

Canadian Content in a Digital World consultations
 Friday, Nov 18th 10am – 12pm; ACI Manitoba, 245 McDermot Ave, Winnipeg, Manitoba

Led by: Nicole Matiation, On Screen Manitoba

Groups:

Joanne Levy, producer Steven Sunderman, producer Leslea Mair, producer - rapporteur Adrian Wortley, PCH Keri Leitmer – musician Amber O’Reiley – OSM	Sean McManus, Manitoba Music Aaron Zeghers, ACI, GFF, Filmmaker Leif Zoot, Producer Jessica Dunn, Original Pictures Brendon Sawatzky, NSI, Producer Amy Harrison, OSM
Jeff Peeler, producer Merit Jensen Carr, producer Jen Smith, distributor (Video Pool) Chris Vajcner, NSI Louise O’Brien, Manitoba Film & Music Kathryn Kerr, musician\OSM Domini Pool, OSM	Mike Falk – Paintbox Recording, musician Rob Kennedy-MB Arts Branch Kevin Longfield – ACTRA, Katie Inverarity – RMTC Patrick Clement- Media Rendezvous, Producer Maryam Decter – OSM
Ginny Collins, Manitoba Film & Music Louie Ghiz, New Media Manitoba Angela Heck, NSI Thom Sparling, ACI Manitoba Gordon Tanner Katy Slimmon, OSM	Stephen Carroll – musician, Manitoba Film & Music Catherine Dulude, Les Productions Rivard Julio Moraes, Alexa Rosentreter, Merit Motion Pictures Rob Macklin, ACTRA Cali Ramsey, OSM

A cultural system that supports creators and supports creators and respects citizens’ choice will...

- Fund creative projects, based in Canada, by Canadian creators. In a world where Canadian broadcasters could not rely on American productions to fill their primetime hours, they would have to work harder to encourage creative content from Canada. It’s not about Can Con, it’s not about restrictions, it’s about investing in an industry that creates world-class, competitive content. Regardless of the platforms mandated to distribute it.
- Support excellence at the creation level, audiences have ready access to content from all over the world, Canadian programs whether for local, national or international audiences must be world class to attract audience.
- Focus on creation and creators, with a system that serves the production of excellent programming rather than a system that drives programming.

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- Value and support creators in every region of Canada to ensure inclusion of Canada's cultural, linguistic and geographic diversity. Regionally-based creators compete at a global level and enrich the cultural life of their communities.
- Facilitate initiatives that build sustainable media production companies that have the means to conduct R & D, marketing and promotion of their projects. This doesn't necessarily mean companies need to be large, small companies play an important role in ensure the diversity of production in Canada; mechanisms to capitalize companies of various size are needed.
- Modernize the triggers for the creation of Canadian content.
- Modernize the Broadcast and Telecommunications Act to create a single act that reflects today's delivery system for Canadian content.
- Have statutory royalty rates determined by the Copyright Board of Canada that properly and competitively compensate Canadian creators for their work.
- Respect creators and citizens, and not leave all the power in the distribution mechanism's hands (broadcasters, OTTs, etc).
- Document and celebrate the cultural and social return on investment along with the economic return on investment in cultural products.
- Promote excellence, remove barriers from the creative process, while retaining protection to ensure cultural and social objectives.
- Support innovation, risk-taking and tell uniquely Canadian stories, rather than stories that are bad copies of American projects.
- Support arts education from a very young age to teach media literacy and critical thinking in a n effort to build a society that creates and appreciates quality content. Normalize the notion of paying for content (whether attending a show or buying a song online) –to support the creator and the quality of arts and culture in Canada.
- Recognize that creative industries are comprised of micro-enterprises and self-employment. Introduce appropriate tax structure to reflect these micro-enterprises by introduce income averaging.

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- Support a continuum of professional development and training (entrepreneurial development, marketing beyond creative development) for all stages of creator/producer: emerging, post-emerging, mid-level and established.
- Facilitate accessibility, discoverability and investments in marketing, so curious audiences know where to find Canadian cultural products.
- Provide equal access and promotion of Canadian Content on all platforms, including theatrical.

We can promote Canadian creativity in a digital world & use digital content to promote a strong democracy by...

- Having access to internet across Canada with better more reliable, high-speed broadband.
- Recognizing the value of creators and the creative economy in all regions of Canada, in both official languages that includes Indigenous peoples and new comers.
- Making arts and cultural industries one of the pillars of international relations and diplomacy.
- Ensuring creators are valued and supported locally and nationally.
- A CBC/Radio-Canada that supports and facilitates regional broadcasts of local music and TV shows.
- Clarifying the role and function of public broadcasters as innovators of excellence and by strengthening government support to public broadcasters.
- Ensuring equitable support across the regions, a bold new vision for the cultural industries would decentralize decision-making and support those regionally-based creators to tell their own stories.
- Regulating broadcasters and OTT platforms such as Amazon and Netflix with regard to carrying Canadian programming, and requiring a contribution towards the production of Canadian content whether through a tax or some other mechanism. This is to ensure creators receive fair compensation and retain ownership of their work.
- Could the NFB become a broader distributor of Canadian content in general, is it a joint role with the CBC?

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We can support Canadian creators & entrepreneurs and help them reach beyond our borders by...

- Support the creation of internationally competitive products including support for the R & D phases of creation (writing, demoing, prototyping, pre-production).
- Providing well supported industry-driven market export programs that offset travel costs to international markets. Programs that recognize the unique needs of the cultural industries, which are collaboration and project-driven.
- Providing on the ground support through existing bodies such as consulates, embassies, Telefilm, CMF to re-inforce targeted industry-led and administered trade and market export initiatives.
- Supporting industry-driven training about international export, marketing and promotion.
- Supporting professional development for export readiness.
- Support collaborations with creators, distributors, and other partners outside of Canada and make projects with international partnerships eligible for Canadian support programs.
- Fostering Canadian cultural products that are unique and confident in their identity. Excellence, world class and competitive doesn't mean the same. Canadian content should be for Canadians first, if it is excellent, it will sell internationally.
- Providing creators with financial support and training to market and promote their content; in partnership with distributors.



On Screen
Manitoba

Media Production
Industry Association

Association des professionnels
de l'industrie audiovisuelle

003-100 Arthur Street
Winnipeg, MB R3B 1H3

t: 204.927.5898

w: onscreenmanitoba.com

Canadian Content in a Digital World Consultation

Discussion Paper

Submitted November 25, 2016
Contact Nicole Matiation
Executive Director/directrice générale
Nicole@onscreenmanitoba.com

On Screen Manitoba -- Canadian Content in a Digital World Consultation

With its long-standing commitment to tying communications to cultural policies, Canada is recognized as a leader in innovation and adoption of communications technology. With a disparate population scattered over rugged geography, Canada first sought to connect its citizens (and facilitate trade) through a national railway, later a highway, and then through a series of communications systems: the telegraph, the telephone, radio, television and today broadband. The rapid and deep penetration of computers, the Internet, mobile devices and online video-viewing in Canada is a natural evolution.

Long-standing institutions including the NFB/Onf, the CBC/Radio-Canada, the Canada Council, Telefilm (and the Canada Media Fund; legislation (the Telecommunications and Broadcasting Acts; the CRTC Act); incentive programs (film and video tax credits) express policies and have delivered programs that protect and promote Canadian content creation that reflects the geographic, cultural and linguistic diversity of Canada.

All of these elements provide a strong foundation on which to continue to support the production, marketing and promotion of Canadian cultural content nationally and internationally. Canadian Heritage's broad-based consultation on Canadian Content is timely and deeply appreciated by the Manitoba media production industry. On Screen Manitoba is pleased to provide its perspective on the essential role that regionally-based creators play in the growth and enrichment of Canada's cultural content locally, nationally and internationally.

Who we are

On Screen Manitoba (OSM) represents, promotes and facilitates the growth of the media production industry. A non-profit, member-driven provincial association its members include both individuals (producers, writers, directors and other industry professionals) and organizations (production companies, labour groups, distributors, broadcasters, service suppliers, training bodies and exhibitors) representing some 1,500 media production industry professionals. OSM members are recognized for their world-class creative and technical talent. They work in all genres (documentary, fiction, animation) and formats (television, theatrical, interactive, mobile and online) in English, French and Aboriginal languages.

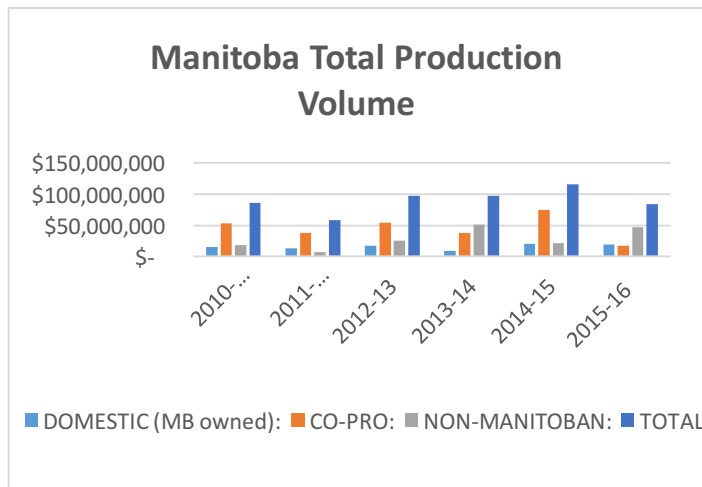
On Screen Manitoba is a leading provincial industry association and an active player in national-level consultations (CRTC, Parliamentary Committees, CMF and Telefilm). We work cooperatively with Manitoba Film and Music, a provincial agency and film commission that manages the Manitoba Film and Video tax credits, funds development and production and industry initiatives and with Film Training Manitoba, a non-profit sector council responsible for providing training and professional development to crew and other industry professionals. We also partner with local film and video cooperatives and film festivals that connect our members to local audiences and visiting media production professionals.

On Screen Manitoba is mid-way through a unique three-year trade and investment industry development initiative supported with a \$3.89M contribution from Western Economic Diversification which is matched through partnerships, provincial contributions and earned funding. The primary objective is to increase international trade and investment in the linear and interactive digital media production sectors (film, TV, web series, games, apps) in Western Canada with a focus on Manitoba. On Screen Manitoba's primary partner is New Media Manitoba.

Other partners include the Alberta Media Production Industries Association, the Saskatchewan Media Production Industry Association, le *Front des réalisateurs du Canada* (FRIC), the *Alliance des producteurs du Canada* (APFC), TV5Unis, the NFB and the NSI. The initiative is intended to enhance production companies' success in existing and new markets. In addition, it supports a Winnipeg-based, mobile, cross-media lab to accompany specific accelerator style programming where content creators explore new technologies and business models for developing, producing, distributing, marketing and financing content. It is an example of how nimble industry-led export marketing can connect regionally-based Canadian independent producers to national and international opportunities.

Manitoba production landscape and our contribution to Canadian Content

Manitoba's media production industry has been an active player in the Canadian media production business for over 25 years. This has been largely facilitated through long-term consistent provincial investments including a tax credit program first introduced 18 years ago. Intended to spur employment and attract production to the province this highly effective program offers both a labour-based and a cost-of-

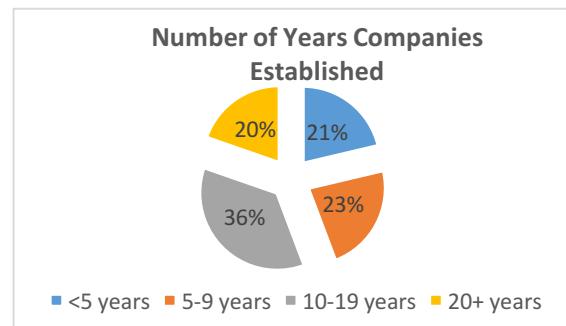


production based approach. The tax credit works with both documentary and fiction, in any format (TV, Feature film, web series, animation), and at all stages of production (from development through post-production). More recently the Province introduced an interactive digital media labour-based tax credit. It is the built-in flexibility of the tax credit, and the Province's willingness to adapt and modify it in partnership with industry, that has made it so effective and ensured its stability for nearly two decades.

Manitoba does an average of \$108M in total production budgets annually, this represents an average of 68 projects (12 scripted features, 2 animation features, 2 scripted TV series, 1 web series, 10 unscripted series, 7 variety shows and 23 documentaries on average), which, on average, generate over 1300 jobs and contribute \$71M to the provincial GDP.

Manitoba does an average of \$108M in total production budgets annually, this represents

There are some 40 active media production companies in Manitoba 23% are at least partially owned by Indigenous people, 48% are owned by women, and three produce exclusively for the French market which is 16% of all MB projects. Manitoba production companies are a healthy mix of new and established companies.



While production in Manitoba represents just 1-2% of total media production in Canada, it is a vibrant, highly creative centre recognized for its world class crew, cast and production companies. On Screen Manitoba believes that the linguistic and cultural diversity of Manitoba's independent production sector provides an essential contribution to Canada's collective cultural content sector.

Challenges for Regional Production in the Digital Age

Canadian independent producers who live and work in communities outside of the three major production centres of Toronto, Vancouver and Montreal face many of the same challenges as those in the centre:

- Diminishing broadcast licences and other conventional financing sources with limited access to new financing sources;
- A highly competitive environment;
- A low tolerance for creative risk-taking by broadcasters and distributors; insufficiently capitalized companies and limited support for the kind of R & D project development required to excel in today's global market;
- Vertical integration and consolidation of broadcasters and limited access to emerging online distributors (OTT's such as Netflix, Amazon, and a plethora of smaller ones in Europe and elsewhere etc.);
- A quickly-evolving marketplace where digital technology has re-organized every aspect of production from concept to production to marketing, distribution and financing, and most importantly, audience behaviour;
- The ensuing need to develop new marketing and promotion skills to engage audience as well as to sell internationally; and,
- A continuum of business models that coexist as the industry shifts from policies and programs designed for a conventional broadcast and theatrical +DVD sales delivery mechanism to an online delivery mechanism.

In addition to the above, whether they work in English or French language markets (as Indigenous, new comer, multicultural or other peoples), regionally-based creators face an enormous disadvantage due to Canada's centralized decision-making structures. This includes private and public broadcasters and distributors, as well as private and public funding bodies.

In an industry that is built on personal relationships and trust – essential in a project-driven business that sees hundreds of thousands, if not millions of dollars spent over a few weeks or months of production -- Manitoba creators (producers, writers, directors and actors) all recognize the "\$1000 cup of coffee" as part of doing business. While digital communication has increased the means of communications and reduced long distance cost of communications, regular in-person meetings are essential in the media production business – nationally and internationally.

As a result of the centralization of decision-making, regionally-based independent Canadian production is often perceived to be of a lesser quality –that somehow locally and regionally driven creativity will be appropriate for local audiences only. Sometimes, the stories are very local in nature and are created specifically for the community; but every time those stories are told with a high degree of professionalism.

Manitoba generated and produced content sells around the world:

- Films, television shows and web series that are shot in Manitoba are distributed in the US, Europe and Asia. Each year, Manitoba productions receive about 25 nominations and 15 awards at film festivals all over the world, including Sundance, Cannes, Berlinale, TIFF.
- Projects include everything from an NBC Universal Sci-Fi thriller (*Channel Zero*) to a factual series shot in Churchill (*Polar Bear Town*) and a cooking show featuring local chef Luc Jean (*Main à la pâte*). Manitoba produces everything from Hollywood blockbusters to independent films and documentaries.
- *Polar Bear Town* is a documentary series that airs on Smithsonian Channel in the US and Rogers Outdoor Life Network in Canada. The series has recently garnered international attention from *The Washington Post*, *The Huffington Post* with an ad on the back of *Time Magazine*. *The New York Times* praised it as a “beautifully shot series” in a review in its *What’s on TV* online newsletter.
- *Seances*, a Guy Maddin NFB co-production launched at the 2016 Tribeca Film Festival as one of ten projects selected for its Storyscapes program.
- Eagle Vision-produced docudrama *We Were Children* 2012 wins 2 out of four Canadian Screen Awards nominations and is currently available on Netflix.
- *Boys Du Ballet* produced by Wookey Films for Unis sold to TV5Monde (2015).
- *Illegal Eater* sold to Discovery Network Latin America by Rive Gauche Television (2014).
- *Planet Echo* by Media Rendez-Vous produced for APTN sold to Discovery International (2012).

The Opportunity

Regionally-based creators are deeply attached to their communities and uniquely placed to tell local stories that are important to Canadians; and with appropriate financial export marketing and promotional support; they are also uniquely placed to tell those stories to the world. Today’s audience in Canada and elsewhere is sophisticated and demanding in terms of production values, authenticity and connection to place. Small countries with deliberate, well-funded development practices and programs such as Denmark and Norway are producing some of the very best content in high demand in the world today. Canada; and we believe, provinces such as Manitoba, could; with modernized policies, programs and legislation delivered through the coordinated efforts of key institutions, ensure past investment in Canadian cultural content provides a springboard for future success.

What we Propose

Recognizing the challenges and opportunities that the digital age presents to creators in all regions and of the country, we suggest that Canada’s bold new policy on Canadian content creation:

1. Focus on excellence
2. Modernize existing legislation, institutions and agencies
3. Establish and support initiatives that promote and market Canadian content
4. Include the establishment a long term industry-government advisory group to facilitate ongoing change and adaptation to digital technology

1. Focus on excellence, because:

- Quality sells everywhere, today's audience, whether local, national or international is sophisticated and demanding; and
 - Local, unique, authentic content is built into Canada's long-standing commitment to inclusion and diversity of voice through targeted investment in all regions of Canada. This includes French language, Indigenous peoples, new Canadians and other diverse and established communities across the entire country.
- *Implement a focus on excellence through policies and programs that:*
 - Support early, life-long arts and culture education to develop creativity, critical thinking and sophisticated audiences that recognize, demand and produce excellent Canadian content;
 - Support post-secondary education and industry-led training programs that include mentorships and apprenticeships;
 - Ensure fair compensation for creators -- the whole chain: artists, artisans, writers, directors, actors, producers;
 - Help production companies capitalize so they can invest in research and development as well as marketing and promotion of their projects. Smaller and larger companies all face a shortage of working capital and the consolidation of media production companies making competition more challenging; and the affiliation of media production companies do not necessarily ensure the same level of inclusion and diversity of voice that a mixed collection of smaller and larger media production companies provide.
 - Decentralize decision-making to level the playing field for regional production;
 - Support incentives for regional production including special programs for French language production outside of Québec and Indigenous peoples; and
 - Support innovation and risk-taking so media production companies, broadcasters and distributors can explore and test new delivery mechanisms for local, national and international audiences.

2. Modernize existing legislation, institutions and agencies in partnership with content creators and industry professionals, because:

- They need to be reactive to the impact of quickly-evolving digital technology and a prolonged period of transition with ensuing market pressures and changing audience behavior.
- *Implement modernization of legislation, institutions and agencies by:*
 - Allowing funding bodies to integrate new market triggers for Canadian content production;

- Putting in place a mechanism to collect revenue from new “broadcasters” so OTT’s contribute to the production and promotion of Canadian cultural products along with broadcasters. Mechanisms such as taxes on ISP services, broadband infrastructure use, or on the hardware required to view cultural products (smart phones, TVs, computers) could be off set with a cultural goods income tax credit for lower income Canadians and families.
- Putting in place regulations that ensure Canadian cultural products are carried and promoted by new online delivery systems (ISPs, OTTs) similar to current broadcaster obligations relative to the privilege granted by their broadcast licence. It is agreed that broadband services and Internet access is an essential service for all Canadians today and as an essential service and valued resource of the digital economy regulations could require provision of access to Canadian content;
- Modernizing and amalgamating the Telecommunications and Broadcasting Acts to reflect today’s reality. Canadians watch TV on a variety of screens and vertically integrated Telco/broadcasters derive revenue from mobile devices that offer content, but do not contribute a portion of those revenues towards Canadian cultural production, only the broadcast revenue portion (which is dropping as Canadians move online).
- Ensure regulating bodies recognize the disproportionately large voice of private consolidated distributors and broadcasters. There must be an understanding that these organizations are not the creators or protectors of Canadian content but rather the (often publicly traded) mechanism by which the content is delivered to an audience. To this end, regulators must fully understand the diverse and complicated Canadian content ecosystem to avoid enriching and supporting one facet of the ecosystem over the other.
- Conducting a separate and fulsome review of the mandate of each of the CBC/Radio-Canada (as a public broadcaster) and the NFB /Onf (as public producer and distributor). This may include increased funding for the CBC/Radio-Canada and/or the NFB/Onf that ties their allocation to a true decentralized public production role that seeks to innovate content and its distribution in all regions of Canada.

3. Establish and support initiatives that promote and market Canadian content, because:

- It unites and binds Canadians in all their diversity;
- It facilitates the democratic exchange of ideas; and,
- We are a small fish in a big pond and need to compete internationally.
- *Implement the promotion and marketing of Canadian content through policies and programs that:*
 - Place arts and culture as a central pillar of international diplomacy;
 - Support industry-driven international export market initiatives (travel, etc.);

- Provide support to creators and industry-led entities to promote and market Canadian content including through discoverability tactics.

4. Establish a long term industry-government advisory group and industry focus groups to facilitate ongoing change and adaptation to digital technology, because:

- Broad representation from across the country that includes all industry partners is needed to reflect on proposed changes and their immediate mid and long term impact;
- We need to develop and implement industry measurables that recognize and value the cultural, social and economic ROI of the Canadian content production sector; and,
- In this period of rapid change, Government and industry need to share information regularly to facilitate nimble change to take advantage of emerging trends and opportunities.