

**The Academy of Canadian Cinema and Television  
Speaker Series**

**The *ABC* of  
Audience Building in Canada  
Can we do it?**

**Keynote Address by**

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 **Telefilm Canada**

**Canada**

It is a pleasure to see so many of you here for this luncheon meeting sponsored by the Academy of Canadian Cinema and Television.

I have had the privilege of being the Executive Director of Telefilm Canada for only 11 months. So far it has been wonderfully challenging and interesting.

One of the best parts of this job is that now I spend a great deal of time here in Montréal. After a lifetime in Ottawa and Toronto, that's a major perk!

Especially because as the head of Telefilm, it's now part of my job to watch a great deal of French-language television and to view many movies produced here in Quebec.

You may have heard this before from an English Canadian consumer of television and film, but it deserves to be said again:

*By any standard, Canadian or international, the success of the Quebec film and television production industry is enormously impressive. Your ability to deliver well-made programming to a very appreciative audience is, frankly, a model and a challenge for all of us.*

Pick up a newspaper in Montréal and look at the movies that French-language consumers can choose among. The big American productions are all there, of course, as are the Europeans.

But the Canadian-produced movies are just as prominent and they include various genres. A thriller like *Le Collectionneur*, popular films for young families such as *La Mystérieuse Mademoiselle C*, successful dramatic comedies like *L'Odyssée d'Alice Tremblay*, and more challenging offerings including the recent *La Turbulence des fluides*.

Last weekend, *Séraphin, un homme et son péché* opened on a record number of 123 screens in Quebec, garnering over one million dollars, more than 34% of all box-office revenue generated across the province. This is the best opening weekend performance ever for a Quebec drama.

In total, Canadian produced films accounted for roughly 9% of Canadian French-language box-office receipts in 2001.

And French-language television producers are even more successful connecting with their audiences in Canada.

Right now, a remarkable 10 out of the top 10 programs in the Canadian French-language market are produced here in this country.

That's better than the UK, Australia, Germany and Italy. It's an accomplishment that's matched only by France and the US.

Here in Quebec, as in the European and Australian markets, numbers for domestic television productions have grown substantially over the last decade, especially for dramas.

What's even more interesting is that, 20 years ago, American programming dominated all these markets. The omnipresent US program industry still plays a role in most countries but here domestic French-language programming has assumed its rightful place.

In television and film production in English Canada, things are very different.

Regrettably, not even one of our top 20 audience-attracting programs in English Canada is made in this country. And in film, English Canadian movies captured less than 1% of box-office receipts in English Canada in 2001.

Your successes in both television and film can teach English Canadian producers a great deal about creating product that reflects your audiences' tastes and interests. And you have done this in a comparatively small market with limited resources.

The success in Quebec has inspired us to set our expectations for the future of the entire Canadian audiovisual industry higher.

We have begun to make it clear to our partners and clients in English Canada that audience building will be our primary concern. We have established box-office targets for the performance of English Canadian films and have radically restructured our policies for the English-language market accordingly.

We have also proposed to do the same thing for English television, by shifting the emphasis from the number of hours made to the success with audiences. We want – in a word – to put the emphasis in English where it has always been in French, on quality and success.

In a moment, I want to talk about how our priority of audience building may affect film and television producers here in Quebec. But first, I want to sketch out for you how we are changing at Telefilm to position ourselves to be a more effective partner.

As you may know, Telefilm has been growing rapidly. In less than 5 years, our programs have increased by 25%, our resources by 35% and the demand for our resources by 40%.

The Canadian government has recognized the importance of our industry by substantially increasing our budgets and widening our programming. The government also expanded Telefilm's mandate to include New Media and Music Entrepreneur programs.

This growth has created significant management challenges. When I became Executive Director of Telefilm, it was very clear that we needed to change the way we did things.

We polled our clients, including many of you. What you told us was a mixed bag.

The good news was that you thought Telefilm's employees were competent, intelligent and hard-working.

But your level of dissatisfaction with the services you receive from us was high enough to convince us to move quickly and decisively.

You told us that you found us often opaque and that dealing with us was arduous and costly. You told us that you wanted a fairer, more sophisticated Telefilm, one that was better aligned with your requirements and the realities of your businesses.

Over the last few months, we have reorganized Telefilm and initiated a massive review of the way we do everything from requiring completion bonds to negotiating recoupment schedules. We are now starting the process of working through our new proposals with the APFTQ.

We have also placed a greater emphasis on strengthening our personnel. In the last few months, we have replaced or confirmed all of the most senior staff. I am enormously pleased that Michel Pradier agreed to serve as regional director and to take on the responsibility of coordinating our decisions in Television across

Canada. We have also convinced Louise Deslauriers to take responsibility for the feature film group. A few weeks ago, we were extremely fortunate to steal Nancy Roch from the APFTQ to run the television group.

More recently we have been asking ourselves how to capture the vision we have for Telefilm. What kind of corporation do we want? The formulation we have come up with, although a little ponderous, is that we want to be “The most clearly focussed, accountable, efficient, client-oriented and commercially sophisticated cultural organization in the Government of Canada”. That is what we would like to become.

Translating this vision into policy is the great challenge. Let’s take it piece by piece.

Let’s begin with “*clearly focussed and accountable*”. For us this means quantifiable goals and objectives, so we can know whether we are succeeding or failing and be held to account. The quantifiable goals we have established are – as I mentioned earlier – audience based. Our policy for the entire country – both English and French markets – is building audiences, whether in TV or film. We are reviewing all of our programmes to ensure they conform to this goal.

But we recognize at the same time that audience building starts from very different circumstances in English and French.

It’s hard to have greater success building audiences in television than we have already achieved in French. The challenge, therefore, must be to maintain what has been accomplished, and to seek ways of growing the industry beyond the borders of our relatively small French market. In this sense, we need to pursue approaches to French film and television that will be quite different from what we do in English.

While the overall policy may be the same, our approach to the two markets must be asymmetric, reflecting their different characteristics and levels of maturity.

To return to our vision for Telefilm, we also want to be the “*most client-oriented and commercially sophisticated cultural organisation*”. We want to know even better the realities of your market, so that we ensure our efforts align with yours and work as efficiently as possible. Inevitably, this requires an asymmetric approach to the two markets and to the two realities.

In regard to this asymmetric approach, I want to stress that Telefilm Canada recognizes the cultural significance of French-language *films d’auteur* and will continue to support them. Indeed, we intend to ensure that they benefit from enhanced marketing and that they reach a growing audience. Quebec moviegoers clearly relish this type of film, as we are seeing with *Québec-Montréal*, which so far has grossed nearly a million dollars (\$900,000, to be precise). Proportionally, this film has garnered greater success in terms of box-office receipts compared to *Men With Brooms*, if we take into account the relative importance of the French market.

As a practical matter, it means that while we search to build audiences for Canadian feature films in both the English and French markets, we have established different targets. We hope to capture 4% of the English market for Canadian films, and 12% of the French market. This reflects their different starting points and different stages of development. The English market performs extremely poorly and the French market reasonably well.

This will also be reflected in the new guidelines we will be releasing for feature film next week. In them, we have established very tough hurdle rates for our investments in English-language feature films and astringent requirements for P&A expenditures by distributors. We are not imposing these requirements in French.

We have not done the same thing in French because it is not necessary. Whereas the English market needs to be jump-started, the French market already functions reasonably well.

If it ain't broken, don't fix it !

But despite these differences in approach, the basic deal on investment in French and English production stands firm: two thirds of our dollars go to support English-language production, one-third to French. And we are committed to maintaining this policy

Instead, our approach to the French market will be to recognize the distinctive challenges it faces. We recognize in particular that, while there has been enormous success in French film and television, these accomplishments are fragile. The strength that we see now has not always existed, particularly in film.

We understand that financial challenges loom before you that require vigilance, creativity and management excellence.

If we are to maintain quality and profitability in French-language film and television production in Canada, then we must work together even more closely and more effectively than we have in the past. For Telefilm's part, we intend to make sure that we continue to provide the attention and the support that have contributed to your success thus far.

More particularly, we need to begin to explore strengthening the financial underpinnings of the French-language film and television industry, primarily here in Montréal but also across the country.

There are no obvious or easy solutions to this fundamental challenge. But we need to begin the conversations immediately. There are a number of issues that we want to explore with you.

For example, can we grow the market for French-language productions here at home and around the world?

We know that this will be a major challenge – the trend in international markets is toward more and more local content. But if anybody has quality to sell, it's us, so we have to make a greater effort to leverage what we produce into revenue from international markets. We have started the process of strengthening our presence at markets and measuring our successes, but we will need your ideas in how to move further faster.

We also want to look at how we can increase the number of coproductions that we do with foreign producers. The Immersion session held in Paris two weeks ago were the best so far, but we need to develop much more focused strategies on how to lever our international relationships, particularly with France.

This is an area where I think that much more can be done, especially to enhance budgets for promising Canadian productions.

My colleagues and I at Telefilm are concerned, for example, by the fact that France is pursuing closer production relations with Great Britain. The natural partner for French coproduction is Canada and we have to tackle this challenge head on. This search for coproduction partners is a challenge that French and English producers need to undertake together.

Another avenue that bears exploiting is that of interprovincial coproductions, which can serve to expand audience reach and put Canadian performers and stories in the spotlight. The advantage here would be twofold: we stand to

enhance the profitability of individual productions, while creating opportunities for English-language producers to work closely with Francophones.

Our experience with double shoots suggests that they offer a very promising opportunity for Canadian producers. We know there are things that both sides of a double-shoot equation can learn, especially about how to create audience-building productions. The series *The Last Chapter / Le Dernier chapitre* is a good example. Right now we have two double-shoot productions in preparation at Telefilm. We want to do more.

We are excited by both the cultural and the financial rewards promised by increased international sales and more interprovincial coproductions and double shoots, and we look forward to partnering with you to meet these challenges.

With 10 of the top 10 television programs in the French-language market already produced in Canada, we are starting from a position of great strength. It is essential to maintain this position and build on it.

There is much we can do to enhance and support our accomplishments today, but we must be vigilant and continue to push forward. We must not rest on our laurels.

We have a great deal to do to reinforce our industry and to build for the future. I look forward to working with you and to keeping the channels of communication open so that we all benefit from timely, meaningful exchanges in line with industry reality. We will be seeking your views, since you are our frontline partners in achieving our common goal.

I know that the energy and creativity that is responsible for the cultural flowering that I see on our screens in Montréal can carry us forward to even greater success. Thank you for your attention.