



November 3, 2015

Valerie Creighton  
President and CEO  
and  
Stéphane Cardin  
Vice President, Industry and Public Affairs  
Canada Media Fund  
4-50 Wellington Street East  
Toronto, Ontario  
M5E 1C8

Dear Ms. Creighton and Mr. Cardin,

**Re: CMF Development Program**

As part of the consultation process which you are currently engaged in, the Writers Guild of Canada (WGC) would like to raise the matter of the CMF's support for development in the Convergent Stream. We have two proposals to make at this time. We would be pleased to discuss them at the upcoming Working Group of November 10, 2015, entitled "Other issues pertaining to Content Financing". Please also feel free to post this letter on the CMF website as you see fit.

**Changes in the Industry**

As we've noted previously, television development has changed over the past 5-10 years, largely due to a shift in emphasis from post-pitch to pre-pitch activity. In the past, pitching to broadcasters was typically done with minimal materials. Writers and/or producers presented a largely oral pitch to a broadcaster, with perhaps a page or two of written material. If a broadcaster liked the idea, a development deal was struck and the bulk of the development work began, financed under the development contract. Over the years, however, as the changing media landscape has increased risk—or at least the perception of risk—the development process has become increasingly more "front loaded". Broadcasters are seeking more and more materials as part of a pitch. One or two pages have turned into fully developed concepts, bibles, completed scripts, and "sizzle reels" of produced material. All of this is increasingly treated as on-spec pitch material, unpaid for in advance and often, even when it successfully results in a development or production deal, uncompensated for retroactively. In turn, screenwriters are



increasingly being asked to work for free, and in 2013 we provided you with a survey of our members demonstrating this trend. This effectively turns screenwriters into development financiers or co-financiers, but without much if any of the rewards that generally come with financial risk. It's not a trend that is good for screenwriters, nor is it good for an industry that depends upon a deep and healthy pool of writing talent. It's simply not sustainable.

### Towards Solutions

With this in mind, we would like to reintroduce two proposals that the WGC submitted to the CMF in 2013. They are as follows.

*Proposal 1: Create a new Pre-Development sub-program based on the CMF's current English Regional Pre-Development sub-program*

The shift towards greater on-spec development has put additional pressure on writers that are in some ways analogous to those of regional producers. While regional producers have often referred to the "\$5,000 cup of coffee" needed to obtain a broadcast deal, many producers and writers are now faced with the "\$5,000 pitch meeting", regardless of their geographical location. As demonstrated in the survey which we provided in 2013, these costs are often being borne by writers in the form of uncompensated work. Given these challenges, the WGC proposes that the CMF create a new pre-development sub-program modeled on the current pre-development sub-program for English regional projects with the following features (those marked with a "\*" are currently requirements for the English regional pre-development sub-program):

- \$1 million allocation, which is in addition to the \$8.75 million currently allocated to English-language development;
- First-come-first-served funding mechanism\*;
- No geographical restrictions—projects may come from anywhere in Canada;
- Eligible Projects are intended to be produced in English as the original language of production\*;
- Eligible Costs must relate to writing a preliminary synopsis and/or treatment\* and/or concept or other screenwriting costs;
- There must be a written contract for screenwriting services between a screenwriter and the applicant producer;
- Returning series, Affiliated and In-house Programming are not eligible in predevelopment\*;
- Eligible Applicants may apply with a maximum of three Eligible Projects per fiscal year\*;



- Any individual broadcaster or broadcaster corporate group is limited in the number of projects it can trigger, to a maximum of 25 projects\*;
- The CMF may contribute financially to an Eligible Project at the level requested by the Applicant up to a Maximum Contribution of 75% of the Eligible Costs or \$15,000, whichever is less\*;
- All applications for pre-development financing must include a letter of interest from a Canadian broadcaster.<sup>1</sup> There is no requirement for a broadcaster to commit a Development Fee\*; and
- The standard requirements for project and applicant eligibility. Eligible applicants would still be Canadian producers as per current requirements.

Our request for a \$1 million allocation is in line with the \$1.25 million currently allocated to English Regional Pre-Development, and would represent a restoration of the \$1 million that was cut from the program in 2012-2013. Now that regular CMF development funding is no longer underspent, we think it would be appropriate to revisit that 2012 decision in light of the current situation. There is demand for more quality development in our industry, and we believe this “pre-development” program will be money well spent.

Of our two proposals, this one would be the higher priority for us.

*Proposal 2: Review the Eligible Costs in the CMF’s Development Program and sub-programs*

We ask the CMF to undertake an analysis of development and pre-development budgets to understand how development money is being spent. We would like to see how much the various line items typically represent in the average development budget, preferably broken down by language market, genre, and budget size. Our underlying concern is the proportion of the CMF funding going to writing versus non-writing costs in the Development Program. As you know, development budgets are required to include 20% of direct costs for each of producer fees and corporate overhead, so that at least 40% of budgets are spent on costs other than writing. In addition, a number of other “administrative” costs are also eligible. We recognize that many of these costs are legitimate expenses in the development and/or pre-development process. However, we would like to

---

<sup>1</sup> The WGC would be happy to eliminate the requirement for a broadcaster letter of interest from our proposed pre-development program because, as we’ve said, much of this development work is happening prior to significant broadcaster involvement. However, we understand that the CMF may see this feature as an effective “pre-screening” measure, so we do not object to continuing it in our proposed program.

understand what the current situation is, with the long-term goal of ensuring that there's an appropriate balance between funding for "production/administration" and actual writing—the heart of what development is—in the Program.

### Emphasis on Development

We believe that development has for too long been the poor cousin of production in Canada, and that our industry has suffered for that. Now is the time to begin changing things. Development must become a top industry priority, and screenwriters cannot be the ones financing it. The WGC believes that the two proposals above would be productive steps in the right direction, and would be happy to discuss them with you further. But regardless of the immediate outcomes, the WGC strongly believes that we must improve the creative foundations of our sector by strengthening development, and are happy to be a part of any discussions for doing so in the short, medium and long term.

Thank you again for your attention to these matters.

Best regards,



Maureen Parker

Cc: Nathalie Clermont  
Neal McDougall