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Submission to The Department of Canadian Heritage

From: Karen Franklin and Ralph Holt

Re: Canadian Content in a Digital Age

Hill100 is an independent producer focussed primarily on Canadian feature films and co-productions. We are members of the Canadian Media Producers Association (CMPA) and Producers Roundtable of Ontario (PRO) whose mission is to advocate for feature film producers in Ontario. While the opinions expressed in this submission are only those of Hill100, we trust they serve the interests of PRO's membership.

We make this submission as reasonably well-informed members of the Canadian film industry in which we have worked for decades. We have not had access to a battery of researchers or screeds of analysis. What we submit to the Cultural review emanates from our professional experience and passion for feature films which remain one of the preeminent vehicles of cultural values.

While we address feature films in this submission in order to remain focused on their importance in the cultural ecology, these recommendations, more or less, could apply to the gamut of the audio-visual industry.

Focus: **Feature Film, English Canada**

Principles

English Canada is unique in the world because of our proximity and similarity to the US. A funding system for feature films that doesn't recognise this is going to perpetuate the predominant creation of generic films that are indistinguishable from those made in the United States – using considerable taxpayer dollars. We feel it is essential that Canadians have the capacity to make films that, through their vision and content, reflect Canada to Canadians and the world. We need to reserve the highest levels of public funding for films that are uniquely ours and which have the best chance of resonating with English Canadians and the rest of the world.

One way to think about this is to determine what we want to consider a Truly Canadian (or culturally relevant Canadian) film. Films that are Canadian but not Truly Canadian would be eligible for funding at a certain level and those that are Truly Canadian would be supported at a higher level.

We also want to state that we feel it is essential that, in the interest of encouraging a diversity of creation, programs of support be accessed through independent Canadian producers only.

Background

In addition to recent upheavals in the audio-visual marketplace there has been a substantial decline in financial support for feature films available through Telefilm Canada. Not to ignore the recent additions to its budget, even if the current face dollar value of Telefilm's budget is roughly the same as what it was in the early mid-1990s, given general inflation, and inflation in the production industry, in particular, Telefilm's support is roughly half of what it once was. And where Telefilm was once an advocate for Truly Canadian films by financing up to 64% of a film's budget if it met conditions of very high Canadian content, Telefilm's average current participation is more like 20%.

While this approach has made producers more resourceful, it is generally by diluting identifiably Canadian elements to meet the demands of marketplace financing. To further reinforce the need for higher levels of investment for Truly Canadian films, we would point out that a number of countries invest very high levels of financial support (upwards of 80%) to ensure films are made that reflect their country's uniqueness to their citizens and the world.

Objectives

To distinguish between Canadian films and Truly Canadian films and to develop a financial support mechanism that encourages and supports Canadian films but supercharges its support and encouragement of Truly Canadian films.

Funding

As part of this exercise, we need to look at the totality of all funds and potential funds the government has at its disposal to see if they are being distributed in the most effective and efficient way to achieve these objectives. This includes:

- Canadian Film or Video Production Tax Credit (CPTC)
- Film or Video Production Services Tax Credit (PSTC)
- Canada Media Fund (CMF)
- Telefilm Canada
- "Taxing" those digital and OTT services that are not currently contributing to the CMF

We propose that the Production Services Tax Credit be eliminated and the funding that would otherwise have been provided to non-Canadian films through that credit, together with the so-called "Netflix Tax" be rolled up with funding currently available from Telefilm (and the CMF if we are to include television and other digital production in this discussion). This is the money that becomes available for the Truly Canadian films.

Canadian and Truly Canadian

A Canadian film (eligible for tax credit) is one which has:

- Canadian ownership and control: 100%, or Official Treaty Coproduction, or minimum of 20% together with at least one of the Truly Canadian criteria; and
- At least 75% of Canadian “side” of the film must be spent in Canada or on Canadians (or however this rule is currently stated); and
- Tax Credit based on spend on Canadian labour (as it is now)

A Truly Canadian film is a Canadian film which also has*:

- Canadian Story, Setting or Central Character; or
- Canadian director.

A film is Truly Canadian if its primary creator -- the director -- is Canadian or if the film is recognizable, on screen as Canadian because of its setting, story and characters. One of the benefits of using this kind of way of determining what films are eligible for more funding is that the complication of treaty co-productions is eliminated.

The base level of funding for Canadian films could be similar to the current tax credits for Canadian production. At this foundation level, Canadian producers could mix and match Canadian resources, financial and creative, with resources from anywhere in the world.

The higher level of funding for Truly Canadian films could be similar to the amount/ percentage of funding that Telefilm used to provide (perhaps at its most generous).

Examples:

- *Unless* is Truly Canadian despite its having been directed by an Irishman because it’s a Canadian story, set in Canada with Canadian characters.
- *Brooklyn* is directed by an Irishman and is set in Ireland and the US and is populated by characters from those countries. It is not Truly Canadian.
- *Maps to the Stars* is Truly Canadian despite its setting and characters being American because it is directed by David Cronenberg.
- *Sleeping Giant* and *Beeba Boys* are Truly Canadian obviously.

Truly Canadian films warrant funding at higher levels because they are supporting and encouraging visionary talent development and expertise and because they have the best chance of reflecting us to ourselves. If we are not going to make these films and support and encourage them, who will?

This approach would do away with the current 10 point system. It would also do away with Canadian market triggers. Clearly the balance of funding to make the film will have to come at least in part from the marketplace but let’s not dictate that it must be a Canadian theatrical distributor.

Initiatives to bolster certain types of Truly Canadian films like those that present cultural and language diversity (and not just English in QC and French outside QC) and films from and about Aboriginals could be supported at even higher levels of funding perhaps by the Canada Council.

Decision making

Ideally decision-making regarding which films are worthy of the higher levels of support and at what level should be done by a responsible and accountable Film Commissioner supported by appropriate expertise. Film Commissioners should be appointed for limited terms (3 year?) and appropriate Conflict of Interest guidelines should reduce conflict but encourage experienced and knowledgeable people from the milieu to take on the role. In the alternative, perhaps a jury system could work.

If administration costs are to be kept to a minimum and if financial resources are unlimited (like tax credits) then an “automatic” system could prevail. A sophisticated determinant of the appropriate level of financing per film would have to be developed but the determination of which films are Truly Canadian and therefore warrant the higher level of funding could simple be: Is the director Canadian? Are the story, setting, characters Canadian?

In Summary

Particularly in the English language, Canada must rededicate ourselves to support for feature films across the board. We recognize the economic impact of the industry generally and the need to expand our purview globally but this must not come at the expense of supporting Truly Canadian filmmaking. Without singling out Truly Canadian filmmaking for very strong support and encouragement we will become more and more invisible to ourselves and the rest of the world.

Thank you,

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*There are any number of additional criteria that could be used here, perhaps with varying levels of importance, including screenwriter, underlying property, recognizable Canadian performers, or even other participants like those identified in Telefilm’s Creative Evaluation grids for Co-productions, and some may be appropriate to add here but it is important to not water down the key ingredients to what is Truly Canadian.