



## Seizing Opportunities in Digital Media

The landscape of the Canadian broadcasting system is changing. Technological developments are changing the ways viewers engage with media, and the implications of these shifts continue to unfold. What will not change is the fact that, whether on conventional or emerging media platforms, content is king. With many of our members already working in the new and emerging media, Canada's audiovisual unions recognize the new opportunities these changes are creating and fear that Canada isn't seizing them.

Canada can be a world leader in digital media. We have some of the most educated, creative minds in the world. We have a diverse culture. We have the technological knowledge and skilled workers to deliver some of the leading communications technology in the world. It is increasingly urgent for the federal government to show leadership in developing a comprehensive digital media strategy that ensures Canada doesn't fall further behind. The federal Finance, Industry and Heritage Departments need to work together in consultation with key stakeholders to develop a forward-looking digital media strategy that brings these elements together working on a clear set of priorities.

### **Telling Canadian Stories**

Canadians must be able to tell their own stories and share them with each other and around the world, wherever stories are being told – on TV, on radio and on the web. In a world where people have immediate access to a limitless array of content from around the globe, it becomes even more critical to ensure that there is space for Canadian stories, and content to fill that space.

We need to encourage the production of compelling Canadian digital media content through additional new investment without reducing the funding available for production for conventional platforms. Only the allocation of new resources, both public and private, will help secure Canada's place in the digital age to the benefit of the nation's culture and economy.

The establishment of the Canadian Media Fund (CMF) is one small step in this direction by encouraging the production of content for multiple platforms. However, it does not represent any new money and will not fill the funding gap. For Canada's digital media industry to thrive it needs long-term investment through enhanced, direct government funding. As part of any national digital media strategy it is essential to ensure that all government agencies are given both the mandate and the funding necessary to support Canadians in this new world. For example, this could include specific funds for digital content for the National Film Board as well as enhanced funding for the CMF. The CBC's mandate for digital content for Canadians and distribution to Canadians also requires financial support.

A labour-based tax credit for original digital media production (similar to the Canadian Film or Video Production Tax Credit) would encourage a much greater degree of private investment, would help to further develop and retain Canada's highly-skilled digital media labour force, an area in which Canada is lagging behind much of the developed world. The government should set a clear mandate to review agencies' priorities and goals and find the necessary funding to advance this agenda.

There are also incentives that could help drive advertisers to support Canadian websites that feature Canadian content. The government could amend the *Income Tax Act* to allow advertisers tax deductions for advertising on Canadian-owned websites or services only if it gives prominence to Canadian digital media content but not on sites that do not qualify. This provision is based on the existing provisions of Section 19.1 which provide rules related to the non-deductibility of advertising on U.S. border broadcasting stations which encourage advertisers to instead advertise on Canadian broadcasters. These tax deductions exist in the magazine and newspaper industries as well and should be extended to include all media platforms.

### **Net Neutrality**

The Internet has become a major source of information and delivery vehicle for broadcasting content. We must ensure that any traffic management practices are not subjective in their treatment of content in order to ensure a healthy democratic discourse.

### **Copyright**

A comprehensive digital media strategy must include revising Canada's copyright laws to ensure that creators and artists are fairly paid for the use of their work regardless of the method of distribution and use. Creators and artists must also have rights to protect the integrity of their work and their image.

Canadian copyright reform is long overdue. New technology has dramatically changed the distribution of creative work resulting in both opportunities and challenges for creators – new ways to earn revenue coupled with the increased risk that a work could be altered without authorization and distributed without fair compensation.

Copyright reform should recognize common consumer behaviours such as time shifting and format shifting as allowed uses provided that creators are compensated for those additional uses through a collective licensing system.