

CREATING A LEVEL PLAYING FIELD FOR CANADIAN BROADCASTERS IN A DIGITAL AGE

Opening Statement

In the age of digital entertainment providers such as Netflix, Hulu, Spotify and YouTube, Canadian broadcast organizations and institutions are being left behind. This is in part due to the unfair taxation system that Canadian content providers are subject to while foreign content and service providers are unaffected. Canadian businesses and providers – and Canadian culture as a whole – are unable to fairly compete with American conglomerates.

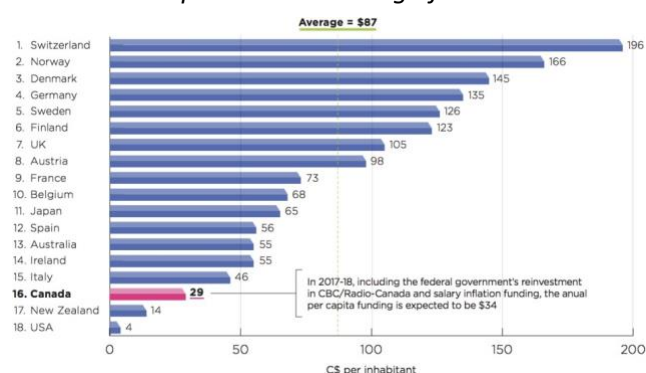
Background

Canadian public broadcasters are the cultural institutions that bring the diverse society of Canada together by encompassing French, English, eight Indigenous languages, stories of new Canadians, stories of our amazing musicians. Subsidies, incentives, and regulations have provided Canada's cultural industries to thrive but Canadian news and information – and Canadian culture as a whole – are being drowned out by global entertainment giants such as Viacom Inc., News Corp, iHeartMedia, Apple, CBS, Disney, and 21st Century Fox.¹

The media giants of the world are primarily United States based companies and are claiming Canadian viewers. Their marketing budgets are vast and have no obligation to re-invest in Canada. On the other hand, CBC/Radio-Canada contributes to the creative economy of Canada by generating two dollars of economic benefit for Canadians for every dollar invested.² Investment in Canadian content will bring about a national identity and build social cohesion.

Although 75% of Canadian households still subscribed to cable or satellite television services in 2016, it is down from 83% in 2012.³ Alternatively, 87% of Canadian households subscribed to internet services.⁴ Internet services such as Netflix are able to provide much better programming due to their larger budgets. Canada does not invest nearly as much in public service broadcasting as other countries (table 1).

Table 1 Per Capita Public Funding of Public Service Broadcasters, 2016



1 <https://www.businessinsider.com/the-30-biggest-media-owners-in-the-world-2016-5>

2 <https://site-cbc.radio-canada.ca/documents/vision/strategy/submission/january-2019.pdf>

3 https://www.cdhowe.org/sites/default/files/attachments/research_papers/mixed/Commentary%20558.pdf

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Greater investment in and a fair playing field for Canadian broadcasters is needed. Our country's values and history are in jeopardy. There needs to be a concerted effort to ensure this level playing field is achieved by both Provincial and Federal Governments.

THE CHAMBER RECOMMENDS

That the Federal Government:

1. Bring Canadian content policy into step with the emergence of digital competitors for Canadian viewers, including Netflix, Spotify, Hulu and YouTube;
2. Ensure that Canadian content is promoted by digital providers such as Netflix, Spotify, Hulu and YouTube;
2. Incentivize streaming service providers to have a Canadian head office for all digital providers; and,
3. Require digital service providers to collect GST.

Submitted by the Surrey Board of Trade