



Government  
of Canada

Gouvernement  
du Canada



# Canadian Content in a Digital World

# Le contenu canadien dans un monde numérique

## FOCUSING THE CONVERSATION

CONSULTATION PAPER

SEPTEMBER 2016

Ce document de consultation est également  
disponible [en français](#).

# CONTENTS

<b>INTRODUCTION</b>	<b>2</b>
<i>What are we trying to achieve?</i>	<b>3</b>
<b>PART 1 – THE CASE FOR CHANGE</b>	<b>4</b>
<i>Building on our strength</i>	<b>4</b>
<b>PART 2 – A SOCIAL CONTRACT FOR THE DIGITAL WORLD</b>	<b>6</b>
<i>Principle #1: Focusing on citizens and creators</i>	<b>7</b>
<i>Principle #2: Reflecting Canadian identities and promoting sound democracy</i>	<b>8</b>
<i>Principle #3: Catalyzing social and economic innovation</i>	<b>10</b>
<b>PART 3 – PILLARS OF THE APPROACH</b>	<b>12</b>
<i>How can you be part of the conversation?</i>	<b>13</b>



# INTRODUCTION

In 2017, Canada celebrates the 150th anniversary of Confederation. Over the course of those years, we took many steps to ensure that Canadian voices were heard on our airwaves; that our words were found in our bookstores and in our print media; and that our images and perspectives were displayed on our screens – in both official languages. Canadians have shown immense creativity and ingenuity. We established a national broadcasting system and strong national cultural institutions, sent one of the first satellites into space, invented IMAX films and developed leading edge virtual reality experiences. At the same time, Canadian society and technology have evolved alongside these accomplishments. Our country is more diverse and multicultural than ever before. Our homes are now networked and video streaming sites have replaced video corner stores. We use social media to communicate with each other, keep up with world events and stay in touch with loved ones.

To build on this foundation and to position Canada as a global leader today and into the future, we need to do a better job of promoting creative environments and talent; and fostering quality, innovation and risk-taking. Canada has the potential to be one of the strongest and most competitive creative economies in the world.

In April 2016, the Minister of Canadian Heritage launched the first phase of a conversation on how to strengthen the creation, discovery and export of Canadian content in a digital world. The [pre-consultation paper](#) highlighted four main drivers for change:

1. the environment is more fluid: traditional lines between “creator” and “user”, “artist” and “audience”, “professional” and “amateur”, “citizen” and “journalist”, are blurring;
2. new players and intermediaries (such as Google, Apple, Facebook and Amazon) have emerged, causing disruption to traditional business models and value chains;
3. the world is increasingly interconnected and open, giving audiences access to an abundance of content from all over the world; and
4. the digital consumption of content is affecting citizens’ expectations: hyper-connectivity (e.g., high penetration of smartphones) gives rise to different expectations, including having access to any type of digital content, anytime and anywhere.

On the cusp of 2017 and as we look confidently to the future of our country, there is no better time to take up the conversation on culture. Now is the time to build a new model for how the federal government can best foster creativity and support Canadian culture.

The focus of this conversation remains on information and entertainment content as presented in television, radio, film, digital media and platforms, video games, music, books, newspapers and magazines. That said, all creators, cultural stakeholders and citizens have a stake in the future of our creative economy. We encourage all Canadians to be part of the conversation.

*What are we trying to achieve?*

The Government of Canada recognizes that digital technologies have transformed the lives of Canadians, and have changed how content is watched, read, experienced and discovered. We must evaluate the existing ways we support creators and cultural entrepreneurs to adapt to the new environment and plan for the years ahead.

So, what does it mean to strengthen Canadian content creation, discovery and export in a digital world?

It means empowering Canadian creators and cultural entrepreneurs so they can thrive and contribute their best to Canada's economy and quality of life.

It means creating pathways to market so creators can share compelling and engaging stories that positively shape an inclusive and open Canada.

In a sea of choice and unrestricted access to content from all over the world, it means that Canadians take pride in their creators and actively seek out content produced by Canadians in both official languages because it's great content.

It means that Canadians can actively participate in our democracy by having access to high-quality news information and local content that reflects a diversity of voices and perspectives.

Abroad, it means that global audiences are drawn to content produced by Canadians because it is unique and world-class.

But above all, it means valuing the social and economic contributions of our creators and cultural entrepreneurs, recognizing that creativity is at the heart of innovation and key to a strong middle class and Canada's success in the 21<sup>st</sup> century.



# PART 1

## THE CASE FOR CHANGE

Canada's current cultural policies evolved from a time, well before the Internet, when our bookshelves, record stores and airwaves were filled with content originating from the United States, France, the U.K. and elsewhere. Our cultural policies were designed to grow and strengthen the domestic market in order to ensure the creation and presence of Canadian television, film, music, newspapers, magazines and books. These policies helped ensure Canadian content was part of Canadian life, while simultaneously helping our creative sector mature and develop.

But times have changed and the tools the government uses to support Canada's creators and cultural entrepreneurs must keep up with consumption habits and technological change. As a result, our thinking is evolving from:

- **protecting** Canadian culture
  - **promoting and supporting** Canadian culture
- focusing on growing the **domestic** market
  - capturing a greater share of **global** markets
- **subsidizing** Canadian content
  - **investing** in Canadian talent and incentivizing risk-taking
- platform-**specific** → platform-**agnostic**
- seeing culture primarily as a **social** phenomenon -
  - embracing culture's unrealized potential as a driver of **economic** growth, both in the creative sector and more broadly

Changes to the federal cultural policy toolkit – which includes the programs, policies, legislation and national institutions currently used to support Canadian content and the cultural industries – are needed. Alongside the historic investment of \$1.9 billion in arts and culture announced by the Government in Budget 2016, we need to modernize how government supports the creation, discovery and export of Canadian content.

### CONSUMPTION HABITS

On average, Canadians spend almost 21 hours on the Internet per week.

Digital content is easily accessed and can be consumed anywhere. In 2015, 70 percent of Canadians owned a smartphone; that percentage goes up to 90 percent among millennials (ages 18-34).

### *Building on our strength*

When it comes to culture, we can be proud: Canada has exceptional artists, successful businesses, strong national cultural institutions and engaged Canadians. Canadians regularly produce critically-acclaimed films, rank on the Billboard 100, produce top-selling video games, win literary awards, create YouTube phenomena and make binge-wor-

thy television. Canada produces excellent content and the Government, alongside the private sector and Canadians themselves, has a long history of investing in the creators, institutions and businesses that produce this content. Now is the time for **bold action** – to build on these strengths and invest in Canada’s culture dividend.

### WE SHOULD BE PROUD OF CANADIAN CULTURE IN 2016 BECAUSE...

- Quebec filmmaker Xavier Dolan’s new film *Juste la fin du monde* won the Grand Prix at this year’s Cannes Film Festival.
- All five seasons of the multi-award winning TV series *Blackstone*, set on a fictional First Nation reserve, began streaming worldwide on Netflix in 2016. Critically-acclaimed and audience-favourite prison drama *Unité 9* has won a number of Canadian and international awards.
- The Weeknd, who received Canada Music Fund support early in his career, is currently one of the most popular artists in the world, having won two Grammy Awards, eight Billboard Music Awards, and seven Juno Awards in 2016.
- Canadian authors have won almost every major international literary award. Alice Munro was the recipient of the Nobel Prize in Literature. Alice Munro, Eleanor Catton, Michael Ondaatje, Margaret Atwood, Yann Martel won the Man Booker Prize, while Dany Laferrière was awarded the Prix Médicis. Carol Shields was a recipient of the Pulitzer Prize and Alistair MacLeod received the International IMPAC Dublin Literary Award.
- Since its founding in 1947, *The Hockey News* magazine has blossomed into the leading publication for news about hockey in North America and a top-selling magazine in both print and digital.
- Canadian newspapers are evolving to change the way content is accessed and to reach readers on a variety of platforms. For example, the *Winnipeg Free Press* was the first newspaper in North America to launch an iTunes-esque pay-per-article model to sell content. Meanwhile, founded in 1884, Montreal-based French language newspaper *La Presse* now reaches more Canadians on tablet each day than it ever did as a print newspaper.
- Robert Lepage and his company Ex Machina are world leaders in the integration of film, video art and multimedia with live presentation, creating theatre and opera productions that have enthralled audiences globally.
- In the NFB short *Mobilize*, Algonquin filmmaker and multidisciplinary artist Caroline Monnet explores the perpetual negotiation between the modern and the traditional by North American Indigenous peoples, with images culled entirely from outtakes from over 700 NFB films dating back to 1939.
- Canada is a global leader in cross sectoral innovation, such as the potential for video game technology to create unique approaches to medical research and care. A recent collaboration between Ubisoft and McGill University aimed to improve treatments for Amblyopia by strengthening the condition of the “lazy eye” through levels of contrast of objects displayed in video games.

# PART 2

## A SOCIAL CONTRACT FOR THE DIGITAL WORLD

During the pre-consultation, almost 10,000 individual Canadians and cultural stakeholders told us what is important to them and their views of the challenges ahead. Based on what we heard, three principles will guide our work:

**Principle #1:**

Focusing on citizens and creators

**Principle #2:**

Reflecting Canadian identities and promoting sound democracy

**Principle #3:**

Catalyzing social and economic innovation

And that's where we need your help. We are asking Canadians to work with us to build a model driven by these three principles and that reflects a broad consensus – a social contract – of how we support the creation, discovery and export of Canadian content in the digital world.

*Canada is at its best when all citizens have the opportunity to reach their full potential and are treated fairly, and the contributions from every segment of society are valued.*

– Budget 2016

# PRINCIPLE #1:

## FOCUSING ON CITIZENS AND CREATORS

A new model must both respect citizen choice and support content creation.

Canadians are, more than ever, in control of how they experience cultural and news content. Their choices are not limited by what a local radio station, broadcaster, or retailer makes available. Canadians actively seek out content and do not want to be restricted in what they can access.

Pre-consultation respondents indicated that they access content in a variety of ways, using different platforms. How they access typically varies by the type of content consumed (e.g., online news, live sports on television). Looking to the future, a majority (64 percent) of public respondents said that the Internet would be their primary way of accessing content. As Canadians increasingly shift to online platforms, they have more and more choice, both from Canada and around the world. Unsurprisingly on platforms where there is almost infinite choice and no quotas (e.g., online music or video streaming services), data has shown that Canadians' consumption of Canadian content is lower. On these platforms, Canadian content is now featured and competes with foreign content. But the reverse is also true: Canadian content is also now part of the offering in other countries.

### FROM THE PRE-CONSULTATION: ACCESS TO CONTENT

Close to two thirds of public respondents indicated that by 2020, they would access content mainly through the Internet.

To respect how Canadians want to consume and interact with digital content, we are committed to net neutrality – the idea that a public information network like the internet is most

useful if all content, sites, and platforms are treated equally. The way forward is not attempting to regulate content on the Internet, but focusing on how to best support Canada's creators and cultural entrepreneurs in creating great content and in competing globally for both Canadian and international audiences. Grabbing a bigger piece of the global pie is critical to building a strong and viable creative sector. At its core, this means considering how the federal cultural policy toolkit can better encourage the creation and production of Canadian content that stands out; content that is relevant, distinctive, and able to connect with an audience. This is the kind of content that both Canadians and international audiences want. We know that our creators make exceptional content. Investing in them, including fairness in compensation for the use of their work, is essential.

In the pre-consultation, public respondents indicated that the two most urgent challenges facing Canada's cultural sector are foreign competition and making Canadian content stand out online. We need to reconsider how our talent might be incubated and showcased in an ecosystem where multinational content providers (like Netflix (streaming), Apple (streaming and retail), YouTube (streaming) and Amazon (streaming and retail) will coexist with homegrown options (like shomi (streaming), club illico (streaming), and Wattpad (self-publishing)). With so much content easily accessible, nurturing talent, curating content and promotion are increasingly important – both for Canada's national cultural institutions, such as CBC/Radio-Canada and the National Film Board, and for Canadian cultural entrepreneurs.



# PRINCIPLE #2:

## REFLECTING CANADIAN IDENTITIES AND PROMOTING SOUND DEMOCRACY

Canada's diversity is a strength and Canadian content that reflects our diversity strengthens our democracy. A new cultural model must leverage this diversity, recognizing it as a competitive advantage, a source of innovation and a contributor to the cohesion of our society.

Our culture reflects who we are and is one of the powerful ways that we share our identities and values with each other. Canadian communities are diverse, multi-faceted and often overlapping. The country is characterized by two major language markets (English and French), and many Indigenous and cultural communities. There are also countless other kinds of communities that organize around a particular interest, cause or faith. In the pre-consultation, both public respondents and stakeholders said that part of the value of Canadian content lies in its unique perspectives and how it reflects our multiple identities and diversity.

### FROM THE PRE-CONSULTATION: LOCAL AND COMMUNITY CONTENT

In addition to perspective and identity, 88 percent of public respondents expressed the view that it was important to have access to local content in their community.

Content that is “relevant” tells stories that speak to/about communities, create bonds, and foster an important sense of belonging.

In our interconnected world, “community” is no longer synonymous with “local”. The communities of which we are a part can be local, but they also frequently connect across the

country, the continent or the globe. Through technology, we can express ourselves in new ways and connect with new people. In a global market, Canada's diversity represents a huge competitive advantage: the intersection of our identities and experiences produces incredibly unique and engaging stories, which can be of interest elsewhere in the world.

Even with the opportunities provided by digital technologies, some communities continue to face barriers to creating and sharing content; and special measures will continue to be needed to nurture and protect cultural expression in these communities. For example, there are different realities between Canada's French and English language markets. Official language minority communities face particular challenges, including being dispersed over vast distances and having to compete with a dominant language market. For Indigenous communities, language and culture is central to meaningful reconciliation and a renewed relationship between Indigenous and non-Indigenous peoples. Respondents to the pre-consultation questionnaire raised concerns about gender parity and diversity in the cultural sector. Inclusiveness and furthering diversity, reconciliation and gender parity must be elements of any new model.

### FROM THE PRE-CONSULTATION: ACCESS TO CANADIAN CONTENT

Eighty-five percent of public respondents said it was important to have access to Canadian content in a digital world, mostly because it brings Canadian perspective on local, regional, national and international issues, not only to Canadian audiences but also to the world.

Seventy-seven percent of the public respondents think that providing quality news and information programming is the most important role of the public broadcaster, CBC/Radio-Canada.

Citizens need the facts to make informed decisions that impact their daily lives, including in their local communities.

Online platforms have ramped up the 24-hour news cycle and the latest breaking developments are quickly made available over the Internet and social media. While this can foster awareness and debate, it can also encourage the dissemination of inaccurate information.



A diversity of perspectives is critical to sustaining a sound democracy and the Internet provides a portal to countless different views and perspectives. But personalization and social media filtering can prevent us from coming into contact with information that challenges our current beliefs or hearing opinions with which we disagree.

Pre-consultation respondents said that content that brings a Canadian perspective on local, regional, national and international issues remains important and that they would like to see more local and regional news, information about local and regional community and cultural events and information about local and regional public affairs.

A new model must incentivize viable business models that support the production of news information and local content that is credible and reliable.

# PRINCIPLE #3:

## CATALYZING SOCIAL AND ECONOMIC INNOVATION

The social benefits of culture are well understood. A strong cultural sector contributes to the vitality of our communities. By sharing our stories with one another and engaging in dialogue, we build an inclusive and open society where citizens can freely express themselves.

### GOVERNOR GENERAL'S INNOVATION AWARDS

In 2016, Christi Belcourt was awarded the **Governor General's Innovation Award** for her use of cutting-edge applied arts and design and new technologies in order to raise media and public awareness about murdered and missing Indigenous women.

Creators can help solve the complex problems we face in our communities, our country and our world – whether they relate to the environment, social justice, health or social cohesion. They share new ideas and develop new forms of cultural expression that critically examine the past, challenge the status quo and positively shape the future. Creators are a well-spring of new ideas and partners in social innovation. Government, the private sector and cultural institutions all have a role to play in inspiring innovative thinking and bold action.

Culture not only strengthens our social fabric, but is at the heart of the creative economy. Thirty years from now, the arts and culture will be an even bigger part of all successful economies. The World Economic Forum recently found “creativity” is rising as one of the most valued skills; and many countries in the world are asking themselves how to tap into the unrealized economic potential of culture. Harnessing our creativity will be critical to the Government's Innovation

Agenda, building Canada as a global centre for innovation and growing the middle class.

Canada is an early leader. Canada's cultural sector currently represents 3 percent of our GDP or 54.6 billion dollars in economic activity. It accounts for more than six hundred and thirty thousand jobs (630,000), or 3.5 percent of all jobs in Canada. But culture increasingly extends beyond traditional forms and now reaches into other areas, such as software, virtual reality and videogames. Creativity and innovation are key not only to the success of the cultural industries, but other industries as well – 3D printing, automotive, IT, health and so on. For Canada to succeed in growing the creative economy and creating jobs, it must continue to tap its long-standing well of creativity and ingenuity so our creators and cultural entrepreneurs have the skills, tools and opportunities to compete on a global scale. This creativity and ingenuity will continue to be inspired and fueled by Canada's diverse population. Our diversity generates creativity, out-of-the-box thinking and an appetite for experimentation – all key ingredients of the creative economy.

Canada will need strong, adaptable and competitive businesses that are able to manage risk effectively, diversify revenue and attract investment from many sources, including private investment. The path to tomorrow's success depends partly on the ability of today's creators and entrepreneurs to try new things – to succeed and sometimes to fail. Government needs to create more space for experimentation and needs to support the development of new skill sets, including helping creators navigate the highly competitive digital marketplace and helping them best monetize their intellectual property. In the pre-consultation, both public and stakeholder respondents indicated that one of the most urgent challenges facing the cultural sector is public funding that discourages risk taking.

With global markets increasingly open to Canadian businesses, capturing a greater slice of the global pie is one of the ways that we can support Canadian creators back home. While the needs of different players will vary, export and international audiences will be critical to the future sustainability of Canada's cultural sector and its economy. Partnerships and foreign financing are key. In film and television, coproduction partnerships between Canadian and foreign producers have leveraged talent and financing from both countries to create important critical and commercial successes. The Oscar-nominated films *Brooklyn* and *Room* are some of the most recent examples. When we collaborate across cultural sectors and with foreign partners, we create new opportuni-

### FROM THE PRE-CONSULTATION: EXPORTS

“Efforts to promote and brand Canada abroad”, “Direct public support to creators or distributors” and “Co-production treaties with other countries” were the top three choices, shared among respondents from the public and the stakeholders as the most effective tools to export Canadian content to the world stage.

ties for our creators to showcase their talents and find new pathways to audiences around the world.

A new mindset on the part of both the private sector and government is needed: one that fully leverages the relationship between creativity, innovation, social cohesion and economic growth.



# PART 3

## PILLARS OF THE APPROACH

### *Principle #1: Focusing on citizens and creators*

#### **Pillar 1.1: Enabling choice 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?

#### **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?

### *Principle #2: Reflecting Canadian identities and promoting sound democracy*

#### **Pillar 2.1: Redefine 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?

In an ultra-competitive, global market, how can the private sector support the production of content made by Canadians? What is the role of Canada's national cultural institutions, such as CBC/Radio-Canada and the National Film Board?

#### **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?

### *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?

#### **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?

#### **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?



## HOW CAN YOU BE PART OF THE CONVERSATION?

To know how you can participate in the conversation, please visit our website  
[www.canadiancontentconsultations.ca](http://www.canadiancontentconsultations.ca).



Canadian  
Heritage

Patrimoine  
canadien

Content for this document has been created by the Department of Canadian Heritage and prepared for publication by Ipsos Public Affairs. No endorsement of any products or services is expressed or implied. Ipsos is a third party Consultations firm supporting this Government of Canada initiative.