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**JOINT DGC & ACTRA RESPONSE  
INFORMATION REQUEST FROM  
SENATE COMMITTEE ON TRANSPORT AND  
COMMUNICATIONS**

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**13 October 2022**



**ACTRA**

Dear Chair, Dear Senators,

**Re: Sept. 14 Meeting - Follow up Question and Information Request**

Thank you for providing us with the opportunity to share more information with you following our appearances before the Standing Committee on Transport and Communications on 14 September 2022. This is a joint response from the Directors Guild of Canada (DGC) and the Alliance of Canadian Cinema, Television and Radio Artists (ACTRA) to the request for information about Canadian production statistics.

During its presentation before the Committee, the DGC reported a 10 per cent decline in the commissioning of Canadian programming in the last 10 years. In contrast, some Senators commented that production in Canada's audiovisual industry is very healthy.

This stark difference in perspective can be accounted for by the fact that DGC was referring to *Canadian programming* while Senators were most likely thinking of *all production in Canada* as a whole, including foreign service production.

Canada's film and television industry has more than doubled in size over the last decade, with the rise in streaming being a key driver of investment. In 2020/21, total film and television production volume across Canada reached more than \$9 billion, stimulating \$11.27 billion in GDP and creating more than 216,000 jobs. According to the Motion Picture Association – Canada (MPA-Canada), global studio partners generated 90 per cent of total growth<sup>1</sup> in the industry.

Even though the industry continues to grow, numerous data sources confirm that **Canadian content production has registered a steady decline well beyond 10 per cent for the English-language market in the last 10 years.**

Moreover, the decline in English-language Canadian programming is even more pronounced than French-language Canadian programming because French-language broadcasters have generally been less affected by online competition and there is greater viewing of Canadian programming in the French-language market.

In particular, the longer-term driver of reduced spending on Canadian programming and Programs of National Interest (PNI) is the decline in broadcaster revenues, which directly affects spending on programming. According to the CRTC, for example, the number of Broadcast Distribution Undertakings (BDU) subscribers has dropped to 9.9 million as of 2019<sup>2</sup>. BDU revenues have

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<sup>1</sup> Motion Picture Association – Canada: <https://www.mpa-canada.org/what-we-do/driving-economic-growth/>

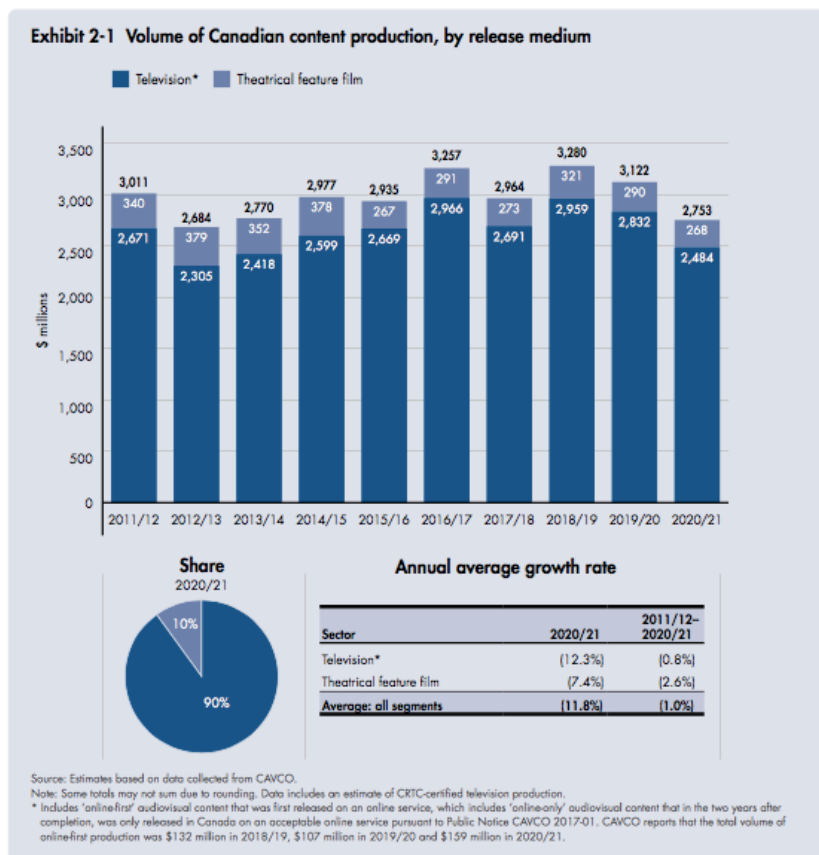
<sup>2</sup> DM@X study, The Digital Media Universe: Measuring the Revenues, the Audiences, and the Future Prospects (2022), p. 13, <https://www.digitalmediaatthecrossroads.com/pdfs/nordicitypresentation2022.pdf?v1883237672>

gradually declined to \$8.09 billion in 2020, with commensurate reductions in BDU contributions to PNI.

To illustrate the decline in the commissioning of Canadian programming, we have relied upon two main data sources:

- Profile 2021<sup>3</sup>, the Canadian Media Producers Association (CMPA) annual economic report; and
- Communications Market Reports<sup>4</sup> prepared by the CRTC (data was extracted and used to calculate the decline of Canadian production in dollars and as a percentage).

### Profile 2021: Canadian Content Production Statistics



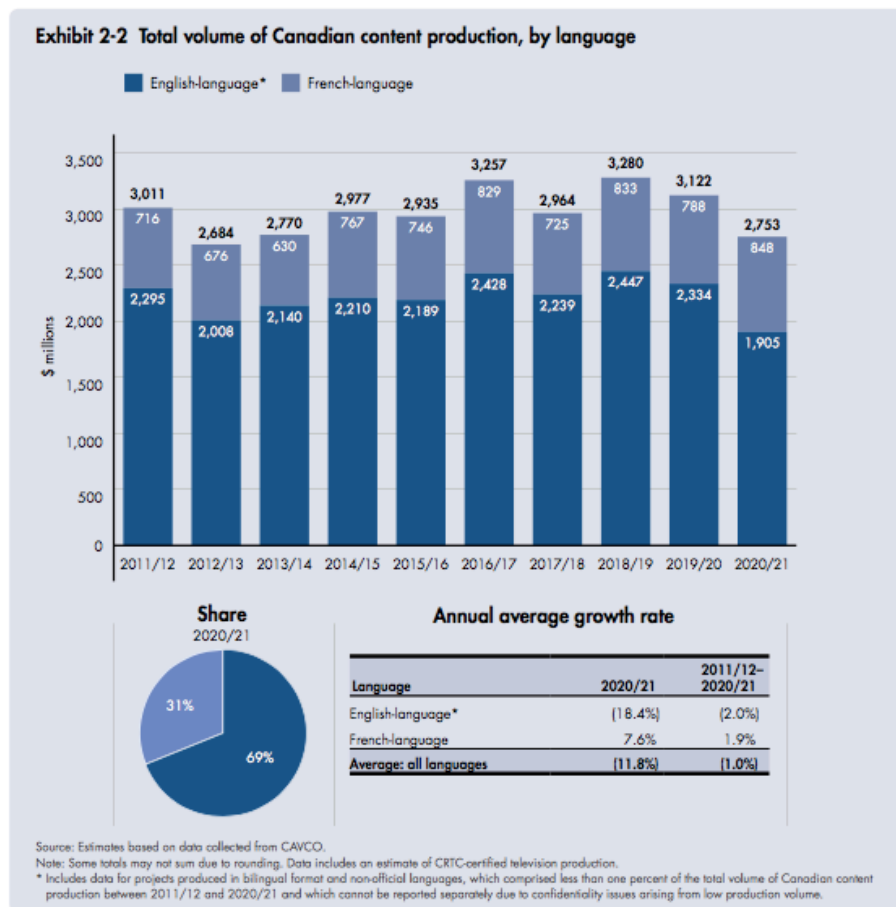
<sup>3</sup> <https://cmpa.ca/wp-content/uploads/2022/04/Profile-2021-EN.pdf>

<sup>4</sup> <https://crtc.gc.ca/eng/publications/reports/PolicyMonitoring/>

### Exhibit 2-1: Volume of Canadian Content Production (from Profile 2021)

Canadian content production hit an all-time high of \$3.28 billion in 2018/19; however, the data shows a decline in television production (English and French) of 7% over the past 10 years. In 2020/21, the volume of Canadian content production was down by 11.8%, ending the year at the lowest level since 2012/13.

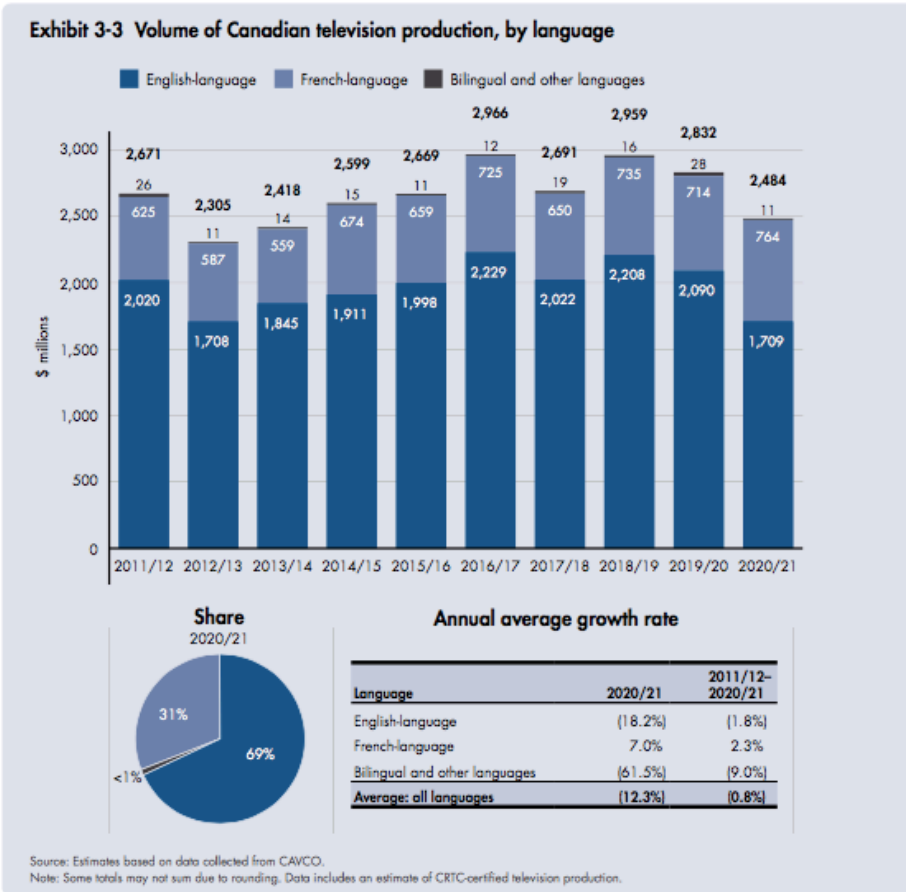
Overall, the total volume of Canadian content production dropped by \$369 million to \$2.75 billion in 2020/21. Both the Canadian television and theatrical feature film segments contributed to the overall decrease, although the percentage drop in Canadian television production (12.3%) was somewhat steeper than that experienced in the theatrical feature film segment (7.4%).



### Exhibit 2-2: Volume of Canadian Content Production, by language (from Profile 2021)

The data shows a decline in English-language television and film production of 17% over the past 10 years. The drop in Canadian content production in 2020/21 was all in the English-language market, which experienced an 18.4% decrease in production volume. Meanwhile, production in the French-

language market actually rose by 7.6% (Note: The growth in French-language production demonstrates the discrepancy between the English- and French-language markets).



**Exhibit 3-3: Volume of Canadian Television Production, by language (Profile 2021)**

French-language production increased to an all-time high of \$764 million in volume in 2020/21, while English-language production dropped by 18.2%. The data shows a decline in English-language television production of 15% over the past 10 years (Note: Once again, the modest growth in French-language television production demonstrates the discrepancy between the English- and French-language markets).

Taken together, Exhibits 2-1, 2-2, and 3-3 demonstrate a steady decline in volume of Canadian content productions.

## CRTC Communications Market Report Datasets

Using data published by the CRTC in the Communications Market Reports, we have tracked broadcaster programming expenditures over time and conclude:

- **PNI expenditures have declined by \$97 million since 2018, which represents a 14.66% decline.**
- **Canadian programming expenditures have declined \$334 million since 2018, which represents a 11.44% decline.**

For your convenience, we have included the Excel file with the data we relied upon in this submission in case you are interested in viewing the data which tracks the decline in dollars as well as in percentages for the English-language and French-language markets combined.

We hope you find this information useful and we remain available to answer any questions you may have.

Sincerely,



Dave Forget  
National Executive Director  
DGC



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### **For more information, please contact:**

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Table 7

Television programming expenditures on PNI, Canadian and non-Canadian programming (\$ millions), 2018-2021

	2018		2019		2020		2021		Decline \$	Decline %
	Expenditure (\$ millions)	% of total expenditures	Expenditure (\$ millions)	% of total expenditures	Expenditure (\$ millions)	% of total expenditures	Expenditure (\$ millions)	% of total expenditures		
Canadian programming (excluding PNI)	2259.9	53.0%	2173.2	53.4%	1995.2	33.5%	2022.9	52.8%	-\$237.00	-10.49%
PNI	666.4	16.0%	628.2	15.4%	568.1	9.5%	568.7	14.9%	-\$97.70	-14.66%
<b>Total Canadian programming (including PNI)</b>	<b>2926.3</b>		<b>2801.4</b>		<b>2563.3</b>		<b>2591.6</b>		<b>-\$334.70</b>	<b>-11.44%</b>
Non-canadian programming	1313.0	31.0%	1267.0	31.1%	1255.7	21.1%	1236.2	32.3%		

Source: CRTC data collection

Programming expenditures of video-on-demand and pay-per-view services, as well as other public and not-for-profit conventional television stations, are excluded in this figure.

For the purposes of this report, PNI expenditures include expenditures in any of the following program categories:

- Long-form documentary (category 2b);
- Drama and comedy (category 7);
- French-language music, dance and variety programming (categories 8 and 9); and
- English-language award shows (subset of category 11).

Table 8

Expenditures on programs of national interest (PNI), by category (\$ million), 2017-2021

Program category	Expenditures (\$ million)	Expenditures (\$ million)	Expenditures (\$ million)	Expenditures (\$ million)	Expenditures (\$ million)	% of total	Decline \$	Decline %
	2017	2018	2019	2020	2021	2021		
Long-form documentary (cat 2(b))	\$146.8	\$128.1	\$117.9	\$119.2	\$128.5	21%		
Drama and comedy (cat 7)	\$462.8	\$469.9	\$463.1	\$403.7	\$435.6	73%		
Music, dance, and variety (cat 8 & 9) (French programming only)	\$51.0	\$54.5	\$39.6	\$39.4	\$32.4	5%		
Award shows (English programming only)	\$10.2	\$13.8	\$7.7	\$5.8	\$2.3	0%		
Total PNI	\$670.8	\$666.3	\$628.3	\$568.1	\$598.8		-\$72.0	-10.73%

Source: CRTC data collection

Programming expenditures of video-on-demand and pay-per-view services, as well as those of other public and not-for-profit conventional television stations, are excluded from these figures.