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Chair

Mr. Gordon Brown

Standing Committee on Canadian Heritage

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• (1530)

[English]

The Chair (Mr. Gordon Brown (Leeds—Grenville, CPC)): Good afternoon, everyone. Welcome to meeting number 37 of the Standing Committee on Canadian Heritage.

We are currently conducting a review of the Canadian feature film industry.

For the first hour today we have with us from the Canadian Media Production Association, Michael Hennessy, who is the president and chief executive officer, as well as Marc Séguin, who is the senior vice-president, policy. From New Real Films we have Jennifer Jonas, producer and co-chair of the feature film committee of the Canadian Media Production Association. As well, from Pope Productions, we have Paul Pope, producer, and co-chair of the feature film committee of the Canadian Media Production Association.

We'll be hearing from Mr. Hennessy for 15 minutes, and then we will move to our questioning.

Mr. Hennessy, you have the floor.

Mr. Michael Hennessy (President and Chief Executive Officer, Canadian Media Production Association): Thank you, Mr. Chair and committee members.

I am going to speak for a while and then the rest of the gang will also speak within the context just so I don't sound like I'm droning on by minute 12.

My name is Michael Hennessy, and, Chair, you have introduced us for the record, so that is fine.

Before I delve into specifics, just allow me to share some preliminary thoughts. First, it is well known that we have a world renowned and respected film industry because of the support and collaboration of government, so let me begin by thanking you for that support. In particular, we'd like to thank the Honourable Shelly Glover, Minister of Canadian Heritage and Official Languages for her unwavering commitment to our sector.

We know that the government fully appreciates the vital importance of film in helping to define Canada as a nation and to reflect the stories of different communities both geographic, and increasingly, virtual communities.

Film and audiovisual content in general can also make a contribution to our overall economy directly in terms of the creation

of high-skilled jobs, inward investment, and exports; and indirectly in terms of raising our country's brand internationally.

The government's film policy of 2000 clearly states that film matters. This sentiment was echoed by this committee in 2005, which was the last time the committee examined the feature film industry. That said, we understand and deeply appreciate that the committee is not seeking to question the importance or relevance of the feature film industry to Canadians, to the economy, or to our national identity. The end game is not in question, but rather we wish to explore the best means to achieve our objectives going forward.

Mark.

Mr. Marc Séguin (Senior Vice-President, Policy, Canadian Media Production Association): It's important to be clear up front what we mean when we refer to feature films. We mean films that are scripted, developed, produced, and marketed with the intention of being released first in cinemas, the big screen, recognizing nonetheless that movies are more often seen on a multitude of other viewing platforms and especially on television.

Feature films are a unique form of audiovisual content. They are conceived to be experienced in a linear uninterrupted fashion, thus inviting the audience to connect with the characters and be drawn into the story. Feature film is indeed a distinct form of storytelling.

There are other characteristics about feature film that are also important to highlight. First, they are expensive to make if one wants to do so and do so well, to compete with the best the world has to offer. Second, the level of competition especially in English Canada is extremely fierce. This and other factors translate to Canadian feature films being a very high-risk endeavour for everyone involved.

If not for the generous and ongoing support from all levels of government, we would have a mere shadow of a film industry compared to what we have collectively built in Canada over the last 50 years. I would offer that we have a lot to be proud of and a lot to celebrate from our recent successes in Cannes to the global importance of the Toronto International Film Festival, but I would also suggest that together we can and should do better.

We can and should grow our film industry and with that multiply the job opportunities for Canadians seeking to work in this important creative sector, and especially for young Canadians. We can and should enhance the contribution this sector makes to Canada's economy and prosperity. Quite frankly, we can and should ascend our rooftops and shout this out loud so that all of Canada and indeed the entire world knows about it.

The feature film industry in Canada is a significant one. It is comprised of two distinct sectors. On the one hand, we have the Canadian content sector. This relates to feature films that are certified as Canadian by either CAVCO or the CRTC. This sector also includes films that are produced pursuant to one of Canada's many international co-production treaties. On the other hand, we have the foreign production services sector. This involves film production being carried out by a producer in Canada, but on behalf of a foreign company that ultimately owns the copyright on that film. These foreign companies are very often, but not exclusively, the Hollywood-based studios.

Total production activity related to Canadian content films alone was \$376 million in 2013-14. This volume sustained 8,100 full-time equivalent jobs. Foreign film production in the same year accounted for another \$857 million and just over 18,000 full-time equivalent jobs. This data only tells a small part of the story. When the entire film and television value chain is taken into account, and admittedly that's going beyond the strict confines of feature film, the numbers are impressive. It makes a \$20.4 billion contribution to Canada's GDP. It constitutes 262,000 full-time equivalent jobs. There is \$12.8 billion of labour income for Canadians. There is \$5.5 billion in tax revenue to various treasuries, and it accounts for \$2.4 billion in exports.

Paul.

• (1535)

Mr. Paul Pope (Producer, Pope Productions; Co-Chair of Feature Film Committee, Canadian Media Production Association): Mr. Chair, when we think of film, we start by thinking of going to the movies at the theatre down the street. That is still where the full experience of film is at its best, but the reality is that the primary place Canadians watch films is in their homes, and technology has only improved that experience over time.

Broadcasting has long been the primary means for Canadian films to reach large audiences, but as you have heard from other witnesses, the shelf space for Canadian film in the broadcast window has shrunk over time as private broadcasters have embraced more serialized dramas and the CBC has stepped back from film for strategic reasons linked to funding cuts. Simply put, even with many of the efficiency adjustments we'll discuss later, the future of the film industry and the benefits it creates will be tenuous without a strong presence on our television broadcasting system, because it is through this system on the large flat screen at home that the large majority of consumers will continue to watch film.

Mr. Chair, since the beginning of cinema, we have seen the Canadian presence in the theatre down the street severely limited due to the dominance of exhibition space by foreign studios, particularly Hollywood. We now face a similar threat when it comes to film on our broadcasting system because, if there is no preference or priority for Canadian space on the home theatre, then Canadians will have access only to foreign films. We don't need to repeat that mistake, and we don't and should not ever block access to the best films from around the world. There is room for the best of both worlds.

There is a pressing need to find effective ways in our policy tool kit to encourage Canadian television broadcasters, both the private sector services and the CBC, to participate more fully in the

financing of Canadian films, scheduling them when Canadians are most likely to watch, and actively promoting them.

Canadian television broadcasters are not financing Canadian feature films as they once did largely because of the financial risk involved. The CBC has a mandate to support identifiably Canadian content and stories, and film in Canada has been one of the primary vehicles for delivering our stories. The shelf space for Canadian films on CBC has been barren indeed. With the loss of *Hockey Night in Canada* on Saturday nights, we can't help but think this is the perfect opportunity for the CBC to showcase Canadian films. As such, we would fully support a recommendation from this committee that the CBC be given additional resources to carry out such an initiative to help develop, produce, and showcase Canadian films, especially English-language films.

With respect to private broadcasters, we agree with other witnesses who suggest that the CRTC needs a special category under what it calls PNI, programs of national interest, to ensure appropriate funding for and promotion of Canadian feature film. The time is ripe for action here as the CRTC decided on March 12 to review its policy, but we also believe that the carrot is a better way to start than only a stick.

The CMPA recently developed and submitted a proposal for a new three-year pilot incentive to be incorporated within the existing framework of the Canada Media Fund. This proposal was discussed first with key broadcasters, and there was a high degree of support for it. We hope the CMF will accept our proposal for implementation this year.

We believe this incentive would be an effective complement to the Canada feature film fund that would allow producers and broadcasters to collaborate each year on a select number of Canadian films. It is expected that while these films would be released in theatres as the first window, they would quickly become available for broadcast on television, where the overwhelming majority of Canadians typically view Canadian films.

A closer collaboration in this regard would also allow for the development of cross-market promotional strategies that would increase the efficiencies in reaching the greatest possible audience success in both the theatre and television markets.

Jennifer.

• (1540)

Ms. Jennifer Jonas (Producer, New Real Films; Co-Chair of Feature Film Committee, Canadian Media Production Association): There are effectively three main federal programs in support of the feature film industry. We have two tax credit programs, one for Canadian content and one for production services, and as already noted, the Canada feature film fund, which is administered by Telefilm Canada. On the whole, we believe these federal programs to be very successful. Of course, they are not perfect. There are things we can do to improve them and to enhance their efficiency and effectiveness.

First, the CMPA is pleased with the positive changes that Carolle Brabant and her team at Telefilm have introduced over the last few years to the Canada feature film fund. Faced with a reduction to its parliamentary appropriation three years ago, Telefilm has worked hard to increase efficiency in its programs and has made a number of changes to achieve that end.

Telefilm, we believe, is functioning well and is effective, but Telefilm can and should do more. It can stimulate more film production, and as a result, foster employment growth. It can also place more emphasis on marketing and promotion activities, but with its current level of resources it can only do so much. Therefore, though we are wrestling with the federal deficit, we would still ask the committee to consider recommending that Telefilm's appropriation be increased, and at the very least, to where it was before the reduction. With more resources, Telefilm can and will do more.

Now I'll turn to the tax credit programs. Since we introduced our tax credit programs, similar tax-based measures have been implemented in many of the states in the U.S., and in other countries. The fact that they have been so actively replicated elsewhere is testament to their effectiveness; however, they are not perfect. We believe that by making relatively minor tweaks in two areas in particular they can be more effective and more efficient.

First, as you may know, all forms of public assistance are currently netted out of the calculation of federal credits. We call this the grind. This effectively reduces the net value of the tax credit for producers and therefore the size of budgets. We believe that by eliminating the grind, the additional resources could be used to enhance the competitiveness of Canadian content, build stronger corporate capacity, and ultimately lead to the creation of more jobs.

Second, because of their nature and design, a certain portion of the value of the tax credits is being siphoned out as a result of producers having to interim finance those credits through financial institutions until those credit amounts are paid out by the Canada Revenue Agency. Delays in payouts are directly related to the complex process and redundant audits and approvals. On top of the grind, the net value of the credit for producers therefore is effectively further decreased by the set-up fees and interest costs charged by banks for bridge financing these credits. This is an inefficiency in these programs.

We would therefore fully support a recommendation that would encourage the departments of Canadian Heritage and Finance to establish a small public-private working group with the specific mandate of finding an effective solution to this issue and implementing that fix as quickly as possible.

Before moving on to speak about promotion, we would like to raise with the committee another big picture issue, something which we need to do to further enhance efficiency and reduce costs for everyone, and that relates to red tape. We need to find ways to reduce it. It strikes us as odd that a producer is required to file the same paperwork on the same project four or five times with various government authorities, each of which has its own set of procedures, templates, and auditing and reporting requirements. Surely there is a way to reduce this inefficiency without compromising good governance or accountability.

We would welcome working with the key federal institutions and programs to address the red tape issue. We believe this committee can be instrumental in ensuring this happens by making a recommendation to government in this regard.

• (1545)

Mr. Michael Hennessy: Thank you, Jennifer.

The main focus of government intervention over the last 50 years has been on the supply side of the industry. When one seeks to develop a new or young sector, it makes perfect sense to stimulate first and foremost the creation of product, but we are a long way from where we were five decades ago. We now have an industry capacity able to generate \$1.2 billion of feature film production each year.

The world of media, however, is changing rapidly and traditional business models are being fundamentally impacted. New technology enabled largely by the Internet and wireless capacity has led to a proliferation of options for consumers to access filmed content. Canadians, and indeed audiences in all leading nations, are not the passive viewers they once were. They are very much engaged in actively deciding what they see and how and when they see it. The entire audiovisual paradigm is shifting from one that was supply side oriented to one that is very clearly much more demand side focused and controlled by the consumer.

For our industry to prosper well into the future, it is critically important that we at the very least maintain our current level of capacity and enhance our competitiveness by maximizing efficiencies in the system. That alone, however, won't be enough in the long run. The industry, working in partnership with government, must begin, and do so very quickly, to place more emphasis on promoting the value of our industry. This entails several things.

First, it's important that Canadians fully appreciate our sector and the content we produce. Canadians don't generally know what content is Canadian or what was filmed here in Canada for consumption internationally. They should know, and I'm certain that if more Canadians did know, they would have an enhanced sense of pride knowing that the work was done right here in Canada by Canadians. Greater promotion and education in this regard would also have the added benefit of raising awareness of the job opportunities our sector offers for the next generation of creative minds.

Second, the growth and success of our sector going forward will increasingly hinge on our ability to promote the value of our industry in international markets, including the quality production services we offer. To grow our industry, we need to attract greater financing from international markets and we need to sell more Canadian content abroad.

More resources, therefore, dedicated for export development to help producers do more business in both established and emerging markets internationally would go a long way to stimulating more exports and to attracting more inward money. We believe you can help in this area by making a recommendation for the departments of Canadian Heritage and International Trade to work with us and others in the sector to develop an international promotion, trade, and export strategy, and dedicate the necessary resources to executing such initiatives.

Let me just say in conclusion that we've achieved a great deal of success with our feature film industry since the late 1960s, but we can and should do more to continue growing our industry and creating more jobs for Canadians. We can and should maximize our tax credit programs and reduce to the bare minimum the inefficiencies that currently exist, including that caused by red tape. We can and should incent television broadcasters, particularly the CBC, to more actively finance and promote Canadian films. We can and should place more emphasis on promoting the value of our sector to Canadians and to the rest of the world. We can and should capitalize more fully on our export potential.

Mr. Chair and committee members, I say we should, and with your help I know we can.

We'd be happy to answer your questions. Thank you.

The Chair: Thank you very much.

We're now going to move to the questions. We're going to go to Mr. Young for seven minutes.

Mr. Terence Young (Oakville, CPC): Thank you to everyone for coming here. We have great ideas here. This is the exact kind of thing we were hoping to get when we initiated this study, so thank you very much.

Our Prime Minister just announced—and I haven't seen all the details yet—a program to help small businesses export into other markets worldwide, so you're certainly talking our language.

I wanted to ask Mr. Séguin a question.

Could you please define what a program of national interest is? Maybe you could give us some examples and then tell us how this three-year pilot project that you're suggesting would work.

• (1550)

Mr. Marc Séguin: Thank you for your questions. Let me deal with one and then the other.

Your first question is on programs of national interest. It's a category that the commission has identified as essentially high-risk programs that are under-represented in our broadcasting system. They are typically expensive to produce. There are several genres that fall into that category. There's drama, obviously. Kids fall into that category. There's long form documentaries. I believe there are award shows, if my memory is right.

An hon. member: What about film?

Mr. Marc Séguin: Film qualifies as drama as well. That's right.

That's your first question.

With respect to your second question, we have developed an incentive program that we've recently tabled with the Canada Media Fund, which essentially has two components to it. The end goal of this incentive would be to re-engage broadcasters to help finance Canadian films. There are two components to our proposal.

The first component involves adjusting the minimum licence fee threshold to access the fund. The reason we've developed that particular component to the proposal is we found that the current licence fee threshold that is applied to feature films—and to be clear, feature films are eligible under the Canada Media Fund.... The reason the Canada Media Fund has supported very, very few films in the past is that the current licence fee threshold, which is a minimum to access the fund, is way too high compared to what currently is being paid in the marketplace. That's the first component.

The second component involves modifying the calculation methodology that is used by the Canada Media Fund in creating the envelopes. The notion behind that component was essentially to level the playing field between the audience success that a film could achieve and that which can be achieved by, let's say, TV drama. A TV series could have 12 episodes a year—that's 12 episodes that generate audience—but a feature film is a one-off deal. We are proposing a multiplier to level that playing field in the calculation methodology of the envelopes under the fund.

Sorry, that was a bit long-winded.

Mr. Terence Young: No, it was very helpful. Thank you.

Mr. Hennessy, I wonder if you could comment in general on what is the hardest to find in growing the industry. Is it hardest to find stories and scripts, or actors and performers, or facilities, or financing, or something else?

Mr. Michael Hennessy: I can also quickly pass this to our producers, but my sense is that financing is always the challenge.

I think we have some incredible talent in this country. In fact, we make TV shows and films, particularly for Hollywood, and 95% of the people working on set are Canadian. The talent is there. The financing to get up to the scale where you compete with the U.K. and the Americans is not.

Mr. Terence Young: Mr. Pope, did you want to comment on that?

Mr. Paul Pope: The short answer is “all of it”, but financing is certainly a major issue.

Ms. Jennifer Jonas: I would add to my esteemed colleagues' remarks that aside from the difficulties of procuring financing, another challenge facing the production community is access to screens, both big and small. You've had other witnesses, and we've mentioned here today, the fact that there has been a dramatic decrease in the broadcasting of Canadian feature films, especially English-language Canadian feature films, because of the ways that the big screen exhibition system works. With so much weight given to the Hollywood product, it's hard for Canadian features to access screens, big and small.

Mr. Terence Young: Thank you very much.

Mr. Hennessy, I liked what you said about Canadians not generally knowing what content is Canadian or what was filmed here in Canada and that they should know.

I appreciate your suggestion. How might something like that work? How can the government help promote awareness of Canadian films to Canadians?

Mr. Michael Hennessy: I think there are a couple of ways. The CRTC took a step the other day in talking about how we may have to repurpose some of the money off the screen into promotion. I know Telefilm, which is coming up after us, is going to spend time talking about their promotional activities.

Part of it is ensuring, and it goes into our export strategy, that there is presence at what are called markets around the world, where products are developed and also sold. We have spent the last three years travelling to a lot of countries with Telefilm and the Canada Media Fund to promote the industry. A lot of our major producers now spend as much time out of the country as in because they realize the importance of selling to the globe.

The number one thing is to ensure that people have the ability to travel to markets, and have programs that can help finance delegations coming to this country to do co-production activity or to take advantage of the opportunity to film products, as Hollywood does, in the country. Because of the labour market we have in this country, and the locales, skills we've developed, it is an incredible opportunity to bring investors to the country if we can create programs that finance trade delegations coming in.

• (1555)

Ms. Jennifer Jonas: If I may also add to that, with respect to promotion and visibility within Canada, re-engaging broadcasters with feature films would also very much help with that. By far the largest forum for viewing feature films in Canada is, eventually, on the small screen. The more help we have from our broadcasters, both public and private, to help promote the existence of these Canadian feature films, the more aware Canadians will be of them.

The Chair: Thank you very much.

We'll now go to *monsieur Nantel pour sept minutes*.

[Translation]

Mr. Pierre Nantel (Longueuil—Pierre-Boucher, NDP): Thank you, Mr. Chair.

Mr. Séguin, since you are fluent in French, I'll ask you the following question.

I obviously really liked your informed comment about Telefilm Canada's work. That organization has been very innovative and has been thinking outside the box in its support of the industry.

You also talked about CBC/Radio-Canada and replacing *Hockey Night in Canada*, for instance, with a movie night. In Ottawa, a number of my parliamentary colleagues are enjoying those movie nights. That's definitely an interesting idea.

You said that this kind of programming is needed more on the anglophone side because the Quebec film industry is healthy. Do you feel that the CBC provides less support for the film industry than Radio-Canada does?

Mr. Marc Séguin: Thank you for the question, which I would be happy to answer in French.

It's clear that, in Canada, the francophone film market works much better in some respects. First, that market has natural advantages because it is small and there is a lot of overlap between film and television production. The Government of Quebec also provides significant support for the industry.

Radio-Canada strongly supports feature films in Quebec, but I can't say that the same is true on the anglophone side. The CBC very rarely supports English-language films. The anglophone Canadian market is extremely competitive and foreign films—mostly American—have much more of an impact.

Ms. Jennifer Jonas: The answer to your question is very clear. The SRC participates in the Quebec film industry by granting licences and making investments, but the CBC is no longer doing that in English Canada.

[English]

Mr. Pierre Nantel: I'm not surprised to see such a thing. I celebrated St. Patrick's Day at Concordia University last week, and I was in a meeting about the CBC. I played them the two-minute ad that Radio-Canada airs to show its support and enthusiasm about movies, and they said they haven't seen this in English.

On page 11 of your presentation, you refer to the international markets and how we could better promote our cinema. Would you think that consulate work, which has a cultural mediation aspect in the embassies and consulates, is something we should consider redoing?

• (1600)

Mr. Michael Hennessy: Yes, or refocusing; certainly the job of the consulate in Los Angeles right now is huge. They cover the whole southwestern United States. Their priority out of Los Angeles is tech and biotech. So more focus there....

We had great support at the Berlin film festival from the consulate in Berlin. In fact, they helped us this year when we took a trade delegation of emerging film producers to Berlin. It's really critical to have that presence on the ground of people who are well versed in the industry.

You know, I always like to think of entertainment and information technologies and the content that's produced as really the currency in the information age. It is not only of cultural significance, but it is also of economic value both in terms of jobs in the country and in terms of exports.

Mr. Pierre Nantel: Absolutely.

I realize that I forgot to thank you for being here, because clearly we have a big delegation, and you are representing totally our content providers for our Canadian identity and the very important shooting industry for movies for the United States. As well, I'm quite certain that if you have a steady job making these foreign films in Canada, you may bring on your weekends some support to some Canadian talent who wants to shoot a short film about something else, with all this technology and all these tools that are available.

Isn't all this foreign work bringing a kind of solidity to the milieu, bringing these special film festivals to Vancouver that wouldn't exist were it not for that much foreign shooting?

Mr. Michael Hennessy: It is an incredibly important element. I think the emergence of a foreign production industry in this country.... As I said, in most productions you're now talking about 90% or 95% Canadian talent they trust us so much to do a good job. That really keeps the doors open for the auteurs, for the Canadian producers, in between the projects they're on. It's incredibly important.

Mr. Pierre Nantel: Thank you very much for your answer.

[*Translation*]

I'd like to talk about something else.

We all know that the goal of this study is to look at how quickly technologies have been developing. I'm thinking of the display devices, iPads and on-demand video, which go against the content quotas our government practices have promoted so far.

You have given us some recommendations, but do you think there are people we should meet with as a matter of urgency? Time is running out, and I'm worried that this study will not be as comprehensive as the previous one. Do you feel that certain issues are more crucial than others?

Times are changing. Last week, the CRTC made some changes in television. The same producers are often involved. The ways of doing business have been turned upside down. There used to be a framework that established how a producer should do business with a broadcaster. Are these changes positive or negative? I imagine it's very disturbing for you to see small producers being exposed to large broadcasting conglomerates.

Ms. Jennifer Jonas: You are asking a number of questions simultaneously.

[*English*]

The Chair: It will have to be a one-word answer.

Voices: Oh, oh!

Mr. Michael Hennessy: I will choose my words very carefully, because it's a very loaded question, one which I appreciate the opportunity to speak to.

You're quite right that the world is changing. I think the CRTC's decision and the government's direction to look at making things more on demand, more à la carte, more consumer focused, ensuring that your audiences are engaged and happy with the product you're producing, is the right way to go. Even though it is challenging, through that challenge I think we'll be better able to compete in what's becoming increasingly a global market. No problem there—

The Chair: Thank you. We're going to move on.

[*Translation*]

Mr. Dion, the floor is yours. You have seven minutes.

Hon. Stéphane Dion (Saint-Laurent—Cartierville, Lib.): Thank you very much, Mr. Chair.

[*English*]

Thank you very much, madam and gentlemen, for your presentations and for being with us.

I identified seven recommendations and we have seven minutes. The first one you discussed a bit with Monsieur Nantel. It's your recommendation about the CBC. I just want to clarify something that gives me some concern. It's in regard to the way it is written, as follows:

...we would fully support a recommendation from this Committee that the CBC be given additional resources to carry out such an initiative to help develop, produce and showcase Canadian films, and especially English-language films.

Are you saying that you want the government to give more funding to the CBC than to Radio-Canada because Radio-Canada is already doing the job and the CBC is not, so fund the CBC instead of saying to the CBC, "Do like Radio-Canada does"? But don't penalize Radio-Canada in saying that Radio-Canada should not receive the funds because Radio-Canada is already doing the job.

Do you see my concern?

• (1605)

Mr. Michael Hennessy: Yes. That's a very good point, and it wasn't what we were intending to say.

Hon. Stéphane Dion: Thank you.

Okay, I'm pleased with this one.

I will continue in French, because I read your presentation in French.

[*Translation*]

The second issue you talked about was programs of national interest. You also started talking about the CRTC. You say that you would prefer to start with the carrot than the stick. You say that you have a suggestion about the carrot, but can you tell us more about that?

[English]

Mr. Michael Hennessy: Sorry, on programs of national interest, the first thing that Mr. Séguin just described was in terms of incentives for the broadcasters to consider investing more in film rather than TV, because there's bonusing built into the Canada Media Fund.

Hon. Stéphane Dion: That's what you meant by your proposition. Can you send this proposition to the committee? You mentioned that you presented it to the Canada Media Fund.

[Translation]

Mr. Marc Séguin: Absolutely.

Hon. Stéphane Dion: Okay. Thanks.

Third, you recommend that Telefilm's parliamentary appropriation be increased, at the very least, to where it was before the reduction.

[English]

Can you give the committee a sense of how much money it represents? What was the investment before the cuts, and what would you like to see?

Mr. Michael Hennessy: I think it was approximately \$10 million.

Hon. Stéphane Dion: You would like \$10 million?

Mr. Michael Hennessy: Yes. I think Telefilm has demonstrated, particularly when one looks at the performance at Cannes a couple of years ago and the movement of so many of our directors to Hollywood, that they're doing a bang-up job.

Hon. Stéphane Dion: The fourth is the end, I understand, of the grind.

[Translation]

In French, you used the word "dilution".

[English]

This committee has heard this request many times now, but we have been told that it may be costly for the government, and that it would be tricky, with the rules of...

Mr. Michael Hennessy: Yes. There are two things you can do. If you tried to do it all at once, it could be a significant number, as much as \$100 million, so that's not going to happen. But about a quarter of that is really federal public assistance, primarily equity money from Telefilm and the CMF. The rest is provincial moneys. And sir, you know better than I about the federal-provincial challenges.

I think if we started looking at not grinding Telefilm equity, not grinding CMF equity, we would be able to better finance the kinds of shows and movies that you sell globally.

Hon. Stéphane Dion: Again, do you have something that may feed us about that? Do you have something written that you would like us to start with?

Mr. Michael Hennessy: No, but we could, if you want us to write it up.

Hon. Stéphane Dion: That would be a great help.

The fifth, which this committee has heard before as well, is the idea that because the tax credit comes at the end instead of at the

outset, you have to borrow a lot of money, and when you borrow money, you lose money. You said we need to fix it, but then you said you don't know really how, so what is needed is a small group to think about this.

Do you not have an idea that you can share right now with this committee about how we can do that, have the money up front instead of at the end as a tax credit?

Mr. Marc Séguin: I'm happy to answer that, in terms of ideas of what we could do.

First of all, I'd say there are a lot of ideas, but to throw out a few right away, we could accelerate the payment. In other words, we could pay 80% or 85% up front, based on some kind of risk audit framework—very easy to do—then have a holdback, let's just say 15%, and then when the project is done, assuming it goes according to plan, file for the remaining 15%.

The idea is to accelerate the deployment of the capital so that you decrease interim financing costs. At the end of the day, it means more money on screen, or in companies, to build companies.

Hon. Stéphane Dion: That's great. Again, each time you have ideas that you can send to this committee with more detail, it would be very much appreciated.

The sixth is red tape. We hate red tape, so if you have any ideas on how to cut red tape without creating problems of organization and coordination, that would be great. You don't have the time in your presentation to detail it, but could you give us examples of red tape that we should cut?

• (1610)

Mr. Marc Séguin: One of the things we hear often from our members is that they have to provide audited financial statements on the same project several times.

Hon. Stéphane Dion: To whom?

Mr. Paul Pope: I'll answer that.

You would do your own internal audit, then you'd go to an outside chartered accountant, and then you would have Telefilm review the audit if they're a partner. You'd have CAVCO review the audit. You'd have the provinces review the audit.

Telefilm, to their credit, has the most clear rules on the audit, and the audit manual, which a lot of places have adopted, but not all. Those things create costs in terms of revising the audit, multiple phases, but also it just is slow. Interest rates are monthly, and it's surprising how fast nothing can happen.

Hon. Stéphane Dion: It would be great if you could send us a road map of all the red tape that we could eliminate.

The last one is your recommendation about an export strategy.

[Translation]

Once again, you talked about an international promotion strategy.

[English]

Do you have an idea on how we may design this strategy?

Mr. Michael Hennessy: Yes, the fundamental you really want to focus on is the idea of sales and inward investment. Sales, that's the promotion of Canadian producers or distributors to the international markets, including money perhaps through existing funds to promote the activities when we're over there, so we're promoting brand Canada in that form of content.

The second one, which I think is more complicated and needs a little thought, is how we can bring more money into the country to do more work here. We do very well, by the way, obviously. We bring in over a billion dollars a year from Hollywood with very little outflow, but that would be the second part, and I think probably writing it up would be more efficient.

The Chair: Mr. Weston, for seven minutes.

[Translation]

Mr. John Weston (West Vancouver—Sunshine Coast—Sea to Sky Country, CPC): Thank you, Mr. Chair.

I want to thank the witnesses for joining us today.

I see that there are really two themes here—one has to do with protecting or developing Canadian arts and culture, and the other one is related to our industry's economic efficiency. In the riding I represent, West Vancouver—Sunshine Coast—Sea to Sky Country, a lot of people are focusing on the cultural side, including fine arts, singers, sculptors, artists and those involved in film production. We actually have a festival at Whistler. I want to use this opportunity to congratulate Shauna Hardy, who organized the festival.

What can be done to attract investors, as is being done at Whistler? A lot of people from China come to the festival to invest in the industry and in films. What do you think about that approach? What can we do to attract foreign investment to our industry, which is already so well-known?

[English]

Mr. Michael Hennessy: I think that in the first case you ultimately need a program in trade that underwrites a portion of delegations that would come to the country looking to do productions in the country. That's why you need some kind of working group, because you need to define the parameters enough, so you're not spilling money as opposed to attracting it.

Sorry, I'm just trying to remember the second part.

[Translation]

Mr. John Weston: What needs to be done to attract investments? Are other countries investing in that area?

•(1615)

[English]

Mr. Michael Hennessy: It's kind of a controversial issue and I haven't landed in a place, but the CRTC started this to some degree talking about trial programs. Part of it, I think, is that if we're going to compete in a more global environment, we must be aware that almost every country, including now the United States, is looking to do co-productions. Jennifer here is just working on a co-production herself with the U.K. that is majority Canadian. We have to think about our foreign investment rules a little more closely in the industry.

We're now in a world where the Internet, on-demand, and everything are going to be what drives both TV and film. There's no intention anywhere to regulate that particular sector, and if that's the future of broadcasting, we've said implicitly that we don't have the issues about foreign entry, foreign competition, that we used to have in the past.

How do we then look at how we define Canadian content? Maybe for certain things, as the CRTC did, there's a threshold. Is it better to attract investment into those things where we're going to have global partners and we're going up against shows or movies of a scale we couldn't otherwise produce? It's the idea that maybe 50% of something that is 75% bigger than what we make is not such a bad thing.

I think we have to kick a couple of elephants in the room. If we have said—and I'm saying if—it's okay not to worry about regulating Netflixes, Googles, or whoever—I'm not saying that's good or bad—then we're less worried than we used to be about what the rules should be. Maybe we need to be more open and maybe we can at a certain threshold say that we're not going to worry as much about how we define Canadian beyond a certain point.

Mr. Paul Pope: I would add that the co-production treaties we already have could be strengthened.

We have international co-production treaties that already lay out a lot of the groundwork and a lot of the ways to work. It's a fast way to increase foreign investment through co-productions between my company and a company in Bulgaria, or wherever we happen to have the treaty.

Mr. Marc Séguin: If I may add to that, you may know that Canada's international treaty framework was updated, I believe it was last summer. The first country with which we signed under this new framework was India, but the fact remains that the other 49 treaties that we have were negotiated under the old framework. I do know that the Department of Canadian Heritage is working hard to try to update those treaties.

The sooner we update those treaties to fall under the framework the better, because the new framework makes it easier to package films. Of course, it takes two to dance. When you try to negotiate a bilateral treaty, the other country has to be willing to do it too. The sooner we update those treaties, the better.

Mr. John Weston: I was pleased you obviously know of the Whistler Film Festival, and it's making an impact.

Mr. Marc Séguin: Absolutely.

Mr. John Weston: We just talked about foreign investment in our industry. Mr. Hennessy, your website links to a study that says, in terms of finding foreign markets, it's more and more important for producers to invest in that. Moving from investment into production, and now finding foreign markets for the product, do you want to comment on that? How well are Canadian media producers equipped to find the appropriate markets for that?

Mr. Michael Hennessy: Up until about 10 days ago, pretty good.

Mr. John Weston: What happened?

Mr. Michael Hennessy: Ten days ago the CRTC decided to remove all the safeguards they had to fix the imbalance in terms of bargaining power with the big integrated broadcasters like Rogers, Bell, and Shaw. They did this, remarkably, at the same time they increased protections on the broadcast distribution cable side for independent companies like Telus and Cogeco, while they increased protections for independent broadcasters, and while they increased protections for small independent Internet providers.

Those protections, which are called terms of trade, were copied from the U.K., where they put the protections against market power right into their legislation, in section 285 of the Communications Act 2003. That is what led the U.K. into this golden age of television with *Downton Abbey*, *The Fall*, *Luther*, *Inspector Lewis*, and all those kind of shows.

The key thing that came out of that was the producers' copyright was recognized and their ability to use the rights in the copyright to pursue international markets began to be exploited. All of that was taken away on the assumption that somehow Telus doesn't have enough bargaining power, but we do, even though we're a fraction of the size. I think the end result of that is the broadcasters are going to end up with the international rights without a lot of interest in selling them.

• (1620)

The Chair: Thank you very much.

We're going to move to Ms. Nash, for five minutes.

Ms. Peggy Nash (Parkdale—High Park, NDP): Thank you to all the witnesses for being here.

I'm a Toronto MP from Parkdale—High Park. We have a lot of filmmakers, including independent producers, actors, and musicians, in our area. I'm also the official opposition industry critic, so I'm thrilled that our film industry is so successful. I think that we punch above our weight and we do amazing work, so thank you for all you do.

We're always looking to not just stay in place, and we really appreciate your recommendations to address a rapidly changing world market. I appreciate and support your recommendations around the CBC. It's unfortunate that our national broadcaster is not promoting Canadian film more strongly, because I know that is the case in Quebec.

We are sitting next to the biggest cultural exporter in the world, and now with changing technology, films from around the world are at everybody's fingertips. I confess I do love to watch films from other countries. I think it's an amazing opportunity.

What can our federal government do? You talked about greater access to grants, more efficiencies, getting rid of red tape, etc., but what more can we do as a country? What can our government do to encourage more Canadian content, to do what we do even better, to boost more film production here in Canada? What would you say? It's obviously the opposite of what they've done with the telecom companies and the trade agreements. What else can we do here that fosters the kind of creativity that has made Canadian film such a success? You talked about training young people. What else can we do that would help inject more support into this important sector?

Mr. Paul Pope: I would say make sure that we have access points for young people who come into the business and that we have mechanisms and measures in place to make sure there is film and television and Internet activity in all parts of Canada, in all languages. We need to have a vibrant full spectrum sector.

Ms. Peggy Nash: I know there's an organization called Reel Canada that promotes Canadian films in the school system. Do we need to do something like that on a bigger scale for the whole country, not just for young people but throughout the country?

Mr. Michael Hennessy: Yes, absolutely. I think it's always easy... we get involved particularly, as I say, as a trade association in thinking about ourselves and our own interests, but I think all of us here collectively would like to see a world where there's a future in creative jobs, creating intellectual property for our younger generation. Intellectual property, and the control and sale of that, not just for economic reasons but because it is still the way we communicate and reflect our ideas and opinions, is critical. I think there is a huge absence of programs, with all respect to the government, because we do a lot of internships that we couldn't do without the support of the government, but we need more of that. These are going to be high-valued jobs in an information economy and we're making choices today on how we structure industry, whether we're going to be importing the jobs or exporting our children.

• (1625)

Ms. Peggy Nash: Just on that, if you're trying to attract production to come to Canada, if you're trying to get into a co-production, what are the advantages that you would tell another country's producers? What are the advantages to producing in Canada, or maybe specifically in Toronto, my hometown?

Mr. Michael Hennessy: Well, Jennifer is from Toronto as well as Montreal, but she's actually involved in doing that. She could probably tell you what the pitch was that she did with the U.K. recently.

Ms. Jennifer Jonas: First of all, just speaking of Parkdale, I've produced both of Reg Harkema's features. I think you know Reg. He is one of your residents.

Second, before I get to your most recent question, I just want to go back to your initial question about broadcasting. I can't say enough that anything the government could do to repatriate or re-energize CBC, meaning English-language CBC, into feature films would be a very good way to achieve what you were asking. Again, I've said this before, but it's not simply a question of the financing or the licence, but it's having the participation of the broadcaster in the whole conundrum with respect to promotion and awareness so that Canadians can watch and be aware of Canadian films from coast to coast.

The Chair: Thank you very much. We're going to have to move on.

Mr. Yurdiga, for about three and a half to four minutes.

Mr. David Yurdiga (Fort McMurray—Athabasca, CPC): Thank you to the witnesses for being here today.

I have to say this before I ask any questions. I've recently got involved in watching Canadian films and I was quite impressed. I find myself being drawn to Canadian content when I'm flying back and forth to my constituency. Good job. I'm really impressed.

One thing that really bothers me is that usually our children are the driving force to what we watch. My children come home and they turn on the TV. I've been thinking, is there any way we can market and promote Canadian content in film to our children? I'll ask Mr. Hennessy to answer that, please.

Mr. Michael Hennessy: Yes, I think one of the things we've been working on with both the CMF and Telefilm is a project right now that is under the moniker Eye On Canada. I'm not quite sure of the translation, but it's a bilingual thing. It uses social media to build engagement with younger audiences.

The FanZone at the Canadian Screen Awards is a people's choice award, but is driven by younger people whom we bring in, and they get to meet the stars. A lot of that has focused more on television than film, but the tools are equally valid for each. I don't think you can use television, for instance, as the primary vehicle to talk to a younger generation. You have to spend a lot more time on social media and the places they are.

There's no reason, as Ms. Nash was saying, that you can't build more awareness through programs like Reel Canada that goes into the schools and talks about that through social media like the Eye On Canada program through our awards, through the festivals that we were talking about. I think it's entirely possible to have the brilliant slam-dunk idea for you right at the moment.

As I promised Monsieur Dion, I will give that some thought when we come back with our filing, because that is the piece of engagement where I think a lot of initiative is going on that we're still weak on.

Mr. David Yurdiga: Thank you for that.

Ms. Jonas, regarding red tape, obviously we like to get things done as quickly as possible. What are your recommendations to minimize the red tape and is a one-desk approach viable?

Ms. Jennifer Jonas: I'm not an expert on this sort of thing, but I would imagine that in this highly computerized era it must be possible to have safeguarded inputting programs where the kind of information we need to input for these various audits could be done once and then streamed to the various recipients who need it. There would be one master interface that would be the receiver of the information and all the relevant parties could then receive them.

That same master interface would hold all the PDFs of the relevant contracts and so on. There would be a one-user interface that would then be accessed through pass codes and so on to the various federal and provincial parties who need access to them.

• (1630)

The Chair: All right, thank you very much.

That's going to have to be the last word. Thank you for your contributions. If you have any further contributions, please send them to us in writing. Thank you for joining us today.

We will briefly suspend.

• (1630)

_____ (Pause) _____

• (1630)

The Chair: Good afternoon, everyone. We're going to call meeting number 37 of the Standing Committee on Canadian Heritage back to order for the second hour.

We are currently conducting a review of the Canadian feature film industry.

In the second hour we have three organizations with us. From the Canada Council for the Arts we have Simon Brault, director and chief executive officer, and Youssef El Jai, head, media arts section. From the National Film Board of Canada we have Claude Joli-Coeur, government film commissioner and chair. From Telefilm Canada we have Carolle Brabant, executive director; Jean-Claude Mahé, director, communications and public affairs; and Michel Pradier, director of project financing.

Each group will have up to eight minutes.

We'll start with the Canada Council for the Arts, Simon Brault. You have eight minutes.

• (1635)

[*Translation*]

Mr. Simon Brault (Director and Chief Executive Officer, Director's Office, Canada Council for the Arts): Thank you, Mr. Chair.

I want to begin by thanking the committee for having us. I am joined by Youssef El Jai, Head of the Media Arts Section at the Canada Council for the Arts.

The Canada Council for the Arts is clearly the smallest player among the three institutions whose representatives are testifying before you this afternoon. Its involvement in the film industry, and more specifically in feature films, is extremely specific and extremely targeted, and I will give you a brief overview.

As you know, the Canada Council for the Arts has a mandate to promote the enjoyment of the arts in Canadian society and to support artistic creation. The council's role does not just consist in responding to requests submitted by artists or arts organizations, but also in trying to anticipate the future and intervening as required.

Since 1983, the council has had a Media Arts Section. Media arts cover all moving images, such as video and film. The Canada Council for the Arts operates in a very specific way, mainly because it relies on a peer assessment jury system when evaluating artistic excellence and the feasibility of the submitted proposals.

Year after year, the Canada Council for the Arts invites about 700 artists and culture professionals from across Canada to assess projects or proposals submitted by individuals, groups or organizations. We know that there are 140,000 professional artists in Canada. The arts sector generates 640,000 jobs and significant economic benefits in terms of GDP. The council contributes more directly to professional artists through the work done by the Media Arts Section. It also does so indirectly, since the Canada Council for the Arts supports theatre, dance, choreography, writing and literature. All those activities are likely to contribute to the development of the film industry in one way or another.

That contribution is sometimes direct and sometimes indirect. I was CEO of the National Theatre School of Canada for many years, and I was often asked why Canadian actors had so much impact in a film. One of the explanations is that many of our film actors also work in theatre. In Canada, we don't find the same distinction as in the U.S., for instance. Here, actors constantly go from theatre funded by the Arts Council to television and other media, including films and feature films.

Earlier, I said that we feel that the expression "media arts" covered moving images: films, video, new media, digital creations, and so on. The Canada Council for the Arts supports the film industry differently than Telefilm Canada or the NFB do. The council plays a complementary role. It supports what we refer to as "independent cinema", which is basically cinema whose ultimate purpose is artistic in nature and which is produced by artists who have full editorial control of their films. That means there is no industry intervention. Therefore, there are no producers or required paraphernalia found in the film industry.

The Canada Council for the Arts wants to ensure that artistic excellence is always a priority. We talk about the quest for artistic excellence and the originality of the artists who have been submitting projects over the years. We are extremely happy to be able to say that many artists, who have become major producers of feature films in the movie industry, cut their teeth thanks to the Canada Council for the Arts or continued, at the same time, to ask for its assistance in order to produce independent projects. You can see in the short brief we have submitted some names that easily jump out, such as Atom Egoyan, David Cronenberg, Alice Obomsawin, and the list goes on.

● (1640)

The Canada Council for the Arts supports the creation of independent filmmaking, but it also systematically ensures that independent filmmaking is well known internationally, particularly at festivals and biennials. I am referring here to very targeted interventions that allows us to ensure that interest in Canadian artistic creation is ongoing.

What has changed over the past few years and what we are trying to plan for the future is access to cutting-edge technologies, i.e. the democratization of access to technology for artists. There is an incredible proliferation of distribution channels.

In a context where technology is accessible and where creativity has become very popular and very generalized, the issue is to continue to promote high-level professionalism and ethical values. As we know, everyone can create something, but achieving high

levels of creative work and international competitiveness means devoting a great deal of time and energy to the work. What is proposed also has to be assessed in a very accurate way.

Moreover, I want to mention that the Canada Council for the Arts is particularly concerned with supporting the work of independent aboriginal filmmakers. This type of expression is accessible to aboriginal artists, especially those of the new generations. The Canada Council for the Arts has been very focused on this effort over the past few years.

I have been in my position at the council for nine months. In January I announced an in-depth transformation of the council's funding systems. The idea is to go from the current 142 programs to less than 10 programs, and ensure that these programs will in future cover all of our artistic creation and production, both in Canada and internationally.

Among the programs that the council is quite focused on at this time is an aboriginal art program. For the first time in its history, the council is going to implement a program that will be entirely dedicated to the promotion, creation, distribution of and critical discourse on aboriginal art. This program will be administered by our aboriginal managers and employees. It will be an international program with aboriginal juries. We think it is important that the council have a strategy when it supports artists internationally. We also believe that that strategy must be transparent and clear to everyone.

As for the future, even if we have a modest financial role to play in the broader ecosystem of the cinematic universe and more particularly in that of the feature film, our role is essential. We try to be upstream, as it were, in the creation of feature films, be it by supporting directors directly or by ensuring that there is an infrastructure and a pool of artistic talent in Canada. These are resources the film industry absolutely needs to flourish, develop and be more broadly recognized.

Thank you very much.

The Chair: Thank you.

[*English*]

We'll now go to Claude Joli-Coeur from the National Film Board of Canada for up to eight minutes.

Thank you.

● (1645)

[*Translation*]

Mr. Claude Joli-Coeur (Government Film Commissioner and Chair, National Film Board of Canada): Thank you, Mr. Chair.

Thank you for the invitation to testify and participate in your work.

The NFB is a public producer and distributor of audiovisual works. As such, the issues surrounding the future of the Canadian feature film industry are extremely important to us.

The NFB is not directly involved in funding this industry, which is the first issue that the committee is examining. However, the NFB does fund the production and distribution of its own works, and it collaborates with artists and artisans from every part of the country and is a recognized force for creativity and innovation in the international audiovisual industry.

My presentation today will therefore deal more specifically with the current realities and issues facing the documentary feature film industry. I will discuss the following three issues: the NFB's role in the Canadian feature film industry; the production of documentary feature films by the NFB; and the accessibility of all types of documentary feature films to the Canadian public, which is fundamental.

These issues are central to the NFB's mandate and have a direct impact on all documentary feature productions in Canada.

I would like to review with you the role the NFB plays and its place in the Canadian audiovisual universe.

The NFB was founded in 1939 and has thus been in existence for more than 75 years. Since 1939, it has produced and distributed audiovisual works that show the wealth and diversity of Canadian society.

The NFB is a cultural agency within the portfolio of the Department of Canadian Heritage, and our mandate, as set out in the National Film Act, is to “produce and distribute and to promote the production and distribution of films designed to interpret Canada to Canadians and to other nations [...]”.

The NFB's 10 production studios, located across the country, contribute to the vitality of audiovisual creation throughout Canada. Over the 75 years since its founding, the NFB has become the benchmark for innovative filmmaking in Canada and one of the most highly regarded Canadian film brands on the international scene.

NFB films have won over 5,000 awards, including 5 Palmes d'Or awards at Cannes; 73 NFB films have been nominated for Oscars in Hollywood, and 12 have come home as winners. It is thus with humility that I now manage the destiny of this legendary organization.

Our role is to produce works dealing with issues that would otherwise not be addressed in Canadian films. The NFB really plays a complementary role with regard to commercial cinema in Canada as a whole. It allows artists and artisans here to produce works that reflect a diversity of points of view and perspectives on Canadian society and to experiment with new narrative and audiovisual forms.

The works that the NFB has produced over the years now constitute one of the largest and most important audiovisual collections in the world: over 13,000 moving pictures, 500,000 still images, and a substantial sound archive. Dating back to the 1940s, this collection represents a priceless heritage for all Canadians. Hence one important role that the NFB now plays is to preserve this collection and make it accessible to the public and the world community, and especially to future generations.

As the dean of cultural institutions in Canada, the NFB has in a sense been the cradle of the Canadian film industry. We have had a major impact on its development from the end of the Second World

War to the present day, and have played a fundamental role in the emergence of an exceptional Canadian filmmaking tradition, as it is now known in all of its forms of expression.

When it was created, the NFB was located in Ottawa. After moving its head office to Montreal in 1956, it began attracting talent from all over the country and contributed to the birth of a genuine film industry in Canada.

● (1650)

By opening French-language studios that produced films such as Claude Jutra's *Mon oncle Antoine*, the NFB helped give birth to fiction cinema in Quebec. All of the great Quebec and Canadian cinematographers we have known over the past years were trained at the NFB or are the successors of the great cinematographers who began their career at the NFB. I would be remiss if I did not mention such mythical films as *Drylanders*, directed by Don Haldane and *Nobody Waved Goodbye*, by Don Owen.

Starting in 1965, the NFB's studios produced as many documentary feature films as they did fiction feature films and animated short films. By the late 1970s, the NFB began concentrating on the documentary features because the Canadian fiction feature film industry had grown strong enough. The Canadian Film Development Corporation, now known as Telefilm Canada, was created. So the NFB started producing fewer fiction features and concentrated on documentaries and animation, especially documentary features that have thus become the key pillar of the NFB's English and French production programs.

The NFB has played an important role in the Canadian documentary tradition, so much so that some have even argued that the documentary should be officially recognized as Canada's national art form. Canadian documentary features are renowned all over the world. The NFB today focuses its production efforts on documentaries, auteur animated films, and on interactive works designed for new media.

To get back to the topic of your study, I will add that NFB works reflect a wide range of Canadian realities and experiences from coast to coast, thanks to our presence everywhere in the country. There are producers in every region of the country and artists and directors can reflect their specificity.

We tell the stories of people and communities whose voices are often underrepresented on the commercial media landscape. We also fulfil a mandate to experiment with new technologies and different storytelling forms and approaches. It is in this framework that the NFB is involved in all of the Canadian feature film industry in Canada, especially in documentary feature production.

[English]

As you know, our industry is undergoing major change. Traditional media now coexist with digital media. The variety of distribution platforms is growing constantly and the various genres and technologies are evolving rapidly. In short, the entire audiovisual universe is being transformed.

In the documentary feature film industry, the number of players has decreased because of the convergence of production companies, fragmentation of audiences, and the erosion of revenues from traditional media outlets and their migration to digital platforms.

The Chair: Mr. Joli-Coeur, I'm going to have to cut you off there. You'll be able to expand on your comments when you get to the questions.

Mr. Claude Joli-Coeur: Okay. You have my text.

The Chair: Yes, thank you.

We'll move now to Carolle Brabant, executive director at Telefilm Canada.

[Translation]

Ms. Carolle Brabant (Executive Director, Telefilm Canada): Thank you, Mr. Chair.

Good afternoon. I thank the members of the committee for having invited us. We are very pleased to be here with you today.

First of all, I would like to add my voice to that of Michael Hennessy in thanking the Canadian government and Ms. Shelly Glover for the support given to our Canadian film industry.

My comments will focus on three areas. I will first give a brief overview of Telefilm Canada's role and support to the Canadian feature film industry, and then I will address our successes and challenges. I will conclude with our recommendations on how to strengthen the industry.

Telefilm Canada is a federal cultural agency with a mandate to foster and promote the development of the audiovisual industry in Canada. We play a leadership role through financial support and initiatives that contribute to the industry's cultural, industrial and commercial success.

Last year, we supported the production and marketing of some 90 feature films and the development of more than 300 projects, while also helping to promote Canadian talent in Canada and many international festivals, for a total investment of \$92.2 million. Telefilm also administers funding programs for the Canada Media Fund, which totalled \$354.5 million in 2013-2014. Finally, we make recommendations regarding the certification of audiovisual treaty coproductions to the Minister of Canadian Heritage and Official Languages.

In 2011, Telefilm embarked on a "dare to change" plan. We recognized that it was time to address the next big challenge in the evolution of the industry to stimulate demand. Since then, we have redesigned our programs; introduced a new success index that provides a broader and more accurate measurement of success beyond the box office; increased marketing efforts to showcase talent and our successes in Canada and around the world; strengthened stakeholder relationships, and partnered with the private sector on the promotion of Canadian talent. We believe these changes position the industry well for the future.

• (1655)

[English]

Committee members will have received our new 2015-2018 strategic plan, "Inspired by Talent. Viewed Everywhere.", which

builds on our successes and also addresses how we will face the challenges ahead.

Let me begin with our successes.

Building on almost 50 years of investment, Telefilm, together with its partners, has helped shape a landscape conducive to creativity in movie storytelling. The story of Canada's feature film industry is one that has focused on building production capacity. We have now reached a maturity that enables us to produce and export works of excellent quality. As CMPA research indicates, Canadian and foreign film production in 2013-14 reached \$1.4 billion and accounted for over 26,000 full-time jobs.

Whether it's at TIFF, Sundance, Berlin, Cannes, Venice, or for our own Canadian Screen Awards and Jutra, the profile of our talent has never been higher than it is today. More and more we're being seen as a country that produces talent. A number of Canadian directors are increasingly in demand outside Canada. The *New York Times* noted our industry's success in an article saying, "Canada is on a hot streak, its movies regularly winning prizes".

What of our challenges? They include the following: independent films occupy less screen time and fewer screens in mainstream cinemas; most viewers watch feature films at home and not in theatres; and the distinctions between platforms, territories, and launch windows for content have changed. While the market's appetite for content is strong, the marketplace is increasingly crowded. Our greatest challenge is the discoverability of our films. In a world of overabundance of content, how do we attract Canadian consumers with our compelling and engaging films on multiple platforms? How do we address these challenges?

First, we need to promote the excellence of Canadian content by conducting effective promotion of the industry and its successes directly to consumers.

Second, we need to foster more groundbreaking marketing practices by connecting with a larger number of viewers.

We encourage the industry to find new ways of getting viewers to be more engaged with homegrown stories by, for example, trying out new marketing strategies adapted to viewers' new expectations. Take the example of *Corner Gas: The Movie*, which was launched during a three-week period last December and drew more than seven million viewers on multiple platforms, all driven by a large and loyal fan base.

Third, we need to make decisions supported by meaningful metrics. It's vital that we make informed decisions based on value-added research.

Fourth, we need to help the industry diversify its sources of funding by attracting new funding partners, which is the main objective of the talent fund. As the committee is aware, Canada virtually invented official treaty co-productions. With agreements with over 50 countries, co-production continues to be a crucial leveraging tool for our industry.

Telefilm's vision for the future is clear. We want Canadian creative content to be accessible and to be viewed everywhere. As we noted in our intervention to the CRTC, we need to have all our support mechanisms working together to fund the initiatives that are needed. This means taking risks and experimenting with marketing and promotion strategies, as well as leveraging strategic partnerships and industry-wide resolve.

• (1700)

[Translation]

Canadians are naturally drawn to their stories, and what more powerful way to experience them than through film? Today, I am inspired by the success of our cinema and its future, now more than ever.

Canadian storytelling is unique and it is our job as funders, broadcasters, distributors, exhibitors, producers and policy-makers to ensure that the most creative, innovative, diverse and high-quality content makes its way to screens so that audiences can share in it.

As André Melançon said to young filmmakers during his remarks at the Jutra Gala: “[...] Amaze us, challenge us, shake things up [...]. Make us dream, that's what matters most.”

Thank you. We now welcome your questions.

[English]

The Chair: Merci.

We'll now go to the first round of questions.

A voice: [Inaudible—Editor]

The Chair: I'm sorry. Mr. Young, you have seven minutes.

Mr. Terence Young: Thank you, Chair.

Thank you, Mr. Dykstra.

Welcome, everyone. Thank you for coming. It's been very, very interesting.

Mr. Joli-Coeur, I thought that maybe you would want to take a minute or two to sum up your comments or tell us if you have any recommendations.

Mr. Claude Joli-Coeur: Yes. Thank you very much.

In terms of accessibility, I'm really following on what Madam Brabant is saying. The way Canadians are consuming our content is now changing so rapidly. Our screening room, NFB.ca, and the digital platforms have enabled us to get 60 million views of our films in five years. That's a key aspect of reaching the audience, and that's essential. We need to take different routes to get to the audience.

Mr. Terence Young: Thank you. That was very interesting.

How do you make room for more emerging artists? How would you suggest doing that?

Mr. Claude Joli-Coeur: Well, a lot of our work is done with emerging filmmakers. It's a key component of our production, so we're already there. We work very closely with filmmakers who have directed fewer than three films, up to I think 40% of our films, and we remain that nurturing place where filmmakers are coming to the

NFB and working with us. After that, they can emerge in the private sector.

Mr. Terence Young: Is it true to say that you make films that no one else will make?

Mr. Claude Joli-Coeur: Absolutely, or we participate when we co-produce, because we do a fair chunk of co-production. Those films could not have been made without our involvement.

Mr. Terence Young: Thank you.

Carolle Brabant, how do you get more interest in Canadian stories? You've made one suggestion. I just wondered if you had any other thoughts on that.

[Translation]

Ms. Carole Brabant: In our opinion, promotion is key. It is a really important component. As Mr. Hennessy mentioned, the Canadian environment is extremely competitive. We have to deal with American film promotion campaigns that cost tons of dollars. It is important for us to work together to promote our talents. That is indeed what we do with the Canadian Media Production Association, the Canada Media Fund and the provinces.

You spoke earlier about how we can help emerging talent. I think we have to help them to make their first film, but we also have to get them known to the public, especially with initiatives such as movie night. In my opinion, it is important to promote our cinema and our talents through such activities.

[English]

Mr. Terence Young: Thank you.

Mr. Brault, what do you mean by equal access to technology, and how do we do that?

• (1705)

Mr. Simon Brault: What I mean is that if you compare where we are today with where we were 10 or 20 years ago, it's clear that there is more high technology accessible and the Canada Council is supporting a lot of artist-run centres providing the possibility of sharing that equipment. What we realize is that technology won't make it. You need more than that. You need to make sure that you support the artists, you support the creative content, and that you promote professionalization and an ethic of work that makes things happen.

We're very aware that it's important to protect and promote that access to technology, but there's a very careful support that has to be given to the artist in order to make sure they make the best use of technology.

Mr. Terence Young: Thank you.

Do you also finance films that no one else will make?

Mr. Simon Brault: We do, obviously, and even more because we are clearly in a very specific niche in terms of the work. We don't give huge amounts. The maximum is \$60,000 for a feature film. They are clearly films that are made with total editorial control by the artist. It's clearly the R and D part of the industry, and part of the R and D is happening with the Canada Council.

Mr. Terence Young: Can I ask you about the star system? The star system drove most of the film business worldwide out of Hollywood. A lot of Canadians go down to Hollywood and they get such great parts and do so well that they stay there. I know if you have a star in a film, sometimes it guarantees that it gets made, that it gets distributed, that it gets advertised, etc.

However, we had one filmmaker here who said that the star system isn't working so well for some stars. For instance, he said that Johnny Depp probably couldn't guarantee that a picture got made anymore, so it's fading.

You talked about Canadian actors often going to the stage first, and then they go to film, and back and forth. How does that reflect how films get made in Canada? Do we have a star system? Is the star system developing to international film? Are we going around Hollywood to the world market? How does that bode for the film industry?

Mr. Simon Brault: Your question is very interesting. I think the star system is uneven across Canada. Obviously we can see that in Quebec there is something more close to a star system.

I think the story of Denis Villeneuve, who will direct the next *Blade Runner* episode in Hollywood, is very interesting. This is someone who started by being supported by the Canada Council, probably worked with all of our institutions, did very artistic films, made a big adaptation of a play written by Wajdi Mouawad—so something coming from theatre—worked with very unusual suspects in terms of creators, created a very original voice, and is now going to the U.S. to do *Blade Runner*. I am sure he will continue to do independent movies, because he is an artist who tries to reinvent himself constantly.

There's a combination of a star system but also a way to nurture the development of true artists who will have a long-term career. There are many stories like that in Canada. It's very interesting, the fact that artists don't work in silos because we don't have a market big enough. You cannot be just an actor for film. It's very difficult. You need to do many different things, and there's an advantage to it. Clearly, there's an advantage in our system.

Mr. Terence Young: Briefly, if a Hollywood B actor who has a name but is not an A and can't make sure a film gets made appears in a smaller Canadian production, does that not provide jobs for Canadians, Canadian actors, Canadian producers, and everybody who's on a film set by drawing on that star power?

I don't know if Carolle would like to comment.

Mr. Simon Brault: Carolle would be the expert on that one.

Ms. Carolle Brabant: Certainly, but I don't think there's a one-size-fits-all approach to all of this. I think that the industry, as we were saying this afternoon, is a very competitive environment. I think that for production companies to be able to continue providing us with the Canadian content that we like seeing on our screens, we need a variety of supports for those companies to be healthy. Yes, American films that are being shot in Canada are part of that, but homegrown cinema is also another important part of that.

• (1710)

The Chair: Thank you.

[*Translation*]

Mr. Nantel, you have the floor. You have seven minutes.

Mr. Pierre Nantel: Thank you, Mr. Chair.

First of all, Ms. Brabant, you referred to what Mr. André Melançon said at the last Jutra Gala.

It is really fantastic that representatives from the three organizations are here today, and I thank you sincerely. Obviously, our system to support film production is doing very well.

What Mr. Melançon was saying in reference to the founding fathers of French Canadian cinema clearly referred to the work done by the NFB and the different directors. He alluded to himself as the old guard, which certainly created Quebec cinema in a very concrete way. He also clearly was referring to you, to Telefilm Canada, for all the work that has been done through this consolidation—that is the word I was looking for earlier. And when he asked young people to amaze us and take us away, this clearly brings us back to the Canada Council.

I think you are the “André Melançon” trio and that your presence here with us today has a theme. All of this is wonderful and you should do a big love-in, because clearly things are going very well.

However, we have challenges now that we did not have before. I think that if we had had this kind of meeting five years ago, we would have said that things were going very well and that you should keep up the good work. However, at this time we all know that there is a great deal of competition from foreign producers on the screens our consumers have access to, and, potentially, on the screens international consumers have access to. In that context, we need to raise our profile.

That said, I want to say to my committee colleagues that I would like us to produce an interim report because I know what our last meeting on this matter is going to be like and I am under the impression that we're going to have to take stock—and we had discussed this with Mr. Dykstra—of what the witnesses we will be inviting subsequently will have to say.

I want to make sure that the people like you who come here are happy. You are happy to be here and we are as well. However, all of this work must not come to nought. Our weeks can be quite chaotic, and so I would like us to talk about all of this again in a meeting regarding our future business. I would like to see an interim report because I am afraid we are going to lose sight of this study.

Mr. Brown was here when the first study was done 10 years ago. This provided a good picture and a good Polaroid snapshot of the situation. Today, the difference is all of the multi-platform environment.

And so I have a few questions for all of you. I'm trying to go as quickly as possible so that you will all have a chance to speak.

Mr. Brault, you referred the future in connection with aboriginal people. Do you see there a sort of potential relay with reference to Ms. Barbeau's initiative with the Wapikoni Mobile?

Mr. Simon Brault: The work that Manon Barbeau is doing is definitely inspiring. The Council for the Arts is now realizing that it has to implement an Aboriginal arts program built on the principles of self-determination. That program will be different from other programs and will truly be based on the expression of an original voice, regardless of the means chosen and the distinctions that we traditionally make between translation, contemporary art and so on. Those distinctions are far more European and far less Aboriginal.

For the Council for the Arts, the huge benefit of having such a program is that it will address one of the biggest challenges in our society: the kind of separation that exists between our daily lives and the arts. Aboriginal people don't separate the two. Having a program that embodies that within the Canada Council for the Arts will be an honour, a privilege and a responsibility.

Mr. Pierre Nantel: Congratulations! I hope that others will be able to pass your contribution on to a larger audience.

Mr. Joli-Coeur, I must first congratulate you, because we have often talked about the major progress in making culture digital. We have often said that your App—the NFB App—on smart phones and TVs—has provided a fine way of doing things and has been a success. You talked about all the archives and catalogues that are available. There was a lot of talk about the belugas in Cacouna, and all of a sudden, everyone started watching Michel Brault's *Pour la suite du monde*. It was easily accessible. This is our Canadian film library. Actually, the term “film library” is interesting.

What will your role be in relation to the much-talked-about move? We have seen the sketches for your head office that will be in the Quartier des spectacles. What will be NFB's cohabitation situation and new role downtown?

You have one minute to tell us about that.

• (1715)

Mr. Claude Joli-Coeur: It is amazing that we had the government's support to move the NFB downtown. We have been working on the project for a number of years. This move makes it possible to establish the NFB among creators, in the heart of the Quartier des spectacles. It's not only a question of the relationship with the public and the hundreds of thousands of people who come there everyday during major festivals, but it is also a question of being surrounded by an entire ecosystem of creators. A synergy will develop. Canada will be showcased internationally and so will the creators from all over the country with whom we work and who come to Montreal on a regular basis to work with us.

Mr. Pierre Nantel: At any rate, it is a nice contemporary update of your work and it is forward-looking.

Ms. Brabant, I think Telefilm Canada does an outstanding job. A little earlier, you mentioned *Corner Gas*.

I am not sure everyone here knows how much you have helped Xavier Dolan with all his international tours. I would like to point out your experiment with *Corner Gas*.

Let me remind everyone that it first appeared on the big screen, then it was available for purchase online, after which it was broadcast on CTV. All that was done in a very short period of time so

that its promotion was effective on all three platforms. I think it had 7 million viewers. That is fantastic.

Do you think CBC could take that up? Earlier, the representatives from the Canadian Media Production Association talked about the role that the CBC could play. In your view, is that possible?

Ms. Carole Brabant: I think the key factor in the success of the *Corner Gas* experiment is that it was real teamwork. The broadcaster promoted the showing on the big screen and vice versa. The producer was very involved.

Telefilm Canada's role is to develop the industry. Our main partners are the production companies and producers. We hope to help them make progress and improve their lot. We were particularly happy to see such an innovative proposal from that production company.

In fact, we think that there is room for new pilot projects and new ideas. In my view, there is no shortage of new ideas in Canada.

The Chair: Thank you.

Mr. Dion, go ahead for seven minutes.

Hon. Stéphane Dion: Thank you, Mr. Chair.

That's good to know because we need new ideas.

Ladies and gentlemen, thank you for joining us today. My thanks also go to your institutions for what they have accomplished. We cannot imagine what sort of film industry Canada would have without your three institutions.

That has to do with the past, so let's talk about the future now. Here is my question.

What would you like to see in the committee's report? I would like you to tell us, because I haven't heard anything about this issue until now. I find that everything you have said is very good and there is nothing to take out. However, I am sure that there are things to add.

Ms. Brabant listed the very worrying challenges. But we cannot simply worry; we must overcome the challenges. What role will your institutions play when Canadians, just like other human beings, end up staying home more and more rather than going to the movies? They have access to a multitude of films, which was unimaginable just five or 10 years ago.

Mr. Simon Brault: I personally would say that the most significant challenge is this.

Whenever we talk about going digital, I come back to this question. We need to keep believing in artistic creation, in supporting it and in investing in it. Canada's ability to shine in a competitive environment depends first and foremost on the content and the originality of the voices. In all artistic fields, Canada can punch above its actual demographic and economic weight, because there is public investment in creation. Risk-taking is tolerated and encouraged in Canada.

When we talk about creation, we often talk about buying time so that artists can work and develop their know-how and their original works. I think the convergence of the various creators, musicians, writers, producers and others, is extremely important in Canada. We will make it, despite all the competition with symbolic content, if we have an original creation, risky and sometimes provoking, sometimes disturbing. In that sense, I agree with the speech made at the Jutra awards. That is the key. That is the role of the Canada Council for the Arts. We hope that governments will continue to invest in the Canada Council for the Arts. Our responsibility is to identify artistic excellence and to support it properly.

• (1720)

Hon. Stéphane Dion: So we must invest in creation with what we have now.

Mr. Simon Brault: Yes.

The last increase in the budget of the Canada Council for the Arts goes back eight years. Without daydreaming, we think it is important to keep up the levels of investment in creation. The funding of an organization like the Canada Council for the Arts must be adjusted every 10 years, so that it can measure up to the creation being done in Canada. If there is a decline in the support for creation, everything else is in danger. In a globalized world, the only thing that is not on the move is the creation rooted in a region. I think our role is to support creation.

Hon. Stéphane Dion: Thank you, Mr. Brault.

Mr. Joli-Coeur, do you have anything to add to that?

Mr. Claude Joli-Coeur: We have shown you the leadership of each of our institutions on issues related to feature films.

I agree with Mr. Brault that it is essential to maintain the funding and that the same level of funding must be maintained. Beyond our three institutions, synergy between all the players in this ecosystem has not been achieved. Among our three institutions, this synergy is well established but, as was pointed out just now, the relationship between the broadcaster, the other agencies and the other sources of funding is not perfect.

If your committee could do something so that there is some structural work in that sense, that would allow us to go even further.

Hon. Stéphane Dion: Based on your observations, is there any coordination that you would like to recommend?

Mr. Claude Joli-Coeur: There could be coordination between the public broadcasters and the federal and provincial public organizations so that our programs can be designed with a more comprehensive vision in mind, unlike what is in place right now.

Hon. Stéphane Dion: How could we go about that?

Mr. Claude Joli-Coeur: We could do it like the estates general.

Creators must do a colossal amount of work on the ground for their work to see the light of day. They need to make sure that they follow everyone's rules. That is what the producers were telling you earlier.

Before I joined the NFB, I was working in the private sector. So I am well aware that those intricacies are slowing down creation and that the creators must devote a lot of energy to their work. It is

critical to simplify things if we want to make life easier for creators and cultural entrepreneurs.

Hon. Stéphane Dion: Ms. Brabant, how would you overcome your challenges in that regard?

Ms. Carolle Brabant: As we have shown, our industry is vibrant and makes a huge contribution to Canada's economic health. As my colleagues said, the government must continue to support it.

Our mandate is to promote and develop the audiovisual industry. There must be solid companies. The production companies are the ones that are looking for talent, that recognize them, that encourage them and that give them the funding to develop. It is a research and development industry. So success does not happen overnight. We need to maintain the assets and continue to support this major industry.

I heard a number of witnesses recommend that the government give Telefilm Canada back the \$10 million that has been taken away. I assure you that I did not pay them to say that.

We are rejecting a huge amount of projects. We have promotion activities, but we should have more to showcase these young talents and young dynamic businesses. We have a lot of work to do on promotion and teamwork.

We should also find out the data. I like to think that it is possible to accomplish what can be measured. To do so, we need to have access to the viewing ratings on the other platforms, which we don't right now. We have access to the information about television and movie theatres, but not the viewing ratings on other platforms. I think that is a hugely important tool that would enable us to know what more we could do to reach Canadians.

• (1725)

Hon. Stéphane Dion: The CRTC was sort of told to take a hike when it asked to have access to some information.

Ms. Carolle Brabant: If we work together, we might be able to obtain it.

The Chair: Thank you, Mr. Chair.

[*English*]

Mr. Dykstra, for seven minutes.

Mr. Rick Dykstra (St. Catharines, CPC): Thank you, Mr. Chair.

It is actually interesting, Carolle, that the last part of your response in terms of working together was a question I had for all of you. In some ways you all are focused on the film industry, and in other ways all of you, at least in some part, receive some funding from the federal government through Parliament.

I was wondering how the three of you collaborate together in terms of identifying where and when you should assist.

The second piece to that is, whenever there is a conflict between the three of you, how do you resolve that? Or is there a conflict? How do you make determinations, especially when all three of you have made recommendations in terms of moving forward, in terms of the aggressive nature that the industry has changed?

How are you able to do that, working with each other to provide the kind of change you say is recommended?

Mr. Simon Brault: First of all, we are part of the same portfolio, and we have a new deputy minister who is very big on organizing meetings of the portfolio on strategic issues. I think those discussions are very good for us.

Claude and I just started. It's a new job for us. We do have many conversations. We try to understand what the big issues are for the future of culture in general and more specifically in terms of movies. I think it's very important for Canada. Obviously, film is a creative industry, and if you want to talk about a creative industry, you need to make sure that you constantly have the right pool of talent, that you nurture that talent, that you keep it in the country, that you provide the opportunities to develop it, and to make sure it can have a real outreach in Canada and on the international stage. We have our specific roles in that kind of ecosystem.

What is really important is to make sure that there is no overlap between what we do but there's a real and constant collaboration. I think the big issues around the digital age, access, supply and demand, and so on are absolutely common to all the artists and all the organizations we support. We are sharing the practices and finding ways to make sure that we have a simple story.

In my shop right now, we are going through a transformation to have a very limited number of programs with clearer outcomes. That will make us better partners for our colleagues and the private sector. Sometimes it's so complex, and if you look like an octopus, it's very difficult to partner with you. If you are simpler and clearer, you are a more interesting partner. This is what we try to do.

Mr. Claude Joli-Coeur: I sit ex officio on the board of directors of Telefilm, and Carolle sits on our board, so already it is a way to be very close and to be able to quickly fix things that might occur. I must say I am not hearing any complaints from creators about the collaboration between our institutions. At this stage, I think that things are working properly.

Ms. Carolle Brabant: It might sound obvious, but I think that communication is key. We've been trying as much as we can to consult with our colleagues, certainly the ones at this table, but also within the industry with our partners, the CMF, the CMPA, and provincial associations. It's very important to work together and not try to reinvent the wheel each time. We have to work together, set objectives and a vision, and work toward achieving that vision. Communication for us is key.

Mr. Rick Dykstra: Thank you.

One of the recommendations you made, your second one, was in regard to fostering more groundbreaking marketing practices by connecting with a larger number of viewers and encouraging the industry to find new ways of getting viewers to be more engaged with homegrown stories.

This seems in a bit of conflict with Telefilm's success index, 40% of which is based on box office receipts. I am seeing a bit of a collision between how you score right now and the recommendation you are making in terms of how we grow the industry from a more independent perspective.

• (1730)

Ms. Carolle Brabant: The box office is still a very important component. In changing management, we wanted to.... As you

remember, five years ago we were strictly measuring on box office, so going from 100% on box office to 40% was already a big step. I think the box office is still very important.

What we wanted to do with the index was to give stakeholders a better portrait of what was happening in the film industry. I would say that the biggest change that has happened in the last five years is that consumers now have more ways to consume content. They have more power. We felt that looking strictly at the box office was not accurate. I don't see it as contradictory. I see it as a way of walking down the path.

Mr. Rick Dykstra: The National Film Board has over 2,000 Canadian productions on its website for free. One of the difficulties I see is that it sounds like it's almost in competition with Netflix, for example, which attempts to acknowledge Canadian content.

I wonder how in the future that kind of competition.... It almost seems as if you are in that kind of competition with folks like Netflix that obviously offer, for a very minimum monthly cost, the ability to access thousands of films.

The Film Board has Canadian content on it, but how do you see yourselves in terms of being able to ensure that Canadians are fully aware of what you have to offer from a Canadian content perspective versus a global giant like Netflix or Google?

Mr. Claude Joli-Coeur: Of course, marketing is a key thing and we are working on new ways to market our offer. Actually, we're up to 3,500 films and we keep adding new stuff.

Our business model is quite different. Our site is free and Netflix is, of course, a subscription base.

The brand of the NFB is key to that. It's something recognizable to Canadians. If we can get them to watch our films it will just.... Well, it's been working, but we want to do more.

We have an educational portal called Campus. We are across the country in each school. That's also a way to build that audience for the future, having our films seen in the classroom through that online screening room.

The Chair: I'm going to get one question in from Ms. Nash, and then that's going to be it.

Ms. Peggy Nash: Thank you, Mr. Chair, and thank you to the witnesses. Your three organizations have been critically important in the development of Canadian film.

Mr. Brault, I completely agree with you that you have to invest in creativity. It's like the germination process that supports the entire industry.

My one quick question for the three of you is, what is one thing each of you hopes to get out of the CRTC summit this fall, looking at the way forward for Canadian content?

Mr. Simon Brault: I don't want to repeat myself, but I think the question regarding the quality of Canadian content and how you nurture it is key. There are many questions.

We were talking about Netflix. Yes, it's a business model. It's interesting to realize that a lot of Canadians are watching it, but it doesn't reinvest a dollar in the creative capacity of Canada. The big question for us is that if the money doesn't come from networks like that, we need to make sure that public funders and private funders are more aware that every investment is key to make sure there will be capacity to create Canadian content. Otherwise, all the discussion becomes irrelevant.

It's only about *plomberie* and investments. It's a financial operation, but the heart of it is the creation.

● (1735)

The Chair: You each have 15 seconds.

Mr. Claude Joli-Coeur: Those channels are key. We have a channel on YouTube. They are bringing millions of viewers, but with minimal financial return. We're getting very few dollars out of that, so we need to keep a system where we will be able to fund Canadian content properly.

Ms. Carolle Brabant: Going back to what I was saying, what gets measured gets improved. I would like to see the numbers.

The Chair: Thank you, panellists. Your contributions were very insightful and will help the committee with our report. Thank you for coming.

The meeting is adjourned.

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