

### **Submission to the Standing Committee on Finance**

# Pre-Budget Consultations in Advance of the Fall 2025 Budget

August 1, 2025

#### Recommendations

- Strengthen the institutions that support Canadian cultural sovereignty through increased federal funding. This includes the Canadian Broadcasting Corporation (CBC/Radio Canada), the Canada Media Fund (CMF), and Telefilm Canada.
- 2. Support and protect Canadian creative workers against threats posed by artificial intelligence (AI). In particular, copyrighted works should not be used to train AI systems without the consent of, and credit and compensation to, copyright holders, nor should AI outputs be copyrightable. In addition, Canadian cultural funding should not be directed to AI generated works, but should instead remain for the benefit of Canadian human creators.
- 3. Ensure that existing Canadian cultural policies and supports are not undermined, traded away, or sacrificed, whether in pursuit of other goals vis-à-vis Canada's relationship with the United States of America or any other purpose. In particular, this includes regulation pursuant to the *Broadcasting Act*, as amended by the *Online Streaming Act*.

#### **Introduction and Background**

The Writers Guild of Canada (WGC) is the national association representing approximately 2,500 professional screenwriters working in English-language film, television, radio, and digital media production in Canada. Our members sit at the heart of the domestic Canadian film and television sector which, in 2023-2024, generated over 71,00 direct and spin-off jobs, over \$9 billion in labour income, and contributed over \$4.2 billion to Canada's GDP.

Screenwriters are at the very foundation of this industry, and the beginning of the value chain of virtually all production. Every powerful show, movie or webseries requires an equally powerful script — and every powerful script requires a skillful, innovative screenwriter. They start with a blank page, and create entire worlds. The fact is, no producer, director or actor can do what they do without the screenwriter first creating the story's arc, characters and themes. WGC members are the primary creators on which the entire film, television and digital industry depend.

Canadian screenwriters are also central to the identity of Canadian film and television. In series in particular, long recognized as a "writer's medium," no other role is as creatively foundational as the showrunner and the screenwriters in the writing room. They are the authorial voice of the medium, and the Canadian authorial voice of Canadian content. As such, Canadian screenwriters are at the vanguard of our culture, and supporting them in their work is essential to protecting our cultural sovereignty.

In his mandate letter of May 21, 2025, Prime Minister Mark Carney articulated seven priorities, including, "Protecting Canadian sovereignty," and ensuring that, "Canadians can invest more in the people and businesses that will build the strongest economy in the G7." <sup>4</sup> The WGC's recommendations focus on these important elements, supporting our cultural sovereignty and building our economy.

<sup>&</sup>lt;sup>1</sup> Profile 2024, An economic report on the screen-based media production industry in Canada, Exhibit 1-6 (https://cmpa.ca/wp-content/uploads/2025/02/Profile-2024-ENG-Final.pdf).

<sup>&</sup>lt;sup>2</sup> *Profile 2024*, Exhibit 1.7.

<sup>&</sup>lt;sup>3</sup> Profile 2024, Exhibit 1.7.

<sup>&</sup>lt;sup>4</sup> https://www.pm.gc.ca/en/mandate-letters/2025/05/21/mandate-letter

### Recommendation 1: Strengthen the institutions that support Canadian cultural sovereignty through increased federal funding.

The WGC proposes that this recommendation be implemented, in part, through support for the Canadian Broadcasting Corporation (CBC/Radio Canada), the Canada Media Fund (CMF), and Telefilm Canada.

With respect to the CBC, the Liberal Party of Canada's most recent election platform stated that a Mark Carney-led government would "Enshrine and protect CBC/Radio Canada by introducing legislation to establish statutory funding," and, "Provide an initial \$150 million boost in annual funding while directing CBC/Radio Canada to develop a strategic plan consistent with this new mandate." <sup>5</sup>

The WGC recommends that the federal government follow through on this promise, including with respect to the additional annual funding of \$150 million. At the same time, the CBC/Radio Canada has reportedly been asked to propose spending cuts of 15%. The WGC recommends that no cuts be imposed on the CBC/Radio Canada that would undermine this funding increase, and/or that would affect the CBC/Radio Canada's ability to commission and present Canadian programming to Canadian audiences.

With respect to the CMF and Telefilm Canada, the Liberal Party of Canada's most recent election platform also stated that a Mark Carney-led government would:

Support Canadian artists and creators by increasing funding to agencies such as the Canada Council for the Arts, Telefilm, the Canada Media Fund, and the National Film Board, recognizing the economic importance of Canada's creative industries and creators. The more of our perspectives that are brought to life, the better we understand Canada, and the more we can show the world what makes Canada strong.<sup>6</sup>

The WGC wholeheartedly agrees. The WGC recommends that the federal government follow through on this promise to increase funding. This includes continuing certain funding commitments that are scheduled to "sunset" soon, including \$20 million for the CMF and \$50 million for Telefilm Canada.

As with the CBC/Radio Canada, the WGC recommends that, in pursuit of the government's stated intention to find 15% in spending reductions, no cuts should be

<sup>&</sup>lt;sup>5</sup> https://liberal.ca/cstrong/unite/#protecting-cbc-radio-canada-protecting-canadian-voices

<sup>&</sup>lt;sup>6</sup> https://liberal.ca/cstrong/unite/#protecting-cbc-radio-canada-protecting-canadian-voices

imposed on the CMF or Telefilm Canada that would reduce or undermine its funding of Canadian content.

## Recommendation 2: Support and protect Canadian creative workers against threats posed by artificial intelligence (AI).

The emergence of AI – and, in particular, generative AI, which can generate complex text, sounds, and images based on simple text prompts – has resulted in immense concern amongst Canadian creative workers, and poses a potentially existential risk to their jobs and livelihoods. The WGC is among the many creator organizations that have raised concerns and taken action, including through the negotiation of AI protections and guardrails in our latest collective agreement.<sup>7</sup>

Government has a vital role to play in supporting and protecting Canadian creative workers against the threats posted by AI. In particular it should:

- A. Regarding the **use of copyrighted works to train AI systems**, ensure respect for the "Three Cs" i.e. that any such use: requires the **consent** of the copyright holder, with such consent being explicitly required ("opt in"), and *not* presumed to exist unless explicitly withheld ("opt out"); if consent is obtained, the use results in **compensation** to the copyright holder, as negotiated via a market-based licensing or analogous process, and *not* via government-set rates; and, results in **credit** to the copyright holder. **No new** "fair dealing" exception should be created for the training of AI systems on copyrighted material. It should be recognized that training of AI often occurs in jurisdictions outside of Canada, and Canadian creators are entitled to protection of their works with respect to these activities.
- B. Regarding the outputs of generative AI systems, such **AI outputs should not be copyrightable**. The standard for the transformation of AI outputs through subsequent human effort should be sufficiently high, in order to prevent "copyright laundering" of AI-generated works.

<sup>&</sup>lt;sup>7</sup> https://www.wgc.ca/wgc-cmpa-ipa-2024-2027-0

<sup>&</sup>lt;sup>8</sup> https://www.thestar.com/opinion/contributors/people-have-rights-that-machines-dont-lets-keep-it-that-way/article 2d1b0d5e-e5fd-11ee-ae87-7ffa0e71a785.html

- C. Al-generated works should not be supported by cultural funding from the Canadian government. Public funding for culture must remain for the benefit of human creators. This includes funding from the Canada Media Fund, Telefilm Canada, the Canadian Film or Video Tax Credit, or any other funding with a cultural purpose. We must not divert essential limited funding from human artists to A.I. These are cultural funds, not technology development funds.
- D. Regulation of AI should be accompanied by sufficiently robust public **transparency and accountability** rules and processes.

## Recommendation 3: Ensure that existing Canadian cultural policies and supports are not undermined, traded away, or sacrificed.

Government support for Canadian cultural industries and Canadian creators is longstanding, but has been hard fought for. Canada has successfully negotiated a cultural exemption in numerous free trade agreements to protect its ability to support these sectors that are so central to Canadian cultural sovereignty. Most recently, the Canadian government passed Bill C-11, the *Online Streaming Act*, which was essential legislation to ensure that Canadian broadcasters could be put on a level regulatory footing with giant, largely U.S.-based streaming services, while ensuring that those services contribute to Canadian programming for Canadian audiences.

In the current climate of international trade conflicts, this vital work cannot be undone, traded away, or sacrificed. Our industry, our creative and cultural jobs, and our very voice as Canadians are at stake.

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