



Submission by Mr. Robert Lantos

Serendipity Point Films

Canadian Content in a Digital World Consultations

Feature films are the highest profile cultural flagship of a nation. They represent us as Canadians on the global stage. One of our own films selected for competition in Cannes or nominated for a Golden Globe or Oscar, is the cultural equivalent of qualifying for the finals at the Olympics.

One can argue that it is more than that. Film is a medium that forms long lasting impressions and influences opinions. It is our prime opportunity to tell stories to the world through the lens of Canadians.

The Apprenticeship of Duddy Kravitz, based on Mordechai Richler's novel, was the first Canadian feature film I saw in a movie theatre. It was a full house at Place Ville Marie in Montreal and people were lining up to see a Canadian film. I was a student at McGill at the time and it was this sight that gave me the confidence that we could make films about our own stories and attract paying audiences with them, in Canada and abroad.

Duddy Kravitz went onto worldwide distribution, an Academy Award nomination, the Golden Bear at the Berlin Film Festival and I went on to devote my entire working life to making Canadian films.

Some five years later, my first film, *In Praise of Older Women*, opened to line ups around the block across Canada. On opening night, I was so excited to see people trying to buy tickets on Yonge Street in the pouring rain, that I bought everyone hot chocolate.

Two of Mordechai Richler's subsequent novels became films, produced by me. *Joshua Then and Now* was selected for competition in Cannes. *Barney's Version* won the audience award in Venice, the Golden Globe for Best Actor and received an Academy Award nomination.

The Canadian film industry was heartened by the federal government's substantive cultural investments in Budget 2016, with increases to CBC and Telefilm. But there is still a long way to go. The current budget of Telefilm Canada for co-financing films, in both official languages is considerably less than the typical budget of one Hollywood movie.

Unlike television, which is protected by on-air quotas and regulations, feature films stand entirely on their own to compete in the marketplace as best they can with Hollywood blockbusters. Unlike other countries with a strong film industry such as France, the U.K and



Germany, Canadian broadcasters have no obligation whatsoever to invest in, or program domestic films.

Over the past 40 years, in all likelihood, I have invested more in Canadian film than anyone else in the private sector. I have produced and invested in 40 films and exported them around the world. As a distributor, when CEO of Alliance, I have invested in twice as many.

Despite modest resources, Canadian films have accomplished milestones in international acclaim. Academy Awards, Golden Globes and top prizes at Cannes, Berlin and Venice are certificates of quality from our industry's loftiest authorities.

Since the beginning of my producing career, 11 English language Canadian films - some produced by me, some not - have been nominated or won Golden Globes and Academy Awards, competing head on against everything that Hollywood has to offer. In the foreign language category, five Quebecois films have been nominated, with *Les Invasions Barbare* winning the foreign language Oscar.

Feature films are expensive and high risk. Revenue is totally success based and there is no safety net via subscribers or advertisers.

The quality of a film is only one aspect of what it takes to attract an audience. The other, equally important, is marketing. Marketing today is far more challenging and costly than it has ever been. This is due to the extraordinary clutter created by the digital age. In order to attract a paying audience, marketing budgets have soared for all movies. Hollywood now spends as much as \$100 million to market one film, ten times more than some 15 years ago.

Globalization of distribution, driven by an epidemic of piracy is the cause for these massively inflated marketing budgets. Virtually every film is now pirated on the internet shortly after its theatrical release. This has prompted Hollywood studios to release their films simultaneously in every city of the world in order to beat the pirates. This, in turn, has led to ballooning global marketing budgets.

Independents, whether Canadian or otherwise, do not have the resources or distribution networks for Global release. Consequently, piracy is a far greater threat to all independent films, including ours. Hence, marketing has become more pivotal to the success of a film than it has ever been.

Recommendation: Telefilm Canada should receive separate funding for the marketing of Canadian films. It currently has a modest budget for marketing. Instead it should have a far greater designated fund specifically to promote Canadian films at home and abroad.



Canadian broadcasters have no obligation to invest in domestic feature films. This is not the case in other jurisdictions where public and private broadcasters invest in their domestic film industry. BBC and Channel 4 in the UK, Canal Plus and TF1 in France, RAI and Mediaset in Italy are all leading players in the financing and broadcasting of domestic films. There is virtually no feature film in any of these countries that is made without the support of at least one of them.

Recommendation: Allocate significant designated funding for the CBC to invest in Canadian theatrical films.

Quotas are not the answer to the question of how to best foster creativity and support for Canadian culture. There is however, a viable solution in modernizing and adapting our cultural approach to this industry in a way that ensures its success.

This means continued and increased investment in the budget of Telefilm Canada. The \$4 million increase in the 2016 budget is a small step in the right direction, but a qualitative leap is now needed.

Recommendation: The annual budget at Telefilm should be dramatically increased to ensure that Canadian cinema can make further progress and be competitive around the world with the backing of sufficient marketing resources to enable this.

The federal government could also increase tax credits for Canadian theatrical feature films. Increasing tax credits for Canadian films would be recognition of their greater cost and higher risk taken by investors as compared to television production.

Recommendation: Finance Canada should increase the tax credit specifically for Canadian theatrical feature films, recognizing their higher cost, risk and cultural value.

The export of our cultural products is of pivotal importance both to our balance of trade and our place of honour among the nations.

Feature films are a flagship cultural medium. They tell our stories to each other and to the rest of the world. They create desirable, well remunerated, and environmentally friendly jobs.

We now have a government that seems to understand the importance of investing in Canadian culture, both at home and abroad. And the timing couldn't be better.

As we move towards celebrating 150 years of our Canadian identity, we must ensure that our domestic film industry thrives and remains competitive with the rest of the world.