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Best Practices in Festival Funding

A report for Telefilm Canada

Final Report
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Executive Summary

Following the submission of the Showcase Evaluation, phase 1, which consisted of the Profile and Identification of Evaluation issues, several were identified as meriting further consideration, namely:

- The possibility and appropriateness of predictable, multi-year funding based on specific factors;
- The possibility and appropriateness of tiered funding, specifically addressing issues depending on the scope of the event;
- Selection criteria;
- Performance evaluation of events;
- Key performance indicators.

Around the world, countries recognize the importance of festivals and cultural events in promoting and disseminating cultural programming to domestic audiences. Beyond the major international events such as the Cannes Film Festival, the Toronto International Film Festival, Berlin International Film Festival, Venice and Sundance, few festivals attract world attention. However, a multitude of festivals run throughout the year, targeted at international, national, regional and even local audiences and filmmakers. These festivals play a vital role in elevating the movie-going experience to one of celebration and provide much needed venues for discourse and debate.

Although many agencies from all levels of government support local festivals within their country or region, many do not have structured programmes to formalize their support, preferring to rely on sponsorship-type evaluations. The present phase of the evaluation seeks to review these other funding mechanisms available to support Festivals, both in Canada and abroad.

Some programmes have clearly evolved in answer to some of the issues now confronting Telefilm. Three programmes that merit in-depth review are the Canada Council's "Annual Assistance to Media Arts Festivals", Australia's "Events and Activities Fund" and the European Union's "Measures to Support Promotion and Market Access: Audiovisual Festivals".

Funding Programs Reviewed during this phase include:

- Canadian funding sources available to festivals were identified and reviewed.
- Funding sources available in Australia, Denmark, the European Union (Media programme), France, Germany, Ireland, New Zealand and the United Kingdom were evaluated.

Programs that are of particular interest are:

- Canada Council's Annual Assistance to Media Arts Festivals;
- PCH's Arts Presentation Canada;
- Australian Film Commission's Industry and Cultural Development Program;

- ❑ European Union’s Media Plus Programme to Support Promotion and Market Access: Audiovisual Festivals.

Some practices observed during the review merit further consideration. They include:

- ❑ Three or four clearly focused program objectives, which are reflected throughout the programme: in the guidelines, the evaluation criteria, the standard application form, budget template and reporting documentation
- ❑ Transparency: published guidelines, detailed forms, budget templates and reporting grids, with quantified performance targets
- ❑ Stratified support for different levels of events:
 - Events of national or large regional significance;
 - Stable, multiyear funding for established organizations, with proven track records, that organize large events of national relevance;
 - Local, culturally specific and emerging events;
 - Project specific, annual support for local and emerging events. Cap on years eligible.
- ❑ The use of past performance as a basis for future funding – less emphasis on proposal for the current year;
- ❑ Comparative analysis with deadlines.
- ❑ Policy for withdrawal of support (“Fair warning policy”).

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Introduction

Background

Following the submission of the Showcase Evaluation, phase 1, which consisted of the Profile and Identification of Evaluation issues, several were identified as meriting further consideration, namely:

- The possibility and appropriateness of predictable, multi-year funding based on specific factors;
- The possibility and appropriateness of tiered funding, specifically addressing issues depending on the scope of the event;
- Selection criteria;
- Performance evaluation of events;
- Key performance indicators.

The present phase of the evaluation seeks to review other funding mechanisms available to support Festivals, both in Canada and abroad. In reviewing mechanisms in place by other government bodies, the evaluation will consider the following:

- Programme objectives
- Selection criteria
- Application review and assessment process
- Type and level of assistance
- Key performance indicators (including type and source of data)
- Evaluation tools

Methodology

The evaluation comprises three steps:

1. A review of the funding sources presently being accessed by the applicants of the Showcase Programme. Financial structures of events supported by the Canada Showcase programme in fiscal 2004-2005 were reviewed.
2. A literature review and evaluation of funding programmes for Festivals and cultural events in Canada and around the world.
3. Finally, following the literature review, interviews were conducted to discuss programme parameters with fund administrators.

Chapter One

BEST PRACTICES

Around the world, countries recognize the importance of festivals and cultural events in promoting and disseminating cultural programming to domestic audiences. Beyond the major international events such as the Cannes Film Festival, the Toronto International Film Festival, Berlin International Film Festival, Venice and Sundance, few festivals attract world attention. However, a multitude of festivals run throughout the year, targeted at international, national, regional and even local audiences and filmmakers. These festivals play a vital role in elevating the movie-going experience to one of celebration and provide much needed venues for discourse and debate.

Although many agencies from all levels of government support local festivals within their country or region, many do not have structured programmes to formalize their support, preferring to rely on sponsorship-type evaluations.

The following section briefly outlines general trends in the funding mechanisms reviewed for festival and cultural event support, taken from amongst the structured programmes reviewed. Subsequent chapters look at the individual programmes in more detail.

Some programmes have clearly evolved in answer to some of the issues now confronting Telefilm. Three programmes that merit in-depth review are the Canada Council's "Annual Assistance to Media Arts Festivals", Australia's "Events and Activities Fund" and the European Union's "Measures to Support Promotion and Market Access: Audiovisual Festivals".

1.1 Programme Objectives

Funds clearly set out their programme objectives in their policy guidelines and most require that applicants specifically address how their event will contribute to those objectives. This may be as simple as an initial statement of principle in the guidelines, or more structured throughout the fund administration, being initially addressed in guidelines, then in the evaluation criteria and also in the application forms.

These clearly defined objectives enable the assessment team, whether internal or external, to be supported by specific scoring or weighting guidelines based on the objectives. It also provides transparency in decision making and easily identifiable performance measurement tools for the organization.

Typically, programme objectives were found to be a combination of the following:

- increasing audiences;
- increasing access to diverse forms of programming;
- contributing to the appreciation and promotion of priority (Canadian) films;

- providing quality artistic vision and curator-ship;
- supporting professional development and networking.

Additional criteria are sometimes specifically added for a given year, reflecting an agency's current strategy (for example, "attracting a youth audience").

Film London has an interesting policy in that it identifies four main priority activities and states that applicants must directly address at least two of these areas.

1.2 New Entrants

Most funds have split their support into two components: one for well-established organizations and one for smaller or emerging events. Generally, the latter fund allows for limited project specific support for new entrants or for smaller events with narrowly-targeted audiences.

The Canada Council, the City of Montreal's two programmes and the Australian Film Commission have distinct programmes geared to large well-recognized organisations and separate mechanisms for smaller less-established initiatives.

The programmes that provide funds to new or emerging events tend to limit access to three years. After three years, the applicants need to either graduate to another fund or be sustainable without support. These funds tend to be smaller and are narrowly targeted to the specific project supported.

1.3 Exit Strategies / Sunset Clauses

Very few funds explicitly set forth a sunset clause for their support to Festivals.

The Canada Council has developed a practice modelled on the Australian Arts Council, which it calls the "fair warning policy". In essence, if the Council believes that an event is not meeting its objectives, it will cut approximately 10% of the grant and issue an explicit letter providing the applicant with precise reasons for the cut. It will also move the organization automatically from multi-year to annual funding. Should the following event not rectify the situation, the second notice would result in an additional cut of up to 50% of the Council's funding. If there is no remedy in the third year, the contribution is cancelled.

1.4 Evaluation Tools

- Application Tools

The funds tend to have detailed application forms, which include questions/areas directly related to the programme objectives and evaluation points. Budget templates are provided, which range from budget summaries to quite detailed budgets. Detailed budgets allow for more precise statistical monitoring.

Many funds require past performance information covering one or more years.

Film London's application provides guidance notes in the margin to ensure that applicants clearly understand what is being requested and why.

- Deadlines

Virtually all structured funds reviewed rely on a comparative analysis with fixed deadlines (one or two a year) in order to ensure that funding is attributed to the best projects. Deadlines were scheduled at least 6 months prior to the beginning of the fiscal year or the earliest date for an event.

- Assessors (internal vs. external)

The Canada Council support is assessed by a jury of peers system. The jury is formed annually by the Council specifically for each programme. The Australian Film Commission uses a combination of in-house and at least one outside assessor, who recommend decisions to the director. The SODEC reserves the right to consult with outside experts, but the decision process is internal. Other funds evaluate the programmes internally, with most decision-making centralized, with the exception of Heritage's Arts Presentation Canada Program (APC), where evaluations are done in the regional offices.

- Evaluation

Many fund administrators recognize that, at the time of application, most festivals are not in a position to definitively confirm programming or activities for the coming edition of their event. Consequently, a large portion of their evaluation is based on the past performance of the organizations. The Canada Council coins this as "...giving forward by looking behind." This enables decisions to be rendered in a timely manner, albeit with conditions, and allows the applicant to prepare its event with some assurance of its funding and ideally, less cash-flow restrictions.

- Evaluation Grids

The European Union's media programme and the Australian Film Commission publish their evaluation grids on-line. Although the Canada Council does not publish its grid, it has made it available for this review. These grids are closely tied to the stated objectives of the funds and often reiterated in the application form.

For example, the EU Media evaluation grid can be summarized as follows:

European Media programme Evaluation Grid	Weighting
European Dimension of the project	40%
Impact on the promotion and circulation of European Audiovisual Works	15%
Cultural Diversity	15%
Quality and Innovative nature of the programming	10%
Film Professionals' attendance	10%
Audience Impact	10%

1.5 Type and Level of Assistance

- Stable or Multi-year Funding

The Canada Council and the Australian Film Commission have the most comprehensive guidelines regarding multi-year or stable funding, although Arts Presentation Canada also provides multi-year funding. Multi-year funding is reserved for well established and recognized organizations that have a proven track record in managing the events and meeting the stated objectives of the funds. Generally, applicants must have accessed the funds for a minimum of three years prior to being eligible for multi-year funding. Some programmes reserve this opportunity to invited organizations, at the sole discretion of the fund administrators.

Generally, multi-year funding is limited to three years. The organizations applying must provide detailed information for the first year and a three-year strategic business plan. Reporting is similar to annual commitments. Annual reporting is required for each annual drawdown, as well as activity reports to monitor the progress of the events as the details are made available. Organizations recognize that multi-year funding caps the support for the term.

The Canada Council provides three-year funding for many of its programmes and will move the Media Arts programme to three year commitments shortly. However, its Annual Assistance to Media Arts Festivals is an ongoing fund, with expectation of renewal unless the Council has advised the organization to the contrary (see “fair warning policy” above).

Both the Canada Council and the AFC were very pleased with the increased efficiency and decreased bureaucracy of a multi-year system and saw very few if any drawbacks.

- Tiered funding

As mentioned above, most funds have split their support into two components: one for well-established organizations and one for smaller or emerging events.

Funds designated to well-established organizations tend to be on-going, multi-year and largely based on the past performance of the organization in meeting the objectives of the funds.

Project specific funds are available for emerging events and/or small scale local or culturally specific events. Support is also targeted at new entrants, although there is often guideline statements that preclude the support of an event that is seen to duplicate an existing event in the same region. Applicants are generally limited to a maximum of three applications.

1.6 Performance Evaluation

Most funds put considerable weight on the performance reporting of the events, as they use this as the basis for the future evaluations.

The AFC requires that, at the time of contract, a set of quantifiable “program outputs” are identified, with targets established based on past achievements. This is agreed upon between the applicant and the AFC and forms part of the contribution agreement. Upon reporting, the applicant must report on these targets, and provide explanations if they are not achieved.

Sample report of Performance Indicators

Description	Achieved 2004	Achieved 2005	Target 2006	Comments

Performance targets generally include: programming numbers, domestic content, audience levels and progress, number of locations, diversity of funds, sponsorship monies attracted, press coverage (# of articles, # of hits on the festival website, etc.), etc.

Chapter Two

FUNDING SOURCES FOR CANADIAN FESTIVALS

The wide array of funding sources available to Canadian film events is staggering. In 2004-2005, over \$23 million worth of assistance (public and private) supported the 54 events aided by the Canada Showcase Programme. Twenty-one different federal programmes were tapped by the festivals: close to forty different provincial programmes and over twenty-five municipal programmes contributed.

Consolidated, the Telefilm database indicates that there are over 90 different funding sources available the organizers, although not all events qualify for all funding. Support for the festivals comes in many forms, primarily as grants, followed by sponsorships.

A review of the programmes in place to support the organization of festivals shows that some programmes have very few policy tools to assist them, while other are quite structured and would merit further review of their practices. Within Canada, support for festivals comes from all levels of government: federal, provincial and municipal.

1. FEDERAL

Federal support for festivals is provided mainly from three programmes, all issue from the Department of Canadian Heritage:

- Canada Council for the Arts – Annual Assistance to Media Arts Festivals;
- Department of Canadian Heritage: Arts Presentation Canada and Trade Routes;
- Telefilm Canada.

The objectives of the Canada Council and the Arts Presentation Fund are more targeted to culturally-specific events and their requirement that festivals pay artists for the right to screen their works, limits access by some of the major festivals.

During the programme re-design phase, Telefilm Canada should meet with its Heritage colleagues, particularly the Canada Council and Arts Presentation representatives, in order to ensure collaboration and complementarities between the funds.

a) Canada Council for the Arts

The Canada Council began supporting Canadian festivals and media events in 1998. Until then, it had been ‘generally agreed’ that Telefilm would be the agency to fund such events. However, as the Council supports independent, often young artists, it became

clear that many events that support the Council's clients were not being supported by Telefilm.

Canadian festival organizers have access to two programmes of the Canada Council: the Annual Assistance to Media Arts Festivals and the Media Arts Dissemination Project Grants. The Council requires that festivals pay the artists for showcasing their works – this requirement precludes support to the major festivals, such as those in Toronto, Montreal and Halifax.

Annual Assistance to Media Arts Festivals

CCA views festivals as key events for raising the profile of Canadian independent media artists and their works and sees them as central in linking artworks to audiences, distributors, etc. and to stimulating dialogue and exchange with the public at large. The CCA support is directed only to the Canadian independent component of the festival's programming.

A detailed part of the application form for assistance indicates the 'Basis for Evaluation' and stipulates clearly the data that needs to be submitted for review. The assessment criteria are very clearly defined.

The evaluation is done by an independent Peer Assessment Committee, which recommends projects to the Media Arts Sector. These juries are formed yearly for each of the funds. As a result of this annual turnover and the fund-specific nature of the committees, it is sometimes difficult for assessors to have a complete picture of the needs of the community.

Decisions are made after a comparative analysis based on objectives and priorities, such as:

- the relevance of the festival's mandate in making Canadian independent works available to audiences;
- the strength of the festival's overall artistic vision;
- the strength of the Canadian programming;
- the applicant's track record;
- the quality and effectiveness of the festival's promotion and publicity;
- its track record in attracting distributors etc.;
- the quality of the interpretation documents;
- demonstrable sound financial management.

It is a comparative analysis, with one deadline: November 1st for events taking place in the next fiscal year. Funding decisions are based on the “giving forward by looking backwards” policy, which means the funding assessment looks at the previous year's activities and not a proposal for the upcoming year.

The funding is presently administered annually, though applicants that have previously received funding are somewhat assured of repeat funding the following year. Notwithstanding, the Council will soon move to multiyear (three-year) analysis.

The Canada Council doesn't have a fixed sunset clause for its support to Festivals, but has developed a practice modelled on the Australian Arts Council, which it calls the "fair warning policy". In essence, if the Council believes that an event is not meeting its objectives, it will cut approximately 10% of the initial grant and provide precise reasons for the cut. It will also switch to annual funding. Should the following event not rectify the situation, a second notice would result in an additional cut of up to 50% of the Council's funding. If there is no remedy in the third year, the contribution is cancelled.

Grants cover specific costs, such as programmers' fees, payments to artists, rentals and technical costs. No overhead, equipment purchase or capital costs are covered. However, in reality, the Canada Council recognizes that its funding is structured as core operational funding.

Applicants must have been in operation for at least three full festivals and have previously received funding from this programme or from the Dissemination Project Grants programme. The Council receives over 50 requests a year. Because the funding is stable, new applicants basically have to wait until another event drops out or until new funds are made available.

In the meantime, events can apply to the Media Arts Dissemination Project Grants.

Media Arts Dissemination Project Grants

The Media Arts Dissemination Project Grants are more specifically targeted to one-off events, or to organizations that do not qualify for Annual Assistance. The support is in the form of a grant and targeted at clear project specific activities and expenses. The total budget is approximately \$800 000 a year. A component for three-year commitments will soon be included in the programme.

b) Department of Canadian Heritage: Arts Presentation Canada and Trade Routes

It is unclear from Telefilm Canada's database exactly which programme(s) of the Department of Canadian Heritage funded the events. Canadian Heritage was credited with participation in twelve Canada Showcase events, with an additional three being credited to the Trade Routes initiative.

Arts Presentation Canada

Created in 2001 by the Department of Canadian Heritage, the Arts Presentation Program has two components: a programming support component for established festivals and art presentation organizations and a development component to support emerging or developing organizations in under-served communities. The objectives of the programme are to:

- encourage diverse programming
- support audience development and diversification activities;
- support outreach activities and bring professional artist into contact with their community
- support networking and professional development.

To be eligible, festivals must pay fees to filmmakers for the screening of their works (like the Canada Council) and must show a commitment to showcasing films by independent filmmakers.

Applications are assessed in the regional offices of the Department of Canadian Heritage, in a competitive forum. There are two deadlines a year (April and September) for events commencing in the following fiscal period. Detailed assessment criteria are outlined in the guidelines and supported by questions formulated in the application form. The assessment criteria are based on the relevance and quality of programming (40%), the impact of presentation activities on the audience, the community and the artist(s) (40%) and the applicant's quality of management (20%).

Multi-year funding is available to certain organizations, upon invitation. At a minimum, organizations applying for multi-year funding must have obtained funding from the APC over at least three years, have a balanced budget, an accumulated deficit of no more than 10% of its annual budget and be able to provide a viable multi-year action plan, with realistic budget projections. Organizations must provide annual reports on activities and financial statements.

Detailed application forms, budget templates and a final report are published on the Council's web site.

Trade Routes

Trade Routes is a programme that supports international market development for Canadian Companies. The assistance is directed to international marketing initiatives to attract foreign participation in events, or to support the development of international partnerships and trade.

2. PROVINCIAL

Most provinces provide some support to festivals and events in their region. Support has been granted to Canada Showcase events from:

Alberta	Foundation for the Arts
B.C.	Arts Council, the Film Fund and the Gaming Commission
Manitoba	Arts Council, the BEF, Manitoba Film & Sound, Hydro, Lotteries, and Culture, Patrimoine et Tourisme
New Brunswick	Arts Council, the NB mentorship programme, and the Human Resources Development Program
Newfoundland and Labrador	Newfoundland and Labrador Arts Council and the Film Development Corporation
Nova Scotia	The Nova Scotia Film Development Corporation, the Department of Education and culture
Ontario	Ontario Arts Council, the Ministère de la Culture and the Ministry of Tourism
Québec	Québec Conseil des Arts et des Lettres du Québec, Emploi Québec, Fonds de stabilisation et de consolidation des arts et de la culture du Québec, Fonds étudiant solidarité travail du Québec, Loto-Québec, Ministère de la Culture et des Communications, Québec Ministère Des Affaires Intergouvernementales, Ministère des Affaires municipales, du Sport et du Loisir, Ministère Des Relations Internationales, Ministère du Développement économique et régional et de la Recherche, SEMIQ / Tourisme Québec, Société de développement des entreprises culturelles (SODEC)
Saskatchewan	Arts Board, Communications Network Corporation, SASKFILM (Film Development Corporation)

However, despite the plethora of provincial funding sources, very few organizations have structured programmes or policies outlined for the support of Festival and events. The most comprehensive policies have been developed by Société de développement des entreprises culturelles (SODEC).

a) SODEC

The SODEC states its objectives as supporting festivals that, while contributing to the promotion of international cinematography, provide an important venue for the promotion of Quebec films.

It states its objective of consolidating festivals and that it will only support a limited number of international events and focus on regional events that improve access to a

diverse range of films. It will not favour the duplication of events targeting a specific theme or market segment.

Contrary to the guidelines of the Canada Council and APC, the SODEC supports festivals where the filmmakers are not compensated for the screening of their productions. Support from the SODEC will not generally exceed 15% of the approved budget. There are two components to its support: a core activity support and support for complementary activities.

Evaluation criteria for its core support include:

- the extent to which the applicant has met its objectives in previous years;
- its financial situation (including progression in diversity of financing sources, sponsorship and sales);
- programming quality and the participation level of Quebec films;
- attendance figures;
- public awareness and education activities;
- the presence of participants from Quebec and from outside of Quebec (for events of national relevance);
- Quebec industry participation and support, and local and/or regional involvement and support (for local or regional events).

The SODEC has recently formed a committee to review its policy and procedures related to the support of festivals in Quebec. This committee will also look at ensuring complementarities between the province support mechanisms. It declined to participate in this evaluation, judging it preferable that both organizations review their policies independently and consult in the project design stage.

3. MUNICIPAL

Many festivals also enjoy support from their local municipalities, in the form of grants or contributions. The City of Montreal has developed policy guidelines to support its array of arts festivals.

**a) City of Montréal
Conseil des Arts de Montréal and the Programme de Soutien aux
Festivals et aux événements culturels 2006**

The Conseil des Arts de Montréal's General Financial Assistance Programme supports art dissemination on the island of Montreal. Last, year, it financed five events of the Showcase programme, for a total contribution of \$98 000. The Conseil des Arts provides two programmes: a project grant and an annual operating grant. Project grants are for one-time support primarily to new companies. Support will not exceed 75% of the project budget. The annual operating grants are targeted at recognized organizations that generate a significant activity and who require a permanent infrastructure and artistic direction. They must have previously received at least three project grants in the past six years. The Conseil generally tends to renew its support annually.

The evaluation criteria are based on artistic quality of the projects, the development of the discipline and audience development and administrative and financial stability. The Conseil has three detailed application forms, for project grants, annual operating grants and for festivals and major events. The Conseil has deadlines for each component.

Under the City's programme entitled « Programme de soutien aux festivals et autres événements culturels », the City provides support to events on a graduated system based on event budgets:

- Major events - support will not exceed 25% of an event's budget or \$100 000. Eligible events must have been in existence a minimum of 5 years and have budgets exceeding \$5 million. Funds support only the free events organized in the context of the festival. Applications must be submitted no later than December 5th of the year preceding the event; the evaluation time is approximately three months.
- Festivals with budgets exceeding \$500 000 - support will not exceed 50% of the budget or a maximum of \$50 000.
- Festivals with budgets of less than \$500 000 – support will not exceed 75% of the budget or a maximum of \$7 000.

Chapter Three

FUNDING SOURCES AROUND THE WORLD

Although there are fewer than ten major international film events around the world, most countries and regions actively support the organization of film events in their communities. However, most assistance is in the form of sponsorship and does not necessarily fall within the parameters of a set programme. Some countries, such as France, support the events through various initiatives, without a common strategy. Others, like New Zealand have a programme designed with very little policy direction.

The two most structured programmes are in Australia and in the European Union.

3.1 Australia

In recent years, the Australian Film Commission (AFC) has undergone a reorganization of its corporate priorities and performance targets and, much like Telefilm, now has a key emphasis on ensuring access and audience development.

The AFC administers the Industry and Cultural Development (ICD) Funding Program on behalf of the Government of Australia. It supports initiatives that aim “to cultivate, develop and provide access to Australia’s screen culture” both locally and internationally.

Event support must contribute significantly to one or more of its stated strategies, which are:

- to provide the wider Australian community, including regional Australia, with opportunities to access a diverse range of screen activities;
- to contribute to the appreciation and promotion of Australian film culture nationally;
- to develop Australia screen content creators and producers.

Approximately six years ago, the programme was redesigned in order to meet increased demands for the funds as well as a need for more transparency in their administration. Between AUS \$ 2.7 and \$2.8 million is granted to the programme each year. This amount has not changed for close to 8 years.

The ICD is comprised of four programmes:

- Events and Activities Fund
- New Projects Fund
- National Touring Exhibition Fund
- ICD Interactive Media Fund

These funds are complementary and collectively enable the AFC to meet its objectives. The AFC strongly believes that Australian films benefit from showcasing in an

international context and as such, does not specifically target its support to Australian films. However, all components require that applications demonstrate that a significant portion of their programming is devoted to Australian content.

Events and Activities Fund

This component supports the major film festivals and events. Its support can be in the form of a grant, sponsorship or loan, depending on the assessment. In 2004-05, 39 organizations received a total of AUS \$ 2 022 161 from the Fund. Film Festivals supported include the Melbourne International Film Festival, the Sydney Film Festival, Brisbane International Film Festival, Flickerfest International Short Film Festival, Tropfest and the St- Kilda Film Festival.

Some of the key criteria for support include:

- having a national relevance, or contributing significantly to regional development;
- not duplicating existing organizations;
- having clearly identified aims, strategies and expected outcomes.

Funding under the Events and Activities Fund is reserved for “very well established and well run events”, with demonstrable national relevance or that are key to regional development strategies. The applicants must demonstrate that they are a stable and viable concern, with or without AFC funding.

Funding is provided in accordance with set quantifiable outcomes for the period and the organization is required to report against these outcomes. The performance targets are identified at the contractual stage and measured at reporting. Should a festival not meet its targets, it must be able to provide an explanation. Performance targets generally include: programming, Australian content, audience levels and progress, number of locations, sponsorship monies attracted, press coverage (# of articles, # of hits on the festival website, etc.) and the number of workshops. Other targets can be identified during the course of the evaluation. These targets are quantified and justified by the previous year’s reports.

Applications are assessed by at least two assessors, including an external assessor who is a specialist in the field. All applications are then reviewed by the Director, Industry and Cultural Development, in some cases, the AFC’s CEO or Commissioners. There are two rounds of funding decisions, with application deadlines fixed in March and October. The AFC relies heavily on past performance as an indicator of future support: it is felt that proposals for the next year are often too preliminary at the time of application.

Although the policies state that events should not have an expectation of future funding, in reality, funding for established festivals is very rarely withdrawn or even reduced. Consequently, there is little if no room for new entrants in this fund.

Festivals in Australia are faced with the same challenges as their counterparts in Canada: public funds are stagnant, audiences are declining slightly and sponsorship monies are increasingly rare. It is therefore difficult to maintain, let alone develop new strategies. The AFC has been able to transfer limited funds away from professional development initiatives in favour of more audience development activities to help alleviate this crunch.

Triennial funding is available for organizations that have a strong track record. They need to be invited to do so by the AFC. All major festivals are presently working on a triennial basis. The AFC is very happy with its move to triennial funding, which has significantly reduced the administrative burden for both the applicants and the AFC.

Triennial funding applications must include detailed budgets, programme information and performance targets for the first year as well as organizational financial information, strategic and business plans and a detailed plan of proposed activities. Every year, the organization must submit a revised budget, performance targets and programme information as well as semi-annual progress reports, audited accounts and annual reports.

New Projects Fund

The New Projects Fund is destined for new entrants, who have projects that have never been held or that have not previously been funded by the AFC. An event can apply to this fund for up to three years. Funds are project specific and will not support the establishment of infrastructure, purchase of capital equipment or for ongoing administrative costs. In 2004-05, the AFC contributed AUS \$82 900 to new projects. Support from this component is capped at AUS \$10 000.

After three years, these events need to 1) graduate to the Events and Activities Fund (which is a rare occurrence); 2) be self-sustaining; or 3) apply to the National Touring Exhibition Fund.

National Touring Exhibition Fund

This component support events that are held in a minimum of 3 to 4 cities or regions and that respond to the AFC's priorities of regional access to programming. Many small, culturally specific events apply to this fund. The AFC felt that funds that were previously targeted to a small community or a focused cultural or interest group were not adequately meeting their audience development objectives. By encouraging these events to "go on the road" and expand their activities to a number of communities, it is felt that the funds contribute to a more significant level of activity and are therefore more aligned with corporate objectives. Many of these projects are increasingly using digital formats and it is felt that the ease of digital distribution technology will facilitate and increase this type of activity.

However, the strategy of no duplication of services is maintained. Communities that are served by a major national or regional festival would not necessarily be seen as priority targets for this fund.

On a corporate level, the AFC is pleased with the outcome of this component - it allows the AFT to confirm its support for the Government's objective to ensure that Australian Films have been screened in several regional areas across the country. For instance, the Comedy Festival that is supported travels to forty towns and cities.

The AFC also has a well-developed Corporate Governance policy, which requires that all funded organizations report on their governance structure.

3.2 European Union

The Media Plus programme provides support to events through its Development, Distribution and Promotion component, entitled "Measures to support promotion and market access: Audiovisual Festivals."

The objective of the programme is to support European events that "...promote and screen significant proportions of European works to European audiovisual professionals and to the general public..." The budget this year is 2.2 M € Contributions from the programme cannot exceed 50% of the event budget, with the exception of projects that "enhance European linguistic and cultural diversity." Contributions will not normally be less than €10 000, or more than €35 000.

In order to qualify, festivals need to screen a minimum of 70% European films in their total festival programme. These films must represent at least ten states of the Media programme. Festivals can be genre specific (animation, documentary, etc.) but not narrowly focused on a specific subject (e.g. medicine, science, tourism and environment).

Detailed selection criteria, budget templates and award weighting criteria are published on their web site, as well as a model grant contract.

There is a provision against double-funding which requires that the applicants advise the Fund of any other application to the Commission.

Priorities identified for the fund are clearly set out, and include support to events that:

- place strong emphasis on European works within their event;
- demonstrate progress in the proportions of festival programming devoted to non-national programming and to diverse programming;
- implement actions to secure non-national European professional attendance;
- develop actions to secure the attendance of young audiences;
- demonstrate progress in overall audience impact;
- demonstrate concrete, realistic and strategic development in artistic, organizational and financial terms.

Submissions are evaluated in a competitive system, with two deadlines set, depending on the date of the event.

3.3 Denmark

The Danish Film Institute provides financing to a number of events in Denmark. However, according to Anders Geertsen, Director of Distribution for the agency, they have never set forth formal policy guidelines for their support. He is just working on them now, and hopes to have them approved by the Board by the end of the year.

3.4 France

The CNC support some festivals through its DCTP (direction de la création, des territoires et des publics) and others through either its Cinema or Audiovisual branches. No set criteria are in place for the support mechanisms, which generally take the form of sponsorship arrangements. Other public funds are provided to Festivals by the regional offices of the Ministère de la Culture.

3.5 Germany

No set policies for film festival support, though it supports the Berlin Film Festival. The regional funding agencies fund the events in their area, but again, very little formal policies are in place.

3.6 Ireland

The Arts Council of Ireland funds festivals through what is known as Revenue Funding as well as through a Small Festivals Scheme. In a background discussion paper dated June 2005, the Arts Council identified three challenges of interest in this review:

- the need for stratifying the festivals in order to ensure that their support is optimally targeted to the needs of each festival;
- the need to analyse the sustainable life-cycle of festivals and establish mechanisms to further their development or acknowledge the need for disinvestment;
- the need to recognize the value of a range of festivals of varying type, purpose, scope and size.

It proposes to divide the festivals into three groupings:

Key Festivals – festivals that make a key contribution to the arts and that provide a sustained art experience for a large and diverse audience. The Council proposes to commit to funding on an on-going basis subject to clear performance evaluations.

Specific Festivals – this group may target a more specific cultural group or geographical area and the audience is more limited. The Council proposes to support the development of this group for a limited period in order to ascertain their potential legacy and evaluate how they address issues, such as audience development.

Emerging festivals – this is a small but ambitious group of festivals whose primary object is to celebrate the arts within the context of a local community.

3.7 New Zealand

New Zealand Film Commission provides support to festivals which “...provide the public with a diverse selection of feature film programming and encourage informed debate and which gives opportunities to new talent...”

3.8 United Kingdom

The UK Film Council does not directly support Festivals in their country, but supports individual companies to attend festivals, specifically to promote UK films at “important international events.”

Film London provides support to film festivals and events on behalf of the UK Film Council (Lottery Funds) through its Audience Development Fund. This fund “...aims to increase access to and opportunities for film and moving image culture...” with support to projects in four main areas:

- that bring new audiences to film;
- that develop a deeper understanding of cinema;
- that introduce children and young people to a wider range of cinema;
- that increase the range of cinema available.

Applicants need to directly address at least two of the areas of support. Evaluation is competitive, with two deadlines a year. A sum equal to a minimum of 20 to 30% of the requested amount must be provided by “partnership funding” - a source other than federal or European support mechanisms. The higher the percentage of partnership monies raised, the more favourable the agency looks upon a project.

Evaluations are based on the following criteria:

- the applicants contribution to the Fund objectives (as described above);
- public benefit offered, including access, marketing plans and public impact;
- the organization’s ability to deliver the project;
- the quality of the proposed activities;
- the financial viability of the project;
- value for money and leverage.

Film London has a clause in its policy that states that it may solicit applications, but that the application would then be treated and evaluated in the same manner as all other applications. It also provides a very detailed application form, with Advice notes in the column to aid in the preparation of the submission.

Chapter Four

Recommendations

Depending on the outcome of the other phases of this evaluation, Telefilm should consider the following points for discussion during the course of its programme re-design.

1. Establish three or four clearly focused programme objectives:
 - a. Have these objectives reflected in all support documentation, including the application form and reporting requirements;
 - b. Request that applicants directly address how their event intends to further the objectives;
 - c. Establish standard budget and reporting templates.

2. Stratify support to the different levels of events supported:
 - a. Events of national or regional relevance;
 - b. Local, culturally specific and emerging events.
 - a. Events of National or Regional Relevance:
 - Move a majority of these events to triennial funding
 - prepare standardized reporting for a set of performance measures;
 - request a historical report of the last 3-5 years;
 - Use past performance as a basis of future funding;
 - Publish analysis grid and weighting;
 - Set standard amounts of support (% and/or minimum and caps);
 - Establish a performance outcome template for standardized reporting;
 - Implement a “fair warning” policy.
 - b. Local, cultural specific and emerging events:
 - Create deadlines for comparative analysis;
 - Publish analysis grid and weighting;
 - Set standard amounts of support (% and/or minimum and caps);
 - Consider the addition of outside assessors or jury system;
 - Consider a limit on funding (3 – 5 years);