Rethinking Cultural Policy in a Digitized World

April 24, 2015

Queens University
The CMPA is Canada’s leading trade organization representing around than 350 companies nationwide that are focused primarily on the development and production of film, television and digital media content for Canadian and international markets across all platforms.

The CMPA carries out its work under five broad banners:

• **Advocate** for our members’ interests

• **Negotiate and manage** labour agreements with unions and guilds, and commercial agreements with broadcasters

• **Consult** with elected officials, policymakers and other stakeholders

• **Support** our members in helping to grow their businesses

• **Mentor** the next generation of producers
The Canadian broadcasting and film industry is a success story because of public intervention

• Roots of support and protection for a Canadian broadcast system go back almost 90 years
• But the modern day support system began with the Broadcasting Act of 1968 and the creation of the CRTC
• Policies that evolved out the Act focused on creating an indigenous industry through regulatory protections to ensure shelf space and a predominant use of Canadian creative resources
The Canadian broadcasting and film industry is a success story because of public intervention

• The primary triggers to support production that evolved over the years included
  ➢ Regulatory tools from
    - Exhibition requirements for Canadian content
    - Expenditure requirements on broadcasters
    - Contribution to Canadian production funds by cable and satellite distributors
    - Simultaneous substitution to protect territorial rights
    - Minimum spending requirements on programming of national importance (drama, film, kids, docs)
  ➢ Federal and provincial tax credits
  ➢ Federal funds (Telefilm, Canada Media Fund) to support identifiably Canadian content
  ➢ Provincial funds to attract creative jobs
# Film and Television Production in Canada (2013/14)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Volume</th>
<th>% of Total</th>
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<tbody>
<tr>
<td>Canadian Television</td>
<td>$2.67 Billion</td>
<td>40</td>
</tr>
<tr>
<td>Foreign Location Services</td>
<td>$1.86 Billion</td>
<td>31</td>
</tr>
<tr>
<td>Broadcaster In-House</td>
<td>$1.36 Billion</td>
<td>23</td>
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<tr>
<td>Canadian Feature Film</td>
<td>$376 Million</td>
<td>6</td>
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<tr>
<td><strong>Total Production Volume</strong></td>
<td><strong>$5.86 Billion</strong></td>
<td></td>
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Contribution to Canada’s GDP: $7.5 Billion

Full-Time Equivalent Jobs: 125,400

Export Value of Canadian Film and TV: $0.62 Billion

The Media Ecosystem circa 2012

- 262,000 FTEs
- $20.4b in GDP
- $8.6b in revenue
- $5.5b in tax revenue
- $163m in value from major film festivals
- $275m spend on computer animation
- $435m in VFX
- 2.8m sq ft in sound stage capacity
Identifiably Canadian
Canadian Content
Foreign Shows made by Canadians

- **SUITS**
- **ONCE UPON A TIME**
- **Fargo**
- **HANNIBAL**
- **HELL ON WHEELS**
- **THE FLASH**
- **DEFIANCE**
• Measured by cultural factors (diversity, audience) or industrial (jobs, exports), Canadian communications a success story because of government

• So why the concern?
  ➢ The internet is disrupting the business models that support policy
  ➢ Policy-makers are de-regulating protections that support cultural policy
  ➢ And re-regulating in favour of choice in an age of abundance
Unpacking a Myth

• Scarcity of airwaves is seen as the primary reason for broadcast regulation
• Proponents of de-regulation point to abundance now available through the internet
• In fact, regulation evolved over decades from scarcity of airwaves to:
  ➢ Ensuring there was an ecosystem to produce content for the airwaves
  ➢ Public broadcasting to promote diversity and Canadian voices
  ➢ Obligations on commercial broadcasters to spend on and exhibit CanCon
  ➢ Opportunities for broadcasters and cable providers to earn an return on investment to meet obligations
The Challenges Around Abundance

- CRTC support to de-regulation and consumer choice has eroded the economic underpinnings of Canadian broadcaster support
- High value content still expensive to produce and Canada lacks scale
- Incentives for broadcasters still favour importing US content
- CRTC avoided addressing issues of role of foreign broadcasters competing unregulated over the internet
- And without adequate protections to earn a return on investment, Canadian broadcasters and cable companies will pursue deregulation
- More choice may mean less Canadian choice and less diversity
Conclusion: Constructing a Better Foundation

- Address contribution of all companies “operating” in Canada to the ecosystem
- Need for public broadcasting to support diversity (kids, docs, film, arts)
- Export supports for marketing and promoting our content abroad
- Encouraging more inward investment
- Ensuring creative jobs for our kids in a global information economy