

Strengthening Canadian content creation, discovery and export in a digital world

Submission to Canadian Heritage from Manitoba Film & Music

The establishment of digital distribution has meant that content dissemination and consumption is now a global exchange. Music and screen-based content now reaches across borders in an unprecedented way. The creation and distribution of excellent, globally viable content should be one of the targets of federal policy regarding the support of the creative industries going forward.

Strengthening Canadian Content

A key to strengthening Canadian Content is looking at the decentralization of decision making entities and ensuring the even distribution of resources across Canada.

For the film industry, the centralization of distributors and broadcasters can hinder regional production due to inherent geographical barriers that impede the building of relationships with decision makers. Producers and creators are required to spend greater sums of time and money to ensure they have access to the relationships essential to building their business and marketing their products. In addition, these same barriers cause a significant imbalance of funding resource distribution across Canada. Currently, the vast majority of English language production funding in Canada is distributed in Ontario. A regional presence with meaningful decision-making at a local level would ensure more equitable investment in content creation.

Another major priority is to ensure national funding bodies are receiving contributions from OTTs to be put toward the development of truly Canadian content. The consumer has come to enjoy Canadian shows such as Saving Hope, Polar Bear Town and Orphan Black; shows that could not have been made without investment from the CMF who are funded by contributions from the BDU's. From an industry perspective, it would be beneficial to ensure contributions from OTTs are addressed at a legislative level and that resources are applied to ensure compliance.

Similarly in music, the largest Canadian companies are based in Ontario, isolating regional musicians from the main music markets. This necessitates a huge investment in time and money in order to build businesses and export content. A potential solution would be to ensure, at the policy level, that stakeholders across Canada have a voice in shaping policy.

For both film and music, regional representation at a high-level would lead to a broader and stronger culture in Canadian music and screen-based content creation.

Broadcast and Distribution of Content within Canada

In both the film and music industries, rapid technological developments have created an unprecedented pace of change. In order to remain relevant, it is essential to maximize the opportunities created by the digital world, while ensuring adequate compensation and equitable negotiation of rights for content creators.

In the music industry, rapid technological change has put a great deal of pressure on artist compensation. The splintering of music revenue streams has created increased workloads for artist entrepreneurs and less certain revenue models for music companies. This has created a larger and increasing reliance on revenues from tariffs and licenses such as those that come from radio, satellite radio, web radio, and music streaming services. It is important that the copyright laws governing these revenues streams are updated, and serve to protect, fairly compensate and nurture Canadian music creators and owners.

Statutory royalty rates determined by the Copyright Board of Canada must properly and competitively compensate Canadian creators (authors, songwriters, composers, publishers, musicians, labels) for their work. The example of Tariff 8 for streaming royalties that created a royalty rate that is 10% of the equivalent rate in other jurisdictions shows that the Copyright Board of Canada is out of step with the needs of the creative sector in Canada.

The value of the intellectual property created by the Canadian cultural industries has proven to have long-lasting and wide reaching economic impact in our communities, cities and provinces. With the increasing demand for more content, assuring these works are protected and can be monetized is vital for the economic ecosystem of the cultural sector.

For musicians, this increasing demand for content is ongoing as the album release cycle shifts to require more high quality support content to keep audiences engaged. Marketing support for the dissemination of these works is still essential for our works to reach global audiences.

Canadian content protection on Canadian distribution platforms (radio, television, online) is a must in the digital economy. Canadian content must also be supported on digital platforms and those platforms must be able to operate in Canada, with a Canadian content first approach. The CBC as a cultural platform for music and art should prioritize the presentation of regional art back to regional audiences. The CBC Music service has created a significant platform for music dissemination in Canada, but can greatly strengthen its regional representation.

For the film industry, advances in digital technology are creating increased and varied distribution opportunities. In order to maximize these opportunities, it is essential to reexamine the framework for funding triggers as they relate to distribution. Currently, in order to secure national funding for a feature film, that is not considered low-budget the participation of a major Canadian distributor is required to trigger funding. Depending on the project, the participation of a major distributor is not always beneficial, nor are there enough to manage the capacity of Canadian content. For independent or smaller budget features, the creators should have the flexibility to look at a broader set of options and go after alternate distribution methods best suited to their project. In addition, vertical integration among broadcasters and

mergers/acquisitions by distributors have created a serious lack of competition, thereby further limiting options for content creators. Reexamining this framework through updating language and legislation would ensure greater access to Canadian content both nationally and internationally.

Export to Global Markets

For both the film and music industries, international export is key in building careers, businesses and audiences. Digital technology has enhanced exportability, while creating a unique set of challenges.

In music, the digital marketplace has changed the industry dramatically. Seismic changes in the revenue models and marketing strategies for the music industry have created an environment where artists must tour and perform live as a trigger for future growth, revenues and audience development. Creating a presence in a market through live touring is the catalyst that allows artists to sell tickets and merchandise, as well as stimulate the radio and streaming music plays that generate revenue.

The US, which is the largest music market in the world, remains one of the most difficult to enter due to challenging visa requirements. This is a major barrier in career development for Canadian musicians. This is especially true for Manitoba musicians, who have a potential audience larger than the population of Canada just south of the province in neighbouring states, but cannot easily access these markets.

In both the film and music industries, support for existing and newly imagined, industry-led, trade initiatives at the consulate level are essential to the global competitiveness of the sectors. Industry-led music and film export offices would bring Canada up to the level of other creative industries exporting nations and would support the tremendous efforts that the industry currently puts into exporting Canadian culture worldwide. There is a tremendous opportunity to capitalize on Canada's international brand and to ensure access to this visibility is equitable across the country.

In regards to feature film, the broadening of funding triggers would result in enhanced global marketing of Canadian content. Allowing creators to choose the best marketing and distribution options for their projects would ensure a greater global reach for Canadian content.