



**The Writers' Guild of Canada's Written Submission  
As part of the Canada Media Fund Industry Consultation on the 2012-13 CMF Guidelines  
November 2011**

The Writers' Guild of Canada ("WGC") is the national association representing more than 2000 screenwriters working in English-language film, television, radio and digital media production in Canada. WGC members are the creators of Canadian stories including indigenous dramatic series such as *Rookie Blue*, *Being Erica* and the dark comedy *Call Me Fitz* as well as internationally successful children's programming such as *Bo on the Go!*.

The WGC welcomes the opportunity to contribute our ideas and proposals regarding policy issues that may affect the Canada Media Fund ("CMF") 2012-2013 Guidelines. We are participants in the CMF Working Groups and find the ongoing consultation process to be constructive. The ability of CMF staff and industry partners to collaborate to recognize problems and propose solutions can only strengthen the fund and the production community.

A number of issues have emerged from this year's process as well as specific stakeholder proposals that deserve serious consideration. We are particularly concerned about those regarding the English Development Envelope Program because of the importance of development to Canadian screenwriters and to the success of Canadian production. One of the proposals outlined in the Working Group on policy and operational simplification involves eliminating 'discretionary' programs. This includes the Development program as it is not required by the Contribution Agreement with the Department of Heritage.<sup>1</sup> We understand that the requirement to fund development may be in the Treasury Board terms and conditions however, the WGC is not privy to either document and cannot confirm the language.

The WGC strongly disagrees with the proposal to eliminate the Development Program. Though not a required program, the Development Program plays an essential role in increasing a production's chances of success and therefore supports the CMF's mandate to reward success and fund productions that audiences want to see. High quality, popular production is dependent on sufficient development. A great script lays the foundation for a great show and a

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<sup>1</sup> *Canada Media Fund Working Group on Simplification*. Sept. 7, 2011, pp. 4-5.

project that is sufficiently funded at development enables screenwriters to address story issues and fix problems before principal photography begins. Once production starts, creative changes can be enormously costly. While we understand that the existence of many programs adds to the CMF's administrative complexity, we urge the CMF to maintain a distinct envelope for development.

To illustrate the importance of development, the WGC reviewed its contract database for drama series (including children's series) over the past few years. We were able to determine that there is a wide variety of development that occurs in order to get a series into production. At times development takes place sporadically over a number of years and with other projects the development is brief but intense. Even between seasons the level of development can be anywhere from minimal (e.g. one or two scripts) to extensive (e.g. different showrunners engaged to revise the creative direction, draft rewrites, new bibles). The WGC considers that all screenwriting, whether it is bibles, outlines, scripts or other stages, is development up until just before production. Even if the story room has been hired and is working together, they are still developing the story of the season, developing new and existing characters and experimenting with plots. A few examples may illustrate our point.

The series "Todd and the Book of Pure Evil" started development with a pilot script October 2005. It went through several rewrites and polishes and then a bible and more scripts were commissioned all through 2006 to 2008. Story editors were engaged in 2009 and 2010 and finally principal photography started March 1, 2010. In that case all the scripts used for production were written during the four years of development. In the case of "Rookie Blue", development started in early 2007 with a bible and pilot script. Different story editors were engaged throughout 2007, 2008 and 2009 to revise the creative direction of the project before scripts were written in April and May 2009, not long before principal photography started June 15, 2009. More scripts were written during production in August and September 2009. There was more extensive development through engaging story editors spring 2010 before starting on second season scripts May and June, 2010. Story editors engaged in further development in July and August 2010 before principal photography commenced September 1, 2010. More scripts were written during production October, November and December 2010. The WGC has many more such case studies which we could present to the CMF to illustrate the diverse development cycles that exist in television production.

It should also be noted that not all projects that go into development get produced. In 2007 our database shows that there were 105 projects that had contracts but have not yet been produced. By this point in time it is very unlikely that they will be produced. Failed development is an important part of the process to ensure that only the best work gets produced. Hollywood has a much higher ratio of development to production than we do because they have learned that the winnowing process is essential to improving the odds of success.

Turning to the performance of the Development Envelope, the CMF's recently released 2010-2011 annual report reveals a 20% gap between the funds available and the commitments from broadcasters.<sup>2</sup> According to this data, there is nearly \$2 million currently sitting in the envelope that could have been used for this crucial stage of development. This continues an alarming five-year trend that the CMF itself has raised as an issue in the Working Group meetings. This gap is significant because of the amount of unpaid development that screenwriters have provided during this same period. Producers require them to rework their material and write several drafts of bibles or scripts in order to attract a broadcaster. After a broadcaster commits to development there are frequently even more unpaid drafts as development funds are limited. As these drafts are unpaid it is not possible to provide statistics on how much unpaid work is being done however we understand from screenwriters that this is a frequent occurrence. As well, whenever a script goes through the credit arbitration process the WGC sees first hand the number of unpaid drafts submitted by screenwriters.

Screenwriters agree to unpaid work so as to ensure that the series will be greenlit, which then results in paid work. However, screenwriters are individuals who should be paid for their work so that they can pay their bills. Yet, they are the only member of the talent pool who is asked to work for free. Performers, directors, crew – none of them are asked to work for free. Unlike producers who can balance development with revenue-generating production, when screenwriters are working unpaid then they are not in a position to accept paid work. Screenwriters are the participant in the development process with the least financial resources yet they are being asked to take the greatest financial risk. This is clearly inappropriate when funding is going unspent.

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<sup>2</sup> Canada Media Fund. *CMF Annual Report*. Oct. 5, 2011. <http://ar-ra1011.cmf-fmc.ca/index.php/funding/convergent/development/>

The Development Envelopes involve screenwriters, producers, broadcasters and CMF. It is a complicated issue, even more complicated than we realized until recently. The WGC proposes that development needs to be reviewed in detail by a working sub-group of CMF staff, broadcasters, producers (and their representatives) and screenwriters (and their representatives) before any major changes are made in or to the Program. When producers attended the Regional Production Working Group, their first-hand experience was extremely useful to the discussion. Development needs the same review with those who are directly involved in development together with their representatives to be able to identify all of the barriers to properly funded development. Only after that review could proposals for restructuring the Development Envelopes be provided to the Board.

In the meantime there are two tweaks to the Development Envelope Guidelines that could be made for the coming year and which have the potential to positively impact proper use of the development funds. Currently there is a requirement that all projects applying for development funding include both a TV and digital media component. While the Development program excludes streaming as an eligibility requirement, the Performance program allows it. For producers and broadcasters who only intend to stream their productions, they have to develop digital media projects—which they will likely abandon before production—simply to access CMF development funding. This is a waste of resources that could be better employed on a project's TV side. The WGC understands that the Department of Heritage expects all television production to have digital extensions but there has to be some middle ground between that expectation, and the producers' and broadcasters' prerogative to determine whether digital media is appropriate for every show for which they seek CMF funding.

Towards this end, we support the proposal that only 50% of the Development Envelope should be allocated to convergent projects and the remainder directed to projects with a TV element only<sup>3</sup>. This would still allow a considerable amount of 'rich and substantial' interactive development to occur but would also help to ensure that valuable development funds are applied towards TV development costs where they are most needed.

The Regional Working Group was advised on September 19, 2011 that no broadcaster had allocated funds from their Development Envelopes for reimbursement of producers' pre-

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<sup>3</sup>*Canada Media Fund Working Group on Simplification*. Sept. 7, 2011, Proposal 16

development expenses at that time. This is a program new to 2010-2011 and allows producers to recoup 50% of development expenses incurred in order to secure a broadcaster's involvement in development. Pre-development is essential because broadcasters need to see written material before they can make a decision to go forward with a project and only the screenwriter can write that material. Unfortunately these expenses have to be approved by the broadcaster and are then included in the overall development budget, thereby increasing the broadcaster's share of the development financing. It appears that broadcasters' reluctance to increase their financial participation in development is standing in the way of the success of the program. As pre-development expenses include engaging screenwriters to write pitch documents, story ideas, outlines and even scripts, the lack of financing often means that these stages are unpaid or low paid and the screenwriter is asked to help finance this stage through their own unpaid work. As mentioned above, it is inappropriate to ask screenwriters to help finance development when there are funds at CMF available for this purpose.

The WGC recommends that pre-development be removed as a phase of development that must be financed by the broadcaster. It should continue to be triggered by broadcaster, but through only a letter of interest, and once triggered, 100% of this distinct phase would be reimbursed to producers. As there are no other possible avenues for financing pre-development, the CMF would be truly rewarding success by fully reimbursing allowed pre-development expenses. If producers knew that they had a chance at being reimbursed they would then be much more likely to pay screenwriters appropriately for their work.

If these changes are approved, we strongly recommend that no others are introduced before they are implemented. This will allow the CMF and the industry to gauge the effect that the new approach is having on under-subscription and to allow the development working sub-group time for its in-depth review.

Regarding other issues relating to the Development Envelope, we also urge the CMF to continue to focus exclusively on Canadian talent. We refer specifically to the proposal from the Simplification Working Group brief to eliminate the requirement that the active contribution of a Canadian screenwriter is required for projects intended to be Canadian official treaty coproductions<sup>4</sup>. Special allowances should not be made for coproductions at the development

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<sup>4</sup> See simplification option #14 in *CMF Working Group*. Sept. 7, 2011, p. 7.

stage because they are not yet certified official treaty coproductions at this point and may never be. Even after a production has wrapped, coproduction deals can and do fall apart. By allowing CMF development to fund a non-Canadian screenwriter, we are simply giving the Canadian money that funds the CMF away to non-Canadians. The CMF must support a Canadian talent pool in order to increase the likelihood of audience success for productions funded by the CMF.

The simplification brief also proposes to change or eliminate some or all of the four Essential Requirements (ERs). This is a proposal which we also do not support. The purpose of these requirements is to ensure that Canadian tax dollars and subscriber revenues support Canadian talent, stories and industry. ER 1 requires that a TV show 'speak to Canadians and is primarily intended for a Canadian audience', and ER 4 requires a TV show be 'shot and set primarily in Canada'. The brief explains that both have come under criticism for being 'overly vague and/or unnecessary', that these requirements could be considered too complex and that enforcing them could prove to be administratively burdensome.<sup>5</sup> At the same time, the brief is careful to reassure that any measures taken would have to be balanced with the CMF's role in supporting Canadian content. We do not see how the weakening of the Essential Requirements in this regard would not compromise the CMF's mandate. The CMF exists to support Canadian talent, stories and industry. Amending CMF eligibility in this way weakens the CMF's ability to strengthen the Canadian talent pool and serve the Canadian public and makes it more likely that effectively service productions intended for an international market are funded by Canadian taxpayers.

To conclude, development is a crucial element of a successful production and the Development Envelope Program plays a significant role. We ask that the CMF consider proposals for both improving the effectiveness of the Program and further investigating how it can be improved. We urge the CMF to carefully consider the potential negative impact that eliminating any of the Essential Requirements would have on Canadian programming funded by the CMF. The guideline review process initiated by the Board should not be used to make substantive changes to the structure of the CMF under the guise of Simplification.

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<sup>5</sup> *Canada Media Fund Working Group*. Sept. 7, 2011, p. 5.