Getting Real

DOC
DOCUMENTARY ORGANISATION OF CANADA
DOCUMENTARISTES DU CANADA

An Economic Profile of the Canadian Documentary Production Industry
Prepared for the Documentary Organization of Canada

Volume 2, 2004

CRTC
ONF NFB
Canadian Heritage / Patrimoine canadien
Telefilm Canada
Ontario
Ontario Media Development Corporation
Société de développement de l'industrie des médias de l'Ontario

Acknowledgements

The preparation of this year¹s edition of Getting Real would not have been possible without the efforts of several people. In particular, we would like to thank Laurie Jones and Maryse Charbonneau at the National Film Board, Natalija Marjanovic and Lynn Foran at the Department of Canadian Heritage, Nicole Prud¹homme atTelefilm Canada, and Rachelle Perron at the Canadian Radio-television and Telecommunications Commission. Their assistance in gathering several of the data and key indicators made a tremendous contribution to this year¹s report. We would also like to thank Kirwan Cox for sharing with us some of his insights on the Canadian documentary industry.

Special thanks are due to Sally Hewson (design) and Hilary Ostrov (formatting) for their extra effort in preparing this document for publication.

Cover images

Clockwise: Fresh Voices, The Corporation, Shake Hands With The Devil, Out Of Sight...Out Of Mind and The Tunguska Project.

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Executive Summary

Genesis of the Documentary Profile

The Documentary Organisation of Canada (DOC) is the leading body representing documentary producers in Canada. DOC commissioned Nordicity Group Ltd. (NGL) to prepare this second edition of an economic profile of the Canadian documentary production sector. The first volume was issued in 2003 with the support of key sponsors – the National Film Board (NFB), the Department of Canadian Heritage and the Ontario Media Development Corporation. This edition sees added support from the Canadian Radio-television and Telecommunications Commission (CRTC) and Téléfilm Canada. This profile of the documentary sector builds on the cultural importance of documentary production by providing a clear and timely view of the economics of the industry.

- In the 2004 edition of *Getting Real*, we track many of the industry issues and trends identified in the 2003 edition. At the same time, we have added new information concerning feature documentaries, documentary box office performance, international developments in the documentary production industry, and the impact of new technology.
- The foundation of this economic profile of the documentary sector is the annual profile of the overall film and television production industry that is prepared by NGL and sponsored by the Canadian Film and Television Producers' Association (CFTPA) and the *Association des Producteurs du Film et Television du Quebec (*APFTQ). Some of the key methodologies for profiling the production industry and its components like the documentary sector have been developed and refined over the years in that process. As well, this profile has benefited from the style and approach developed through NGL's other engagements with the CFTPA and APFTQ. Consequently, while this is a completely separate standalone document, it owes its genesis to the sponsors of the annual film and television production profile.

History and Development of Documentaries in Canada

- Canada's long tradition of creating outstanding documentaries goes back more than 100 years to James Freer, a Manitoba farmer, who, in 1897, started to make films depicting life on the Canadian Prairies.[1] Indeed, the documentary genre is one of Canada's most significant contributions to the art and science of film and television around the world.
- Following World War I, the Canadian government made its first foray into documentary filmmaking. In 1918, it established the Exhibits and Publicity Bureau to make films.[2] In 1923, this Bureau became the Canadian Government Motion Picture Bureau.[3]
- The **NFB**, established in 1939, was originally the Canadian government's wartime propaganda arm. After the end of the World War II, the NFB became the government's institution for creation of films, including documentaries. Indeed through the 1940s to

[1] Cox, Kirwan, *Chronology of Canadian Documentary*, unpublished monograph, 2004.
[2] Ibid.
[3] Ibid.

1970s, the NFB was the primary source of documentary production in Canada and encouraged successive generations of filmmakers in the development of the art form.

- With the advent of television in the 1950s, Canada's broadcasters**, CBC** and **CTV**, were also making important contributions to the genre's development in Canada. The CTV's *W5*, and the CBC's *fifth estate,* debuting in 1966 and 1975, respectively, become stalwarts in Canada's tradition of documentary current affairs programming, and gained both critical acclaim and strong audiences.
- Before 1980, there were only a few independent production companies in Canada that had the financial resources to create and distribute a documentary outside of the NFB's or CBC's infrastructures.[1] It was not until the 1980s, that an **independent production** sector in Canada began to develop along with a strong niche in documentary programming.
- Through the 1980s and 1990s, government initiatives and regulatory decisions created an environment that led to rapid growth in independent production activity in Canada, including documentary production. The **licensing of new broadcasting services** and heightened Canadian content requirements increased broadcasters' demand for Canadian programming. The federal government also began to provide financial underpinning for the independent production industry through the introduction of **production-support funds** and **tax rebate programs.**

Contribution of Documentaries to Canadian Culture

- Documentaries make a significant contribution to Canadian culture. They reflect the **multicultural fabric** of our country and project Canada to the rest of the world. Documentaries such as *Bollywood Bound* and *A Scattering of Seeds* reflect Canada's cultural diversity and often provide Canadians of different ethnic groups with the opportunity to create programs that express their cultural values.
- Many Canadian documentaries have been **thought provoking,** often raising issues and stimulating public debate and thus telling the stories which would not have otherwise been told. From the beginnings of the NFB in 1939, documentaries have challenged Canadians to think about their country and its place in the world. Noteworthy Canadian cultural works include *Neverendum-Referendum*, *A Place Called Chiapas*, *Kim's Story: The Road from Vietnam*, and *Volcano: An Inquiry into the Life and Death of Malcolm Lowry*.
- The expansion of the documentary format into **specialty television** has led to new contributions to Canadian culture. Covering a wide range of subjects, Canadian documentary programming is increasingly finding its way into Canadian living rooms, speaking to viewers about our history, and sharing the experiences of Canadians going about their daily life. Analog specialty-television channels such as Bravo, Canal D, Canal Vie, Discovery Canada, Historia, History Television, Life, Vision TV, etc., and new digital channels, like Biography Channel, Book Television, Discovery Health, ichannel, Wisdom, and of course the Documentary Channel feature documentary programming.

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[1] Juneau, Pierre with Catherine Murray and Peter Herrndorf (Mandate Review Committee - CBC, NFB, Telefilm), *Canadian Broadcasting and Film for the 21st Century*, January 1996.

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Canadian Documentary Scene in 2003

- Despite opening in the midst of the SARS crisis in Toronto, the tenth edition of ***Hot Docs*** screened 122 documentaries[1] to an audience of 32,500 – an increase of 30% from 25,000 in 2002.
- **Rencontres internationales du documentaire de Montréal (RIDM)** saw its total audience increase by 50% to 9,500 in 2003.
- The growing appreciation of the documentary genre was also evident at other Canadian film festivals. The **Toronto International Film Festival** (TIFF) line-up for 2003 included the largest number of documentaries yet. Approximately 30 feature documentaries were screened at the 2003 TIFF.
- Canadian documentaries continued to earn critical acclaim outside of Canada at the leading industry film festivals. Vikram Jayanti's *Game Over: Kasparov and the Machine* was selected for the 2003 International Documentary Association Distinguished Documentary Achievements Awards. Mark Achbar and Jennifer Abott's *The Corporation* was awarded the World Cinema Documentary Audience Award at the Sundance Film Festival in January 2004, after receiving a special mention for the top prize at the International Documentary Filmfestival Amsterdam (IDFA) in November 2003.

International Documentary Scene in 2003

- Audiences around the world rediscovered documentary films in 2003. Following the 2002 release of *Bowling for Columbine*, several documentaries posted strong box office runs in the United States. *Ghosts of the Abyss* (an IMAX film), *SpellBound*, *Winged Migration*, *Step into Liquid*, and *Capturing the Friedmans* stood out among the many successful feature documentaries released in the U.S. in 2003 – each grossing more than US$3 million in American theatres.
- Seven of the all-time top 10 grossing documentary films in the U.S. ran in theatres in 2003.
- The movie theatre success of documentaries in 2003 spilled into the signature film festivals. The 2004 edition of the **Sundance Festival** was hailed as the year of the documentary. For the first time in the festival's history, it opened with the screening of a documentary.[2]
- The **International Documentary Filmfestival Amsterdam** (IDFA) increased its attendance by 11% to 110,000 in 2003.[3] Box office receipts increased by even more, rising by 22% from €300,000 to €365,000 in 2003.[4]
- Even with growing festival attendance and improving box office performance, there continues to be a desire to increase moviegoers' access to feature documentaries. In the 2002 *Docspace Report*, Amy Hardie argues that there is an under-served theatre-going audience for documentaries that can be tapped into.

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[1] Source: Highlights of Hot Docs 2003 at http://www.hotdocs.ca/about_2003.cfm
[2] Vinakmens, Kristen "Feature docs up the ante", *Real Screen*, March 1, 2004.
[3] http://www.idfa.nl
[4] Ibid.

- The Dutch Film Fund's **DocuZone** is an example of one attempt to use new technologies and business models to reach documentary audiences via cinemas. As part of DocuZone, the Dutch Film Fund installed digital projection equipment in 10 cinemas in The Netherlands at a cost of US$2.5 million.[1] In exchange, the cinemas agreed to reserve two time slots each week for the screening of documentaries – Dutch and international in origin.
- DocuZone has been a tremendous success. In 2002, 32,000 patrons attended DocuZone films.[2] Attendance and box office results have exceeded expectations by about 50%.[3]
- The DocuZone concept is now being extended across Europe. Under the European DocuZone, 175 cinemas in 8 countries will be equipped with digital projection equipment for screening independently produced European films. The initial 175 cinemas will be located in Austria, Belgium, Germany, the Netherlands, Portugal, Scotland, Spain, and Slovakia.[4]
- The U.K. Film Council is launching a similar initiative, in which it will install 250 digital projection systems across the U.K. by the end of 2004.[5] The commercial cinemas that accept the equipment will have to reserve screen time for non-Hollywood films.

Technology and its Impact on the Documentary Genre

- On the production side of the industry, the introduction of smaller, lighter and cheaper cameras based on **digital technology** allow filmmakers to record their work directly to DVD. When the new generation of cameras is combined with the new generation of affordable computer-based digital editing systems, the product is the further opening of access to the filmmaking process to greater numbers of new entrants.
- An equally profound technology impact is starting to take hold in the distribution and exhibition side of the industry. Digital projection technology and the concepts of the **E-Cinema** and **D-Cinema** derived from it are ushering in another wave of the technology-enabled documentary programming. As demonstrated by the example of DocuZone cited above, these applications of digital technology are expected to give audiences even broader access to documentaries in theatres.
- With E-Cinema technology, films can be distributed without the need for producing physical copies and shipping these copies to cinemas. While this is a benefit for producers, large and small, it could even be more of a benefit for small independent producers who make feature documentaries in terms of lower cost and accessible distribution to audiences.
- **DocuZone** is a perfect example of an E-Cinema. What makes an E-Cinema a better business model for the distribution of documentaries and other independent films is that: (1) it eliminates the cost of blowing up a documentary from video or 16 mm to 35 mm;

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[1] Nemtin, Bill, E-Cinema: Implications and Opportunities for Canada, presentation to National Film Board of Canada E-Cinema panel (October 16, 2003), available at http://www.nfb.ca/ecinema/index_en.html.
[2] http://www.encounters.co.za/docuzone.html
[3] Ibid.
[4] Edmunds, Marlene, "Dutch doc program plans Euro growth: EuroZone to add theaters to network", Variety.com, February 6, 2004.
[5] Nemtin, op.cit.

(2) it reduces the cost of creating prints; and (3) it allows a film to benefit from simultaneous widespread promotion.

- The lower cost distribution model ensures that the filmmaker or distributor can generate enough copies for a nation-wide or continent-wide simultaneous release of a film. This allows for use of an intensive nation-wide or continent-wide promotion campaign to generate interest in the film.[1] The increased marketing and promotion opportunity is the other aspect of E-Cinema which makes it a promising business model for documentaries.
- With broadband transmission to the cinemas, a filmmaker can do a personal introduction to a film and even participate in a question and answer session with audiences after the screening. The organizers of DocuZone have found that this layer of personalization and interaction is something that documentary audiences welcome.[2]
- With movie audiences around the world rediscovering the documentary genre, the E-Cinema concept and the business model that goes along with it is perhaps the best option for an innovative distribution channel for feature documentaries. And at the same time it offers an ideal way for maintaining the momentum recently built up by documentaries at the box office and recent film festivals.

Economic Profile - Total Volume and Growth Rate

- In 2002/03, the total volume of Canadian documentary production declined by 1.3% to $366 million from $371 million in 2001/02
- During the last seven years, the growth of the Canadian documentary production industry has outpaced growth of the overall Canadian content production sector. Between 1996/97 and 2002/03, total Canadian documentary production increased at an annual average rate of 12%; while overall Canadian content production grew at an average of 6% per year. As a result, the documentary production segment's share of total Canadian content production increased from 8% to 12%.

Independent Production

- The growth in documentary production over the past several years has been driven by the **independent production sector**. Between 1996/97 and 2002/03, CAVCO-certified (indepsendent) documentary production increased from $114 million to **$269 million**.

In-House Production

- Between 1996/97 and 2002/03, the **in-house production** of documentary programs by Canadian broadcasters and the NFB remained relatively stable. Over the seven-year period, in-house production increased by only 6%, from $53 million to **$57 million**.

[1] National Film Board "E-Cinema", introduction to National Film Board of Canada E-Cinema panel (October 16, 2003), available at http://www.nfb.ca/ecinema/index_en.html.

[2] Nemtin, Bill, E-Cinema: Implications and Opportunities for Canada, presentation to National Film Board of Canada E-Cinema panel (October 16, 2003), available at http://www.nfb.ca/ecinema/index_en.html.

CTF-Supported Production

- Through both the Equity Investment Program (EIP) and the Licence Fee Program (LFP), the **Canadian Television Fund (CTF)** has provided over **$264 million** in direct funding to documentary production since 1996/97.
- In 2002/03, the CTF contributed **$48 million** to total documentary **budgets of $172 million**. The CTF-supported production budgets represented **55%** of total independent Canadian documentary production in that year. (We note that the total budget figure dropped 14% from the previous year at $191 Million, while the CTF contribution as a percentage remained nearly constant.)
- In 2002/03, documentary producers received 18% of the CTF funding. With these resources, they accounted for 61% of all CTF projects and 38% of CTF-supported programming hours.[1]

Non-CTF-Production

- Non-CTF Production refers to Canadian production certified as Canadian content by CAVCO or the CRTC, but created without the support of the CTF. In 2002/03, **45%** of all independently produced Canadian documentary programming was made without any financial support from the CTF.

Feature Documentary Production

- CAVCO-certified feature documentary production totalled **$9.1 million** in 2002/03. While this was $2 million higher than the total volume in 2001/02, it was more than 40% below the peak of $16.2 million reached in 1999/00.
- In 1996/97 feature documentary production comprised 11.6% of CAVCO-certified documentary production; in 2002/03, its share had fallen to **3.4%**.

Language of Production

- In 2002/03, **English-language** production accounted for **72%** of total documentary production; **French-language** production accounted for **27%**. Other languages, including Aboriginal languages, accounted for **1%** of total documentary production in 2002/03.

Regional Production

- As with most of the production industry in Canada, documentary producers are **concentrated in Quebec and Ontario**. In 2002/03, producers based in Quebec and Ontario accounted for **71%** of total documentary production spending – compared to 69% for overall production.[2] However, some of the most culturally and financially successful documentary production originated outside central Canada, notably in British Columbia.

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[1] Source: Canadian Television Fund

[2] Canadian Film and Television Production Association, *Profile 2004,* January 2004.

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Financing of Production

- In the **English-language market,** private broadcasters are the largest single source of financing for documentaries. In 2002/03, private Canadian broadcasters contributed **30%** of total financing of CAVCO-certified documentary production. The value of tax credits accounted for 18%. The other sources of financing included other private sources (13%), foreign sources (12%), other public sources (10%), Canadian distributors (8%), Canadian public broadcasters (5%) and production companies (3%).
- In the **French-language market**, **public sources** including the value of tax credits actually accounted for the largest single source of production financing. In 2002/03, tax credits accounted for 25% of financing for independent Canadian production. Canadian private broadcasters contributed about **18%**; Canadian public broadcasters contributed 17%. The other sources of financing included other private sources (18%), other public sources, including SODEC (16%); production companies (4%), and foreign sources (1%).
- Over the last seven years in **English-language** documentaries, the share of financing from private Canadian broadcasters has been on the rise, largely due to growth in Canadian specialty channels In 1997/98, private Canadian broadcasters, including specialty broadcasters accounted for 15% of total financing; by 2002/03, the share had doubled to 30%. **French-language** documentaries have experienced a similar trend. Private Canadian broadcasters' share of documentary financing for CAVCO-certified productions has risen from 8% in 1996/97 to 18% in 2002/03.
- When compared to the producers of documentary **series**, producers of **single program/feature film** documentaries in both the English- and French-language markets rely more on the **CTF** and **Canadian public broadcasters** for the financing of their productions.

Direct Public Funding

- Public funding can be classified as either direct or indirect. **Direct public funding** includes loans, equity investments, and grants from federal or provincial governments, or the National Film Board. **Indirect public** sources include refundable tax credits available to production companies.
- The share of financing from direct public sources dropped from 38% in 1996/97 to **24%** in 2002/03.
- Much of this drop can be attributed to the **NFB's falling share** of total documentary production over the last seven years. While the NFB's production spending has remained stable, the total volume of production in the industry has experienced substantial growth in film and television projects produced by the independent sector.
- The drop in direct public funding's relative share of documentary financing indicates that public support is not keeping up with the growing level of documentary production largely driven by the demand created by Canadian specialty services.

Job Creation

- Canadian documentary production activity generated direct and indirect full-time equivalent jobs of **14,000** in 2002/03. This includes **5,400** full-time equivalent jobs directly in documentary production.

Export Value and Treaty Co-Production

- The "**export value**" of Canadian documentary production, which includes direct foreign financing and distribution advances for foreign markets, was **$42 million** in 2002/03. While this is roughly the level it has been during the last four years, total documentary production has grown substantially. This has meant that the **share** of foreign financing has **declined** for individual projects.
- The total volume of Canadian **treaty co-production** (which includes Canadian and foreign budgets) documentaries dropped by 32% to **$36.3 million** in 2003. Of this total, Canadian financing accounted for $13.0 million.
- This sharp drop in Canadian treaty co-production documentaries in 2003 followed a staggering increase of 150% over the preceding four years – running from 1998 and 2002.

Audience Demand

- Despite lower budgets, and audience fragmentation brought on by the expansion of television choices, documentaries continue to attract large audiences. Top documentaries frequently garner audiences in excess of **one million viewers**, for example, documentary series such as *Life & Times* or *Witness* on the CBC.[1] Highly promoted documentaries in recent years, such as *Fire on Ice* or *Hit Man Hart*, have attracted even larger audiences.[2] The CBC's *Canada: A People's History* recorded average audiences in the range of two million viewers.[3]
- For most the 1990s, viewing of Canadian documentaries was consistently around 2% of total television viewing to Canadian programs on Canadian stations. However, since 1999, the share of viewing to Canadian documentaries has been increasing. By 2001, Canadian documentaries accounted for **4.4%** of total viewing time – more than double the share four years earlier. In 2002, the viewing share to documentaries dropped to **3.6%**.
- The viewing data can also be examined in terms of the genres that receive support from the CTF, i.e., priority genres. On this basis, the documentary programming share of Canadian viewing to CTF supported genres was **15.6%** in the fall of 2002. This 2002 audience level is also a doubling of percentage share from five years earlier.
- The **average annual number of documentary hours viewed** in Canada **rose sharply** during the 1998 to 2002 period due to higher levels of viewing of documentaries on the pay and specialty channels, the CBC, and French private conventional stations.

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[1] Canadian Documentary Channel, *Application to Obtain a New Broadcasting Licence to Operate a Category 1 Digital Specialty Programming Undertaking*, April 2000.

[2] Ibid.

[3] Canadian Broadcasting Corporation, "Canada: A People's History Launches Season Two with Taking the West, September 30 on CBC-TV", Press Release September 1, 2001.

  - Between 1999 and 2002, the annual average number of hours of viewing of Canadian documentaries was 8,617,500 – **72% higher** than the annual average of 5,015,200 during the 1995 to 1998 period.
  - Approximately 50% of the increase in documentary viewing during the 1999 to 2002 period can be attributed to higher viewing on **pay and specialty services**.

- Canadians aged **60 and over** watched an average of **1.6 hours** of documentary programming per week during the fall 2002 period. This was double the average amount of documentary programming watched by Canadians in the 35 to 49 age group.
- The CBC scheduled **148 hours** of original long-form documentary programming during the peak viewing period (7 p.m. to 11 p.m.) in the 2002 broadcasting year. This was the highest among the major conventional broadcasting networks in Canada. Both of the English-language conventional broadcasting networks increased the number of hours of long-form documentary programming scheduled during the peak viewing period in the 2002 broadcasting year.
- While Canadian documentaries have been capturing a growing share of Canadian television audiences over the last several years, despite a limited presence during the peak viewing period, Canadian documentaries still have a long way to go in the **theatrical segment**. In 2003, the leading Canadian documentaries earned very small amounts through commercial theatre channels. According to data from the Motion Picture Theatres Association of Canada (MPTAC), Albert Nerenberg's *Stupidity* was the highest grossing documentary film – but with only $29,472 in box office receipts in Canada.
- While the box office performance of Canadian documentaries was weak in 2003, the strong run by *The Corporation* will bolster the numbers in 2004. As of March 31, 2004, it had earned nearly $900,000 in box office receipts in Canada.[1]

An Industry in Transition

Despite the fine record of documentaries in Canada, the industry is in transition and there are budget stresses at the individual project level

- Specialty-television services, including the newly licensed digital channels, have **driven up the demand** for documentary programming, but **driven down the average budget**. How this occurs is as follows:
  - Since specialty-television services have programming budgets that must be spread over many hours of programming to fill their schedules, they can only pay a modest license fee on a per hour basis.
  - Under the current system, the 'budget-licence fee' ratio governs whether the CTF will provide financing support to the documentary projects of independent producers. This dynamic has put downward licence fees pressure on budgets, since broadcasters stipulate how much in they can afford, the producers then need to minimize their budgets in order to maximize this 'budget-licence fee' ratio. This process determines whether they will be successful in receiving CTF financing.

[1] Bracken, Laura, "The Corporation Flies on Screens Large and Small," *Playback Magazine*, March 29, 2004.

  - This dynamic has had a beneficial impact on licence fees, forcing the broadcasters to pay larger licences. However, it has had a negative impact on documentary budgets. Lower budgets can affect both production quality and the complexity of programs produced.
  - Thus, while CTF, through the EIP and LFP, has increased financing for the documentary genre in the last few years, these amounts are spread over ever greater number of projects.

- The average documentary budget is now **20% lower** (in real dollars terms) than in the early 1990s. After experiencing a decline during the mid-1990s, however, average budgets for Canadian documentaries have stabilized.
- There are two other factors which are putting **pressure on the financing** of "one-off" or point-of-view documentaries at this time:
  - The **withdrawal of direct equity support** of such production by a couple of key provincial agencies in Ontario and British Columbia eliminates a traditional source of financing and has contributed to the decline in the share of financing from direct public funding from 38% to 24%;
  - The **decline in international demand** for foreign television programs of all genres lessens the potential for foreign financing; this drop is reflected in the relative decline of foreign financing of documentary production budgets in Canada.
- Thus, while the documentary sector has done very well over the last several years, the individual independent producer faces the stresses of accomplishing more with fewer resources. As in other parts of the film and television production industry, production financing of traditional documentary formats depends on public financing, typically direct investment. This profile tracks the substantial growth of documentary production within the context of financing trends which put many documentary producers in a more precarious position.

1. Introduction

Canada's tradition of documentary filmmaking goes back more than 100 years. From as early as 1897, when James Freer, a Manitoba farmer, starting making films depicting life on the Canadian Prairies[1], Canadians have been avid contributors to the non-fiction genre.

Indeed Canada is considered by many to be the birthplace of the documentary genre. As early as 1918, Canadians were producing documentaries through the Canadian Government's Exhibits and Publicity Bureau; the Bureau later became the Canadian Government Motion Picture Bureau (CGMPB).[2] In 1919 and 1920, Robert Flaherty filmed the landmark feature, *Nanook of the North* on the shores of Hudson Bay. Flaherty's film, which celebrated the daily survival of the Inuit hunter, became the first widely acclaimed feature documentary seen by audiences around the world, when it was released in 1922.

During World War II, the Government of Canada established the National Film Board (NFB) to support its wartime propaganda program. The NFB absorbed the CGMPB and gave Canadian filmmakers the additional resources and infrastructure needed to create an even wider array of documentaries.

Canada's documentary production sector has flourished for over 100 years, during which, Canadian producers have made documentaries that have had an impact not only on Canadians but on audiences all over the world. Like other genres, Canadians have made a mark for themselves globally in a genre that has tremendous importance artistically, socially and politically.

Over the last twenty years, the Documentary Organisation of Canada (formerly the Canadian Independent Film Caucus) has represented the interests of Canadian film and video makers, and promoted the production of independent films. The Documentary Organisation of Canada (DOC) is the leading organisation representing documentary production in Canada. To mark its 20th anniversary, DOC commissioned Nordicity Group Ltd. (NGL) to prepare an economic profile of the Canadian documentary production industry. The economic profile, entitled *Getting Real,* offered a look into the economic importance of documentary production in Canada and built upon research of the cultural importance of documentary production.

With the support of the National Film Board (NFB), the Department of Canadian Heritage, the Ontario Media Development Corporation, Teléfilm Canada and the Canadian Radio-television and Telecommunications Commission (CRTC), the DOC commissioned NGL to prepare a 2004 edition of *Getting Real*. The 2004 edition provides an update of the economic activity within the documentary production industry, and also expands on some of the research included in the 2003 edition.

In the 2004 edition of *Getting Real* we continue the brief discussion of the historical development of documentary production in Canada and the role the genre has played in contributing to Canadian culture, and social and political debate and development.

We examine the current challenges facing the industry at this period in its unprecedented growth. With current challenges in mind, we offer a description of production activity by

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1 Morris, Peter, "Film History", *The Canadian Encyclopedia*, Historica Foundation of Canada, 2004 at http://www.canadianencyclopedia.ca

2 Cox, Kirwan, *Chronology of Canadian Documentary*, unpublished monograph, 2004.

presenting several economic indicators. Among these economic indicators, we consider the impact of documentary production on regional production, job creation, and exports. We also examine the recent trends in the financing of Canadian documentary production.

To complement the production activity data, we review the trends in the viewing of documentary programs. These viewing trends offer insights into how the demand for documentary programs has changed in Canada over the last decade.

With the proliferation of reality programming, it is important to establish what documentaries are, and how they can be clearly differentiated from reality programming. To do this, we offer a review of the definitions for documentary programming used by various industry agencies.

For the 2004 edition, we also look at many of the recent industry developments taking place around the world. The past year has been a remarkable one for the documentary genre, as audiences have shown a renewed interest in feature documentaries at the box office. Festival attendance is also up – both in Canada and elsewhere.

The economics and structure of the film industry at the distribution and exhibition levels often limit audiences from accessing documentaries. Recent developments in projection technology, however, promise to allow new business models to potentially take hold. These new business models could allow more documentaries to reach audiences. We examine how new relevant technologies are evolving around the world, and what the implications may be for the documentary genre.

Arguably, audience interest in documentaries is higher than it has been in many years. Festival attendance is up at *Hot Docs*, and The International Documentary Film festival Amsterdam (IDFA). Documentaries are also gaining increased interest at some of the popular mainstream film festivals such as Sundance and the Toronto International Film Festival (TIFF). This interest has carried over to theatres. In 2003, seven new feature documentaries broke into the top-ten list of all-time documentaries in terms of box office performance in the United States.

The documentary production industry in Canada and around the world has had a tremendous year. As always, the challenge will be to continue the box office success that has finally caught up to the social, cultural and artistic value of genre.

1.1 Approach and Methodology

NGL prepared this profile by compiling and analysing data from several different sources. Production activity data were collected from the:

- NFB;
- Canadian Audio-Visual Certification Office (CAVCO); and,
- CRTC.

These data sets were supplemented by additional information from the annual reports of Telefilm Canada, and the Canadian Television Fund (CTF).

Additional historical information and data were collected from research of the Canadian documentary production industry. At the end of the profile, we list all of the research sources used to prepare the profile.

The data collected from these various sources were used to estimate the total volume of Canadian documentary production in terms of dollars spent on production activity. By using data from several different sources, we were able to construct an estimate of production activity across several segments of the industry, including independent production as well as in-house production. This approach also allowed us to produce estimates of production by language and by region.

In some cases we had to develop models or make assumptions for certain components of production activity for which data were not available. In Appendix C, we detail these models and assumptions.

Several of the key methodologies and concepts used in the profile have been borrowed from the CFTPA's annual economic profile of the Canadian film and television production industry, and its periodic research reports on the industry.

- The approach and data sources used to estimate the total volume of documentary production are based on those used by the CFTPA to estimate the total volume of production for the overall industry.
- The concept of "Non-CTF Production" used in this profile was first presented in the CFTPA's 2002 report entitled *The Economic Impact of Non-CTF Certified Canadian Film and Television Production*. This concept was also included in the analysis in the CFTPA's *Profile 2004*.
- The model used to estimate the number of direct and indirect jobs generated by production activity is based on the methodology used by the CFTPA in its annual industry profile.
- The concepts of "Direct Public Funding", and "Export Value", and the methods used to estimate them, were developed by the CFTPA and have been included in its annual profile for several years.

1.2 New Methodology for Estimation of CAVCO-Certified Production and Revisions to 2003 Estimates

As in *Profile 2004*, a new methodology has been developed to estimate CAVCO-certified production. The level of CAVCO-certified production needs to be estimated, because of the lag in data attributable to the fact that Canadian productions can submit and receive certification up to two years after filming. Because of this lag, CAVCO data may not include all of the productions that will ultimately be certified in a particular year, until three years later.

The new methodology incorporates historical data patterns, and data from provincial film agencies into the estimation process. Data from provincial film agencies were used to estimate the provincial growth rates for CAVCO-certified production in 2002/03. For example, if provincial data indicated that domestic production increased by 10% in 2002/03, this growth rate was applied to the CAVCO data to arrive at an estimate of the level of production for that particular province in 2002/03.

The 2004 edition of *Getting Real* includes revised statistics for previous years**. In the 2003 edition of *Getting Real*, NGL estimated that the total volume of Canadian documentary production in 2001/02 was $420 million. With more up-to-date information, we have revised this estimate down to $370 million.** This downward revision is a largely a function of the fact that new data indicate that levels of overall film and television production in Canada were not as high as initially estimated.

The television viewing data found in Section 4 of the profile were sourced from other reports and special tabulations prepared by Statistics Canada. A comprehensive set of television viewing data for the 1991 to 1998 period were obtained from:

> Cox, Kirwan, *Appendix 3: Audience Data: Availability and Viewing, 1991-1998*; in Michel, Houle, *Documentary Production in Quebec and Canada*, Report prepared for Les Rencontres internationales du documentaire de Montréal, 1999

The television viewing data for 1999, 2000, 2001 and 2002 were obtained from special tabulations prepared by Statistics Canada. For both data sets, the Statistics Canada tabulations were based on data collected by the BBM Fall Survey of television viewing.

Box office statistics have been added to this year's edition of *Getting Real*. Some of these data were obtained from Internet sources such as the *Internet Movie Database* (http://www.imdb.com), *The Numbers* (http://www.the-numbers.com), and *Movie Times Box Office* (http://www.the-movie-times.com). The box office data for Canadian documentaries was compiled by the Department of Canadian Heritage based on data provided by the Motion Picture Theatres Association of Canada (MPTAC).

1.3 Definition of Documentaries

One of the challenges in preparing a profile of the documentary industry based on data from different sources is that each source's definition of a documentary can be different. In this section, we review the various definitions of documentaries adopted by the data sources we used. This review of documentary definitions is also useful from the standpoint of effectively differentiating documentary programming from other non-fiction programming such as "reality" programming.

Canadian Television Fund

The CTF defines a documentary as "a non-fiction representation of reality that contains the following elements:

- informs and engages in critical analysis of a specific topic or point of view;
- provides an in-depth treatment of the subject;
- is meditative and reflective;
- is primarily designed to inform but may also entertain;
- treats a specific topic over the course of at least 30 minutes (including commercial time);
- requires substantial time in preparation, production and post-production;
- has an original narrative and visual construction (which may include scenes of dramatic re-enactments);
- has enduring appeal and, therefore, a long shelf life." [1]

This definition excludes such programming as: current affairs, public affairs, human interest or lifestyle productions, "how-to" productions, reality television, instructional television, formal or curriculum-based educational programming, magazine productions, talk shows, reporting and current events, religious programming, promotional productions, travelogues and interstitials.

The CTF also makes a distinction between factual documentaries (as described above) and auteur point-of-view/creative documentaries (POV). A POV does not include documentaries that are:

- a docu-drama, docu-soap, re-enactment or
- performance piece with people playing themselves or with professional actors;
- a factual project;
- a profile or biography;
- segmented or capsular one-off or series;
- a video "diary" of social events (e.g. a series on graduations or family reunions);
- a project dependent on light "information" format; or
- "Surveillance" television.[2]

[1] Canadian Television Fund, *2004-2005 Guidelines: Documentary Programming Module*

[2] Ibid.

Canadian Radio-television and Telecommunications Commission

Until September 2000, the CRTC did not have a broadcast category for documentaries. Up until that time, broadcasters classified any documentary programs they aired under either categories, of *Analysis & Interpretation* or *Informal Education Programs*. In some cases documentary programs may also have been classified under the categories of *Reporting & Actualities*, *Religion*, or *Human Interest*.

With the CRTC's 1999 Broadcasting Policy, came the creation of the concept of *priority programming*. Priority programming included drama, music and dance, variety programs, entertainment magazines, regionally produced programs, and long-form documentaries. To guide broadcasters, the CRTC formulated the following definition for long-form documentary:

> "Category 2 b) Long-form documentary
>
> Original works of non-fiction primarily designed to inform but may also educate and entertain, providing an in-depth critical analysis of a specific subject or point of view over the course of at least 30 minutes (less a reasonable time for commercials, if any). These programs shall not be used as commercial vehicles."[1]

National Film Board

The NFB only supports the development and production of point-of-view (POV) documentary. POV, or auteur, documentaries may include autobiographical narratives, documentary essays, investigative documentaries, experimental films, and direct cinema. What makes POV documentaries distinctive from other documentaries is that they present a single viewpoint – that of the filmmaker.

Canadian Audio-Visual Certification Office

CAVCO actually uses a negative definition for documentaries. The CAVCO regulations define types of non-fiction programming which are excluded from the category of a documentary for purposes of the federal tax credit; instead of defining what type of programming is included. The CAVCO regulations exclude the following types of non-fiction programming from the documentary genre[2]:

> (i) news, current events or public affairs programming, or a program that includes weather or stock market reports;
>
> (vii) reality television;
>
> (x) a production produced primarily for industrial, corporate or institutional purposes; and
>
> (xi) a production, other than a documentary, all or substantially all of which consists of stock footage.

A large part of the data used to prepare this economic profile came from CAVCO. The CAVCO data classify production as documentary, 'doc-fiction', or 'doc-variety'. Productions classified under all three of these categories were included in the definition of documentary in this report.

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[1] CRTC, *Television Program Categories* at http://www.crtc.gc.ca/canrec/eng/tvcat.htm

[2] *Income Tax Act and Regulations*, Subsection 1106(1)(b).

Société de Développement des Entreprises Culturelles

Like the CTF, Société de Développement des Entreprises Culturelles (SODEC) operates with two definition levels for documentaries. SODEC has a broad definition, which like the CTF's broad definition, includes a wide range of non-fiction programming types examining issues of social, political and cultural importance.[1] At the same time, SODEC also maintains a POV definition, which emphasizes that the filmmaker maintains creative control at each stage of the development and production process.[2]

The comparison of the definitions of documentary definitions yields a few observations. First, reality television is clearly excluded from all definitions, thus preserving the distinction between these two non-fiction genres. The second aspect to note is the distinction made by the CTF and SODEC between documentary and POV documentary. This distinction underlines the importance of POV documentaries. They warrant a separate category, and often require that funding resources be set aside so that they can be made with public support.

The third observation is that the CRTC definition is quite broad; it includes any non-fiction program designed to inform by way of in-depth critical analysis. This broad definition affords broadcasters some flexibility in terms of meeting their priority programming requirements.

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[1] Cox, Kirwan, *Appendix 3: Audience Data: Availability and Viewing, 1991-1998*; in Houle, Michel, *Documentary Production in Quebec and Canada*, Report prepared for Les Rencontres internationales du documentaire de Montréal, 1999.
[2] Ibid.

2. Documentary Production in Canada

2.1 History and Development of Documentaries in Canada

Canada's long tradition of creating outstanding documentaries goes back more than 100 years. Indeed, the documentary genre is one of Canada's most significant contributions to the arts and sciences of film and television around the world over the last several decades.

The work of the first Canadian filmmaker, James Freer was very much of the non-fictional genre. In 1897, Freer, a Manitoba farmer, started to make films depicting life on the Canadian Prairies.[1] These films were shown by the Canadian Pacific Railway in the United Kingdom in 1898-99 to promote immigration to Canada.[2]

Following World War I, the Canadian government made its first foray into documentary filmmaking. In 1918, the Canadian government started making films in Ottawa through its newly established Exhibits and Publicity Bureau.[3] In 1923, the Exhibits and Publicity Bureau became the Canadian Government Motion Picture Bureau (CGMPB).[4]

Through the CGMPB, Canadian filmmakers focused on creating documentaries, or "information films".[5] In 1928, Richard Finnie directed the first Canadian feature documentary, *In the Shadow of the Pole*, for the CGMPB.[6] In 1935, Frank Badgley was the director for the CGMPB's most notable film, *Lest We Forget,* which used newsreel footage, graphics and re-enacted scenes that examined Canada's efforts in World War I.[7]

In1939, the Government of Canada established the NFB, which absorbed the CGMPB, and became the federal government's filmmaking body. Over the next six decades, the NFB created thousands of documentaries. In 1941, the NFB documentary, *Churchill's Island*, won Canada's first Oscar. Another NFB production, *Neighbours*, would take the Oscar for best short documentary in 1952.

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[1] Cox, Kirwan, *Chronology of Canadian Documentary*, unpublished monograph, 2004.

[2] Morris, Peter, "Film History", *The Canadian Encyclopedia*, Historica Foundation of Canada, 2004 at http://www.canadianencyclopedia.ca

[3] Cox, op. cit.

[4] Ibid.

[5] Cashman, Genevieve, *The History of Canadian Film: Anglophone Cinema from 1896-1989*, at http://www.mala.bc.ca/~soules/mTheory/vol3/cashman/index.htm

[6] Cox, op. cit.

[7] *The Canadian Encyclopedia*, Historica Foundation of Canada, 2004 at http://www.canadianencyclopedia.ca

Table 1 Milestones in Canadian Documentary Production (1897-1959)

1900	1910	1920	1930	1940	1950
1897: James S. Freer becomes first Canadian filmmaker	1918: Canadian Government establishes Exhibits and Publicity Bureau (precursor to Canadian Government Motion Picture Bureau) 1919: Exhibits and Publicity Bureau releases theatrical series, *Seeing Canada* Léo-Ernest Ouimet starts British Canadian Pathé News newsreels; newsreels run until 1922	1922: Theatre release of *Nanook of the North* – world's first documentary 1923: Canadian Government's Exhibits and Publicity Bureau becomes Canadian Government Motion Picture Bureau (CGMPB) 1928: First CGMPB feature documentary, *In the Shadow of the Pole*	1930: Ontario government establishes "talking newsreels" with 40% quota for British Empire content 1932: Premiere of Associated Screen News' theatrical shorts, *Canadian Cameos* 1935: CGMPB releases *Lest We Forget* 1939: First Canadian colour documentary, *Royal Banners over Ottawa* 1939: Canadian Government establishes National Film Board (NFB)	1941: The NFB documentary *Churchill's Island* becomes first Canadian film to win an Oscar 1949: *The Loon's Necklace* wins Film of Year at the first Canadian Film Awards (CFAs)	1951: NFB film *Royal Journey* is a box office hit; it is seen by 2 million people in 3 months; it wins the British Film Academy's Best Documentary Award 1952: The NFB film *Neighbours* wins Oscar for best short documentary 1957: NFB film *City of Gold* wins best documentary award at Cannes Film Festival

Source: Kirwan Cox, *Chronology of Canadian Documentary*

Table 2 Milestones in Canadian Documentary Production (1960-2003)

1960	1970	1980	1990	2000
1963: NFB produces its first feature-length documentary *Pour la suite du monde* which attracts 500,000 viewers on Radio-Canada Documentary *Lonely Boy* wins Film of the Year at CFAs 1964: Debut of CBC's *This Hour Has Seven Days*; cancelled in 1966 1966: CBC Documentary *Mills of the Gods: Vietnam* wins Film of the Year at CFAs 1967: *Labyrinth*, NFB's multi-screen Expo 67 pavilion, leads to the invention of IMAX technology Documentary *Warrendale* wins Film of the Year at CFAs 1969: Quebec government establishes Office de Radio-télévision du Québec (later renamed Télé-Québec	1970: Ontario government establishes Ontario Educational Communications Authority (later renamed TVOntario) Premiere at Expo 70 in Osaka of the first IMAX film, *Tiger Child* – a Canadian production 1971: Challenge for Change/Société nouvelles experiments with video technology 1973: *Dreamland: A History of Early Canadian Movies, 1895 -1939* is the first NFB co-production with private sector producers 1974: NFB establishes Studio D to focus on films by and for women 1975: *The Man Who Skied Down Everest* wins Oscar for Best Documentary Feature 1977: NFB film *I'll Find a Way* wins Oscar for best live action short film	1975: The Man Who Skied Down Everest wins Oscar for Best Documentary Feature CBC documentary, Just Another Missing Kid, wins Oscar for best feature length documentary 1983: CIFC established Federal government establishes Canadian Broadcast Program Development Fund to support independent television production; it is administered by Telefilm Canada NFB film Flamenco at 5:15 wins Oscar for best documentary short 1985: Creation of documentary broadcast envelope at Telefilm Canada 1986: Artie Shaw: Time Is All You've Got wins Oscar for best documentary feature	1991: Passage of *Broadcasting Act* with statutory recognition of the "independent production" sector CIFC start *POV* magazine 1993: CIFC launches *Hot Docs*, Canadian International Documentary Festival 1995: CIFC becomes a national organization TVOntario launches View from Here 1996: Heritage Minister announces the creation of the Canadian Television and Cable Production Fund (combination of Cable Production Fund and Telefilm Canada's Broadcast Fund) 1998: The Canadian Television and Cable Production Fund is renamed Canadian Television Fund and spends 18% of its budget on documentaries 1999: CRTC includes long-form documentary in definition of priority programming for station groups	2000: The CBC's *Canada: A People's History* begins airing; it attracts audiences of 2.3 million across 2001: A consortium of NFB, CBC and Corus Entertainment launch documentary channel 2003: CIFC changes name to Documentary Organization of Canada

Source: Kirwan Cox, *Chronology of Canadian Documentary*

As well as creating critically acclaimed documentaries, the NFB was also producing documentaries that connected with Canadians. In 1951, the NFB's colour feature *Royal Journey* chronicled Princess Elizabeth's official visit to Canada. It won the British Film Academy's Best Documentary Award and was seen by two million people over a period of three months.[1] In 1963, the NFB feature-length documentary, *Pour la suite du monde*, attracted over 500,000 viewers on Radio Canada.

Before the end of the 1970s, the NFB would win another Oscar for best short documentary: *I'll Find a Way* in 1977.

While the NFB was establishing itself globally as a center for outstanding documentary production, Canada's broadcasters were also making important contributions to the genre's development in Canada. In 1964, the CBC public affairs series *This Hour Has Seven Days* debuted.[2] Despite its immense popularity, the CBC cancelled the show in 1966.[3] The CTV's *W5*, and the CBC's *fifth estate,* debuting in 1966 and 1975, respectively, went on to become stalwarts in Canada's tradition of documentary current affairs programming. Both series have gained both critical acclaim and strong audiences during their numerous seasons on air.

In 1982, Canadian films took both documentary award categories at the Academy Awards. *If You Love this Planet* won for best short documentary; *Just Another Missing Kid* won for best feature documentary.

Before 1980, there were only a few independent production companies in Canada which had the financial resources to create and distribute a documentary outside of the NFB's or CBC's infrastructures.[4] The Canadian broadcasting system, with only two English and two French networks, offered very few channels for the exhibition of Canadian-produced films of any kind, let alone documentaries.[5] The NFB and CBC were the major producers in Canada, although there were some independent Canadian producers already making a name in the documentary genre.

Crawley Films, which was founded after the Second World War, was an established creator of instructional films and television and feature film documentaries through the 1950s and 60s. Budge Crawley's films often depicted Canada "as a fascinating and exotic land."[6] In 1975, he won the Oscar for Best Documentary Feature for *The Man Who Skied Everest*.

Another company, KEG Productions (which later become Ellis Entertainment) was already, by the 1970s, in its second decade of operation, making wildlife documentaries for audiences around the world.

During the 1980s, several policy and regulatory initiatives in the Canadian broadcasting system came into place to encourage the formation and development of an independent production sector – that included a burgeoning documentary industry. On the regulatory side, the CRTC started to tighten the Canadian content exhibition and spending requirements for the national broadcasters, CTV and Global Television. At the same, the CBC was encouraged to acquire more independent production. The CRTC embarked on several rounds of licensing of specialty television networks. Many of these new networks featured documentaries in their program schedules. The evocation of independent production in the objectives section of the

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[1] Cox, Kirwan, *Chronology of Canadian Documentary,* unpublished monograph, 2004.
[2] Ibid.
[3] Ibid.
[4] Juneau, Pierre with Catherine Murray and Peter Herrndorf (Mandate Review Committee - CBC, NFB, Telefilm), *Canadian Broadcasting and Film for the 21st Century*, January 1996.
[5] Ibid.
[6] Bravo! Canada, *The Flickering Scene*, (http://www.bravo.ca/flickeringscene/Budge_Crawley.asp).

Broadcasting Act 1991 was an historic indication of the growth in importance both economically and culturally.

On the policy side, the establishment in 1983 of the Canadian Broadcast Program Development Fund, administered by Telefilm Canada, began injecting up to $60 million (all amounts in Canadian dollars unless stated otherwise) per year into independent production. All of this created the demand and supply environment necessary for the independent production sector to thrive.

Even in the niche market for POV documentaries, a prolific independent community developed outside the NFB. This genre found demand amongst conventional television outlets like the CBC, SRC, Télé-Québec and TVOntario, and the new specialty channels.[1]

Many of the successful producers and production companies in Canada today started out by making documentaries. Canada's largest production company, Alliance-Atlantis Communications' antecedent company Atlantis Communications started out by making documentaries in the early 1980s.[2]

Lazlo Barna and Barna-Alper Productions also started out by producing documentaries including *Witness* for CBC and *Rough Cuts* for CBC Newsworld. Through the 1990s, Barna-Alper Productions continued to make successful documentary series for Discovery Canada, History Television, and audiences around the world. Today, Barna-Alper continues to produce popular documentary series including *Frontiers of Construction* and *Turning Points in History*.

Other Canadian production companies established during the 1980s and 1990s that became significant producers of documentaries include Galafilm, OMNI Film Productions, Cineflix, CineNova Productions, J Films, Partners in Motion, Kensington Communications, Peace Arch Entertainment, Breakthrough Films, White Pine Pictures and Upfront Entertainment. Many others could be added to this list.

The 1999 CRTC Television Policy (*Building on Success - A Policy Framework for Canadian Television*, Public Notice CRTC 1999-97) affirmed the regulator's commitment to encouraging Canadian documentaries by including long-form documentary in the category of priority programming.

More recently, the CRTC's licensing of the Canadian Documentary Channel and several other digital specialty channels, that will feature documentary programming, have bolstered the outlets for exhibiting Canadian documentaries.

While these developments are positive, the increased demand for Canadian documentary programming has influenced what kinds of documentaries are made, and thus put some strain on the industry. This theme and situation is more fully explored in sections below that profile the current industry.

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[1] Juneau, Pierre with Catherine Murray and Peter Herrndorf (Mandate Review Committee - CBC, NFB, Telefilm), *Canadian Broadcasting and Film for the 21st Century*, January 1996.

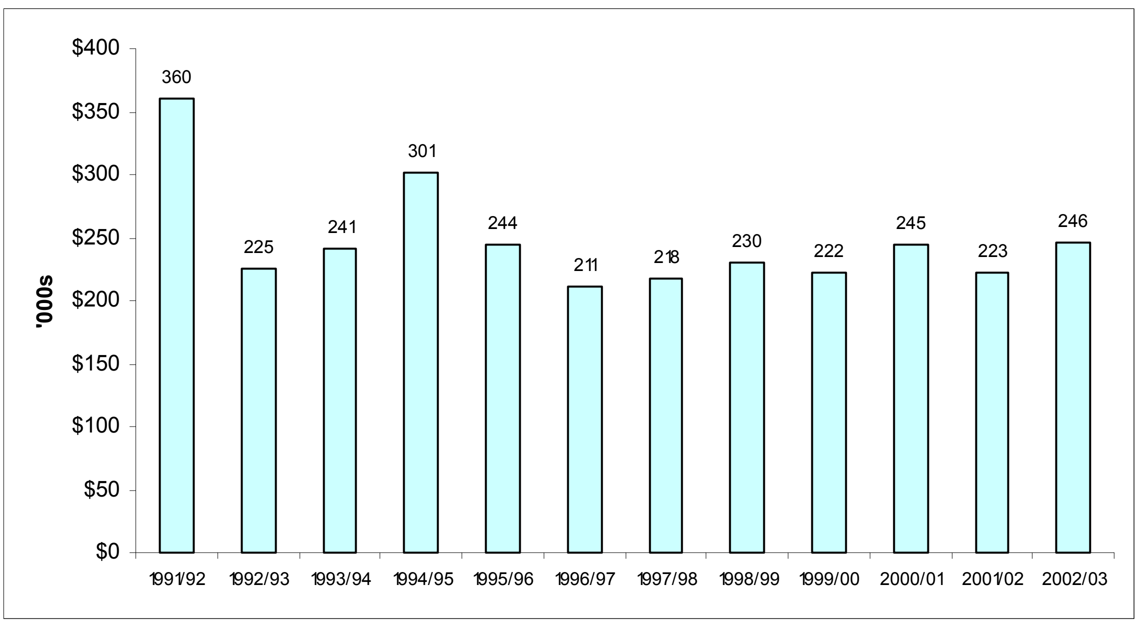
[2] Anthony, Ian, "The roots of Canadian television," *Broadcaster*, October 2002.

2.2 Current State of Documentary Production in Canada

Today, documentary programming continues to be one of the most popular genres among Canadian producers. It offers relatively low-cost production compared to drama or children's programming, yet it is in high demand because Canadian and international audiences continue to want to watch it.

Despite the favourable industry fundamentals, there appears to be a mismatch between demand and supply. The licensing initiatives of the CRTC over the last decade have led to "exponential growth"[1] in the demand for television documentaries. Limited programming budgets have constrained the per-hour licence fees made available by the broadcasters; while the CTF has had a major impact on the availability of financing, the sheer volume of hours required by the specialty television services has limited the amount the CTF and Telefilm can spend on individual documentary projects. While it appears to have stabilized over the last five years, this mismatch has forced down the average hourly budgets of documentaries over the last decade, as producers strive to make more hours with less money.

Figure 1 Average Hourly Production Documentary Budgets



Note: Data for average documentary budgets based on Telefilm-supported projects only. Data have been converted to real 2003 dollars using Statistics Canada Consumer Price Index.

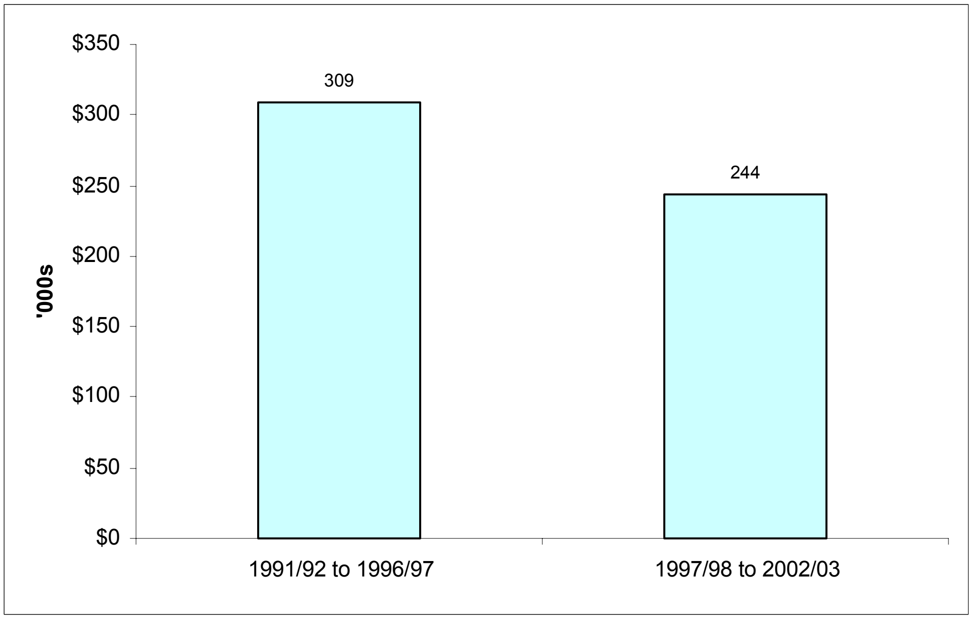
Source: NGL calculations based on data from Telefilm and Statistics Canada

This drive towards efficient industrial-style documentaries has put the future of the "one-off" documentary style at even greater risk. Because the documentary series or mini-series can

1 Cox, Kirwan and Sandra Gathercole *The Filmmakers' P.O.V. on Documentary*, Documentary Research Network, November 2002.

allow the producer to amortize overhead costs over more hours of programming, the economics become much better than for the “one-off” documentary.[1]

Figure 2 Average Hourly Documentary Production Budgets, 1991/92 to 1996/97 vs. 1997/98 to 2002/03



Note: Data for average documentary budgets based on Telefilm-supported projects only. Data have been converted to real 2003 dollars using Statistics Canada Consumer Price Index.

Source: NGL calculations based on data from Telefilm and Statistics Canada

In real dollar terms, hourly production budgets in the last several years are about 20% lower than they were during the early and mid-1990s.

Despite the drop in average budgets, and the risks it poses to the industry, documentaries continue to attract large television audiences. On the CBC, documentary series such as *Life & Times* or *Witness* often draw nearly one million viewers.[2] Highly promoted documentaries in recent years, such as *Fire on Ice* or *Hit Man Hart*, have attracted even larger audiences.[3] The CBC’s *Canada: A People’s History* recorded average audiences in the range of two million viewers.[4]

Documentary programming remains one of the most popular genres among Canadian producers. With relatively lower production costs and growing market demand, documentaries

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[1] Ibid.

[2] Canadian Documentary Channel, *Application to Obtain a New Broadcasting Licence to Operate a Category 1 Digital Specialty Programming Undertaking*, April 2000.

[3] Ibid.

[4] Canadian Broadcasting Corporation, “Canada: A People's History Launches Season Two with Taking the West, September 30 on CBC-TV”, Press Release September 1, 2001.

provide good economics.[1] This has not been lost on emerging producers seeking to enter the industry, as well as small and medium-sized production companies looking to expand their repertoire.

Canadian producers have been successful in creating documentaries; Canadian audiences consistently demonstrate that they want to watch documentaries. Yet, the industry faces a number of challenges, which threaten to reduce documentary production to low-budget lifestyle-type programming that lacks the power to make a cultural, social and political impact on Canadians. While the documentary industry continues to grow in Canada, the creation of the individual POV documentary remains a precarious business.

[1] Canadian Television Fund, *Annual Report 2001-02*.

2.3 Contribution of Documentaries to Canadian Culture

The challenges that the documentary genre faces and the risks that they pose to the future of "one-off" documentaries are all the more important when one considers the unique contribution which documentaries make to Canadian culture.

Documentaries make a significant contribution to Canadian culture. They reflect the multicultural fabric of our country and project Canada to the rest of the world. Documentaries are extremely effective in expressing the geographic and social diversity of Canada. At the same time, some Canadian documentaries have been extremely controversial, often telling the stories which would not otherwise have been told. From the beginnings of the NFB in 1939, documentaries have challenged Canadians to think about their country and its place in the world.

Documentaries are important in a multicultural society such as Canada's. They provide Canadians of different ethnic groups with the opportunity to create programs that express their own cultural values and reflect the impact of the whole on its parts. Documentaries are often as effective as drama, or more so, in communicating cultural beliefs and heritage to those outside of one's own ethnic group.

The NFB documentary, *Bollywood Bound*, for example, tells the story of four young Canadians looking for fame in the Indian movie industry. For many Canadians, this documentary provides an inside look into India's movie industry – one that is much larger but less known than America's. For the Canadian-Indian community, the film makes a strong connection between Indian and North American cultures.

Many of Canada's documentaries tell similar stories of our very diverse culture. Another successful independent documentary that reflects Canada's multicultural society is White Pine Pictures' *A Scattering of Seeds*. This series presents the stories of Canada's immigrants from France, Ireland, the Ukraine, China, Japan, and India. Now in its fourth season on History Television, *A Scattering of Seeds* has garnered significant critical and popular success. In 1998, the series won top prize at Worldfest in Houston, Texas – beating out productions from PBS and the BBC. *A Scattering of Seeds* has earned strong ratings in both French and English markets in Canada.

Canadian documentaries have often told the controversial stories that would not otherwise have been told. Through the 1980s and 1990s, Canadian documentaries have dealt with a wide array of controversial and important topics including wife and child abuse, racism, Aboriginal injustice, unemployment, and Francophone and Anglophone relations. More than any other genre, documentaries penetrate Canada's minds, challenging Canadians to think about their country and culture, and the global community in which they live.

Paul Jay's 1997 documentary feature, *Neverendum-Referendum*, presented a portrait of family relationships that were divided by the Quebec referendum. *Neverendum-Referendum* gave Canadians a somewhat different perspective on an issue that divided the country during the mid-1990s.

Canadian filmmakers have not only used the genre to tell Canadian stories, but also stories from around the world. Jean Daniel Laffond won several prizes for his memorable film, In *A Place Called Chiapas*, Nettie Wild profiles the stand off between the Zapatista revolutionary guerrillas and government supporters in the Chiapas province of Mexico, and the refugees forced out of their homes by the conflict.

In *Kim's Story: The Road from Vietnam*, Shelley Saywell tells the story of Kim Phuc, a women who was badly burned in a Napalm attack during the war – her pain captured forever in the famous Pulitzer Prize winning photograph of her running from the battle naked and crying. *Kim's Story, which* aired on the CBC's *Witness* and on A&E, has won 6 prestigious international prizes and has been sold in 28 territories.

Donald Brittain's numerous films have also brought many Canadian stories to screen audiences. One of his most culturally significant productions was *Volcano: An Inquiry into the Life and Death of Malcolm Lowry*. In this feature, Brittain offers a portrait of the Canadian author's turbulent life.

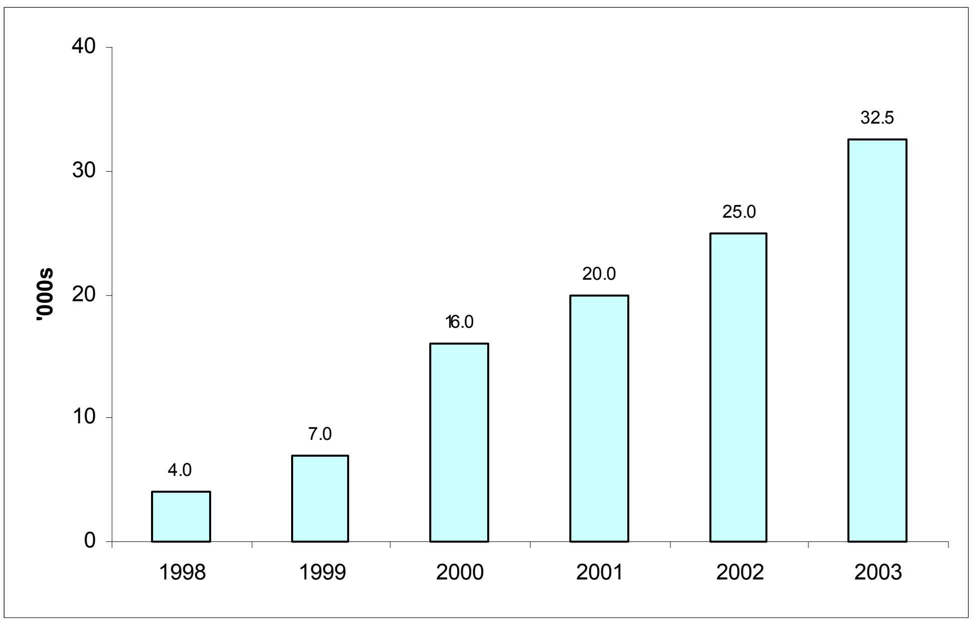
Documentary production has had a long and successful history in Canada. In the next sections, we highlight some of the recent industry developments in Canada and elsewhere during 2003.

2.4 Canadian Documentary Scene in 2003

Since *Hot Docs 2003* opened in April 2003, there have been some very significant developments in the Canadian documentary production industry. Indeed it has been another groundbreaking year. Over the last twelve months, the Canadian documentary production community has, once again, demonstrated how it continues to create thought-provoking television programs and films in an environment where project financing is becoming more and more difficult to find.

Canada's own international documentary film festival, *Hot Docs*, had another record-breaking year. Despite opening in the midst of the SARS crisis in Toronto, the tenth edition of *Hot Docs* screened 122 documentaries[1] to an audience of 32,500 – an increase of 30% from 25,000 in 2002.[2] In fact, the strong attendance at the festival forced *Hot Docs* organizers to offer seven repeat screenings of sold-out films.[3]

Figure 3 Hot Docs, Annual Screening Attendance



Source: Hot Docs

Over the last six years, *Hot Docs* has seen its audience level increase by more than eight-fold from 4,000 in 1998 to the 32,500 reached in 2003.

At *Hot Docs 2003*, several Canadian documentaries stood out. John Kastner's *Rage Against the Darkness* won the award for best Canadian feature documentary; Carole Laganière's *The Moon and the Violin*, won for best short or mid-length Canadian documentary.

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[1] Source: Highlights of Hot Docs 2003 at http://www.hotdocs.ca/about_2003.cfm

[2] Source: Hot Docs

[3] Source: Highlights of Hot Docs 2003 at http://www.hotdocs.ca/about_2003.cfm

DOCUMENTARY ORGANISATION OF CANADA
DOCUMENTARISTES DU CANADA

Other notable Canadian documentaries that screened at *Hot Docs* included Joseph Basioli's *The Last Round: Chuvalo vs. Ali*, John Walker's *Men of the Deeps,* Raymonde Provencher's *War Babies*, and Ève Lamont's *Squat!*.

The 2003 Rencontres internationales du documentaire de Montréal (RIDM) also posted strong audience growth. The sixth annual edition of the festival screened 94 films from over 20 countries to a total audience of 9,500 – an increase of 50% over the 2002 audience level.[1]

The growing appreciation of the documentary genre was also evident at other Canadian film festivals. The Toronto International Film Festival (TIFF) line-up for 2003 included the largest number of documentaries yet. Approximately 30 feature documentaries were screened at the 2003 TIFF.[2] Two of the most noteworthy Canadian documentaries were Ron Mann's *Go Further*, and Mark Achbar and Jennifer Abott's *The Corporation*. Other notable Canadian feature documentaries included Allan King's *Dying at Grace*, Jeff Stephenson and Jason Tan's *Flyerman*, and Bob Smeaton's *Festival Express*. Among the non-Canadian documentaries screened at TIFF were Errol Morris's Oscar-winning *The Fog of War*, Jonathan Demme's *The Agronomist*, Byambasuren Davaa and Luigi Falorni's *The Story of the Weeping Camel*, and Chris Smith and Sarah Price's *The Yes Men*.

Canadian documentaries continued to earn critical acclaim outside of Canada at the leading industry film festivals. Vikram Jayanti's Game Over: Kasparov and the Machine was selected for the 2003 International Documentary Association Distinguished Documentary Achievements Awards. The Corporation was awarded the World Cinema Documentary Audience Award at the Sundance Film Festival in January 2004, after receiving a special mention for the top prize at the International Documentary Filmfestival Amsterdam (IDFA) in November 2003.

Since The Corporation was released in Canada in January 2004, it has been one of the top grossing Canadian films.[3] As of March 31, 2004, it had earned over $900,000 at Canadian theatres.[4] Its strong box office performance is even more surprising given that it aired on television in Ontario in late February.[5]

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[1] Press Release, "A resounding success for the 6th edition of the Rencontres internationales du documentaire de Montréal", November 23, 2003 at http://www.ridm.qc.ca.

[2] Davidson, Sean, "Docs ride Columbine wave", *Playback Magazine*, September 1, 2003.

[3] Bracken, Laura, "The Corporation flies on screens large and small", *Playback Magazine*, March 29, 2004.

[4] Ibid.

[5] Ibid.

2.5 International Documentary Scene in 2003

2003 may be remembered as the year in which audiences around the world rediscovered the documentary genre. This rediscovery of documentary films was actually touched off in the fall of 2002 with the screening of Alliance-Atlantis Communications' *Bowling for Columbine* at the TIFF. *Bowling for Columbine* went on to become the all-time highest grossing theatrical-release documentary – earning over US$21 million in theatres in the U.S., and an estimated US$40 million in theatres worldwide.[1]

The box office success of documentaries in 2003 is demonstrated by the fact that of the top ten grossing documentaries of all time, six were released in 2003 and seven ran in theatres during the year (*Bowling for Columbine* was released in December 2002 and ran in theatres during the first half of 2003).

Table 3 All-Time Top Grossing Documentary Films in the U.S.

Rank	Film Title	Gross Receipts, United States (U.S. Dollars)
1	Bowling for Columbine (2002)	$21,575,958
2	Ghosts of the Abyss (2003)	$15,661,005
3	Truth or Dare (1991)	$15,012,935
4	Winged Migration (2003)	$10,762,178
5	Roger & Me (1989)	$ 6,706,368
6	SpellBound (2003)	$ 5,728,581
7	Step into Liquid (2003)	$ 3,672,451
8	The Fog of War (2003)	$ 3,599,247
9	Capturing the Friedmans (2003)	$ 3,117,985
10	Touching the Void (2004)	$ 2,969,210

Source: http://www.the-numbers.com

Following 2002's *Bowling for Columbine*, several documentaries posted strong box office runs in the U.S. *Ghosts of the Abyss* (an IMAX film), *SpellBound*, *Winged Migration*, *Step into Liquid*, and *Capturing the Friedmans* stood out among the many successful feature documentaries released in the U.S. in 2003.

Jacques Perrin's *Winged Migration* earned just under US$11 million in U.S. theatres following its 2003 release. However, it is estimated to have earned approximately US$30 million worldwide, since it first appeared in theatres in France in 2001.[2]

Another strong-performing documentary at box offices was Nicolas Philibert's Etre et Avoir. While, to date, it has earned less than $1 million in American theatres, it is estimated to have earned nearly US$24 million3 at theatres around the world since its release in France in 2002.

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[1] Source: http://www.the-numbers.com

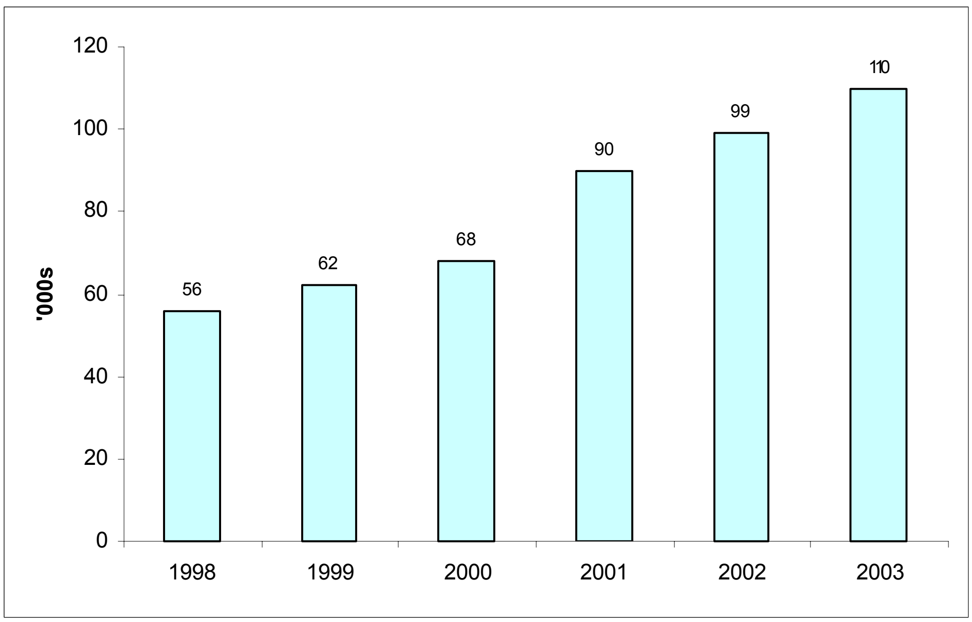
[2] Source: http://www.the-numbers.com and http://www.imdb.com

[3] Edmunds, Marlene, "Dutch doc program plans Euro growth: EuroZone to add theaters to network", Variety.com, February 6, 2004.

The movie theatre success of documentaries in 2003 spilled into the signature film festivals. The 2004 Sundance Festival was hailed as the year of the documentary. For the first time in the festival's history, a documentary – Stacey Peralta's *Riding Giants* – opened the festival. What is more, a record 46 documentaries were screened in 2004.[1]

The stalwart documentary festivals around the world saw gains in attendance. As shown earlier, *Hot Docs* saw its audience level rise by 30% in 2003. The International Documentary Filmfestival Amsterdam (IDFA) – held in June 2003 – saw its attendance increase by 11% to 110,000 in 2003.[2] Box office receipts increased by even more, rising by 22% from €300,000 to €365,000 in 2003.[3]

Figure 4 International Documentary Filmfestival Amsterdam, Annual Screening Attendance



Source: IDFA and Variety.com

Even with growing festival attendance and improving box office performance, there continues to be a desire to increase moviegoers' access to feature documentaries. While television documentaries are a very successful format, theatrical-release feature documentaries still have the widest audience and social impact.

In the 2002 *Docspace Report*, Amy Hardie argues that there is an under-served theatre-going audience for documentaries that can be tapped into.[4] Market research conducted at the Sheffield International Documentary Festival in 2002 found that its festival audience watches less than the average amount of television, is around 30 years old, highly educated, and selects

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1 Vinakmens, Kristen "Feature docs up the ante", *Real Screen*, March 1, 2004.

2 Source: http://www.idfa.nl

3 Ibid.

4 Balfour, Jane, "Feature presentation", *Real Screen*, September 1, 2002

a film for its subject.[1] This research has led industry stakeholders around the world to begin investigate ways to re-engineer the way documentaries are made available to audiences. Television, which until know has been the main distribution channel, may in fact be missing a large segment of the potential market.

Recently, in Europe there have been some interesting developments in the theatrical exhibition of documentaries. Primary among these developments is DocuZone.

The Dutch Film Fund developed DocuZone in 2001. The government-funded film development organization installed digital projection equipment in 10 cinemas in The Netherlands at a cost of approximately US$2.5 million.[2] In exchange for the new equipment, the cinemas agreed to reserve a certain share of screen time every week to show documentaries. In the first year of operation, this share was two time slots with at least one being on a Thursday evening. Initially, a new documentary was being screened every week; as such, approximately 40 different documentaries reached cinema screens in the first year of operation.[3]

In 2002, 32,000 patrons attended DocuZone films – equal to an average of 22 persons per screening.[4] By comparison, feature films screened in DocuZone theatres in The Netherlands averaged of 24.5 persons per screening.[5]

DocuZone achieved success quickly – exceeding attendance and box office expectations by about 50%.[6] The DocuZone concept is now being extended right across Europe. Under the European DocuZone, 175 cinemas in 8 countries will be equipped with digital projection equipment for screening independently produced European films.[7] The initial 175 cinemas will be located in Austria, Belgium, Germany, the Netherlands, Portugal, Scotland, Spain, and Slovakia; each cinema will contribute two screens to the European DocuZone.[8]

DocuZone Europe is being funded by European Union's Media Plus Program and will be launched in September 2004.[9]

The U.K. Film Council is launching a similar initiative. In June 2003, the Board of Directors of the U.K. Film Council decided to invest £13 million ($30 million) to install 250 digital projection systems across the U.K. by the end of 2004.[10] The commercial cinemas that accept the equipment will have to reserve screen time for non-Hollywood films. The goal is to provide a distribution channel for British films, including documentaries. The U.K. Film Council's initiative will also seek to establish digital-projector equipped cinemas outside of major urban centres.

DocuZone and the U.K. Film Council's digital initiative have been made possible by the advances over the last few years in digital technologies which offer not only new projection processes, but more importantly, lower cost distribution models for independent films.

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[1] Balfour, Jane, "Feature presentation", *Real Screen*, September 1, 2002

[2] Nemtin, Bill, E-Cinema: Implications and Opportunities for Canada, presentation to National Film Board of Canada E-Cinema panel (October 16, 2003), available at http://www.nfb.ca/ecinema/index_en.html.

[3] http://www.encounters.co.za/docuzone.html

[4] Ibid.

[5] Ibid.

[6] Ibid.

[7] Edmunds, Marlene, "Dutch doc program plans Euro growth: EuroZone to add theaters to network", Variety.com, February 6, 2004.

[8] Ibid.

[9] Sylvain, Matthew, "8 countries band together to promote theatrical docs", *Real Screen*, February 1, 2004.

[10] Nemtin, op. cit

2.6 Technology and its Impact on the Documentary Genre

With perhaps the exception of visual effects and animation, no other aspect of filmmaking has probably been impacted by technology more in recent years than that of documentary filmmaking. On the production side of the industry, the introduction of smaller, lighter and cheaper cameras based on digital technology now allow filmmakers to record their work directly to DVD. When the new generation of cameras is combined with the new generation of affordable computer-based digital editing systems, the product is the further democratization of the filmmaking process.

An equally profound technology impact is starting to take hold in the distribution and exhibition side of the industry; these applications of digital technology are expected to give audiences even broader access to documentaries in theatres. Digital projection technology and the concepts of the E-Cinema and D-Cinema derived from it are ushering in another wave of the technology-enabled documentary.

E-Cinema and D-Cinema are two technology concepts which are likely to dominate discussion within the feature film value chain over the next several years, as they create some disruption to the industry and cause players at every stage of the production chain to re-examine their business models.

E-cinema refers to the digital or electronic projection of films or events. E-cinema includes D-cinema, which refers to the digital projection of films or live broadcast of events at levels of visual resolution on par with 35 mm analog projection systems. Today, digitally projected films are filmed on 16 mm or 35 mm prints and then converted into digital format for digital projection. In the future, the hope is that each stage – filming, post-production, distribution and transmission – will be done digitally.

With E-Cinema technology, films can be distributed without the need for producing physical copies and shipping these copies to cinemas. While this is a benefit for producers, large and small, it is even more of a benefit for small independent producers who make feature documentaries for which this cost is a higher burden.

DocuZone is a perfect example of an E-Cinema, and the success that can be achieved by it when it is implemented effectively. Most documentaries are filmed in 16 mm or video. As such, they must be blown up to 35 mm in order to be shown in commercial theatres. In 2001, the Dutch Film Fund diverted its monies for the blowing-up of documentary prints to the acquisition of digital projection equipment. This equipment was then installed in Dutch cinemas in exchange for screen time devoted to documentaries – both Dutch and international.

What makes an E-Cinema such as DocuZone a better business model is that: (1) it eliminates the cost of blowing up a documentary from video or 16 mm to 35 mm; (2) it reduces the cost of creating prints; and (3) it allows a film to benefit from simultaneous widespread promotion. An E-Cinema allows the filmmaker to record the final print to DVD, computer file, or magnetic tape. This process eliminates the cost of converting the film from video or 16 mm to 35 mm; this can save as much as $50,000.[1] The process also saves the $2,000 to $2,500 cost for creating each print, and then the $500 to $750 cost of shipping each print.[2] An E-Cinema also facilitates

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[1] Nemtin, Bill, E-Cinema: Implications and Opportunities for Canada, presentation to National Film Board of Canada E-Cinema panel (October 16, 2003), available at http://www.nfb.ca/ecinema/index_en.html.

[2] Nemtin, op. cit.

short-run films because it does not involve the time required (approximately one week) to set up a 35 mm film in an analog theatre projector.

The lower cost distribution model ensures that the filmmaker or distributor can generate enough copies for a nation-wide or continent-wide simultaneous release of a film. This allows for use of an intensive nation-wide or continent-wide promotion campaign to generate interest in the film.[1] The increased marketing and promotion opportunity is the other aspect of E-Cinema which makes it a promising business model for documentaries. The experience of the Dutch DocuZone indicates that a marketing campaign tied to a simultaneous premiere or "event" based promotion are effective methods for generating audience interest in documentaries.[2]

The E-Cinema concept allows a film to be distributed to theatres by physical DVD, satellite, or other broadband data transmission. With broadband transmission to the cinemas, a filmmaker can do a personal introduction to the film and even participate in a question and answer session with audiences after the screening. The organizers of DocuZone have found that this layer of personalization and interaction is something that documentary audiences welcome. Indeed, the Dutch Film Fund found that audience levels doubled when the director was present for questions and answers.[3]

The E-Cinema business model sounds compelling enough, but it still requires an investment in the installation of the digital projector. An E-Cinema digital projector with about half the visual resolution of a 35 mm analog projector currently costs $15,000 to $50,000.[4] Despite these costs, close to 4,000 E-Cinemas have already been established worldwide – largely for screen advertising purposes.[5] What is more, the number of E-Cinemas is expected to grow strongly over the next several years.[6]

With movie audiences around the world rediscovering the documentary genre, the E-Cinema concept and the business model that goes along with it offer one of best options for an innovative distribution channel for feature documentaries. And at the same time, offer an ideal way for maintaining the momentum recently built up by documentaries at the box office and recent film festivals.

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[1] National Film Board "E-Cinema", introduction to National Film Board of Canada E-Cinema panel (October 16, 2003), available at http://www.nfb.ca/ecinema/index_en.html.

[2] Sylvain, Matthew, "8 countries band together to promote theatrical docs", *Real Screen*, February 1, 2004.

[3] Ryninks, Kees, "The Dutch Film Fund Digital Documentary Project", presentation to National Film Board of Canada E-Cinema panel (October 16, 2003), available at http://www.nfb.ca/ecinema/index_en.html.

[4] Nemtin, Bill, E-Cinema: Implications and Opportunities for Canada, presentation to National Film Board of Canada E-Cinema panel (October 16, 2003), available at http://www.nfb.ca/ecinema/index_en.html.

[5] Ibid.

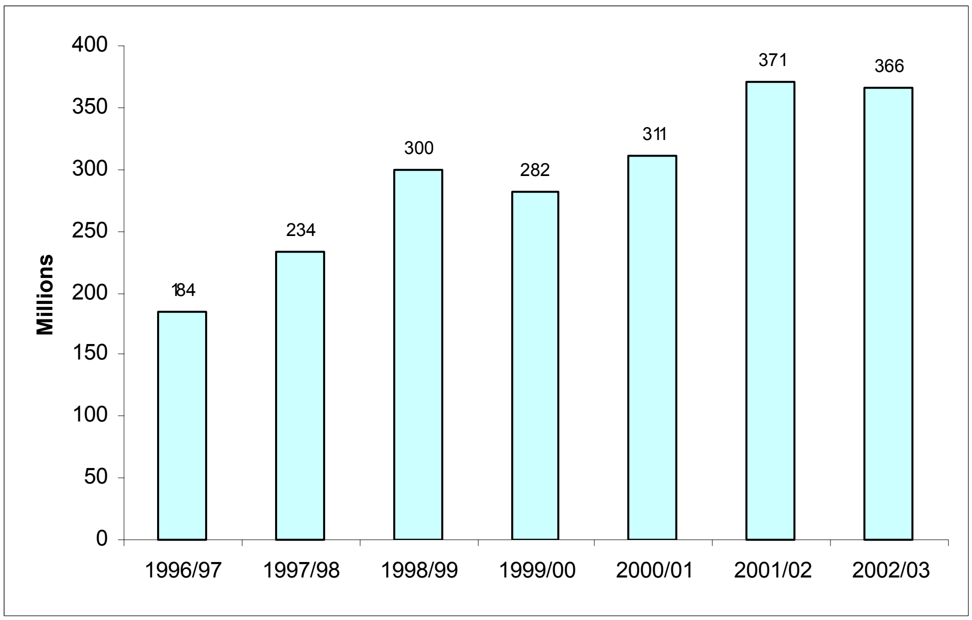
[6] Ibid.

3. Economic Indicators

3.1 Total Volume of Production

In 2002/03, the total volume of Canadian documentary production declined by 1.3% to $366 million from $371 million in 2001/02. The total volume of production includes CAVCO-certified Canadian production, non-CAVCO Canadian production (certified by the CRTC) and in-house production of documentaries by private conventional broadcasters, specialty television services, the CBC and the NFB (see section 3.2 for detailed data for each of these segments).

Figure 5 Total Volume of Documentary Production



See Appendix C Notes 1,2,3,5 and 6.

Source: NGL calculations based on data from CAVCO, CRTC, CBC and NFB

Despite the decline in 2002/03, documentary production in Canada has been growing steadily over the last several years. Between 1996/97 and 2001/02, documentary production increased at an annual average rate of 12% – increasing from $184 million in 1996/97.

Table 4 Total Volume of Canadian Documentary Production - Key Indicators

	1996/97	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	6-year Average Growth Rate (Com-pounded)
Total Volume of Canadian Documentary Production	184	234	300	282	311	371	366	12.1%
Total Volume of Canadian Content Production	2,280	2,369	2,931	3,183	3,019	2,995	3,038	5.9%
Documentary Production as a Share of Total Canadian Content Production	8.1%	9.9%	10.2%	8.8%	10.3%	12.4%	12.1%	--

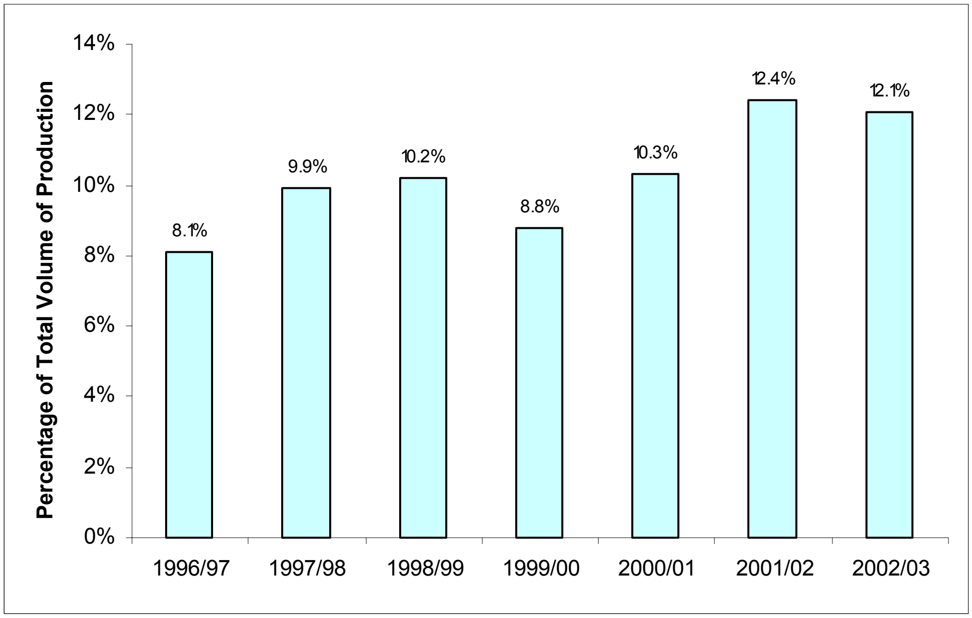
See Appendix C Notes 1,2,3,5 and 6.

Note: Canadian content production includes in-house station production by Canadian broadcasters, in-house production by the NFB, and independent production certified as Canadian content by CAVCO or the CRTC.

Source: Data for Total Volume of Documentary Production are NGL calculations based on data from CAVCO, CRTC, CBC and NFB; Total Volume of Canadian Content Production from CFTPA *Profile 2004*.

During the last seven years, the growth of the Canadian documentary production industry has outpaced growth of the overall Canadian content production sector. Canadian content production includes in-house station production by Canadian broadcasters, in-house production by the NFB, and independent production certified as Canadian content by CAVCO or the CRTC. Between 1996/97 and 2002/03, total Canadian documentary production increased at an annual average rate of 12.1%; while overall Canadian content production grew at an average rate of 5.9% per year. As a result, the documentary production segment's share of total Canadian content production increased from 8.1% to 12.1%.

Figure 6 Documentary Production's Share of Total Canadian Content Production



See Appendix C Notes 1,2,3,5 and 6.

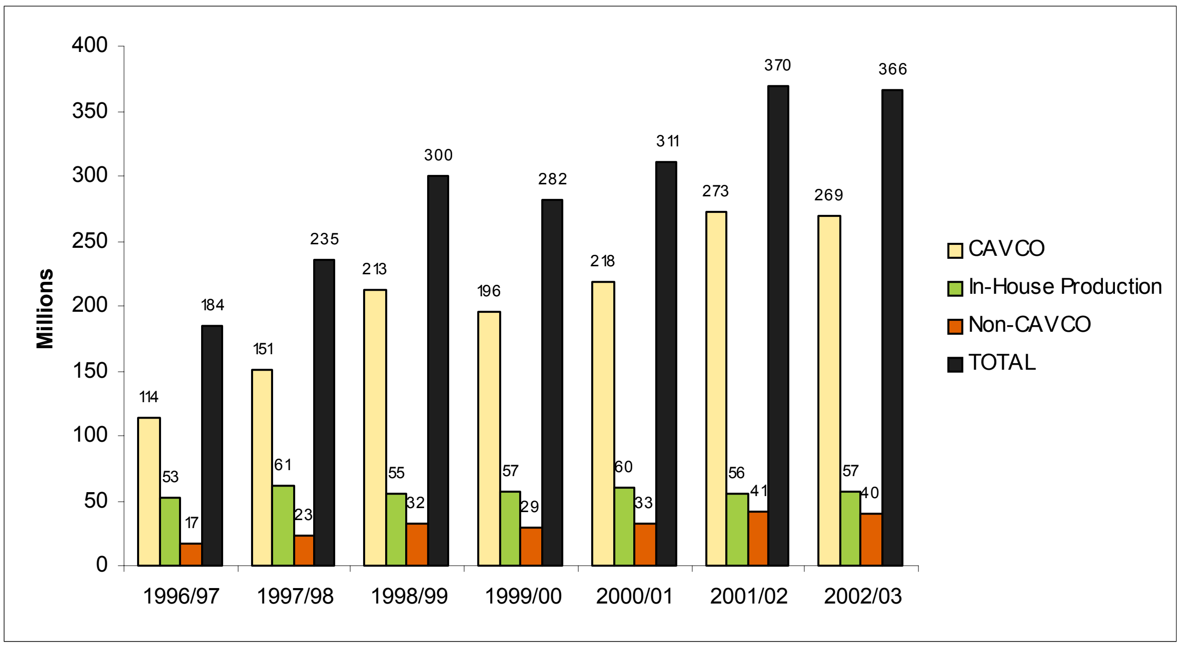
Source: NGL calculations based on data from CFTPA, CAVCO, CRTC, CBC and NFB

3.2 Production Segments

The vast majority of Canadian documentaries is made by independent producers who receive certification for their productions from either CAVCO or the CRTC (non-CAVCO certified production).[1]

- In 2002/03 CAVCO-certified independent Canadian documentary production spending was estimated to be $269 million.
- In-house production of documentaries by conventional and specialty broadcasters, and the NFB was estimated to be $57 million in 2002/03 (This amount excludes NFB co-productions.)
- Non-CAVCO independent Canadian documentary production was estimated to be $40 million in 2002/03.

Figure 7 Total Volume of Documentary Production by Production Segments



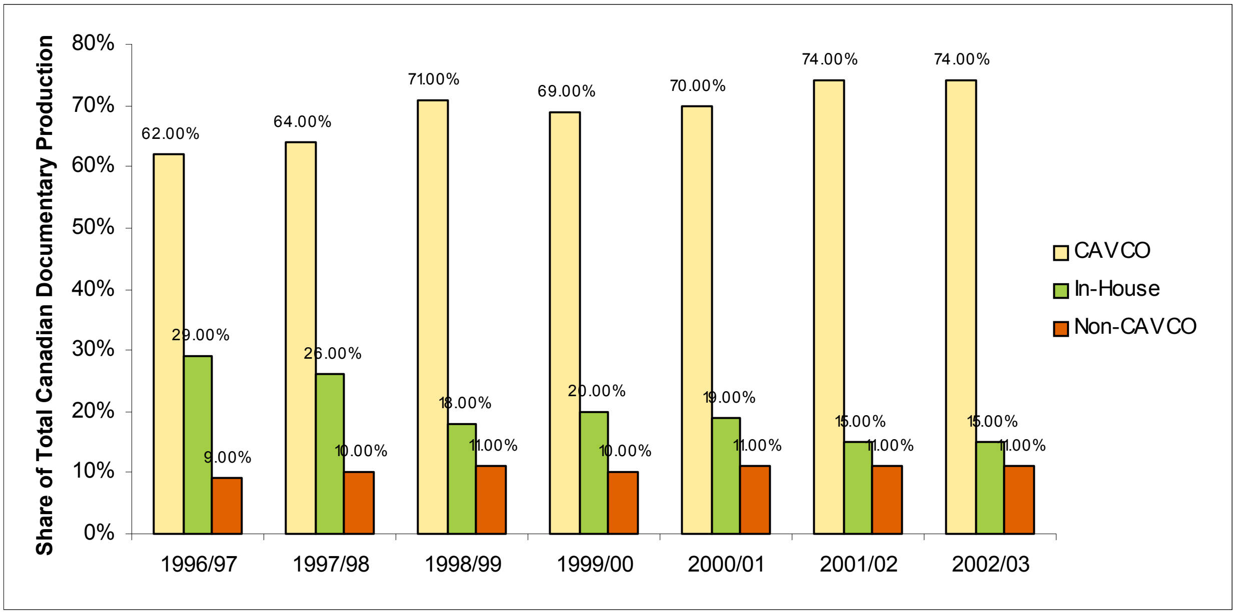
See Appendix C Notes 1,2,3,5 and 6.

Source: NGL calculations based on data from CAVCO, CRTC, CBC and NFB

Independent producers have increased their share of total Canadian documentary production. During 1996/97 to 2002/03, independent production experienced strong growth and increased its share of total Canadian documentary production from 62% to 74%.

[1] The data in this report do not capture the documentary programs made by Canadian producers without any Canadian content certification.

Figure 8 Production Segments' Share of Total Canadian Documentary Production



See Appendix C Notes 1,2,3,5 and 6.

Source: NGL calculations based on data from CAVCO, CRTC, CBC and NFB

In-house production's share of total documentary production dropped from 29% in 1996/97 to 15% in 2002/03. The level of in-house documentary production remained relatively stable during this period, ranging from $53 million to $61 million, but its share dropped as total Canadian documentary production grew.

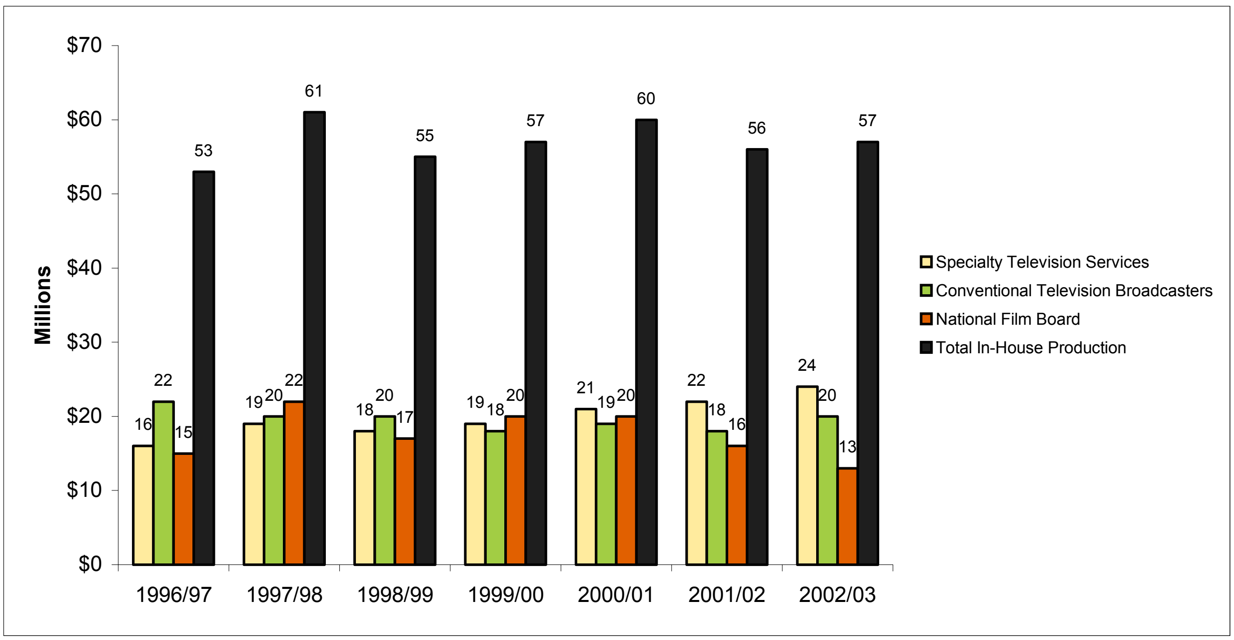
Non-CAVCO certified documentary production increased its share of total production, from 9% to 11% during the seven-year period.

3.3 In-House Production

Between 1996/97 and 2002/03, the in-house production of documentary programs by Canadian broadcasters and the NFB remained relatively stable. Over the seven-year period, in-house production increased by only 6%, from $53 million to just under $57 million.

- In-house production in the specialty television segment increased by 47%.
- In-house production of documentaries by conventional television stations remained stable during 1996/97 to 2002/03, averaging $19.6 million per year.
- In-house documentary production at the NFB averaged $17.5 million during 1996/97 to 2002/03. It fluctuated from a high of $21.5 million in 1997/98 to a low of $12.6 million in 2002/03.

Figure 9 In-House Documentary Production



See Appendix C Notes 1, 5 and 6.

Source: NGL calculations based on data from CRTC, CBC/SRC, and NFB.

3.4 CTF-Supported Production

The Canadian Television Fund (CTF) is an important source of financing for the independent production of Canadian documentaries. Through both the Equity Investment Program (EIP) and the Licence Fee Program (LFP), the CTF has provided over $264 million in direct funding to documentary production since 1996/97.

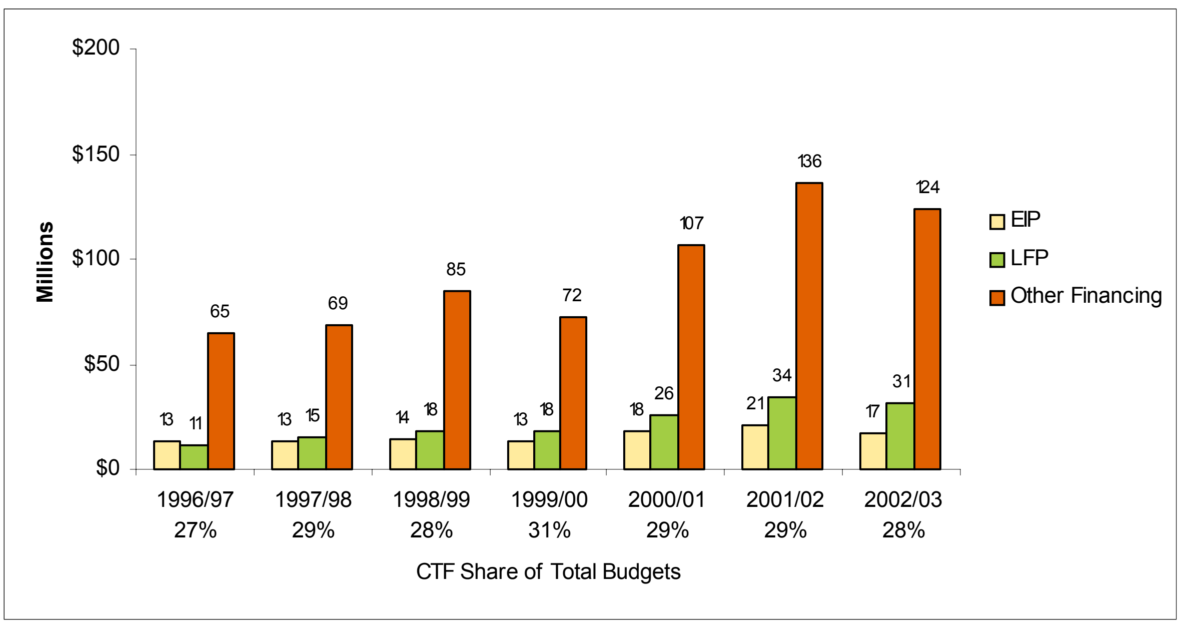
One of the CTF's objectives is to support the creation of high-quality, culturally significant programming in the genres of drama, children's programming, variety and performing arts programs, and documentaries.

In 2002/03, the documentary genre was the most popular among producers receiving support from the CTF. In that year, documentary programming accounted for 61% of all projects and 38% of all hours of programming supported by the CTF.[1] Despite this popularity, the documentary genre only received 18% of CTF funding in 2002/03.[2]

In 2002/03, the CTF contributed $48 million to productions with total budgets of $172 million.[3]

In 2002/03 the CTF's contribution to documentary production accounted for 28% of total CTF-supported documentary budgets.

Figure 10 CTF-Supported Documentary Production (EIP and LFP)



Source: CTF Annual Reports

[1] Canadian Television Fund, *Activity Report 2002-03.*

[2] Ibid.

[3] Ibid.

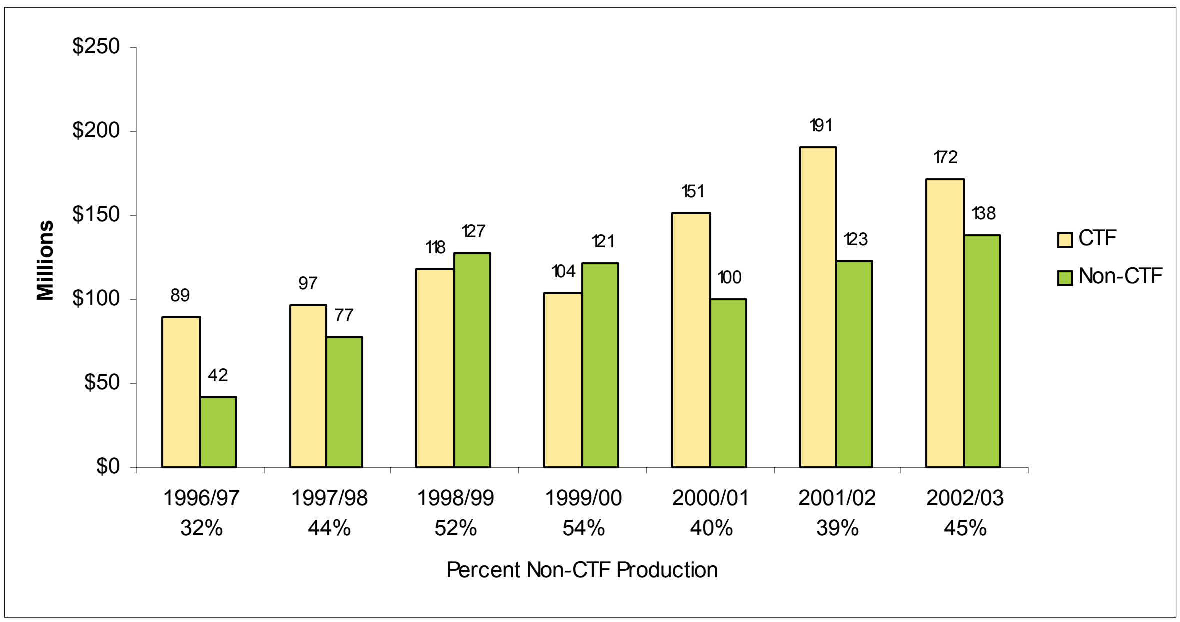
3.5 Non-CTF Production

Non-CTF Production refers to Canadian production certified as Canadian content by CAVCO or the CRTC, but created without the support of the CTF. This type of production typically receives between 6 points and 9 points on the CAVCO 10-point scale for Canadian content. In some cases a non-CTF production will actually receive 10 points.[1]

Although the CTF does play an important role in supporting the documentary production industry, over 40% of all independently produced documentary programming is made without any financing from the CTF.

In 2002/03, $138 million, or 45% of independently produced documentaries were made without support from the CTF. While CTF-supported production dropped to $172 million in 2002/03, non-CTF production increased by 12% from $123 million.

Figure 11 Non-CTF and CTF-Supported Documentary Production



See Appendix C Notes 1,2,3,5 and 6.

Source: NGL calculations based on data from CAVCO and CTF

[1] For documentaries, which often do not have performing positions, the maximum number of points can be below 10. For example a point is awarded for having a Canadian in the highest paid lead performer role; another point is awarded for a having a Canadian in the second-highest paid lead performer role. A documentary without performing roles would receive 8 out of 8 points, instead of 10 out of 10 points.

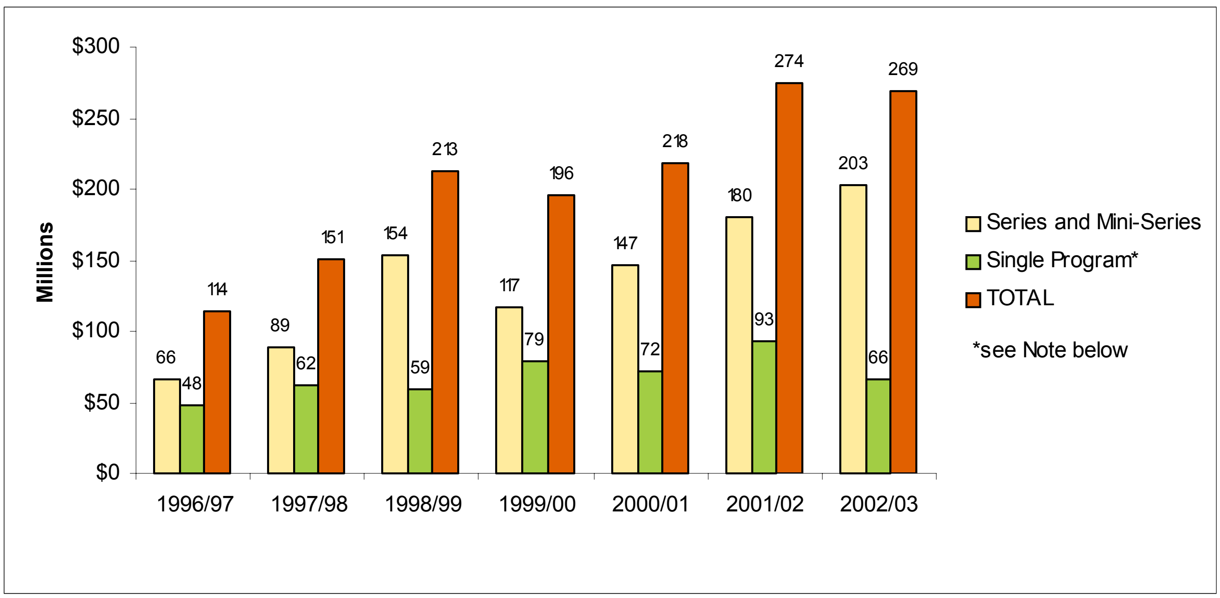
3.6 Type of Production

Based on data for CAVCO-certified productions, we were able to compare the growth in single program documentaries ("single program" includes short films, feature films, made-for-television movies/movies-of-week, and pilots) to the growth in documentary series and mini-series.

Between 1996/97 and 2001/02, the volume of single program documentaries almost doubled from $48 million to $93 million. In 2002/03, however, the volume of single program documentaries dropped by 29% to $66 million.

Most of the increase in documentary production during the 1996/97 to 2002/03 period was in the category of series and mini-series. Between 1996/97 and 2002/03, the volume of CAVCO-certified production in the series and mini-series category more than tripled from $66 million to $203 million.

Figure 12 Types of Documentary Programming (CAVCO-Certified Production Only)



See Appendix C Notes 1, 2 and 3.

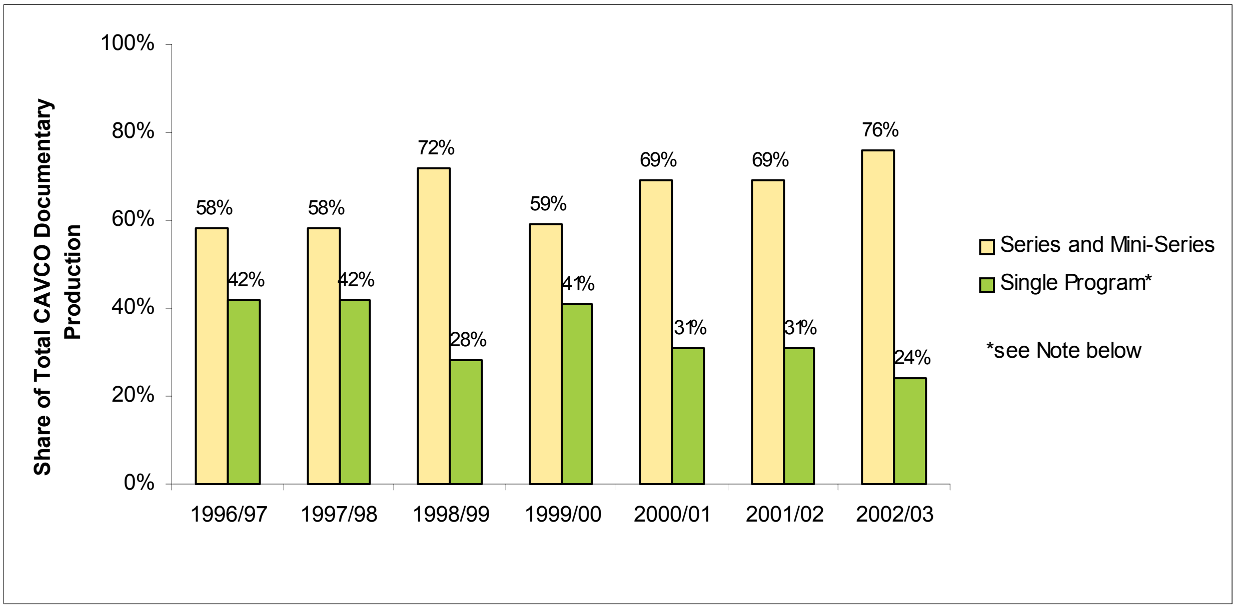
Note: The single program category includes short films, feature films, made-for-television movies/movies-of-the-week, and pilots.

Certain totals may not sum due to rounding

Source: NGL calculations based on data from CAVCO

With the faster rate of growth, the series and mini-series documentary category gradually increased its share of total documentary production during the last seven years. Between 1996/97 and 2002/03, series and mini-series documentary production increased from 58% to 76% of total CAVCO-certified documentary production, in terms of dollars spent on production.

Figure 13 Types of Documentary Programming – Share of Total CAVCO-Certified Documentary Production (based on dollar value of total budgets)



See Appendix C Notes 1, 2 and 3.

Note: The Single Programs category includes short films, feature films, made-for-television movies, movies-of-the-week, and pilots.

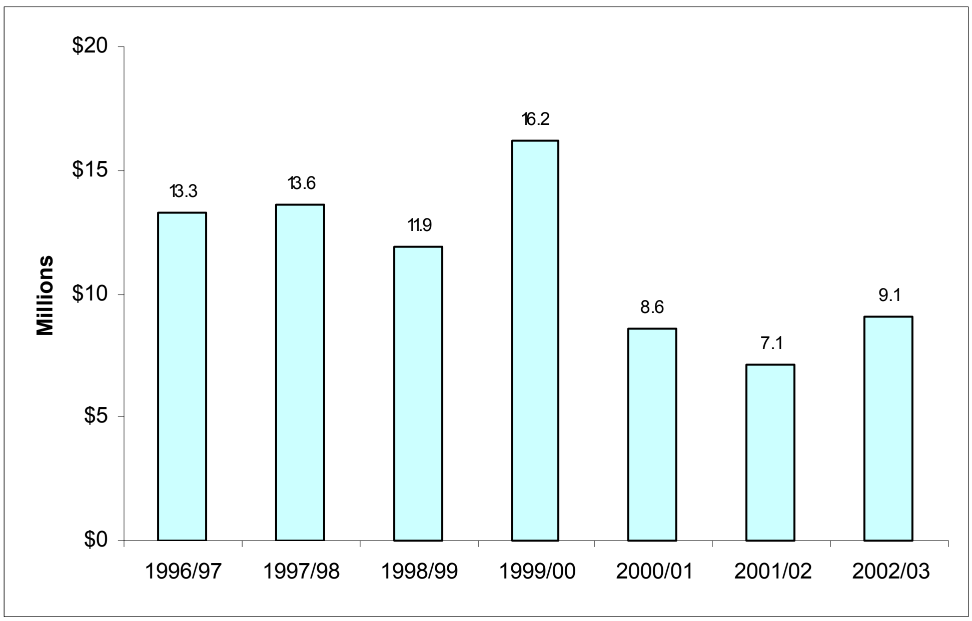
Source: NGL calculations based on data from CAVCO

3.7 Feature Documentary Production

Feature documentary production includes documentary films and television programs that are 90 minutes or longer in running time (feature-length). According to data from CAVCO, the total volume of feature documentaries was $9.1 million in 2002/03. While this is $2 million higher than the total volume in 2001/02, it is more than 40% below the peak of $16.2 million reached in 1999/00.

The data clearly show that the volume of feature documentary production is well below the annual levels recorded between 1996/97 and 1999/00.

Figure 14 Total Volume of Feature Documentary Production (CAVCO-Certified Production Only)

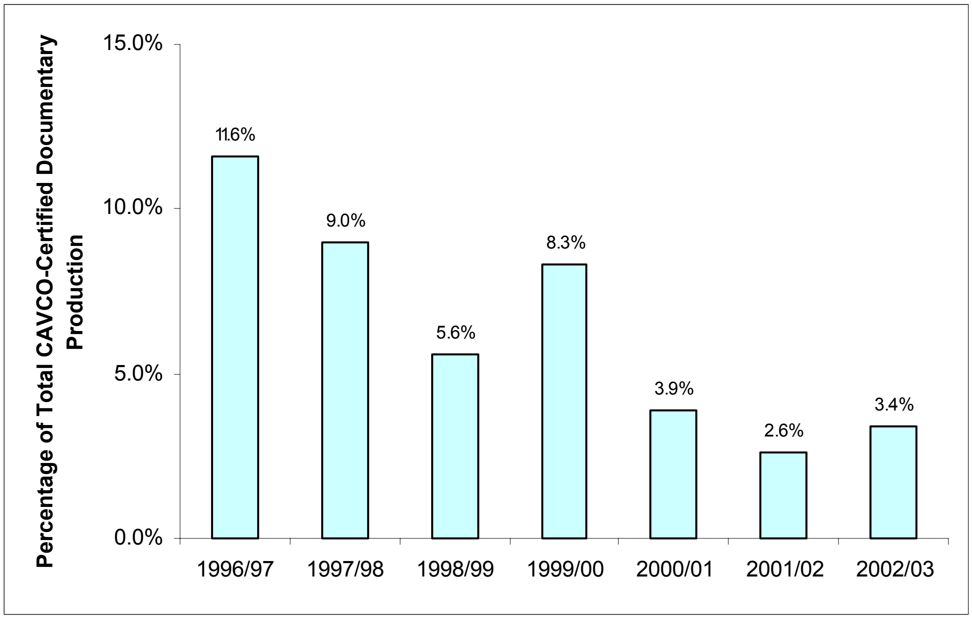


See Appendix C Notes 1, 2 and 3.

Source: NGL calculations based on data from CAVCO

The total volume of feature documentary production has not only been falling in absolute terms, but also as a percentage of total CAVCO-certified documentary production. In 1996/97 feature documentary production comprised 11.6% of CAVCO-certified documentary production; in 2002/03, its share had fallen to 3.4%.

Figure 15 Feature Documentary Production as a Share of CAVCO-Certified Documentary Production



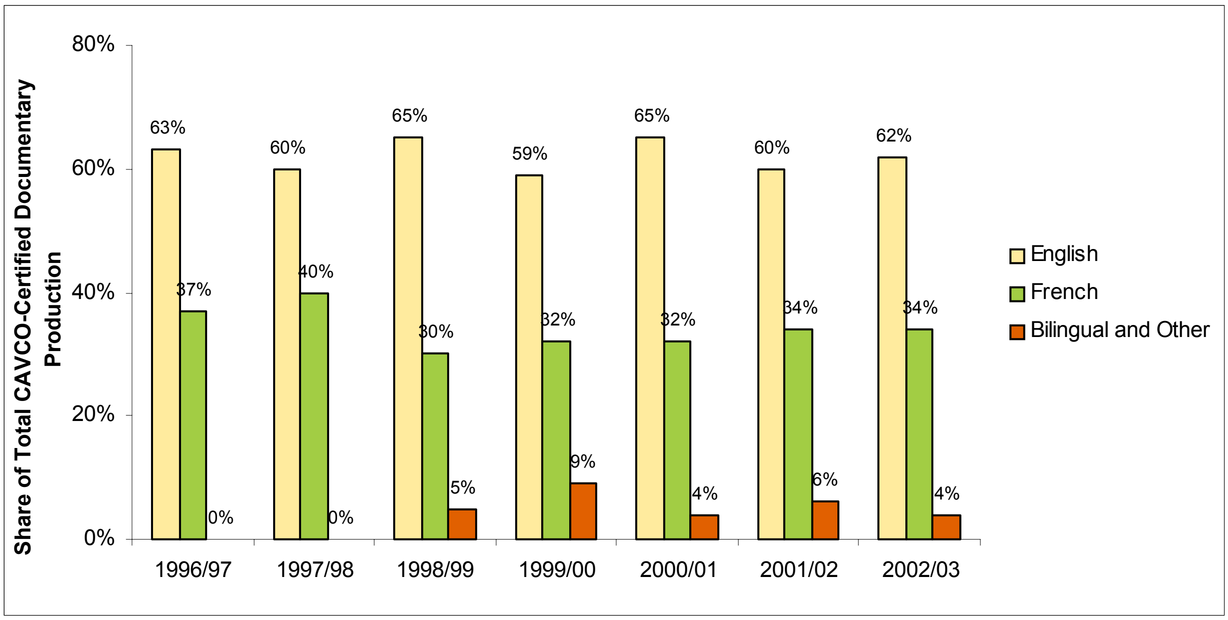
See Appendix C Notes 1, 2 and 3.

Source: NGL calculations based on data from CAVCO

3.8 Language of Production

In 2002/03, French-language production accounted for 27% of all documentary production (based on a dollar value basis). English-language production accounted for about 72%, while productions in other languages (including Aboriginal languages) accounted for 1%.

Figure 16 Share of Documentary Production by Language



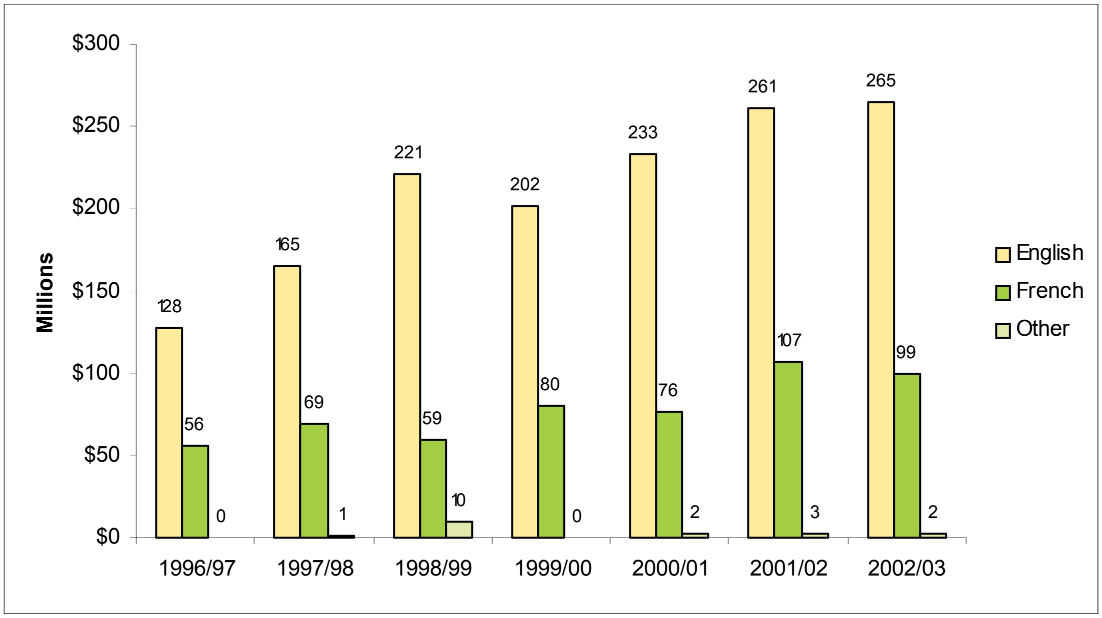
Note: Production classified as bilingual was distributed across French- and English-language production on a pro-rated basis.

See Appendix C Notes 1, 2 and 3.

Source: NGL calculations based on data from CAVCO

In 2002/03, English-language documentary production totalled $265 million. French-language documentary production totalled $99 million, while documentary production in other languages was approximately $2 million.

Figure 17 Language of Documentary Production



Note: Production classified as bilingual was distributed across French- and English-language production on a pro-rated basis.

See Appendix C Notes 1, 2 and 3.

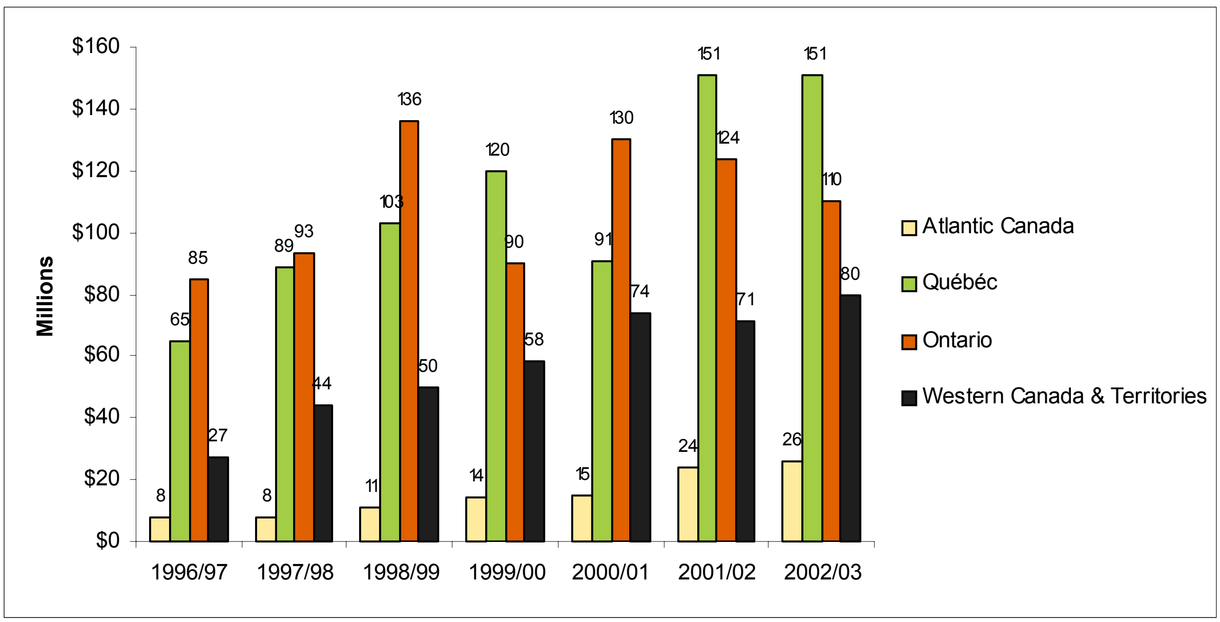
Source: NGL calculations based on data from CAVCO

3.9 Regional Production

- The bulk of documentary producers in Canada are based in Quebec and Ontario – the largest centres for documentary production in Canada. In 2002/03, the total volume of documentary production by producers based in Quebec was $151 million, or 41% of total Canadian production.[1] However, some of the most culturally and financially successful documentary production originated outside central Canada, notably in British Columbia.

Production by documentary producers based in Ontario was $110 million in 2002/03, representing 30% of total documentary production.

Figure 18 Documentary Production by Region



See Appendix C Notes 1,2,3,5 and 6.

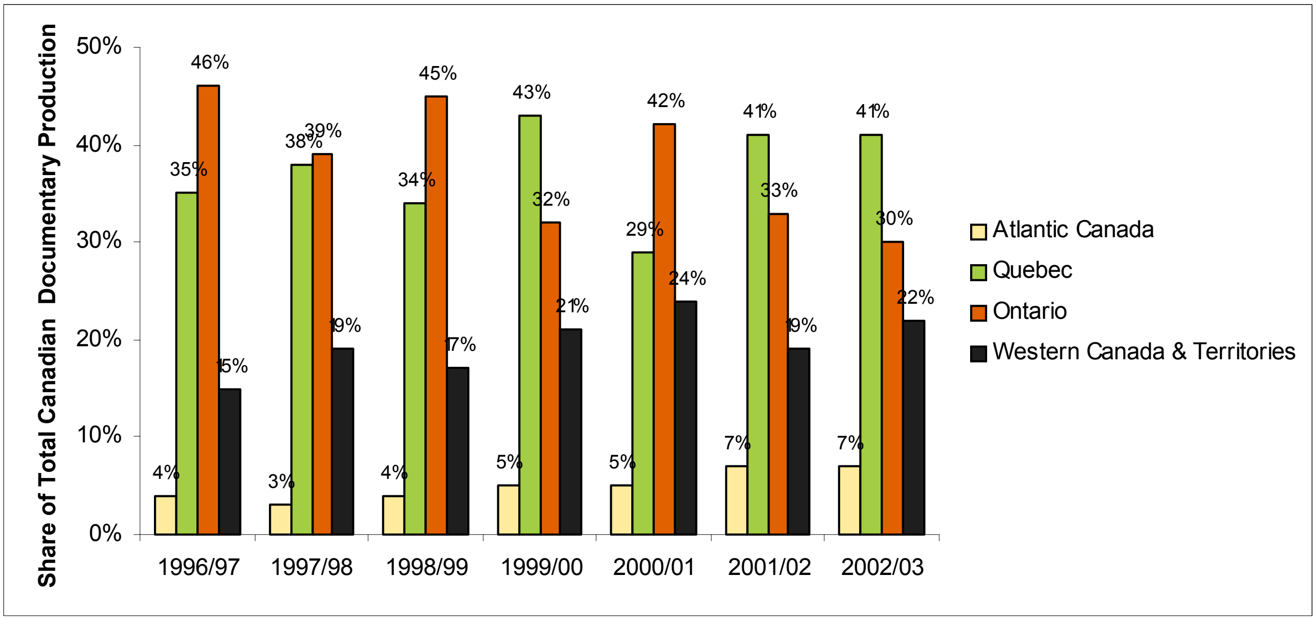
Source: NGL calculations based on data from CAVCO, CRTC, CBC and NFB

In Western Canada and the territories, documentary producers accounted for $80 million, or 22% of total Canadian spending.

Producers in Atlantic Canada accounted for $26 million of documentary production spending in 2002/03 – 7% of total Canadian spending.

[1] Location of production is based on location of producer or production company, rather than the location of shooting per se.

Figure 19 Share of Documentary Production by Region



See Appendix C Notes 1,2,3,5 and 6.

Note: Some totals may not add due to rounding

Source: NGL calculations based on data from CAVCO, CRTC, CBC and NFB

As with most of the production industry in Canada, documentary producers are concentrated in Quebec and Ontario. In 2002/03, producers based in Quebec and Ontario accounted for 71% of total documentary production spending. In the same year, producers based in those two provinces accounted for 69% of total production spending across all genres.[1]

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[1] Canadian Film and Television Production Association, *Profile 2004*, January 2003.

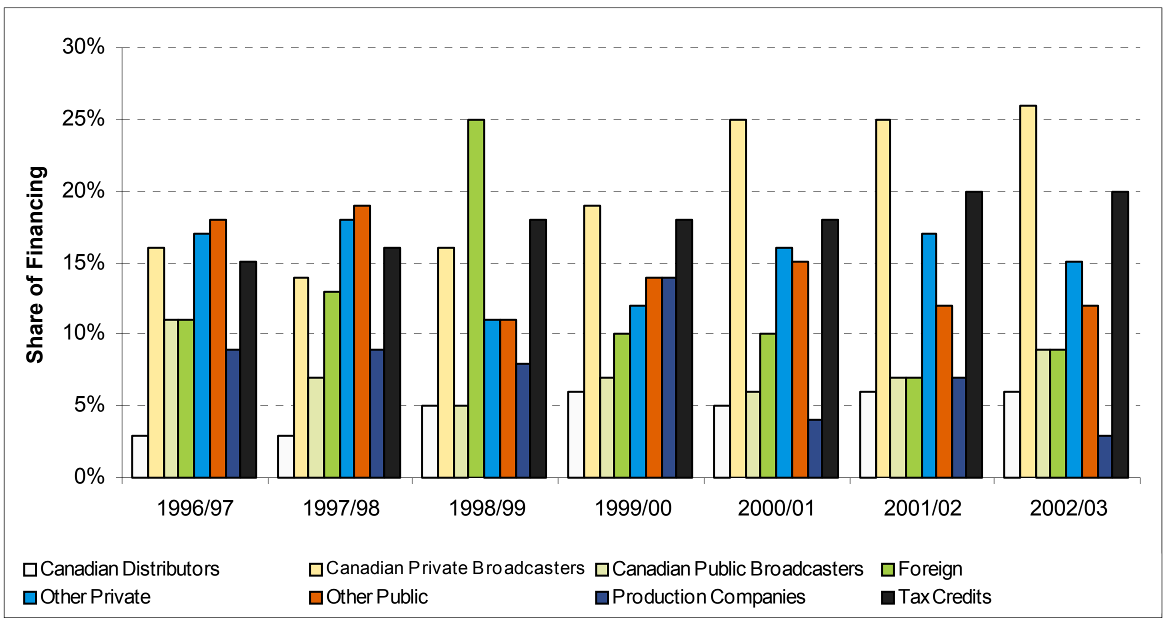
3.10 Trends in Production Financing

In this section, we profile the financing structure of Canadian documentary production, by examining aggregate data on production financing from CAVCO. The financing models for production in Canada vary significantly for English and French markets. As such, in addition to looking at data for all CAVCO-certified production, we examine separately data for the English-language and French-language markets.

All CAVCO-Certified Documentary Production

Financing data from CAVCO indicate that Canadian private broadcasters, including pay and specialty television services, accounted for the largest single share (26%) of financing for documentary production in 2002/03.

Figure 20 Financing of CAVCO-Certified Documentary Productions



See Appendix C Notes 1, 2 and 3.

Source: NGL calculations based on data from CAVCO

Canadian distributor financing amounted to 6% of total documentary financing in 2002/03. Foreign sources contributed 9%. Other private sources, including the CTF and private production funds made up 15% of financing.

Among public-sector sources, the value of tax credits amounted to 20% of documentary production financing. Canadian public broadcasters contributed 9% of financing to Canadian documentaries in 2002/03. Other public sources, including the CTF and provincial funding agencies, accounted for 12% of total financing.

Canadian production companies covered 3% of documentary production financing in 2002/03.

When examining the changes in the distribution of financing since 1996/97, two trends emerge. First, over the last seven years, the share of financing from private broadcasters has been increasing. Second, the share of financing from other public sources has been declining in recent years. The larger share of financing from broadcaster licence fees reflects the increased demand for independent documentary production by Canadian specialty television networks. The drop in public financing, outside of tax credits and public broadcaster licence fees, reflects an overall decline in the direct public funding of documentary production.

English-Language Market

In the English-language market, Canadian private broadcasters accounted for the largest share (30%) of financing in 2002/03.

Canadian public broadcasters contributed 5% of financing for Canadian documentaries in 2002/03.

Foreign sources contributed 12% to documentary financing; Canadian distributors contributed 8%. Other private sources, including the CTF amounted to 13% of total documentary production financing in 2002/03.

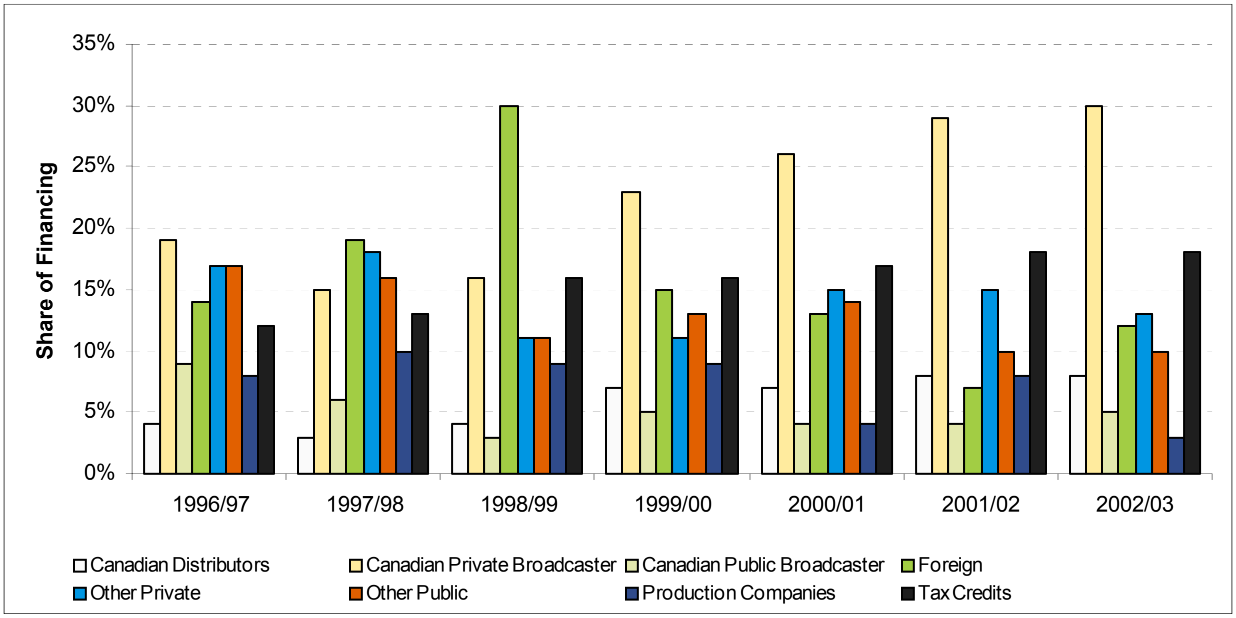
The value of tax credits accounted for 18% of production financing in 2002/03. Other public sources, including the CTF and provincial funding agencies, accounted for 10% of total financing.

Canadian production companies covered 3% of documentary production financing in 2002/03.

Two major financing trends are apparent in the English-language market over the last several years. First, the share of financing from Canadian broadcasters has been increasing. In 1997/98 Canadian private broadcasters contributed 15% of the total financing of Canadian documentaries. By 2002/03, their share had doubled to 30%. Again, the growth in the demand for documentaries by Canadian specialty-television broadcasters has played a large role in this increase.

Canadian documentaries have also increased their reliance on tax credits in order to finance their production budgets. In 1996/97, the value of tax credits was equal to 12% of documentary production financing. In 2002/03, the share had risen to 18%.

Figure 21 Financing of CAVCO-Certified English-Language Documentary Production



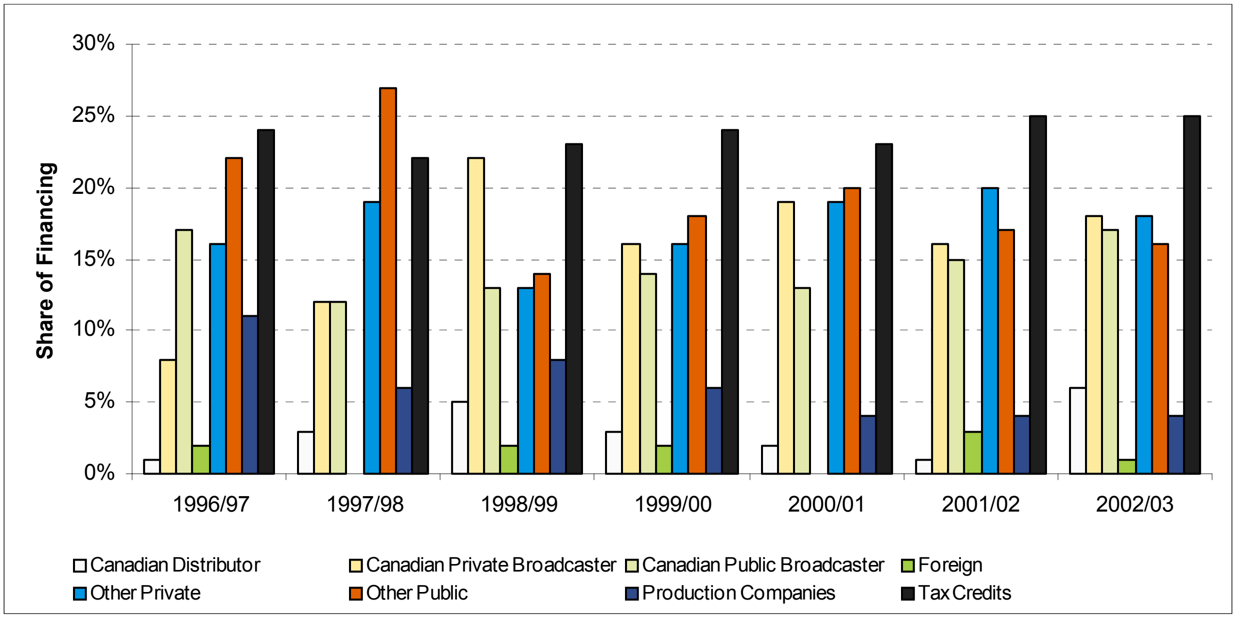
See Appendix C Notes 1, 2 and 3.

Source: NGL calculations based on data from CAVCO

French-Language Market

In the French-language market, public sources accounted for a relatively larger share of production financing for documentaries in 2002/03. In that year, all public sources, including Canadian public broadcasters, tax credits, CTF, and other government sources (e.g., NFB, SODEC) accounted for 58% of total financing. Among these public sources, tax credits were the largest component. The value of tax credits was equal to 25% of total financing of French-language documentary production budgets.

Figure 22 Financing of CAVCO-Certified French-Language Documentary Production



See Appendix C Notes 1, 2 and 3.

Source: NGL calculations based on data from CAVCO

Other private sources, namely the CTF, and Canadian private broadcasters accounted for 18%, respectively, of total financing for French-language documentaries.

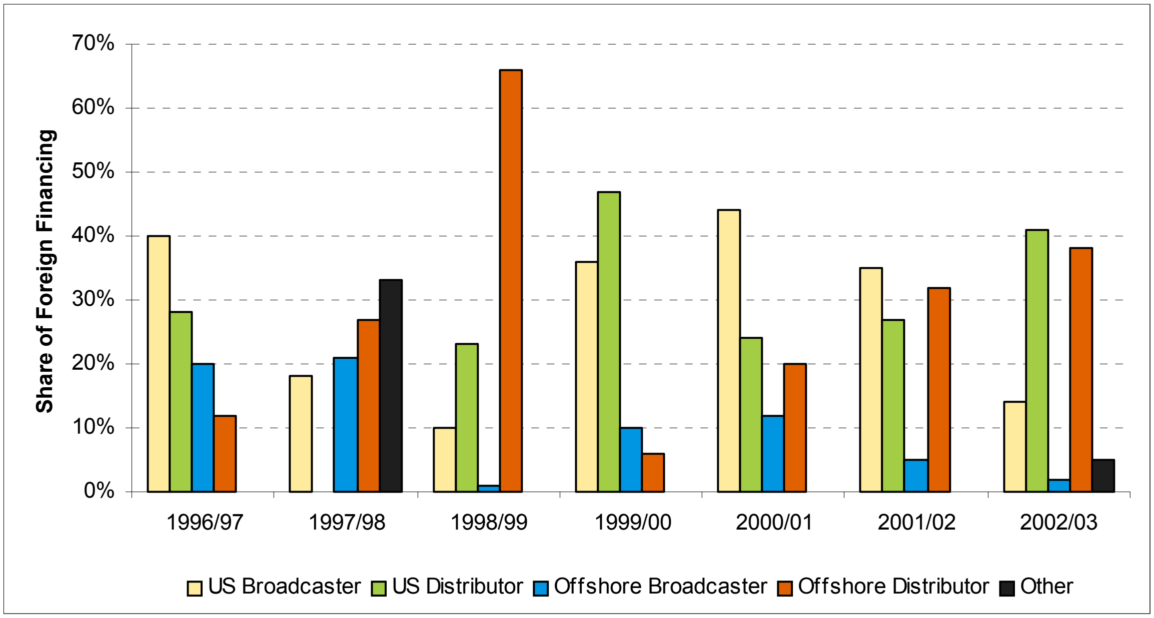
Production companies accounted for 4% of financing in 2002/03. Only 1% of financing came from foreign sources, and no financing was contributed by Canadian distributors.

Over the last seven years, public sources have been the largest component of financing in the French-language market. Foreign sources and Canadian distributors have always played a small role; while other private sources have maintained a share of 13% to 20% during the last seven years.

Foreign Financing

A closer examination of the sources of foreign financing indicates that there are some significant year-to-year fluctuations in the origination of foreign financing. In some years, American sources accounted for as much as 80% of foreign financing, while in other years, offshore sources played a larger financing role.

Figure 23 Foreign Financing of CAVCO-Certified English-Language Documentary Production



See Appendix C Notes 1, 2 and 3.

Note: The 'Other' in 1997/98 is largely comprised of financing from an American company.

Source: NGL calculations based on data from CAVCO

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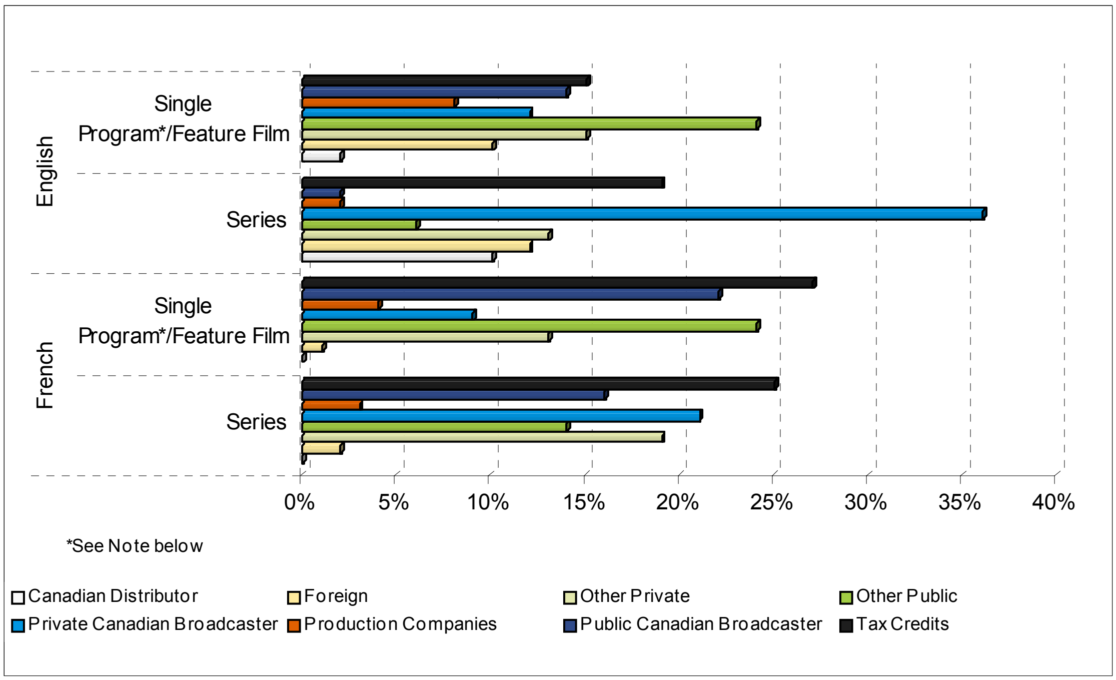
3.11 Financing of Production - Single Program vs. Series

In this section, we compare the financing structures of Canadian documentary productions that are single programs versus those series.

Figure 24 Financing of CAVCO-Certified Documentary Production (Single Program/Feature Film vs. Series), 2002/03



See Appendix C Notes 1, 2 and 3.

Note: The single program category includes short films, feature films, made-for-television movies/movies-of-the-week, and pilots.

Source: NGL calculations based on data from CAVCO

In the English-language market, documentary series obtain 36% of their financing, the largest single share, from private Canadian broadcasters. Tax credits (19%), other private sources (13%) such as the CTF and corporate film funds, and foreign sources (17%) are also significant sources of financing. For single program and feature production in the English-language market, other public sources (24%) such as the CTF and NFB are significant sources. Also note that production companies account for 8% of financing in the single program/feature film category, compared to 2% in the series category.

In the French-language market, documentary series obtain 25% of their financing through tax credits. Private Canadian broadcasters contribute another 21%; public Canadian broadcasters contribute 16%. Other private sources, namely the CTF, account for 19%. Tax credits are also the largest single source of financing for single program/feature films in the French-language market. Other public sources (24%) such as the CTF and SODEC, and public Canadian broadcasters (22%) are also significant sources of financing.

3.12 Financing Structures for Documentary Production

In this section we present four case studies that detail the financing structures of Canadian documentaries.

Case Study #1: English-Language Television Series

Case Study #1 profiles an English-language television documentary series with a total project budget of approximately $1.3 million.

Table 5 Financing Case Study: English-Language Television Documentary Series

Source of Financing	Percent of Total Project Financing
Canadian private broadcaster licence fee	29%
Canadian public broadcaster licence fee	3%
Canadian Television Fund	20%
Provincial film agency	18%
Federal tax credit	9%
Corporate film fund	8%
Canadian distributor	7%
Production company operating capital	4%
Telefilm Canada	1%
Total	**100%**

Note: Some totals may not sum due to rounding

Source: NGL tabulations based on data from CAVCO

To finance this series, the producer successfully pre-sold it to private and public Canadian broadcasters. Canadian broadcaster licence fees accounted for 32% of the project financing. The producer obtained 20% of the project financing through the Canadian Television Fund. Approximately 18% of the project financing came from a provincial film agency.

The value of federal tax credits amounted to 9% of the project budget.

The producer obtained 8% of the project financing from a corporate film fund. The producer was also able to pre-sell certain rights to a Canadian distributor for 7% of the financing. The production company contributed 4% of the financing in the form of operating capital. Telefilm Canada provided funding equal to 1% of the project financing.

While this is only one project, it demonstrates that broadcaster licence fees and the Canadian Television Fund can often be major sources of financing for documentary television series.

Case Study #2: English-Language Feature Documentary

Case Study #2 profiles an English-language feature documentary with a total budget of approximately $600,000.

Table 6 Financing Case Study: English-Language Feature Documentary

Source of Financing	Percent of Total Project Financing
Canadian Television Fund (CTF)	22%
Corporate Film Fund	3%
Federal Tax Credit	4%
Production Company	2%
Canadian Public Broadcaster	26%
National Film Board	42%
Total	**100%**

Note: Some totals may not sum due to rounding

Source: NGL tabulations based on data from CAVCO

The largest single financial contribution for this feature documentary came from the National Film Board, which contributed 42% of the budget.

Licence fees and equity from Canadian public broadcasters totalled 26% of the project budget.

Approximately 22% of the feature's budget was financed by funding from the Canadian Television Fund.

The value of federal tax credits amounted to 4% of the project financing. Approximately 3% of the project financing was from a corporate film fund.

Production-company operating capital amounted to about 2% of the project budget.

The financing structure of this project demonstrates how producers of feature documentaries often have to obtain financing from a variety of sources with no single source accounting for more than 20% of total project financing.

Case Study #3: French-Language Television Series

Case Study #3 profiles a French-language documentary television series with a total budget of approximately $1.2 million.

Table 7 Financing Case Study: French-Language Television Documentary Series

Source of Financing	Percent of Total Project Financing
Canadian public broadcaster licence fee	28%
Canadian Television Fund (EIP)	23%
Canadian Television Fund (LFP)	20%
Provincial tax credit	17%
Federal tax credit	7%
Société de Développement des Entreprises Culturelles (SODEC) equity	5%
Production company operating capital	1%
Total	**100%**

Note: Some totals may not sum due to rounding

Source: NGL tabulations based on data from CAVCO

To finance 28% of the project, the producer pre-sold the series to a Canadian public broadcaster. The producer was also able to obtain an additional 43% of financing from the Canadian Television Fund.

The value of provincial tax credits accounted for 17% of total financing; the value of federal tax credits accounted for 7%.

SODEC made an equity investment in this project equal to 5% of the project budget. The production company provided operating capital equal to 1% of the project financing.

This case study demonstrates that public funding can often play a very large role in financing documentary television series. Direct and indirect public sources financed 80% of the production budget in this case.

Case Study #4: French-Language Feature Documentary

Case Study #4 profiles a French-language feature documentary with a total budget of approximately $700,000.

Table 8 Financing Case Study: French-Language Feature Documentary

Source of Financing	Percent of Total Project Financing
Canadian Television Fund (CTF)	14%
Corporate Film Fund	6%
Federal Tax Credit	4%
Production Company	<1%
Provincial Tax Credit	20%
Canadian Public Broadcaster	13%
Federal Government Department or Agency	10%
National Film Board	28%
Société de Développement des Entreprises Culturelles (SODEC) equity	6%
Total	**100%**

Note: Some totals may not sum due to rounding

Source: NGL tabulations based on data from CAVCO

The largest single investment (28%) in this production came from the NFB.

Provincial tax credits accounted for 20% of the project financing; while federal tax credits amounted to 4%.

The Canadian Television Fund contributed 14% of project financing. Canadian public broadcasters contributed 13% of the project budget in the form of licence fees and equity.

Approximately 10% of the feature's financing was obtained from the federal government.

The producer obtained 6% of the project financing from a corporate film fund. SODEC also provided funding amounting to 6% of the project budget.

Production-company operating capital amounted to less than 1% of project financing.

Similar to Case Study #2, this example demonstrates how feature documentary producers often have to obtain financing from several different sources in order to complete a project. It also demonstrates that public sources play a large role in the financing of feature documentary productions.

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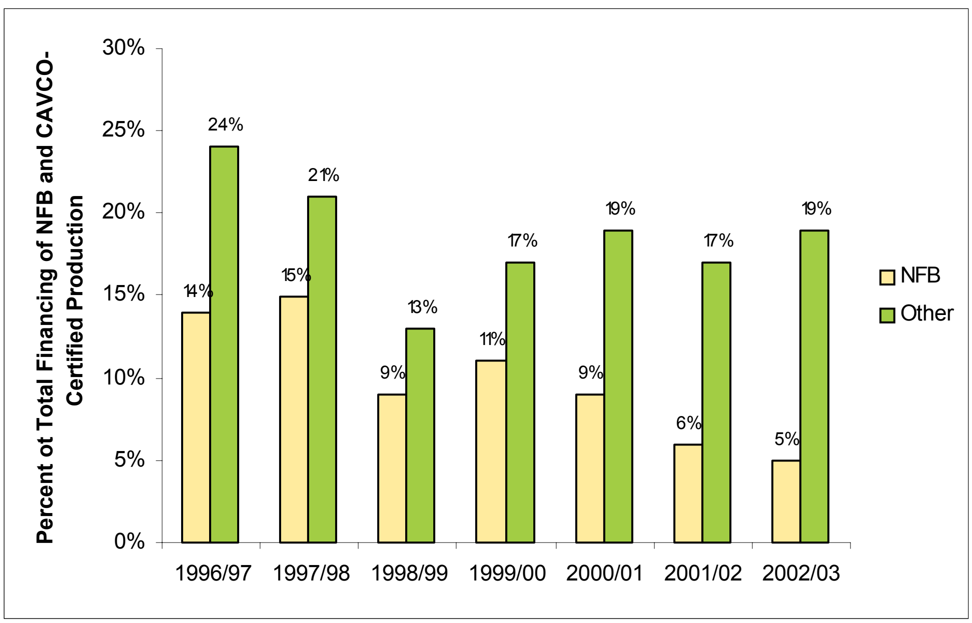
3.13 Direct Public Funding

In the preceding section, we examined the sources of production financing, including public sources. Public financing includes both direct and indirect financing. Direct public financing or funding includes loans, equity investments, licence fees, and grants and contributions from government sources, including the CBC. Direct public funding excludes tax credits.[1] Indirect public financing refers to tax credits or rebates that reduce the tax owed by production companies. The tax credits or rebates are often based on the company's production expenditures or paid wages. In this section, we measure direct public funding and exclude indirect public financing.

The share of documentary production financing from direct public has generally been falling over the last several years. Between 1996/97 and 2002/03, the share of production financing from direct public funding sources dropped from 38% to 24%. The drop in the direct public funding share of financing indicates that public support is not keeping up with the growing level of documentary production largely driven by the demand created by Canadian specialty-television services.

Figure 25 Direct Public Funding - Share of Total Financing (NFB and CAVCO-Certified Documentary Production)



See Appendix C Notes 1,2,3,5 and 6.

Source: NGL calculations based on data from CAVCO and NFB

In the chart, we divide direct public funding into funding from the NFB, and funding from other public sources including Telefilm, the Department of Canadian Heritage, the Canada Council for

[1] To gauge the contribution of direct public funding, we calculated the share of public funding to CAVCO-certified production, and then added the value of NFB in-house production. This sum was then expressed as a percentage of the volume of CAVCO-certified and NFB in-house production.

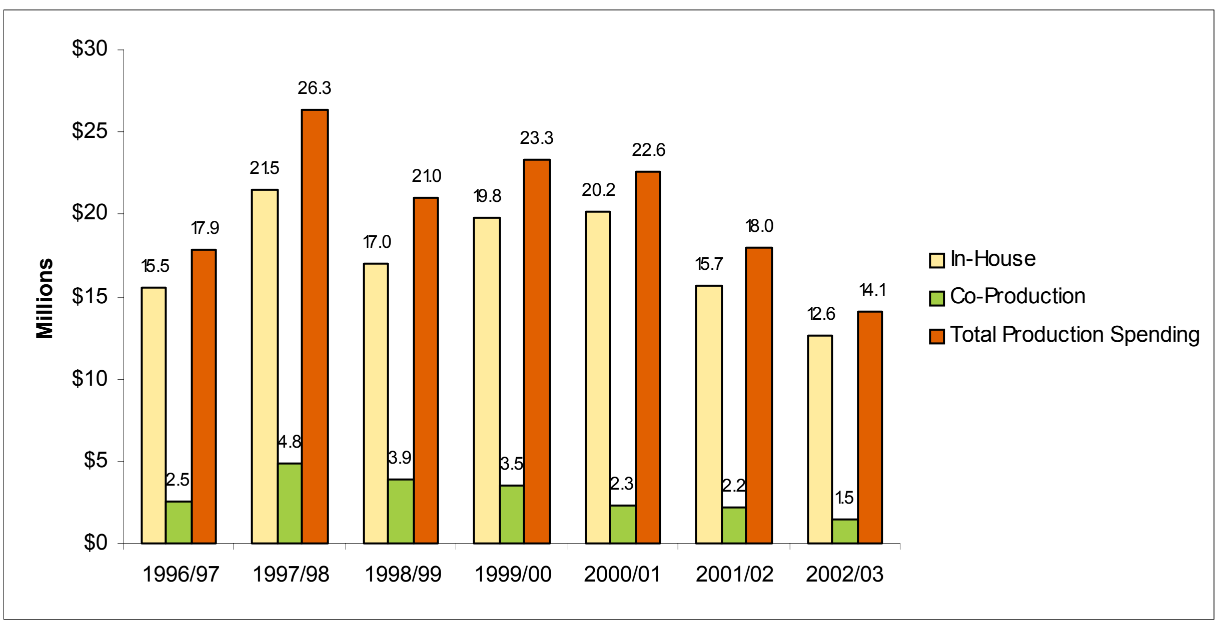
the Arts, and provincial governments. While the share of direct public funding attributable to other sources has fluctuated over the last seven years, the share of direct public funding from the NFB has been lower in the last few years than it was in the mid-1990s.

The NFB directly supports Canadian documentary production in a few ways. It produces documentaries in-house, working with filmmakers from across Canada; it also co-produces documentaries with independent producers. For these co-productions, in which the NFB participates creatively, its financial participation is typically between 25% and 49% of total project financing. The NFB also supports documentary filmmakers through its Filmmaker Assistance Program, which provides funds for technical support.

In 2002/03, direct funding from the NFB accounted for 5% of total financing of CAVCO-certified productions. By comparison, in 1996/97 and 1997/98, the NFB's share of total financing was 14% and 15%, respectively.

The data indicate that the overall drop in public sources' share of direct funding can be attributed to decreases in both the NFB and other sources, but is primarily due to a sharp drop in the NFB's share. This is not to say that the NFB has reduced its production of documentaries, it is just that as the independent documentary production industry has grown, the NFB in-house production and co-production activity has remained relatively constant. As a result, its share has fallen.

Figure 26 National Film Board Documentary Production (French and English Production)



Source: NFB

Certain totals may not sum due to rounding

3.14 Job Estimates

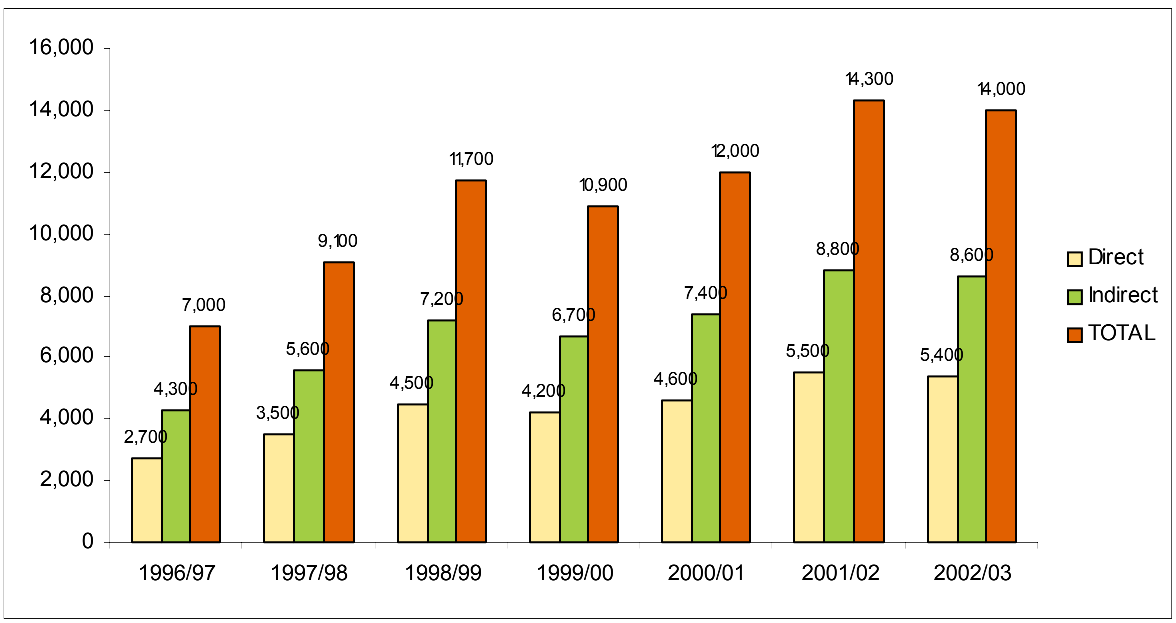
The production of Canadian documentaries generated approximately 14,000 full-time equivalent jobs in the Canadian economy in 2002/03.

Of these 14,000 jobs, 5,400 were full-time equivalent direct jobs. These direct jobs included persons employed in the production of documentaries at the estimated 300 Canadian production companies (see Note 12 in Appendix C for discussion of estimation methodology) involved in documentary production, and the Canadian broadcasters making in-house documentaries.

An additional 8,600 indirect jobs were created in other industries in the Canadian economy as a result of documentary production activity. These indirect jobs were created across a diverse range of industries including hospitality, retail, and construction.

As the volume of Canadian documentary production has increased over the last several years, so too has employment in the documentary production industry and related industries. The total number of full-time equivalent employees in documentary production has increased from 2,700 in 1996/97 to 5,400 in 2002/03. Total direct and indirect jobs have increased from 7,000 to 14,000 over this same period.

Figure 27 Full-time Equivalent Jobs



See Appendix C Note 4.

Source: NGL calculations based on data from CAVCO and Statistics Canada

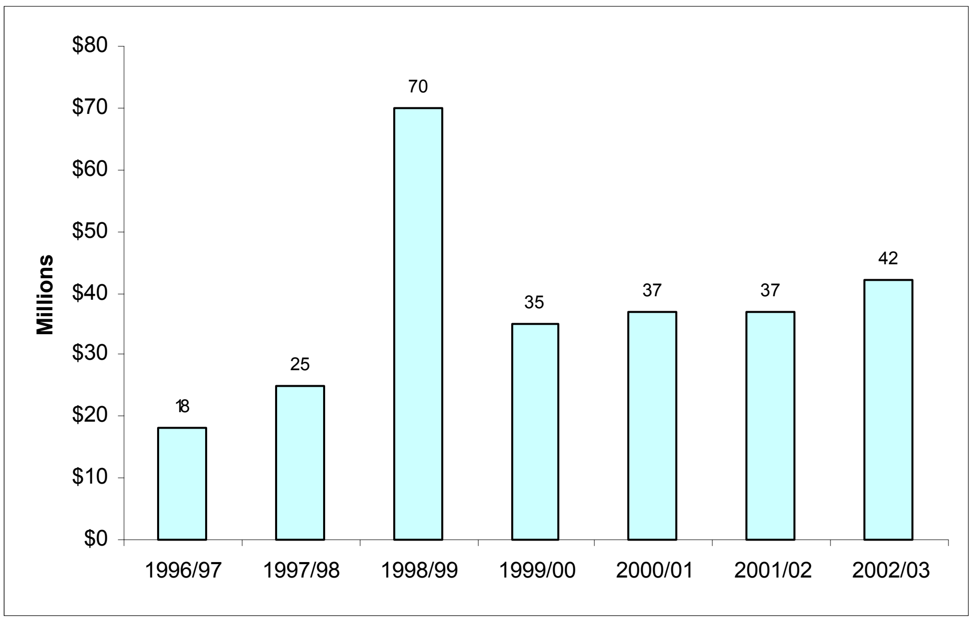
3.15 Export Value and Treaty Co-Production

In order to track international participation in the Canadian production industry, NGL has adopted the measure of export value used by the CFTPA in its annual *Profile* publication. In the case of Canadian content production, export value is comprised of the following components:

- Foreign presales and distribution advances for all CAVCO-certified projects; and,
- Estimates of presales and distribution advances for non-CAVCO-certified productions.

The export value of Canadian documentary production was $42 million in 2002/03. This is roughly the level it has been during the last three years.

Figure 28 Export Value of Canadian Documentary Production



See Appendix C Notes 1, 2 and 3.

Source: NGL calculations based on data from CAVCO

During the 1996/97 to 2002/03 period, the export value of Canadian documentary production spiked in 1998/99 at $70 million. This spike can be traced back to significant investments by offshore broadcasters and distributors in Canadian documentary production in that year.

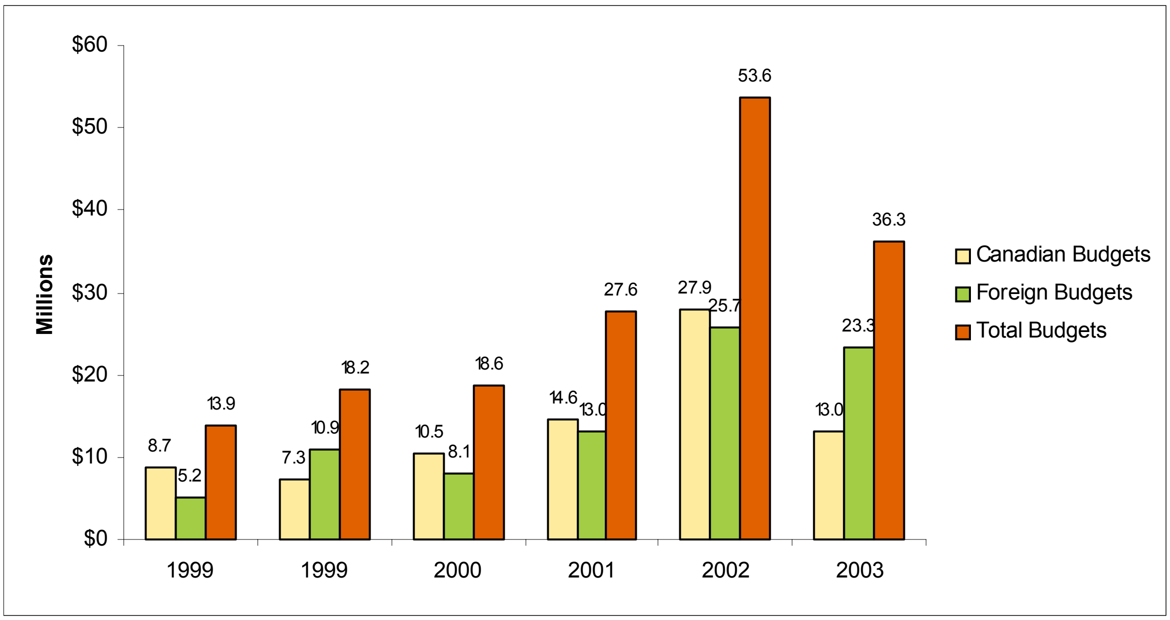
While the export value of Canadian documentary production has doubled over the past six years, Canadian producers still face challenges in finding foreign financing for Canadian documentary productions. Canada's international co-production treaties are one avenue for Canadian documentary producers to gain access to foreign markets and foreign financing. Canada currently has co-production treaties with 54 countries.

Over the last several years, a number of successful Canadian documentaries have been made through international treaty co-production agreements. Barna-Alper Productions' *The Sexual Century*, for example, is an international treaty co-production that was made with a partner from the United Kingdom, Carleton Productions. Other treaty co-production documentaries include

Viking Saga (Sweden), *Gene Hunters* (United Kingdom), *Prisoner of Paradise* (United States, United Kingdom, Germany), and *Survivre* (France).

In 2003, the total volume of Canadian treaty co-production documentaries dropped to $36.3 million from $52.5 million in 2002. Of the 2003 total volume, Canadian budgets accounted for $13.0 million, while foreign budgets accounted for $23.3 million.

Figure 29 Treaty Co-Production - Documentary Programming



Source: Telefilm Canada

While the total volume of treaty co-production documentaries dropped in 2003, this drop followed several years of strong growth. Between 1998 and 2003, the total volume of Canadian treaty co-production documentaries increased by over 150% from $13.9 million in 1998.

4. Audience Demand

In this section of the report, we provide some indicators for the demand for Canadian documentary programming in Canada.[1] While Canadian-produced documentaries are sold around the world, Canadian producers generate most of the financing for their productions from Canadian broadcasters and public agencies. Canadian broadcasters license, or purchase the rights to, Canadian programming in order to respond to Canadian audiences' programming preferences and to meet regulatory requirements regarding exhibition of Canadian programming.

Audience demand is a critical factor in the long-term economic health of the documentary genre in Canada. The current dynamic of smaller budgets but larger volume is of concern because it threatens to dilute the quality of Canadian documentaries, and possibly lower audience interest in documentary programming. If it results in less support for POV and "one-off" documentary formats, it could adversely affect the long-term prospects for the documentary tradition in Canada.

The data presented in this section demonstrate that audience demand for documentaries in Canada is strong and has increased in the last several years. Still, Canadian documentaries have a long way to go to achieve inroads at theatre box offices.

[1] We use the term "Canadian documentary" programming because in our review we are excluding the viewing of foreign-produced documentaries by Canadians.

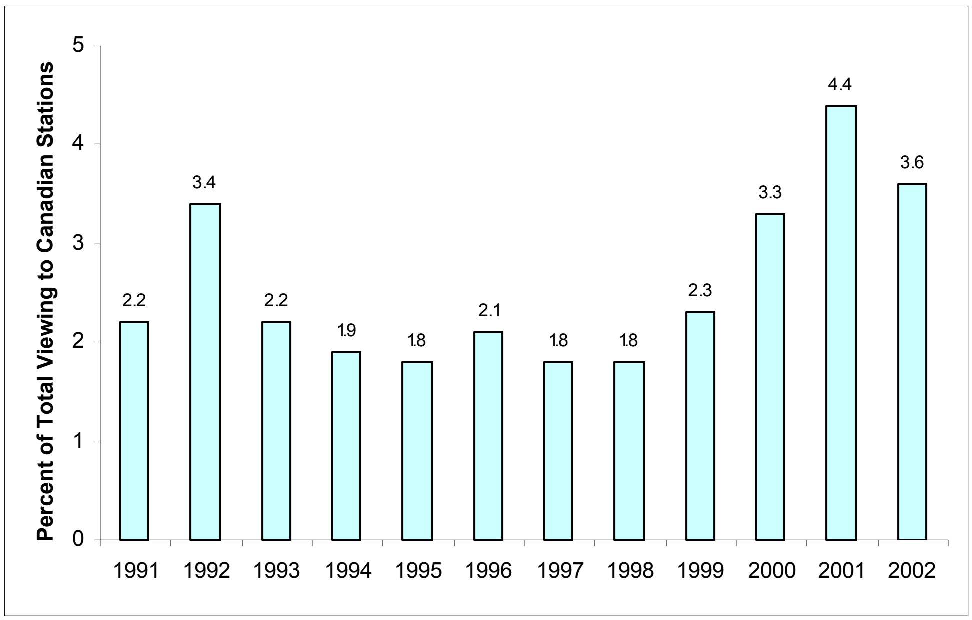
4.1 Viewing of Canadian Documentaries

Share of Total Viewing to Canadian Stations

While the documentary production industry faces a number of challenges, the level of viewership to documentaries has experienced strong growth over the last few years.

For most the 1990s, viewing of Canadian documentaries was consistently around 2% of total television viewing to Canadian programs on Canadian stations. However, since 1999, the share of viewing to Canadian documentaries has been increasing.

Figure 30 Viewing to Canadian Documentaries on Canadian Stations - Share of Total Viewing to Canadian Programs on Canadian Stations



Note: The viewing statistics underestimate viewing of documentaries because the data are collected by BBM during the fall when broadcasters are typically airing other types of programming.

Source: Data compiled by Statistics Canada based on data collected by BBM Fall Survey

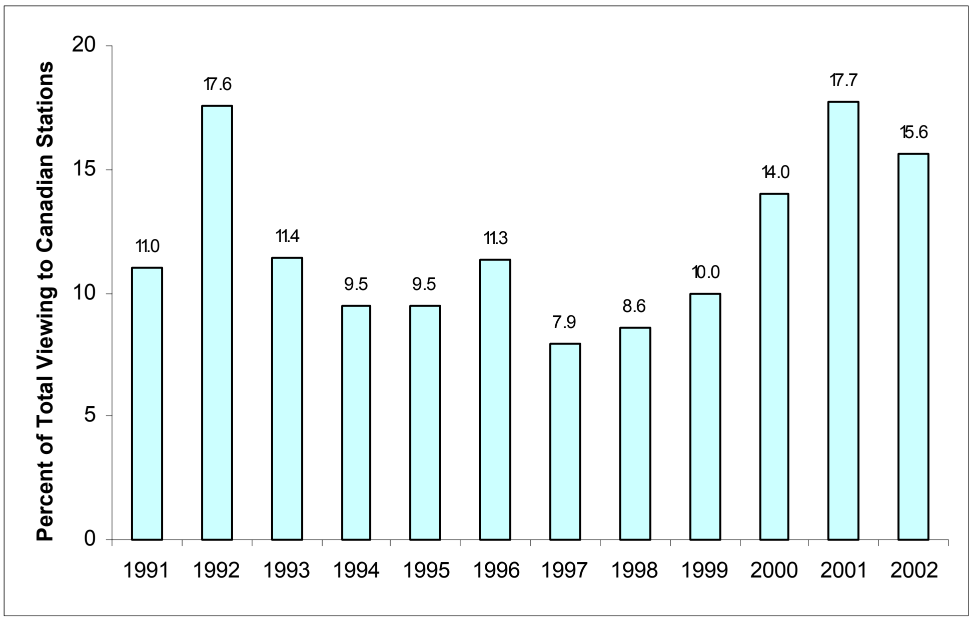
In 1998, Canadian documentaries accounted for 1.8% of time spent watching Canadian programs on Canadian stations. Over the next three years, the share steadily increased. By 2001, Canadian documentaries accounted for 4.4% of total viewing time – more than double the share four years earlier.

This increase in Canadian documentary viewing reflects the continued strong interest of audiences and the increased choice and supply of documentary programming on specialty television services launched in Canada during the 1990s.

In 2002, the share of television viewing to documentaries dropped somewhat to 3.6% of total viewing of Canadian programs on Canadian stations.

The television viewing data can also be examined in terms of the genres that receive support from the CTF, and therefore are most vulnerable to changes in government policy or funding programs. On this basis, the share of documentary programming in terms of Canadian viewing was 15.6% in the fall of 2002. While this is 2.1 percentage points below the level of 17.7% reached in fall 2001, it is nearly the double the level in 1997, when 7.9% of viewing time was devoted to documentary programs.

Figure 31 Percentage of Total Viewing to Documentaries on Canadian Stations (CTF-Funded Program Categories Only)



Note: The viewing statistics underestimate viewing of documentaries because the data are collected by BBM during the fall when broadcasters are typically airing other types of programming.

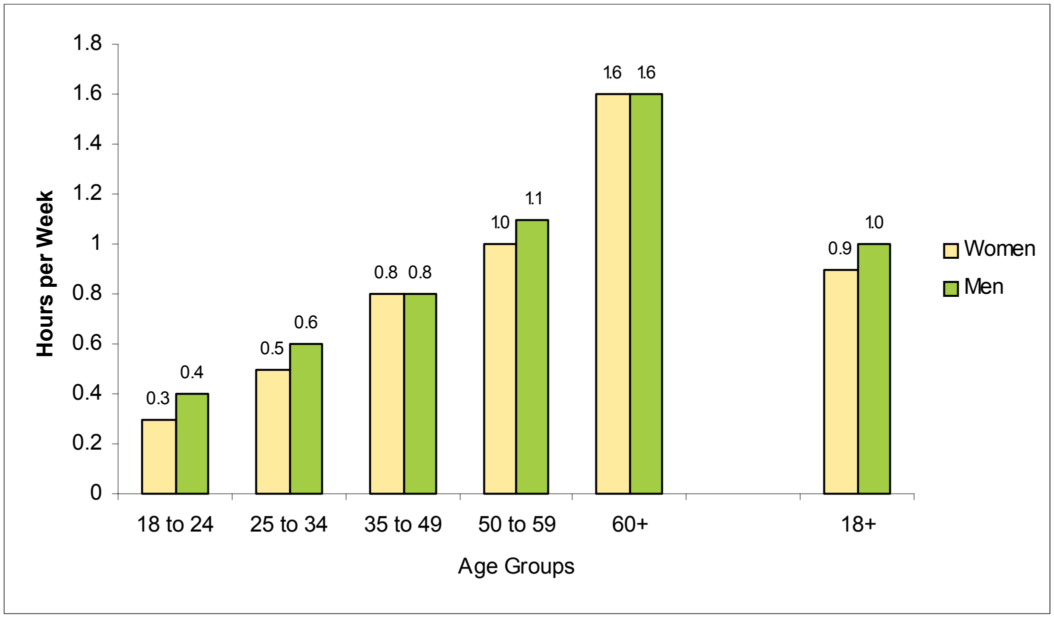
Source: Data compiled by Statistics Canada based on data collected by BBM Fall Survey

While the documentary production industry faces a number of challenges, the level of viewer-ship to documentaries has experienced strong growth over the last few years.

Data indicate that television documentaries appeal more to older age groups. According to data from BBM and Statistics Canada, the weekly average number of hours of television documentary viewing by Canadians aged 60 or higher was double the number for Canadian aged 35 to 49, and approximately 60% higher than the average for all Canadian 18 years of age or higher.

During the fall of 2002, male and female Canadians aged 60 or higher watched an average of 1.6 hours per week of documentary programming. In comparison, women 18 years of age or over watched 0.9 hours per week, and men over the age of 18 watched one hour per week.

Figure 32 Documentary Viewing, by Age and Gender



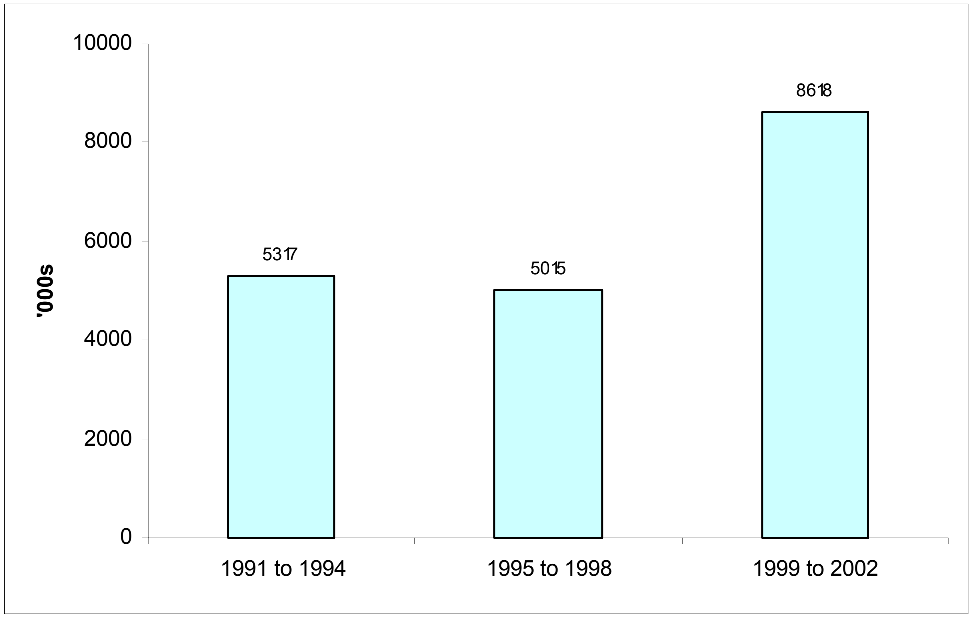
Note: Average number of hours per week of television viewing, Fall 2002

Source: Statistics Canada based on BBM data

Total Hours of Canadian Documentary Viewing

The higher share of viewing time for Canadian documentaries translates into more hours of documentaries watched. During the 1999 to 2002 period, the average number of documentary hours watched on Canadian television stations rose sharply. During this period, the annual average number of documentary hours viewed by Canadians was 8,618,000. This was 72% higher than the four-year average of 5,015,200 during the 1995 to1998 period, and 62% higher than the average for the 1991 to 1994 period.

Figure 33 Average Annual Hours of Canadian Documentaries Viewed on Canadian Stations



Note: The viewing statistics underestimate viewing of documentaries because the data are collected by BBM during the fall when broadcasters are typically airing other types of programming.

Source: Data compiled by Statistics Canada based on data collected by BBM Fall Survey

The increase in the number of hours watched was not uniform across all categories of broadcasters.[1] According to data from BBM, during the 1999 to 2002 period, the largest increases were concentrated in three segments: pay and specialty channels, the CBC, and French private conventional stations.

- For pay and specialty channels (English and French) the number of viewed hours increased form 1,762,400 per annum during the 1995 to 1998 period to 3,543,900 in the 1999 to 2002 period – an increase of 105%.
- The annual average number of hours of documentaries viewed on the CBC increased from 1,141,900 in the 1995 to 1998 period to 1,805,300 in the 1999 to 2002 period – an increase of 58%. However, there was a drop in documentary viewing on SRC.
- On the French-language private conventional networks, the viewing of documentary programs increased from an annual average of only 89,800 hours during the 1995 to 1998 period to 1,195,600 hours during the 1999 to 2002 period – more than a tenfold increase.

[1] When examining the viewing data, specifically for individual segments, it is important to keep in mind that the viewing data are based on a survey conducted during a four-week period across October and November of each year. This aspect of the audience measurement leads to several caveats for the data. First, the results underestimate the viewing of documentaries. Because the audience research is conducted each fall, when Canadian broadcasters typically have new episodes of fiction series and therefore schedule these new fiction episodes rather than documentary programming. The year-to-year results (in this case, multi-year) averages may fluctuate considerably based on Canadian broadcasters program scheduling. The scheduling of additional one-hour documentary during the October and November period can greatly increase the results of one network, if it can garner an average audience of 250,000, for example.

- English-language private conventional television experienced an increase of 132% in total viewing hours of documentaries. The total number of hours increased from 234,700 during the 1995 to 1998 period to 544,700 during the 1999 to 2000 period.
- In terms of documentary viewers, educational television tapered off, particularly for French-language services.

Table 9 Average Annual Number of Documentary Hours Viewed ('000s), by Station Group

Station Group	1991-1994	1995-1998	1999-2002
English Canada			
Conventional	348.4	234.7	544.7
CBC	1,414.40	1,141.90	1,805.30
Educational	425.9	422.5	359.3
Pay & specialty	171	1,068.70	2,562.30
Sub-total	2,359.70	2,867.70	5,271.50
French Canada			
Conventional	497.8	89.8	1,195.60
SRC	1,627.50	1,109.20	987.8
Educational	527	240.2	137.3
Pay & specialty	76.5	657.7	981.6
Sub-total	2,728.80	2,096.80	3,302.30
Other ethnic	228.9	50.7	43.8
Total	**5,317.40**	**5,015.20**	**8,617.50**

Note: The viewing statistics underestimate viewing of documentaries because the data are collected by BBM during the fall when broadcasters are typically airing other types of programming. Basic survey data have been collected by BBM from a sample of Canadians aged two and over. Viewing data for each viewer cover seven consecutive days and were collected using a diary-type questionnaire over four weeks from October to November.

Source: Data compiled by Statistics Canada based on data collected by BBM Fall Survey

While the established networks including the CBC and private French conventional networks (TVA, TQS) showed strong growth in documentary viewing, just over one-half of the increase in documentary viewing can be attributed to higher viewing on pay and specialty services. Although we do not have detailed data, a good portion of this increase is likely attributable to increased audiences responding positively to the array of documentary programming available on specialty services licensed by the CRTC during the mid and late 1990s.

Table 10 Analog Specialty Television Services - Launch Dates

1995	1997	1998	1999	2000
Discovery	**History**	MuchMoreMusic	CLT	**Historia**
W	**HGTV**	TreeHouse	Star-TV	Canal Evasion
Life	**Outdoor Life**	SportsNet	ROB-TV	Food
RDI	Prime TV	CablePulse 24	Odyssey	TalkTV
CMT	Newsnet			Series+
Showcase	The Score			Canal Z
Bravo!	Le Canal Nouvelles			
Canal D	**Canal Vie**			
	Musimax			
	Space			
	Teletoon			
	Comedy Network			
	SATV			

Note: Bolded names are services with documentary programming as part of their regular schedules

Source: CRTC

Several of the analog specialty services launched in 1995 or later draw a portion of their programming from the documentary genre. Discovery, W, Life, RDI, Bravo, Canal D, History, HGTV, Outdoor Life, Canal Vie, and Historia were all launched since 1995. While each of these broadcasters can draw its programming from several categories, long-form documentary is one of these categories. In the next section, we provide more information on the broadcaster licence requirements related to documentary programming.

Growing audience demand whether it is derived from existing or new services is, in general, positive for the industry. But if it is not accompanied by commensurate supply-side developments, it has the potential to introduce some long-term risks for the industry stemming from a gradual fall in the quality of programming. In the long run, stable growth in demand for programming within an environment that generates high-quality documentary programs would provide more balance for the industry.

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4.2 Canadian Broadcast Licences and Documentary Programming

The importance of documentary programming in the Canadian broadcasting system is exemplified by the array of licensed broadcasters who have commitments to exhibiting documentary programming. While only a few broadcasters have explicit requirements related to the exhibition of documentary programming, for many licensees, the CRTC program category of *Long-form Documentary* is one, among others, from which their programming is to be selected.

Conventional Broadcasters

For conventional broadcasters, recent CRTC regulatory initiatives may increase the incentive to acquire and exhibit documentary programming. The CRTC's 1999 Television Policy (*Building on Success - A Policy Framework for Canadian Television*, Public Notice CRTC 1999-97) defined the concept of priority programming and mandated multi-station ownership groups to broadcast a minimum of eight hours per week of priority programming during the peak viewing period of 7 p.m. to 11 p.m.

Priority programming includes drama, music and dance, variety programs, regional programming, entertainment magazines, and long-form documentaries. While the inclusion of long-form documentaries in the definition of priority programming may increase the demand for documentary programming from conventional broadcasting groups, the fact that it is one type of programming among several that are a "priority" may limit the effect of this regulatory initiative for the documentary genre.[1]

Table 11 Canadian Television Broadcasters with Licence Commitments that Include Documentary Programming

Conventional Television Broadcaster Multiple Station Ownership Groups	Analog Specialty Television Services	Digital Television Specialty Services
CBC/SRC	CBC Newsworld	Biography Channel
CHUM	Canal D	Book Television
CTV	Canal Vie	Canadian Documentary Channel
Global	Discovery Canada	Discovery Health
TVA	HGTV	Ichannel
Craig Broadcasting	Historia	
	History Television	
	Life Network	
	Outdoor Life	
	RDI	
	Vision TV	
	W	

Source: CRTC

[1] In Cox, Kirwan and Sandra Gathercole, *The Filmmakers' P.O.V* , Documentary Research Network, 2002, one producer did state that the Priority Programming rules have made a big difference in terms of having documentaries broadcast on the private conventional networks.

The multiple station ownership groups covered by the priority programming requirements include CTV, Global and TVA. CHUM Ltd. and Craig Broadcasting, while not defined as multiple station ownership groups, also adhere to the priority programming requirements.[1]

While the CBC does not have any specific licence conditions related to documentary programming, it is required to report in its annual report to the CRTC the number of hours of long-form documentaries aired during the peak period each year. According to the CBC's report for the 2001/02 broadcasting year, it broadcast 149 hours of original Canadian long-form documentaries during the peak period.

In the SRC's most recent licence renewal, the French-language network made a commitment to broadcast annually 18 hours of independently produced original long-form documentaries. In 2001/02, SRC exceeded this commitment by broadcasting a total of 22.5 hours.

As part of the benefits package associated with the transfer of effective control of CTV to BCE Inc., CTV made additional commitments to priority programming beyond the requirements set out in the 1999 Television Policy. CTV committed to spend $18 million on new documentaries totalling 35 hours of long-form documentary programming during the 2000 to 2007 period.[2] In 2001/02, CTV spent just over $1.2 million on the production of new long-form documentaries – all of which were independently produced.[3]

CTV also made a commitment to allocate $1 million towards the *Toronto Documentary Forum: Taking Canadian Documentaries to the World*, and another $1 million towards documentary programming at the annual *Banff Television Festival*.[4]

As part of CTV and Global Television's 2001 licence renewals, the broadcasters are required, in years 3 and 4 of their licences, to schedule an average of 3 hours per week of long-form documentaries during the 7 p.m. to 11 p.m. peak period. In years 5, 6, and 7 of their licences, this average amount increases to 4 hours per week. In all cases, 50% of the scheduled programming must be original broadcasts.

Analog Specialty Services

For nine of the analog specialty television services, the CRTC has identified long-form documentary as one of the program categories from which the licensee must draw its programming. History Television, in particular, has been directed by the CRTC to exhibit documentaries and drama programs "relating to Canada's past."[5]

Digital Specialty Services

As part of the licensing of digital specialty television services in fall 2000, the CRTC granted a Category 1 (mandatory carriage) licence to the Canadian Documentary Channel. The Canadian Documentary Channel, which specializes in long-form documentaries and series, is owned by a consortium that includes Corus Entertainment, the CBC, and the NFB. The consortium also includes Barna-Alper Productions Inc., CineNova Productions Inc., Galafilm Inc., and OMNI Film Productions Ltd.

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[1] Canadian Radio-television and Telecommunications Commission, *Broadcasting Policy Monitoring Report 2002*, November 2002.

[2] Decision CRTC 2000-747

[3] Bell Canada Enterprises, *BCE-CTV Benefits Report 2002*, 2002, available at http://www.crtc.gc.ca.

[4] Ibid.

[5] Decision CRTC 96-599

Along with the Canadian Documentary Channel, the CRTC licensed several other digital channels with programming requirements that encourage licensees to acquire and broadcast documentaries. Indeed, many of the new digital channels, such as Discovery Health, ichannel, Biography Channel and Book Television feature documentary programming in their schedules.

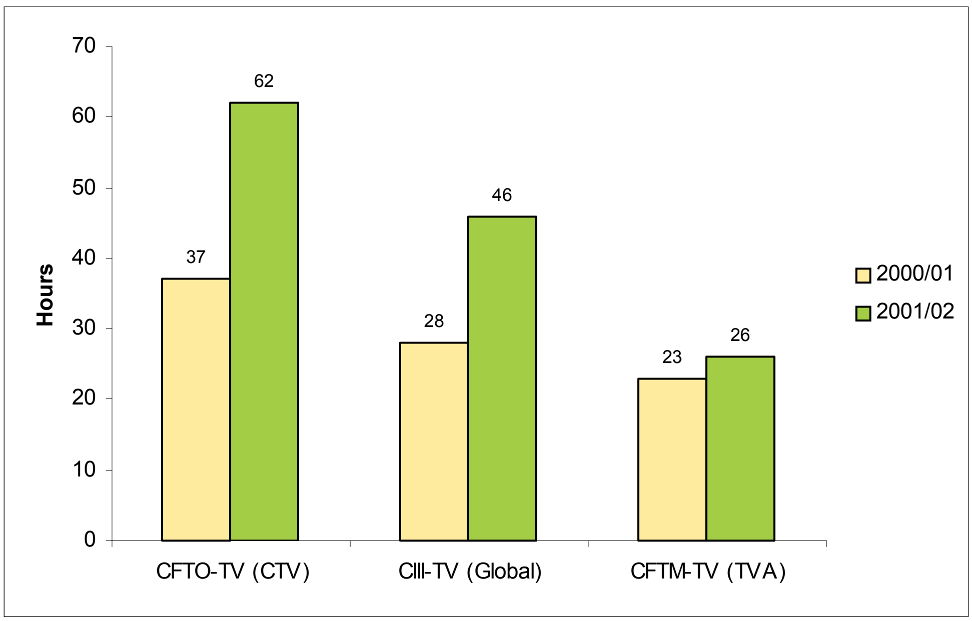
4.3 Supply of Canadian Documentaries

Despite the growing demand by viewers and the regulatory commitments made by many broadcasters, Canadian long-form documentaries comprise only a small share of peak period schedules among many of the major conventional private broadcasters.

In 2001/02, CTV's Toronto station, CFTO-TV, scheduled 62 hours of long-form documentary programming during the peak period. While this was only 4.2% of annual peak-period hours, it was 68% higher than 2000/01 and the highest share among the private conventional networks.

Of the 372 hours of Canadian priority programming scheduled by CTV (CFTO-TV) in 2001/02, 16.7% was long-form documentary.[1]

Figure 34 Annual Number of Hours of Long-Form Documentary Programming Scheduled during the Peak Viewing Period (7 p.m. to 11 p.m.)



Source: CRTC. Data for CFTO-TV, CIII-TV, CFTM-TV (TVA) form CRTC logs (Aug. 2003).

Global's Toronto station, CIII-TV, scheduled 46 hours of long-form documentaries in 2001/02. This was a 64% increase over 2000/01, but still only accounts for 3.2% of the total peak period schedule and 12.6% of the total of 366 hours of Canadian priority programming scheduled in that year.[2]

In the French-language market, the prominence of long-form documentaries was less. TVA's Montreal station, CFTM-TV, scheduled only 26 hours of long-form documentary programming in 2001/02, 1.8% of its annual peak-period schedule, or 6.5% of the total of 403 hours of Canadian priority programming that it scheduled in 2001/02.

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[1] Canadian Radio-television and Telecommunications Commission, *Broadcasting Policy Monitoring Report 2003*, 2003.

[2] Ibid.

Although long-form documentaries are defined as priority programming, they still have to compete with children's, and variety and performing arts programming, and the most important priority programming genre, drama, which benefits from the 150% bonus credit. The credit essentially gives one hour of drama programming a 50% higher value than any other priority programming genre in terms of fulfilling the annual priority programming requirements.

4.4 Box Office Performance

While Canadian documentaries have been capturing a growing share of Canadian television audiences over the last several years, despite a limited presence during the peak viewing period, Canadian documentaries still have a long way to go in the theatrical segment.

In the television segment, Canadian documentaries benefit from demand-side measures including licence commitments, and priority programming rules; in the theatrical segment there are no such measures to encourage the exhibition of Canadian feature documentaries, let alone other Canadian films.

In Section 2, we presented the audience statistics for the *Hot Docs* film festival. Its audience level has been growing strongly. Outside of *Hot Docs* and other festivals, however, Canadian documentaries still struggle at the theatre box office. Unlike major studio films which feature popular lead actors, and benefit from national advertising and promotion campaigns, independent films including feature documentaries have to rely on their intrinsic value to attract audiences.

In 2003, the leading Canadian documentaries earned very small amounts through commercial theatre channels. According to data from the Motion Picture Theatres Association of Canada (MPTAC), Albert Nerenberg's *Stupidity* was the highest grossing documentary film – but with only $29,472 in box office receipts in Canada.

Table 12 Top 10 Canadian Documentary Films in Terms of Canadian Box Office Performance, 2003

Rank	Film Title	Box Office Gross Receipts in Canada, 2003
1	Stupidity	$29,472
2	A hauteur d'homme	$13,840
3	Sexe de rue	$13,232
4	La grande traverse	$12,113
5	Roger Toupin, épicier variété	$10,340
6	Fix: The Story of an Addicted City	$9,057
7	Le Cabinet de docteur Ferron	$8,070
8	Il était une fois: Le Québec rouge	$6,752
9	Monsieur	$6,752
10	L'homme trop pressé boit son thé à la fourchette	$6,501

Note: Box office data includes only receipts earned during the 2003 calendar year. The box office data does not include any receipts earned in other years.

Source: Compiled by NGL based on data from MPTAC. Further detailed Canadian box office statistics are available from MPTAC, which offers a subscription service. For more information, call Adina Lebo, Executive Director, MPTAC, at 416-969-7057.

While the box performance of Canadian documentaries was weak in 2003, the strong run by *The Corporation* will bolster the numbers in 2004. As of March 31, 2004, it had earned nearly $900,000 in box office receipts in Canada.[1]

[1] Bracken, Laura, "The Corporation flies on Screens large and small", *Playback Magazine*, March 29, 2004.

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Appendix A – Data Tables

Table A 1 Percentage of Total Viewing to Documentaries on Canadian Stations

Program Category	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Documentaries	2.2	3.4	2.2	1.9	1.8	2.1	1.8	1.8	2.3	3.3	4.4	3.6
News & Public Affairs	47.4	50.1	49.2	52.1	48.6	48.5	47.9	46.6	47.8	49.6	50.8	48.3
Instruction	6.3	5.1	3.8	3.9	2.8	2.8	3.0	3.6	3.9	4.6	4.9	5.1
Sports	13.5	14.8	14.8	9.7	16.7	16.2	15.0	15.5	13.3	12.3	11.9	14.1
Variety & Games	12.4	10.8	13.2	13.9	12.6	13.7	11.3	13.0	11.2	9.7	7.5	9.0
Music & Dance	1.4	2.0	1.6	1.1	2.3	1.5	2.3	2.1	2.1	2.6	2.1	1.8
Comedy	3.6	2.8	2.7	3.3	1.5	1.3	1.5	2.8	2.3	3.1	4.1	3.8
Drama	12.4	10.3	12.1	13.6	12.9	12.9	16.3	13.7	16.2	14.3	13.7	13.8
Other	0.6	0.9	0.5	0.6	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Note: The viewing statistics underestimate viewing of documentaries because the data are collected by BBM during the fall when broadcasters are typically airing other types of programming.

Source: Data compiled by Statistics Canada based on data collected by BBM Fall Survey

Table A 2 Percentage of Total Viewing to Documentaries on Canadian Stations (CTF-Funded Program Categories Only)

Program Category	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Documentaries	11.0	17.6	11.4	9.5	9.5	11.3	7.9	8.6	10.0	14.0	17.7	15.6
Music & Dance	6.8	10.3	8.6	5.4	12.2	8.5	10.1	9.9	8.9	10.8	8.3	7.8
Drama & Comedy	79.5	67.6	77.1	82.4	75.7	77.5	79.8	79.0	78.9	73.1	71.9	76.7
Other	2.7	4.4	2.9	2.7	2.7	2.8	2.2	2.5	2.2	2.2	2.1	0.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Note: The viewing statistics underestimate viewing of documentaries because the data are collected by BBM during the fall when broadcasters are typically airing other types of programming.

Source: Data compiled by Statistics Canada based on data collected by BBM Fall Survey

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Appendix B – Glossary of Terms

Atlantic Canada	Refers to Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland.
Canadian Content Production	Canadian content production includes in-house station production by Canadian broadcasters, in-house production by the NFB, and independent production certified as Canadian content by CAVCO or the CRTC.
Canadian Television Fund	A public-private initiative which provides funding to Canadian producers creating distinctively Canadian television programs and feature films. It is funded by money from the Canadian federal government, cable-television companies and direct-to-home satellite television companies.
CAVCO	Canadian Audio-visual Certification Office
CAVCO-Certified Production	Refers to productions certified as "Canadian" for the purpose of utilizing the Canadian Film or Video Production Tax Credit (CPTC). It does not include foreign productions that use the Film or Video Production Services Tax Credit (PSTC), which must also get certification from CAVCO, but are not considered "Canadian" productions.
Conventional Television Broadcasters	Refers to Canadian television broadcasting licensees that are available to the public through over-the-air transmission, basic cable, and direct-to-home television services.
Direct Jobs	Refers to jobs directly involved in the production of television programs and feature films. Direct jobs refer to jobs at production companies, or jobs involved in production at television broadcasters.
Direct Public Funding	Direct public funding includes loans, equity investments, licence fees, grants and contributions from government sources, including the CBC. It excludes tax credits.
Export Value	The export value tracks the value of international participation in the Canadian production industry. The term "export value" as opposed to just "export" has been used to better reflect the nature of film and television production in Canada. First, this indicator acknowledges that film and television productions are intangible products and portions of the copyright can be exported to foreign countries. Second, this indicator accounts for the budgets of productions shot in Canada, even when the copyright is held by a foreign entity. For Canadian content production, the export value includes foreign presales and distribution advances for all CAVCO certified projects; and estimates of presales and distribution advances for non-CAVCO certified productions.
Full-time Equivalent Jobs	Refers to the number of jobs in an industry, if it is assumed that all workers worked on a full-time basis. The number of full-time equivalent jobs in an industry is typically fewer than the total number of jobs, as many jobs are on a part-time basis.
In-House Production	In-house production refers to productions conducted internally by private conventional television broadcasters, the CBC, and specialty and pay television services.
Indirect Jobs	Refers to the jobs created in other industries by the economic activity generated in the film and television production industry. It includes all jobs created outside of production companies and broadcasters. It includes jobs across all other sectors of the economy such as the services, retail and construction sectors.
Indirect Public Financing	Indirect public financing refers to non-direct forms of government financial support, including tax credits or rebates that reduce the tax owed by production companies.

Non-CAVCO Production	Non-CAVCO production is indigenous production that is certified as Canadian by the CRTC rather than CAVCO.
Non-CTF Production	Refers to Canadian production certified as Canadian content by CAVCO or the CRTC, but created without the support of the CTF. This type of production typically receives between 6 points and 9 points on the CAVCO 10-point scale for Canadian content. In some cases a non-CTF production will actually receive 10 points.
Single Program	Includes short films, feature films, made-for-television movies/movies-of-the-week, and pilots. In the documentary genre, most single program production would be in the category of short films as feature films refers to films of 90 minutes or more.
Specialty Television Services	Refers to television broadcasting licensees that are only available to the public over cable television or direct-to-home satellite services. Specialty television services typically focus on a particular programming theme such as sports, food, history, or music. While some specialty television services are included in basic cable (and direct-to-home satellite) packages, the majority are included in optional packages available to subscribers.
Treaty Co-Production	Treaty co-production is production developed jointly by production companies in treaty countries. Treaty co-productions are considered indigenous in both countries, and are fully entitled to legislative and regulatory benefits in their respective countries. The objective of treaty co-productions is to maximize the efficient use of available public incentives in each treaty nation.
Volume of Production	The volume of production refers to the total expenditures on film and TV production in Canada (i.e., the sum of all the production budgets of productions in Canada).
Western Canada and Territories	Alberta, British Columbia, Manitoba, Northwest Territories, Nunavut, Saskatchewan, Yukon.

Appendix C – Methodological Notes

1. The figures for volume of production contain a variety of sources with different reporting periods. All data sources are reported on a 12-month basis for each fiscal year above, but the reporting periods overlap. For example, in 2002/03 the bulk of data sources were for either the government fiscal year (April 2002 to March 2003). However, some data sources that report results on a fiscal year period ending in August 2002 are included in the fiscal year 2002/03.
2. Years 2000/01, 2001/02 and 2002/03 contain an estimate for CAVCO productions that are likely to be certified in the future, but had not yet been processed at the time of data collection.
3. Our experience in analysing CAVCO data has led us to conclude that estimates for the most recent year (i.e., 2002/03 in this edition) on the level of direct public financing reported by CAVCO is overstated and that the level of foreign financing reported by CAVCO is understated. We presume this is due to the nature of the certification process at CAVCO, but this has not been determined concretely. The presumption is that CAVCO applications with a high-level of foreign financing take longer to confirm and certify. If that is the case, then our data run from CAVCO for the most recent year will have a disproportionately higher level of domestic-oriented productions than foreign. As such, there would be a higher level of direct public financing in the most recent year and a lower level of foreign financing in the most recent year.
4. NGL's estimates for the jobs in the production industry are for full-time equivalent jobs. Statistics Canada's job figures are the sum of full-time and part-time jobs.
5. Detailed data for the expenditures by television broadcasters on the in-house production of documentary programming are not available. However data are available from the CRTC for expenditures by broadcasters in programming category of "Other Information". The "Other Information category includes CRTC program categories 2 through 5 (Category 2a Analysis and Interpretation, Category 2b Long-Form Documentary, Category 3 Reporting and Actualities, Category 4 Religion, Category 5a Formal Education & Pre-school, Category 5b Informal Education/Recreation & Leisure). To estimate in-house documentary production by private conventional broadcasters, NGL used data for expenditures classified under the "Other Information" category. Because this category includes programming other than documentaries, NGL assumed that 50% of production in the "Other Information" category was attributable to documentaries. The exact number is not known.
6. To estimate the amount of in-house documentary production expenditures, NGL used information that CBC produces about 40 hours per year of documentary programming. We assumed that half of these 40 hours were attributable to CBC Newsworld and half to CBC. The number of hours was then multiplied by the average hourly budgets for English-language CTF-supported documentary production. This method resulted in an equal level of in-house documentary spending at CBC and CBC Newsworld. A similar method was used to estimate in-house documentary spending by SRC and RDI. For these networks, a total annual level of 20 hours of original documentary production was used, as well as the average budget for French-language CTF-supported documentary production.
7. While we could not determine the exact number of production companies making documentaries in Canada, we compared various lists to arrive at an estimate of 300. We started with a list at the NFB's Website, which named 181 different production companies that received Telefilm funding during the last 5 years for documentary productions. While we recognized that many of the companies may have combined or ceased to exist, we assumed that these were replaced by new firms. From Playback 2001 survey, we identified an additional 32 companies that produced documentaries. From the CTF's LFP funding results, we identified an additional 64 companies, and from the EIP 2001 funding results, we identified another 20 companies. For the CTF data, we did not count production companies that appeared to be exclusive to a particular production or series. The total of these three sources was 297. Based on our review of these sources, we arrived at the estimate of 300.

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Appendix D - List of Canadian Documentaries Mentioned in the Report

Title	Year	Production Companies/ Producers
À Hauteur d'Homme	2003	Jean-Claude Labrecque
A Place Called Chiapas	1998	NFB, Betty Carson, Kirk Tougas, Nettie Wild, Canada Wild Productions
A Scattering of Seeds	Series	White Pine Pictures
Bollywood Bound	2001	NFB, Karen King-Chigbo
Canada: A People's History	2000	CBC, Mark Starowicz
Claude Jutra: Portrait sur Film	2002	Paule Baillargeon
Churchill's Island	1941	NFB, Stuart Legg
Dying at Grace	2003	Allan King
Fire on Ice	2001	George Veras, David Winner, Robert Dustin
Flamenco at 5:15	1983	NFB, Cynthia Scott, Kathleen Shannon, Adam Symansky
Frontiers of Construction	Series	Barna-Alper Productions/ Fiddlehead
Flyerman	2003	Jeff Stephenson, Jason Tan
Gambling, Gods & LSD	2002	Peter Mettler
Game Over: Kasparov and the Machine	2003	NFB, Alliance Atlantis
Gene Hunters	Series	Cineflix
Go Further	2003	Ron Mann, Boneyard Entertianment, Cameraplanet Productions, Chum Television, Sphinx Productions
Hit Man Hart - Wrestling with the Shadows	1996	Sally Blake, Paul Jay, High Road Productions
I'll Find a Way	1977	NFB, Kathleen Shannon, Yuki Yoshida
If You Love this Planet	1982	NFB, Kathleen Shannon, Edward Le Lorain
Il Était une Fois: Le Quebec Rouge	2003	Marcel Simard, Monique Simard
In the Shadow of the Pole	1928	Richard Finnie
Just Another Missing Kid	1982	CBC, John Zaritsky
La Grande Traversee	2003	Jean Lemire
Le Cabinet de Docteur Ferron	2003	Jean-Daniel Lafond
Lest We Forget	1935	Frank Badgley
Men of the Deeps	2003	NFB, Kent Martin, John Walker, Terry Grennlaw
Nanook of the North	1922	Robert J. Flaherty
Neighbours	1951	NFB, Norman McLaren
Neverendum-Referendum	1997	NFB, High Road Productions
Pour la suite du monde	1963	NFB, Fernand Dansereau, Jacques Bobet
Prisoner of Paradise	2002	Malcolm Clarke, Karl-Eberhard Schäfer, Alliance Atlantis, BBC, Cafe Productions Ltd., History Television, Média Vérité, PBS, U5 Filmproduktion GmbH
Rage Against the Darkness	2003	John Kastner
Roger Toupin, Epicier Variete	2003	Benoit Pilon, Cinéma Libre

Title	Year	Production Companies/ Producers
Royal Journey	1951	Tom Daly, NFB
Sexe de Rue	2003	Richard Boutet
Squat!	2002	Ève Lamont
Stupidity	2003	Shannon Brown, Albert Nerenberg, Documentary Channel, Trailervision Inc., Téléfilm Canada
Survivre	Series	Andre Barro, Productions Pixcom Inc., Marathon Production
The Corporation	2003	Mark Achbar, Bart Simpson, Big Pictures Media Corporation
The Last Round: Chuvalo vs. Ali	2003	NFB, Louise Lore, Sylvia Sweeney, Silva Basmajian
The Man Who Skied Everest	1975	F. Crawley, James Hager, Dale Hartleben, Creative Films, Ishihara International
The Moon and the Violin	2003	Carole Laganière
The Road from Vietnam	1996	Lazlo Barna, Alan Mendelsohn, Barna-Alper Productions
The Sexual Century	Series	Lazlo Barna, Sally Doganis, Barna-Alper Productions, Ring Finger Production/Carlton Television
Turning Points in History	Series	Barna-Alper Productions
Viking Saga	1999	Arnie Gelbart, Ian Whitbead, Galafilm Inc.
Volcano: An Inquiry into the Life and Death of Malcolm Lowry.	1976	NFB, Donald Brittain, James de B. Domville, Robert Duncan
War Babies	2002	Raymonde Provencher

Appendix E - Chronology of Canadian Documentary

Prepared by Kirwan Cox

1896	First film screening in Canada. Félix Mesguich brings Lumière Bros. Cinématographe to Montreal in June, and later goes on to shoot Niagara Falls.
1897	James S. Freer- Manitoba farmer shoots local scenes with Edison camera and becomes first Canadian filmmaker. He later tours Britain with his films promoting western immigration for the CPR.
1902	*Living Canada* series sponsored by CPR to promote immigration, and shot by British filmmakers Joe Rosenthal, Guy Bradford, and Cliff Denham.
1906	Theatre owner Léo-Ernest Ouimet begins shooting his own newsreels in Montreal.
1913-16	George H. Wilkins films Vilhjalmur Stefansson's Canadian arctic expedition.
1914	F.C.Clarke starts *All-Red Weekly* newsreel in Windsor, Ontario.
1916	*Self-Defence*, a feature documentary drama, is produced by newsreel cameramen Len and Charles Roos from Galt, Ontario.
1917-34	Ontario Government Motion Picture Bureau established, buys studio in Trenton, Ontario, and produces educational and agricultural films.
1918-41	Canadian Government creates film production unit in Ottawa. Exhibits and Publicity Bureau started in 1918 under B.E.Norrish, and becomes the Canadian Government Motion Picture Bureau in 1923 which is absorbed by the NFB in 1941. Today, the NFB is the oldest continuously operating public film producer in the world.
1919	*Seeing Canada*- successful theatrical series released by federal Bureau.
1919-25	British Columbia Educational and Patriotic Film Service releases educational and training films.
1919-22	L-E. Ouimet starts twice-weekly *British Canadian Pathé News* combining Canadian and British newsreel items. Though popular, it could not compete with American newsreels.
1920	Blaine Irish produces theatrical series *Nature Classics*, followed in 1922 by *Camera Classics.*
1920-58	Associated Screen News- largest Canadian production company builds laboratory and studio in Montreal. Owned by CPR and run by B.E.Norrish.
1922	Robert Flaherty's *Nanook of the North* combines dramatic storyline with real footage shot in Canada's arctic, and is acclaimed world's first documentary.
1923	Canadian-owned Allen Theatres loses battle with Famous Players, and vertically integrated Hollywood studio system takes control of the Canadian market.
1925	Mgr. Albert Tessier shoots *Dans le bois*, the first of over 70 films he makes on rural life. He continues until 1956.
1928	Jean Arsin and Herbert Berliner produce first Canadian sound film on Quebec folk singers.
1928	*In The Shadow of the Pole*- Richard S. Finnie directs first Canadian feature documentary for CGMPB on 1928 Arctic expedition.
1930-50s	Ontario Government establishes "talking newsreel" quota of 40% British Empire content including 25% Canadian content. Quota is in force until demise of theatrical newsreels.

1932-54 *Canadian Cameos*- successful theatrical shorts produced by Gordon Sparling for ASN with original music composed by Howard Fogg.

1935 *Lest We Forget*- CGMPB's most ambitious project is on Canada's role in World War I. Frank Badgley, director.

1937 Abbé Maurice Proulx releases feature-length documentary *En pays neufs* about colonization in the Abitibi region. He continues producing films until 1961.

1939 *Royal Banners Over Ottawa*- First Canadian documentary in colour. Directed by Gordon Sparling for ASN.

1939 National Film Board established in Ottawa under John Grierson, Scottish "father of documentary".

1941 Quebec Government establishes Service de Ciné-photographie which becomes Office du film du Québec in 1961.

1941 *Churchill's Island*, directed by Stuart Legg for NFB's *World in Action* theatrical series, wins first Oscar in new documentary category at Academy Awards.

1948 NFB organizes production into four units. Unit B, under Tom Daly, is responsible for sponsored, scientific, cultural and animated films. It will become known as the source of the NFB's best and most innovative films until the unit system is replaced in 1964 by the director-driven "pool" system.

1949 Budge and Judy Crawley's *The Loon's Necklace* wins Film of the Year at first Canadian Film Awards.

1950 *School For Charm* is directed by Bernard Devlin and hosted by Fred Davis. The NFB's first made-for-TV documentary is a prototype for the *On The Spot* series to be broadcast when CBC-TV goes on the air.

1951 *Royal Journey*, NFB's colour feature about the official visit of Princess Elizabeth, is a box office hit seen by two million people in 3 months. It wins the British Film Academy's Best Documentary Award and convinces the Canadian Government to build a new headquarters for NFB.

1952 CBC Chair Davidson Dunton launches Canadian television in Toronto and Montreal despite an American program boycott that lasts three months. CBC wins the battle for control of television in Canada.

1952 *Neighbours*, innovative anti-war pixillation film by NFB's Norman McLaren, wins Oscar for Best Documentary Short.

1953 CBC establishes Film Unit in Vancouver which becomes training ground for Allan King, Ron Kelly, Daryl Duke, Gene Lawrence, Arla Saare, and many others.

1956 50% of Canadians own a TV set.

1956 NFB moves headquarters to Montreal.

1957 Canada Council established.

1957 *Putting It Straight*, documentary by Bill Greaves for the NFB's Unit B, is the first Canadian film directed by a black filmmaker.

1957 *City of Gold*, directed by Wolf Koenig and Colin Low for NFB's Unit B, successfully "animates" photographs and creates new genre of photo-based documentary. Wins Cannes Film Festival award for best documentary.

1958 *Days Before Christmas* is first film in Unit B's *Candid Eye* TV series. Wolf Koenig and Terry Macartney-Filgate experiment with mobile synch sound shooting. This series, and other films such as Michel Brault/Gilles Groulx's *Les Raquetteurs*, begin the cinéma vérité movement.

1960 Board of Broadcast Governors, established in 1958 to regulate broadcasting, licenses private commercial television networks in competition with the CBC.

1962 NFB sets up autonomous French Production unit under Fernand Dansereau. In 1964, production will be further re-organized along linguistic lines with greater autonomy for directors.

1963 *Pour la suite du monde*, cinéma vérité classic directed by Michel Brault and Pierre Perrault, is NFB's first feature documentary.

1963 *Lonely Boy*, directed by Roman Kroitor and Wolf Koenig for Unit B, cinéma vérité winner of Film of the Year at Canadian Film Awards.

1964-66 *This Hour Has Seven Days*, groundbreaking CBC public affairs series created by Douglas Leiterman and Patrick Watson, uses cinéma vérité segments. Under political pressure, CBC management cancels the program despite immense popularity.

1966 *Mills of the Gods: Vietnam*, directed by Beryl Fox for CBC, wins CFA's Film of the Year award.

1966 NFB's *The Things I Cannot Change*, directed by Tanya Ballantyne, is a controversial film about a poor Montreal family. It sparks the groundbreaking *Challenge for Change* program of social action filmmaking developed by John Kemeny, Colin Low, and George Stoney.

1967 CBC-TV begins colour broadcasting.

1967 Expo 67 in Montreal provides a focus for innovative film techniques displayed in 55 pavilions. One example is the multi-screen film *A Place To Stand* which Chris Chapman made for the Ontario Pavilion.

1967 *Labyrinth*, NFB's multi-screen Expo 67 pavillion created by Hugh O'Connor, Roman Kroitor, and Colin Low,leads to the invention of large screen IMAX technology.

1967 *Warrendale* is produced by Allan King for CBC which decides not to broadcast it because of language used by children in the film. Despite this controversy, it wins the CFA Film of the Year award.

1968 New broadcasting act establishes CRTC. Former NFB Director of French Production Pierre Juneau is appointed chair of the new federal broadcast regulator.

1969 CBC broadcasts controversial *Air of Death* about air pollution. Directed by Larry Gosnell, this film kick starts the Canadian environmental movement.

1969 Quebec Government establishes Office de Radio-télévision du Québec. The provincial broadcaster is now called Télé-Québec.

1970 Ontario Government establishes its provincial broadcaster, Ontario Educational Communications Authority, now called TVOntario.

1970 CRTC announces new Canadian content rules over strong broadcaster opposition. Quota requires 60% Canadian content over the broadcast day, and 50% in prime time. This quota strengthens market for Canadian television programs and music.

1970 *Tiger Child*, directed by Don Brittain, is shown at Expo 70 in Osaka and premieres IMAX large screen technology developed by Roman Kroitor, Graeme Ferguson, and Robert Kerr.

1971 Cooperative production starts. ACPAV is organized by Marc Daigle in Montreal, and the Toronto Filmmakers' Cooperative is organized by Sandra Gathercole and Patrick Lee in Toronto.

1971 Challenge for Change/Société nouvelles experiments with video technology.Vidéographe is launched in Montreal by Robert Forget.

1972 NFB starts regionalization program with Vancouver studio under Peter Jones. Gradually, balance of English production will shift from headquarters in Montreal to regional studios, and from staff production to free-lance production with significant impact on the Board's output.

1973 *Dreamland: A History of Early Canadian Movies, 1895-1939*, directed by Don Brittain and produced by Kirwan Cox, starts trend to NFB-private sector co-productions.

1974 NFB's Studio D is set up under Kathleen Shannon to produce films by and for women. Becomes known for innovative distribution, and controversial films such as *Not A Love Story: A Film About Pornography* by Bonnie Sherr Klein and Dorothy Todd Henaut.

1975 Canadian Government disallows tax deductions for advertising in foreign media. Bill C-58 strengthens the financial base of Canadian broadcasters.

1976 National Film Archives is established.

1976 100% capital cost allowance tax regime is extended from theatrical films to short films and videos.

1975 *The Man Who Skied Down Everest*, produced by Budge Crawley, wins Oscar for Best Feature Documentary.

1977 NFB's *I'll Find A Way*, directed by Beverley Shaffer, wins an Oscar for Best Short Film, Live Action.

1980 Commercial producers create Genie Awards to focus on theatrical feature films and replace Canadian Film Awards.

1982 NFB's *If You Love This Planet*, directed by Terre Nash, wins Oscar for Best Documentary Short. Essentially an anti-nuclear war lecture by Dr. Helen Caldicott, the CBC refuses to broadcast it until it wins the Oscar.

1982 CBC's *Just Another Missing Kid*, directed by John Zaritsky, wins Oscar for Best Feature Documentary.

1983 Canadian Independent Film Caucus is established by documentary filmmakers in Toronto.

1983 Canadian Broadcast Program Development Fund is set up by the Canadian Film Development Corporation with $35 million from the federal government to support independent television production.

1983 NFB's *Flamenco at 5:15*, directed by Cynthia Scott, wins Oscar for Best Documentary Short.

1984 CRTC license first specialty channels- Muchmusic, TSN, and Chinavision. Eventually, with the launch of channels such as the Discovery Channel in 1994 and the History Channel in 1996, specialty channels will become the main market for television documentaries.

1986 Ontario Film Development Corporation established.

1986 *Artie Shaw: Time Is All You've Got*, directed by Brigitte Berman, wins Oscar for Best Feature Documentary.

1991 New broadcasting act recognizes “independent production” sector.

1991 CIFC starts *POV* magazine.

1993 CIFC launches *Hot Docs* in Toronto which becomes the largest international documentary festical in North America.

1994 Canadian Film and Video Tax Credit replaces Capital Cost Allowance to provide tax assistance to certified Canadian productions.

1995 CIFC becomes a national organization.

1996 Heritage Minister Sheila Copps announces the creation of the Canadian Television and Cable Production Fund which combines the Cable Production Fund and Telefilm Canada’s Broadcast Fund.

1998 The CTCPF is re-named the Canadian Television Fund and spends about 18% of its budget on documentaries.

1999 CRTC includes long-form documentary in the definition of priority programming for station groups.

2000 CBC’s *Canada: A People’s History*, produced by Mark Starowicz, attracts audiences of 2.3 million.

2000 CRTC licenses first digital television channels.

2001 A consortium of the CBC, Corus Entertainment, and the NFB launch The Documentary Channel, a digital specialty channel dedicated to documentaries.

2003 CIFC changes its name to Documentary Organization of Canada.