

## APPENDIX 3



May 7, 2018

Jérémy Gauthier  
Policy Advisor  
Minister of Canadian Heritage  
15 Eddy St.  
Gatineau, Québec K1A 0M5

Dear M. Gauthier,

### **Re: OLMC production crisis, loss of vitality, and positive measures**

Thank you very much for your timely response to our email to Mr. Kalles, and our 2015-16 Production Report. As QEPC and QCGN have pointed out, we very much need to forge a robust communications link with the Minister to discuss OLMC cultural policy, and your email is timely and appreciated.

Last week, I met with representatives of the Department of Canadian Heritage (PCH), including Mr. Ripley and Ms. Mayes. We discussed the issues below, and they suggested that we needed to bring them to the attention of the Minister's staff. I am undertaking that process with this letter.

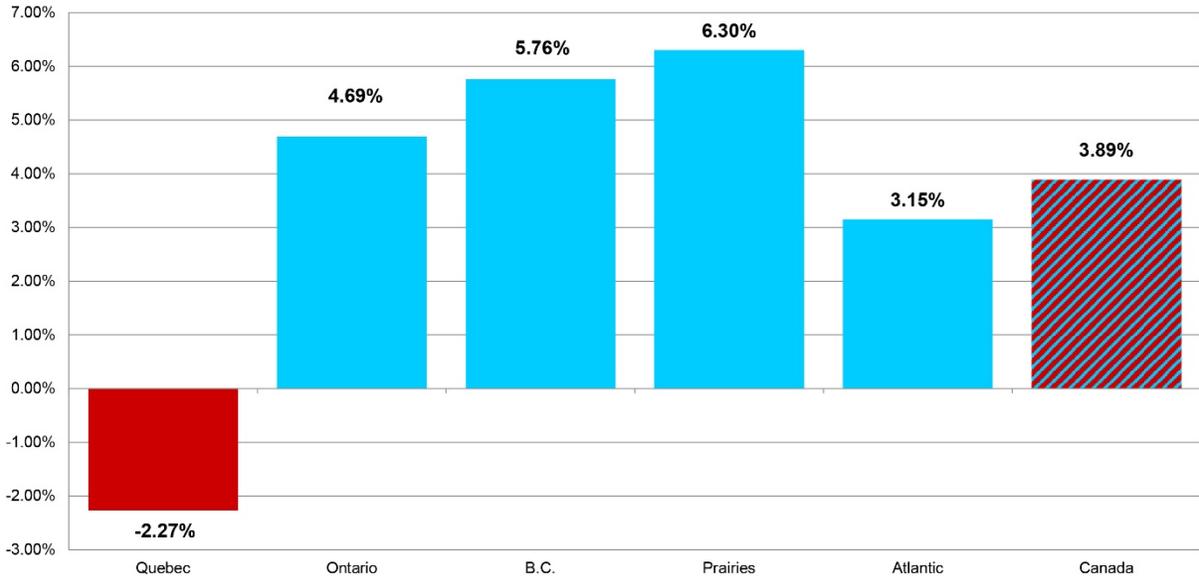
English official language minority community (OLMC) production hit an historic low in 2015-16, falling more than half from a peak of \$306m in 1999-00 to \$127m. During this time, English OLMC production fell from a 22% share of total English Canadian production to only 7%<sup>20</sup>.

As Graphs 2 and 3 demonstrate, this decline is unique among all regions in both languages. This loss of production is having a negative impact on OLMC vitality, including the loss of OLMC jobs, and the exodus of OLMC talent and youth from Quebec.

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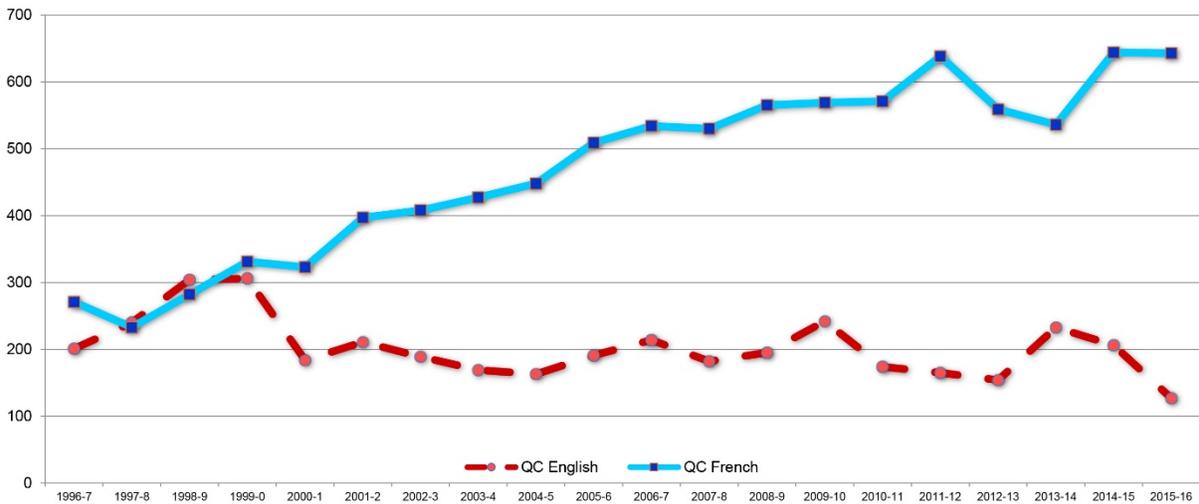
<sup>20</sup> QEPC, *Canadian Regional Audiovisual Production Report, 1996-97 to 2015-16*, Dec., 2017; See Table 2 and appended press release with link to the *Report* at QEPC.ca

**GRAPH 2**  
**English Domestic Production**  
**by Region**  
 1996-7 to 2015-16  
 (Change in CAGR)



Source: Table 2

**GRAPH 3**  
**Quebec Domestic Production**  
**by Language**  
 1996-7 to 2015-16  
 (\$ millions)



Source: Table 3

Following a complaint filed by QEPC in 2010 concerning these issues, the Office of the Commissioner of Official Languages (OCOL) investigated and decided in 2013 that PCH should:

- “1) Include a provision that recognizes the English OLMC in the next contribution agreement that is signed with the Canada Media Fund for fiscal year 2013-2014.
- 2) Take measures, by the end of fiscal year 2012-13, to mitigate the impact of the uncertainty in yearly funding on the vitality and development of English OLMC.”<sup>21</sup>

Subsequently, the Anglophone Minority Incentive (AMI) fund was established by the Canada Media Fund (CMF). This was a good first step, and helped CMF-funded OLMC production increase from \$42m in 2012-13 to \$61m in 2015-16.

However, as we can now see, while these measures helped reduce the rate of OLMC losses, they were clearly not sufficient to deal with the chronic decline of total OLMC production. At current funding levels, the AMI could not stop or reverse the production crisis the Quebec OLMC now faces.

We believe positive measures are now required to deal with the scope of this crisis. The PCH “Creative Canada” priorities given to CMF do not include OLMC production<sup>22</sup>. As a result of the OLMC’s low priority and CMF’s financing challenges, AMI funding has been frozen at \$4.5m for the third year in a row.

Now that CMF funding has itself been stabilized by PCH, the solution to the English OLMC production crisis is relatively simple. Follow the objectives of the *Official Languages Act*, and treat both English and French OLMCs equally<sup>23</sup>.

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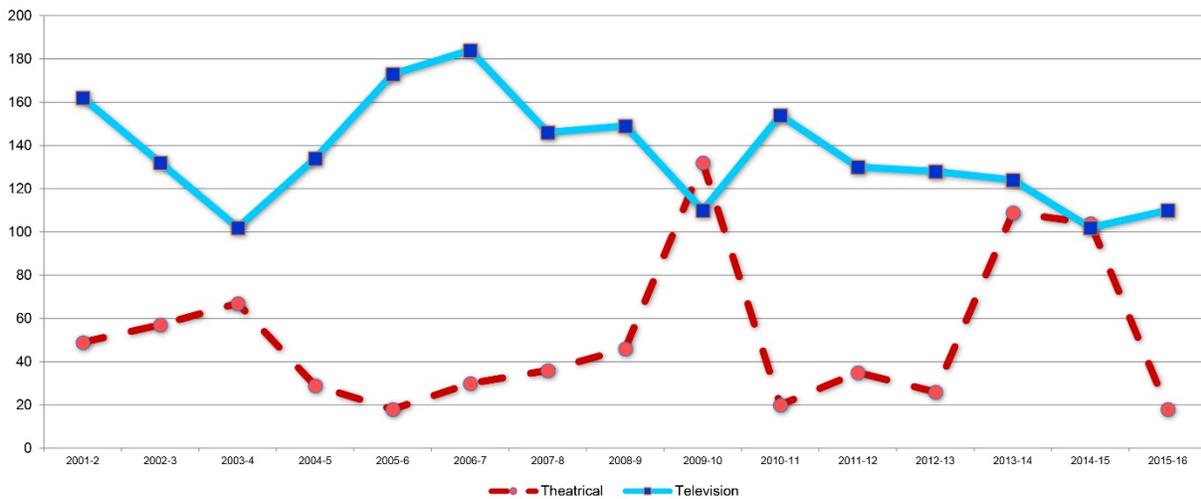
<sup>21</sup> See OCOL, “Final Investigation Report on the Canada Media Fund Program Guidelines”, OCOL reference 0654-2010-PCH1; CITS (WebCIMS) No. 84314; Jan. 17, 2013; page 13.

<sup>22</sup> See PCH, “Creative Canada Policy Framework”, Sept. 28, 2017, s.1.2 “Invest in television and digital media content”; which emphasizes program development, innovative projects in the Experimental Stream, indigenous production, and international marketing.

<sup>23</sup> See the *Official Languages Act*, s.2 “The purpose of this Act is to (a) ensure respect for English and French as the official languages of Canada and ensure equality of status and equal rights and privileges as to their use in all federal institutions...”

First, as you can see in the *QEPC Report*, over the last six years CMF’s total English OLMC funding has jumped up and down like a yo-yo, between \$8m and \$18m<sup>24</sup>. This has created uncertainty in the English OLMC’s yearly CMF funding. Graph 4 shows how volatile OLMC theatrical production has been, but it also shows that total OLMC television production has been declining despite the establishment of the AMI fund.

**GRAPH 4**  
**Quebec English Theatrical**  
**and Television Production**  
 2001-2 to 2015-16  
 (\$ millions)



Source: Table 4

To meet our needs, and eliminate this uncertainty in CMF funding of English OLMC production, PCH should amend the PCH-CMF Contribution Agreement so it treats the English and French minorities equally. Now they aren’t treated equally. The Contribution Agreement says:

<sup>24</sup> Op. cit. *QEPC Report*, see Table 14.

“The [Canada Media Fund] Corporation shall: (i) meet the Government’s policy objective of supporting French-language minority productions by ensuring a minimum 10% funding envelope, calculated on the amount allocated for French-language productions; (ii) consider what measures might be appropriate to address the impact, if any, of the uncertainty in yearly funding levels on the vitality and development of English-language minority communities;”<sup>25</sup>

To be treated equally, both minorities should have the same minimum of 10% funding from their respective CMF envelopes. Like the French OLMC, the English OLMC producers remain vulnerable<sup>26</sup>.

A 10% minimum English OLMC funding requirement would result in stabilizing total CMF English OLMC funding at about \$20 million per year which meets our demonstrated needs.

Some may say that the English OLMC should receive a 5% minimum to achieve the same \$10 million in funding that the French OLMC receives. We disagree. In fact, the Commissioner of Official Languages addressed this issue in his Report<sup>27</sup> when he said positive measures should be based on the specific needs of each community. The two industries are quite different in size and history. In 2015-16, French OLMC production was \$29 million. Even at an historic low, English OLMC production was five times larger at \$127 million.

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<sup>25</sup> PCH, “Contribution by the Department to the Canada Media Fund 2017-18...”, Appendix A, Contribution Objectives, page 23.”

<sup>26</sup> Op. cit., OCOL Report, p. 4: “Pursuant to the [House of Commons Standing Committee on Official Languages] Committee’s recommendations, since 2004, the Government of Canada has ensured that the CTF set aside a minimum of 10% of its French-language funding for French-language productions in minority contexts. When establishing the CMF, Canadian Heritage maintained the same dedicated funding for French OLMC, because it considered that Francophone producers in a minority situation remained potentially vulnerable.”

<sup>27</sup> Ibid., OCOL Report, p. 9: “The Office of the Commissioner of Official Languages is of the view that Canadian Heritage’s obligation under Part VII of the Act to take positive measures to enhance the vitality of OLMCs and to support and assist their development goes beyond a per capita funding analysis comparison between the two minority communities. Each OLMC has its own particular set of challenges that must be identified in order to develop programs or policies that respond to the specific needs of that community.”

Providing a 10% English OLMC minimum can be done without new monies. The funds are available within the CMF's \$352 million budget (2018-19). If necessary, this money could be found through transfers from the CMF's Broadcast Performance Envelope (BPE) fund.

Second, unlike the French OLMC, the English OLMC does not have a collaboration agreement with PCH. It is time for PCH to negotiate a cultural collaboration agreement with the English OLMC such as the NFB has done.

We believe the Minister should eliminate these disparities between the English and French OLMCs. Considering the current production crisis, we believe the Minister must take immediate and strong positive measures to support English-language production in Quebec.

We would like to meet with the Minister's staff to examine the severity of this crisis, review our needs, and discuss the positive measures the Minister can take to fulfill OCOL's 2013 recommendation that PCH:

“...mitigate the impact of the uncertainty in yearly funding on the vitality and development of English OLMC”.

Thank you.

Yours truly,

A handwritten signature in black ink, consisting of a vertical line on the left and a stylized 'Y' or 'F' shape on the right.

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