



YOUTH MEDIA
ALLIANCE
MÉDIAS JEUNESSE

CANADIAN CONTENT IN A DIGITAL WORLD

Response to the consultation launched by
the Honourable Mélanie Joly, Minister of Canadian Heritage

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INTRODUCTION: THE YOUTH MEDIA ALLIANCE

Youth Media Alliance (YMA) seeks to enrich the lives of Canadian children and teens by helping improve the quality of the content created for them on all screen-based media. The Alliance pursues its mission of encouraging high-quality content by presenting annual awards of excellence to the best productions targeting young English- and French-speaking Canadians. It offers ongoing training tailored to the special needs of youth production professionals through workshops, seminars, and special events such as the Children, Youth & Media and Média-Jeunes conferences. It also conducts original research investigating the impact of screen-based media on young people. Finally, the Alliance lobbies governments to generate interest in all matters concerning screen-based content for young Canadians.

A SUMMARY OF YMA'S POSITION

As Canadian children and youth are strong supporters of traditional media, digital media and social networks, the content they ingest through these various platforms unequivocally shapes their language and culture. In this light, the creators, producers and broadcasters of youth content - those who disseminate our culture both here and abroad, across multiple platforms - make a decisive contribution to the development of Canada's youngest viewers. For this reason, children need to be at the heart of any new strategy formed to navigate through the digital world. Success comes not only in meeting the demands of a global marketplace; it comes first and foremost in meeting the cultural and developmental needs of our own children.

This new strategy must therefore:

- Value the importance of Canadian content in shaping the values, language and global outlook of our youngest citizens.
- Recognize the role broadcasters (public, private and specialty) and producers play in creating and presenting content in ways that are appealing, age-appropriate and engaging for children.
- Acknowledge that children consume content in a variety of forms, both linear and interactive, on a multitude of platforms.
- Support Canadian broadcasters and content creators to deliver digital Canadian content in a platform-agnostic way.
- Increase and diversify funding (including enhancing tax credits) to foster the creation and production of multi-platform digital content while providing strategic support to youth production companies, now tasked with adapting to different delivery formats and platforms in a national and international context of continual flux.
- Foster the development of targeted expertise by encouraging the emergence of a new generation of producers to create and distribute multi-platform content in Canada and globally.
- Establish conditions for Canadian companies to retain ownership rights to intellectual property (IP) when creating new forms of cultural expression for a global marketplace.

THE CRITICAL IMPORTANCE OF DIGITAL CONTENT FOR CHILDREN AND YOUTH

The Youth Media Alliance (YMA) is privileged to take part in the national consultation launched by the Honourable Mélanie Joly, Minister of Canadian Heritage. We feel this initiative comes at a pivotal point in the shifting consumption patterns of Canadians, particularly young people. The major technological changes of recent years, changes that remain ongoing, affect every cultural sector, including that which is of particular interest to us: screen-based content for children and youth.

YMA's members are dedicated to producing, programming and broadcasting youth content for television and digital media. Given that this content transmits the values and outlook of Quebec and Canada - and as such, helps shape the intellectual, social and cultural development of young people, ultimately forming proud citizens - YMA's members are also passionate advocates for the recognition of the importance of such content.

We strongly support the federal government in this consultation on the future of Canadian content in a digital world, for the very reason that we see the government's role as vital to the development of our stories, our authors and our artists.

Until recently, the primary responsibility of delivering stimulating, quality programming to children and youth fell almost exclusively to public, private and specialty broadcasters. While television still features strongly in their cultural consumption, young people have embraced digital distribution platforms that deliver even more content of interest to them, and in increasingly interactive formats. Whether through YouTube, Google Play, App Store, iTunes, Netflix, Xbox Live, Instagram or Facebook, young people are consuming digital content in vast quantities. This poses a sizeable challenge for Canadian producers and broadcasters, now faced with producing content, not just of interest to the younger generations, but also able to reach them at all times across multiple platforms as well as being accessible beyond our borders.

Canadian broadcasters have responded vigorously to the fragmentation of their audiences. Over the past 15 years, broadcasters have populated their increasingly sophisticated websites with games, polls, quizzes, fan content, trailers and videos, and CMF-funded digital content. These broadcasters now have strategies to reach children with content, both free and monetized, on other platforms in Canada and abroad.

Corus' Treehouse TV, Disney Channel, and DHX's Family Channel offer free streaming video apps for authenticated channel subscribers to watch content live or on demand. TVO has garnered more than 3.6 million views on YouTube since launching its TVO Kids YouTube channel in November 2015. In less than 12 months, Knowledge Network has recorded more than 12 million screen views on its Knowledge Kids Go free streaming video app for tablet and mobile devices. TFO, moving aggressively into digital distribution, has launched some 19 different YouTube channels for kids 2-12, each targeting a specific age demo with a specific content focus. And numerous children's pay channels provide video-on-demand to their major BDUs, including Rogers, Shaw, Bell, Cogeco, Eastlink and Telus, to support cable subscriber attraction and retention.

Content producers themselves have been recognized as well for their capacity to explore and create new format and distribution strategies to increase the circulation of their Intellectual Properties. As an example, Echo Media has had a huge success by extending Toopy and Binoo's brand in order to reach the widest possible kids audience on various formats such as Webgames, mobile apps and platforms like YouTube with over 200 000 viewings monthly. This is also true for Frima (Chariot and Nun Attack), Gamerizon (Chop Chop Ninja) or even Minority Report (Papo & Yo) that have achieved a high level of success in the worldwide distribution of their games and applications.

The Canadian content, commissioned by broadcasters and created by talented producers and new media content creators, is finding its way to fans across Canada through an expanding variety of delivery means. Over the years, those popular titles have ranged from Max and Ruby, Little Bear, This is Daniel Cook, The Big Comfy Couch, Sagwa, Toopy and Binoo and Paw Patrol for pre-schoolers, to Goosebumps, Inspector Gadget, Atomic Betty, Wild Kratts, Life with Derek, The Next Steps and the Degrassi franchise for older viewers. Before going on to be successful in markets worldwide, each one has resonated with children at home, inspiring viewers to learn, laugh, problem-solve and explore the world around them.

While our industry has developed strong expertise and know-how over the last years in producing and broadcasting a large variety of content on multiple platforms, we must always consider new challenges, market globalization, and changing media habits in kid's space. This requires us to maintain a high level of quality and competence in order to continually adapt to ever-faster changes.

It's clear that we are witnessing major shifts in the digital content consumption patterns of our youth. Thanks to new technologies, kids today have the whole world literally at their fingertips. With this comes new freedom of access to knowledge and ideas,

conveyed just as readily through physical and linear as through digital and virtual content.

Such changes prompt us, on the one hand, to strengthen our support for the production of “traditional” linear content in order to adequately meet the needs of society’s youngest members on so-called traditional platforms; and on the other hand, to take ownership of the challenges posed by the diversification of media consumption patterns, and innovate on every front: content creation, production and distribution.

This expanded media scenario has several impacts:

- i. It encourages our industries to adapt their content creation and distribution practices to take into account multiple platforms by allowing “traditional” producers to position themselves;
- ii. It fosters the emergence and growth of a new generation of producers specialized in new forms of storytelling;
- iii. It challenges traditional communications regulatory models that have been slow to respond to the deployment of new foreign platforms such as Netflix, Amazon, YouTube or iTunes.
- iv. It calls on us to open up to globalized media consumption.

Whether for an online game, a fun educational app, linear content on YouTube, video-on-demand via Apple TV or Netflix or clips on social media, kids can now access the content that interests them on multiple platforms and devices, wherever and whenever they feel like it. No longer only guided by linear television programming, audiences now express their needs and expectations through their content choices and the capacity they have to play directly with the content itself through interactive experiences.

Children and youth are the future. If they fail to see our culture and values reflected in the entertainment and information sources they consult on different platforms, then any political strategy will have fallen short of its target. Any new strategy formed to promote Canadian content must also leverage our creative and cultural assets to highlight what is distinct about being Canadian.

Canada in the Content Marketplace

Over more than 50 years, the Canadian government has employed a complicated mix of programs, tools and regulatory policies to build a vibrant Canadian cultural industry. Out of these strategies, the children`s programming sector, in particular animation, has emerged as a clear success. From early production companies that included Nelvana and Cinar, the industry has grown to include many world-class production companies and animation studios, from Vancouver to Halifax.

Shows such as Mister Dressup and The Friendly Giant were developed for a domestic audience that welcomed and supported them. Gradually, the children`s production industry began developing shows with export potential: Are You Afraid of the Dark, The Kids of Degrassi Street, Arthur, Franklin, and Caillou. Today, many Canadian children`s series and co-productions are commissioned and sold to global channels, broadcasters and VOD platforms worldwide. They have become highly sought after for their compelling characters, engaging storytelling and outstanding production values.

Today`s youth content producers and distributors operate within an economic framework that`s both innovative and globally competitive. The demand for content able to fulfil these parameters is growing rapidly, not just in Canada but also worldwide. The consultation process currently underway must accordingly acknowledge the international market potential for digital youth content created and produced here in Canada.

To make the most of current opportunities, our industry must be prepared to invest in new distribution forms while strengthening its control over the rights to digital, cross-platform content developed specifically for youth. This challenge entails backing initiatives that promote and support multi-platform distribution, as well as creating new forms of content expression related to the interactive potential of the platforms themselves, such as mobile app, web based content or any other type of support to be released in the future.

While applying flexibility to our approach in content creation and distribution, we must apply a similar flexible approach to production funding and rights management so that we may observe and respond to the new needs generated by multi-platform distribution in a globalized marketplace.

Here, YMA underscores the importance of working together to maintain a high level of original Quebec and Canadian youth content, not just within the Canadian broadcasting system, but also on the numerous digital, interactive and virtual reality platforms that reach young Canadian viewers and users.

If we are to build an industry that is sustainable for future generations, the federal government's new strategy must do more than just encourage the production and distribution of Canadian youth programs. The new strategy should also allow Canadian content creators and producers to hold onto their rights so that they can ensure - and this is a growing imperative - that their content reaches a vaster audience across digital platforms worldwide.

HERITAGE CANADA'S PROPOSED PRINCIPLES AND PILLARS

Below is a summary of YMA's position regarding the federal government's principles, pillars and questions in the consultation document, "Canadian content in a digital world".

Principle #1: Focusing on citizens and creators

Pillar 1.1: Enabling choices and access to content

How can we reflect the expectations of citizens and enable Canadians to choose the content they want to see, hear and experience?

Answer:

Given the sweeping technological changes of recent years, the accompanying shift in youth media consumption patterns and the increasing preference for cross-platform content, we must ensure that digital content developed for these audiences is available and accessible across all platforms. This entails supporting broadcasters and content providers as they open themselves to multi-platform broadcasting and production companies as they adapt or create content to new forms of expression such as non-linear and interactive mode.

The distribution of content, especially when aimed at the youngest viewers, must employ the channels most likely to reach them. In Canada, as elsewhere, kids take in content from all over the world. If we are to compete, we must align ourselves with the day-to-day realities of how they consume media.

Here, it appears to us especially important to seize the opportunities posed by new business models like YouTube that are available free of charge and whose ability to monetize is based on visibility and number of views. While such platforms make it harder to generate short-term revenue, we believe that producers and broadcasters should nonetheless take advantage of them to deliver content specifically aimed at young audiences, who are among their heaviest users.

Pillar 1.2: Supporting our creators

How can we fairly support creators in the creation and production of content that stands out? What partnerships will be needed to achieve this? How can we help creators have successful and viable careers in a digital world?

Answer:

Although rapid change has created new opportunities to develop and disseminate content and has had far-reaching impact on media consumers, the heart of the matter remains unchanged. Strong writers, artists, actors, directors and musicians are at the core of storytelling that stands out. A successful children's content industry must continue to support the development of a deep talent pool and the next generation of new storytellers whose voices and visions bring Canadian content to life. It should also recognize the symbiosis that has arisen between creators of traditional television programmers and producers of digital, interactive media. From a child's perspective, it's all content.

Broadcasters play a key role in identifying audience trends, commissioning and shaping new projects for specific audiences and markets, providing a platform and promoting the discovery of new content. Those same policies and funding programs that open themselves up to streaming video services such as Netflix and Crave TV should also acknowledge the efforts of broadcasters to reach migrating audiences on new platforms by levelling the playing field between the two.

The success of the children's sector in terms of global exportability is worthy of continued support. Canadian kids producers and animators enjoy an enviable position of respect in the marketplace, built through innovation and risk-taking along with support from federal and provincial investment strategies. In a time of rapid change and rabid competition, promoting Canada as a destination for high quality content and trusted partnerships remains crucial to the continued success of this sector.

Principle #2: Reflecting Canadian identities and promoting sound democracy

Pillar 2.1: Redefining Canadian content for contemporary Canada

With so much online content available today and given Canada's diverse and multicultural makeup, does the concept of 'Canadian content' resonate with you? What does 'Canadian' mean to you? Do we need to be more flexible in how we support the production of content by Canadians?

Answer:

For the children's industry, 'Canadian content' - imagined, produced and distributed primarily in Canada, reflecting not just our creators and artists, but above all our values and stories - is the very cornerstone of Canada's cultural policies. The universal nature of these values has ensured that our unique outlook reaches a broader audience. Populated as it is with aliens and animals, robots, dinosaurs, phantoms and people, Canadian children's programming isn't a literal reflection of our country, but rather a figurative reflection of our society - diverse, tolerant, inquisitive, resourceful, self-reflexive and able to laugh at itself.

With the future of Canadian content in a digital world in question, cultural agencies such as Telefilm Canada, the Canada Council, the NFB and the Canada Media Fund should broaden their scope and expand their positions vis-à-vis the different platforms by putting more financial resources into the production of multi-platform digital media content. Canadian content for children and youth must be considered a priority.

The CBC/SRC, in turn, should focus on quality youth programming by funding a greater number of programs and cross-platform applications aimed at young people.

Pillar 2.2: Strengthen the availability of quality information and news in local markets

What models can we build to support the creation of and access to local information and news in a global context?

Answer:

YMA is aware of the problem of ensuring Canadians access to quality local information and news. Like many of our fellow citizens, we would like to guarantee this access to even the youngest members of society. We would also like the news to reflect both Canada's diversity as a country and in terms of consumers' range of interests. All broadcasters, most particularly public and educational channels, who offer children's content begin the lifelong process of building brand loyalty, so that when youth are old enough to consume news and information programming, they will know, trust and choose Canadian sources.

Principle #3: Catalyzing economic and social innovation

Pillar 3.1: Positioning Canada as a culture and digital content leader

Canadians make great content; how can we build our exceptional cultural industries and support the growth of new creative enterprises as part of Canada's innovation agenda? What tools do the government and the private sector already have at their disposal? What new tools could we consider?

How do we incent more risk-taking from creators and cultural entrepreneurs?

Answer:

Several levers have been critical in shaping and growing the successful Canadian children's production industry: Canadian content broadcast requirements, Canadian Programming Expenditures (CPEs), international co-production treaties, post-secondary programs in animation and digital media training, festivals and market support for global export, tax credits and CMF and CIPF funding. Given the domestic popularity and worldwide demand for our children's programming, these remain important tools to the continuation and growth of the industry by including an open access to multiple format and platform initiatives. In this sense, removing barriers between funding mechanisms is critical.

A new direction could see Canada develop a more robust cultural production ecosystem through increased capitalization aimed at enabling innovation, entrepreneurship and mentoring. Consolidating content creation and production means moving from a project-based development outlook to stimulating growth through capitalization that makes long-term planning and a return on investment possible. This model has been employed elsewhere in Canada: in the theatre community, theatre companies receive sustaining funding to maintain the core of the company as they plan and mount new stage productions. Another example is Creative BC, which provides slate funding that is company-based rather than project-based. These efforts allow companies to invest in emerging talent and new technologies, to take risks and respond to new market-driven challenges and opportunities.

Among other possible incentives and support mechanisms are the following:

- Recurring and pre-approved funding to support digital creations in the long term (new releases, technological developments, media diversification, etc.)
- Closer and more collaborative relationships between public and private funders by supporting strategies where private capital (investment funds, angels, etc.) is

combined with state support (subsidies, culture capital funds, venture capital partnerships like Quebec's *Fonds d'investissement de la culture et des communications* [FICC], etc.)

- Tax credits for digital cultural content exports
- Funding and support for the development of new expertise (technological improvements, distribution and marketing, exports, skills transfer, etc.)

Digital content creators, for their part, seek more support in developing intellectual property (IP) that is not television-led. Efforts to develop innovative new interactive content (eg. games, apps, etc.), outside of the broadcast industry, are currently limited to funding through the CMF Experimental Fund. New incentives policies and tax credits should remove barriers between traditional funding mechanisms and allow for the creation and production of a wider range of youth digital content and support the export and availability of this content on multiple platforms. Accordingly, digital content creators and new media producers must be encouraged to develop knowledge and expertise in how new platforms should be used. Media production companies must be strengthened through the establishment of multidisciplinary teams able to handle all aspects of content creation, dissemination, distribution and marketing towards new markets and young audiences.

And finally, the European Union is studying the question of introducing local content quota obligations for operators like Netflix. Certain countries like France and Australia have enacted legislation requiring a financial contribution to a local content fund. Where a Canadian regulatory framework remains in place that requires broadcasters to contribute to the funding of Canadian content, then a mechanism is required to make commercial streaming services (eg. Netflix, Crave TV) subject to taxation or levies that could also support the development of Canadian content with potential for the international market.

Pillar 3.2: Leveraging Canada's national cultural institutions

How do we ensure that our national cultural institutions, such as the CBC/Radio-Canada and the National Film Board, are a source of creativity and ingenuity for the creative sector more broadly?

Answer:

YMA believes that children and youth must remain central to the actions of public bodies like Canadian Heritage, Telefilm Canada, the NFB, the Canada Council, the CBC/SRC and the Canada Media Fund. Prioritizing the needs of young people in their programming

would show their recognition of the importance of offering Canadian content to young viewers - content that informs the development of tomorrow's citizens as it increases their knowledge of our values and openness to diversity.

As for public broadcasting, we firmly believe that the CBC/SRC must resume its tradition of devoting a large portion of its program schedule to youth programming. The Government of Canada must, in turn, adequately fund the CBC/SRC so that it can fulfil its mission in this area.

Pillar 3.3: Promoting Canadian content globally

What is needed to best equip Canadian creators and cultural industries to thrive in a global market and exploit the country's competitive advantages? In a global market, what conditions need to be in place to encourage foreign investment in Canada's cultural industries? How can we better brand Canadian content internationally?

Answer:

We firmly believe that, along with music, comedy and film, youth content is one of our most viable exports. Whether in terms of animation, video games or mobile apps, our producers have the required expertise to captivate not only young Canadians, but also international audiences. The mechanisms to support the development of this content (coproduction treaties, tax credits, public and private funding programs) and the exportability of this content is well established; as such, it is to be supported.

As part of an industrial strategy, the government must work with the content creation and production industries to gain a better understanding of foreign markets. The government must also finance export aids and support digital production in new growth markets as well as consider making it easier to hire foreign workers with a view to facilitating marketing in their home markets. Specific programs to brand and promote our works and Canadian digital creativity can also be envisioned: these could entail ensuring greater visibility at international trade fairs and sustained representation in the countries where we would hope to make inroads.

So far, government support has largely focused on culture in its traditional forms. The focus can now extend to emerging art forms and cultural expression linked to the media that generate them: virtual reality, video games, gaming apps. We must unlock the available funding and encourage both content development and access to local, national and international markets. We must also stay abreast of changes to media consumption patterns. We know that technological progress acts exponentially on the means of distribution, particularly among younger viewers, who are considered early adopters.

In addition to export support, the government is called on to create conditions to prevent the piracy of copyright and intellectual property, ensure that content creators are paid fairly for their work and are able to readily exploit it in the international marketplace.

RECOMMENDATIONS

YMA's members believe in the vital role that creators, producers and broadcasters, both traditional and digital, play and must continue to play in providing the very best Quebec and Canadian youth content possible, given the prevailing (and precarious) reality of diminishing technological boundaries and increased access to multiple platforms.

YMA believes that federal government's initiative to develop, through consultation, a new cultural strategy bodes well for the future. We therefore offer the following recommendations for consideration:

- 1) Support the creation of Canadian content for children and youth, and ensure the recognition of original Intellectual Property for such productions.
- 2) Support Canadian broadcasters and content creators in delivering Canadian children and youth content on the greatest possible number of platforms, both "traditional" (e.g. television) as well as "new generation" (Web, mobile apps, virtual reality, etc.).
- 3) Ensure tax credits and adequate funding policies, support the development of expertise related to the creation, dissemination and promotion of youth multi-platform content destined for the domestic and international markets.
- 4) Strengthen youth content production companies and broadcasters, equipping them not only to deal with a media landscape in continual flux, but also offer young people quality content that can compete with the global offer as well as reach our audiences via new distribution platforms.

YMA's members are at your disposal should you wish additional input on this matter or if you would like us to participate in a meeting with the Minister of Heritage's advisory committee. This government initiative is timely in terms of doing whatever is needed to reflect our cultural aspirations in a global technological environment. YMA proposes nothing less than putting our children and youth at the forefront of the strategy that will result from the ongoing consultation.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Guillaume Aniorté', written in a cursive style.

Guillaume Aniorté, Vice-President, Development Strategic, Frima Productions, Co-President of the Board of Directors of YMA.

A handwritten signature in black ink, appearing to read 'J.J. Johnson', written in a cursive style.

J.J. Johnson, Partner Sinking Ship, Entertainment, Co-President of the Board of Directors of YMA