

Broadcasting rule changes proposed to get streamers to fund Canadian storytelling

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Ottawa proposes forcing streaming services to adhere to Canadian broadcasting regulations and fund more Canadian film and television, such as Netflix's Chilling Adventures of Sabrina, shot in Vancouver with Kiernan Shipka, seen in October 2018 with her co-stars attending a special screening of the series

Ottawa on Tuesday proposed changes to Canada's broadcasting

regulatory framework that would see it applied to booming online streaming platforms and may require them to contribute cash to support Canadian storytelling.

If passed by parliament, the amendment to the Broadcasting Act would empower the Canadian Radio-television and Telecommunications (CRTC) to apply the same rules as traditional broadcasters to companies such as Netflix, Amazon Prime and Spotify.

It may also compel them to contribute to a fund that supports the creation, production and distribution of Canadian music, film and television, which the [government](#) estimates could raise as much as Can\$830 million (US\$630 million) by 2023.

"One system for our traditional broadcasters and a separate system for online broadcasters doesn't work," Canadian Heritage Minister Steven Guilbeault told a news conference.

"Our government believes that everyone who benefits from the system should contribute to it fairly," he said.

Critics, however, said the legislative changes do not go far enough.

"The new Broadcasting Act... is a mess," tweeted opposition New Democratic Party MP Alexandre Boulerice, accusing the government of having "surrendered to Big Tech without a fight."

The Broadcasting Act has not been updated since 1991—prior to the advent of the internet.

And Prime Minister Justin Trudeau's minority Liberal government has been under pressure by Canadian broadcasters to tax Netflix and others to level the playing field.

A government briefing document notes that 62 percent of Canadian households now subscribe to Netflix, which last year generated Can\$1 billion in revenues in Canada.

At the same time, the revenues of traditional radio and [television broadcasters](#) are stagnating or in decline, along with their contributions to the Canadian content fund.

Guilbeault noted that some of the streaming platforms are already spending on Canadian music, television and film productions, but their contributions are only voluntary. Netflix, for example, announced in 2017 it would spend Can\$500 million or five percent of its global production budget to make original films and television shows in Canada.

The CRTC, Guilbeault said, is expected to sort out how the funding requirements would be applied to streaming services over the coming year.

User-generated content, online news and video games, the government said, will not be subjected to the new rules.

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