

Trade News

TFC strategy supports increased license fees

MONTREAL – Telefilm Canada has released a list of policy priorities for the fiscal year 1989-1990 and has announced that strict selection criteria for film and television funding are necessary.

Entitled *Strategy for the Administration of Telefilm Canada Funds* the 49-page publication promises to be the first of its kind published at the outset of every fiscal year.

According to TFC, this re-examination of policies is a response to the growing demands of the industry in Canada. Last year, TFC was only able to participate in 75 per cent of eligible projects. Private investment also proved insufficient. Increased financial participation on a per project basis and the relaxation of its preferred recoupment position on certain projects led to a decline in participation by other public and private sector sources.

TFC anticipates a continuation of trends observed in 1988-89 which include an increase in the number of projects submitted, increased budgets and increased pressure on the federal funding agency for greater financial participation.

A numbered list of corporate priorities for the new fiscal year places *Quality and Canadian Content* squarely on top. While recognizing the importance of international co-production, TFC will tighten its selection criteria and limit maximum funding to films that meet maximum Canadian content criteria.

Among the highlights of the report is a new position by TFC that the maximum participation in the broadcast fund will only apply when the broadcaster's license fee "represents at least 25 per cent."

License fees currently vary between 15 and 20 per cent.

The maximum percentage of Telefilm

Canada's participation in production costs can exceed the 49 per cent ceiling by 15 per cent in the case of "a regional or French-language production or low budget production made by a promising director" but may not exceed 64 per cent of eligible production costs.

Specificity of English and French-language productions: A renewed commitment to productions originating "in the regions outside Montreal and Toronto, where the quality and potential audience justify its participation".

Decision-making process: TFC has promised to stop the "first come, first serve" method of allocating funding which in the past has exhausted most of the funds in the first quarter of the fiscal year. A new system will analyze projects at various intervals throughout the year... "in greater harmony with the industry's normal production cycle and recognize the individual needs of the regions better."

Recognized expertise and competence: "... Telefilm is aware of the need to develop and integrate new talents in the industry. It intends to co-operate with its partners in the public and private sectors to develop special programs..."

Private-sector investments: No longer will TFC insist on sharing a first recoupment position as a condition to invest in a production. This will encourage participation by private investors but will make it difficult for TFC to anticipate the same return on its investments. This uncertainty reduces the pool of the financial resources available each year. The corporation's estimated 1989-1990 operating revenues is \$12.7 million compared to \$14.3 million last year. TFC will not re-allocate this total amount. In effect \$3 million will not be allocated until revenues materialize as forecast.

Improved marketing of productions: TFC will place greater emphasis on the use of high quality

promotional material from the production stage. A marketing strategy will be required for any given production where target audiences and production audiences are concerned.

International scene: TFC will clarify its administrative policy regarding co-productions – balance in terms of participation and benefits between Canada and foreign partners. The policy will distinguish TFC's responsibilities with respect to co-production certification and with regard to participation in specific projects.

Compliance and contractual commitments: This year, TFC will introduce contractual requirements for distributors and exporters to submit copies of all distribution reports of all productions in which TFC has been involved. TFC will also draw up standard formats for production budgets and final cost reports.

John Timmins •

Co-production treaty with France still in trouble

MONTREAL – France continues to pose problems for Canadian producers with an interpretation of a directive by the Council of European ministers that could damage the Canada/France co-production treaty.

With the 1992 European Free Trade Agreement in sight, the Council of European ministers has issued a directive (The Transborder Television Directive) which establishes a 60 per cent quota for European-made television. This quota restricts to 40 per cent the amount of non-European television that the EC countries

can program. This lesser percentage includes a majority of American programming.

Canadian film and television producers, who in the past have relied on Canada's bilateral co-production treaties with seven individual EC countries, realized they had a problem when France (the oldest and most prolific co-production partner) did not amend the directive to include Canada/France co-productions in the 60 per cent quota.

France has been asked by Communications Minister Marcel Masse to do as the other EC countries have done and amend the directive before it is presented to the European parliament for ratification in late May.

An amendment would recognize Canada and Quebec co-productions with France as indigenous French-language productions. Failure to gain this recognition would mean Canada/France co-productions are relegated to the 40 per cent slot.

The France-Canada-Quebec working group on francophone audiovisual relations has met several times since March to discuss the directive. Canada is the only country to have signed a co-production agreement on television relations with France where protectionist sentiment runs high.

Atlantis shoots Bradbury

TORONTO – Atlantis Films and Grahame McLean Associates Ltd. have begun shooting 12 new half-hour episodes of *The Ray Bradbury Theatre* in New Zealand. The project is an official Canada/New Zealand co-production.

Bradbury will adopt his own stories for the series. Eight episodes are being shot in New Zealand, starting June 1, followed by shooting in Alberta.

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