

# UNDERSTANDING FUNDERS:

Funding approaches, challenges & adaptation strategies to help funders cope in a changing media environment



Discussion paper prepared for the fifth edition of the POWER TO THE PIXEL Think Tank meeting in London - October 2014

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## Introduction

The digital technology boom has unbalanced international convergent audiovisual and digital media<sup>1</sup> markets and also upset content production economics. As the moving image industry becomes more competitive internationally, its greater economic importance and the emergence of new ways to consume and use content have forced changes in production support models.

Audiovisual and transmedia markets have grown quickly, even as governments struggle with tighter budgets in support of cultural and creative ventures. Sustainable funding sources are a priority so there's a push to adapt existing models and develop international collaboration between funders.

Without claiming to be exhaustive, this white paper is meant for fund administrators and those who develop support policies. It examines common models used to fund the content production and distribution sectors in various countries while also highlighting predominant challenges and describing examples of adaptive strategies for funding organisations. We hope that this information **can help promote discussion and collaborative thought**.

A secondary benefit to other industry stakeholders is the overview it provides of the main public, industry-funded and private models in today's global audiovisual and transmedia industry.

## Scope

Because this document is unlike the various directories of assistance programs in audiovisual and digital content production available in different territories, it does not provide descriptions (brief or detailed) of the assistance programs at play in the countries studied. A number of public documents already cover this information in great detail and we encourage those interested to further their understanding of the streams specific to each fund by referring to publications that can be found in **the list of websites provided at the end of this paper**. We also recommend reviewing OLSBERG – SPI *Building sustainable film businesses: the challenges for industry and government*<sup>2</sup> study in "Section 12 – Appendices" (summary by country).

The goal of this white paper is to define the generic context in which current audiovisual and transmedia content production and broadcasting assistance programs operate. We have outlined the similarities that exist between the various **funding approaches** predominantly used in certain markets and created **a list of challenges** that are common to a majority of funding stakeholders. This allows us to review and consider – through a series of real examples – the **coping strategies and initiatives** that have been implemented by some of these stakeholders to help them adapt to an ever-changing media environment.

We hope the information here will lead Power to the Pixel Think Tank participants to discuss such issues as:

- The changing role of national and regional funders (both public and private) as more content distribution is globalized;
- How to strengthen sustainable funding for audiovisual production and distribution

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<sup>1</sup> In this document, the term "Digital Media" mostly refers to "convergent" or "transmedia" content; ie. content or applications produced as an extension, or in relation to, a film or TV program. When relevant, we address other types of digital and interactive media content (such as games, applications and standalone digital content), but since these fields of activity are not widely supported by the funders analysed in this study, content of this type is not the main focus of this white paper.

<sup>2</sup> OLSBERG – SPI *Building sustainable film businesses: the challenges for industry and government - An independent research report from Olsberg•SPI sponsored by Film i Väst, PACT and the Swedish Film Institute*, [online], June 2012

- The migration of funding mechanisms and policies to support more multiplatform and transmedia projects

By sharing expert knowledge and best practices we can better face key challenges and major trends, as well as proceed with the possible distribution of mandates and partnerships based on common goals. This group effort will be even more constructive if everyone has a clear understanding of the various national environments being discussed, the strategic objectives of stakeholders involved and recent initiatives implemented by organisations currently supporting audiovisual and transmedia content production.

## Methodology

In the fact-gathering phase of this exercise, we reviewed publicly available documentation: funders' annual activity reports, strategic reports, program guidelines, research studies and policy analysis as well as news articles.

The information gathered helped us identify support models, funding and regulatory frameworks and their main characteristics (public/private balance, direct or indirect support, industry funding, scope of support, complementarity of models and openness to multiplatform convergence and content).

To prepare this discussion paper, we have focused on the following countries: United Kingdom, France, Germany, Sweden, Canada, United-States and Australia. We may decide to expand our field of study to include more countries in a second phase of research, but we feel the information gathered in analysing the territories chosen for this document is enough to list the main funding models in place, provide an overview of their main characteristics, identify a variety of challenges and issues shared by most, and catalogue a selection of recent coping initiatives implemented by various funders.

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## Chapter 1- « Fundamentals »

The goal of this next chapter is to list the main types of different approaches to funding with a focus on answering the question **Who funds the funders, and how?**

Fortunately, there is plenty of information about funding streams for content creation and distribution across the globe. This includes various directories of assistance programs for producers, ministerial analyses of cultural and industrial policies, as well as many plans and annual reports presented to fund administrators. Without claiming to be comprehensive, the following section provides an overview of the various ways countries **fund and maintain** assistance programs for producers and distributors of audiovisual and transmedia content today.

As we looked at the main models, our attention was drawn to corresponding restrictions that affect different funders. By taking this angle, we hope to clarify the relationship that Funders may have between their mission (goals) and their activities (programs). This will provide the basis for better grasping the challenges and potential strategies that can be developed by these organisations to cope with a changing landscape.

### Funding Models

- Direct and indirect public
- Industry (through taxation/redistribution)
- Mixed (public and industry)
- Private (market-driven)
- Other assistance (peripheral support)

## 1.1 Funding models

### Direct public<sup>3</sup>

This model relies on the state, a region, province, city or any other public service with a cultural budget. In most cases, allocations are made directly to public or private organizations the state has mandated to implement its policies. Funding is dependent on the agenda of the state and how the state manages budget allocations to ensure control of public policy. Such public mandates work within a very restrictive framework, a position that is further weakened in the context of the budget cutbacks so many countries face today. Budget constraints mean there is often little to go around, so this stream is now routinely associated with one or more of the other models listed in this document.

### Indirect public<sup>4</sup>

This model includes many streams such as tax incentives and benefits (tax credits for businesses and individuals), tax sheltering (tax incentives for private investment), lower service taxes and guaranteed loans. Complex regulations may be involved that allow the State to directly allocate some revenue (such as lottery income in the UK) while foregoing other streams altogether (through tax credits, for example). Generally, indirect aids link to territorial spending (tax credits and shelters). They are often available -and can be cumulated- at regional and national levels. Some cover specific types of expenses, like labour in Canada and infrastructure development in Australia (Screen Australia PDV<sup>5</sup> offset), while others take total territorial spending into account (tax credits in the UK or Luxembourg).

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<sup>3</sup> Editor's note: Although many countries covered by this study redistribute public support through their national broadcasters (such as BBC in the UK, CBC/Radio-Canada in Canada or ABC in Australia), we have voluntarily excluded public broadcasters from the Direct public schemes in the following per country descriptions, as they are not primarily funding bodies.

<sup>4</sup> Editor's note: in the following per country descriptions, we have voluntarily excluded tax incentives for foreign location shooting and production services.

<sup>5</sup> PDV: "Post, Digital and Visual effects"

## Industry (through taxation and asset redistribution)

Taxes, fees and financial obligations that affect stakeholders (companies and individuals) who benefit from the broadcast of audiovisual content (Film, TV, digital media) help fund the sector. The state mandates these private, or public, bodies to collect and/or redistribute the revenues generated through taxation, ticket sales or undertakings in order to fund content creators, producers and distributors. In effect, content assistance is funded directly by **the industry**.

## Mixed (public and industry)

More often now, countries and funders use hybrid models when they can't get sufficient revenue from a single source or if they do not want to rely on a single source for funding. This can be very challenging to fund administrators when designing activities and/or streams to reflect mandates that may sometimes present conflicting priorities (public policy versus industry).

## Private (market-driven)

Audiovisual content and telecommunications may be lightly regulated (such as in the US). Market rules, based on supply and demand, primarily determine funding limits and the number and type of productions. In territories using this approach, most of the programs supporting the development of and experimentation with the arts, culture and diversity are funded through philanthropy.

## Other assistance streams (peripheral support)

No country that we studied favours an **exclusive** funding model. Different approaches co-exist, even if one or two may be more prominent. They also share the assistance space with other entities and support programs (training, artistic creation, business and infrastructure support, for instance). Funding organisations are therefore part of a **dynamic support system** and should work in conjunction with all measures available to audiovisual and transmedia production and broadcasting available in their respective ecosystem.

Most funding organizations are highly creative and dynamic when developing or collaborating with peripheral support. In a growing trend, they show a remarkable willingness to extend their role towards non-financial assistance, despite today's environment. We'll discuss this in Chapter 3.

### ***A few examples to illustrate peripheral support:***

#### **France**

To stimulate growth, employment and innovation in smaller towns, the government created various business clusters. Several specialize in audiovisual activities (such as **Imaginove, Cap Digital, Pictanovo, Images & Réseaux** and **Pôle Image Magelis**). The system plays an increasingly important role in the French audiovisual and new media industry.

#### **Europe**

**Structural funds are the main source of revenue**, especially the European Regional Development Fund (ERDF). It aims to promote economic and social cohesion within the European Union by correcting regional imbalances. Most trans-regional funds (such as North Sea Screen Partners, First Motion, Cross Media for the Baltic Sea Region, Creative England, Medien North-Rhine-Westphalia and the Yorkshire Content Fund) are partly funded by the ERDF. As a result, most of the money put into the European audiovisual sector does not come from the Creative Europe program (formerly MEDIA).

#### **Canada, United Kingdom, France, United States (and others)**

Accelerators, incubators and other programs that promote entrepreneurship and the emergence of innovative businesses enjoy growing popularity, especially in North America where they now back companies in the media content and innovation sectors. For example, Canada has the **CFC Media Lab**, a production think-tank and training institute for interactive and digital creators, practitioners and entrepreneurs. It has graduated over 200 professionals, prototyped over 100 interactive products and commercialized over 30 technologically advanced start-ups through its "Idea Boost" accelerator program

## United States

The Jumpstart Our Business Startups Act (JOBS), launched in April 2012, aims to stimulate innovation and job creation through regulated crowdfunding. It lets start-ups raise up to US\$50 million from 1,000 investors. Individuals can invest up to US\$10,000, or 10% of their annual income.

## Australia

**The Creative Industries Innovation Centre (CIIC)** was developed as part of the Enterprise Connect network. It's a joint initiative of the Department of Innovation, Industry, Science and Research and the University of Technology, Sydney with an annual budget of AUD\$17 million. It supports small and medium creative businesses through management, funding, production and marketing.

## Canada

Without being a funder in the same way most of the organizations analysed in this study are, the **National Film Board of Canada** – as a national public producer and distributor – remains a key player in developing and creating exposure for Canadian talent, especially in the fields of documentary, animated film and interactive media. This major contribution makes the NFB a significant source of support for content producers looking to complement or replace the financial assistance received by funders of the Canadian audiovisual and transmedia industry.

## 1.2 Funding approaches by country

### United Kingdom

- Predominant model(s): direct and indirect public funding

Public funding for film, audiovisual and new media is administered by the Department for Culture, Media, and Sport (DCMS)<sup>6</sup>.

There are three main levels of intervention:

- The British Film Institute (BFI)<sup>7</sup>. It allocates public funds to other supporting stakeholders, qualifies productions for tax credits, and distributes National Lottery proceeds.
- Public or public-private agencies and stakeholders. They may be at the national level (Creative England, Creative Scotland and Film Agency for Wales) or regional (Northern Film and Media, Northern Ireland Screen, Screen Yorkshire and EM Media Investment).
- After it stopped sale and leaseback schemes in 2006, the government offered tax credits to reduce production expenses by 16% to 20%, based on a film's budget. These were extended to the video game industry in 2013.

As the main funder and coordinator of British audiovisual policies, the BFI gets its funding (which is renewed every year) from DCMS contributions, National Lottery revenues and its own income (including fundraising).

The British Film Institute has established the **BFI International Development Council** to develop income from sponsorships and philanthropy (trusts, foundations, corporations and individuals). Philanthropy, fundraising and grants totalled £4.7 million, which represented **5.1%** of the agency's total budget for 2013-2014.



**In early July 2013**, the DCMS said it would **contribute 10% less to the British Film Institute in 2015-2016**, and asked it to plan for 5% in additional cuts.

<sup>6</sup> Public financing is secured annually: grant in aid is confirmed by the Department for Culture, Media and Sport, while Lottery revenues depend on future ticket sales.

<sup>7</sup> The UK Film Council was abolished in 2010, so now the British Film institute (BFI) coordinates various government schemes.

## France

- Predominant model(s): industry (through taxation of economic agents and re-distribution through a public institution)

The system France has put in place to support film, audiovisual and new media content production is governed by an extensive regulatory framework. This internal re-distribution typifies the French funding system. Taxes levied from the film and audiovisual industry are assigned to the CNC and pooled for distribution to French and European creative ventures, including automatic support.

The Centre national du cinema et de l'image animée (CNC) is funded entirely by a market taxation system stemming from a law dating back to September 23, 1948. This law has since been changed regularly through various fiscal laws to expand its scope and adapt it to market trends. They are:

- Tax on movie theatres (1948)
- Tax on television services – TST (1986, 2007, 2011 and 2013)
- Tax on DVDs and video-on-demand (1993 and 2003)
- Tax on the audiovisual portion of Internet subscriptions (2007)

In addition to assistance provided by the industry, there are two other components to the French audiovisual content production support system:

- The tax component (indirect funding), funded by the VAT<sup>8</sup>, tax credits and SOFICAs (Sociétés pour le financement de l'industrie cinématographie et de l'audiovisuel).
- The regional assistance component (direct funding).



The “tax on television service publishers and distributors,” represents 76.5% of CNC’s budget. Since 2008, the “TST-Distributor” tax has had an impact on those who bring audiovisual content to viewers, such as self-distributed channels (Canal+), cable (Numericable) and satellite broadcasting services, digital terrestrial television, internet service providers (ISPs) and cell phone providers.

### Evolution of the Tax on Television Services (TST):

The TST was passed in 1986, expanded in 2007 and amended in 2013. The distributor version has been levied through major ISPs – Free, SFR, Orange and Numericable – since 2008.

### Recent developments:

**TST-E:** Targeting content editors, this tax was extended to catch-up TV advertising revenue in December 2013.

**TST-D<sup>9</sup>:** Targeting content distributors, earnings from this tax have undergone a decrease (33% between 2010 and 2012, with 19% between 2011 and 2012 alone). This decrease was due to a bypass tactic by ISPs that separated internet billing from content channel distribution using Internet protocol. The government changed the TST during the 2012 Finance Law amendment, which led to the creation of the TST-D – and a bigger base for the TST – to counter the bypass. **Approved by Brussels on November 22, 2013, the TST-D came into force in 2014 and is expected to help enhance CNC revenues.** [www.cnc.fr](http://www.cnc.fr)

<sup>8</sup> VAT: value-added tax. As of January 1, 2014, there is a 5% VAT on movie tickets.

<sup>9</sup> [www.cnc.fr](http://www.cnc.fr)

## Germany

- Predominant model(s): mixed public and industry (regional), direct and indirect (national)

Its history of cultural and audiovisual policies sets Germany apart, mainly with the large availability of programs at the state (länder) level.

**Regional support in Germany accounts for nearly 50% of all assistance** to the audiovisual sector, supplementing national streams that help audiovisual and new media productions, along with feature films. All are equally funded by regional governments and television channels (both private and public), and they each work with a film commission responsible for attracting investors to the region.

The Federal Government Representative for Culture and Media (BKM) sets up and coordinates policy for the audiovisual industry. The German Federal Film Board (FFA) provides a number of film funding streams.

The FFA is funded by the Ministry of Culture, the Creative Europe program and its own income (mainly from the repayment of interest-free loans). In accordance with the law on German film promotion, the FFA can also tax movie tickets, video distribution and TV broadcasts.

Since January 2007, the FFA has managed the **German Federal Film Fund (DFFF)** which provides producers with some €60 million per year in automatic support by refunding 20% of their production costs. Television production is excluded from this program.



Combined national and regional (länder) support can cover up to **65% of a production's overall budget.**

## Sweden

- Predominant model(s): mixed public and industry (through taxes and fees)

Funding relies mostly on industry (a tax on ticket sales and broadcaster annual fees) and direct public assistance.

Sweden differs significantly in that funding agencies are bound by multi-year agreements (usually five years) with major film and media industry stakeholders, including broadcasters. While based on a principle dating back to 1963, **this is an understanding, not law**. The **Swedish Film Institute (SFI)** is the designated support agency that distributes the funds.

The Film Agreement ensures funding for the Swedish Film Institute through a tax on movie tickets (10% of sales) and a fixed annual contribution by broadcasters (including MTG, SVT and TV4) which are meant to complement the support provided by the Swedish government.

Negotiations for a new agreement are set to start in December 2015. The current one, signed in January 2013 introduces some flexibility to enable support to transmedia projects by allowing the funding organisation “the possibility of allocating support to converged media and greater technological neutrality as the cinema release requirement has been removed.”<sup>10</sup> Online audiovisual content distributors and video industry stakeholders have not yet been invited to discuss these agreements.

Funding apart from SFI is limited. Regionally, there is Film i Väst, Film i Skåne, Filmpool Nord and the Gotland Film Fund. Money comes from the Swedish Film Institute and their respective county councils, which are also responsible for regional economic development. Film i Väst is the largest regional film fund.

<sup>10</sup> <http://www.government.se/sb/d/14369/nocache/true/a/159770/dictionary/true>

## Canada

- Predominant model(s): mixed public and industry (for television and transmedia) and Public direct (for film)

Two levels, the federal government and the provinces, are responsible for a wide range of streams. They include direct funding, tax incentives, guaranteed loans, mixed public-private funds and private funds. Most audiovisual and transmedia production activity takes place in Quebec, Ontario, and British Columbia. The first two offer the most attractive cultural funding models and they branch into several streams.

In accordance with the Canadian Radio-Television and Telecommunications Commission (CRTC) *Broadcasting Distribution Regulations*, broadcasting distribution undertakings (BDUs) authorized by the CRTC must contribute **5% of their gross annual revenues from distribution activities** to support Canadian content creation. The funds from this industry stream are distributed to content producers through the Canada Media Fund (CMF) and “Certified Independent Production Funds.”

Specifically, **federal** funding for audiovisual and digital media projects is distributed through:

1. The **Canada Media Fund**, which supports convergent (television and multiplatform) content production and the development of interactive digital media content and software applications. This private agency is funded through contributions from BDUs and the Government of Canada (through the Department of Canadian Heritage, equivalent to the ministry of culture in other countries), as well as its own income (interest and investment recovery in funded production). CMF’s overall revenues amounted to CAD\$386.4 million in 2013-14.
2. **Telefilm Canada**, which is an independent Crown corporation reporting directly to Canada’s federal government through the minister of Canadian Heritage. The organization’s budget for 2013-2014 amounted to CAD\$122 million, with 82% from the government, 10% from repayments and 8% from the Canada Media Fund.
3. **Certified Independent Production Funds**, such as the Bell, Shaw Rocket and Quebecor funds, which get their funding from BDUs (see box below) and in many cases from the recovery of interest and/or investments in works funded.



**Private funds:** BDUs<sup>11</sup> can assign **up to 20% of their mandatory contribution** to one or more independent production funds besides the CMF, as long as each fund meets certain requirements. The **Quebecor Fund**, the **Bell Broadcast and New Media Fund** and the **Shaw Rocket Fund** provide extensive support to audiovisual and interactive multimedia content production in Canada.

### Indirect funding through tax credits (two levels, federal and provincial)

Federal tax credits provide approximately 10% of film and audiovisual funding (CAD\$266 million in 2012-2013). In 2012-2013, provincial tax credits provided 18% of total funding, (CAD\$479 million). This stream has suffered due to restrictive fiscal environments. For example, Quebec lowered its tax credits across all industries by 20% in 2014 and Saskatchewan abolished a film production tax provision at the end of 2012.



Spurred by federal policies and the government’s ambitions for a strong digital economy in Canada, the Canada Media Fund replaced the Canadian Television Fund in 2010. It fostered a major shift in the country’s media landscape by adapting all its funding streams to new multiplatform and interactive environments.

<sup>11</sup> Broadcasting distribution undertakings

## United States

- Predominant model: private (market-driven)

Film and TV production in the USA is **mostly driven by supply and generated demand**. TV stakeholders (mainly broadcasters, such as cable channels and networks) and film studios (both Hollywood and independent) largely decide on the quantity and type of productions. Lately, audiovisual and transmedia creators and producers can also count on a new type of content commissioners: Web giants like Google (via YouTube), Netflix and Amazon also contribute substantially by offering more choices and joining the traditional stakeholders (TV or Hollywood) in making huge investments in content production and distribution. Beyond these market players, audiovisual funding is complemented by private contributions and subsidies from foundations that support the arts (please see below).

There's also a public stream for film, audiovisual and new media production that relies on **indirect funding and taxes from federal and state governments (tax credits or exemptions)**.

### Main indirect funding streams:

- Tax exemptions for non-profit organizations and foundations.
- Tax incentives for the private sector (individuals and businesses) to encourage donations.

There are 1.5 million non-profit organizations and 86,000 foundations in the US<sup>12</sup>. Digital arts in general and film production in particular stand out because they receive substantial and recurring support from both prestigious foundations and modest local resources. Some of the major foundations providing assistance to the audiovisual and transmedia industry today are the **Ford Foundation** (approximately \$80 million per year), the **Sundance Institute** (approximately \$26 million in 2013) and the **Tribeca Film Institute** (\$5.48 million in 2012).

Most foundations get their funding from the following sources:

- Fundraising (usually by offering tax deductions to donors)
- Interest income generated by investments (through endowments)
- Direct public assistance (National Endowment for the Arts)



In the US, there's little direct funding compared to the other markets we studied. These streams are decentralized and managed by several stakeholders, including the **National Endowment for the Arts (NEA)** and other cultural agencies run by states or departments. While the NEA is federal, its money comes mainly from private donors. The NEA is the main funder of creative ventures but contributes to just a fraction of audiovisual funding – \$74,500 in 2012, for example, 1.4% of the Tribeca Film Institute's budget.

## Australia

- Predominant model(s): direct and indirect public

Australia has long supported film, audiovisual and new media production. **Recent reforms (2007-2008)** focused on indirect support (tax credits) and new programs that take market trends into account. Among these measures, we have:

- Screen Australia and the National Film and Sound Archive
- The Australian Screen Production Incentive

The 2013-2014 budget for **Screen Australia**, the No. 1 funder of audiovisual content in Australia, was AUD\$110.68 million, with AUD\$100.84 million of that from direct funding by the Australian government (excluding tax credits).

Most public indirect support flows back to the industry through three tax offsets collectively known as the **Australian Screen Production Incentive** (also administered by Screen Australia):

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<sup>12</sup> Giving USA 2013

- The Producer Offset provides a 40% rebate for feature films, or 20% for television and other media, if a project has significant Australian content.
- The Location Offset provides 15% for large-budget foreign films (with a QAPE of at least AUD15 million) and television projects (with a QAPE of at least AUD1 million per hour).
- The PDV Offset (Post, Digital and Visual effects) provides 15% for PDV production work in Australia, regardless of location (with a minimum QAPE of AUD\$5 million).

**Seven State and Territory screen agencies** also play an important role through many local mechanisms, including payroll tax rebates, incentives, selective equity investment, and distribution guarantees.



In May 2014, the federal government **ordered Screen Australia to save AUD\$25 million** over the next four years. The ceiling for direct investment in film productions and projects will be lowered, and other savings will come from reduced program support among which professional development, screen resources and games.

## Chapter 2- Common challenges

Driven by worldwide digital change, audiovisual and transmedia content funders clearly want to reinvent themselves. And though unique political, legislative, regulatory and cultural frameworks affect stakeholders in various countries, funding organisations are asking similar questions and facing common challenges as they adapt to new audiences and markets. Dated policies and opposing agendas matter but the right balance must be found throughout the entire support chain of each work with regard to:

- Works versus platforms
- Projects versus companies
- Innovation versus content

Above all, the development and production of projects, technologies and platforms, as well as their promotion, must all be funded in a fair manner.

Although the many challenges facing funding organisations may vary from one country to another, we have identified some “universal” challenges that were grouped into six main categories:

- |   |
|---|
| <ul style="list-style-type: none"><li>• Alignment with legislative and regulatory frameworks</li><li>• New relationships among players in the value chain</li><li>• Challenges related to governance and consensus building</li><li>• Diversification of funding sources</li><li>• Development of new support programs</li><li>• Education and professional support</li></ul> |
|---|

### Alignment with legislative and regulatory frameworks

In most countries studied, public and public-industry mixed funding stems from legislative and regulatory frameworks that primarily:

- a) Prescribe and ensure the maintenance of a series of structural measures which often include restrictions on foreign ownership, rights management and windowing, investment targets and/or quotas, and privileges given to commercial networks in exchange for public service obligations.
- b) Set the orientation of policies, whether cultural or industrial. They, in turn, promote the development and maintenance of most funding programs in the creation industry.
- c) Supervise interactions between economic agents (rights-holders, producers, publishers, broadcasters and service providers).

In a perfect world, we'd say countries should help create fair and non-discriminatory competition. This would happen through legislative and regulatory attitudes that respect converging worlds and encourage stakeholder investments – along with profitability which could provide significant content funding.

However, many of these regulatory or legislative structures were in place long before digital media. It's hard to map their hard-wired processes (often protectionist) to new virtual environments.

Minimally, it would help to promote regulatory harmonization across all media and regions. That requires more clarity and understanding of how different standards affect certain media.

*Initiatives are being developed globally to maintain current regulatory and/or legislative frameworks, adapt them to markets, or find alternatives that ultimately ensure a certain degree of funding.*

- **In Canada**, the Canadian Radio-Television and Telecommunications Commission (CRTC) launched a consultation “Let’s Talk TV: A Conversation with Canadians” in January 2013. Among other measures having a significant impact on the components and practices of the system in place, the Commission announced it was willing to review its approach on the funding obligations of broadcasters, along with the distribution of contributions among community channels, the Canada Media Fund and independent production funds (such as the

Bell and Quebecor funds). More consultations began in September 2014 on a new regulatory framework for Canadian television where consumers and industry stakeholders, including the CMF, could present their views. The framework would come into force on December 15, 2015, making it an important issue for the Canadian broadcasting industry.

- **In France**, authorities may simplify rules for better readability of the streams and adapt the obligations system to the latest market dynamics (that is, consider expenditures for new media content and review media chronology). The Conseil Supérieur de l'Audiovisuel wants a legal framework with fewer rules and regulations, as well as fewer restrictions and more incentives. This marks a search for common interests that apply to all audiovisual industry stakeholders and a desire to promote interprofessional dialogue and agreements.
- **In the USA**, the Federal Communications Commission (FCC) reopened the debate over net neutrality in the US on April 23, 2014 by saying it might allow internet service providers (ISPs) to offer a "two-tier Internet." On May 15, 2014, the commission chose to consider two options. The first lets ISPs provide "fast and slow" service (thereby compromising net neutrality). The second strengthens existing net neutrality rules.



Net neutrality implies that ISPs treat all data the same – without distinction due to origin, destination or content. The new FCC proposal would let some (wealthy) Web stakeholders pay ISPs to deliver their content faster than those who do not pay. Net neutrality defenders argue this would favour well established players and curb future innovation.

## New relationships among players in the value chain

An upheaval in the value chain of content production and distribution is under way. Relationships among various stakeholders are being disrupted by technological, financial or creative shifts, and by the emergence of new competition – whether over-the-top services or new content creators. Consequently, the "terms of trade" of the audiovisual and transmedia production and broadcasting need an urgent appraisal.

In regards to this new reality, funders face three significant issues:

- **Possible changes in funding requirements for audiovisual production:**
  - This particularly concerns industry-sourced funding (through taxation or financial undertakings). For instance, Industry obligations could increase a funding agency's earnings, in the case of new content distribution services being submitted to taxation. It could also have the opposite effect if the undertakings rely on something like cable subscription services, which could potentially decline.
- **What constitutes an audiovisual work?**
  - Content has already diversified in terms of formats and consumption patterns, and can emanate from many different sources.
- **What does "eligible applicant" mean? Meanwhile, what are the valid "triggers" for accessing production funding?**

In a 2013 report entitled "*Adapter les obligations de financement de la production audiovisuelle*," the author says investment rules could be adapted without changing broadcasting obligations<sup>13</sup>. That would acknowledge protection of original works of a specific culture or country whether the content is broadcasted through traditional channels or online.

Another recommendation from the same report suggests that broadcasters and distributors could increase their share of coproduced fiction works for their own channels as an improved support mechanism. The author warns, though, against allowing them to own more than 15% of these independent companies. It's a matter of keeping things fair among producers, distributors and

<sup>13</sup> Vallet, Laurent, Arnaud Esquerre, "*Adapter les obligations de financement de la production audiovisuelle*" (report on adapting funding obligations for audiovisual productions to secure their future), Ministry of Culture and Communications, France, December 2013, page 39.

broadcasters so there is consistent delivery of top-quality independent productions. In many countries, public broadcasters must invest in independent productions in exchange for rights.

The goal is to ensure that public policy promotes cultural diversity while helping to develop a strong production sector. As recommended by the CSA (regulatory body in France) in its January 2013 report, all stakeholders (broadcasters, producers and authors) should take part in these negotiations.

## Challenges of governance and consensus building

Processes and evaluation tools need to be thoroughly reviewed and redesigned to meet: a) the growing demand for the rationalization of fund operating and administrative costs and, b) the specific requirements of digital content production and distribution:

- Simplify and automate procedures. Program flexibility could be increased and investment levels reduced (including time, human and financial resources) whenever funders and industry stakeholders must adapt to fast evolving programs.
- Develop new tools for assessing audiovisual policies and multiplatform content.
- Ensure the concept of cultural diversity under international treaties extends to audiovisual services, including digital.
- Strengthening sustainability of funders seems to rely on their ability to adapt to market conditions, monitor innovation and create more opportunities for collaboration. Meanwhile, there is a need for greater coherence, harmonization and collaboration among the various funding actors intervening in similar support ecosystems.

## Diversification of funding sources

Funding agencies face ever greater demands to diversify revenue sources. This is to ensure their long-term survival and support for the industry.

We believe diversification can be achieved through four main elements:

- Revision of recoupment policies and mechanisms (so funds can grow stronger and more financially independent).
- Decreased operating costs to improve margins: ensure services remain relevant (and excellent) for stakeholders while using fewer public funds.
- Matched funds and strategic partnerships with non-traditional funders.
- Rationalize or stabilize funding demands, in particular by reducing dependence from the part of creators and producers.



Until recently, Screen Australia provided a collection and disbursement service made it possible to manage all revenues and redistribution of earnings to stakeholders that were part of a project's recoupment schedule. In 2012-2013, it said it recovered "50% more in recoupment revenues than had been expected."<sup>14</sup>

That changed, though, in February 2014, when the organization declared: "Under Screen Australia's Terms of Trade, producers are ultimately responsible for the collection and disbursement of all gross receipts for their titles. Previously, we have offered a disbursement service for feature film and TV drama titles in which we had an equity investment. However, disbursement is not a core business for Screen Australia and we will no longer offer this service to new clients."

Additionally, key funders must support and encourage diversification of funding sources by content producers. Yet, it is easier to say than to do: producers may hesitate to seek third-party help or alternatives to traditional funding as they'll likely fear a complex regulatory and financial environment that is often misaligned or not flexible enough to handle such alternatives. Alternative sources to

<sup>14</sup> [http://www.screenaustralia.gov.au/getmedia/f9656485-3088-479d-ae8a-aa09358bae19/ar\\_1112.pdf](http://www.screenaustralia.gov.au/getmedia/f9656485-3088-479d-ae8a-aa09358bae19/ar_1112.pdf)

finance audiovisual or transmedia projects may include (for example) crowdfunding, branded content, private equity or other private sector input from foundations or organizations.

Lastly, funds must focus on new ways to monetize audiovisual and transmedia content while driving producers and creators towards more content exploitation. Those incentives should be doubled with a system that rewards producers who improve monetization.

## Development of new support programs

New realities of content creation and production – and of a market globalized by the internet – could challenge funders to engineer new activities or programs that suit the growing diversity of creative projects. Nonetheless, these agencies may have mandates or financial constraints that keep them close to policy and regulatory standards. Responsiveness is extremely limited as a result, particularly among those that administer public funding models (directly or indirectly).

Despite this, measures can be introduced that help adaptations for new programs.

- Enhance the multiplatform aspect of programs and strategies, as well as improve support systems for migrating audiovisual industry to digital.
- Avoid creating more complex support systems while attempting improvements, and ensure funders have a clear mandate.
- Recognize that support for content creation must now include adequate assistance in terms of professional coaching, technological development and business structuring.
- Promotion – the massive amount of digital material needs to be promoted so that audiences know of its existence. There has traditionally been reliance on broadcasters and distributors only to promote content. This is no longer sufficient. All players in the value chain – including funding agencies – should participate in promoting discoverability to better cope with the overabundant content offering in the world today.

## Education and professional support

Many challenges confront the industry. Thankfully, the education of consumers on culture and moving image has become increasingly important in the past ten years. The current trend that integrates new media with school programs also helps. Several countries have looked at ways to include lessons on the consumption of cultural products and to provide professional training for the next generation of content creators. The European Commission funded a study<sup>15</sup> (by the British Film Institute) on audiovisual education in Europe. As a source of recommendations to decision-makers, it showed that apart from France, where the government has a political role in moving-image education, most European countries provide industry training through movie theatres, film festivals, continuing education, associations, galleries, museums, film archive centres and various community organizations.

Beyond encouraging audiovisual and digital culture literacy for young audiences, transferring knowledge in the professional sector has equally become crucial. This is especially in a progressively globalized market with plenty of room for international coproduction. A prime example is the “Doha Tribeca Filmmaker Program”<sup>16</sup> in Qatar – a Middle Eastern branch of the Tribeca Film Institute in New York – which gives filmmakers a chance to attend workshops over a seven-month period with a week-long exchange in New York City. Individual courses range from week-long screenwriting labs to comprehensive directing workshops.

In already well-established markets, improved capacities in film, new writing for television, as well as new production, broadcasting and promotion technologies must adapt to industry changes so that next-generation content creators and seasoned veterans alike remain flexible and aware of imminent challenges. The creative industry will only thrive if people stay on ahead of the learning curve.

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<sup>15</sup> [http://www.idunn.no/ts/dk/2012/04/screening\\_literacy\\_reflecting\\_on\\_models\\_of\\_film\\_education](http://www.idunn.no/ts/dk/2012/04/screening_literacy_reflecting_on_models_of_film_education)

<sup>16</sup> Doha Film Institute: <http://www.dohafilminstitute.com/education/doha-tribeca-filmmaker-program>

## Chapter 3 - INSPIRATION

### Strategies for adapting to ongoing market changes

The scale of changes and the issues created make us ask:

***What support mechanisms will deliver results in a fast-changing sector that includes evolving technology, new uses, new competitors, market turmoil, and rights management challenges?***

This chapter presents initiatives implemented by various agencies to cope with new market realities, as well as to changes imposed by political, legislative or regulatory bodies. These initiatives mostly address factors noted in the previous chapter.

It is not our intention to make any specific recommendations on the way funding organizations should react in the face of change, nor do we claim there are answers for all the issues raised. These examples allow us to observe though, that audiovisual and transmedia funders are a dynamic group. They acknowledge the global challenges and are proactively rethinking their roles and demonstrating inventiveness that bodes well for the future.

ISSUE ADDRESSED: Aligning legislative and regulatory frameworks
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**INITIATIVE: European Regulators Group for Audiovisual Media Services (ERGA) created by the European Commission**

**CREATED: 2014**

**OBJECTIVE: Facilitate cooperation between regulatory bodies in audiovisual services in the EU**

ERGA brings together EU regulatory bodies in the field of audiovisual services to facilitate cooperation. It advises the European Commission on legal and regulatory concerns related to such topics as protecting audiences, freedom of expression and digital convergence.

This may lead to joint initiatives among regulators, the exchange of best practices and a potentially unified ERGA voice.

<http://ec.europa.eu/digital-agenda/en/audiovisual-regulators>

ISSUE ADDRESSED: Meeting governance and cooperation challenges
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**INITIATIVE: Framework for International Digital Media Coproduction (CMF, Bell Fund, Shaw Rocket Fund and Quebecor Fund – Canada)**

**CREATED: 2013**

**OBJECTIVE: Encourage cooperation among national funders to promote international co-production in interactive and convergent media projects**

Five major Canadian digital media funding organizations joined to facilitate international coproductions through a shared framework. The system, designed for simplicity, sets a basis for co-producing digital media projects with Canada while allowing access to their respective funding programs. It was developed by the Canada Media Fund, the Bell Broadcast and New Media Fund, the Independent Production Fund, the Quebecor Fund, and the Shaw Rocket Fund. A unified administrative approach helps ease negotiations between Canadian producers and foreign partners. The funders, as a group, saw that the key to new opportunities and partnerships lay in facilitating international co-productions in digital media between Canada and other countries. This initiative is a way to deal with the lack of existing audiovisual coproduction treaties designed for digital media production.

<http://www.cmf-fmc.ca/industry-advisory/article/2013/09/canadian-funders-adopt-a-framework-to-facilitate-international-digital-media-co-production/>

**INITIATIVE: Wallimage and Pictanovo trans-region experience (Europe)**

**CREATED: 2014**

**OBJECTIVE: Fund trans-regional collaboration projects in the transmedia sector**

Pictanovo and Wallimage, organizations from the Nord-Pas de Calais (France) and Wallonia (Belgium) respectively, launched a €300,000 program called Expériences Interactives TransRégionales<sup>17</sup>. It encourages both regions to collaborate on transmedia projects and to consider partnerships with other European regions in this type of venture. To help meet these goals, a fund was created for projects involving companies and/or research centres in both areas. This stream is the only one of its kind in Europe, since it receives contributions from industries involved in new broadcasting content, new writing and experimentation, with new uses linked to technological developments.

<http://www.transregion.eu/>

**INITIATIVE: Creative Scotland (UK)**

**CREATED: 2010**

**OBJECTIVE: Encourage cooperation among all funding stakeholders**

In Scotland, film funding bodies, production/distribution companies, regional agencies, broadcasters and publicly owned venture capital operations combined forces to support cross-platform production.

Creative Scotland exemplifies a shift to the wider content and creative industries. It's dedicated to the development of the arts and screen industry in Scotland, having grown out of a review of cultural policy which underscored the interconnected nature and economic potential of the screen and extended creative industries. The new strategy also encourages coordination between cultural institutions and support agencies, mainly with regional business and economic development bodies. Creative Scotland targeted funds meant to defend emerging technologies and narratives. The innovation fund supports distinctive digital media projects, interacting with music, film, and visual arts. The Alt-w Fund is for producers that not only develop new devices and creative applications, but also question notions of new media creativity.<sup>18</sup> These two funds explore experimental and interactive practices, promoting the use of technology and acknowledging the changing role of digital culture.

<http://www.creativescotland.com/>

ISSUE ADDRESSED: Diversifying funding sources
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**INITIATIVE: Argentina OTT Tax (Argentina)<sup>19</sup>**

**CREATED: 2014**

**OBJECTIVE: Regulate foreign OTT players**

In a TV sector already heavily taxed (from 16.1% in 1990 to 37.3% in 2012)<sup>20</sup>, the provincial government of Argentina's capital, Buenos Aires, announced a 3% gross income tax on September 3, 2014. The tax, effective on November 1, would apply to foreign companies offering "access to movies, TV and other audiovisual entertainments that are transmitted over the Internet to TV sets, computers and other devices connected to the internet"<sup>21</sup>. Affected companies are Netflix, Spotify, iTunes, Google Play, Amazon, Amazon Instant video, Facebook, Sony Play Station and Microsoft Xbox. While critics fear higher subscription fees, what's now called the Netflix tax is seen as a bold political move, with some calling it a rare example of government effort to ensure financial contribution from online foreign distribution services.

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<sup>18</sup> <http://www.mediascot.org/alt-w>

<sup>19</sup> Editor's note: Argentina was not part of the countries covered in this research but it seemed important to report on this recent decision since this is one of the rare political decisions – beyond the French model – addressing the participation of OTT players in the funding of audiovisual content.

<sup>20</sup> Earlier this year, the OECD released data showing the tax burden more than doubled in Argentina, from (16.1% in 1990 to 37.3% in 2012)

<sup>21</sup> Resolucion No.593

[http://www.telam.com.ar/advf/documentos/2014/09/54071dde24e09.pdf?\\_ga=1.3262768.1223792608.1410877082](http://www.telam.com.ar/advf/documentos/2014/09/54071dde24e09.pdf?_ga=1.3262768.1223792608.1410877082)

**INITIATIVE: Yorkshire Content Fund**

**CREATED: 2011**

**OBJECTIVE: Diversify financing sources by matching content funding with private companies**

**Public-private investment fund: Yorkshire Content Fund** for TV, film, video games and digital sectors in Yorkshire and Humber with a budget of £15 million. The largest fund of its kind in the UK, the Yorkshire Content Fund enjoys a £7.5 million investment from the European Regional Development Fund (ERDF) matched by private money on a per-project basis. Investments use commercial market rates to produce a legacy fund that will support content development and production well into the future. Screen Yorkshire is allied with Finance Yorkshire to ensure complementary investment funds that offer the region's SMEs the widest range of investment and support.

**INITIATIVE: Screen Australia Enterprise Industry program (Australia)**

**CREATED: 2014**

**OBJECTIVE: Help screen-based businesses achieve sustainability and reinforce the industry as a whole**

The Enterprise Industry program encourages screen-based companies to back important projects that might take a while to become profitable, mainly those that help ensure the diversity and vitality of Australian screen production. The program aims to help these businesses become sustainable over time and eventually strengthen the whole screen-based production sector.

The Enterprise Industry program was created after 6 months of consultation and the close review of a previous effort, Screen Australia's inaugural Enterprise program. It has a AUD\$10 million budget (insured for 3 years), and divides funding in 3 streams:

- Enterprise People, focused on skill-building for writers, directors and producers
- Enterprise Stories, supporting the development of ambitious, large-scale projects
- Enterprise Growth, encouraging the exploration of new financing, production

[http://www.screenaustralia.gov.au/funding/Enterprise\\_Funding/default.aspx](http://www.screenaustralia.gov.au/funding/Enterprise_Funding/default.aspx)

**INITIATIVE: Talent Fund (Canada)**

**CREATED: 2012**

**OBJECTIVE: Finding new sources of private funding**

Telefilm Canada's latest corporate plan commits to finding and developing new financing for the industry. The Talent Fund accepts private donations from businesses and individuals, both to help support emerging talent and also finance the production and marketing of Canadian feature films. The fund has raised CAD \$14 million privately and plans to reach CAD\$25 million by 2017.

The initiative combines public and private resources in an unusual way, meaning that for tax purposes corporate donors receive tax deductions while individuals get tax credits<sup>22</sup>. The Talent Fund resembles crowdfunding through the accumulation of numerous small amounts, mobilizing audiences and encouraging support of talented Canadians whether they are up-and-comers or seasoned veterans.

<http://www.lefondsdetalents.ca/>

ISSUE ADDRESSED: Revising or developing support programs
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**INITIATIVE: Creative Industry Council – CIC (UK)**

**CREATED: 2011**

**OBJECTIVE: Highlight UK creators and promote their projects**

A website that serves as a window on the best UK artistry anchors the Creative Industry Council. It's an industry and government partnership that highlights the nation's talent and promotes their projects. They range from fashion and architecture, to games, TV and film. The Web resource, aimed at both national and international audiences, is filled with case studies, helpful tools on conquering foreign markets, and an evolving calendar keyed to major UK creative events. There are many partners,

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<sup>22</sup> Le Fonds de talents : <http://www.lefondsdetalents.ca/index.php/apercu-du-fond/>

including the British Film Commission, Creative England, the Department of Culture, Media & Sports, Pact, and the UK Trade and Investment Department. One hoped-for outcome could be collaborations between UK creators from different sectors.

(<http://www.thecreativeindustries.co.uk/>)

**INITIATIVE: Web Cosip, CNC (France)**

**CREATED: 2011**

**OBJECTIVE: Promote the creation and distribution of original Web content**

Web Cosip is the extension of the *Compte de soutien à l'industrie des programmes audiovisuels* dedicated to support native digital production. Producers already registered with an automatic audiovisual account can reinvest amounts collected in original projects for the Web. Broadcasting rights must already be sold to an online platform but the support of a television broadcaster is not necessary. Genres funded include fiction, animation and documentaries, as well as the re-creation or recording of live works. Web Cosip complements two existing funds that support digital content creation. They are mixed (television and Web) funding for content creation and selective support for new media. <http://www.cnc.fr/web/fr/web-cosip>

ISSUE ADDRESSED: Education and professional support
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**INITIATIVE: Screen Australia Talent Escalator programs (Australia)**

**CREATED: N/A**

**OBJECTIVE: Provide continuous skills and knowledge development to creators**

Screen Australia supports continuous skill and knowledge development for screen-based creators via multiple initiatives, some recurrent and some one time. It encourages professional development by helping drama writers, producers, directors or executives take advantage of high-level domestic or international opportunities. Grants, which range from AUD\$15,000 to AUD\$35,000, are available all year.

Screen Australia also offers one-time initiatives that facilitate access to professional development, along with targeted initiatives that include workshops and master classes in various cities. It held two Digital Ignition Multi-Platform Clinics in 2011-2012 which consisted of 5-day workshops with internationally famed mentors.

[http://www.screenaustralia.gov.au/funding/talent\\_escalator/default.aspx](http://www.screenaustralia.gov.au/funding/talent_escalator/default.aspx)

**INITIATIVE: Canada Media Fund (CMF) Accelerator Partnership Pilot Program – A3P (Canada)**

**CREATED: 2013-14**

**OBJECTIVE: Provide producers with better access to capital and mentorship opportunities**

Producers of digital media projects funded through the CMF's Experimental Stream<sup>23</sup> can apply to the A3P. It gives them better access to markets, mentorship and capital through work with an authorized accelerator in Canada or abroad. In September 2014, the CMF and the Canadian Trade Commissioner Service (TCS) agreed to further support Canadian digital productions outside the country by giving producers access to foreign accelerators. Those meeting program requirements are connected to potential accelerators. They also could be eligible for a non-refundable contribution of CAD\$30,000 from the CMF to cover expenses related to their acceleration goals. Sixteen companies have received A3P funds.

<http://www.cmf-fmc.ca/funding-programs/experimental-stream/accelerator-partnership-pilot-program/>

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<sup>23</sup> This stream encourages the development of innovative, interactive digital media content and software applications.

## Conclusion

### Key observations:

#### **More complex funding models and a need to diversify sources**

Today, more and more financial assistance is being provided through **hybrid** funding, whether it's a combination of direct-indirect or public-private funds, partnerships between institutions or partnerships at various levels (provincial/federal, country/Europe, national, trans-regional or international). Many funds are undergoing sometimes tremendous pressure to diversify their sources of income. At the same time, content producers and creators are exploring alternative forms of funding (such as crowdfunding and branded content), which presents more "traditional" funders with challenges as well as opportunities.

#### **Committing to excellence in terms of assessment and management**

The majority of fund administrators seem concerned with their existing policy assessment tools and program performance indicators, a trend that is consistent with:

- Stricter adherence to requirements in terms of recoupment structures (for support provided in the form of advances or equity, for example).
- Reduced operating costs (automation, better control, higher efficiency, simplified processes, and transparency).
- The need to develop success indicators and performance measures for works supported across all media platforms.

#### **Encouraging collaboration between creative industry's stakeholders**

In this context of media convergence and tighter budgets, this trend looks to promote the creation of bonds between funders of audiovisual and transmedia content and other creative sectors (such as video games, performing arts publishing, for example), as well as peripheral support stakeholders (including training centres and schools, accelerators-incubators and private investors). In fact **innovation** is often the driving force behind this type of intra- or multisectorial collaboration.

#### **General willingness to harmonize**

The fact that dialogue is now part of the mandate of most of the organizations discussed in this document creates a situation where stakeholders need to work on identifying common interests, harmonizing their operational frameworks and procedures, as well as sharing expert knowledge and best practices. This need for harmonization extends to the higher levels of the system, including regulations, policies and legislative frameworks.

#### **Gradual transition from an incentive model to a structuring model**

A growing number of industry stakeholders that rely on funding assistance require professional coaching and support (such as mentoring, helping businesses with networking and resolving strategy and funding issues, as well as giving creators access to incubators and clusters). With funding models changing rapidly and becoming more complex, content producers find themselves needing to develop greater expertise and adaptability. In the case of certain funds, the transition from an incentive model of funding to a structuring one means refocusing their efforts (and support mechanisms) on sustaining businesses as opposed to simply providing project-based funding.

#### **Regional funding: stream consolidation and experimental space**

Trans-regional cooperation is becoming more important than ever. In addition to promoting collaboration between funders with common goals (compatibility of mandates), it also allows for the consolidation of complementary funding streams. Regional funding provides a responsive and adaptable context for intervention that easily lends itself to experimentation and could become a breeding ground for testing new funding and partnership models, as well as developing pilot programs.

## Before we go our separate ways...

There are a few elephants in the room:

- a) Web giants Google (YouTube) and Netflix are now active in all the countries covered in this study, except Australia. As for Amazon, its Instant Video offering is available in the US, the UK and Germany. On the one hand, these corporations have been very vocal about their desire to go global with their services, while on the other, they've consistently been butting heads with the national agencies in charge of regulating competition and the market, especially in the cultural, broadcasting and telecommunications sectors. Recent examples of these scuffles include the launch of Netflix in France where the government has been putting pressure on the US company to submit to its broadcasting services tax system (please see paragraphs on TST). Instead of playing ball, the OTT giant set up its base of operations in Luxembourg with the intention of launching its service to the French market from there. In Canada, Netflix defied the CRTC by refusing to submit financial information linked to its Canadian activities and member base as part of the regulatory agency's "Let's Talk TV" public consultation initiative. What we're witnessing in these cases is more than a simple battle between the private and public sectors, or major multinationals and governments. We are dealing with a growing conflict between new globalized production and distribution models and an audiovisual environment that is currently undergoing a number of major changes.
- b) Funding agencies have very little control over certain stakeholders involved in the assistance process, especially the ones making the rules or developing audiovisual policies. Funding agencies must follow the mandate given by "order givers" while trying to satisfy their main clientele, the production companies and creators who benefit most from their support programs. The survival of some of these "clients" greatly depends on the funding streams available in the audiovisual sector, with many companies and individuals believing they can count on this type of support to get their projects done.
- c) Last but not least – and this is nothing new – today's funding agencies still have to meet the ongoing need to strike a balance between stimulating growth and market competitiveness while maintaining cultural diversity. And as most of them already know, these two objectives (priorities, even) can sometimes work against each other.

Possible follow-up actions to this white paper:

- **Additional research or benchmarking efforts** on more specific components of the funding system and/or covering more territories.
- **Create a market intelligence and international cooperation group** of funding agencies in various countries and regions to help advance research, list innovative initiatives, share best practices and encourage strategic thinking. A group like this could eventually develop joint actions in conjunction with or targeting other funding system stakeholders (including government and regulatory bodies, industry members and peripheral support providers, for example).

## Reference List

Websites of regulatory or funding authorities (by country)

### United Kingdom

*Regulator:* Office of communications (OFCOM) – <http://www.ofcom.org.uk/about/>

British Film Institute (BFI) – <http://www.bfi.org.uk/>

Creative England – <http://www.creativeengland.co.uk/>

Creative Scotland – <http://www.creativescotland.com/>

Northern Ireland Screen – <http://www.northernirelandscreen.co.uk/>

Screen Yorkshire – <http://www.screenyorkshire.co.uk/>

Film Agency for Wales – <http://www.ffilmcymruwales.com/>

Film London – <http://filmlondon.org.uk/>

Creative Industries Council – <http://www.thecreativeindustries.co.uk>

Creative Skills – [http://creativeskillset.org/about\\_us](http://creativeskillset.org/about_us)

### France

*Regulators:*

Conseil supérieur de l'audiovisuel (CSA) [Superior Audiovisual Council] – <http://www.csa.fr/>

Autorité de régulation des communications électroniques et des postes (ARCEP) [Electronic Communications and Postal Regulatory Authority] – <http://www.arcep.fr>

Centre national du cinéma et de l'image animée (CNC) [National Centre for Cinema and the Moving Image] – <http://www.cnc.fr>

Institut pour le Financement du Cinéma et des Industries Culturelles (IFCIC) [Institute for the Financing of Cinema and Cultural Industries] – <http://www.ifcic.fr/>

Film France – <http://www.filmfrance.net>

Imaginove – <http://www.imaginove.fr/>

Cap Digital – <http://www.capdigital.com/>

Pictonovo – <http://www.pictanovo.com/>

Images et réseaux – <http://www.images-et-reseaux.com/fr>

Pôle Magelis – <http://www.magelis.org/>

### Germany

*Regulator:* Arbeitsgemeinschaft der Landesmedienanstalten (ALM) [Association of State Media Authorities] – <http://www.die-medienanstalten.de/en/profile.html>

German Federal Film Board (FSA) – <http://www.ffa.de/>

Medienboard Berlin-Brandenburg – <http://www.medienboard.de>

FilmFernsehFonds Bayern (FFF) [Bavarian Film and Television Fund] – <http://www.fff-bayern.de/en/>

Medien und Filmgesellschaft Baden-Württemberg [Baden-Württemberg Media and Film Corporation] – <http://www.mfg.de/>

Landesanstalt für Medien Nordrhein-Westfalen (LfM) [Media Authority of North Rhine-Westphalia] – <http://www.lfm-nrw.de/en>

Mitteldeutsche Medienförderung (MDM) [Central German Media Fund] – <http://www.mdm-online.de/>

Cultural and Creative Industries Initiative – <http://www.kultur-kreativ-wirtschaft.de/>

## **Sweden**

Swedish Film Institute (SFI) – <http://www.sfi.se/>

Film i Väst [Film in the West] – <http://www.filmivast.se/>

## **Europe**

Creative Europe – [http://ec.europa.eu/culture/index\\_en.htm](http://ec.europa.eu/culture/index_en.htm)

European Creative Industries Alliance – <http://www.eciapplatform.eu/>

## **Canada (English version)**

*Regulator:*

Canadian Radio-television and Telecommunications Commission (CRTC) – <http://www.crtc.gc.ca/fra/acrtc/org.htm>

Canada Media Fund (CMF) – <http://www.cmf-fmc.ca>

Telefilm Canada – <http://www.telefilm.ca>

Ontario Media Development Corporation (OMDC) – <http://www.omdc.on.ca/accueil.htm>

La Société de développement des entreprises culturelles (SODEC) [Quebec Cultural Enterprise Development Corporation] – <http://www.sodec.gouv.qc.ca/fr/home>

Bell Fund – <http://www.bellfund.ca/>

Shaw Rocket Fund – <http://www.rocketfund.ca/>

Quebecor Fund – <http://www.fondsquebecor.ca/index.php?lang=en>

CFC Media Lab – <http://www.cfccreates.com/programs/media-lab>

National Film Board (NFB) – <https://www.nfb.ca/>

## **Canada (version française)**

*Instance de réglementation :*

Conseil de la radiodiffusion et des télécommunications canadiennes (CRTC) – <http://www.crtc.gc.ca/fra/acrtc/org.htm>

Le Fonds des médias du Canada (FMC) – <http://www.cmf-fmc.ca/fr/>

Téléfilm Canada – <http://www.telefilm.ca/fr/?q=fr>

La Société de développement de l'industrie des médias de l'Ontario (SODIMO) – <http://www.omdc.on.ca/accueil.htm>

La Société de développement des entreprises culturelles (SODEC) – <http://www.sodec.gouv.qc.ca/fr/home>

Fonds Bell – <http://fondsbell.ca/>

Shaw Rocket Fund – <http://www.rocketfund.ca/fr/>

Fonds Québecor – <http://www.fondsquebecor.ca/index.php?lang=fr>

CFC Media Lab – <http://www.cfccreates.com/programs/media-lab>

Office national du film (ONF) – <https://www.onf.ca/>

## **United States**

National Endowment for the Arts (NEA) – <http://arts.gov/>

Tribeca Film Institute (TFI) – <http://www.tribecafilminstitute.org/>

Sundance Institute – <http://www.sundance.org/>

Ford Foundation – <http://www.fordfoundation.org/>

## **Australia**

*Regulator:*

Australian Communications and Media Authority (ACMA) – <http://www.acma.gov.au/>

Screen Australia – <http://www.screenaustralia.gov.au/>

Documentary Australia Foundation – <https://www.documentaryaustralia.com.au>

Creative Industries Innovation Centre (CIIC) – <http://www.creativeinnovation.net.au/>

## **Transregional/International Funds and Organizations**

Cine-Regio – <http://www.cine-regio.org/>

First Motion – <http://www.firstmotion.eu/>

Expériences Interactives TransRégionales – <http://www.transregion.eu/>

IBERMEDIA Fund – <http://www.programaibermedia.com/nuestras-convocatorias/>

Nordic Film and TV Fund – <http://www.nordiskfilmogtvfond.com/>

Good Pitch – <http://britdoc.org/>

Fledgling Fund – <http://www.thefledglingfund.org/>

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### **Other**

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Variety	<a href="http://variety.com/">http://variety.com/</a>
Screen International	<a href="http://info.screeninternational.com/">http://info.screeninternational.com/</a>
Méta-Media	<a href="http://meta-media.fr/">http://meta-media.fr/</a>
Forum d'Avignon	<a href="http://www.forum-avignon.org/fr">http://www.forum-avignon.org/fr</a>