

Performance Envelope

The objective of the Performance Envelope Program is to encourage partnerships between broadcasters, television producers, and digital media producers to create convergent content that Canadian audiences can consume at the time and on the device of their choice. This program is part of the CMF’s Convergent Stream so projects funded through this program must include content to be developed for distribution on at least two platforms, one of which must be television. Through this program, the CMF allocates funding envelopes to English and French broadcasters in an amount that reflects their track record of supporting and airing Canadian programming. Broadcasters commit these funds to Canadian projects but the actual funding is paid directly to the producer according to a payment schedule. For further details, please consult the Performance Envelope Calculations appendix.

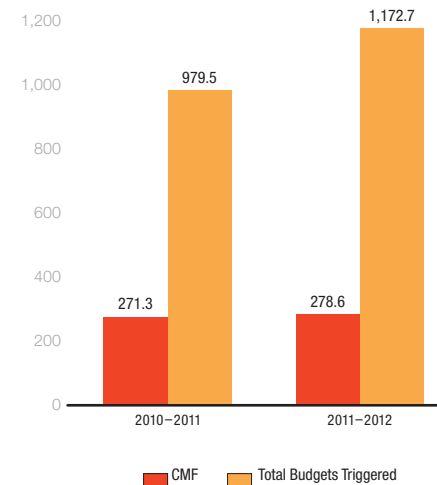
In 2011–2012, Performance Envelope funds were almost fully committed, at 99.9% of budget. A total of 83 broadcasters received envelopes, 3 more than the previous year. For the first time in the CMF’s history, performance envelope commitments triggered \$1.2 B of production budgets. The 2% growth in Performance Envelope commitments, compared to 2010–2011, has boosted convergent production budgets triggered through the envelope program by 20%. In other words, an incremental 2011–2012 performance envelope commitment of \$7.3 M compared to the previous year triggered an added \$200.0 M in production budgets, supported 37 more convergent projects, 51 more TV components and 43 more digital media components. The CMF’s share of financing to TV budgets was 24%, supporting an increase to the average television production budget over last year from \$411 K to \$439 K per hour. There were almost 300 more hours of television produced in 2011–2012 compared to 2010–2011.

Performance Envelope Commitments

	2010–2011			2011–2012		
	TV	DM	Total Convergent	TV	DM	Total Convergent
CMF \$M	266.7	4.6	271.3	273.1	5.5	278.6
Total Budgets triggered \$M	966.9	12.6	979.5	1,154.4	18.3	1,172.7
# of projects*	392	90	410	443	133	447
# of television hours	2,352	n.a.	2,352	2,629	n.a.	2,629

* Convergent projects may be either TV alone or DM alone. Total projects will not be sum of TV and DM.

Performance Envelope Funding / Production Budget Ratio

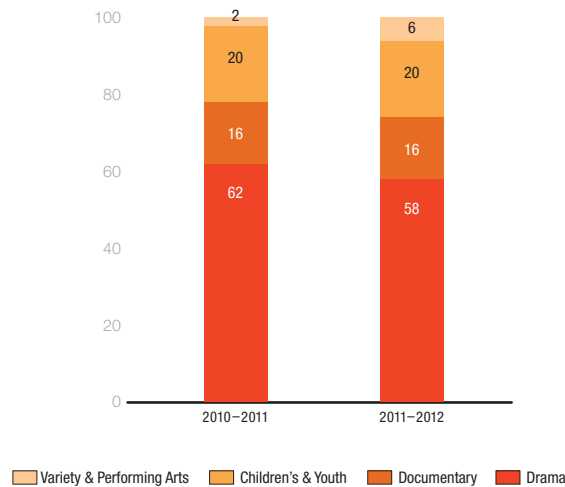


The final percent share of Performance Envelope funding by genre can vary from the Board-approved shares set at the outset of the year since 50% of Performance Envelope allocations to broadcasters are deemed Flex amounts that can be directed to any of the 4 CMF-supported program genres.

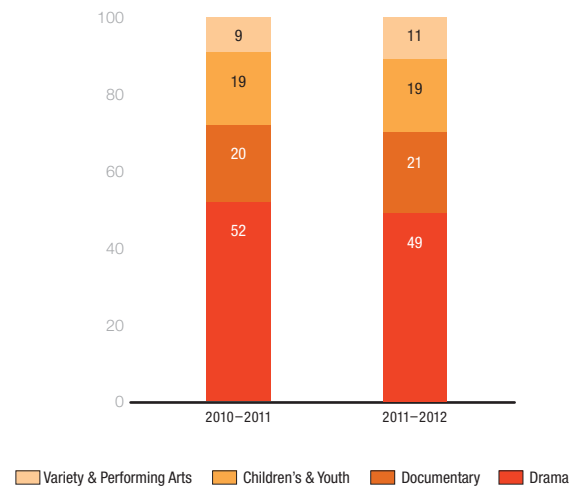
In 2011–2012 envelope funding in the VAPA genre, in both linguistic markets, exceeded its target share, contrary to historical trends. Funding results showed English VAPA at a 6 share, tripling its 2% target; French VAPA reported an 11 share, exceeding its 6% target. French Children’s & Youth’s also outperformed its target 20% share by almost 3 share points, exceeding the 18% genre share in 2010–2011 by 2 share points.

Drama in both languages did not reach its targeted share for a second year, with English Drama genre share at 58% or 3 share points below its 2011–2012 target and 4 share points lower than its 62% genre share in 2010–2011. French Drama at 49% share was 6 share points below its 2011–2012 target and 3 share points lower than its 52% share in 2010–2011. Documentary’s genre share in both linguistic markets were marginally lower than their 2011–2012 targets, just over 1 share point in French, and less than 1 share point in English.

Performance Envelope Genre % Funding Year-Over-Year
English Market



Performance Envelope Genre % Funding Year-Over-Year
French Market



Performance Envelope Broadcasters' Use of Genre Allocation

2011–2012	Budget by Genre \$M	Genre % Share Allocation	Commitments by Genre \$M	Genre % Share Commitment	Share Point variance by Genre vs Original Share
English Market					
Drama	115.5	61.1	109.3	57.9	-3.2
Documentary	31.2	16.5	30.2	16.0	-0.5
Children's & Youth	38.5	20.4	37.7	20.0	-0.4
Variety & Performing Arts	3.8	2.0	11.5	6.1	4.1
Total English PEs	189.0	100.0	188.7	100.0	
French Market					
Drama	49.5	55.0	44.1	49.0	-6.0
Documentary	19.8	22.0	18.5	20.6	-1.4
Children's & Youth	15.3	17.0	17.6	19.6	2.6
Variety & Performing Arts	5.4	6.0	9.7	10.8	4.8
Total French PEs	90.0	100.0	89.9	100.0	
Total	279.0		278.6		

Total digital media budgets rose by 45%, while CMF funding to digital media projects rose by 20%. However, the CMF's share of financing to digital media budgets has decreased to 30% in 2011–2012, compared to 37% in 2010–2011. The maximum percentage available for CMF funding is 50%. Due to a new Performance Envelope factor, broadcasters who support CMF-funded digital media components of convergent stream projects can expect increases in their Performance Envelope allocation in the future.

