

**Canadian Content in a Digital World:
Breaking through old paradigms to harness the power of
Canadian creative entrepreneurs**



Insights from a multi-city roundtable discussion

hosted by



On November 4th 2016, TELUS invited thought-leaders in digital creative industries in Vancouver, Edmonton, Calgary and Ottawa to come together for a roundtable discussion on Canadian cultural policy. Conference rooms in all four cities were connected via TELUS' Telepresence video-conferencing system and what resulted was a passionate exchange of ideas on the economic potential of innovation in the creative industries in Canada.

Key takeaways from this discussion:

- *Adopting an entrepreneurial approach for the creative industries will help drive commercial success.*
- *Focussing policy measures on people rather than projects would lead to greater innovation and better outcomes.*
- *Funding of cultural policy objectives should start with levelling the playing field with foreign content services doing business in Canada.*

The roundtable discussion hosted by TELUS was comprised of Western-based, seasoned and aspiring creative entrepreneurs, including participants from non-traditional content creation industries, such as gaming and virtual reality platforms. The group also included thought-leaders working in academia or with government agencies supporting the arts. A full list of participants in this roundtable can be found at the end of this document.¹

Highlights and recommendations stemming from this roundtable discussion

Overall, what stood out the most in this roundtable discussion was the entrepreneurial spirit that permeated the exchange of ideas on Canada's cultural policies. It was clear that this was a group that is passionate about digital creations and the business case for their products and services in the Canadian and international markets.

What flowed from the discussion were some recommendations to help creative entrepreneurs realize their full potential. Significantly, participants did not focus on getting more funding within the existing system. As stated by one participant, "the CanCon system is a gift but also a threat. Though it gets projects off the ground, it ultimately hinders the spirit to innovate as creators become too dependent on funding and grants rather than seek innovative, private and collaborative alternatives".

¹ To foster a free exchange of ideas, this roundtable discussion was conducted in accordance with so-called "Chatham House" rules and as a result the summary of the discussion does not attribute any specific comment to any individual participant.

While all participants supported the notion that domestic cultural products should continue to be supported in some fashion, the focus of the discussion was on helping creative entrepreneurs achieve commercial success, domestically and on a global scale.

➤ **Adopting an entrepreneurial approach for the creative industries to help drive commercial success**

One of the most frequently recurring themes in the discussion was the assistance the creative industries need in “getting to market”. Participants noted that greater success

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for the creative industries could be achieved through developing creators’ business abilities and providing them with skillsets which would allow them to leverage their entrepreneurial spirit and drive.

One participant suggested that it is time to dispel the “starving artists” stereotypes surrounding creators; instead they should consider themselves and be thought of by others as “hustlers” and “entrepreneurs” that can market and sell their projects.

It was suggested that we should be reframing the cultural sector as an economic industry primed for “growth” and building matrices/measures which would allow creative entrepreneurs to tap into other government assistance programs for exporting their work. Artistic projects currently suffer from the inability to project “profitability” or projected “outcomes” in the same way as other industry sectors and as such they are limited when trying to get assistance from non-traditional Canadian cultural agencies like Trade Canada. As one participant put it “We need access to capital to [make our projects] and we are willing to pay back; other sectors are getting billions... We are not looking for handouts; we just want access to markets and capital!”

Creating more cross-disciplinary collaborative opportunities was a theme also mentioned by many participants. Both collaboration and market access are high priorities as a means to break industry silos, ensure cross pollination of ideas and develop the ability for artists to be “entrepreneurs”. Dig Rush was noted as an example of a video game designed to help with the treatment of Amblyopia which was the fruit of cross disciplinary collaboration between Ubisoft, McGill University and Amblyotech Inc. using video-game technology to develop novel approaches to medical care. Another example that was mentioned was a young artist working with IBM and weather data to create art and design for the clothing company Canada Goose.

It was also suggested that fostering “media funding ventures” should be a key industry priority. This can be done by leveraging successes of healthy ecosystems abroad such as the Belgium Media Fund model where successful, funded projects return profits to investors in order to support other creative initiatives.

Further, collaborative funding platforms such as KickStarter, IndieGoGo and TELUS’ STORYHIVE, provide good models for creative project funding because they provide consumers with a say on what gets supported and allows them to be an intrinsic part of building Canadian “content” collectively. This provides an organic ecosystem with a built-in viewership prior to the project getting funding; where people participate in rather than being “fed” content. An inclusive approach at the outset also helps ensure the success of a project.

Participants also noted that the current subsidy regimes for so-called “Canadian content” operate in silos, creating a complex funding system which hampers creativity because creators of different types of content have access to different agencies for funding, each operating with its own rules and requirements. It was also noted that these subsidies, designed for traditional broadcasting content creation, are too narrowly focussed on a small sliver of the creative industry that hasn’t kept up with innovation in creative expression or with what consumers are now watching and engaging with. Challenges also arise as granting systems between the federal government and the provinces aren’t harmonized, adding another level of complexity.

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➤ **Focussing on people over projects**

Another recurring theme in the discussion was the need to provide an environment that ensures creators are assisted in their development. As one participant noted “It is important that we do not simply pump money into projects but into people”. The return on investment of launching the career of a successful artist may be higher than simply funding projects. Fostering and encouraging “incubator” systems like Disney’s Talent & Content Incubation Program, which provide innovative ways to support creators develop their ideas, allow creators to gain a fan base and a support system. Participants also considered it important to support creative entrepreneurs at all levels of their career(s) so that they can remain competitive through honing new skillsets.

Fostering a community of creators was mentioned by many participants. Mentorship programs and creative hubs would go a long way to help creative entrepreneurs reach their full potential.

Participants noted it would be good to provide creators with the tools and knowledge to develop their creative projects. For example, a knowledge base could be developed to help creators navigate the “copyright space” with greater confidence and enable them to protect their works and effectively monetize them. It was also suggested that we should consider leveraging the model of the Danish Film Institute, through which anyone can have access to production tools.

Participants discussed the notion of innovation in their creations, noting that innovative creative projects are by definition niche when they are first conceptualized and launched. This poses a challenge to obtain funding under the current project-based cultural support regimes.

It was also noted that the current model of funding projects rather than creators doesn't provide sufficient “skin in the game” for content creators to be motivated to ensure the success of their projects. It was argued that the current system involves creators only in a portion of the overall ecosystem and that once the creative project is completed it is taken over by others, namely broadcasters, who then control the outcome. The vision of the creator gets lost in this ecosystem. Many participants echoed the concern that under the current system, broadcasters become gatekeepers that limit promotion and distribution of the creator's project. Another participant noted “there is no accountability required of broadcasters once creators have signed their IP away”.

Participants also noted the importance of diversity in content creators to reflect the true composition of Canadian society. This important goal can best be achieved by focussing policy measures on people rather than projects.

➤ **Funding of cultural policy objectives should start with levelling the playing field with foreign content services doing business in Canada**

While participants did not prioritize finding new funding sources in this discussion, some participants raised the concern that foreign services, like Netflix, are not required to contribute to Canadian cultural policy objectives in the same way as similar Canadian services. It was noted that there is confusion around the concept of a so-called “Netflix tax” and that various forms of “taxation” are being conflated in that label. To the extent that the proposal is for foreign services such as Netflix to contribute a portion of revenues towards the creation of Canadian content, for example by being required to pay into the Canada Media Fund, participants believed this raised equity issues since these foreign services are not also allowed to benefit from CMF grants. Some participants still considered that it would be appropriate to impose such requirements on foreign content services because they are doing business in Canada and competing with Canadian services. Where participants were all aligned however, was on the issue of foreign services not paying sales taxes (PST, HST) when selling their content

services in Canada. Participants found this to be an imbalance which should be corrected, not only to derive additional revenues for Canadian Treasuries which could be put towards Canadian cultural goals but also, and perhaps more importantly, to level the playing field for Canadian content services.

Also discussed was the oft-cited proposal of requiring that a contribution be paid by internet service providers towards the creation of Canadian content in the same way that TV distributors (aka broadcasting distribution undertakings) are required to pay such contribution. While some participants argued that this made sense given that consumers are now going to the internet to consume content, others vehemently disagreed, arguing that an internet “tax” would be tantamount to a “library tax”, or taxing freedom of information. As one participant noted “As more and more Canadians receive their information from online sources, access to internet should not be put out of reach via an ISP tax. Maintaining internet accessible to all and allowing marketplace players to invest in rural areas and expand their networks would be conducive to a stronger democracy.”

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Participants believed that if cultural goals are a public good, then these should be funded through general tax revenues contributed to by all Canadians and as well as those doing business in Canada.

TELUS’ final observations drawing from this insightful discussion

Throughout the discussion, roundtable participants agreed that the path forward for the creative industries in Canada would necessarily involve new formats for creative content and that new delivery platforms would be needed to deliver these to Canadians. Innovation on digital platforms requires the support of robust networks. Continued massive investments will be needed to support the ever-increasing demand for bandwidth, across the country, not only in our cities but also in rural and remote areas. Many of Canada’s economic, societal and cultural goals depend on fostering an environment which will encourage investment in networks and in innovation.

TELUS applauds the Minister of Canadian Heritage for initiating this extensive review of cultural policy in Canada and hopes that the comments from the roundtable of creative entrepreneurs will inspire government more broadly to support our cultural industries through incentives and assistance to achieve success on a global scale.

Participants in TELUS' Multi-city Roundtable Discussion

The following is a list of participants in the roundtable discussion hosted by TELUS in Vancouver, Edmonton, Calgary and Ottawa, connected via TELUS' Telepresence video=conferencing system.

- **Dhelnia Bhesania**, CEO, Bardel Entertainment
- **Sue Biely**, President, Nudge Consulting Inc., National Canadian Film Day - BC Region Manager/Co-Facilitator, Media That Matters: Story Money Impact
- **Rob Bromley**, Vice-Chair, Creative BC
- **Rebecca Campbell**, Producer and Director, Catapult Pictures Inc.
- **Phillip Djwa**, Founder, Agentic Digital Media
- **Matt Embry**, President & Founder, Spotlight Productions Inc.
- **Michael Geist**, Law professor and Canada Research Chair in Internet and E-commerce Law, University of Ottawa
- **Richard Grieve**, Director of Finance, Bardel Entertainment
- **JP Holecka**, Creative Director & Strategist, POWERSHiFTER
- **Frederick Kroetsch**, Producer, Open Sky Pictures
- **Jaro Malanowski**, President and Executive Producer, Avatar Media
- **Michael Milardo**, Executive Creative Director, Cossette
- **Laura O'Grady**, Vice-President Production, Spotlight Productions Inc.
- **Jeslène Quinn**, Media Development Consultant, Alberta Media Fund, Cultural Industries - Alberta Culture and Tourism
- **Stephen Robinson**, Director and YouTube Creator.
- **Bram Timmer**, Vice President, Digital Alberta / Creative Director and Designer, Wild Forest
- **Catherine Winckler**, Founder and CEO, Switch United
- **Tanya Woods**, Vice-President Policy and Legal Affairs, Entertainment Software Association of Canada

Special guest: **Kelly Wilhelm**, Special Assistant, Northern Desk, to the Minister of Canadian Heritage.

TELUS hosts in the four cities:

- **Kim Guise**, Director Products and Services (Content Programming), TELUS
- **Linda Hay**, Senior Product Manager (Content Programming), TELUS
- **Lizzy Karp**, Marketing Communications Manager, TELUS
- **Ann Mainville-Neeson**, Vice President, Broadcast Policy and Regulatory Affairs, TELUS
- **Lecia Simpson**, Regulatory Affairs Director, TELUS
- **Jonas Woost**, Senior Strategy Manager (Content Programming), TELUS