

**Magazines Canada**

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June 17, 2016

The Honourable Mélanie Joly  
Minister of Canadian Heritage  
15 Eddy Street  
Gatineau, Quebec K1A 0M5

**Re: Public and Stakeholder Consultations – Canadian Content in a Digital World**

Dear Minister Joly,

Magazines Canada applauds your leadership in initiating the crucial public and stakeholder consultations regarding the Government of Canada's cultural policy framework. We agree with your statement that "Canada's cultural and creative industries are important drivers of innovation and a vibrant part of our economy..." and that the "intersection of culture and technology holds tremendous potential for our country's growth and prosperity." I had the privilege of attending your recent speech before the Economic Club of Canada in Toronto and also appreciated your appeal to the business community to invest in our cultural industries.

We work in Canada's creative and cultural sector; we clearly see the link between a robust creative sector and Canadian innovation, economic growth and prosperity, job creation, global competitiveness, and improved quality of life in Canada. Our members—the media developers and publishers of over 1,200 consumer, cultural and business-to-business Canadian magazine brands on multiple platforms—employ tens of thousands of Canadians in knowledge-economy and new-media jobs. Magazines Canada encouraged our members to complete the department's pre-consultation survey to reinforce these indelible links and the role Canadian creativity and culture play in bolstering the broader economic and social fabric of Canada.

Magazines Canada is engaging energetically in your consultation process in the spirit of aspirational discussion and debate—a hallmark of our Parliament, including meeting regularly with Members of Parliament and officials within your department, and our recent testimony before the House Standing Committee on Canadian Heritage as part of its study on the Media and Local Communities.

The Canadian magazine media is proud of the resounding success of Canada's \$47.7 billion creative and cultural sector that represents 3 percent of Canada's gross domestic product, and our contribution to it. The federal government's investment in and support of Canadian magazine media via the Canada Periodical Fund is a critical component of our success, and one that will remain relevant for decades to come. At the same time, we know that technological change—what your pre-consultation paper aptly refers to as a "digital shift"—is challenging the effectiveness and scope of the federal government's support for the sector as a whole and we wish to share our expertise and access to the industry players as your department investigates the best models for new programs in the future.

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Certainly, Canadian magazine media have not been immune to experiencing challenges adapting to this brave new world. For example, we continue to work on reaching and effectively measuring audiences for our Canadian content in the still-evolving, global digital arena. Revenue from our legacy print publications continues to be the core resource base for Canadian magazine media, which keeps our sector self-sustaining; however, this resource base is declining, while our ability to monetize digital platforms remains limited for the moment. The need to support *Canadian voices* for *Canadian choices* means that we must support a creative class, including content creators, editors, and the financially-viable businesses that in turn employ them.<sup>1</sup>

Since 2000, Canada has witnessed declines in newspapers and the rapid growth of digital, mobile and content-streaming platforms. However, during that same period, Canada has also seen a 30 percent increase in the number of domestic print magazine titles, a doubling of newsstand market share (from 17 to 34 percent), and even growth in the number and incidence of magazine readership across all platforms. Eight in ten Canadians read magazines, and 92 percent of those read in print or *across both print and digital platforms*.

Canadian magazines were among the earliest adopters of the *digital shift*. Indeed, approximately 80-90 percent of Magazines Canada's members now operate their brands and reach audiences across multiple complementary platforms, including print, digital, mobile, social media, as well as via events, conferences and 'experience-based' audience engagement.

Looking forward over the next ten years, there is little evidence to suggest that magazines will be consumed exclusively via digital channels. Readers are looking to encounter and understand Canadian culture and perspectives in varied and multiple streams: print, mobile, and live experiences are all included. For us, the question is not *whether magazines should be print or digital*—the data on consumer preference suggests that, instead, the question and challenge is **how to support both print and digital** so that the Canadian culture ecosystem can expand and grow.

Canada's magazine media have sound potential for the export of Canadian content through both digital and print platforms. However, the two platforms would have different strategies: Print magazines have a far more viable commercial model for trade in "products", while digital export is harder to monetize in today's market but does allow for the dissemination of individual content pieces (e.g. an article) that could be aggregated outside a given magazine brand or distributed piecemeal by that magazine. Any current export by Canadian magazine media is done in isolation by individual brands. There have been few opportunities to share lessons learned or best practices within Canadian magazine media. The Canadian magazine media sector would need support to develop an international strategy, identify key markets and

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<sup>1</sup> While the first two challenges we list also apply to the Canadian book publishing sector as well as the Canadian magazine media sector, the final challenge about supporting a creative class, we would argue, applies to all stakeholder partners in the creative and cultural sector in Canada.



success measures, and support new entrants in exploring and developing relationships in these markets.<sup>2</sup> The experience of some innovative Canadian magazines shows this can be viable.

In closing, Minister, we would like to thank you for giving Canadian magazine media and Magazines Canada the opportunity to add our voices to your consultation on Canada's cultural policy toolkit. The *raison d'être* of your consultations is well summarized in your statement that this "project is driven by our belief that the time is ripe to review the role of the federal government in helping Canada's creative sector navigate this transformation and chart a course to ensure that we are poised to position ourselves as global leaders."

We couldn't agree more. We look forward to helping you with this exciting work over the summer and fall.

Yours sincerely,



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### **About Magazines Canada**

Magazines Canada is the national trade association representing Canadian-owned, Canadian-content consumer, cultural, specialty, professional and business media magazines. French and English member titles offer a wide range of topics including business, professional, news, politics, sports, arts and culture, leisure, lifestyle, women and youth, made available on multiple platforms. The association focuses on government affairs, services to the advertising trade, circulation marketing and the development of career skills for and the recognition of excellence among the people who work in Canada's magazine media.

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<sup>2</sup> The Foreign Rights Marketing Assistance Program (FRMAP) for Canadian book publishers, administered by Livres Canada Books, may provide a model for a customized program for Canadian magazine media.