

## **Canadian Content Consultations**

### **Submission: TV and Content Distributors and Exporters Industry**

**Event Date:** Monday November 21 2016

**Location:** Livestream discussion

**Organizer:** Canadian Association of Content Distributors and Exporters - Association canadien des exporteurs de contenu (CACE-ACEC)

**Number of Participants:** 16

*Investing, supporting, and building a strong Canadian-based export and distribution industry to support the creative ecosystem in Canada.*

The Canadian Association of Content Distributors and Exporters – Association canadien des exporteurs de contenu (CACE-ACEC) is a newly formed organization committed to a vision of a strong and vibrant content industry in Canada that develops, creates and exports world-class content that is shared with audiences around the globe. Founding members include: 9 Story Media Group, Blue Ant Media, Cineflix Media, Corus Entertainment, DHX Media, Entertainment One (eOne) and its Quebec subsidiary Les Films Séville. Given the recent founding, the organization was not represented at the scheduled roundtables across the country, and took the opportunity to use the guiding materials and facilitate a roundtable discussion with members of CACE as well as other representatives from the industry. The roundtable was an opportunity for members of the industry to share and start an initial discussion of new ideas for the industry that can help strengthen the ecosystem in Canada in a manner that supports creatives and ensures Canadian content is shared with the world.

#### **1) Focus on respecting citizen choice and support creators in making great, compelling content**

A TV and content distribution and export system that supports creators and respects citizen choice will:

- a. Be a system that provides support to Canadian based exporters in an environment with an increasing number of foreign exporters. The current funding regime supports a one-off production infrastructure that provides benefit to copyright holder, however overlooks equal benefit to distribution ownership. As a result, asset value of some of our highest quality work is being extracted from Canada, and is ultimately being owned and controlled by non-Canadian distributors and U.S. studios. Thus, many of the best Canadian shows end up, in essence, owned and controlled by non-Canadian studios and distributors.
- b. Be a system that embraces and supports stronger, globally competitive companies that are based in Canada.
- c. Maintain support mechanisms for project specific support (i.e. tax credits).
- d. Incentivize companies to take risk through support mechanisms that develop Canadian-based exporters and distributors.
- e. Reinstate in the CMF guidelines the requirement to offer international distribution rights to Canadian distribution companies first.

## **2) How can we meet the challenge of promoting Canada's creativity in the digital world, and how can we use digital content to promote a strong democracy?**

TV/content distributors and exporters can promote Canada's creativity in the digital world, and use digital content to promote a strong democracy by:

- a. Ensuring there is an ecosystem in Canada that retains our best talent.
- b. Supporting Canada's brand as a creative brand. Our shared opportunity is to craft a system and business in Canada where we are a mecca for not only the manufacturing of content at a good price point, but where global hits are created and supported through both investment and access to top-tier talent from around the world. This will have a branding effect outside of the country, a cultural effect inside Canada by promoting our heritage and culture, an economic benefit that allows export revenues to come back to Canada and stay here, and supports the country's shift into more knowledge-based economic activities.
- c. Having a healthy industry that includes the ability for homegrown IP to be sold around the world, which is a key ingredient to retaining talent in the country.
- d. Working to help develop an IP export strategy through opportunities such as having an IP trade officer in the embassy of any major market in the world, the same way export offices have been supporting in other markets for other industries.
- e. Ensuring a strong ecosystem that supports creativity, as creativity ultimately drives the commercial value of an asset being created in a digital world where people have unlimited choice. Quality, which has always been important, becomes paramount for discoverability: we can no longer force people to watch something because it is on the airwaves when there are ample alternatives for consuming content.
- f. Remembering that regardless of the platform the content is created for, it is always about telling compelling Canadian stories to audiences at home and around the world. Our objective is to build an industry that employs Canadians, that produces high quality content for a global audience, that creates profit for reinvestment, and generates tax revenue.

## **3) How do we support Canada's creators and cultural entrepreneurs and help them reach beyond our borders?**

TV/content distributors and exporters can support Canada's creators and cultural entrepreneurs and help them reach beyond our borders by:

- a. Ensuring the system supports creative risk taking. This requires a new understanding of the creative R&D process. Creative development is linked directly to distribution and export. Companies with global reach and market intelligence are central to guiding the creative development process.
- b. Strengthening the market by providing guidance to the creative process to ensure the work is viable and speaks to Canadians, and also that it is viable outside of Canada.
- c. Creating of a flexible points system that incentivizes producers to work with Canadian based distributors, ensuring the revenue and IP generated by the production remains in Canada and is reinvested into the system.

- d. Identifying tax tools, such as enhanced deductions for research and development expenses and for deficit financing made by Canadian tax paying companies in Canadian content projects, that will incentivize support for these projects by Canadian-based exporters.
- e. Thinking broadly about the types of platforms that can trigger access to Canadian production incentives.