



ACTRA

A Critical Investment: Stable, Permanent Funding for our Cultural Institutions

- **Make funding the Canadian Television Fund (CTF) a permanent budget commitment and raise the contribution to match inflation.**
- **Make a permanent funding commitment to Telefilm Canada of at least the current level of \$137 million and index increases to inflation.**
- **Make an increased, stable funding commitment to the CBC for the next five years so it can continue to carry out its mandate.**

Canadian Television Fund and Telefilm Canada

The CTF and Telefilm are streamlining their operations and funding programs, allowing creators to focus more time making films and TV shows and less time navigating applications and deadlines. However, the enhanced cooperation between the two funding agencies must not result in funding cuts for either body. Both need increased, permanent funding to ensure the continued production of quality Canadian films and TV shows.

The audiovisual industry is worth \$5 billion a year to Canada's economy, and creates highly skilled jobs for 125,000 Canadians. The broader arts and cultural industries account for 740,000 jobs and \$40 billion of Canada's Gross Domestic Product (GDP).

The CTF currently has an annual budget of approximately \$250 million: \$100 million is from the federal government and the rest comes from cable companies and direct-to-home satellite service providers. Over time, costs related to TV program development and production has increased while the real value of federal support has decreased.

When the federal government created the CTF in 1996, it committed to allocating an additional \$100 million per year. Nearly 10 years later, the federal allocation remains at \$100 million. Netting out inflation, that value in real spending power terms is now only \$80.3 million or 20% less than it was worth more than a decade ago.

The CTF is essential for the production of quality, distinctively Canadian TV programs, yet artists, producers and broadcasters are forced to direct energy and resources each year to make the case for funding and ensure that the CTF is adequately funded in the budget. In 2007, the CTF was thrown into yet another crisis when cable companies Shaw and Vidéotron withheld their payments to the fund. This prompted emergency meetings of the Heritage Committee, a Senate Committee study and a CRTC Task Force on the CTF. Fortunately for now, the cable companies' CTF contributions have resumed, though withholding contributions has made the fund vulnerable. This threatens a crucial sector of our economy, and the jobs and livelihoods of many, from actors, writers and directors to producers, crew and the businesses and suppliers that benefit from television production in their community. This CTF debacle was unnecessary, yet illustrates perfectly the precariousness of many of our publicly funded institutions.

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Telefilm helps develop and promote feature films through a number of funds including the Canada Feature Film Fund (CFFF). The CFFF's key role in developing drama production is more important than ever at a time of crisis in English-language drama production and when Canadian films still haven't reached the federal government's goal of 5% of our national box office. In 2006-2007, Canadian films represented 4.1% of the box office. Of this, English-Canadian films are now at 1.7% of the overall box office, representing \$12 million, the balance coming from French-language films.

Government funding through Telefilm Canada is crucial to ensure films written, directed and performed by Canadians continue to be made and seen by Canadian audiences. Telefilm-supported films accounted for 85% of the total box office for Canadian films in 2006-2007, and nine of the top-10 Canadian films had Telefilm support.

Telefilm has not had an increase in funding in six years, nor has its annual funding been adjusted for inflation. Telefilm notes in its annual report that at current funding levels it is more and more difficult to fund the volume of production needed to forge audience loyalty here at home and abroad.

Canadian filmmakers face an uphill battle in a market dominated by Hollywood. We applaud the fact that the 5% box office target for Canadian films is within reach while recognizing that such an achievement means Canadians still really aren't seeing their own films.

A review of the Canadian feature film industry by the Parliamentary Standing Committee on Canadian Heritage and the Department of Canadian Heritage underline the importance of Canadian films and the need for government funding to ensure films written, directed and performed by Canadians continue to be made. Telefilm requires certainty of its funding levels. Long-term, stable budgetary commitments are needed to ensure that Telefilm can make lasting and meaningful contributions to the growth of Canadian film and TV production in general, and of drama production in particular.

CBC

The CBC has a unique mandate: to showcase Canada's national identity. Developing, producing, and broadcasting high-quality Canadian dramatic programming is one of the best ways for the CBC to meet its mandate. The CBC received \$914 million in government funding in 2007. For at least the past five years, the CBC has also received an annual \$60 million for programming initiatives, an amount that still has to be renewed each year instead of forming part of the CBC's base funding.

Unfortunately, the CBC's ability to carry out its mandate has been damaged by a decade of budget cuts, and other turmoil including a season without its flagship *Hockey Night in Canada* and a crippling lockout of CBC workers by CBC management in 2005.

Although past budgets have included increases to the CBC, the \$390 million cut during the 1990s has yet to be restored. The CBC cannot create and implement long-term strategies to succeed because it faces continued uncertainty about its future. The public broadcaster must be given the resources, and the stable multi-year commitments it needs to meet its obligation to reflect and promote Canada's national identity with new Canadian dramas, comedies and other programming.

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