 | 4 | 3 | x | 3 | 4 | 5 | 4 | 6 | 5 |
| Quebec | 68 | 71 | 72 | 67 | 92 | 77 | 78 | 84 | 82 | 67 |
| Ontario | 3 | 4 | 3 | 7 | 5 | 5 | 2 | 3 | 5 | 9 |
| West & Territories | 5 | 0 | 6 | x | 2 | 4 | 5 | 5 | 4 | 4 |
| Total | 79 | 79 | 84 | 80 | 103 | 91 | 90 | 96 | 97 | 85 |

| NUMBER OF PROJECTS | 01/02 | 02/03 | 03/04 | 04/05 | 05/06 | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 |
|--------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Atlantic Canada | 6 | 6 | 7 | x | 8 | 11 | 16 | 12 | 15 | 13 |
| Quebec | 138 | 145 | 166 | 161 | 184 | 153 | 150 | 175 | 170 | 121 |
| Ontario | 5 | 5 | 6 | 13 | 11 | 7 | 5 | 6 | 7 | 12 |
| West & Territories | 7 | 0 | 10 | x | 5 | 6 | 6 | 4 | 6 | 4 |
| Total | 156 | 155 | 188 | 191 | 208 | 176 | 177 | 196 | 198 | 149 |

| NUMBER OF HOURS | 01/02 | 02/03 | 03/04 | 04/05 | 05/06 | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 |
|--------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Atlantic Canada | 12 | 13 | 17 | x | 13 | 16 | 21 | 15 | 42 | 41 |
| Quebec | 577 | 622 | 639 | 608 | 636 | 540 | 627 | 699 | 619 | 502 |
| Ontario | 13 | 34 | 24 | 53 | 41 | 36 | 11 | 18 | 34 | 43 |
| West & Territories | 22 | 0 | 21 | x | 6 | 21 | 32 | 23 | 16 | 23 |
| Total | 625 | 668 | 701 | 688 | 696 | 613 | 691 | 755 | 711 | 609 |

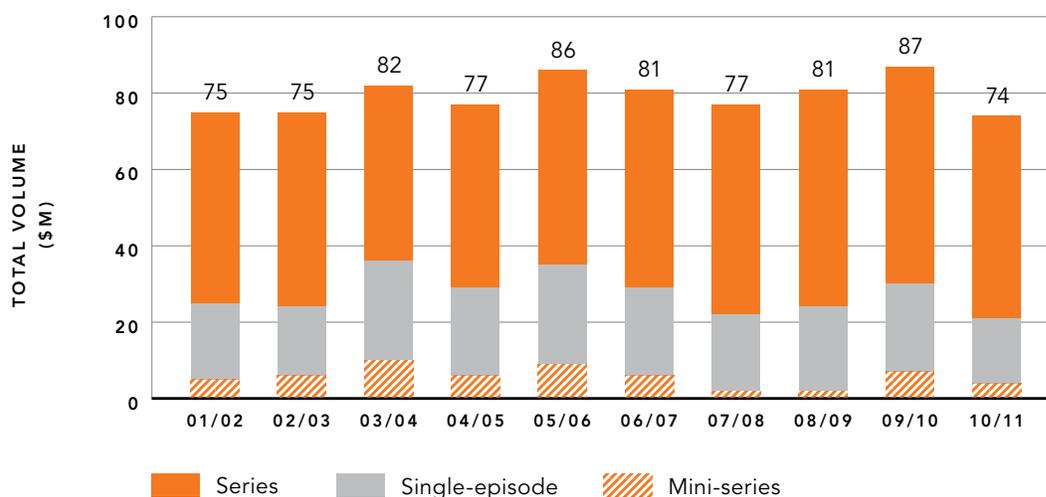
Source: CAVCO and CRTS

Note: an 'x' in the charts denote that too few projects were available to track separately in particular years.

FRENCH-LANGUAGE DOCUMENTARY TV PRODUCTION VOLUME

All the sub-genres of French-language documentary production declined between 2009/10 and 2010/11. Mini-series production volume fluctuated over the past several years, but dropped by 2010/11. Single-episode documentary volume maintained an average volume of almost \$23 million over the previous five years before losing more than \$6 million in production volume in 2010/11, in comparison to the previous year of 2009/10. Documentary series production volume peaked in 2008/09, but dropped more than \$4 million or 7% by 2010/11. The overall 9% decline in the French-language market is less than the 25% decline experienced in the English-language market since 2008/09.

Exhibit 2-9: French-language TV Production Volume by Sub-genre (\$M)



Source: CAVCO and CRTC

FRENCH-LANGUAGE DOCUMENTARY, SINGLE-EPISODE AND SERIES BY REGION

There were too few projects outside of Quebec to break down French-language production specifically by province or region, so those projects are gathered below under the term "Outside Quebec." Similarly, there were too few mini-series to track in French-language production.

Exhibit 2-10: 5-year Summary—French-language Single-episode and TV Series by Region

| SINGLE-EPISODE | 2006/07 | | 2007/08 | | 2008/09 | | 2009/10 | | 2010/11 | |
|----------------|-----------|---------------|-----------|---------------|-----------|---------------|-----------|---------------|-----------|---------------|
| | \$M | % |
| Quebec | 19 | 82.7% | 16 | 78.7% | 18 | 83.0% | 19 | 84.8% | 13 | 76.2% |
| Outside Quebec | 4 | 17.3% | 4 | 21.3% | 4 | 17.0% | 3 | 15.2% | 4 | 23.8% |
| Total | 23 | 100.0% | 20 | 100.0% | 22 | 100.0% | 23 | 100.0% | 17 | 100.0% |

| SERIES | 2006/07 | | 2007/08 | | 2008/09 | | 2009/10 | | 2010/11 | |
|----------------|-----------|---------------|-----------|---------------|-----------|---------------|-----------|---------------|-----------|---------------|
| | \$M | % |
| Quebec | 45 | 86.2% | 47 | 86.2% | 49 | 86.0% | 48 | 84.3% | 39 | 74.3% |
| Outside Quebec | 7 | 13.8% | 8 | 13.8% | 8 | 14.0% | 9 | 15.7% | 14 | 25.7% |
| Total | 52 | 100.0% | 55 | 100.0% | 57 | 100.0% | 57 | 100.0% | 53 | 100.0% |

Source: CAVCO and CRTC

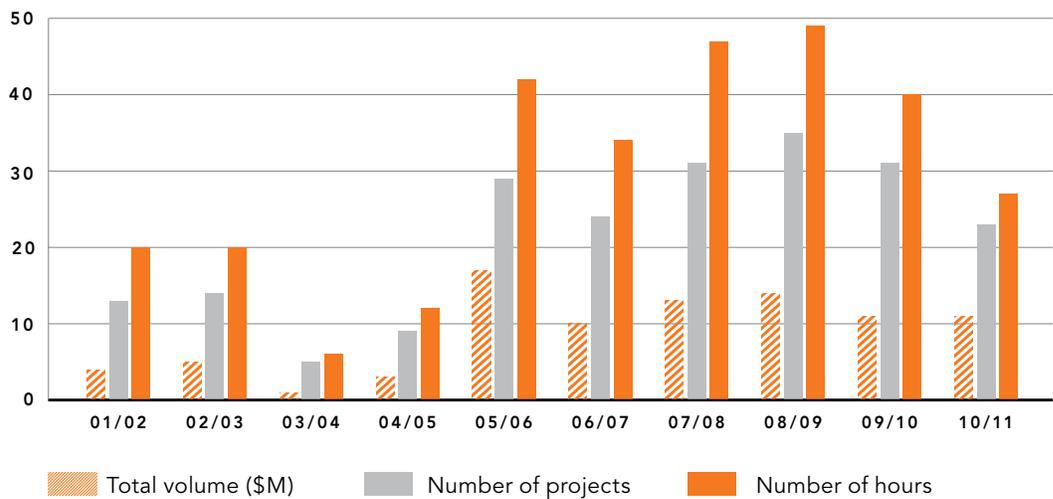
While averaging between \$20-23 million in production volume over the previous four years, French-language single-episode production declined from \$23 million in 2009/10 to \$17 million in 2010/11, a loss of 26%. Production volume outside of Quebec fluctuated over the five years of data, but French-language single-episode documentaries produced outside Quebec accounted for almost 24% of the total by 2010/11.

French-language documentary series production volume was relatively steady for 2008/09 and 2009/10 at \$57 million, but dropped to \$53 million in 2010/11. For documentary series outside of Quebec, the volume percentage grew dramatically in 2010/11, rising from 16% in 2009/10 to 26% in 2010/11. As a result, Quebec saw its share of French-language series production volume decrease from 84% to 74%.

FEATURE DOCUMENTARIES – FRENCH-LANGUAGE

The total production volume of French-language feature documentaries fluctuated across the 10 years of data. The volume of French-language documentary feature production did not decline radically in 2010/11, but it did decrease 21% from 2008/09-2009/10. While production volume held constant in 2010/11, the number of projects and total hours showed significant declines in 2010/11.

Exhibit 2-11: Total French-language Feature Documentary Production Activity



Source: CAVCO and CRTC

Note: too few projects for regional breakdown.

Note: as noted in the Methodology section, different methodologies and timelines for feature data may understate the numbers for feature documentaries in the most recent years.

TREATY CO-PRODUCTION – FRENCH-LANGUAGE

French-language treaty co-productions for television documentaries seem to vary greatly depending on the year, with only four projects being produced in 2010, but nine projects the year before.

The following treaty co-production data was provided directly by Telefilm Canada; therefore, these totals are not included in the previous charts.

Exhibit 2-12: Total French-language Treaty Co-production Television Documentary Activity

| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|------------------------------|------|------|------|------|------|------|------|------|------|------|
| Canadian participation (\$M) | 5.8 | 11.6 | 2.0 | 3.2 | 5.6 | 4.1 | 2.7 | 1.6 | 7.3 | 2.5 |
| Foreign participation (\$M) | 5.2 | 13.0 | 2.7 | 6.5 | 7.5 | 3.4 | 1.2 | 1.5 | 6.5 | 1.9 |
| Total budget (\$M) | 11.0 | 24.6 | 4.7 | 9.7 | 13.1 | 7.5 | 4.0 | 3.0 | 12.8 | 4.2 |
| Number of projects | 8 | 19 | 8 | 11 | 8 | 7 | 4 | 4 | 9 | 4 |
| Number of hours | 23 | 39 | 8 | 35 | 13 | 9 | 5 | 4 | 36 | 6 |

Source: Telefilm Canada

Note: there was no data for French-language feature documentary treaty co-productions reported by Telefilm.

Independent Documentary Production in Languages Other than English and French

Documentary production in languages other than English and French has been in serious decline since 2005/06. The high of \$21 million in production volume in 2005/06 has dwindled to \$2 million by 2010/11. Similarly, the number of projects and total hours declined radically, with only five projects being produced for a total of seven hours of production in 2010/11—the lowest level for this documentary production across the 10 years of data.

Exhibit 2-13: Total Independent Documentary Production Activity—Other Languages

| | 01/02 | 02/03 | 03/04 | 04/05 | 05/06 | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 |
|--------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Total volume (\$) | 13 | 20 | 20 | 20 | 21 | 17 | 8 | 6 | 4 | 2 |
| Number of projects | 20 | 31 | 38 | 31 | 15 | 26 | 14 | 11 | 11 | 5 |
| Number of hours | 54 | 58 | 92 | 94 | 75 | 61 | 27 | 38 | 24 | 7 |

Source: CAVCO and CRTC

BUDGETS & FINANCING

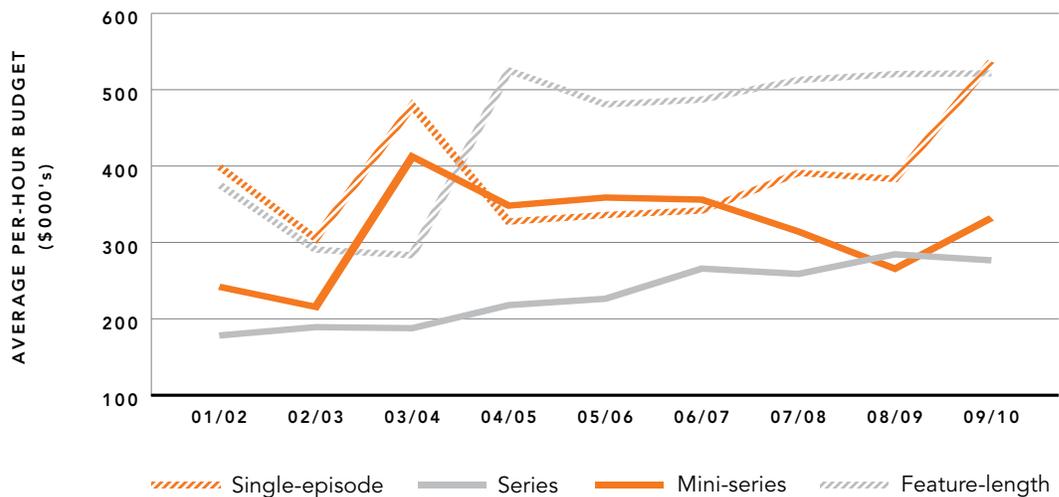
BUDGETS

Trends in Average Budgets—English-language Documentaries

The average budgets for English-language documentary productions in 2010/11 varied from lower per-hour budgets of approximately \$240,000 for mini-series to a high of \$421,000 for single-episode productions. Average per-hour budgets for mini-series dropped significantly in 2010/11 to its lowest level since 2002/03. The average budget for documentary series, however, increased over the past several years, reaching a high of just over \$306,000 in 2010/11—an 11% increase over the previous year. The average per-hour budget for single-episode documentaries dropped in 2010/11 in comparison to 2009/10, when it had reached a high of approximately \$537,000. However, the per-hour average budget for single-episode productions of \$421,000 in 2010/11 was still significantly higher than it had been prior to 2009/10. Thus, while documentary production volume was decreasing by 2010/11, average production budgets for both single episodes and series were generally increasing over the same span of time.

Historically, features had higher average per-hour budgets than other sub-genres, but this trend changed noticeably in the last two years of data. Average per-hour budgets for features dropped to \$371,000 in 2010/11.

Exhibit 3-1: Average per-hour Budgets, All Formats, English-language (\$)



Source: CAVCO

DISTRIBUTION OF PER-HOUR BUDGETS

Average per-hour budgets indicate the median budget level in each sub-genre, while the distribution of per-hour budgets illustrates the range and variation occurring in budgets for the sub-genres of documentary production.

For mini-series, by 2010/11 the per-hour budgets had moved to the lower end of the scale, with 100% of budgets under \$500,000. In previous years, 11-39% of mini-series had budgets in excess of \$500,000 per hour.

Exhibit 3-2: Distribution of per-hour Budgets, Mini-series, English-language

| | 01/02 | 02/03 | 03/04 | 04/05 | 05/06 | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 |
|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Over \$1M | 0% | 0% | 5% | 10% | 0% | 0% | 0% | 0% | 0% | 0% |
| \$750,000 to \$999,999 | 0% | 0% | 9% | 0% | 14% | 0% | 0% | 11% | 8% | 0% |
| \$500,000 to \$749,999 | 8% | 7% | 14% | 10% | 0% | 23% | 11% | 11% | 31% | 0% |
| \$250,000 to \$499,999 | 33% | 13% | 41% | 38% | 43% | 54% | 44% | 11% | 8% | 44% |
| \$100,000 to \$249,999 | 50% | 67% | 23% | 33% | 29% | 15% | 44% | 22% | 23% | 22% |
| Under \$100,000 | 8% | 13% | 9% | 10% | 14% | 8% | 0% | 44% | 31% | 33% |
| Total | 100% |

Source: CAVCO

For single-episode documentaries, the trend in per-hour budgets was slightly upward. By 2010/11, there was a shift particularly in the middle range between \$250,000 per hour to \$750,000 per hour, as well as an increase in budgets in the higher ranges of \$750,000 per hour and above.

Exhibit 3-3: Distribution of per-hour Budgets, Single-Episode, English-language

| | 01/02 | 02/03 | 03/04 | 04/05 | 05/06 | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 |
|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Over \$1M | 4% | 2% | 3% | 2% | 1% | 2% | 3% | 3% | 2% | 3% |
| \$750,000 to \$999,999 | 1% | 2% | 3% | 2% | 5% | 7% | 8% | 5% | 6% | 8% |
| \$500,000 to \$749,999 | 13% | 11% | 13% | 14% | 13% | 10% | 13% | 17% | 16% | 25% |
| \$250,000 to \$499,999 | 36% | 33% | 40% | 39% | 34% | 35% | 35% | 38% | 33% | 31% |
| \$100,000 to \$249,999 | 42% | 44% | 34% | 34% | 41% | 36% | 35% | 29% | 31% | 27% |
| Under \$100,000 | 3% | 8% | 8% | 8% | 6% | 10% | 6% | 8% | 11% | 6% |
| Total | 100% |

Source: CAVCO

The trend in per-hour budgets for documentary series was noticeably upward, especially in the middle range between \$100,000 per hour to \$499,999 per hour by 2010/11.

Exhibit 3-4: Distribution of per-hour Budgets, Series, English-language

| | 01/02 | 02/03 | 03/04 | 04/05 | 05/06 | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 |
|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Over \$1M | 1% | 0% | 0% | 2% | 1% | 3% | 1% | 2% | 1% | 1% |
| \$750,000 to \$999,999 | 2% | 1% | 0% | 1% | 0% | 2% | 0% | 1% | 1% | 1% |
| \$500,000 to \$749,999 | 1% | 2% | 2% | 2% | 8% | 9% | 7% | 11% | 8% | 9% |
| \$250,000 to \$499,999 | 17% | 20% | 27% | 26% | 18% | 26% | 26% | 37% | 34% | 39% |
| \$100,000 to \$249,999 | 46% | 53% | 43% | 39% | 41% | 33% | 37% | 29% | 31% | 33% |
| Under \$100,000 | 33% | 25% | 28% | 30% | 33% | 28% | 30% | 21% | 25% | 16% |
| Total | 100% |

Source: CAVCO

For documentary features, the trend was primarily downward for per-hour budgets. In 2010/11, 57% of per-hour budgets for features were in the \$100,000-249,999 range, a significant shift down from previous years.

Exhibit 3-5: Distribution of per-hour Budgets, Features, English-language

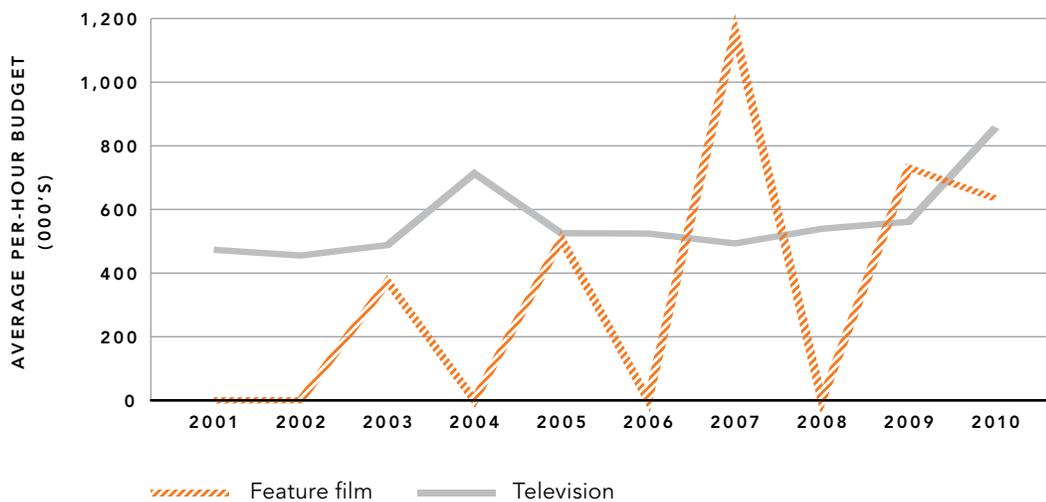
| | 01/02 | 02/03 | 03/04 | 04/05 | 05/06 | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 |
|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Over \$1M | 8% | 0% | 0% | 9% | 11% | 7% | 6% | 11% | 8% | 0% |
| \$750,000 to \$999,999 | 0% | 0% | 0% | 9% | 0% | 20% | 16% | 11% | 8% | 14% |
| \$500,000 to \$749,999 | 25% | 8% | 12% | 17% | 7% | 10% | 26% | 22% | 21% | 14% |
| \$250,000 to \$499,999 | 17% | 58% | 35% | 35% | 37% | 27% | 23% | 26% | 42% | 14% |
| \$100,000 to \$249,999 | 33% | 33% | 47% | 22% | 41% | 30% | 26% | 26% | 21% | 57% |
| Under \$100,000 | 17% | 0% | 6% | 9% | 4% | 7% | 3% | 4% | 0% | 0% |
| Total | 100% |

Source: CAVCO

ENGLISH-LANGUAGE TREATY CO-PRODUCTION PER-HOUR BUDGETS

English-language treaty co-production per-hour budgets vary by genre. For features, the trend was downward, although the data fluctuated across the years. For television co-productions, the trend appeared to increase per-hour budgets since 2007/08, with a major increase in per-hour budgets when comparing 2009/10 at \$561,000 per hour to 2010/11 at \$858,000 per hour.

Exhibit 3-6: Average per-hour Budgets, All Formats, English-language (\$000s)



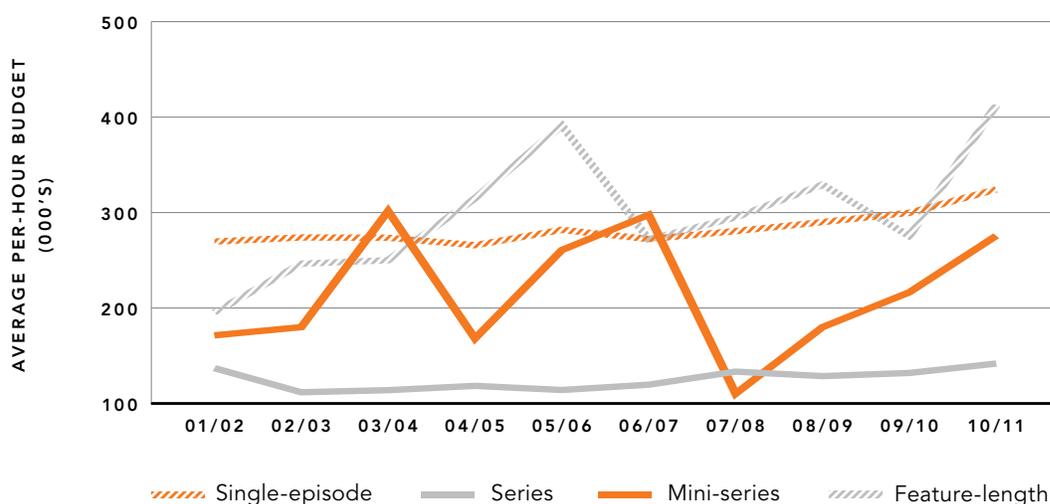
Source: Telefilm Canada

Trends in Average Budgets—French-language Documentaries

French-language documentary per-hour budgets increased across all the sub-genres in 2010/11. For single-episode and series documentaries, the per-hour budgets were increasing with relative consistency since 2005/06, with a noticeable jump in 2010/11. At the same time, these budgets were lower than those for the same sub-genres of English-language productions. Mini-series per-hour budgets had been increasing since 2007/08, when they reached a low point in comparison to previous years. Similar to the English-language market, while total French-language documentary production volume was decreasing, average per-hour budgets were increasing.

Also, French-language feature per-hour budgets jumped radically in 2010/11 to nearly \$413,000 after having declined the year before.

Exhibit 3-7: Average per-hour Budgets, All Formats, French-language (\$)



Source: CAVCO

DISTRIBUTION OF PER-HOUR BUDGETS

Data for French-language documentary mini-series was insufficient to break down by budget size.

French-language documentary single-episode per-hour budgets increased over the past three years of data, particularly in the \$250,000-499,999 range. Additionally, there was an increase in the number of hours in the \$500,000-749,999 range.

Exhibit 3-8: Distribution of per-hour Budgets, Single-Episode, French-language

| | 01/02 | 02/03 | 03/04 | 04/05 | 05/06 | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 |
|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Over \$1M | 0% | 0% | 0% | 0% | 0% | 1% | 0% | 0% | 0% | 0% |
| \$750,000 to \$999,999 | 2% | 3% | 0% | 0% | 1% | 0% | 1% | 1% | 0% | 0% |
| \$500,000 to \$749,999 | 9% | 3% | 9% | 8% | 6% | 4% | 11% | 7% | 7% | 11% |
| \$250,000 to \$499,999 | 39% | 47% | 42% | 47% | 49% | 47% | 42% | 49% | 53% | 61% |
| \$100,000 to \$249,999 | 35% | 32% | 33% | 28% | 35% | 34% | 31% | 31% | 37% | 27% |
| Under \$100,000 | 15% | 15% | 15% | 17% | 9% | 13% | 14% | 11% | 3% | 0% |
| Total | 100% |

Source: CAVCO

While the average budgets for French-language documentary series increased overall, there was some movement in the middle range of per-hour budgets. Specifically, while there were an increasing number of projects at the higher level of per-hour budgets, the per-hour budgets declined from 53% in the \$100,000-249,999 range in 2009/10 to 45% by 2010/11 during this time. Reflecting this shift, the number of series with per-hour budgets in the under \$100,000 range increased from 39% to 43% in 2010/11.

Exhibit 3-9: Distribution of per-hour Budgets, Series, French-language

| | 01/02 | 02/03 | 03/04 | 04/05 | 05/06 | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 |
|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Over \$1M | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% |
| \$750,000 to \$999,999 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 2% | 0% | 0% |
| \$500,000 to \$749,999 | 2% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 2% |
| \$250,000 to \$499,999 | 18% | 8% | 7% | 7% | 5% | 6% | 8% | 8% | 8% | 10% |
| \$100,000 to \$249,999 | 20% | 27% | 32% | 44% | 48% | 49% | 53% | 46% | 53% | 45% |
| Under \$100,000 | 59% | 65% | 61% | 49% | 47% | 45% | 39% | 44% | 39% | 43% |
| Total | 100% |

Source: CAVCO

French-language features saw a dramatic increase in the percentage of per-hour budgets in the \$250,000-499,999 range, as well as a smaller increase in the \$500,000-749,999 range.

Exhibit 3-10: Distribution of per-hour Budgets, Feature, French-language

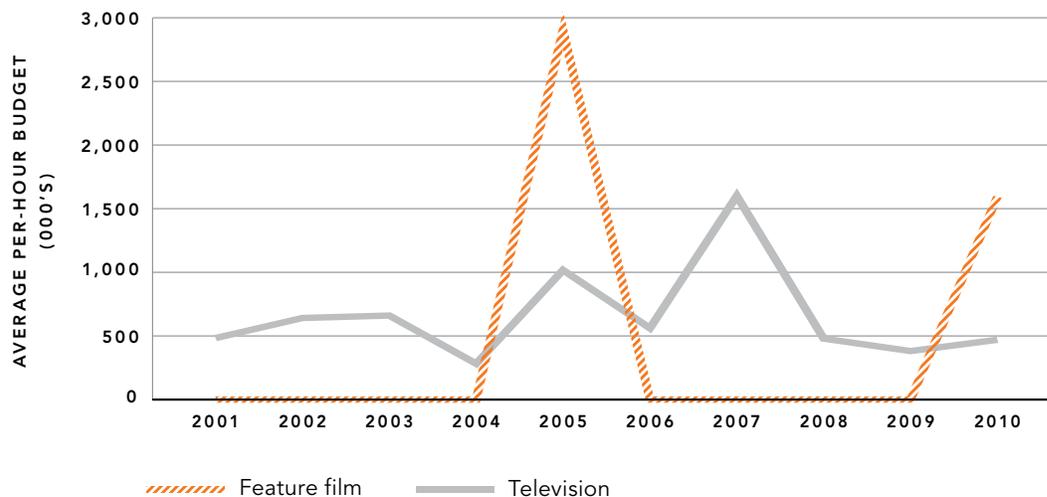
| | 01/02 | 02/03 | 03/04 | 04/05 | 05/06 | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 |
|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Over \$1M | 0% | 0% | 0% | 0% | 4% | 0% | 0% | 6% | 0% | 6% |
| \$750,000 to \$999,999 | 0% | 0% | 0% | 0% | 4% | 10% | 0% | 0% | 0% | 0% |
| \$500,000 to \$749,999 | 0% | 0% | 25% | 13% | 20% | 5% | 15% | 6% | 7% | 11% |
| \$250,000 to \$499,999 | 36% | 42% | 0% | 50% | 44% | 14% | 41% | 39% | 37% | 67% |
| \$100,000 to \$249,999 | 36% | 50% | 50% | 25% | 20% | 48% | 41% | 39% | 52% | 17% |
| Under \$100,000 | 27% | 8% | 25% | 13% | 8% | 24% | 4% | 10% | 4% | 0% |
| Total | 100% |

Source: CAVCO

FRENCH-LANGUAGE TREATY CO-PRODUCTION PER-HOUR BUDGETS

While French-language television co-productions were more frequent than feature-film co-productions, the average per-hour budgets for all French-language treaty co-productions fluctuated widely across the 10 years of data.

Exhibit 3-11: Average per-hour Budgets, All Formats, French-language (\$000s)



Source: Telefilm Canada

FINANCING

INTRODUCTION

The overall financing structures of English- and French-language documentaries are summarized in the following sections, followed by a review of the major components of financing for documentary productions, including broadcast licence fees, producer tax credits and direct public funding.

English-language Financing

Given that the total English-language documentary production volume decreased significantly since 2008/09, it is not surprising that contributions by various funding sources also declined. Because private broadcasters were the key to triggering the majority of production, it is important to note that the total quantum of private broadcaster licence fees dropped dramatically from a high of \$117 million in 2008/09 to \$74 million in both 2009/10 and 2010/11, a decrease of 37% overall. As the data in this section illustrates, however, private broadcasters' percentage of financing in average budgets increased from 27% in 2009/10 to 30% by 2010/11. Overall, while the broadcasters' share of financing rose, they spent less in total licensing dollars during the same period of time.

Public broadcaster licence fees for English-language documentaries were significantly lower in terms of both total dollar levels and percentages of overall financing; they had not changed significantly in recent years, averaging 3-4% of total financing. Federal and provincial tax credits remained relatively constant percentages of total financing, as did production company contributions. Canadian distributors had been increasing their financing contributions to English-language documentaries, up to a high of 12% or \$29 million in 2010/11, but foreign financing dropped radically in 2010/11. Foreign financing can be volatile at the best of times, and the challenges in the financial markets internationally since 2008 may have had an impact on the availability of foreign financing.

CMF funding was relatively consistent as a percentage of total financing, but other public funding dropped \$8 million by 2010/11. Other private funding increased slightly over the past five years.

Exhibit 3-12: Financing of English-language Documentary Production

| | 2006/07 | | 2007/08 | | 2008/09 | | 2009/10 | | 2010/11 | |
|----------------------------------|-------------|------------|-------------|------------|-------------|------------|-------------|------------|-------------|------------|
| | % | \$M |
| Private broadcaster licence fees | 28% | 73 | 35% | 109 | 35% | 117 | 27% | 74 | 30% | 74 |
| Public broadcaster licence fees | 9% | 24 | 5% | 15 | 3% | 9 | 4% | 10 | 4% | 9 |
| Federal tax credit | 10% | 27 | 10% | 31 | 10% | 34 | 10% | 27 | 10% | 24 |
| Provincial tax credit | 15% | 39 | 15% | 46 | 17% | 55 | 17% | 48 | 17% | 42 |
| Production company | 5% | 13 | 4% | 12 | 2% | 6 | 1% | 4 | 1% | 3 |
| Canadian distributor | 5% | 14 | 8% | 27 | 7% | 24 | 8% | 22 | 12% | 29 |
| Foreign | 13% | 35 | 6% | 20 | 6% | 21 | 9% | 26 | 4% | 10 |
| Canada Media Fund | 11% | 29 | 9% | 29 | 9% | 31 | 12% | 33 | 12% | 30 |
| Other public* | 2% | 5 | 3% | 11 | 3% | 9 | 5% | 13 | 2% | 5 |
| Other private** | 3% | 8 | 5% | 16 | 8% | 26 | 8% | 21 | 9% | 23 |
| Total | 100% | 267 | 100% | 315 | 100% | 334 | 100% | 277 | 100% | 249 |

Source: CAVCO, CRTC and CMF

*Other public includes NFB, Telefilm, provincial governments and other agencies.

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

ENGLISH-LANGUAGE SINGLE-EPIISODE

Total overall English-language production financing for single-episode documentaries decreased from 2009/10 to 2010/11, falling from \$73 million to \$58 million. This reflected the decrease in overall production volume. While percentages for private broadcaster licence fees fluctuated as part of financing structures, they also were generally declining over time. The total licence fee dollars expended by private broadcasters steadily diminished across the five years, falling from \$13 million in 2006/07 to \$9 million in 2010/11. Public broadcaster licence fees remained consistent at the \$6 million mark, but their percentage of total financing increased to 11%, reflecting constant total dollar investments but fewer projects being licensed. In a similar manner, CMF financing remained relatively consistent at \$10 million, but its percentage of total production financing also increased significantly by 2010/11.

Exhibit 3-13: Financing of English-language Documentary Production, Single-episode

| | 2006/07 | | 2007/08 | | 2008/09 | | 2009/10 | | 2010/11 | |
|----------------------------------|-------------|-----------|-------------|-----------|-------------|-----------|-------------|-----------|-------------|-----------|
| | % | \$M |
| Private broadcaster licence fees | 21% | 13 | 22% | 13 | 19% | 11 | 13% | 9 | 15% | 9 |
| Public broadcaster licence fees | 7% | 5 | 9% | 6 | 10% | 6 | 9% | 7 | 11% | 6 |
| Federal tax credit | 9% | 6 | 9% | 5 | 10% | 5 | 9% | 7 | 9% | 5 |
| Provincial tax credit | 15% | 9 | 14% | 8 | 16% | 9 | 18% | 13 | 18% | 10 |
| Production company | 4% | 3 | 3% | 2 | 4% | 2 | 5% | 4 | 2% | 1 |
| Canadian distributor | 3% | 2 | 5% | 3 | 4% | 2 | 3% | 2 | 2% | 1 |
| Foreign | 17% | 11 | 5% | 3 | 5% | 3 | 13% | 10 | 6% | 3 |
| Canada Media Fund | 16% | 10 | 16% | 10 | 19% | 11 | 13% | 10 | 18% | 10 |
| Other public* | 3% | 2 | 8% | 5 | 3% | 2 | 5% | 4 | 2% | 1 |
| Other private** | 4% | 3 | 8% | 5 | 10% | 6 | 11% | 8 | 21% | 12 |
| Total | 100% | 62 | 100% | 59 | 100% | 58 | 100% | 73 | 100% | 58 |

Source: CAVCO, CRTC and CMF

*Other public includes NFB, Telefilm, provincial governments and other agencies.

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

ENGLISH-LANGUAGE SERIES AND MINI-SERIES

For English-language series and mini-series production, overall financing decreased from a high in 2008/09 of \$253 million down to \$187 million by 2010/11. Total private broadcaster licence fees decreased to \$64 million from \$101 million during the same time period, as their percentage of total financing dropped to 34% from the high of 40% in 2007/08 and 2008/09. For the past three years of data, public broadcaster licence fees for documentary series had been very low at \$3 million. CMF financing decreased from \$19 million in 2008/09 and 2009/10 to \$16 million by 2010/11, at which point it represented only 8% of total English-language series production financing. As noted previously, licence fees as a percentage of financing were much higher for series than other sub-genres, likely influenced by higher CMF licence-fee threshold requirements.

Exhibit 3-14: Financing of English-language Documentary Production, Series and Mini-series

| | 2006/07 | | 2007/08 | | 2008/09 | | 2009/10 | | 2010/11 | |
|----------------------------------|-------------|------------|-------------|------------|-------------|------------|-------------|------------|-------------|------------|
| | % | \$M |
| Private broadcaster licence fees | 31% | 56 | 40% | 92 | 40% | 101 | 34% | 62 | 34% | 64 |
| Public broadcaster licence fees | 11% | 19 | 3% | 7 | 1% | 3 | 1% | 2 | 2% | 3 |
| Federal tax credit | 11% | 20 | 10% | 24 | 10% | 26 | 10% | 19 | 10% | 18 |
| Provincial tax credit | 15% | 27 | 15% | 34 | 17% | 42 | 17% | 31 | 16% | 30 |
| Production company | 4% | 8 | 4% | 8 | 1% | 3 | 1% | 1 | 1% | 2 |
| Canadian distributor | 6% | 11 | 10% | 22 | 8% | 19 | 10% | 19 | 15% | 28 |
| Foreign | 12% | 22 | 6% | 14 | 6% | 16 | 8% | 15 | 4% | 7 |
| Canada Media Fund | 8% | 15 | 7% | 17 | 7% | 19 | 10% | 19 | 8% | 16 |
| Other public* | 0% | 0 | 2% | 4 | 2% | 5 | 3% | 6 | 2% | 3 |
| Other private** | 2% | 3 | 4% | 9 | 8% | 19 | 6% | 11 | 8% | 15 |
| Total | 100% | 182 | 100% | 231 | 100% | 253 | 100% | 185 | 100% | 187 |

Source: CAVCO, CRTC and CMF

*Other public includes NFB, Telefilm, provincial governments and other agencies.

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

ENGLISH-LANGUAGE FEATURE

Total production volume for English-language feature documentaries declined to \$20 million by 2009/10. There were too few projects to track or report separately by 2010/11. It appears that very few feature documentaries made it through the traditional funding route in 2010/11, including garnering licence fees from pay-TV channels that would have allowed them to access the CMF. Canadian broadcasters did not provide significant financing for documentary features, providing \$3 million in 2009/10 and too little to list in 2010/11.

Exhibit 3-15: Financing of English-language Documentary Production, Feature

| | 2006/07 | | 2007/08 | | 2008/09 | | 2009/10 | | 2010/11 | |
|----------------------------------|-------------|-----------|-------------|-----------|-------------|-----------|-------------|-----------|----------|----------|
| | % | \$M | % | \$M | % | \$M | % | \$M | % | \$M |
| Private broadcaster licence fees | 21% | 5 | 12% | 3 | 16% | 4 | 8% | 2 | x | x |
| Public broadcaster licence fees | 1% | 0 | 9% | 2 | 3% | 1 | 7% | 1 | x | x |
| Federal tax credit | 7% | 2 | 8% | 2 | 8% | 2 | 9% | 2 | x | x |
| Provincial tax credit | 11% | 3 | 13% | 3 | 18% | 4 | 17% | 3 | x | x |
| Production company | 9% | 2 | 12% | 3 | 8% | 2 | 5% | 1 | | |
| Canadian distributor | 4% | 1 | 5% | 1 | 9% | 2 | 3% | 1 | x | x |
| Foreign | 11% | 3 | 12% | 3 | 8% | 2 | 10% | 2 | x | x |
| Canada Media Fund | 19% | 5 | 10% | 2 | 5% | 1 | 21% | 4 | x | x |
| Other public* | 13% | 3 | 11% | 3 | 17% | 2 | 13% | 3 | x | x |
| Other private** | 4% | 1 | 8% | 2 | 7% | 2 | 7% | 1 | x | x |
| Total | 100% | 23 | 100% | 24 | 100% | 23 | 100% | 20 | x | x |

Source: CAVCO, CRTC and CMF

Note: the "x" indicates that there were too few projects to track separately or data was suppressed by CAVCO due to confidentiality issues.

*Other public includes NFB, Telefilm, provincial governments and other agencies.

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

ENGLISH-LANGUAGE TREATY CO-PRODUCTION

Telefilm provided the majority of treaty co-production data for this report. However, for the purposes of illustrating financing structures for television and feature documentary treaty co-productions, data was provided from two different sources: the CMF for television documentary co-productions, and Telefilm for feature co-productions. The CMF provided consolidated data for both English- and French-language treaty co-productions.

Based on projects funded by the CMF, and with the exception of 2009/10, production volume for English-language documentary treaty co-production averaged in the \$10 million range across the five years of data. Broadcaster licence fees varied widely during this time frame, but were a significant and necessary contributor to CMF-funded treaty co-productions. Both Canadian distributor contributions and foreign financing fluctuated significantly, but in 2010/11 they provided less than 5% of financing combined. The CMF was the single largest funder of documentary treaty co-productions, providing 37% of total financing in 2010/11.

Exhibit 3-16: Financing of Television Documentary Co-production, English- and French-language (CMF-funded Production Only)

| | 2006/07 | | 2007/08 | | 2008/09 | | 2009/10 | | 2010/11 | |
|----------------------------------|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|-------------|---------------|
| | % | \$000S |
| Private broadcaster licence fees | 24% | 2,629 | 34% | 3,630 | 51% | 5,306 | 19% | 4,504 | 26% | 2,580 |
| Public broadcaster licence fees | 11% | 1,168 | 7% | 738 | 5% | 532 | 7% | 1,606 | 4% | 405 |
| Federal tax credit | 8% | 922 | 8% | 844 | 6% | 603 | 8% | 1,816 | 7% | 703 |
| Provincial tax credit | 11% | 1,199 | 12% | 1,251 | 9% | 987 | 16% | 3,865 | 11% | 1,100 |
| Production company | 2% | 245 | 3% | 305 | 0% | 32 | 3% | 674 | 1% | 142 |
| Canadian distributor | 6% | 629 | 1% | 68 | 1% | 60 | 5% | 1,206 | <1% | 37 |
| Foreign | 8% | 909 | 7% | 775 | 1% | 63 | 10% | 2,456 | 4% | 372 |
| Canada Media Fund | 24% | 2,666 | 26% | 2,801 | 24% | 2,535 | 26% | 6,254 | 37% | 3,732 |
| Other public* | 5% | 519 | 1% | 72 | 3% | 288 | 4% | 860 | 4% | 363 |
| Other private** | <1% | 50 | 2% | 250 | 0% | 35 | 2% | 479 | 6% | 575 |
| Total | 100% | 10,936 | 100% | 10,734 | 100% | 10,442 | 100% | 23,719 | 100% | 10,009 |

Source: Canada Media Fund

*Other public includes NFB, Telefilm, provincial governments and other agencies.

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

Documentary series and mini-series accounted for a large portion of documentary production volume for both CMF-funded English- and French-language treaty co-productions. Production volume peaked in 2009/10 at almost \$10 million before declining by half in 2010/11. Broadcaster licence fees fluctuated to a wide degree, as did contributions from Canadian distributors. Foreign financing declined from a high of \$757,000 in 2006/07 to less than \$300,000 in both 2009/10 and 2010/11. The CMF was the largest funder of documentary series and mini-series treaty co-productions, contributing 29% of total financing in 2010/11.

Exhibit 3-17: Financing of Television Documentary Co-production, English- and French-language (CMF-funded Production Only)

| | 2006/07 | | 2007/08 | | 2008/09 | | 2009/10 | | 2010/11 | |
|----------------------------------|-------------|--------------|-------------|--------------|-------------|--------------|-------------|--------------|-------------|--------------|
| | % | \$000S |
| Private broadcaster licence fees | 33% | 1,905 | 40% | 2,918 | 53% | 4,067 | 26% | 2,603 | 3% | 129 |
| Public broadcaster licence fees | 8% | 461 | 7% | 490 | 4% | 310 | 8% | 831 | 25% | 1,250 |
| Federal tax credit | 9% | 502 | 7% | 524 | 5% | 378 | 8% | 838 | 8% | 403 |
| Provincial tax credit | 11% | 620 | 11% | 825 | 7% | 547 | 14% | 1,408 | 12% | 600 |
| Production company | 2% | 112 | 3% | 256 | <1% | 32 | <1% | 43 | <1% | 25 |
| Canadian distributor | 1% | 47 | 0% | 0 | <1% | 34 | 11% | 1,051 | 0% | 0 |
| Foreign | 13% | 757 | 8% | 558 | 1% | 63 | 3% | 316 | 6% | 283 |
| Canada Media Fund | 25% | 1,439 | 24% | 1,781 | 25% | 1,873 | 28% | 2,831 | 29% | 1,460 |
| Other public* | 0% | 0 | <1% | 18 | 4% | 288 | 0% | 0 | 6% | 283 |
| Other private** | 0% | 0 | 0% | 0 | <1% | 35 | 1% | 67 | 12% | 578 |
| Total | 100% | 5,842 | 100% | 7,369 | 100% | 7,626 | 100% | 9,988 | 100% | 5,012 |

Source: Canada Media Fund

*Other public includes NFB, Telefilm, provincial governments and other agencies.

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

Based on Telefilm data, feature documentary co-productions averaged just over \$1 million in total production volume over the five years of data. Producer tax credits, foreign investment, the Canada Feature Film Fund (administered by Telefilm) and other public sources were the largest financiers of feature documentary co-productions. A bump of \$170,000 in private broadcaster financing in 2010/11 appeared to be an anomaly in comparison to previous years.

Exhibit 3-18: Financing of English-language Feature Documentary Co-production

| | 2006/07 | | 2007/08 | | 2008/09 | | 2009/10 | | 2010/11 | |
|----------------------------------|-------------|--------------|-------------|--------------|-----------|----------|-------------|--------------|-------------|------------|
| | % | \$000S | % | \$000S | % | \$000S | % | \$000S | % | \$000S |
| Private broadcaster licence fees | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 18% | 170 |
| Public broadcaster licence fees | 9% | 130 | 17% | 250 | 0% | 0 | 0% | 0 | 0% | 0 |
| Federal tax credit | 4% | 52 | 0% | 0 | 0% | 0 | 1% | 10 | 5% | 45 |
| Provincial tax credit | 8% | 115 | 0% | 0 | 0% | 0 | 2% | 22 | 12% | 109 |
| Production company | 2% | 4 | 0% | 0 | 0% | 0 | 22% | 289 | 6% | 59 |
| Canadian distributor | 1% | 12 | 13% | 183 | 0% | 0 | 3% | 45 | 1% | 10 |
| Foreign | 30% | 430 | 7% | 105 | 0% | 0 | 50% | 659 | 35% | 325 |
| Canada Media Fund | 31% | 444 | 17% | 250 | 0% | 0 | 12% | 155 | 12% | 110 |
| Other public* | 5% | 75 | 10% | 150 | 0% | 0 | 11% | 150 | 11% | 100 |
| Other private** | 9% | 165 | 35% | 500 | 0% | 0 | 0% | 0 | 0% | 0 |
| Total | 100% | 1,428 | 100% | 1,438 | 0% | 0 | 100% | 1,330 | 100% | 928 |

Source: Telefilm Canada

*Other public includes NFB, Telefilm, provincial governments and other agencies.

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

French-language Financing

French-language documentary production decreased 12% to \$85 million in 2010/11 after remaining above the \$90 million mark since 2006/07. While private broadcaster licence fees were consistent at 15% of budgets in 2010/11, their total dollar level fell \$2 million, down to \$13 million when compared to 2009/10. Public broadcaster licence fees remained at similar levels from previous years, and were notably higher than English-language public broadcaster levels. Provincial tax credits inched up in terms of their percentage of financing, but dollar levels dropped in 2010/11. This drop reflected the decrease in total French-language documentary production volume. Canadian distribution and foreign financing levels were low in terms of the financing they provided across the years. The CMF consistently provided the highest percentage of production financing; while dollars decreased from \$26 million in 2009/10 to \$22 million in 2010/11, the percentage remained similar at 26% of total financing.

Exhibit 3-19: Financing of French-language Documentary Production

| | 2006/07 | | 2007/08 | | 2008/09 | | 2009/10 | | 2010/11 | |
|----------------------------------|---------|-----|---------|-----|---------|-----|---------|-----|---------|-----|
| | % | \$M |
| Private broadcaster licence fees | 17% | 15 | 14% | 13 | 19% | 18 | 15% | 15 | 15% | 13 |
| Public broadcaster licence fees | 13% | 11 | 15% | 14 | 12% | 11 | 12% | 11 | 14% | 12 |
| Federal tax credit | 10% | 9 | 10% | 9 | 9% | 8 | 9% | 9 | 9% | 8 |
| Provincial tax credit | 16% | 14 | 17% | 15 | 18% | 17 | 20% | 19 | 19% | 16 |
| Production company | 4% | 3 | 4% | 3 | 3% | 3 | 2% | 2 | 4% | 3 |
| Canadian distributor | 6% | 6 | 3% | 3 | 1% | 1 | 3% | 3 | 2% | 2 |
| Foreign | 0% | 0 | 3% | 2 | 0% | 0 | 1% | 1 | 1% | 1 |
| Canada Media Fund | 23% | 21 | 26% | 23 | 23% | 22 | 27% | 26 | 26% | 22 |
| Other public* | 5% | 5 | 8% | 7 | 6% | 6 | 4% | 4 | 5% | 4 |
| Other private** | 7% | 7 | 1% | 1 | 9% | 9 | 7% | 7 | 5% | 4 |
| Total | 100% | 91 | 100% | 90 | 100% | 96 | 100% | 97 | 100% | 85 |

Source: CAVCO, CRTC and CMF

*Other public includes NFB, Telefilm, provincial governments and other agencies.

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

FRENCH-LANGUAGE SINGLE-EPISODE

Total financing for French-language documentary single-episode production decreased significantly to \$17 million by 2010/11, falling from an average of \$22 million over the previous four years. Private broadcaster licence fees for single-episode documentaries were low at only \$1 million, while public broadcaster licence fees were higher at \$3 million, reaching 19% of total financing by 2010/11. CMF total funding decreased somewhat to \$5 million, but its percentage of production financing increased to 30% of total financing by 2010/11.

Exhibit 3-20: Financing of French-language Documentary Production, Single-episode

| | 2006/07 | | 2007/08 | | 2008/09 | | 2009/10 | | 2010/11 | |
|----------------------------------|-------------|-----------|-------------|-----------|-------------|-----------|-------------|-----------|-------------|-----------|
| | % | \$M |
| Private broadcaster licence fees | 6% | 1 | 6% | 1 | 7% | 2 | 7% | 2 | 5% | 1 |
| Public broadcaster licence fees | 16% | 4 | 17% | 3 | 14% | 3 | 12% | 3 | 19% | 3 |
| Federal tax credit | 8% | 2 | 9% | 2 | 8% | 2 | 7% | 2 | 8% | 1 |
| Provincial tax credit | 18% | 4 | 19% | 4 | 19% | 4 | 21% | 5 | 20% | 3 |
| Production company | 4% | 1 | 4% | 1 | 4% | 1 | 4% | 1 | 2% | 0 |
| Canadian distributor | 5% | 1 | 1% | 0 | 0% | 0 | 1% | 0 | 0% | 0 |
| Foreign | 0% | 0 | 1% | 0 | 1% | 0 | 0% | 0 | 2% | 0 |
| Canada Media Fund | 28% | 6 | 33% | 7 | 27% | 6 | 28% | 7 | 30% | 5 |
| Other public* | 8% | 2 | 10% | 2 | 9% | 2 | 9% | 2 | 9% | 1 |
| Other private** | 7% | 2 | 0% | 0 | 9% | 2 | 9% | 2 | 5% | 1 |
| Total | 100% | 23 | 100% | 20 | 100% | 22 | 100% | 23 | 100% | 17 |

Source: CAVCO, CRTC and CMF

*Other public includes NFB, Telefilm, provincial governments and other agencies.

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

FRENCH-LANGUAGE SERIES AND MINI-SERIES

For French-language documentary series and mini-series, financing also dropped by 2010/11, down 11% to \$57 million from \$64 million the year before. Private broadcasters were more active in documentary series and mini-series than in single-episode production, but total dollar licence fees stayed at a similar level of approximately 20% across the five years. Public broadcaster licence fees for series remained consistent at \$7 million. For both broadcast groups, however, their percentage of total financing increased slightly, indicating consistent total dollar investments but lower volumes of production. CMF production financing for French-language series and mini-series dropped from \$18 million in 2009/10 to \$16 million in 2010/11, but its percentage of production financing—18%—was higher than in previous years. CMF financing of documentary production was at a much higher percentage in French-language series and single-episode production than in English-language documentary production.

Exhibit 3-21: Financing of French-language Documentary Production, Series and Mini-series

| | 2006/07 | | 2007/08 | | 2008/09 | | 2009/10 | | 2010/11 | |
|----------------------------------|-------------|-----------|-------------|-----------|-------------|-----------|-------------|-----------|-------------|-----------|
| | % | \$M |
| Private broadcaster licence fees | 23% | 13 | 18% | 10 | 23% | 14 | 19% | 12 | 20% | 12 |
| Public broadcaster licence fees | 12% | 7 | 16% | 9 | 11% | 7 | 11% | 7 | 12% | 7 |
| Federal tax credit | 11% | 6 | 11% | 6 | 9% | 5 | 10% | 6 | 10% | 6 |
| Provincial tax credit | 14% | 8 | 16% | 9 | 17% | 10 | 18% | 11 | 17% | 10 |
| Production company | 4% | 2 | 3% | 2 | 2% | 1 | 2% | 1 | 2% | 1 |
| Canadian distributor | 5% | 3 | 4% | 2 | 2% | 1 | 4% | 3 | 2% | 1 |
| Foreign | 0% | 0 | 4% | 2 | 0% | 0 | 1% | 1 | 0% | 0 |
| Canada Media Fund | 23% | 13 | 26% | 15 | 25% | 15 | 28% | 18 | 28% | 16 |
| Other public* | 2% | 1 | 3% | 2 | 3% | 2 | 2% | 1 | 2% | 1 |
| Other private** | 6% | 4 | 1% | 1 | 8% | 5 | 6% | 4 | 5% | 3 |
| Total | 100% | 58 | 100% | 57 | 100% | 60 | 100% | 64 | 100% | 57 |

Source: CAVCO, CRTC and CMF

*Other public includes NFB, Telefilm, provincial governments and other agencies.

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

Exhibit 3-22: Financing of French-language Documentary Production, Feature

| | 2006/07 | | 2007/08 | | 2008/09 | | 2009/10 | | 2010/11 | |
|----------------------------------|-------------|-----------|-------------|-----------|-------------|-----------|-------------|-----------|-------------|-----------|
| | % | \$M |
| Private broadcaster licence fees | 7% | 1 | 9% | 1 | 18% | 3 | 7% | 1 | 3% | 0 |
| Public broadcaster licence fees | 9% | 1 | 9% | 1 | 8% | 1 | 11% | 1 | 11% | 1 |
| Federal tax credit | 8% | 1 | 7% | 1 | 8% | 1 | 8% | 1 | 7% | 1 |
| Provincial tax credit | 17% | 2 | 21% | 3 | 19% | 3 | 27% | 3 | 26% | 3 |
| Production company | 3% | 0 | 5% | 1 | 4% | 1 | 3% | 0 | 5% | 1 |
| Canadian distributor | 15% | 2 | 2% | 0 | 1% | 0 | 4% | 0 | 5% | 1 |
| Foreign | 1% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 7% | 1 |
| Canada Media Fund | 14% | 1 | 19% | 2 | 8% | 1 | 10% | 1 | 9% | 1 |
| Other public* | 13% | 1 | 23% | 3 | 27% | 4 | 27% | 3 | 22% | 2 |
| Other private** | 11% | 1 | 3% | 0 | 7% | 1 | 4% | 0 | 4% | 0 |
| Total | 100% | 10 | 100% | 13 | 100% | 14 | 100% | 11 | 100% | 11 |

Source: CAVCO, CRTC and CMF

*Other public includes NFB, Telefilm, provincial governments and other agencies.

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

FRENCH-LANGUAGE TREATY CO-PRODUCTION

Based on Telefilm data, French-language documentary treaty co-productions did not occur on a regular basis. While significant feature co-production activity at the \$5 million level occurred in 2009/10, it did not continue into 2010/11.

Exhibit 3-23: Financing of French-language Feature Documentary Co-production

| | 2006/07 | | 2007/08 | | 2008/09 | | 2009/10 | | 2010/11 | |
|----------------------------------|-------------|--------------|-------------|------------|-----------|----------|-------------|--------------|-----------|----------|
| | % | \$000S | % | \$000S | % | \$000S | % | \$000S | % | \$000S |
| Private broadcaster licence fees | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 15 | 0% | 0 |
| Public broadcaster licence fees | 0% | 0 | 0% | 0 | 0% | 0 | 6% | 290 | 0% | 0 |
| Federal tax credit | 2% | 100 | 0% | 0 | 0% | 0 | 3% | 167 | 0% | 0 |
| Provincial tax credit | 4% | 149 | 0% | 0 | 0% | 0 | 17% | 851 | 0% | 0 |
| Production company | 0% | 11 | 0% | 0 | 0% | 0 | 12% | 606 | 0% | 0 |
| Canadian distributor | 15% | 642 | 25% | 103 | 0% | 0 | 2% | 115 | 0% | 0 |
| Foreign | 72% | 3,045 | 0% | 0 | 0% | 0 | 23% | 1,168 | 0% | 0 |
| Canada Media Fund | 3% | 135 | 75% | 309 | 0% | 0 | 14% | 713 | 0% | 0 |
| Other public* | 4% | 150 | 0% | 0 | 0% | 0 | 21% | 1,100 | 0% | 0 |
| Other private** | 0% | 0 | 0% | 0 | 0% | 0 | 2% | 95 | 0% | 0 |
| Total | 100% | 4,232 | 100% | 412 | 0% | 0 | 100% | 5,120 | 0% | 0 |

Source: Telefilm Canada

*Other public includes NFB, Telefilm, provincial governments and other agencies.

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

Broadcaster Licence Fees

Broadcaster licence fees continued to be a major source of financing for Canadian documentaries, and they are required to trigger funds from the CMF. Based on CAVCO data, the share of total financing from broadcaster licence fees decreased 6% by 2009/10 for English-language documentary series. The share for French-language documentary TV series varied across the five years of data. On average, between French-language and English-language TV series, broadcaster licence fees contributed 35% to the total financing.

The percentage share of financing fluctuated for single-episode documentaries across the five years of data. Single-episode documentaries generated lower licence fee levels than did TV series, averaging 25% for English- and French-language productions in 2010/11. The CMF's licence fee thresholds, which are lower for single episodes than series, likely influenced the lower licence fee levels. With the exception of drama, all other genres saw their share of financing from licence fees increase by 2010/11.

Exhibit 3-24: Share of Total Financing from Broadcaster Licence Fees, Independent Production

| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
|---|---------|---------|---------|---------|---------|
| Magazine | 64% | 63% | 68% | 62% | 65% |
| Variety and performing arts | 55% | 53% | 54% | 50% | 57% |
| Long-form documentary—English-language TV series | 41% | 43% | 41% | 35% | 36% |
| Long-form documentary—French-language TV series | 36% | 34% | 35% | 30% | 34% |
| Long-form documentary—average | 35% | 37% | 36% | 29% | 32% |
| Children's | 29% | 29% | 31% | 22% | 26% |
| Long-form documentary—English-language single program | 28% | 32% | 29% | 22% | 26% |
| Long-form documentary—French-language single program | 22% | 24% | 22% | 20% | 24% |
| Fiction | 23% | 24% | 25% | 24% | 21% |

Source: CAVCO

With some fluctuations, by 2010/11 the total volume of production declined for TV series and single-episode documentary production to levels below those achieved in 2006/07. The total dollar amount of broadcaster licence fees for TV series dropped from a high in 2008/09 of \$126 million to a low of \$86 million by 2010/11, a dramatic decrease of 32%. For single-episode documentaries there was a steady decline in total licence fees, falling from a high of \$37 million in 2006/07 to a low of \$23 million by 2010/11. Across the five years, this represented a 38% decrease in total licence fees, and a 28% decline since 2008/09.

Exhibit 3-25: Share and Total Dollar Amount of Broadcast Licence Fees of Documentaries by Format

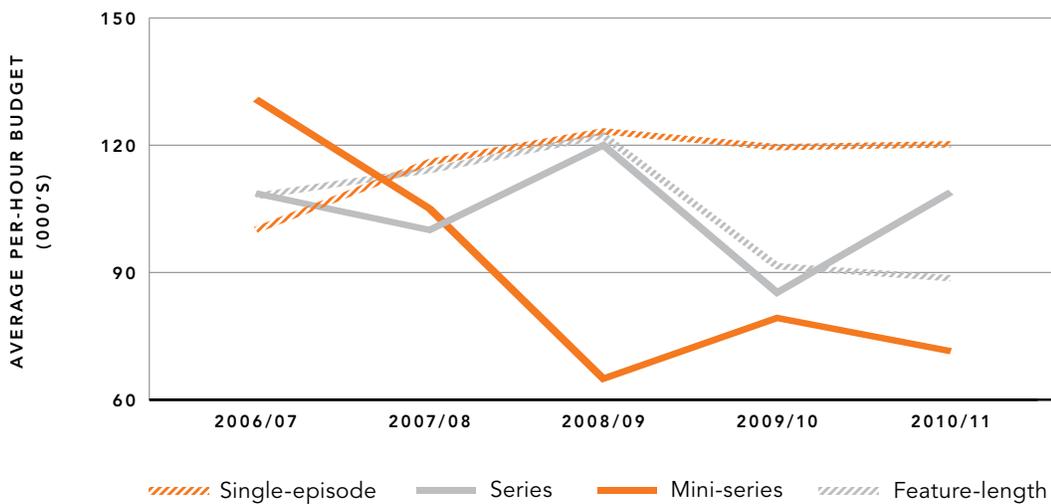
| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
|--|---------|---------|---------|---------|---------|
| Total Volume of Production (\$M) | | | | | |
| TV series | 248 | 290 | 315 | 250 | 245 |
| Single program | 127 | 123 | 121 | 129 | 90 |
| Licence Fee Shares (% of total financing) | | | | | |
| TV series | 40% | 41% | 40% | 34% | 35% |
| Single program | 29% | 28% | 27% | 23% | 25% |
| Dollar Amount of Licence Fees (\$M) | | | | | |
| TV series | 98 | 120 | 126 | 84 | 86 |
| Single program | 37 | 35 | 32 | 29 | 23 |

Source: CAVCO and CRTC

The median licence fees per hour are broken down by sub-genre below. They provide a useful indication of the level of licence fees that can be expected in each sub-genre. The range or distribution of licence fees illustrates the variances in each sub-genre.

Licence fees per-hour for English-language single-episode documentaries peaked slightly in 2008/09, but generally they were increasing since 2006/07. Documentary licence fees for series were at the same level in 2010/11 that they were in 2006/07, gaining and losing ground in between these years. For mini-series, the trend was distinctly downward in broadcaster licence fees per hour, dropping from \$130,000 in 2006/07 to \$71,000 by 2010/11. The feature experienced an upward trajectory in licence fees until 2008/09; after that, however, it declined significantly.

Exhibit 3-26: Documentary Median Licence Fees per hour by Format, English-language (\$000s)



Source: CAVCO

Trends in Broadcaster Licence Fees— English-language Documentaries

Over the last three years of data, there has been a clear downward shift in licence fees for documentary mini-series. By 2010/11, 63% of per-hour licence fees were under \$100,000, a decline that commenced in 2008/09.

Exhibit 3-27: Distribution of Mini-series Documentary Licence Fees, English-language (per hour)

| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
|------------------------|-------------|-------------|-------------|-------------|-------------|
| Over \$300,000 | 7% | 0% | 13% | 0% | 0% |
| \$200,000 to \$299,999 | 21% | 0% | 13% | 10% | 13% |
| \$150,000 to \$199,999 | 14% | 11% | 0% | 10% | 0% |
| \$100,000 to \$149,999 | 36% | 67% | 13% | 10% | 25% |
| \$50,000 to \$99,999 | 21% | 0% | 25% | 30% | 38% |
| Under \$50,000 | 0% | 22% | 38% | 40% | 25% |
| Total | 100% | 100% | 100% | 100% | 100% |

Source: CAVCO

For single-episode documentaries, licence fees per hour were relatively consistent across the last five years, though some fluctuation occurred in the middle ranges. In 2008/09, 63% of licence fees were below \$150,000 per hour. By 2010/11, however, that percentage had increased to 66% of licence fees being below \$150,000 per hour.

Exhibit 3-28: Distribution of Single-episode Documentary Licence Fees, English-language (per hour)

| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
|------------------------|-------------|-------------|-------------|-------------|-------------|
| Over \$300,000 | 6% | 4% | 3% | 4% | 5% |
| \$200,000 to \$299,999 | 11% | 11% | 10% | 10% | 12% |
| \$150,000 to \$199,999 | 9% | 21% | 23% | 15% | 17% |
| \$100,000 to \$149,999 | 24% | 27% | 30% | 31% | 30% |
| \$50,000 to \$99,999 | 30% | 25% | 21% | 28% | 22% |
| Under \$50,000 | 20% | 13% | 12% | 12% | 14% |
| Total | 100% | 100% | 100% | 100% | 100% |

Source: CAVCO

Licence fees for documentary series, while varying across the five years of data, were trending lower at the higher end of the scale by 2010/11 in comparison to 2008/09. Higher-level licence fees peaked in 2008/09 when 40% of licence fees were over \$150,000 per hour. There continued to be a full range of licence fees being paid for documentary series in 2010/11, but by this time 66% of per-hour licence fees were below \$150,000 per hour.

Exhibit 3-29: Distribution of Series Documentary Licence Fees, English-language (per hour)

| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
|------------------------|-------------|-------------|-------------|-------------|-------------|
| Over \$300,000 | 6% | 4% | 6% | 5% | 5% |
| \$200,000 to \$299,999 | 9% | 9% | 13% | 8% | 12% |
| \$150,000 to \$199,999 | 8% | 16% | 21% | 17% | 16% |
| \$100,000 to \$149,999 | 29% | 24% | 20% | 18% | 26% |
| \$50,000 to \$99,999 | 23% | 16% | 17% | 23% | 14% |
| Under \$50,000 | 25% | 31% | 23% | 30% | 26% |
| Total | 100% | 100% | 100% | 100% | 100% |

Source: CAVCO

Feature documentary licence fees decreased significantly over the past five years. While in 2006/07 there was a full range of per-hour licence fees being paid for English-language feature documentaries, by 2010/11 84% of per-hour licence fees were under \$150,000 per hour.

Exhibit 3-30: Distribution of Feature Documentary Licence Fees, English-language (per hour)

| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
|------------------------|-------------|-------------|-------------|-------------|-------------|
| Over \$300,000 | 3% | 7% | 14% | 0% | 0% |
| \$200,000 to \$299,999 | 7% | 4% | 5% | 11% | 0% |
| \$150,000 to \$199,999 | 20% | 19% | 14% | 16% | 17% |
| \$100,000 to \$149,999 | 23% | 37% | 33% | 21% | 17% |
| \$50,000 to \$99,999 | 27% | 26% | 19% | 42% | 50% |
| Under \$50,000 | 20% | 7% | 14% | 11% | 17% |
| Total | 100% | 100% | 100% | 100% | 100% |

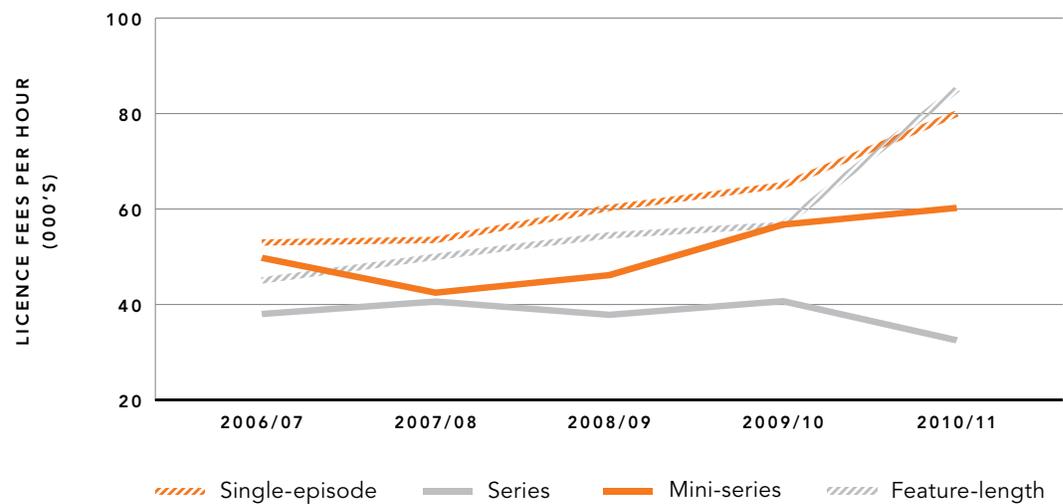
Source: CAVCO

Note: 2010/11 data may be based on a very small number of feature-length projects that CAVCO was unable to quantify in previous charts due to confidentiality concerns.

Trends in Broadcaster Licence Fees— French-language Documentaries

Median per-hour licence fees for French-language documentaries increased for all sub-genres except documentary series. In 2010/11, documentary series per-hour licence fees dropped to \$32,500 per hour, their lowest level in five years.

Exhibit 3-31: Documentary Median Licence Fees per hour by Format, French-language (\$000s)



Source: CAVCO

Licence fees for documentary mini-series increased on average over the past five years, but the range of licence fees being paid narrowed. Fully 80% of per-hour licence fees for mini-series were in the range of \$50,000-99,000 per hour, while the remaining 20% were in the \$150,000-199,999 range. Overall, there were more projects being licensed at a higher level than previously, and less at the lowest level of the licence fee range.

Exhibit 3-32: Distribution of Mini-series Documentary Licence Fees, French-language (per hour)

| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
|------------------------|-------------|-------------|-------------|-------------|-------------|
| Over \$300,000 | 0% | 0% | 0% | 0% | 0% |
| \$200,000 to \$299,999 | 14% | 0% | 0% | 0% | 0% |
| \$150,000 to \$199,999 | 0% | 0% | 0% | 0% | 20% |
| \$100,000 to \$149,999 | 29% | 0% | 40% | 38% | 0% |
| \$50,000 to \$99,999 | 57% | 80% | 40% | 50% | 80% |
| Under \$50,000 | 0% | 20% | 20% | 13% | 0% |
| Total | 100% | 100% | 100% | 100% | 100% |

Source: CAVCO

Single-episode documentary licence fees also increased on average over the past five years. By 2010/11, 66% of per-hour licence fees were in the \$50,000-99,999 range. There was an increase in the percentages of licence fees being paid per hour in the higher levels, and a significant reduction in the number of single-episode documentary productions being licensed at the lowest level.

Exhibit 3-33: Distribution of Single-episode Documentary Licence Fees, French-language (per hour)

| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
|------------------------|-------------|-------------|-------------|-------------|-------------|
| Over \$300,000 | 0% | 1% | 0% | 0% | 0% |
| \$200,000 to \$299,999 | 0% | 1% | 0% | 2% | 2% |
| \$150,000 to \$199,999 | 0% | 3% | 1% | 2% | 5% |
| \$100,000 to \$149,999 | 9% | 10% | 7% | 3% | 9% |
| \$50,000 to \$99,999 | 46% | 40% | 59% | 58% | 66% |
| Under \$50,000 | 46% | 44% | 32% | 35% | 18% |
| Total | 100% | 100% | 100% | 100% | 100% |

Source: CAVCO

The distribution of per-hour licence fees for documentary series varied across the five years, but was predominantly at the lowest end of the scale; 71% of per-hour licence fees were under \$50,000 per hour in 2010/11. Yet 4% of licence fees were at the highest mark in 2010/11, and another 4% were in the \$100,000-149,999 range, which represented an increase over 2009/10.

Exhibit 3-34: Distribution of Series Documentary Licence Fees, French-language (per hour)

| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
|------------------------|-------------|-------------|-------------|-------------|-------------|
| Over \$300,000 | 0% | 0% | 3% | 0% | 4% |
| \$200,000 to \$299,999 | 0% | 0% | 0% | 0% | 0% |
| \$150,000 to \$199,999 | 0% | 0% | 2% | 2% | 0% |
| \$100,000 to \$149,999 | 0% | 6% | 3% | 0% | 4% |
| \$50,000 to \$99,999 | 26% | 24% | 18% | 21% | 20% |
| Under \$50,000 | 74% | 70% | 74% | 77% | 71% |
| Total | 100% | 100% | 100% | 100% | 100% |

Source: CAVCO

For French-language feature documentaries, per-hour licence fee percentages declined in the lowest range (under \$50,000), but they experienced a marked increase of 19% in the percentage of features being licensed in the \$100,000-149,999 range.

Exhibit 3-35: Distribution of Feature Documentary Licence Fees, French-language (per hour)

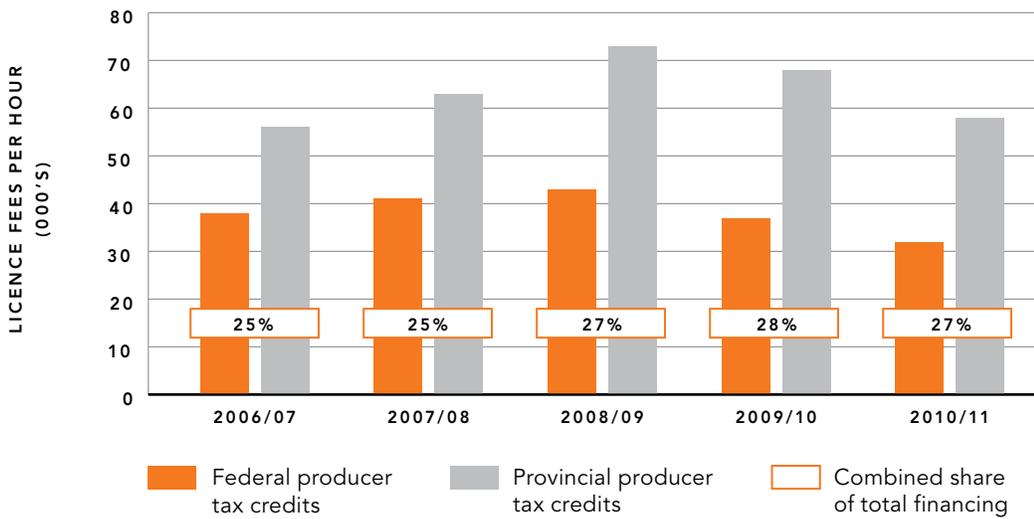
| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
|------------------------|-------------|-------------|-------------|-------------|-------------|
| Over \$300,000 | 0% | 4% | 0% | 0% | 0% |
| \$200,000 to \$299,999 | 0% | 0% | 4% | 0% | 0% |
| \$150,000 to \$199,999 | 0% | 0% | 0% | 5% | 0% |
| \$100,000 to \$149,999 | 11% | 9% | 7% | 0% | 19% |
| \$50,000 to \$99,999 | 33% | 48% | 44% | 55% | 69% |
| Under \$50,000 | 56% | 39% | 44% | 41% | 13% |
| Total | 100% | 100% | 100% | 100% | 100% |

Source: CAVCO

Producer Tax Credits

Canadian federal and provincial tax credits are offered by respective governments to encourage the production of film and television programming. As total documentary production volume declined, so too did the total dollar amount of producer tax credits, decreasing by \$15 million over the past three years of data. Yet the percentage contribution of producer tax credits to the financing structures of Canadian documentaries remained relatively unchanged at approximately 27%.

Exhibit 3-36: Total Contributions of Producer Tax Credits (\$M)



Source: CAVCO

Direct Public Funding

Public funding may come in the form of grants, loans, equity investment and other contributions from public-sector sources. Major sources of direct public funding for Canadian documentaries include the National Film Board (NFB), the Canada Media Fund (CMF), Telefilm Canada, as well as equity from public broadcasters and provincial government agencies. The category outlined below of direct public funding incorporates only that portion of the CMF that is contributed by the federal government. It also does not include privately funded independent production funds.

By 2010/11, direct public funding had decreased to its lowest level since 2006/07. Since 2006/07, the NFB's funding to Canadian documentaries has averaged \$13.3 million. CMF funding for documentaries had been increasing year-to-year, but dropped in 2010/11. This is similar to the overall trajectory of CMF funding to television production, though, which had been growing to 2009/10, but decreased in 2010/11 due to the creation and allocation of funding to the Experimental Fund.

Exhibit 3-37: Direct Public Funding for Long-form Documentaries (\$M)

| | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
|---------------------------------------|---------|---------|---------|---------|---------|
| NFB (in-house and co-production) | 11.9 | 15.7 | 14.1 | 11.7 | 13.0 |
| Other direct public funding* | 5.0 | 13.3 | 10.4 | 13.6 | 6.0 |
| Total direct public funding | 16.9 | 29.0 | 24.5 | 25.3 | 19.0 |
| CTF/CMF** | 28.4 | 29.4 | 32.8 | 36.7 | 33.9 |
| Total direct public funding + CTF/CMF | 45.2 | 58.3 | 57.3 | 62.0 | 52.9 |

Source: CAVCO, NFB and CMF

*Includes public broadcaster equity, and other contributions from government sources as follows, but excludes tax credits. Includes provincial government equity and direct funding, Conseil des arts et des lettres du Québec, Canada Council for the Arts, local governments and arts councils, CIFVF, Theatrical Documentary Fund, other types of Telefilm Canada assistance (e.g., versioning), sponsorships from government and Crown corporations (e.g., CIDA, galleries), Job Start/Future Skills, Northern Ontario Heritage Fund, Universities and colleges.

**Estimate of public-funding share of CMF/CTF revenues; excludes funding share attributable to revenues from cable/satellite companies.

Sources Of Direct Public Funding

THE CANADA MEDIA FUND (CMF)

The CMF is funded by an annual allocation from the federal government through the Department of Canadian Heritage and mandatory contributions from Canadian cable and satellite delivery companies. In 2010, the Canadian Television Fund became the Canada Media Fund. This reconfiguration resulted in a new directive, one requiring the inclusion of digital media components in all projects funded by the CMF. This new requirement has caused some difficulties for independent producers. The additional costs involved to produce digital media content demand that more financing be raised. CMF funding does not cover all of these additional expenses, and broadcasters are reluctant to underwrite digital media costs. Overall, then, this requirement puts added pressure on documentary producers, especially for single-episode documentaries in which budgets are already tight. While digital media provides both an enhanced experience for documentary viewers and an alternative delivery vehicle for reaching audiences, a successful revenue model to recover the costs has yet to be developed. Given those related costs, some producers question the relevance of a digital media strategy for a one-off program.

As the single largest contributor of financing to documentaries in Canada, the CMF provided almost \$56 million in funding in 2010/11. The CMF finances television production predominantly through broadcaster-controlled performance envelopes, as well as smaller selective programs. This financing includes English- and French-language regional production incentives, as well as the English-language POV fund. The POV fund has been in place for the past few years and is designed to support the growth of English-language point-of-view (POV) single-episode documentaries. At \$3.5 million per year, the English-language POV fund is relatively small. It has faced some difficulties in reaching its policy objectives as a selective fund, including the inability to commit all its funding in some years. In 2010/11, the CMF funded seven projects for a total of \$1 million.

Overall, CMF funding increased in 2010/11 from what it had been in 2009/10, but the amount going to television declined because of the creation and funding of the new Experimental stream.

Exhibit 3-38: CMF/CTF-supported Documentary Production

| | 01/02 | 02/03 | 03/04 | 04/05 | 05/06 | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 |
|-----------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| CTF/CMF Funding (\$M) | 55.7 | 50 | 44.6 | 46.5 | 48.3 | 51.6 | 53.4 | 54.6 | 61.1 | 55.6 |

Source: CMF

Over the past five years, CMF funding of the documentary genre has decreased as a percentage of total CMF funding for all genres, from a high of 22% in 2007/08 to 19.7% in 2010/11. The total hours of documentary production, both single-episode and series-based, funded by the CMF dropped 13%, losing more than 106 hours in 2010/11 in comparison to 2009/10. Once again, this drop reflects broadcasters triggering fewer hours of documentary production through their envelopes, while generally still spending their allotted funds in the documentary genre.

Exhibit 3-39: Documentary Share of CMF/CTF Funding

| IN \$ MILLIONS | 06-07 | 07-08 | 08-09 | 09-10 | 10-11 |
|-------------------|--------|--------|--------|-------|-------|
| Documentary | 51.6 | 53.4 | 54.6 | 61.1 | 55.6 |
| All genres | 251.8 | 242.2 | 275.2 | 307.0 | 282.1 |
| Documentary share | 20.50% | 22.00% | 19.80% | 19.9% | 19.7% |

Source: CMF

Exhibit 3-40: Hours of CMF/CTF-supported Production

| IN HOURS | 06-07 | 07-08 | 08-09 | 09-10 | 10-11 |
|-------------------|---------|---------|---------|--------|--------|
| Documentary | 799.2 | 805.1 | 760.8 | 821.3 | 715 |
| All genres | 2,298.3 | 2,167.7 | 2,210.4 | 2422.1 | 2491.1 |
| Documentary share | 35% | 37% | 34% | 34% | 29% |

Source: CMF

CMF funding in terms of both dollars and hours decreased in 2010/11, but the CMF's share of funding for total production budgets increased 32% by 2010/11. Broadcasters were licensing fewer total hours of documentaries while also increasing the amount that they were funding per project from their CMF envelopes.

Exhibit 3-41: CMF/CTF Share of Documentary Funding

| IN \$ MILLIONS | 06-07 | 07-08 | 08-09 | 09-10 | 10-11 |
|---------------------------|--------|--------|--------|--------|--------|
| CMF funding | 51.6 | 53.4 | 54.6 | 61.1 | 55.6 |
| Other financing | 126.5 | 121.9 | 135.4 | 137.81 | 117.77 |
| Total budgets | 178.1 | 175.3 | 190 | 199 | 173 |
| CMF share of total budget | 29.00% | 30.50% | 28.70% | 31% | 32% |

Source: CMF

Across the five years of data, the drop in total hours was noticeable in all sub-genres; however, the percentages applicable to each sub-genre remained relatively consistent over time. Documentary series remained the dominant sub-genre, averaging 67% of total hours of documentary production supported by the CMF.

Exhibit 3-42: Types of CMF/CTF-supported Documentary Production (French- and English-language Only)

| | 06-07 | 07-08 | 08-09 | 09-10 | 10-11 |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|
| Hours of Production | | | | | |
| One-off | 157.1 | 134.8 | 139 | 122 | 115 |
| Feature | 48.1 | 35.3 | 39.8 | 54.8 | 37.5 |
| Series | 532.5 | 563 | 484 | 527 | 443 |
| Mini-series | 61.5 | 70.5 | 98 | 75.5 | 65 |
| Total | 799.2 | 803.6 | 760.8 | 779.3 | 660.5 |
| Share of Total Hours | | | | | |
| One-off | 20% | 17% | 18% | 16% | 17% |
| Feature | 6% | 4% | 5% | 7% | 6% |
| Series | 67% | 70% | 64% | 68% | 67% |
| Mini-series | 8% | 9% | 13% | 10% | 10% |
| Total | 100% | 100% | 100% | 100% | 100% |

Source: CMF

Note: totals in the table do not match overall genre totals as they do not include Aboriginal-language production.

From a regional perspective, in 2010/11 the largest portion of CMF documentary funding was triggered in Montreal, comprising both English- and French-language documentary production. Toronto was the second-highest region at 22%, while the West and Territories were combined at 21%. All of these regional groupings experienced declines in 2010/11 in comparison to the previous year, with the exception of Montreal, which saw its share increase significantly. Toronto experienced the largest volume decline in CMF documentary funding of almost \$7 million in 2010/11. The English Production Incentive Program may have had an impact on the shift between the major regions, with BC and Montreal being major beneficiaries in the last two years of data.

Exhibit 3-43: CMF/CTF Funding for Documentary Production, by Region

| | 02/03 | 03/04 | 04/05 | 05/06 | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| CMF Funding (\$M) | | | | | | | | | |
| Toronto | 13.2 | 14.6 | 12.2 | 12.8 | 12.8 | 12.8 | 16.3 | 18.6 | 11.7 |
| Montreal | 14.8 | 12.2 | 16.4 | 18.9 | 18 | 18.6 | 18.1 | 19.0 | 20.8 |
| Ontario (excl. Toronto) | 1.8 | 0.5 | 1.8 | 1.1 | 1.7 | 1.1 | 3.1 | 1.2 | 1.9 |
| Quebec (excl. Montreal) | 4.1 | 1.8 | 1.9 | 3.5 | 1.9 | 3.1 | 2.7 | 2.4 | 2.9 |
| West & Territories | 10.3 | 9.7 | 8.8 | 7.9 | 13.1 | 12.3 | 11.1 | 14.2 | 11.2 |
| Atlantic Canada | 4.1 | 4 | 4 | 2.2 | 2.7 | 3.2 | 3.3 | 3.2 | 3.2 |
| Total | 48.3 | 42.8 | 45.1 | 46.4 | 50.2 | 51.1 | 54.5 | 58.6 | 52.7 |
| Share of Total Funding | | | | | | | | | |
| Toronto | 27% | 34% | 27% | 28% | 25% | 25% | 30% | 32% | 22% |
| Montreal | 31% | 29% | 36% | 41% | 36% | 36% | 33% | 32% | 40% |
| Ontario (excl. Toronto) | 4% | 1% | 4% | 2% | 3% | 2% | 6% | 2% | 4% |
| Quebec (excl. Montreal) | 8% | 4% | 4% | 8% | 4% | 6% | 5% | 4% | 5% |
| West & Territories | 21% | 23% | 20% | 17% | 26% | 24% | 20% | 24% | 21% |
| Atlantic Canada | 8% | 9% | 9% | 5% | 5% | 6% | 6% | 5% | 6% |
| Total | 100% |

Source: CMF

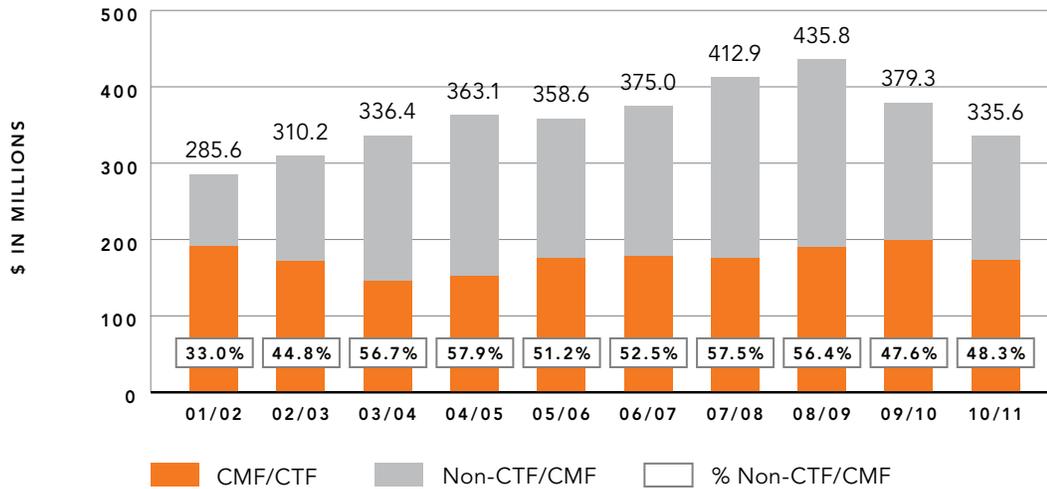
Note: totals in the table do not match overall genre totals as they do not include Aboriginal-language production.

VOLUME OF NON-CTF/CMF PRODUCTION

A significant volume of documentary production is produced without CMF funding. While these sources were outpacing CMF production levels in previous years, by 2009/10 the trend was reversing. Many of these other sources of documentary-production funding, however, may be for factual entertainment programming, and therefore not documentary programs that would be eligible for CMF funding or qualify as documentaries under the revised CRTC definitions now in effect.

Additionally, these numbers may reflect the loss of the Canadian Independent Film & Video Fund (CIFVF), which lost its federal funding in 2009. The CIFVF provided critical funding to educational and non-theatrical documentaries, as well as other documentary projects not requiring a broadcast window.

Exhibit 3-44: Long-form Documentary Television Production in the Non-CMF/CTF Segment



Source: CMF

THE NATIONAL FILM BOARD (NFB)

The National Film Board is funded directly by the federal government as an agency, and it is a producer of documentaries in Canada. In 2011, the NFB's budget was approximately \$75 million. The NFB creates interactive works, social-issue documentaries, auteur animation and alternative dramas. Overall, the NFB invested almost \$21 million in these types of production in 2010/11, and acted as either a co-producer with independent producers or undertook productions in-house. The total NFB's production budget declined since 2007/08, but rebounded slightly in 2010/11. The following charts provide an overview of overall NFB production activities.

Exhibit 3-45: Number and Volume of NFB Projects

| BY TYPE | 2006/07 | | 2007/08 | | 2008/09 | | 2009/10 | | 2010/11 | |
|--------------------|-----------|-------------|-----------|-------------|-----------|-------------|-----------|-------------|-----------|-------------|
| | # PROJ | \$(M) |
| Traditional linear | 96 | 22.5 | 91 | 32.3 | 56 | 23.3 | 57 | 19.1 | 58 | 16.4 |
| Interactive | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 14 | 0.7 | 18 | 4.2 |
| Total | 96 | 22.5 | 91 | 32.3 | 56 | 23.3 | 71 | 19.8 | 76 | 20.6 |

| BY TYPE | 2006/07 | | 2007/08 | | 2008/09 | | 2009/10 | | 2010/11 | |
|------------------------------|-----------|-------------|-----------|-------------|-----------|-------------|-----------|-------------|-----------|-------------|
| | # PROJ | \$(M) |
| Short (<30 minutes) | 49 | 4.4 | 41 | 3.3 | 12 | 1.1 | 40 | 3.6 | 51 | 9.7 |
| 30 to 77 minutes | 36 | 12.2 | 33 | 17.5 | 29 | 11.2 | 21 | 7.6 | 6 | 2.3 |
| Feature-length (78+ minutes) | 11 | 5.9 | 17 | 11.6 | 15 | 11.0 | 10 | 8.5 | 19 | 8.7 |
| Total | 96 | 22.5 | 91 | 32.3 | 56 | 23.3 | 71 | 19.8 | 76 | 20.6 |

Source: NFB

Exhibit 3-46: Average Budgets of NFB-supported Production (\$000s)

| BY TYPE | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
|--------------------|------------|------------|------------|------------|------------|
| Traditional linear | 235 | 355 | 416 | 334 | 283 |
| Interactive | 0 | 0 | 0 | 49 | 234 |
| Total | 235 | 355 | 416 | 278 | 272 |

| BY FORMAT | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
|------------------------------|------------|------------|------------|------------|------------|
| Short (<30 minutes) | 90 | 80 | 92 | 91 | 189 |
| 30 to 77 minutes | 339 | 530 | 386 | 363 | 379 |
| Feature-length (78+ minutes) | 536 | 680 | 733 | 849 | 458 |
| Total | 235 | 356 | 416 | 278 | 272 |

Source: NFB

Exhibit 3-47: Average NFB Funding Contribution (Share of Total Volume)

| BY TYPE | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
|--------------------|------------|------------|------------|------------|------------|
| Traditional linear | 53% | 48% | 61% | 58% | 57% |
| Interactive | | | | 100% | 87% |
| Total | 53% | 48% | 61% | 59% | 63% |

| BY FORMAT | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
|------------------------------|------------|------------|------------|------------|------------|
| Short (<30 minutes) | 41% | 64% | 98% | 92% | 81% |
| 30 to 77 minutes | 58% | 44% | 65% | 61% | 66% |
| Feature-length (78+ minutes) | 50% | 51% | 52% | 44% | 42% |
| Total | 53% | 48% | 61% | 59% | 63% |

Source: NFB

DOCUMENTARY SHARE OF NFB FUNDING

Much of the NFB's involvement in documentary production occurs in traditional projects destined for either film or video distribution. In recent years, however, the NFB has become more active in producing interactive digital media projects.

Exhibit 3-48: NFB Documentary Funding Volume (\$M)

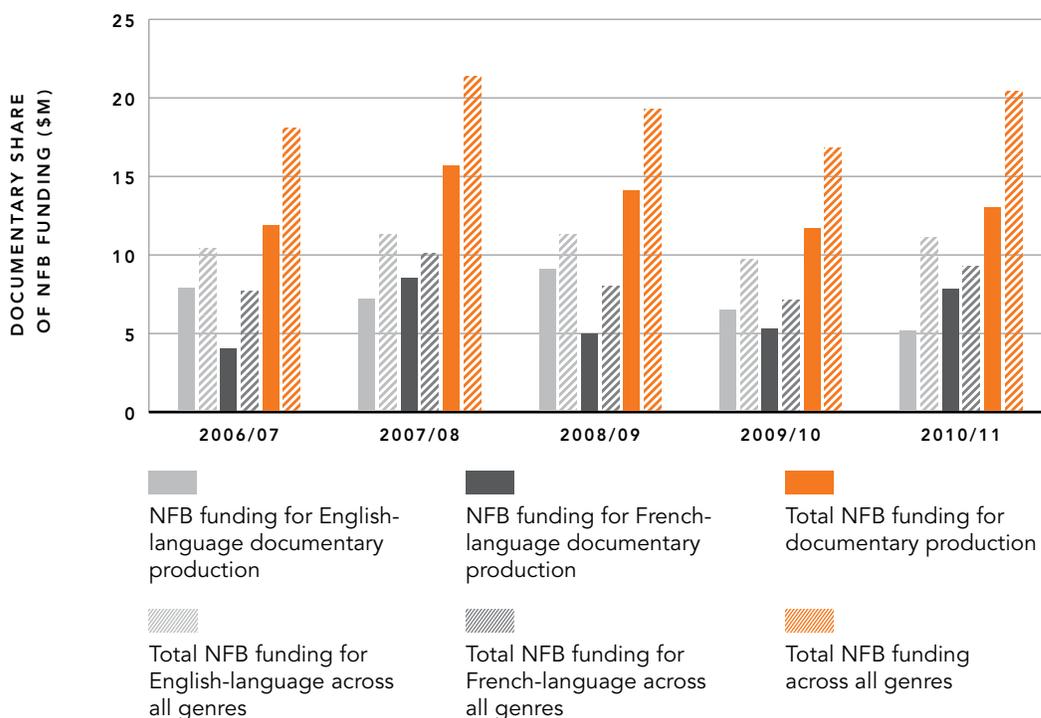
| BY TYPE | 02/03 | 03/04 | 04/05 | 05/06 | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 |
|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Traditional linear | 14.1 | 21.2 | 18.0 | 16.1 | 11.9 | 15.7 | 14.1 | 11.0 | 9.3 |
| Interactive | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.7 | 3.7 |
| Total | 14.1 | 21.2 | 18.0 | 16.1 | 11.9 | 15.7 | 14.1 | 11.7 | 13.0 |

| BY FORMAT | 02/03 | 03/04 | 04/05 | 05/06 | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 |
|------------------------------|------------|------------|------------|------------|-------------|-------------|-------------|-------------|-------------|
| Short (<30 minutes) | n/a | n/a | n/a | n/a | 1.8 | 2.1 | 1.1 | 3.4 | 7.9 |
| 30 to 77 minutes | n/a | n/a | n/a | n/a | 7.1 | 7.7 | 7.3 | 4.6 | 1.5 |
| Feature-length (78+ minutes) | n/a | n/a | n/a | n/a | 3.0 | 5.9 | 5.7 | 3.7 | 3.6 |
| Total | n/a | n/a | n/a | n/a | 11.9 | 15.7 | 14.1 | 11.7 | 13.0 |

Source: NFB

In terms of the NFB's documentary production share, since 2008/09 English-language documentary volume had declined to a low of \$5.2 million, or a 47% share by 2010/11. In the French-language market, the NFB budget of documentaries increased over the past three years to \$7.8 million, or 84% of total NFB French-language production.

Exhibit 3-49: Documentary Share of NFB Funding (\$M)



The NFB also acts as a distributor of documentary productions to various markets, but the volume of documentary distribution has been declining since 2005/06.

Exhibit 3-50: Total Volume of NFB-distributed Documentary Production (\$M)

| BY MARKET | 01/02 | 02/03 | 03/04 | 04/05 | 05/06 | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 |
|-------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Broadcast | 1.3 | 1.0 | 2.0 | 1.4 | 1.8 | 1.2 | 1.2 | 1.3 | 0.9 | 0.5 |
| Home video | 0.6 | 0.6 | 0.6 | 0.7 | 1.0 | 0.9 | 0.9 | 0.8 | 0.7 | 0.6 |
| Non-theatrical | 1.4 | 1.5 | 1.4 | 1.7 | 2.4 | 2.3 | 2.0 | 1.8 | 1.5 | 1.2 |
| Theatrical | 0.1 | 0.0 | 0.0 | 0.1 | 0.2 | 0.0 | 0.1 | 0.1 | 0.1 | 0.0 |
| Total | 3.4 | 3.1 | 4.0 | 4.0 | 5.6 | 4.4 | 4.2 | 4.1 | 3.2 | 2.3 |
| BY FORMAT | 01/02 | 02/03 | 03/04 | 04/05 | 05/06 | 06/07 | 07/08 | 08/09 | 09/10 | 10/11 |
| Single-episode TV | n/a | n/a | n/a | n/a | 1.5 | 0.9 | 0.7 | 0.7 | 0.4 | 0.4 |
| Feature film* | n/a | n/a | n/a | n/a | 1.7 | 1.3 | 1.6 | 1.7 | 1.5 | 0.8 |
| Short film** | n/a | n/a | n/a | n/a | 2.4 | 2.2 | 1.9 | 1.6 | 1.2 | 1.0 |
| Total | 3.4 | 3.1 | 4.0 | 4.0 | 5.6 | 4.4 | 4.2 | 4.1 | 3.2 | 2.3 |

Source: NFB

*All titles 78+ min. on all release windows, including TV.

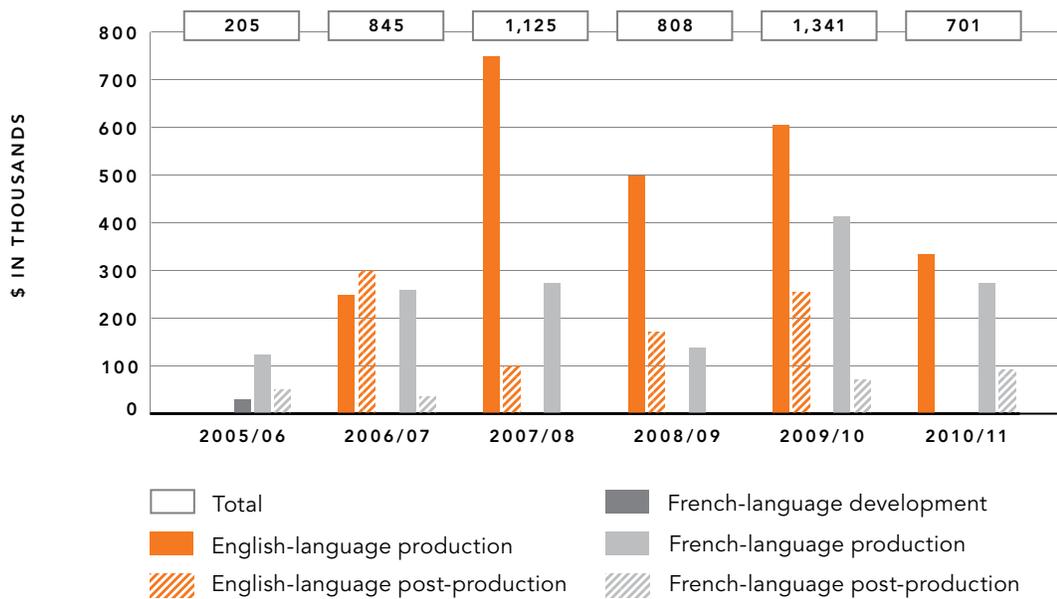
**All titles <78 min. on all release windows except TV.

TELEFILM CANADA

Telefilm Canada is a crown corporation that provides a variety of funding programs for the Canadian production industry. Telefilm finances documentary features through its Theatrical Documentary Fund, which is partially underwritten by the Rogers Group of Funds. However, the amount of funding available through this program is small, often less than \$1 million per year. Also, there is no development funding available for documentary features in this fund.

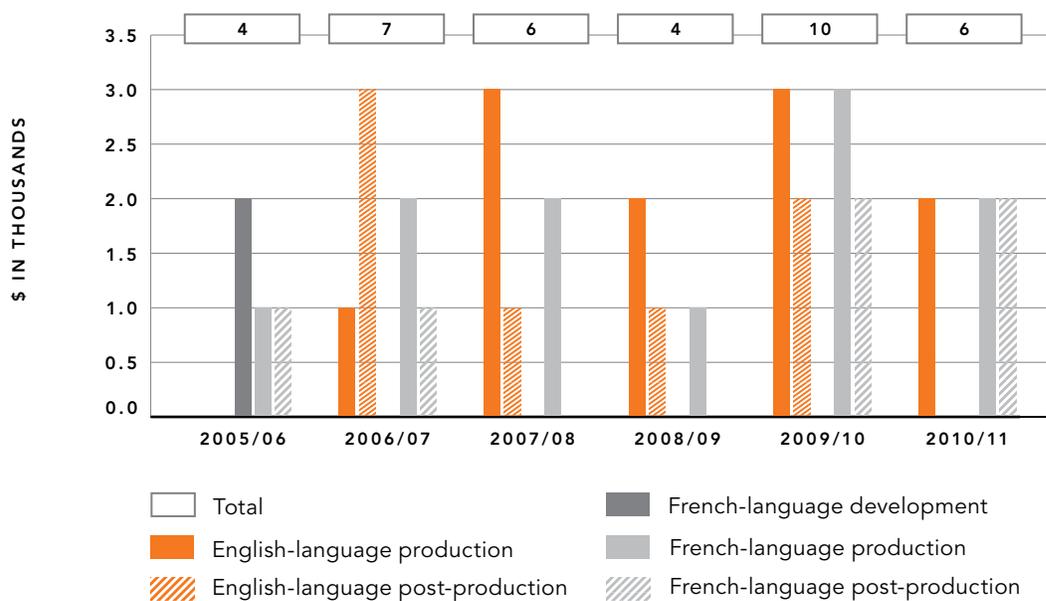
Funding through this program fluctuated across the six years of data, representing financing contributions to only a handful of films per year in both the English- and French-language markets. Only two documentary feature productions were funded through this program in 2010/11. Funding contributions also shrank together with average budgets in 2010/11.

Exhibit 3-51: Telefilm Theatrical Documentary Fund, Funding Volume by Language and Type



Source: Telefilm

Exhibit 3-52: Telefilm Theatrical Documentary Fund, Total Projects by Language and Type



Source: Telefilm

Exhibit 3-53: Telefilm Theatrical Documentary Fund, Total Production Volume by Average Contribution, Average Budget

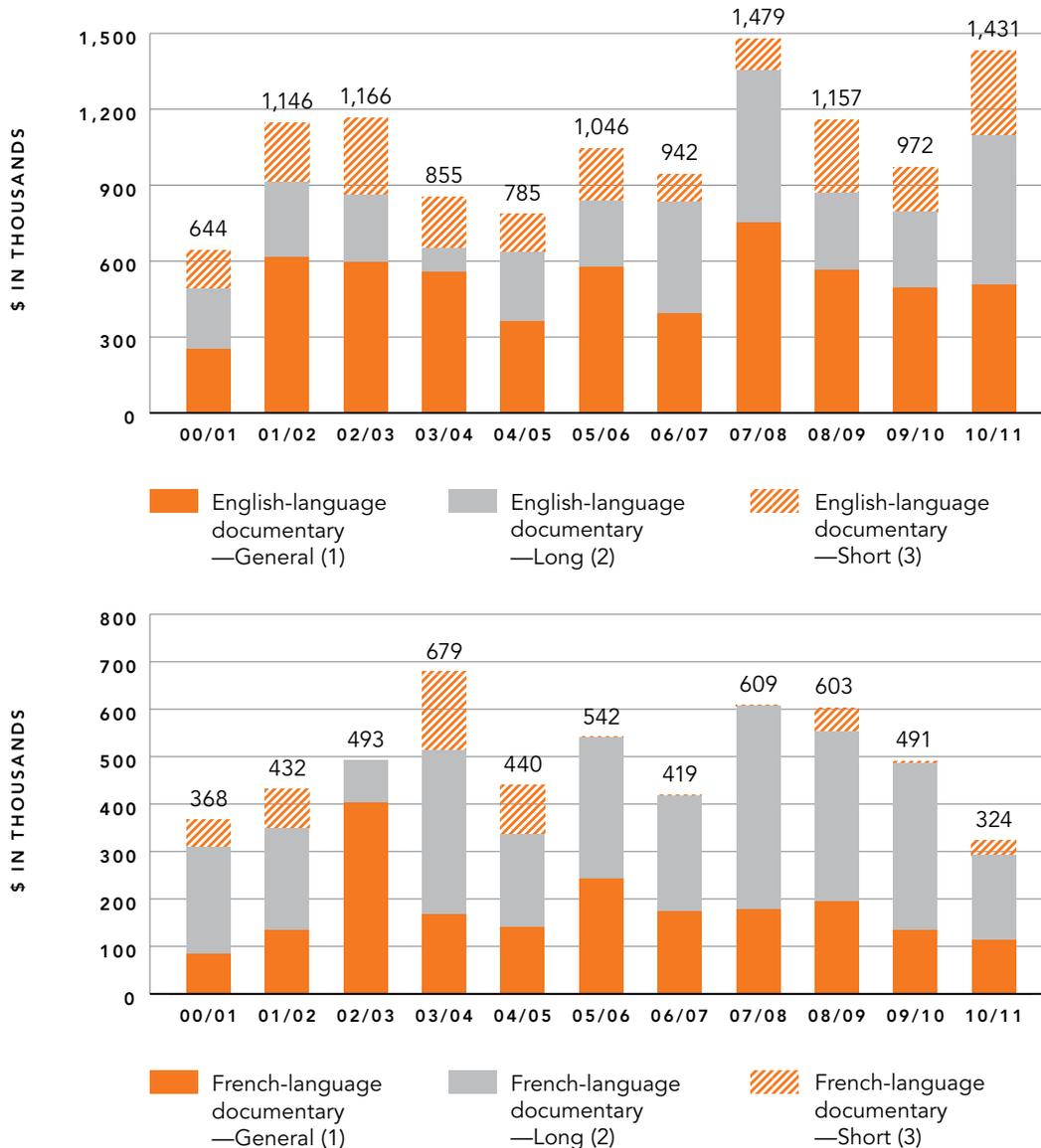
| \$ IN THOUSANDS | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 |
|----------------------|---------|---------|---------|---------|---------|
| Production volume | 5,766.7 | 6,560.7 | 3,783.0 | 7,846.9 | 3,995.0 |
| Average contribution | 170.0 | 205.0 | 212.5 | 169.6 | 152.5 |
| Average budget | 1,922.2 | 1,093.4 | 1,261.0 | 1,307.8 | 665.8 |

Source: Telefilm

THE CANADA COUNCIL FOR THE ARTS (CCA)

The Canada Council for the Arts is a federal crown corporation created in 1957 as an arm's-length arts funding agency. In 2011, it provided grants, prizes and endowments of more than \$154 million to artists and arts organizations, and more than \$1.75 million to documentary production in Canada.

Exhibit 3-54: Canada Council for the Arts, Documentary Funding Volume by Type, Format and Language (\$)



(1) Documentary General—Documentaries of length from 21-60 minutes. Also includes other forms of documentaries such as database documentaries* that are of undetermined length.

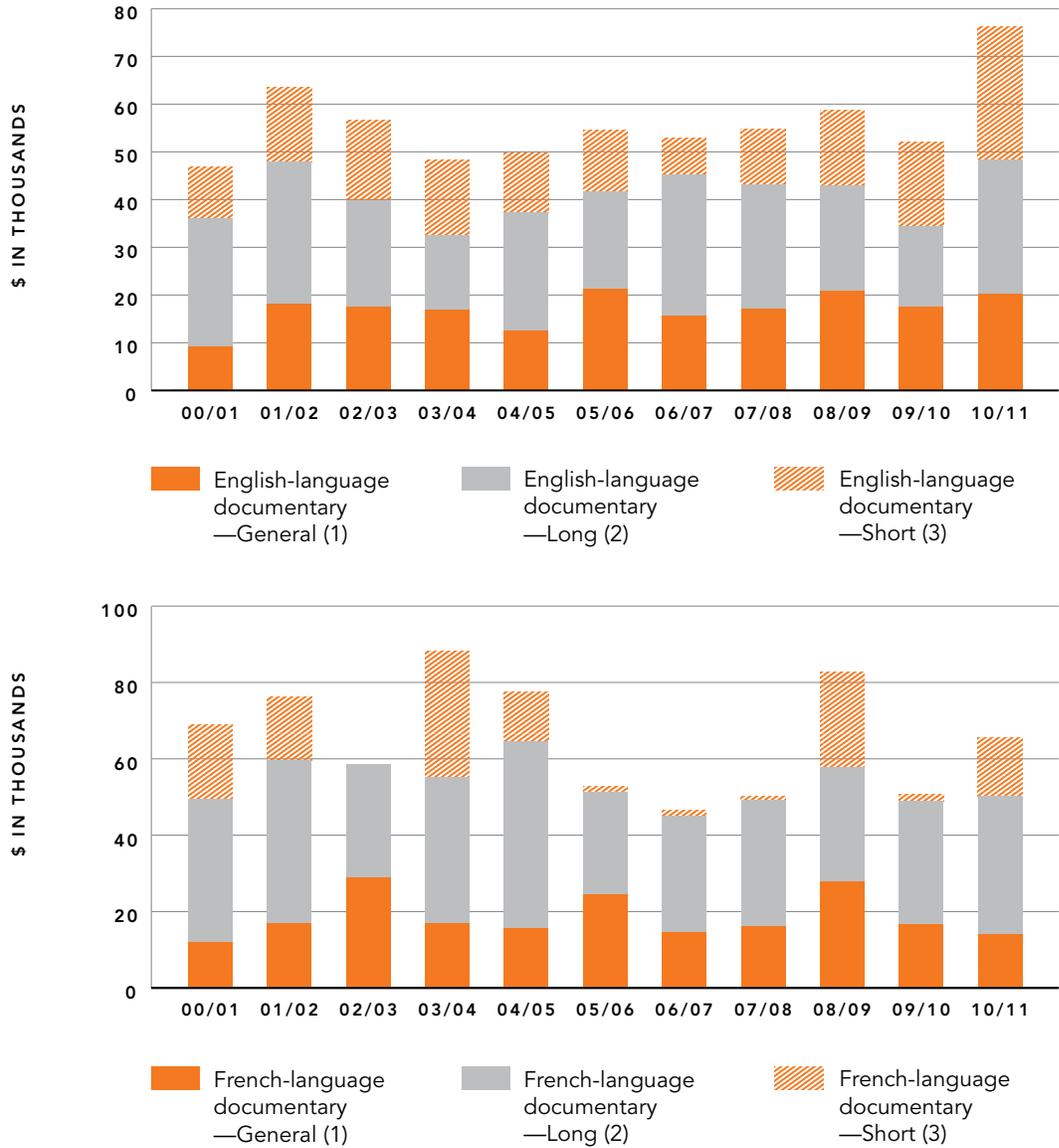
(2) Documentary Long—Documentaries longer than 60 minutes.

(3) Documentary Short—Documentaries of 20 minutes or less.

*A database documentary is a non-linear archival documentary that allows users to browse through documents, images and videos.

While not a primary source of funding for documentaries, on average CCA provided up to \$36,000 per project for documentaries in 2010/11.

Exhibit 3-55: Canada Council for the Arts Average Contribution to Documentary Projects, by Type (\$)



(1) Documentary General—Documentaries from 21-60 minutes. Also includes other forms of documentaries such as database documentaries* that are of undetermined length.

(2) Documentary Long—Documentaries longer than 60 minutes.

(3) Documentary Short—Documentaries of 20 minutes or less.

*A database documentary is a non-linear archival documentary that allows users to browse through documents, images and videos.

THE ONTARIO MEDIA DEVELOPMENT CORPORATION (OMDC)

OMDC is an agency of the Ontario Ministry of Culture, Tourism and Sport. OMDC's mandate is to stimulate jobs and investment in six cultural media industries—film, TV, interactive digital media, book and magazine publishing and music. OMDC offers various types of support to the cultural media industries, including content and marketing funds and the co-administration of provincial tax credits.

OMDC provides a small amount of funding to documentary feature films through its Film Fund. Data provided by the OMDC indicates that the Film Fund provided financing to three feature documentary productions in 2010/11. Yet these numbers were not reflected in the database compiled for this report from CAVCO, the CRTC and CMF sources, perhaps due to a time lag in data collection (see Appendix C: Notes on Methodology).

Exhibit 3-56: OMDC Film Fund—Support to Documentaries by Type

| TYPE | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
|--------------|-----------------|------------------|------------------|------------------|------------------|------------------|
| Development | \$- | \$20,690 | \$25,000 | \$75,000 | \$70,000 | \$100,620 |
| Production | \$50,000 | \$265,000 | \$290,000 | \$300,000 | \$300,000 | \$240,210 |
| Total | \$50,000 | \$285,690 | \$315,000 | \$375,000 | \$370,000 | \$340,830 |

Source: OMDC

Exhibit 3-57: OMDC Film Fund, Number of Projects by Type

| TYPE | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
|--------------|----------|----------|----------|----------|----------|----------|
| Development | 0 | 1 | 1 | 3 | 3 | 5 |
| Production | 1 | 3 | 3 | 3 | 2 | 3 |
| Total | 1 | 4 | 4 | 6 | 5 | 8 |

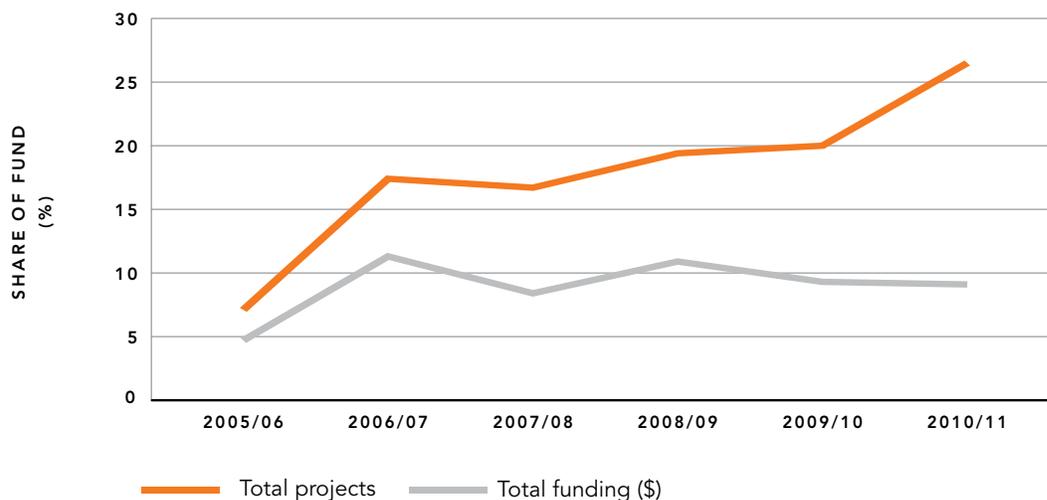
Source: OMDC

Exhibit 3-58: OMDC Film Fund, Total Production Volume, Average Contribution, Average Budget (\$ in Thousands)

| | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 |
|----------------------|---------|-----------|-----------|-----------|-----------|-----------|
| Production volume | \$1,351 | \$3,250 | \$3,365 | \$2,540.4 | \$2,560.2 | \$1,928.5 |
| Average contribution | \$50 | \$88.3 | \$96.7 | \$100 | \$150 | \$80.1 |
| Average budget | \$1,351 | \$1,083.3 | \$1,121.7 | \$1,270.2 | \$1,280.1 | \$642.8 |

Based on OMDC data, 27% of the total number of projects funded through the Film Fund was allocated to documentary projects in 2010/11, with only 9% of the total funding going to the financing of documentary feature films.

Exhibit 3-59: Documentary Share of OMDC Film Fund



Source: OMDC

Sources of Documentary Financing—Private Funds

Two of the major privately financed independent production funds are listed below. Both programs received funding contributions from cable and satellite-delivery companies as part of their mandatory allocations to Canadian programming funds.

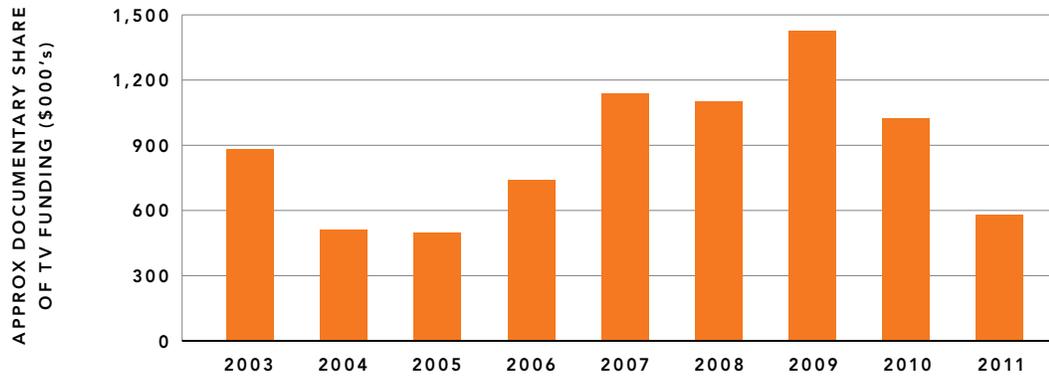
ROGERS DOCUMENTARY FUND

Rogers established its Documentary Fund in 1996 to contribute to the growth of documentary production in both official languages. Originally set a \$1 million per year, by 2010/11 the Rogers Documentary Fund provided \$1.8 million for the financing of Canadian documentary programs licensed by Canadian broadcasters.

BELL FUND (PREVIOUSLY THE BELL BROADCAST AND NEW MEDIA FUND)

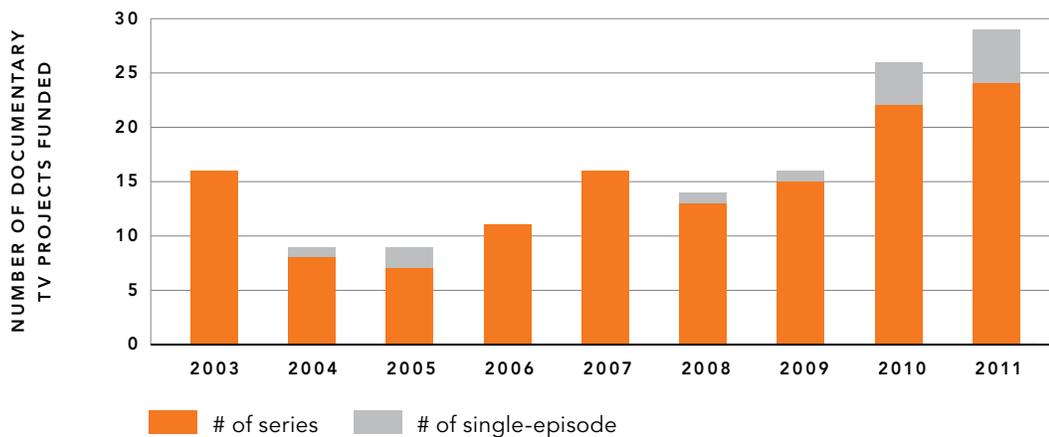
The Bell Fund, as it is now known, has been funding Canadian cross-platform television and digital media production for 14 years. In 2011, the Bell Fund invested nearly \$13 million in projects.

Exhibit 3-60: Bell Fund Contribution, Documentary TV Funding



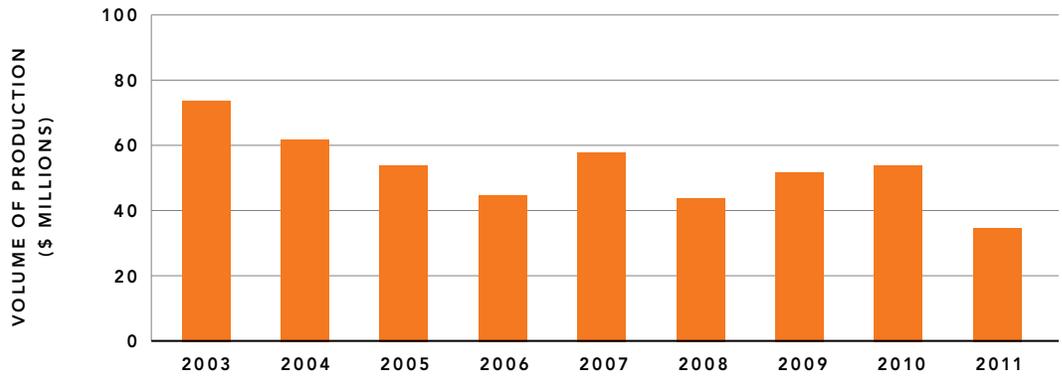
Source: Bell Fund

Exhibit 3-61: Bell Fund, Number of Documentary TV Projects Funded (New Media) by Format



Source: Bell Fund

Exhibit 3-62: Bell Fund, Documentary Share of Total BBNMF TV Funding



Source: Bell Fund

AUDIENCES

INTRODUCTION

This section reviews Canadian audience data regarding the viewership of television documentaries. The data was provided by the CMF based on BBM (Bureau of Broadcast Measurement) research. It gives a snapshot of the top documentary programs, the share of documentary viewing of Canadian programs, the average weekly hours viewed of Canadian documentaries, and a summary of documentary hours broadcast during the peak viewing period.

Top Ten Canadian Documentaries

ENGLISH-LANGUAGE MARKET

Canadian television programming often struggles to compete with US programming for Canadian audiences. In general, US drama/comedy programming generates the highest audiences for programs, especially on English-language television. Nonetheless, numerous Canadian television programs generate audiences in excess of 1 million viewers.

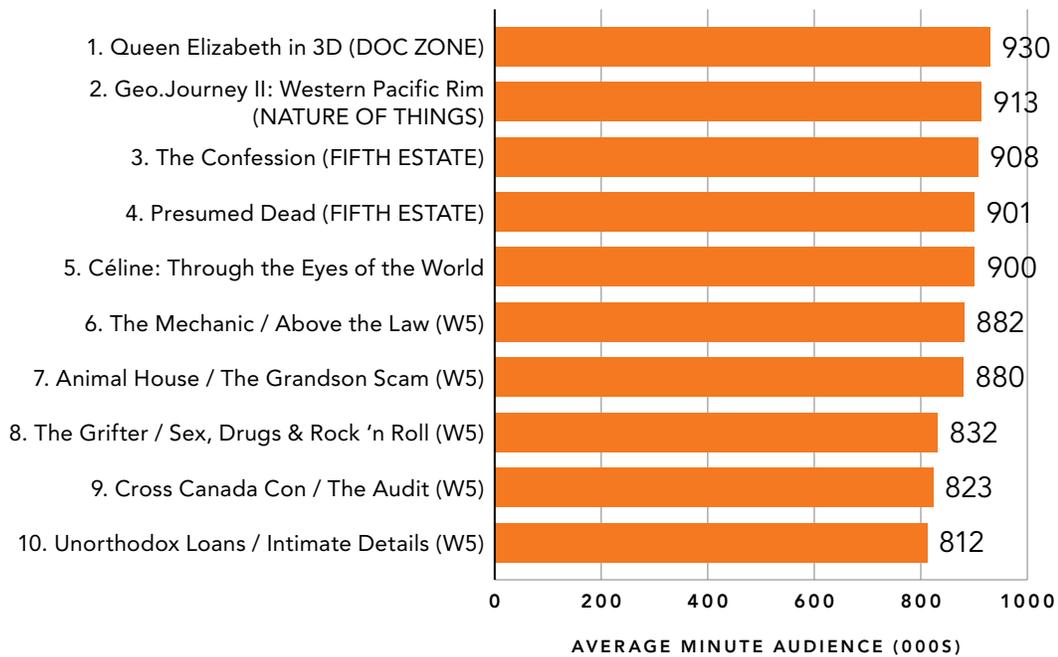
In the English-language market, the highest rated Canadian produced television series was the drama, *Combat Hospital*, with an average minute audience (AMA) of nearly 1.8 million viewers. It was closely followed by the popular police dramas, *Rookie Blue* and *Flashpoint*.¹⁶

In the 2010/11 broadcast year, the top ten most viewed English-language documentaries garnered an AMA in excess of 800,000, with an episode of CBC's *Doc Zone* reaching 930,000 viewers. The CBC had the top four documentaries by its average minute audiences. In addition to *Doc Zone*, an anthology series mostly comprising independent productions, the CBC reached high audience numbers through its programs, *The Nature of Things* and *The Fifth Estate*. The series *W5*, produced by CTV, also generated significant audience numbers for some of its "W5 Presents" documentary episodes, although other episodes of *W5* have raised concerns regarding their designation as actual documentaries.

Methodologically, for documentaries with multiple episodes or multiple airings, only the audience statistic for the highest rated episode was included in the data table. In cases where a documentary series had more than one episode that qualified for the top-ten list, only the highest rated episode was included in the data table. Also, note that programs considered "lifestyle documentaries" were excluded from this list.

¹⁶ CMPA, Profile 2011, p. 52.

Exhibit 4-1: Top Ten Documentary Television Programs (Series and Single-episode), English-language Market (2010/11 broadcaster year*)

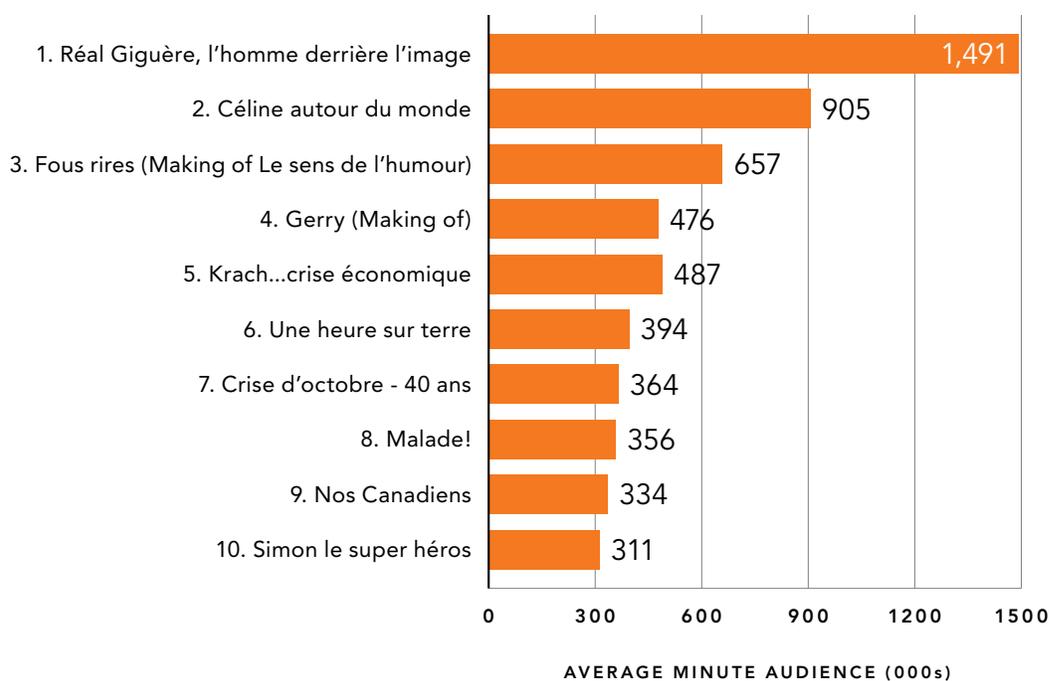


*August 30, 2010 to August 28, 2011
 Source: CMF Research (BBM)

FRENCH-LANGUAGE MARKET

Proportionally, audiences in the French-language market view more Canadian programming. All the top ten Canadian French-language television programs garnered audiences in excess of one million viewers in 2010/11.¹⁷ Similarly, the highest rated French-language documentary in 2010/11, *Réal Giguère, l'homme derrière l'image*, garnered almost 1.5 million viewers in terms of its AMA. The second-highest documentary program, *Céline autour du monde*, generated more than a 900,000 AMA, with the balance ranging from over 300,000 to more than 650,000 in average minute audiences.

Exhibit 4-2: Top Ten Documentary Television Programs (Series and Single-episode), French-language Market (2010/11 broadcast year*)



*August 30, 2010 to August 28, 2011
Source: CMF Research (BBM)

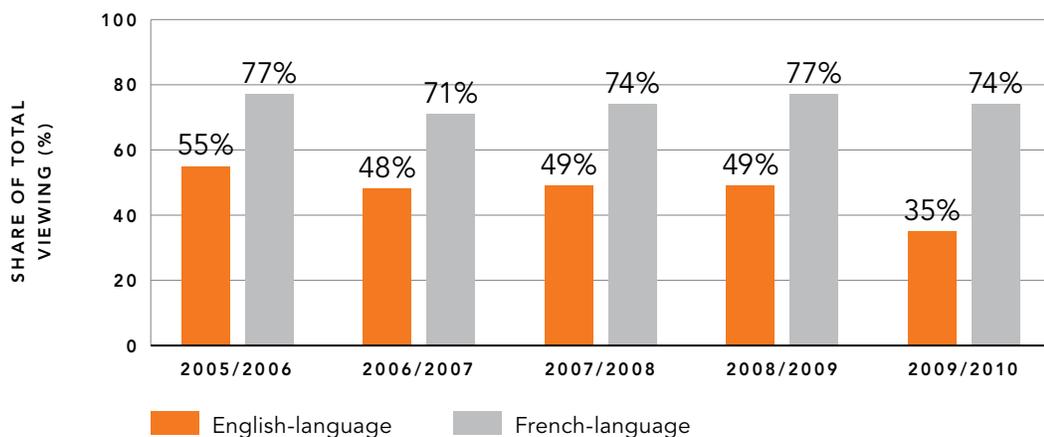
17 CMPA, *Profile 2011*, p. 53.

Share of Viewing of Canadian Programs

Canadian documentaries attract high viewership on Canadian television services, but that number has been dropping over the past five years, particularly in the English-language market. The share of English-language documentary program viewing versus other genres of Canadian programming has decreased from an average of 49% from 2006/07 to 2008/09 to a low of 35% by 2009/10. It is difficult to determine a direct cause for this decline, but some contributing factors may be the decrease in the total volume of Canadian documentaries being licensed, the increasing number of television channels available, and the shifting definition of documentary programming that has occurred over the last few years.

For the French-language market, numbers are more stable across time, and indicate a much higher appetite for Canadian documentaries by French-language audiences.

Exhibit 4-3: Share of Viewing of Canadian Programs (Share of Total Viewing to Documentary Programs on Canadian Television)



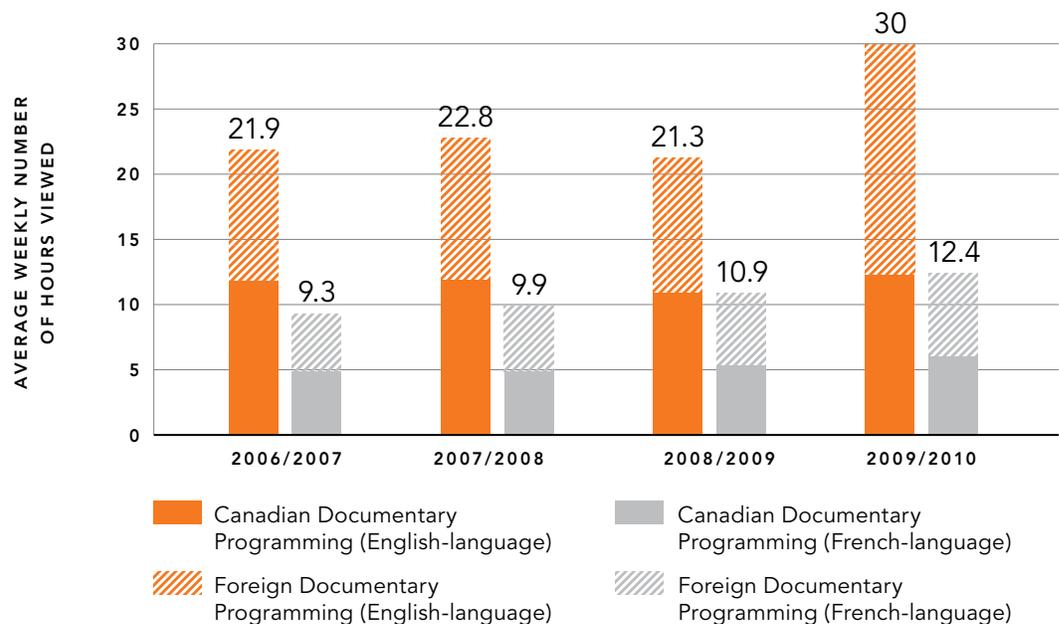
Source: CMF Research (BBM)

Viewing of Canadian Long-form Documentaries

The average weekly number of hours that English-language documentaries were viewed increased somewhat in 2009/10, but hours viewed of foreign documentaries increased much more.

In the French-language market, the number of hours viewed increased steadily for both Canadian and foreign documentaries from 2006/07-2009/10.

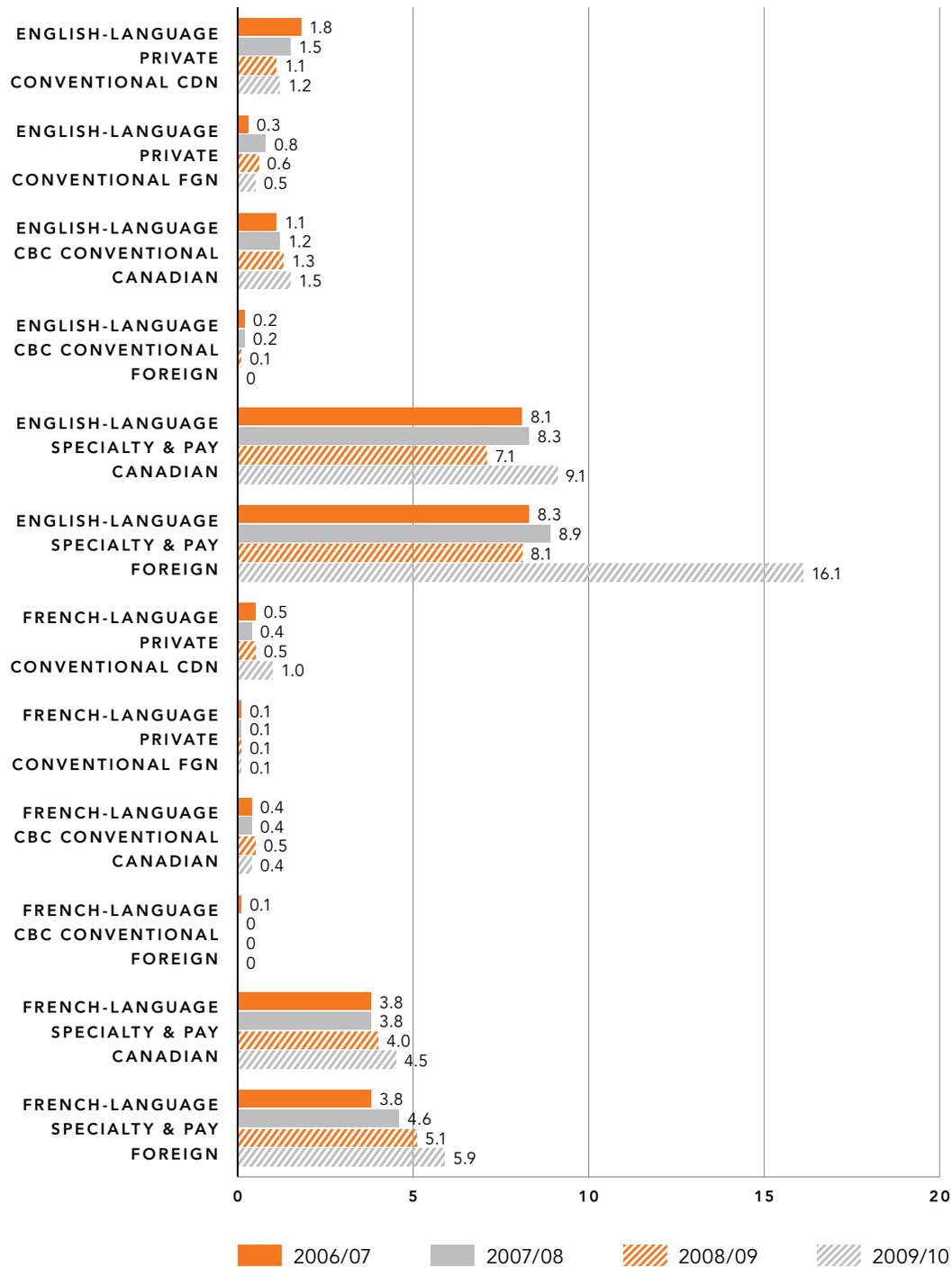
Exhibit 4-4: Average Weekly Number of Hours Viewed of Canadian Documentaries, by Language



Source: CMF Research (BBM)

When the data is broken down by the type of service between conventional over-the-air channels and specialty cable channels, it is clear that conventional broadcasters in both the English- and French-language markets do not provide a significant amount of documentary programming on a weekly basis. As indicated in the data, there was a much higher average weekly number of documentary hours viewed on the specialty services in both markets, but English-language specialty channels provided significantly more hours of both Canadian and foreign documentaries than their French counterparts did. Nonetheless, across almost all Canadian broadcasters, viewership increased slightly in 2009/10.

Exhibit 4-5: Average Weekly Number of Hours Viewed of Canadian Documentaries, by Service and Language



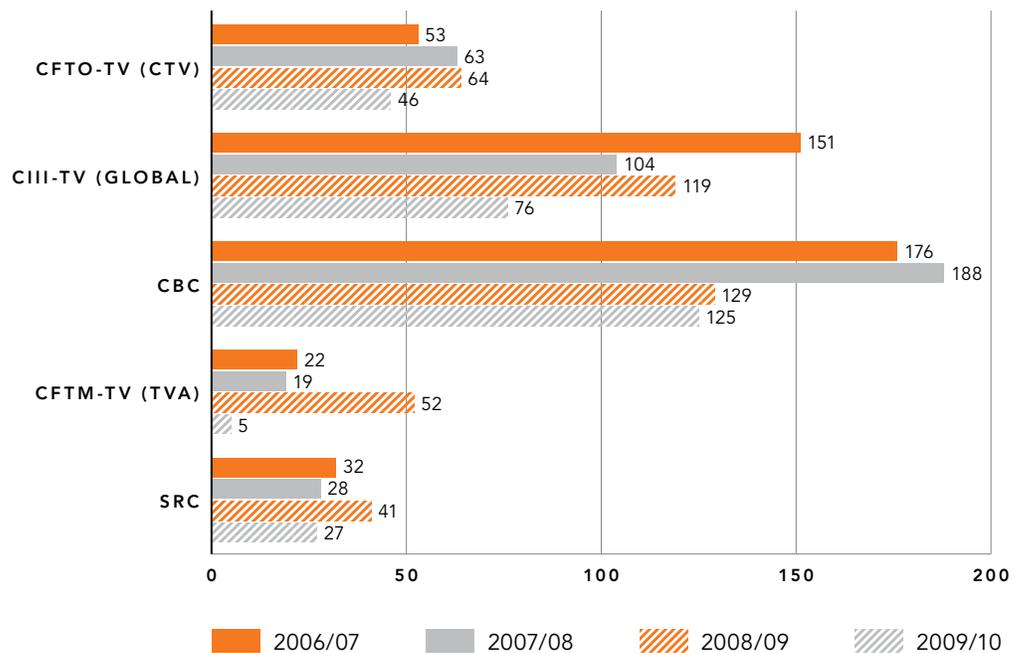
Source: CMF Research (BBM)

DOCUMENTARY PROGRAMMING DURING PEAK VIEWING HOURS

Since 1999, the CRTC has regulated the number of hours of “priority programming” to be exhibited on Canadian English-language conventional television services during peak hours (eight hours per week and primarily drama and documentary programming). Despite this requirement, the level of documentary programming being broadcast on conventional services has declined, most significantly since 2008/09.

Complicating matters has been the definition of what constitutes a documentary, at least in terms of reporting to the CRTC. At the group licence renewal hearings in 2011, the CRTC required the large broadcast groups to re-state their documentary programming to meet the revised definition of documentary programs and the new reality programming definition being implemented at that time.

Exhibit 4-6: Documentary Programming Broadcast during the Peak Viewing Period (Hours)



Source: CMF Research (BBM)

Note: indicates the number of hours being broadcast by the conventional networks, as represented by their flagship stations.

Theatrical Documentary Films

Canadian audiences continue to support documentary feature films through attendance at theatres and festivals. While Canadian documentary features generally do not exceed a few hundred thousand in box office revenue in Canada, feature-length films are a popular format for international distribution. Festival and theatrical releases often build audience awareness for films in subsequent distribution platforms such as DVD and online sales.

TOP TEN DOCUMENTARY FILMS

Overall, Canadian feature films struggle to generate significant box office numbers in Canada. Canadian documentary features share this same fate. This difficulty may be due to limited release options and a lack of major promotional funding, as well as numerous other factors. Yet the continuing success of Canadian documentary festivals illustrates demand for feature-length documentaries.

Audiences for theatrically released documentary feature films in Canada vary significantly. The major box office success stories are big-budget science and nature 3D or music films. Still, Canadian documentary films of an environmental and ecological nature reached the list of top ten documentary films in Canada in 2010 and 2011, though their box office receipts were small in comparison to the blockbuster 3D movies.

Exhibit 4-7: Top Ten Documentary Films in Canadian Theatres (2010)

| TITLE | CANADA RELEASE DATE | TOTAL B.O. (\$) | COUNTRY OF ORIGIN | ORIGINAL LANGUAGE |
|--|------------------------|--------------------|----------------------------------|----------------------|
| 1 <i>Oceans</i> | 16-Apr-10 | 2,188,438 | France- Switzerland- Spain | English |
| 2 <i>Hubble 3D</i> | 19-Mar-10 | 2,160,036 | USA | English |
| 3 <i>Celine: Through The Eyes Of The World</i> | 12-Feb-10 | 1,041,561 | USA | Eng-Fre |
| 4 <i>Under The Sea 3D</i> | 13-Feb-09 | 840,640 | USA | English |
| 5 <i>Babies</i> | 07-May-10 | 601,358 | France | Multiple |
| 6 <i>Exit Through The Gift Shop</i> | 07-May-10 | 378,559 | USA-UK | English |
| 7 <i>Inside Job</i> | 29-Oct-10 | 363,648 | USA | English |
| 8 <i>Catfish</i> | 24-Sep-10 | 229,184 | USA | English |
| 9 <i>Joan Rivers: A Piece Of Work</i> | 13-Aug-10 | 179,223 | USA | English |
| 10 <i>Force Of Nature: David Suzuki</i> | 01-Oct-10 | 111,366 | Canada | English |

Source: data compiled by the Department of Canadian Heritage based on data from the Motion Picture Theatre Associations of Canada

Exhibit 4-8: Top Ten Documentary Films in Canadian Theatres (2011)

| TITLE | CANADA RELEASE DATE | TOTAL B.O. (\$) IN CANADA IN 2011 | COUNTRY OF ORIGIN | ORIGINAL LANGUAGE |
|-----------------------------------|------------------------|--------------------------------------|-----------------------|----------------------|
| 1 <i>Born To Be Wild</i> | 08-Apr-11 | 1,671,166 | USA | English |
| 2 <i>African Cats</i> | 22-Apr-11 | 1,434,701 | USA | English |
| 3 <i>Hubble 3D</i> | 19-Mar-10 | 902,196 | USA | English |
| 4 <i>Under The Sea 3D</i> | 13-Feb-09 | 598,075 | USA | English |
| 5 <i>Cave Of Forgotten Dreams</i> | 08-Jul-11 | 529,693 | France- Germany-UK | English- German |
| 6 <i>Senna</i> | 19-Aug-11 | 196,737 | UK | English |
| 7 <i>Inside Job</i> | 29-Oct-10 | 175,561 | USA | English |
| 8 <i>Bill Cunningham New York</i> | 22-Apr-11 | 169,540 | USA-France | English |
| 9 <i>Pina 3D</i> | 16-Dec-11 | 150,027 | Germany | German |
| 10 <i>Surviving Progress</i> | 04-Nov-11 | 109,523 | Canada | English |

Source: data compiled by the Department of Canadian Heritage based on data from the Motion Picture Theatre Associations of Canada

TOP TEN CANADIAN DOCUMENTARY FILMS

Canadian documentaries released in Canada in 2010 and 2011 indicate the appetite for Canadian audiences for more authorial or story-telling films together with music and environmental documentary films.

Exhibit 4-9: Top Ten Canadian Documentary Films in Canadian Theatres (2010)

| TITLE | CANADA RELEASE DATE | TOTAL B.O. (\$) | COUNTRY OF ORIGIN | ORIGINAL LANGUAGE |
|---|------------------------|--------------------|----------------------|----------------------|
| 1 <i>Force Of Nature: David Suzuki</i> | 01-Oct-10 | 111,366 | Canada | English |
| 2 <i>The Last Train Home*</i> | 20-Nov-09 | 87,744 | Canada-China | Mandarin |
| 3 <i>Rush: Beyond The Lighted Stage</i> | 10-Jun-10 | 67,865 | Canada | English |
| 4 <i>Le Coeur D'auschwitz</i> | 12-Nov-10 | 20,386 | Canada | French |
| 5 <i>Le Petit Monde D'elourdes</i> | 16-Apr-10 | 18,945 | Canada | French |
| 6 <i>Interieurs Du Delta</i> | 26-Mar-10 | 18,509 | Canada | French |
| 7 <i>Hugh Hefner: Playboy, Activist & Rebel</i> | 06-Aug-10 | 18,396 | Canada | English |
| 8 <i>Pierre Falardeau</i> | 22-Dec-10 | 16,209 | Canada | French |
| 9 <i>The Coca-Cola Case</i> | 26-Feb-10 | 11,374 | Canada | English |
| 10 <i>You Don't Like The Truth</i> | 29-Oct-10 | 8,327 | Austr- Canada-UK | English |

Source: data compiled by the Department of Canadian Heritage based on data from the Motion Picture Theatre Associations of Canada

Notes:

The Last Train Home (Canada-China) was released Nov. 2009, and made \$87,744 at the box office in 2010 for a cumulative total of \$122,523.

Les dames en bleu was released Oct. 2009, and made \$224 at the box office in 2010 for a cumulative total of \$66,617.

Trisomie 21: Le défi Pérou was released in Feb. 2009, and made \$240 at the box office in 2010 for a cumulative total of \$45,421.

Questions nationales was released in Sept. 2009, and made \$1,100 at the box office in 2010 for a cumulative total of \$4,364.

Exhibit 4-10: Top Ten Canadian Documentary Films in Canadian Theatres (2011)

| TITLE | CANADA RELEASE DATE | TOTAL B.O. (\$) IN CANADA | COUNTRY OF ORIGIN | ORIGINAL LANGUAGE |
|---|------------------------|---------------------------|-------------------|-------------------|
| 1 <i>Surviving Progress</i> | 04-Nov-11 | 109,523 | Canada | English |
| 2 <i>Godin</i> | 18-Mar-11 | 60,396 | Canada | French |
| 3 <i>Trou Story</i> | 04-Nov-11 | 54,873 | Canada | French |
| 4 <i>The Whale</i> | 28-Oct-11 | 47,734 | Canada | English |
| 5 <i>Chercher Le Courant</i> | 28-Jan-11 | 42,410 | Canada | French |
| 6 <i>Pierre Falardeau</i> | 22-Dec-10 | 41,593 | Canada | French |
| 7 <i>Chasing Madoff</i> | 26-Aug-11 | 39,777 | Canada | English |
| 8 <i>La Nuit, Elles Dansent</i> | 20-May-11 | 31,709 | Canada | French |
| 9 <i>Eco-Pirate: Story Of Paul Watson</i> | 22-Jul-11 | 26,842 | Canada | English |
| 10 <i>A St-Henri Le 26 Aout</i> | 20-May-11 | 17,020 | Canada | French |

Source: data compiled by the Department of Canadian Heritage based on data from the Motion Picture Theatre Associations of Canada

Notes:

Force of Nature: The David Suzuki Movie was released in January 2010, and made \$381 at the box office in 2011 for a cumulative total of \$111,747.

Pierre Falardeau was released in December 2010, and made \$41,593 at the box office in 2011 for a cumulative total of \$60,522.

The following table provides a short list of Canadian documentaries that have established a track record over time. They demonstrate the “long tail” demand for documentaries that enable them to accumulate audiences over time, both domestically and internationally.

Exhibit 4-11: Accumulated Box Office Domestic and International (USD\$)

| | YEAR RELEASED | TOTAL BOX OFFICE TO DATE: |
|---------------------------------|---------------|---------------------------|
| <i>The Corporation</i> | 2004 | 3,493,516 |
| <i>Sharkwater</i> | 2007 | 1,658,393 |
| <i>Up The Yangtze</i> | 2008 | 1,029,211 |
| <i>Anvil—The Story of Anvil</i> | 2009 | 951,380 |

Based on data from Box Office Mojo—www.boxofficemojo.com

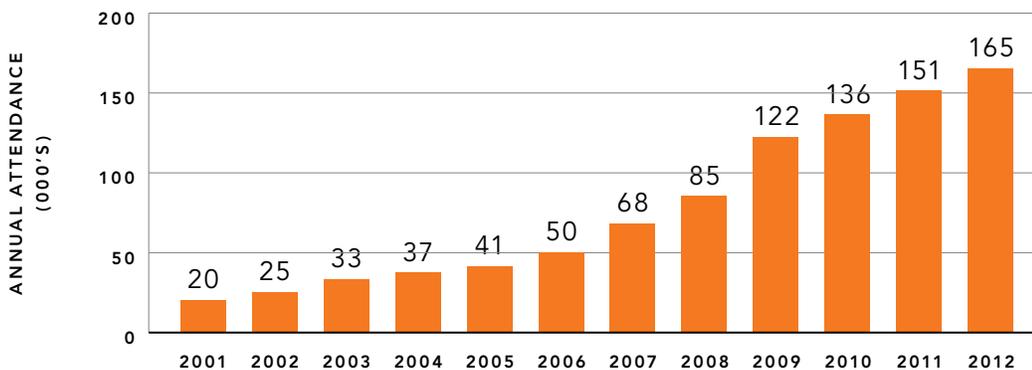
Note: slight difference between this audience data for *The Corporation*, as recorded by Box Office Mojo and the producers themselves in the case study that follows. Also, Box Office Mojo does not appear to capture all international sales and is in US dollars.

Documentary Film Festivals

Documentary festivals have become places where producers, broadcasters, distributors and international investors and buyers congregate to secure deals and learn about new developments in filmmaking and technology.

Hot Docs is the largest documentary film festival in North America. In the spring of 2012, Hot Docs Canadian International Documentary Festival wrapped up its most successful festival to date, with audience numbers reaching an estimated 165,000. The 11-day event featured 395 public screenings of 189 films on 14 screens, as well as conferences and seminars, celebrating 20 years as an essential meeting place for the international documentary industry.

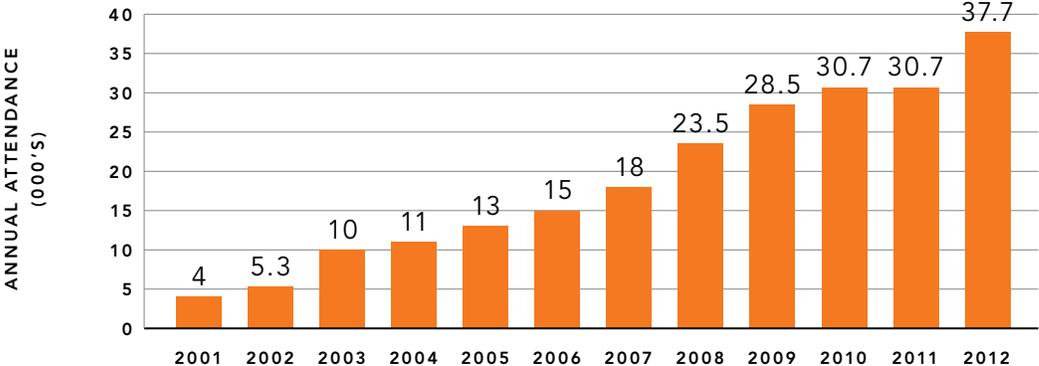
Exhibit 4.12: Annual Attendance—Hot Docs International Documentary Film Festival (000's)



Source: Hot Docs

In November 2012, the Montreal International Documentary Festival (Rencontres internationales du documentaire de Montréal—RIDM) featured 12 days of screening, events, parties and activities, welcoming 85 international guests. Founded in 1998, RIDM presents both general and professional audiences a selection of the year's best documentaries from Canada and around the world. Documentary film has a unique place in Quebec culture, and audiences came out in full force—the number of paid admissions doubled in comparison to the previous year's. The festival's total attendance was more than 40,000, an increase of 33% over the year before.

Exhibit 4-13: Annual Attendance—Rencontres internationales du documentaire de Montréal (000's)



Source: RIDM

CASE STUDIES

INTRODUCTION

Documentaries by their very nature are well suited to “long-tail” (or long-term) distribution and exploitation. With this edition of *Getting Real*, we want to demonstrate the breadth of the markets that documentaries reach over time, while underscoring the difficulties faced by documentary producers in reaching those markets.

Each of the four case studies presented here has a unique financing structure, but in each one a Canadian broadcast licence fee was critical to completing the project’s financing and leveraging other fiscal tools such as tax credits and federal funding. All four productions initially delivered a television version, as required by the financing structure. Once this version was delivered, however, each production also generated a feature-length version for festivals, theatrical release and international distribution, as well as other versions adapted to the educational and non-theatrical markets.

As the data presented elsewhere in the publication illustrates, 98% of all English-language documentary production made in Canada is for broadcast purposes; 87% of French-language production is destined for broadcast as well. It can safely be said that Canadian documentary production is predicated on broadcaster participation.

Yet documentary producers are finding it increasingly challenging to secure the initial broadcast licence fees that trigger CMF funding and tax credits. At the same time, financing for documentaries destined for non-broadcast markets no longer have access to key funding that previously existed through the Canadian Independent Film & Video Fund. Theatrical funding through Telefilm’s Theatrical Documentary program contributes to only a small number of theatrical projects.

The following four case studies—*The Corporation*, *Ballet Girls*, *Cherchez le courant*, *Inside Disaster*—collectively represent a broad cross-section of documentary production in Canada over the past decade. The first one offers pointed economic criticism, the second is an arts documentary, the third, an environmental grass-roots project, and the last one provides in-depth social analysis of humanitarian aid.

The case studies of *Ballet Girls* and *Inside Disaster* indicate the value of finding a niche market and continuing to exploit that market by repurposing the content. *The Corporation* and *Cherchez le courant* highlight the value of branding, whereby the content and production company have become highly recognized entities and experts in their field.

In a broadcast environment that does not see the benefit of one-off or limited series, these case studies offer valuable insights into the nature of documentary production in Canada and the obstacles it faces. These examples also demonstrate how the feature documentary market and both the non-theatrical and educational markets are currently tethered to the Canadian broadcast system—a system in which documentary’s star is rapidly fading.

CASE STUDY: THE CORPORATION

ORIGINAL PROJECT

The Corporation - 3 x 1 hour series, 2003

PROJECT DESCRIPTION

The Corporation explores the nature and spectacular rise of the dominant institution of our time. Taking a corporation's status as a legal "person" to the logical conclusion, the film puts the corporation on the psychiatrist's couch to ask: "What kind of person is it?" (from: www.thecorporation.com).

PROJECT DEVELOPMENT

The concept for the project arose from a conversation between Joel Bakan and Mark Achbar in 1997. They realized that it would be interesting to look at the behaviour of the corporation as an institution. Joel would write the book and they would develop the film simultaneously. A proposal was hammered out and sent to various people. The NFB turned it down for development funding, as did broadcasters, including the CBC and the other major networks. Initially pitched at the Toronto Forum, the financial structure started coming together after pitching the project at Banff in 1999, when TV Ontario (TVO) became interested in the project.

The structure of the project was proposed as 4 x 1 hour for TV, but that format was subsequently reduced to 3 x 1 hour due to budget constraints. Potential financing possibilities required that the project be produced as a television production first, but the producers always planned a feature documentary that would be edited for festivals and possible theatrical release. The TV episodes and the 145-minute film version were distilled down from over 450 hours of footage and 100 hours of interviews.

FINANCING

The television series was financed by licence fees from TVO and other provincial educational broadcasters, including Knowledge Network (BC1), SCN (Sask), Access (AB), and the specialty channel Vision TV. Funding agencies included the Canadian Television Fund (now the CMF), Telefilm Canada, BC Film, the Canadian Independent Film & Video Fund, Rogers Documentary Fund and Rogers Telefund, as well as provincial and federal tax credits and donations from private foundations and institutes. The 35mm film print was partially funded by Telefilm and the producers.

The film took six years to finance and complete. It premiered at the Toronto International Film Festival in 2003 and screened at the Sundance Film festival in 2004, where it won the Audience Award, World Cinema, Documentary.

PRODUCTION BUDGET

The initial production budget was \$1.39 million.

INITIAL EXPLOITATION

As stated on its website, *The Corporation* is Canada's most successful documentary... Ever!

The film has screened at more than 50 festivals around the world and won 26 international awards, including 10 Audience Choice Awards. *The Corporation* grossed over \$2.2 million in American box office receipts and had a worldwide gross of over \$5.5 million, making it the second top-grossing film for Zeitgeist Films.

TOTAL THEATRICAL GROSSES

- Canada: \$1,739,766
- USA: \$2,218,400
- International: \$1,602,905
- Worldwide: \$5,561,071

RE-PURPOSING OF CONTENT

The film is based on the book *The Corporation: The Pathological Pursuit of Profit and Power* by Joel Bakan, and is an excellent example of how simultaneous use of more than one form of media exploiting the same content can enhance marketing efforts. Both the film and the book were developed and released at the same time.

In the past eight years, the producers have re-purposed the content as:

- Broadcast: 3 x 1 hr
- Educational/DVD: 3 x 1 hr, 145 min, 120 min,
- Three-part version: Part 1) 53:57 Part 2) 38:52 Part 3) 35:10
- Five educational modules for MBA courses, designed by Prof. Tima Bansal, Richard Ivey School of Business
- 4:37 min short film *The Corporation in the Grade 8 Classroom*
- Festivals: 1 x 167 min first 5 festivals; cut-down to 1 x 145 min for other festivals
- Theatrical, VOD: 1 x 145 min
- International: 1 x 145 min in numerous language versions
- Online: 23 chapters on YouTube
- 1 x 145 min—iTunes, Hulu, Amazon

Sales to iTunes, Hulu and Amazon, among others, are reported in North America and Australia by New Video, the aggregator that represented the film to those markets. Pirated downloads via bittorrent (file sharing) were initially trackable, but producers lost count after a million. After about 500,000 illegal downloads, they uploaded the film with a pitch attached for donations and an ad for the Special Edition DVD and its extras. Some of the donation revenues went to help finance the educational version.

The YouTube channel, which at present only has *The Corporation* in 23 chapters (with alternating pitch/DVD ads at the end of each chapter), has had 5,750,903 cumulative views. 18 Chapters and excerpts of the film have been licensed to several educational book publishers who include a DVD with the book, the latter being classified under business and sociology books. Clips have been licensed to Vancouver-based Face To Face media for their media studies compilation.

TOTAL COST

For all versions, website and DVD: \$1.8 million.

The North American DVD version was financed in part by Big Picture Media Corporation, Zeitgeist Films and Mongrel Media. Various country/language versions were financed by distributors and/or broadcasters in each country.

FUTURE EXPLOITATION OF MATERIAL

Big Picture Media Corporation and Good Company/Hellocoolworld.com recently financed the creation of the educational (primarily high school) three-part version. Big Picture Media Corporation will be uploading the film's extras to YouTube at its own expense.

UNIQUE FEATURES OF THE PROJECT

The success of *The Corporation* and its longevity was certainly not something early financiers expected. The political, social and economic value of the film's approach and perspective hit the right chord at the right time. Content in the film continues to be of value, and the project still finds ways to remain relevant. The producers have successfully developed a brand with this project. As a group, they are seen to be experts on the topic and the production of documentaries of this sub-genre.

It is interesting to note that today *The Corporation* would face an uphill battle for financing. The Canadian Independent Film & Video Fund no longer exists, nor does the educational channel SCN, and Access Alberta is no longer active in commissioning documentary projects.

CASE STUDY: BALLET GIRLS

ORIGINAL PROJECT

Ballet Girls - 3 x 1 hour documentary miniseries, 2006

PROJECT DESCRIPTION

A rare glimpse into the competitive world of classical ballet, *Ballet Girls* takes us behind the scenes of a professional ballet school. In the open audition room, young pre-teen girls compete for coveted spots within the school and face the drama and painstaking realities of chasing their dreams. The three-part series concludes with a triumphant performance for one aspiring ballerina as Clara in the company's annual production of *The Nutcracker* (from: www.meritmotionpictures.com).

PROJECT DEVELOPMENT

Documentary Producer Merit Jensen Carr brought Emmy-winning *Dracula* dance producer, Vonnie Von Helmolt, the idea of following a group of girls whose ambition was to become a professional ballerina, and who were auditioning for a spot in the Royal Winnipeg Ballet's (RWB) professional division school. Starting with the cross-country auditions, the producers then followed some of the dancers who were accepted to the RWB's summer school, and then the following year at the RWB's live-in school. The final chapter was an audition for the role of "Clara," the young girl in the RWB's Christmas performance of *The Nutcracker*. The film focused on the winner and ended with her performance with the full company.

The project was pitched to Bravo!, who commissioned a 3-part mini-series (*Ballet Girls*).

PRODUCTION BUDGET

\$900,000

FINANCING

Bravo! licence fees, Canadian Television Fund, federal & provincial tax credits

RE-PURPOSING OF CONTENT

With 200 hours of footage in the can, the producers pursued the idea of a theatrical feature that they pitched to Christal Films, who gave them a deal with a \$50,000 Minimum Guarantee (MG). The producers then applied to Telefilm for their pilot theatrical documentary completion funding, but were not successful.

Super Channel came on board and agreed to advance funding, based on the MG from Christal. Using this funding, the producers hired an editor and began to cut a feature-length film. This decision also allowed the producers to access Manitoba Film and Music production funding. In the meantime, Christal Films went bankrupt; the producers then needed to start all over again to secure funding, all while owing \$50,000 to Super Channel. The producers subsequently repaid Super Channel out of their own pockets.

Later, Von Helmolt attended ShowCanada, where Cineplex Odeon put them on the path to a guaranteed 30-theatre screening of the finished film. The producers applied once again to Telefilm for completion funds for full post-production (including editing, music, online, rights etc.) of the feature, and were successful. On January 17, 2010, *TutuMUCH* (the film) screened at 60 Cineplex theatres across Canada. That week, it was among the top five grossing Canadian films. For two single screenings, the national box office was \$25,000.

The film has since gone on to win best documentary at major youth film festivals in China and Chicago, and has screened at Cannes, Seoul, the Czech Republic and throughout Europe.

RE-PURPOSED CONTENT

TutuMUCH, feature-length documentary film, 2010

PRODUCTION BUDGET

\$600,000

FINANCING

- Producer Investment and Equity, Telefilm Finishing Fund, Manitoba Film and Music, Manitoba Tax Credit, Federal Tax Credit
- To date the footage has been re-purposed and/or sold to:
 - 3 x 1 hour miniseries (Bravo!)
 - Theatrically released feature film (Canada, Australia, New Zealand); Blu-Ray (Cineplex Odeon)
 - Super Channel limited screening
 - DVD release with trailer and still photos through Alliance to HMV, Superstore, Wal-Mart, etc. Canada (KinoSmith)
 - VOD Canada (KinoSmith)
 - iTunes Canada (KinoSmith)
 - Airlines (KinoSmith)
 - World distribution—Delphis
 - US distributor First Run Features will do a theatrical release in 2013

FUTURE EXPLOITATION OF MATERIAL

The next step for the producers is to revisit the footage and create a web-series (approximately 20 or more 11-minute episodes). Subsequently, the producers plan to look to the “online world” and game version. Because the material is virtually timeless, the producers

are confident they can re-purpose as needed and still produce a relevant and current experience for all those ballet school fans out there.

UNIQUE FEATURES OF THE PROJECT

TutuMUCH as a film was able to secure theatrical distribution, which is a challenge for most feature documentaries—more so for arts documentaries. The challenges the producers faced, however, indicate the instability of the theatrical market for all feature documentaries.

Ballet Girls is an arts documentary series that would find it difficult to raise financing in the current broadcast environment. Bravo! is no longer active much in licensing arts documentaries either as one-off features or as series, and there are few other broadcast outlets for this type of series.

CASE STUDY: CHERCHER LE COURANT

ORIGINAL PROJECT

Chercher le Courant (English title: *Seeking the Current*) - feature-length film, 2010

PROJECT DESCRIPTION

Nicolas Boisclair and Alexis de Gheldere collaborated with renowned Canadian actor Roy Dupuis for this documentary about environmental advocacy. *Chercher le courant* is a critique of Hydro Quebec's Romaine River initiative—a plan to construct four dams along the 500-kilometre waterway. It's also a story of devolution from social democratic ideals to greed and environmental destructiveness. Narrated by Dupuis and framed by the filmmakers' 2008 canoe journey down the river, the film details the history of Quebec's energy industry, the likely environmental costs of the new project and the plethora of alternatives to hydroelectricity (from: www.chercherlecourant.org and seekingthecurrent.com).

PROJECT DEVELOPMENT

The initial concept was to produce a documentary series that would focus on the Romaine River initiative by following the river expedition of eight people, combined with segments outlining different green energies in each episode. Yet the filmmakers were unable to put together financing for the proposed series. As a result, they decided to produce a feature-length documentary following the expedition of the two directors as they canoed the 500-km course of the Romaine River. The filmmakers managed to raise development money from SODEC, but were unable to secure production financing. Various French-language broadcasters expressed interest at one time or another, including Télé-Québec and Canal D, but none ultimately would licence the project. Radio Canada was also pitched twice, but to no avail.

The film, therefore, was made in stages. The filmmakers invested in the project themselves so that they could film the river expedition, which was undertaken in 2008. Hydro-Québec planned to dam the river beginning in 2009, so 2008 was to be the last year that the river would still be wild. As a result, there was a sense of urgency. A blog was set up so that the public could follow the expedition. News reports were broadcast by LCN, one of Quebec's television news channels, and coverage of the expedition was also provided by Radio-Canada radio and by local and national newspapers. The producers then pitched for donations and investments from private sector individuals and non-profit organizations to complete the film. Editing took place during 2009-2010. The feature version (director's cut, 86 minutes) was completed by November 2010.

INITIAL EXPLOITATION

The film was released at *Rencontres internationales du documentaire de Montréal* (RIDM) in November of 2010, where it won the Audience Award and a special mention in the Eco Camera section. With no distribution offers on the table, the producers opted to distribute it to other festivals themselves. The film went on to win the Best Documentary at the Sept-Îles film festival.

The producers began to self-distribute and actively promote *Chercher le courant* in Quebec. They rented the NFB theatre in Montreal in January 2011 and engaged in heavy social media promotion of the film's theatrical release. The poster had a striking concept, and producers decided to invest in merchandising by selling T-shirts and bags with the design. Narrator Roy Dupuis and director Nicolas Boisclair appeared on *Tout le monde en parle*, a highly popular television program with an audience of over one million people in Quebec. This exposure helped the distribution campaign immensely.

The film was becoming successful with audiences, and as the filmmakers traveled throughout Quebec to screen the film, their social media promotion continued to grow demand for the film.

The distribution team was beginning to garner good sales with their products, and several influential bloggers were commenting on the film. Box office for the film in 2011 was over \$60,000.

The producers then met with Radio Canada and RDI to explore broadcast options. The film was generating considerable attention, and the producers felt the film would generate solid audience numbers on television. Radio Canada and RDI agreed to licence *Chercher le courant* for fair market value, allowing the producers to obtain production tax credits. The broadcasters required a shorter broadcast version, so the filmmakers cut the film by 11 minutes; the TV version of 75 minutes was completed in April 2011.

The film garnered good audience figures on television—317,000 on Radio Canada plus the two screenings that followed with RDI at more than 100,000 each. The TV version won a Géméaux in 2012 for Best Documentary—society. The film also went on to be number one on Tou.tv (web streaming) in May 2011. Explora bought the film for their channel, as well as TV5 Monde for their 51 territories worldwide.

After *Chercher le courant* was broadcast, the institutional DVD sales grew exponentially. At the same time, the producers continued to organize screenings in various cineclubs, colleges and universities, which paid for the screenings plus the expense of one of the team members to attend.

Subsequently, through the non-profit Créations Briser le Silence, the film received a grant from Mountain Equipment Coop to offer the film to 30 schools in Quebec and Ontario with the attendance of one of the directors. Each school was charged \$25, in exchange for which they obtained their own DVD copy plus a licence for future use in their school. The production team is now looking at touring French schools with a program developed by *Les Rendez-vous du cinéma Québécois*.

PRODUCTION BUDGET

Expedition Budget: \$20,000; Production cash: \$9,000; Final Budget: \$250,000

The two directors and the producer Denis McCready contributed \$20,000 to the canoe expedition. Seed money to produce the next stage was \$9,000, but the final production budget was \$250,000. With the broadcast licence from Radio Canada, producers were able to trigger tax credits, and with a minimum guarantee from Rapide-Blanc they raised a total of \$93,345. With the ongoing profits from distribution, the producers have been paying back personal investments and team member deferrals (30% as of January 2013).

RE-PURPOSING OF CONTENT

The initial feature film was re-edited into a shorter format for television, as the first re-purposing of the project. In February 2011, the producers made an English-language version of the film, *Seeking the Current*, which premiered at the Vancouver International Film Festival. It was also shown at Planet in Focus, in addition to screenings in the United States, France, Switzerland and Belgium. A bonus DVD was produced for the French-language DVD market with over four hours of additional material. Half of this material is behind the scenes of the expedition, and half is additional interviews of green energy experts.

The film is for sale on the project's website in French and English via Dynamo player. It is also available on the web on Screenzone (Australia) and on Moncineweb (based in Quebec).

FUTURE EXPLOITATION OF MATERIAL

The producers plan to put excerpts of the bonus DVD on YouTube to push sales of the French-language DVD. They are considering options to put the film on VOD, Netflix and other sites in French and English. Additionally, the filmmakers are currently exploring Spanish-language film festivals to develop interest in Spanish language markets, as many South American countries are dealing with big hydro-electrical dam projects.

At some point in the future, the filmmakers intend to put the DVD online for free because they believe it is important for people to have access to this information. To cover some of the associated costs, they are considering some form of pre-roll advertising.

UNIQUE FEATURES OF THE PROJECT

The filmmakers traveled throughout Quebec and New Hampshire with the film, screening more than 220 times at more than 120 cineclubs and small cinemas, as well as numerous universities and colleges throughout the province. The film became a successful example of a grassroots campaign for a socio-environmental documentary, while the filmmakers themselves became recognized as successful producers and distributors of these types of films. This documentary project illustrates the challenges for Canadian documentary filmmakers when projects fail to garner initial broadcaster support. The filmmakers had to take the risk of using their own funds and commit to making the project well before a broadcaster come on board to ease the financing burden.

CASE STUDY: INSIDE DISASTER HAITI

ORIGINAL PROJECT

Inside Disaster Haiti - 3 x 1 hour documentary miniseries, 2011

PROJECT DESCRIPTION

Inside Disaster Haiti follows international Red Cross disaster relief teams as they mount the largest single-country response in the organization's history. In the days and weeks following the disaster, the Red Cross had six hundred trained humanitarians from over 30 countries on the ground. Embedded in the Red Cross base camp, the cameras had unprecedented access to the compelling characters and intense drama that unfolded after Haiti's horrific earthquake on January 12th, 2010. Filmed over six months, this documentary goes behind the headlines to document an emergency relief operation from first response to recovery (from: www.insidedisaster.com).

PROJECT DEVELOPMENT

Director-producer Nadine Pequenezza developed the concept as a television documentary and negotiated unprecedented access to the disaster-response team of the International Federation of Red Crosses (IFRC) in the fall of 2007. Once the filming agreement with the Red Cross was signed, she approached Andrea Nemtin of PTV Productions to co-produce the project. They took the proposal to TV Ontario (TVO) and received development funding in the fall of 2008 for a three-part mini-series.

TVO immediately saw the potential for an engaging transmedia treatment, which would line up nicely with the new Canada Media Fund (CMF) guidelines requiring a digital media component. TVO and the Bell Broadcast and New Media Fund funded a web development budget, initially set at \$100,000, before production launched.

By September 2009, the producers had secured the rest of their production financing, and had two production crews on standby awaiting deployment with the International Federation of Red Crosses. After three false alarms—a tsunami in Samoa, an earthquake in Indonesia, a typhoon in the Philippines—they were deployed with the Red Cross disaster relief teams to Haiti in 2010. The team shot more than 180 hours of footage over six months, documenting the preliminary efforts and ongoing challenges faced by the Red Cross relief teams.

PRODUCTION BUDGET

- \$1,300,000 for the series
- \$400,000 for digital media

FINANCING

The three-part series was largely funded by public money: TV Ontario and the Canadian International Development Agency (CIDA) were the primary funders, with Canal D, Access, SCN and ichannel each contributing to bring the licence fee to the required CMF threshold. Producers also received a distribution advance from ITVS Global Entertainment and support from the Bell Broadcast and New Media Fund.

INITIAL DISTRIBUTION

The three-part series was initially broadcast in Canada in 2011 on TVO, Access, SCN and Canal D, with a second window sold to Knowledge Network in 2012. International distribution rights are held by ITVS, and so far the series has aired in Australia, Singapore, Taiwan, Egypt, Morocco, Algeria, Libya, Tunisia, China, Greece and Sudan.

RE-PURPOSING OF CONTENT

Feature-length film: The feature-length version of *Inside Disaster Haiti* was created during the series' post-production schedule with no additional funding. The feature was then screened at various festivals, including One World Human Rights Film Festival, Milano Film Festival, International Humanitarian Law Film Festival and the Sichuan TV Festival. The producers also created a French-language version of the feature-length film, which aired on Canal D. DVD copies of the French-language feature version have sold internationally.

Educational: With the financial assistance of TVO and the Bell Broadcast and New Media Fund, the producers created a study guide. This allowed the producers to re-package the documentary content into chapters to access the educational market. The producers attended a Toronto Board of Education professional development day to present the project to teachers. This approach resulted in some sales to educational institutions—high schools and universities in North America. The producers feel, however, that there is a much larger educational market that they have not had the time or resources to exploit.

Online/DVD: Some of the footage not used in the broadcast series was repurposed for the website and for the interactive DVD. *Inside Disaster Haiti* was produced as a multi-platform documentary project that includes an interactive website (InsideDisaster.com) and first-person simulation (Inside the Haiti Earthquake) that explore themes around the Haiti earthquake and humanitarian work. Both projects combine content from the Inside Disaster Haiti documentary series with interactive material shot, photographed and researched by PTV Productions' web team.

The various DVD versions are sold via the documentary's website (insidedisaster.com). The producers are measuring the impact of the online project and interactive experience by the number of views, users and time spent on the website. An unanticipated after market has been humanitarian organizations, with the majority of DVD purchased by individuals and organizations working in disaster relief. The International Red Cross has been the largest purchaser of DVDs for training purposes.

Training Videos: The producers used footage from over 180 hours of rushes to also create training videos for a university medical program that prepares surgeons to work in disaster zones, and for training Red Cross Emergency Response Units. The producers saw this opportunity to share their archives as a means to educate responders, as well as get the word out about their film. They produced the training videos and charged the Red Cross on a cost-recovery basis only. The repurposed training videos have been used extensively in Canada and by Red Cross national societies in as many as 20 different countries.

FUTURE RE-PURPOSING OF CONTENT

Given their success in repurposing the footage for university programs and Red Cross training programs, the producers may consider approaching organizations like the United Nations Disaster Assessment and Coordination (UNDAC), a key player in the international emergency response system to sudden-onset disasters.

UNIQUE FEATURES OF THE PROJECT

While multi-platform and digital media components have been required by the CMF since 2010, it has proven challenging for documentary producers facing shrinking broadcast windows and tight production budgets. *Inside Disaster Haiti* managed to successfully align the documentary production and digital media planning from the outset. Moreover, the project is a unique case study in that only rarely is a documentary fully funded before the location, scenario and key characters have been identified. It is worth noting, however, that CIDA no longer funds documentaries, so a critical source of initial funding for this type of documentary project no longer exists.

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- *Inside Disaster Haiti*: Nadine Pequeneza

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. |
| Average Minute Audience (AMA) | The average number of individuals viewing a TV channel, which is calculated per minute during a specified period of time over the program duration. |
| BBM | Originally known as the Bureau of Broadcast Management when it was first developed in the 1940s, this is an audience-measurement organization for Canadian television and radio. |
| 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. |
| Canada Media Fund (CMF) | 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 Canadian Television Fund (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-language programming, see SRC). |
| CIFVF | Canadian Independent Film and Video Fund. |
| CMPA | Canadian Media Production Association (formerly the CFTPA). |
| 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. |

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| CRTC | Canadian Radio-television and Telecommunications Commission. |
| 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. |
| Export value | The value of international participation in the Canadian production industry. |
| Factual documentary | CAVCO-certified non-CMF documentary content that has been filtered out of the data using the long-form documentary filter. May be reality or lifestyle types of programming. |
| 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. |
| 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 reduces the tax owed by production companies. |

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| 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. |
| Licence Fee | The fee a broadcaster pays a production company to acquire the right to exhibit a given production with a specific set of terms (e.g., territory, period of time, language, number of broadcasts). |
| Long-form documentary | Any 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, to eliminate factual documentaries. |
| Long-tail distribution | A content distribution strategy that emphasizes the success of niche content over time. Hits and middle titles have the highest frequency of purchase/viewership, but the aggregate viewership of the “tail” (rest of the titles) is considerably large. |
| MPTAC | Motion Picture Theatre Associations of Canada |
| Mini-series | A documentary series of six episodes or fewer that will not be renewed. |
| 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-CMF Production | Canadian production certified as Canadian content by CAVCO or the CRTC, but created without the support of the CMF. 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-CMF 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. |

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| POV documentary | A documentary told with a strong authorial voice or subjective point of view (POV) 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. |
| Single-episode program | In the documentary genre, most single-episode program productions are also known as one-offs. They are stand-alone programs under 75 minutes, since feature films are generally 75 minutes or longer. |
| SRC | Société Radio-Canada (for English-language programming, see CBC). |
| Series production | A documentary series of programs containing more than six episodes. Series productions are predominantly destined for television and are usually renewable. |
| 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. |
| Theatrical documentary | A documentary production whose primary release window is a theatrical release. Theatrical documentaries are usually feature-length documentaries. |
| Volume of production | Total expenditures on film or TV productions in Canada (i.e., the sum of all Canadian production budgets). |
| 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—a profile based on data from different sources—is that each source differs in its definition of the term “documentary.” This appendix describes some of those different definitions. This review also helps to differentiate documentary from other non-fiction programming such as reality and lifestyle programming.

Canada Media Fund (CMF)

The CMF defines documentary programming in its Guidelines as follows:

A Documentary is defined 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.

The CMF also adds this note in their Guidelines:

Although the CMF recognizes that there is market demand for factual programming that contains elements of lifestyle or reality television, this type of programming will not be eligible for CMF funding because it does not qualify as a “Documentary.” The CMF’s mandate is to provide funding support to projects in the under-represented genres, including documentary programs. The definition of “Documentary” set out in this section (including the definition of Ineligible Programming) implements this mandate. The CMF will closely adhere to this definition of “Documentary.” The CMF will not fund projects that are “Ineligible Programming” or that do not otherwise meet the definition.

Projects presenting information primarily for its entertainment value are not considered documentaries for CMF purposes. The CMF has a long list of ineligible types of documentary programming, including:

- “How-to” programs
- Lifestyle
- Reality—fully contrived; less contrived
- Reality/Lifestyle—celebrity-based
- Lifestyle/Achievement
- Lifestyle/Contest
- Lifestyle/Travelogue
- Lifestyle/Docusoap
- Segmented programming

(See the CMF website for full program descriptions: www.cmf-fmc.ca)

CRTC

In 2010, the CRTC initiated a review of program categories, including documentaries, as part of its implementation of its new Programs of National Interest regime to encourage the production and broadcast of Canadian drama, documentary and awards shows. Through this process, the CRTC introduced a new “reality” programming category.

The CRTC defines documentaries as follows:

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 22 minutes. These programs shall not be used as commercial vehicles. Further, programs that fall under the Category 11(b) Reality Television do not qualify as 2(b) programming.

Additionally, the CRTC has separate program categories for lifestyle types of programming including Category 5(b) Informal Education/Recreation & Leisure and Category 11(a) General Entertainment and Human Interest. These do not qualify as long-form documentaries.

CAVCO

CAVCO 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:

- news, current events or public affairs programming, or a program that includes weather or market reports;
- talk show;
- production in respect of a game, questionnaire or contest (other than a production directed primarily at minors);
- sports event or activity;
- gala presentation or an awards show;
- production that solicits funds;
- reality television (see surveillance TV);
- pornography;
- advertising;
- production produced primarily for industrial, corporate or institutional purposes;
- production, other than a documentary, all or substantially all of which consists of stock footage.

A large part of the data used to prepare *Getting Real 5* came from CAVCO, 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 documentaries. POV or auteur documentaries may include autobiographical narratives, documentary essays, investigative documentaries, experimental films and direct cinema.

Telefilm

Telefilm supports the production or the post-production of feature-length documentaries through the Theatrical Documentary Program. However, the Guidelines do not provide a definition of documentary films. In general, to be considered eligible for the Program, a project must be an English-language or French-language feature-length documentary film targeted primarily at Canadian theatrical audiences. Projects must be at least 75 minutes long and those intended primarily for the video or television market are not eligible.

APPENDIX C: DETAILED METHODOLOGY PROVIDED BY NORDICITY GROUP

To prepare *Getting Real 5*, the Documentary Organization of Canada (DOC) borrowed several of the methodologies and concepts from the Canadian Media Production Association's (CMPA's) annual economic Profile of the Canadian film and television production industry, and its periodic research reports on the industry.

I. Volume of Production

The estimates of the total annual volume of Canadian long-form documentary production comprise the sum of production certified by the Canadian Audio-visual Certification Office (CAVCO) (i.e., "CAVCO-certified production"), production certified by the Canadian Radio-television and Telecommunications Commission (CRTC) (i.e., "CRTC-certified production"), broadcaster in-house production and National Film Board (NFB) in-house production. Certain statistics for the annual volume of treaty coproduction were sourced from Telefilm Canada.

CAVCO-CERTIFIED PRODUCTION

The estimates of the annual volume of long-form documentary production are based on data supplied by CAVCO. CAVCO publishes statistics for the annual volume (total budgets, number of projects and hours of production) for the *documentary* genre.

Because the documentary-genre statistics published by CAVCO and found in the CMPA's annual economic profile include both long-form documentary production¹⁹ and factual documentary programming, Nordicity and DOC developed a methodology for filtering out factual documentary programming from CAVCO's database of all documentary projects. This filtering exercise permits DOC to generate estimates and other metrics of the long-form documentary sub-genre on an exclusive basis.

The filtering process, based on project characteristics, adopted the following steps (also summarized in the flow-chart diagram Exhibit C-1):

We filter all projects supported by the Canada Media Fund (CMF) (i.e., "CMF-supported production") in the CAVCO documentary genre into the long-form documentary sub-genre. This filtering decision is based on the assumption that documentary projects with CMF

¹⁹ The CRTC defines a "long-form documentary" as a program that is an original work 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 reasonable time for commercials, if any). These programs shall not be used as commercial vehicles.

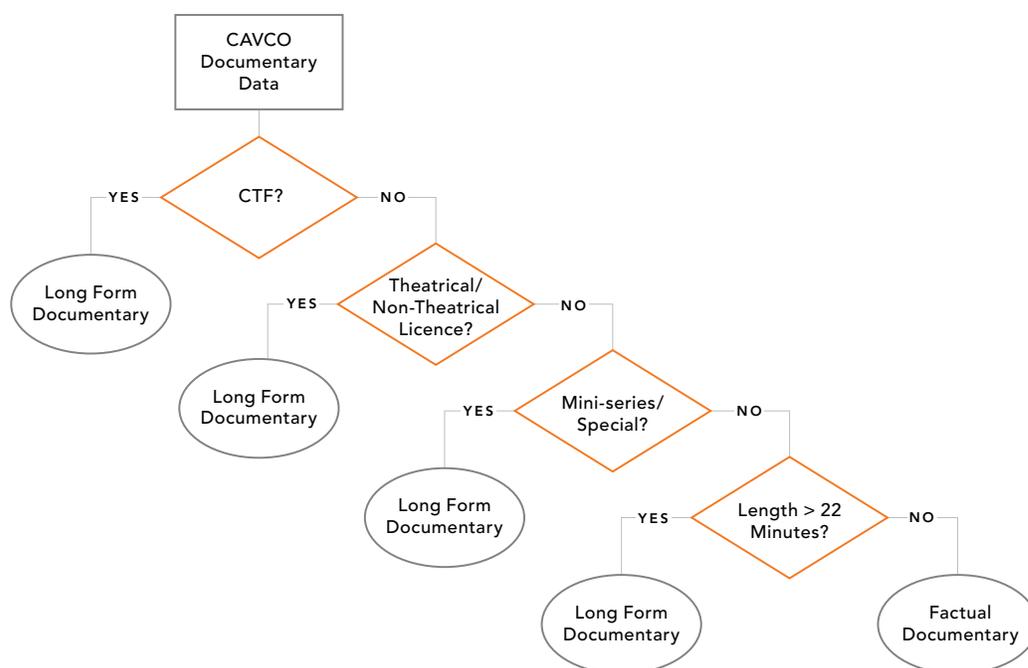
support are more likely to be from the long-form documentary sub-genre, although the CMF does fund numerous factual documentary projects.²⁰

From the balance of projects—i.e., non-CMF projects—we filter all projects with a theatrical or non-theatrical licence in their first or second exhibition window into the long-form documentary sub-genre. The rationale for this filtering decision is that factual programming would only have 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.

From the balance of television-only non-CMF projects, we filter all mini-series and Movies of the Week (MOWs) into the long-form documentary sub-genre. The rationale is that most factual programs are television series, and so any mini-series or MOWs in the documentary genre are likely to be long-form documentaries.

From the balance of non-CMF television series projects, we filter all projects with episode lengths greater than 22 minutes into the long-form documentary sub-genre. We filter all projects with episode lengths of 22 minutes or less into the factual documentary sub-genre. The rationale is that 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.

Exhibit C-1: Flow Chart of Long-form Documentary Filtering Process



²⁰ Due to the limited amount of title-specific data publicly available from CMF or CAVCO, we are unable to filter out in a precise manner the CMF-supported projects that are factual documentary projects.

We filter the balance of projects into the factual documentary sub-genre and remove them from the database prior to generating the estimates of volume of production in the long-form documentary sub-genre for *Getting Real 5*.

CRTC-CERTIFIED PRODUCTION

The estimates of CRTC-certified production are calculated as a percentage of CAVCO-certified television production. The percentage rate is based on industry research and an analysis of production titles conducted by the Department of Canadian Heritage in 2009. The percentage rate reflects all genres, rather than the documentary or long-form documentary sub-genres per se.

Exhibit C-2: 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 | 17.9% |
| 2007-08 | 17.9% |
| 2008-09 | 17.3% |
| 2009-10 | 18.0% |
| 2010-11 | 17.8% |

Source: Industry Research and Department of Canadian Heritage analysis

BROADCASTER IN-HOUSE PRODUCTION

The estimates of broadcaster in-house production consist of estimates of in-house production at private conventional broadcasters, CBC/SRC and specialty television services.

We have not applied any type of special methodology to try to filter out factual documentary programming from documentary programming in the in-house segment, like we did for CAVCO-certified production. However, the in-house production data is likely to be less

affected by the co-mingling of factual documentary and long-form documentary programming in the same way as the CAVCO data is.

PRIVATE CONVENTIONAL BROADCASTERS

Beginning with the 2009/10 broadcast year (September 2010 to August 2011), the CRTC published statistics for broadcasters' expenditures on long-form documentary programming. These new statistics indicated that private broadcasters' expenditures on long-form documentary programming were equal to 2% of their total expenditures on television programming in the Other Information category.²¹ This 2% share was applied to the historical levels of expenditures on Other Information programming to derive historical estimates of long-form documentary production by private conventional broadcasters.²²

CBC/SRC

1998/99 to 2007/08: To estimate the amount of in-house long-form documentary production expenditures, we use information that CBC produces approximately 40 hours per year of long-form documentary programming. We assume that half of these 40 hours is attributable to CBC News Network and half to CBC's conventional television service. The number of hours is then multiplied by the average hourly budgets for English-language long-form documentary production to arrive at a production-volume estimate. A similar method is 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 is used, as well as the average budget for French-language long-form documentary production. The estimate should be unaffected by factual documentary programming.

2008/09: To estimate in-house long-form documentary production, we use data for CBC/SRC's programming expenditures classified under the 'Other Information' category and reported in CRTC, *Conventional Television: Statistical and Financial Summaries 2005-2009*. 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. The exact number is not known at this time.

2009/10 and 2010/11: Statistics published by CRTC for long-form documentary production (for the first time in 2009/10) were used to quantify CBC and SRC's expenditures on in-house long-form documentary production.

21 The *Other Information* programming category includes CRTC program categories 2 through 5 (Category 2a Analysis and Interpretation, Category 2b Long-Form Documentary, Category 3 Reporting and Actualities, Category 4 Religion, Category 5a Formal Education & Pre-school, Category 5b Informal Education-Recreation & Leisure).

22 In previous editions of *Getting Real*, we had assigned 50% of the expenditures in the Other Information category to long-form documentary production. As such, a significant revision to historical data was required.

SPECIALTY TELEVISION

2001/02 to 2008/09: The estimate of specialty in-house production includes the portions of 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 are obtained from CRTC, *Individual Pay Television, Pay-Per-View, Video-On-Demand and Specialty Services: Statistical and Financial Summaries*.

2009/10 and 2010/11: Statistics published by the CRTC (for the first time in 2009/10) for specialty television services total expenditures for in-house long-form documentary production were used.

NATIONAL FILM BOARD IN-HOUSE PRODUCTION

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

NON-THEATRICAL PRODUCTION

Non-theatrical 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. This report includes some types of non-theatrical production and excludes other types. Non-theatrical long-form documentary production that has been certified by CAVCO or CRTC is included in the statistics in this report. Non-theatrical long-form documentary production produced in-house by NFB is also included in this report. Any non-theatrical long-form documentary production not certified by CAVCO or CRTC, or produced by NFB is excluded from the statistics in this report. For example, long-form documentaries produced with the support of the Canada Council for the Arts may be excluded if they did not receive certification from CAVCO or CRTC, and were not co-produced by NFB.

AVERAGE BUDGETS AND LICENCE FEES

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 would be represented in the calculations of average budgets and licence fees as a project with a budget of \$600,000 per hour and a broadcaster licence fee of \$200,000 per hour.

When interpreting the average budget and licence fee data, therefore, one should multiply the amounts by 50% to estimate the rates for a half-hour series.

II. Employment

Film and television production employs a broad range of occupations from entry-level to highly skilled workers. Artists, writers, technical trades, caterers, 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), as opposed to the number of employees per se. This allows us to better capture the employment profile of the documentary film and television production industry. The number of FTEs essentially represents the number of persons that could be employed on a full-time basis throughout the year at the average wage.

Unlike employment in most industries, employment in film and television production is characterized by a high proportion of part-time workers who often work on a freelance or contract basis. Many of these part-time workers may also hold part-time jobs in other industries; many are also self-employed workers. The production process is characterized by short projects ranging from one or two weeks to six months in duration. Some roles may be persistent throughout the year, but most roles are temporary.

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 could unnecessarily inflate the employment impact of the industry, given that many of these workers may only be employed for a portion of the year, i.e., during the peak filming season.

Documentary filmmakers and producers in other genres typically operate on a self-employed basis. Because of this employment status, 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.

DIRECT JOBS MULTIPLIER

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

We multiply total production volume by 50% to estimate the portion of production budgets that is paid as salary and wages to production personnel. This assumption of 50% is based on data provided by CAVCO on the average portion of production budgets comprised of Canadian labour expenditures.

We develop the average FTE salary assumption based on data from Statistics Canada's *2006 Census*. Data from the *2006 Census* indicates that the average FTE salary in the Canadian film and television production industry was \$47,869 in 2005/06.

To create a time series of average FTE salary rates, we make 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 use the annual change in the

average hourly wage of employees paid by the hour in Canada to estimate the rate of wage inflation applicable to the film and television production industry (see Statistics Canada, CANSIM Table 281-0030).

To reflect how average wages are lower in the long-form documentary sub-genre compared to the overall Canadian film and television production industry, we adjust the average FTE salary downward by 25%. In other words, we assume that average wages in the long-form documentary genre are equal to 75% of average FTE wages across the Canadian production industry. On the basis of this adjustment, the average FTE salary for the long-form documentary sub-genre in 2010/11 is \$40,934.

Exhibit C-3: 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 |
| 2009-10 | 53,404 | 75% | 40,053 |
| 2010-11 | 54,578 | 75% | 40,934 |

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

SPIN-OFF JOBS

The number of spin-off FTEs equals the sum of indirect and induced FTEs.

INDIRECT JOBS MULTIPLIER

We use 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 obtain this multiplier from Statistics Canada's 2004 multiplier tables. The multiplier is based on the ratio of indirect and direct jobs generated per \$1 million dollars 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, excluding exhibition and including long-form documentary production.

INDUCED JOBS MULTIPLIER

We apply 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 generated by long-form documentary production, an additional 0.17 FTE is created in other industries in the Canadian economy because of the re-spending of income by the direct and indirect workers.

We develop the induced-jobs multiplier by 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). To adopt this approach, we assume that the GDP-to-FTE ratio for induced jobs is equal to that for indirect jobs.

III. Economic Impact of Production

LABOUR INCOME

Direct production industry labour income was derived by multiplying the number of direct FTEs by the average production-industry FTE cost of \$40,934. The estimate of spin-off labour income was derived by multiplying the number of spin-off FTEs by an economy-wide average FTE cost of \$37,000.

GROSS DOMESTIC PRODUCT

Economic modeling of the overall economic impact of film and television production, using Statistics Canada's input-output tables, indicates that direct GDP in the film and television production industry is equal to approximately 1.13 times total labour income. This ratio was multiplied by our estimate of direct labour income to arrive at an estimate of direct GDP in the film and television production industry.

Similar economic modeling (also based on Statistics Canada's input-output tables and analysis found in Conference Board of Canada's *Valuing Culture: Measuring and Understanding Canada's Creative Economy*) points to a GDP-wage relationship of 1.49 for the spin-off impact. We used this ratio to derive an estimate of spin-off GDP by multiplying our estimate of spin-off labour income by 1.49.

IV. Export Value

Export value tracks the value of international financial participation in the film and television production industry in Canada. Export value—as opposed to just *exports*—better reflects the nature of film and television production in Canada. It acknowledges that film and television productions are intangible products, and that portions of the copyright can be exported to foreign 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. For *Getting Real 5*, which includes estimates of Canadian long-form documentary production, we exclude any measurement of export value attributable to FLS production.

V. Suppression of Data

Where there were three or fewer projects in a particular data cell, that particular data cell and any other data cells that could be used to derive the value in the particular data cell were suppressed for data confidentiality reasons. In some cases data for the two language markets was combined to maintain the confidentiality of data in a particular language market.

VI. Percentages

When reading charts that incorporate percentage amounts, percentages were rounded up or down accordingly. As a result, the total amounts may not appear to reflect the precise sum of the components in each line of a specific chart.

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