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IMPACTS OF ARTIFICIAL INTELLIGENCE ON THE CREATIVE INDUSTRIES

Report of the Standing Committee on Canadian Heritage

Lisa Hepfner, Chair

APRIL 2026
45th PARLIAMENT, 1st SESSION

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NOTICE TO READER

Reports from committees presented to the House of Commons

Presenting a report to the House is the way a committee makes public its findings and recommendations on a particular topic. Substantive reports on a subject-matter study usually contain a synopsis of the testimony heard, the recommendations made by the committee, as well as the reasons for those recommendations.

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THE STANDING COMMITTEE ON CANADIAN HERITAGE

has the honour to present its

FOURTH REPORT

Pursuant to its mandate under Standing Order 108(2), the committee has studied the effects of technological advances in artificial intelligence on the creative industries and has agreed to report the following:

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LIST OF RECOMMENDATIONS

As a result of their deliberations committees may make recommendations which they include in their reports for the consideration of the House of Commons or the Government. Recommendations related to this study are listed below.

Recommendation 1

That the Government of Canada protect the property rights and interests of artists through the principles of the *Copyright* Act, in accordance with the ART principle—authorization, remuneration and transparency:

a) **The Government of Canada must take the necessary steps and ensure that the scope of the *Copyright Act* applies to AI-generated content in order to guarantee copyright protection.**

b) **The Government of Canada must mandate greater transparency from AI developers regarding copyrighted works used to train their models, including disclosure of training data sources, to enable proper authorization and licensing.**

c) **The Government of Canada must establish a clear opt-in consent requirement for the use of copyrighted works in the training of artificial intelligence systems, ensuring that creators' works may not be used for text and data mining or model development without their prior authorization.** **44**

Recommendation 2

That the Government of Canada protect Canada's digital sovereignty through investing in sovereign infrastructure, such as Canadian-owned and governed public data infrastructure; infrastructure allowing artists and organizations to maintain control over their cultural data and research; research and development, including the creation of laboratories; and the development of AI tools trained on linguistic and cultural content that is representative of Canada. **44**

Recommendation 3

That the Government of Canada require that all fully synthetic or AI-generated content be clearly identified as such through standardized labelling mechanisms that are visible and understandable to the public in order to promote transparency, maintain public trust and preserve the integrity of Canada's information and cultural ecosystem. This requirement should apply across all relevant sectors, including digital platforms, broadcasters, public institutions and cultural organizations, and be accompanied by guidelines defining the responsibilities of producers, broadcasters and technical intermediaries. **44**

Recommendation 4

That the Government of Canada establish a framework governing the systematic and easily identifiable labelling of content created with the assistance of artificial intelligence, including through the use of metadata, digital watermarks or other robust technical solutions. This framework should clearly distinguish content generated entirely by AI from content co-created by humans in order to protect the value of human creative work, support the public's ability to make informed choices and enable artists, cultural organizations and institutions to disclose their use of AI in a consistent, transparent manner. **45**

Recommendation 5

That the Advisory Council on Artificial Intelligence create a working group dedicated specifically to cultural issues, mandated to examine the impacts of AI on artistic and cultural ecosystems and to provide informed advice to the Government of Canada. This working group should include experts from Quebec, Indigenous and Canadian cultural communities to reflect the country's linguistic, cultural and territorial diversity and ensure that AI-related policies and regulatory frameworks take into account the specific realities and needs of cultural communities. **45**

Recommendation 6

That the Advisory Council on Artificial Intelligence be strengthened through the appointment of at least two additional members from the cultural community, including at least one individual from Quebec, to ensure meaningful representation of artistic and cultural perspectives. These members should be selected from individuals with recognized expertise in cultural creation, dissemination or management and should participate fully in the Council's deliberations and opinions to ensure that the impacts of AI on cultural expression, copyright and artists' working conditions are systematically considered. **45**

Recommendation 7

That the Government of Canada take all necessary measures to maintain Canada's leadership in artificial intelligence research and development and ensure that the technologies developed remain Canadian through the registration of intellectual property patents. These measures would include the following:

a) **The Government of Canada must continue to support the national AI research institutes, AMII, Vector and Mila, in upholding Canada's leadership in the ethical development of AI.**

b) **The Department of Canadian Heritage must explore programming to support cultural AI experimentation that will help Canadian creators adopt and master AI as a tool to enhance human capabilities while preserving creative autonomy.** **44**

Recommendation 8

That the Government of Canada regulate the harmful outcomes of AI, not the technology itself, in order to protect Canadians while maintaining innovation and competitiveness. **46**

IMPACTS OF ARTIFICIAL INTELLIGENCE ON THE CREATIVE INDUSTRIES

INTRODUCTION

On 22 September 2025, the House of Commons Standing Committee on Canadian Heritage (the Committee or CHPC) agreed to undertake a study on the effects of technological advances in artificial intelligence on the creative industries.

The Committee held a total of seven meetings between 6 October and 5 November 2025, heard from a total of 43 witnesses and received eight briefs. Witnesses shared their perspectives on the many opportunities and challenges presented to the creative sector by advances in artificial intelligence, and the Committee would like to thank everybody who participated.

WHAT THE COMMITTEE HEARD

Overview

Over the years, the arts and cultural production have been continually transformed by technological change. From the advent of the printing press through that of photography, radio and film, and more recently the rise of the Internet and digital platforms, each wave of innovation has reshaped the conditions of cultural production, affecting every segment of what the United Nations Educational, Scientific and Cultural Organization (UNESCO) refers to as the cultural "value chain" – creation, production, distribution and access[1] – as well as the associated livelihoods.

While some witnesses situated the arrival of AI within this broader historical context, pointing out that artists and the creative industries have always adapted to technological innovations,[2] the weight of the testimony suggests that artificial intelligence (AI) – in particular generative AI, trained on the aggregate of human linguistic and cultural achievement available in digital form, and able to synthesize aesthetic outputs on its own – is a technology without precedent, touching every aspect of human expression and dissolving the once clear boundary between artists and their tools. As such, many

1 See for instance UNESCO, *Cutting Edge | Protecting and preserving cultural diversity in the digital era*.

2 See for instance House of Commons Standing Committee on Canadian Heritage (CHPC), *Evidence*, 45th Parliament, 1st Session: Eric Chan, a.k.a. EEPMON, Digital Generative Artist, As an Individual.

witnesses were keen to emphasize the uniquely disruptive nature of a technology that threatens to cross the line between serving human creativity and replacing it altogether.[3] They stressed the extent to which its speed and scale, as well as the centralization of control among a few large tech companies, heralded a "major technological transformation" that is "profoundly disrupting the cultural ecosystem" and "reshaping the conditions of creation and circulation of works."[4] Some described it as an "existential" threat to creator livelihoods, intellectual property rights, and cultural and national sovereignty, as well as to the diversity of cultural expressions.[5]

A central theme that emerged from the testimony is the challenge of striking a balance in the policy response between protecting the creative sector and fostering both technological and artistic innovation.[6] Kelly Wilhelm, among others, said this tension is often framed as a "false dichotomy"[7] whereby innovation and cultural preservation are seen as mutually exclusive, but she and others suggested they can be mutually reinforcing, provided clear rules are established.[8]

Another theme was the challenge of asserting cultural sovereignty and specificity at a time when the technologies of cultural dissemination are global in nature and predominantly owned and governed by foreign, multibillion-dollar entities.[9] While this dynamic predates the advent of artificial intelligence by decades, the latest advances

3 See for instance CHPC, *Evidence*: Warren Sonoda, National President, Directors Guild of Canada; Tania Kontoyanni, Chair of the Board, Union des Artistes; Travis Croken, National Co-Chair, Wax Seal Productions, Canadian Authors Association.

4 CHPC, *Evidence*: Marie-Julie Desrochers, Executive Director, Coalition for the Diversity of Cultural Expressions.

5 See for instance CHPC, *Evidence*: Arezki Raab, Assistant General Manager, Copibec; Warren Sonoda; and Tanya Kantoyanni.

6 See for instance CHPC, *Evidence*: Michael Geist, Canada Research Chair in Internet and E-Commerce Law, Faculty of Law, University of Ottawa, As an Individual.

7 See also CHPC, *Evidence*: Samuel Bischoff, Director of Policy, Directors Guild of Canada; Directors Guild of Canada (brief submitted to CHPC); and Music Canada, *Building Innovation in AI alongside Canada's Creative Industries* (brief submitted to CHPC).

8 See for instance CHPC, *Evidence*: Samuel Bischoff; Music Canada; Alain Strati, Senior Vice-President, Industry and Policy, Canadian Media Producers Association; Motion Picture Association of Canada (brief submitted to CHPC); and Jennifer Brown, Chief Executive Officer, Society of Composers, Authors and Music Publishers of Canada.

9 See for instance CHPC, *Evidence*: Dave Anctil, Affiliated Researcher, International Observatory on the Societal Impacts of AI and Digital Technologies; Pierre-Philippe Côté, Entrepreneur and Founder, Orio; Marc-Olivier Ducharme, Director, Innovation et Alliances and Futurs, Sporobole, ArtIA; Étienne Grenier, Doctoral Student, Chaire de recherche du Québec sur l'intelligence artificielle et le numérique francophones; Jonathan Roberge, Full Professor, Chaire de recherche du Québec sur l'intelligence artificielle et le numérique francophones; and Nikita Roy, Chief Executive Officer, Newsroom Robots Lab.

transform it from predominantly a distribution problem into one that encompasses creation and control, thus, for some witnesses, putting cultural and even national sovereignty at stake.[10] The imperative of including "more Canada in the training data"[11] to ensure its cultural presence conflicts with that of retaining ownership of Canadian cultural data, including francophone, minority language and Indigenous cultural data.[12] Indeed, the discrepancy in size and scale between foreign-owned "tech giants" and Canada's creative sector underpins some of the most urgent challenges to the latter's survival and demands, for many witnesses, a robust and innovative response.

Recommendations included upholding the principles of the *Copyright Act* to allow for the emergence of a voluntary licensing market; mandating transparency for both training data and synthetic outputs; investing in skills, capacity and digital literacy; continuing to support creators and the creative industries; and developing the Canadian infrastructure, such as data centres, needed for cultural and digital sovereignty as well as responsible, sustainable AI innovation. Witnesses emphasized the need for government to engage a wide range of stakeholders, including both cultural and technological experts,[13] in discussions aimed at managing a complex and rapidly evolving technology. Some witnesses cautioned against overly sweeping regulatory frameworks that could stifle innovation or have other unintended consequences.[14]

Many witnesses also said that Canada is uniquely positioned to play a global leadership role in creating a balanced, ethical and values-driven AI framework, noting the country's world-class research institutions, its early adoption of a national AI strategy, and its historical commitment to a cultural policy framework that champions cultural

10 See, for instance, CHPC, *Evidence*: Maryse Beaulieu, Advisor, Legal and Public Affairs, Copibec; Dave Anctil; Marc-Olivier Ducharme; Kelly Wilhelm; Marie-Christine Morin, Executive Director, Fédération Culturelle canadienne-française; Laurent Dubois, Executive Director, Société des auteurs et autrices de radio, télévision et cinéma; Jonathan Roberge; Nikita Roy; Warren Sonoda; and Pierre-Philippe Côté.

11 CHPC, *Evidence*: Michael Geist.

12 See, for instance, CHPC, *Evidence*: Indigenous Screen Office (brief submitted to CHPC); Archita Ghosh, President, Rezolution Pictures International Inc.; and Marc-Olivier Ducharme.

13 See for instance CHPC, *Evidence*: Vicky Mochama, Communications Director, Press Forward; Alexandra Kearney, Co-Founder, Artificial Agency, As an Individual; and Wyatt Tessari-L'Allié, Founder and Executive Director, AI Governance and Safety Canada.

14 See for instance CHPC, *Evidence*: Michael Geist; Rudyard Griffiths, Publisher, *The Hub*; and Alexandra Kearney.

sovereignty, as well as the successes and strengths of its creative industries at home and on the world stage.[15]

The testimony shared with the committee is organized as follows. The first section explores what witnesses identified as the benefits of certain AI technologies in enhancing creativity and operational efficiency for creators and creative industries. The report then considers the main risks and challenges identified by witnesses, including foundational challenges to copyright, impacts upon livelihoods, and the dangers to cultural sovereignty and the diversity of cultural expressions. Opportunities and challenges for the news sector, with its unique relationship to democracy and public trust, are given separate consideration. The report then examines the regulatory challenges presented by the global nature of foreign technology and the importance of investing in digital sovereignty. It concludes with a series of recommendations to guide the government's policy response to this profound technological transformation and to help ensure the viability of the Canadian cultural ecosystem.

Benefits and Opportunities Presented by Artificial Intelligence

Enhancing Creativity and Efficiency

Approximately half of the witnesses, including some from impacted sectors, recognized the potential of various kinds of AI tools to enhance efficiency and creativity in all areas of cultural production, with some describing entirely new forms of cultural expression and audience engagement made possible by the new technologies. They described the application of not only generative AI tools but also agentic and other assistive machine learning technologies that support productivity and efficiency.[16]

Ms. Wilhelm told the Committee that, "like other technologies before it, creative industries are using AI to … create, innovate and tell Canada's stories":

> They use AI for … creation, production, distribution and marketing. They use it to reduce technical, financial and environmental barriers … They use AI to maximize the value of their IP, to find new markets and to build out fan bases in global markets. They use it to protect the sovereignty of the data they hold, … and to develop new protocols and ownership markets. Artists … work with AI to create the entirely new and unexpected,

15 See for instance CHPC, *Evidence*: Alexandra Kearney; Kelly Wilhelm; Paul Fogolin, President and Chief Executive Officer, Entertainment Software Association of Canada; Wyatt Tessari-L'Allié; and Marie-Julie Desrochers.

16 Generative AI refers to models that can "create new patterns and content like text, images, video, audio or software code," whereas agentic AI can "perform autonomous tasks on behalf of the user or another system" and is "focused on decisions as opposed to creating … new content."

> very often in collaboration with tech companies and product designers in the private sector.

Eric Chan, a.k.a. EEPMON, artist and Creator in Residence at Library and Archives Canada, described himself as "a digital, generative artist" and explained to the Committee how AI enhances his work:

> I write code to create visual art. I prompt AI to optimize – i.e., to increase frame rates or reduce memory leaks. The art stays mine. The code evolves via open-source patterns. … It's collaboration with the collectivism of coders. We're not losing art. We're gaining a medium – code as brush and AI as assistant.

Mr. Chan referred to artificial intelligence as "Decentralized Creativity 101," saying that "[a] teenager in New Brunswick can now generate album art, write lyrics or animate a short film without a $100,000 studio or a gatekeeper's blessing." For him, the advent of AI recalls that of the Gutenberg printing press in the 15th century: "AI is the printing press of our era," he said, noting that "every leap in reproduction technology was called apocalyptic … Then it became infrastructure." Describing the technology as "innovation and empowerment in action," he said, "[l]et's treat this moment as an opportunity like the printing press – as a beginning, not doomsday, for creators."

Patrick Rogers of Music Canada told the Committee that the organization's members were "excited about what licensed, legal, paying AI models will do for the industry in order to continue human creativity." Mr. Rogers cited examples of "AI at its best," including its use by Universal Music Group, with Brenda Lee's approval, to create a Spanish-language version of one of her songs, and by Warner Music Nashville to help Randy Travis record a new song after a stroke impaired his voice.

Pierre-Philippe Côté, a musical entrepreneur and founder of Orio Cloud, said AI "provides powerful tools that can be used to stimulate creativity, such as by generating music, images and scenarios, by automated editing, by real-time translation and by trend analysis," enabling "artists, producers and studios to explore new forms of expression, increase their productivity and make creation more accessible." He added, "it helps me make better art and think outside the box."

As a digital-first industry, the entertainment software sector has adapted especially well to artificial intelligence. Paul Fogolin of the Entertainment Software Association of Canada described the technology as "part of a more robust tool kit that allows our creators to do the best work they can." According to Mr. Fogolin, creators use generative AI to, among other things, "draft early ideas for non-player characters' … dialogue or quest lines," or "generate quick visual references for background textures."

Mr. Fogolin also said AI "helps with the development pipeline" so that creators can "make games more quickly and efficiently," and highlighted the fact that it "can be used not just by the larger companies, but by indies, by smaller studios, to help them develop games in a more affordable way," presenting a "real opportunity" in terms of "telling our Canadian story." Mr. Fogolin added that technologies developed in the game industry often lead to "spinoffs" in other areas like health and education and that the same could apply for artificial intelligence.

Dr. Alexandra Kearney is the co-founder of Artificial Agency, an Edmonton-based company that builds behaviour engines – agentic systems that interpret player input and game state to adapt content in real time – for video games. She said her company's tools "enable game designers and programmers to put run-time intelligence into any aspects of their game, unlocking new experiences and genres of entertainment that could be made no other way," thus empowering "the next generation of digital storytellers." She said, "we're not just changing how games are made; we're redefining what games are. We're expanding the artistic medium." Dr. Kearney described her company's behaviour engine as "a new creative interface … that expands what designers can do," allowing small studios to "punch way above their weight class."

Witnesses also told the Committee about how organizations are using assistive AI technologies to streamline rote and administrative tasks, enhance operational efficiency and improve workflows. Stephanie Enders of the Alberta Machine Intelligence Institute (AMII) said that AI offers "tremendous, often overlooked opportunities" to "support the business of the creative industries," including "recommendation engines that help audiences find local artists" and "tools that optimize production pipelines."

Pierre-Philippe Côté confirmed that as a "serial entrepreneur" with "eight companies and a non-profit organization," AI has given him "the tools [he] needed in terms of administration and management."

Archita Ghosh of Rezolution Pictures International Inc. said her core team "uses AI daily for productivity … [increasing] our efficiency and … [making] us more competent and competitive as a business," while a brief submitted by the Indigenous Screen Office noted that Indigenous content creators in the screen industry "use a range of AI tools," including for "development, writing, special effects and editing."

A brief from the Motion Pictures Association of Canada said AI can "[free] creators from tedious and repetitive tasks" in applications from colour correction to de-blurring to "more involved work like aging and de-aging an actor" or "adjusting the placement of computer-generated images to make sure everything in a scene flows smoothly and

aligns properly." Another brief, from Music Canada, cited new "efficiencies in industry workflows," including tools that "[compress] tasks that once took hours into minutes."

Margaret McGuffin of Music Publishers Canada said members are "leveraging" AI to "scale their operations," for instance to help them quickly find songs within their catalogues to fit specific briefs, allowing them to respond faster and get money to songwriters more efficiently.

Diane Davy, whose organization Work in Culture conducted a study on the use of AI in the creative sector for administrative work, said the tool is creating "all sorts of" opportunities, including for her own organization: "We're four people, overworked and underpaid. We've been using it for everything, particularly grants." She compared it to "having a really smart intern … with no life experience," highlighting the need for a "human in the loop."

Kevin Chan of Meta Platforms Inc. said artists use AI tools as a "creative partner," helping them "reach new and bigger audiences through personalized recommendation and content optimization." His colleague Rachel Curran described how AI can deal with "rote or administrative tasks" so that artists can focus on the ones that "[require] real creativity and human judgment." She added that "new technology has always preceded a boom" in the creative industries and that "new avenues of creative expression" will emerge with the help of AI.

Adrian Capobianco is the Chief Executive Officer of BILI Social, a social commerce company that describes its mission as "connecting brands with creators" and enabling individuals to monetize their social media presence. He told the Committee about his use of AI "for the assist, not the goal" in all aspects of his business. Mr. Capobianco explained that his company uses AI tools to refine social media text posts; to find, audit and filter creators to match with client partners; to match creators with relevant products and content; to monitor trends; and to help open markets for creators, for instance by enabling translation of content into other languages. Mr. Capobianco said that AI has "[allowed] us to compete with larger international competitors and vastly larger teams" and that leveraging it "is important not only for our business but for many Canadian businesses like ours."

Supporting Cultural Diversity

Witnesses also spoke to the potential for artificial intelligence to support cultural diversity.

Marie-Julie Desrochers noted that her organization, the Coalition for the Diversity of Cultural Expressions, was involved in some "extremely inspiring projects" with Indigenous organizations, including "the Heritage Lab, a closed-source AI model based on Inuktitut data … drawn from the education system" that would ultimately "enable translation, revitalize an endangered language and provide access to heritage through a system developed by the communities."

Archita Ghosh described the success and future potential of AI using curated, closed data sets such as one developed by her company, Rezolution Pictures International, to create respectful, representative images of Indigenous culture and communities.[17]

Kevin Chan of Meta Platforms Inc. said the company's open-source model, Llama, could "help protect and promote Indigenous languages" since "any community … could train" the model "using culture-specific data and teach it to speak another language."

Enhancing Competitiveness

Witnesses said that AI tools allow Canadian small- and medium-sized enterprises (SMEs) to "fight above their weight class" and compete with larger firms.

Dr. Kearney and Mr. Fogolin both said AI helps small Canadian game studios differentiate themselves in a competitive global market, while Pierre-Philippe Côté said AI enables "small outfits … to innovate and compete with the big global actors."

In a brief, the Motion Picture Association of Canada said technological advancements "play a vital role in ensuring that Canada's creative industries continue to thrive and compete worldwide."

Enhancing Safety

Two witnesses commented on AI's role in improving safety for children and adolescents in the online space.

Paul Fogolin said that through live chat moderation, AI can help "to catch potentially toxic language" in real time, adding "another layer" to measures like parental controls.

17 See the section entitled "Indigenous cultural and narrative sovereignty," below.

Rachel Curran said that on Meta's platforms, AI systems "read signals" to "identify underage users" so that the company can "place them in a much more restrictive experience" appropriate for younger audiences.

Building on the Benefits

Witnesses said that measures should be taken to ensure that creators and creative industries could continue to realize the benefits of AI technologies.

Stephanie Enders and Alexandra Kearney pointed to Canada's leadership in AI research as well as the history of innovation and investment in Alberta in particular, citing breakthroughs at the University of Alberta as well as the world-class standing of the Alberta Machine Intelligence Institute (AMII).

Stephanie Enders noted that Canada has been slow to "adopt AI and to build the scaling companies" that would translate research success into economic impact. She said the creative industries have an opportunity to "adopt" and "commercialize" AI technologies through "AI-first start-ups" like Dr. Kearney's company and that the government needs to "focus on levers to increase access to capital, compute and customers."

Ms. Enders stressed AI literacy as a "fundamental requirement for all workers," noting AMII has developed "specialized programs for K-to-12 teachers, post-secondary students and energy workers." Kelly Wilhelm and Pierre-Philippe Côté both echoed the need for AI education at all levels to "prepare Canadians to harness new AI tools and technologies"[18] and to "stay competitive,"[19] while Diane Davy said a "national training strategy … would help our community make the best of the opportunities offered by AI within an ethical framework."[20]

Challenges Posed to the Creative Industries

Despite the creative and business potential described above, the bulk of the testimony expressed profound concerns about a range of ways in which artificial intelligence could threaten the long-term viability of the creative professions and industries. Witnesses told the Committee about the unauthorized and uncompensated use of copyrighted works to train AI models; the proliferation of synthetic content on distribution platforms, competing with creative professionals and their works; the elimination of jobs and even

18 CHPC, *Evidence*: Kelly Wilhelm.

19 CHPC, *Evidence*: Pierre-Philippe Côté.

20 See "Supporting artists and creative industries," below.

entire occupational categories; and the erosion of cultural sovereignty and cultural diversity under the dominance of tech giants wielding what Ms. Wilhelm called a "fundamentally homogenizing tool."

The Copyright Question: Authorization, Remuneration and Transparency (ART)

Copyright, which several witnesses described as "foundational" for the creative industries, essential for incentivizing creation and ensuring authors maintain economic and creative control of their work, was at the heart of several of the challenges witnesses identified with the emergence of generative AI in particular.

Broadly, witnesses representing the creative industries promoted a three-part framework – Authorization, Remuneration and Transparency, or ART – as an essential foundation for responsible AI governance that respects creators' rights.[21] All three pillars, according to witnesses, are threatened by the current conditions of AI development in the absence of a clear regulatory framework.

Authorization: the Use of Text and Data Mining (TDM) to Train AI Models Using Copyrighted Works

A central problem identified by multiple witnesses is the unauthorized use of copyrighted materials to train generative AI models in a practice known as text and data mining (TDM) – defined in a recent government consultation as "the reproduction of large quantities of data and information, including those extracted from copyright-protected works, to identify patterns and make predictions."

In order to generate text, images, audio and video, generative AI models are "trained" on large quantities of data and information, often including copyrighted works, obtained through TDM. As explained by Erin Finlay of Access Copyright, "AI models do not create from nothing. They copy from human creativity – from books, journals, magazines, newspapers, songs, images and countless other works," and the companies that train their models on such works thus "[profit] from their unauthorized use."

Kevin Chan of Meta Platforms Inc. told the Committee that "learning about information and developing the patterns and relationships to build these models" do not touch on

21 See for instance CHPC, *Evidence :* Erin Finlay, Legal Counsel, The Canadian Copyright Licensing Agency, Access Copyright; Marie-Julie Desrochers; John Illingworth, Executive Director, Association of Canadian Publishers; Alain Strati; and Laurent Dubois, Executive Director, Société des auteurs et autrices de radio, television et cinema.

copyright interests. His colleague, Rachel Curran, explained that Meta's AI models don't "store or reproduce any content," but "extract what we believe are unprotectable facts, statistics, patterns and relationships" from it. She said, "[o]ur fundamental argument … is that model training does not implicate the interests of copyright legislation as it stands now."

However, for witnesses representing the creative industries, including Mr. Rogers, the unauthorized use of copyrighted works through TDM to train AI models constitutes "infringement – full stop." Maryse Beaulieu said the practice "goes against the very foundation" of Canada's *Copyright Act*, while Véronique Guèvremont said it infringes on rights "enshrined in … the Universal Declaration of Human Rights and … the International Covenant on Economic, Social and Cultural Rights."

Laurent Dubois, Executive Director of the Société des auteurs et autrices de radio, télévision et cinéma (SARTEC), drew a memorable analogy with the theft of jewels from the Louvre museum in Paris on 19 October 2025: while that incident "made headlines," he said,

> in the world of artificial intelligence, we're constantly seeing works of art being stolen in the name of innovation. In the same way that the French crown jewels will likely be cut up and melted down into precious metals, our works harvested by artificial intelligence are crumbled, stripped down and broken up to serve as precious raw material for creating new content devoid of any historical, emotional and human value and devoid of creative expertise.

Mr. Rogers explained, "[e]verything you need to know about [TDM] is in its name. … They call it mining. What do we mine for? Valuable things. Where do we mine? Where we know there are valuable things. No data is more valuable than the catalogue of our favourite musicians." Arezki Raab described human data, or creative content, as "the black gold of today's digital economy." And John Illingworth explained,

> [a] large language model is only as good as the works it has been trained on. These … models are economically valuable not solely because of new technology; it is that combination of technological innovation and overlaying repositories of cultural expression that makes them powerful.

He described TDM as an "unprecedented industrial-scale extraction of commercial value from the collective published work of humanity without any compensation flowing to … the authors and artists, and the businesses with whom they've partnered … to bring their work to the public."

Several witnesses drew parallels with the emergence of Napster,[22] a peer-to-peer file sharing service that Mr. Rogers said "decimated the [music] industry" at the turn of the century, wiping out "approximately half of the global recorded music market's value" at its peak.[23] Mr. Rogers explained, "it wasn't the Internet that nearly killed the music industry" but rather "copyright piracy and the public's willingness to become pirates," which he said marked the "breakdown of our public understanding that we … were stealing." Artificial intelligence, Mr. Rogers said, is "the copyright issue of our generation."

Infringing Outputs

Several witnesses noted that the ingestion of copyrighted inputs by generative AI models could result in infringing outputs, not only because the outputs are derived from the data on which the models were trained but because users can actively prompt such models to reproduce protected expression as well as creators' likenesses and voice.

Michael Geist told the Committee that AI outputs "rarely rise to the level of actual infringement given the expression may be … inspired by a source, but is not a direct copy of the original." Eric Chan took a broader view, comparing the training of generative AI models and their outputs to "the same remixing logic that [has] powered culture for 300 years" and saying that painters, jazz musicians and hip-hop artists had all to some extent "[copied] to create."

However, Warren Sonoda drew a distinction between "masters [copying] other masters' work," which always involved a "human element," and an output responding to a prompt with "no human authorship" to replicate protected expression: "[S]omeone had to paint strokes that Da Vinci did beforehand … [this is] like ordering a can of soup."

Lisa Broadfoot said that audiovisual outputs are "still nascent," but that "even in what you do see, it is clear that they have been trained on copyrighted works." Travis Croken of the Canadian Authors Association said AI models can "mimic" specific authors' voices or "[use] their words in a manner the author does not condone," creating unjust competition as well as potential reputational damage. He pointed out the challenge of establishing liability in the case of infringing outputs: "If artificial intelligence is used to create a novel and to directly copy from another author's work, who is liable? Is it the author, the publisher, or the creator of the artificial intelligence system?" Ms. Finlay

22 See CHPC, *Evidence*: Marc-Olivier Ducharme; Patrick Rogers; Chip Sutherland; and Samuel Bischoff.

23 Music Canada, *Building Innovation in AI alongside Canada's Creative Industries* (brief submitted to CHPC).

echoed his concerns, saying the opacity of AI models place "impossible evidentiary burdens" on creators and creative industries "when enforcing copyright."

Ms. Wilhelm compared creative copyright to intellectual property in other industries, saying, "if a data-scraping exercise gave up the recipe and method for making a Pepsi, there would be hell to pay. If we can use that analogy in the cultural sector, we can understand the value a bit more."

Tanya Kontoyanni told the Committee that authors, composers and performers are "discovering albums released under their name, with their image and musical style, that are not their creation," affecting "their royalties, the way they earn a living." Margaret McGuffin concurred, citing evidence collected by the International Confederation of Music Publishers (ICMP) that many apps in the EU were "cloning voices, images and songs."

While not strictly a copyright issue, the ability of generative AI to replicate likenesses and voices, whether to generate synthetic works or deliberately harmful deepfakes, was also a source of concern. Chip Sutherland recommended introducing a "personality right" similar to one in the United States in order to further protect creators, while the Screen Composers Guild of Canada recommended prohibiting the appropriation of artists' likenesses and voices by generative AI systems without the artists' express consent.

In a brief submitted to the Committee, the Motion Pictures Association of Canada cautioned that any such prohibition should target "unauthorized and harmful" uses as well as uses that "could potentially replace" performances by real performers and "impact their ability to earn a living," but also encouraged policymakers to consider carve-outs for "legitimate digital replicas used for storytelling."

Text and Data Mining Exceptions in Copyright Law

In some jurisdictions, text and data mining (TDM) is permitted under an exception to copyright legislation. In the European Union, for instance, Article 4 of the directive on copyright and related rights in the digital single market permits TDM unless rights holders "opt out" by expressly reserving their rights in a clear, machine-readable manner, such as a robots.txt file. Under Recital 105 of the EU regulation on artificial intelligence, where such a reservation exists, providers of general-purpose AI models must obtain authorisation before using the material. Article 53(1)(c) of the regulation

also requires providers to implement measures to identify and comply with such a reservation of rights.[24]

Mr. Geist argued that a TDM exception similar to that in effect in the EU would "position Canada as receptive to AI opportunities," enabling it to remain "globally competitive." However, many witnesses rejected calls for such an exception, which Alain Strati said would "authorize what is now unlawful, the mass ingestion of copyrighted material without credit, consent or compensation," and Neal McDougall said would "amount to a government-forced value transfer from artists to technology companies."

Mr. Rogers told the Committee that tech companies are "jurisdiction shopping" in the hope "that different countries and different markets" will adopt an exception and urged Canadian legislators not to "cave to demands" for one. Ms. McGuffin added, "[t]hese companies refuse to come to the table to negotiate, and they are counting on you to change copyright in their favour."

For Ms. Finlay, an exception would "[tilt] the balance even further away from copyright owners" and "undercut the market for the [licensed] use of copyright-protected works"; she added, "AI innovation can and should coexist with a system that incentivizes creators and protects their rights." Ms. Brown said that keeping the *Copyright Act* intact would ultimately "bring people to the table" to negotiate licensing agreements, adding that "there is no evidence to suggest that a TDM exception is necessary to maximize investment in the AI sphere."

Fair Dealing

In jurisdictions that have no TDM exception, including Canada, the question of copyright infringement through TDM would typically be tested against "fair dealing" provisions in the *Copyright Act*. In Canada, Sections 29, 29.1 and 29.2 of the *Copyright Act* set out the conditions under which the use of a copyrighted work might be considered "fair dealing": these include private study, research, education, parody, satire, criticism, review and news reporting.

Eric Chan and Michael Geist suggested that TDM for the purposes of training AI models would likely qualify as fair dealing.

However, both the Screen Composers Guild of Canada and John Illingworth suggested a need to clarify the application of fair dealing to activities such as TDM. Mr. Illingworth

24 See also Maxime-Olivier Thibodeau, *Copyright and Artificial Intelligence*, HillNote, Library of Parliament, 27 October 2025.

said the concept should serve its "core purpose of being something … that enables uncompensated copying for the use of individual researchers, scholars, parodists and satirists," who "[engage] in a dialogue with" and "add to" a work "in some way." He said the principle "has been … transformed into this mechanism for industrial-scale copying," and regulators should "find a way to hone in on that without overly restricting" people's ability to "express themselves in a democratic society."

Opt-in and Opt-out

Witnesses also discussed the effectiveness of an "opt-out" clause similar to that in effect in the European Union.

Mr. Geist told the Committee that a properly configured opt-out mechanism would "[create] efficiencies and opportunities for both creators and … platforms," offering creators "genuine choice" with respect to how their works can be used.

However, most witnesses expressed their opposition to such a mechanism, saying the concept both undermines creators' legal property rights and is unworkable in practice. Ms. Finlay stated that the opt-out framework "flips copyright on its head" and "completely upends the copyright framework as known across the world."

Mr. Sutherland drew an analogy between intellectual property and physical property to illustrate the absurdity of "opt-out" mechanisms:

> The idea of opting out is bizarre in that it's a property right. You own it. You shouldn't have to opt out. When I come home at night, I don't expect someone to be watching the Jays game on my television in the living room, saying, you didn't opt out of me living in your living room … I don't have to opt out of the property I own, why should an artist have to opt out? They should have to opt in and be compensated for it.

Ms. Guèvremont added that legal experts "are pointing out the technical challenges of implementing" opt-out provisions, saying artists "have virtually no way of verifying that their work is no longer being used, because there's very little transparency." Mr. Bischoff confirmed that it was "very challenging, almost impossible, to understand how to opt out if your work has been used for training without authorization."

Music Canada said in a brief that an opt-out regime would "place unreasonable and unworkable obligations on creators," pointing out that many rights holders "lack the technical knowledge, resources or access to navigate complex exclusion mechanisms." The organization also said that opting out "simply stops unauthorized use (if honored)" without "[establishing] any rights to be compensated for prior use."

Music Canada also noted that "even when opt-out tools exist (like Robots.txt protocol), they rarely offer meaningful protection for music creators as their work is distributed across many platforms they do not control." Mr. Raab added that the "software robots" deployed to "harvest" content regularly fail to consult or ignore such files entirely.

Remuneration: The Need for Voluntary Licensing

Rather than recommending an exception or an opt-out mechanism, most witnesses said the use of copyrighted works for TDM was a "licensable right"[25] and that a "vibrant licensing market"[26] should be allowed to develop. They explained that voluntary licensing is effectively an "opt-in" mechanism consistent with the principles of copyright law and the functioning of a free market.

Ms. Finlay said, "voluntary licensing lets creators retain control, receive fair remuneration and know when their works are used, provides AI companies with the rights they need to do the work they do" and "makes innovation fair, sustainable and legal, respecting the value of human creativity while enabling responsible AI development." She said licensing in some sectors is "already happening" and added that exceptions to the *Copyright Act* would "undermine" this "burgeoning licensing market."

Representatives from the music industry, which led the way out of the piracy era, confirmed that it was both possible and necessary to chart a similar path in the era of generative AI. Mr. Rogers said, "[w]e are in the Napster era of AI in the marketplace. We need to get to the iTunes stage." He further explained, "the way out of the piracy era was that our members … held out and said that music had value."

Ms. Brown said that since the early days of streaming, a "mature licensing regime has formed and creators and streaming services both have benefited in the past decade." She said SOCAN "has very successfully…been licensing all of the digital platforms in Canada, all of the bars and restaurants and the broadcasters. This is not new territory."

Ms. Brown explained that licenses are agreements between "willing partners sitting at the table, in a free market, negotiating." She added, "respect for copyright does not stifle innovation. If you stream music on your smart phone, you have proof in your pocket that compensation for creators and technical innovation can successfully coexist."

25 CHPC, *Evidence* : John Illingworth.

26 CHPC, *Evidence*: Jennifer Brown.

Ms. McGuffin and Mr. Rogers, as well as Ms. Finlay, were optimistic about the prospects of licensing, with Mr. Rogers telling the Committee, "if you were to look for headlines about licensing coming together, you would find them."[27] Ms. Finlay also cited the emergence of collective licensing models in Australia, the U.S. and the U.K.

Jonathan Roberge, however, pointed out that licensing for music streaming had not generated enough revenues for artists to earn a living and stressed the need to "think outside the box" for more sustainable, longer-term solutions.

Wyatt Tessari-L'Allié also suggested such a model may not be sustainable in the future, noting that AI is "relying less and less on human content" and adding that "the models we see today that need to scrape" such works likely represent "a passing phase."

Transparency: Disclosing Training Data

Witnesses identified the lack of transparency in generative AI models as an obstacle to ensuring fairness for creators, as well as for consumers, and argued that AI companies should be required to disclose which copyrighted works are used to train their models.

Maryse Beaulieu described the lack of transparency from current developers as a "form of denial of rights." She also pointed out that the EU's *Artificial Intelligence Act* mandates transparency from AI developers on the data used to train their models.[28]

Witnesses supportive of the ART principles identified transparency as essential for the emergence of a viable licensing market. Ms. Finlay said it is "critical for artists to actually know what's being used and what they're able to license." Ms. Desrochers said that transparency is the "final pillar" required to ensure remuneration through licensing and that a licensing market could not develop without it.

Lisa Broadfoot said transparency "keeps platforms accountable," giving "producers and other rights holders the ability to negotiate a license" and helping them to "identify when infringement occurs." She added that we currently "have a closed marketplace for extraction, and transparency is the key that can unlock it."

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27 Developments concurrent with and following this study have shown that mechanisms consistent with the principles of ART can be implemented in practice. For instance, in November, Universal Music Group, Sony Music and Warner Music Group licensed their catalogs to Klay, an AI-powered music startup. Warner Music Group (WMG) entered into agreements with Udio, Stability AI and Suno.

28 Article 53(1)(d) of the regulation on artificial intelligence requires AI developers to publish a sufficiently detailed summary of the data used to train their models.

Patrick Rogers cautioned legislators that they would "meet with stakeholders" who compare transparency obligations to giving the "secret sauce" away, but reminded the Committee that "the ingredients of a Pepsi do not explain how to make a Pepsi," and encouraged legislators to push back. He said AI proponents "will claim that it isn't possible, but if we're going to unlock human consciousness with AI, shouldn't it be able to write a bibliography?"

Margaret McGuffin cited a study of leaked datasets by the International Confederation of Music Publishers: "[C]ompanies will say that they don't have the information on the traded data, but when the data was leaked it was lists of very specific YouTube links with categories, genres and artists' names attached."

A brief from the Motion Pictures Association of Canada, while supportive of transparency requirements, urged policymakers to "be thoughtful about the context and nuances" and ensure policies are "narrowly targeted to achieve the desired goal," noting that "where content creators use AI tools developed with their own [or licensed] content, a requirement to track and disclose the materials" could "impose significant burdens."

Alexandra Kearney expressed skepticism about the feasibility of "transparent models that give you explainability and auditability" without affecting performance. She explained that "very different models and very different training regimes" would be required to facilitate transparency in the sense of a list of ingredients, since it's not "a straight copy" from "training data to output." She compared the transformative process to her own experience with computational photography: "When I'm writing programs to edit my photographs, I might have an idea in mind, but if you ask me what artistic influences are pushing to try different things, I can't really identify them."

Stephanie Enders agreed that in some cases full transparency would be challenging. However, she also told the Committee about "a number of tools that help encourage companies to adopt" transparency practices, including "model cards" that allow a company to "[document] all of the choices made about the experiments with the model, the origins of that model and the decisions made along the way." She also mentioned "data sheets for data sets," which provide "a record of the data related to a specific AI project," explaining "ownership, governance, provenance and decisions along the way." Ms. Enders said some companies are "open and transparent about publishing those so that consumers and individuals can understand how they are using data, how they're collecting it and what model it's associated to." Finally, she pointed out that the Government of Canada, in its "algorithmic impact assessments," evaluates privacy, transparency and explainability.

The Potential of Blockchain for Remunerating Rights Holders

The Committee heard from Eric Chan that the copyright issue might present "an opportunity to look at new technologies," including blockchain, to arrange compensation for artists. He explained blockchain as a "digital ledger that traces … the breadcrumbs to the original source" and said it might be possible with AI models to "decentralize" copyrights "onto a blockchain so that people … could theoretically get compensated based on what the AI generates." He said that intellectual property and AI can coexist: "I think that you let the markets decide … to see that perhaps the collaboration between IP and AI could come up with a new way of building an economy for the creative industry."

Pierre-Philippe Côté said that blockchain "is actually used for traceability for the purposes of copyright allocation," for instance in the case of "smart contracts"[29] involving non-fungible tokens (NFTs):

> Say my two colleagues and I decide to create a [musical] work together. …There would be a smart contract attached to that work through an immutable blockchain. Then AI could recognize that the work was played or broadcast in a stadium and, thanks to geolocation tools in our phones, it would determine that 5,000 people were present and all heard the song … So, there would be compensation for public performance, which would go through SOCAN … or perhaps even through smart copyright distribution mechanisms, and then those royalties could be distributed to rights holders directly through the blockchain, almost instantaneously.

Other Economic Impacts

Approximately half of the witnesses expressed concerns that AI could devalue and displace human creativity by competing with human content, leading to unfair competition, job losses and in some cases the elimination of entire categories of occupation.

Marc-Olivier Ducharme told the Committee that artists fear they "won't be able to survive financially" in a future dictated by technological giants, while Warren Sonoda said "what keeps [him] up at night" is the "existential scenario" in which synthetic content replaces human content and "human storytelling is lost."

29 A smart contract can be broadly defined as a "computerized transaction protocol that executes the terms of a contract."

A Market Flooded with Synthetic Products

Many witnesses pointed to the flip side of training AI models on copyrighted works, namely, as Lisa Broadfoot explained, the fact their outputs come to compete "directly with the materials that have been scraped and stolen" from rights holders.

According to Victoria Shen, generative AI has the capacity to "flood our media ecosystem with homogenized, machine-generated content, to drown out human and Canadian creative voices and to undermine existing business models while redirecting power and profit into the hands of corporations."

Dave Anctil explained to the Committee that generative AI allows "non-artists and studios" to simulate and market works, citing as an example "the fake band The Velvet Sundown, whose music has garnered millions of plays on Spotify." He added, "there are now synthetic studios that create fake actresses and actors," representing "unfair competition for artists and creators, who spend a large part of their lives developing their talent, studying their art and thereby investing in our culture."

Véronique Guèvremont said that "on some music platforms, artificial intelligence generates more than 10% of the tracks published each day" and cited a study by the International Confederation of Societies of Authors and Composers (CISAC) which forecasted that creators could lose 24% of their revenues by 2028 due to the "substitution of human works by Gen AI outputs." She added that platforms are "investing in AI-generated creation and promoting their own content to reduce copyright payments."

Mr. Rogers warned of "stream manipulation," or "music that exists purely to … swamp services and then have people pretend to listen to it or have spins artificially generated," directly "diluting" the revenue pool from which rights holders are compensated by platforms like Spotify.

John Illingworth described a "slew of purported biographies" of Prime Minister Mark Carney on Amazon.ca, many of which "rank higher in search results than his own *Value(s)*." He said that while not all of the books are selling, "some are, and the average consumer has no means of distinguishing a properly researched book from incoherent slop until they buy it."

Wyatt Tessari-L'Allié warned that the "slop or low-grade" content currently generated by many AI models would eventually give way to superior works in comparison with which human content would "[look] comparatively quaint and simplistic," and that the synthetic content already available on many platforms represents "just the beginning." He said,

"within a few years … we will likely have high-quality customized AI content available on demand at very low cost." Mr. Tessari-L'Allié said that that while AI "can't take away … the joy of making music and … making movies … What it can do is take away the market share."

Transparency for Outputs

A number of witnesses, including Dave Anctil, stressed the importance of "[creating] a regulatory framework … to ensure that synthetic products are clearly identified," allowing the public to "at least make an informed judgment about music and audiovisual content" generated by AI.[30] The Screen Composers Guild of Canada supported this recommendation, citing surveys indicating that consumers "prefer works created by real humans."

Mr. Geist, noting the risk of "misinformation or public confusion that can come from 'AI slop'," also recommended that such content be "properly identified, which would enhance the value of original human creativity."

The Motion Pictures Association of Canada urged the government to adopt a "nuanced, context-specific approach" to labelling, saying that requiring it for "low-risk activities" such as visual effects could "conflict with freedom of expression" and "negatively impact" consumer experience.

Copyrightability of Outputs

Witnesses representing the creative industries were largely in agreement that AI generated content should not receive copyright protection without meeting a meaningful standard of human intervention.

Arezki Raab told the Committee that "[a] work protected under the *Copyright Act* is a work created by a human being. That is how the law was conceived." Maryse Beaulieu said, "we already have the necessary tools to define what is an original work … content created only with artificial intelligence output is not considered a creative work, so it's not protected by copyright."

Neal McDougall pointed out that copyright exists to "incentivize … creation" and to recognize a creator's entitlement to "the fruits of their own labours," and that neither

30 See also CHPC, *Evidence*: Marie-Julie Desrochers; Tania Kontoyanni; Laurent Dubois; Samuel Bischoff and Warren Sonoda, Screen Composers Guild of Canada, Kelly Wilhelm; John Illingworth; Wyatt Tessari-L'Allié; Véronique Guèvremont; and Jennifer Brown.

rationale is engaged by AI outputs. Travis Croken added that "not allowing copyright to a machine that does not need an incentivization to create … and keeping copyright only for human creators" will allow creators to "continue to hold on to the monies … from their creations and ensure we have a solid human component in the cultural identity of Canada."

Mr. McDougall stressed the need for a high threshold for human intervention in order to prevent copyright laundering, whereby "humans are essentially added in to make something copyrightable" that otherwise would not be, in a "perverse reversal of the human and machine dynamic."

A brief from the Directors Guild of Canada, noting that creators can use AI tools, acknowledged the difficulty of determining "what level of human intervention" would establish such a threshold and recommended that the Department of Canadian Heritage "commission a research study to define the copyrightability of AI-assisted works."

Dr. Kearney told the Committee that there was a risk in "narrowing the definition of authorship to exclude the computational," comparing it to a "blanket restriction" of the sort that "[risks] ossifying the very thing we should be expanding" and "constraining interactive mediums before they're able to reach their maturity."

Employment Impacts

Witnesses also told the Committee about direct threats to employment as artificial intelligence systems take over functions previously carried out by human beings.

Mr. Anctil explained that while some professions are "protected by law," there are "no professional standards guaranteeing the exclusivity of artistic production," which leaves artists "to their own devices" at the mercy of market forces. He said, "[i]t will therefore be very easy to replace living artists with synthetic 'artists' … further destabilizing artistic professions."

Tania Kontoyanni of the Union des Artistes said that artists were "threatened with extinction by the technology they helped to create," citing "the rising precariousness of jobs and the disappearance of entire occupations, including the work of vocal artists, whose future is absolutely uncertain."

Mr. Anctil identified the professions of "the illustrator/graphic designer who uses digital tools" and "French dubbing of foreign productions" as two professions that would be "permanently transformed" by the advent of AI, describing its impact as the "end of an era."

Ms. Kontoyanni cited video description for the visually impaired as a job that "no longer exists." Like Mr. Anctil, she said that French-language dubbing – a "highly specialized" technique that "takes years to develop" – is also "under threat," though "the technology is not quite there yet." She added that "it's just a matter of time" before the technology is perfected, and pointed out that in the meantime producers are asking to modify contracts "so they will be able to model our voice." She said that "when we refuse … we lose these contracts."

Véronyque Roy shared her fear that "scriptwriters will be partially replaced by these tools," leading to a "decline in working conditions" or "job losses," while her colleague Laurent Dubois spoke of a "massive disengagement" of talent from the cultural sector due to ongoing crises exacerbated by the advent of AI.

Mr. Anctil also highlighted the threat posed by "increasingly agentive" artificial intelligence, including the creation of "systems with several specialized artificial intelligence models that are capable of creating production chains:"

> Imagine that a production studio decides to replace all the artisans involved in making a film. Artificial intelligence screenwriters would propose scripts, which would be evaluated by other artificial intelligence systems, which would then propose the first segments of the film. Editing and everything else could be automated.

Supporting Artists and Creative Industries

Funding

Witnesses called for continued government support for the cultural industries through the kind of programming that has long been a vehicle for Canadian cultural policy.

Chip Sutherland said the "best defence for artists to combat and manage … this new technology is to know they can count on the continuation of these strong supports at all levels," saying, "the more we can support artists directly to sustain their ability to create … the better." He said creators "need time to create. They need access." In music, they "need the ability to go out there and play" and "have places to play" and "other artists to collaborate with. That's how we're going to beat it."

Warren Sonoda said the Department of Canadian Heritage could "continue to support Canadian humans through the [Canadian Media Fund] and Telefilm [Canada], making sure our stories are told by humans and that the Canadian and Indigenous story continues from this perspective." He said, "I'm here because of" such support and added, "I want the next wave of young talented storytellers and filmmakers to have the same ability."

Mr. McDougall also pointed out the need for funding programs administered through the Department of Canadian Heritage to continue supporting "human beings" and "artists" and not to "drift … towards funding what is essentially AI-generated content."

John Illingworth suggested investing in non-profit organizations like BookNet Canada and eBound, which he said have been "world leaders in enhancing book distribution and … accessibility" and could be the "pathway to opening up access to … competitive AI tools for our sector."

Training and Capacity Building

Witnesses also reiterated the need for training and promoting AI literacy as well as building capacity.

Mr. Côté said that with some jobs "changing" or "emerging" and others "at risk of disappearing," Canada would have to "invest in developing digital and creative skills, particularly outside urban centres and for emerging talents."

Mr. Ducharme proposed "government investment in laboratories for experimentation, training and production of artificial intelligence in the field of culture that remain owned by the Canadian cultural sector and are governed as a digital community." He said, "we favour training programs that enable artists to master artificial intelligence rather than be dependent on it, thereby preserving their [and our] creative autonomy."

Étienne Grenier urged legislators to further consider how cultural sector workers can "take control" of the new tool and "influence the development of technology so that it serves their interests." Saying that adapting to AI should be a "two-way street, where innovators and users have a say," Mr. Grenier specifically suggested supporting artists who are literate in technology and able to "develop [it] while thinking about the sector's real needs." He said initiatives like ArtIA "require consistent and recurring funding to have a sufficient level of capacity building … to work properly with this technology."

Mr. Roberge said the vanishing of jobs would threaten the "capacity of culture just to stay alive" and told the Committee that policy makers would have to "plan ahead" by "having policies in place to reintegrate" artists, "whether through training or a social safety net," and over the "longer term." For Mr. Roberge, "we have to go back to the core mandate of Canadian Heritage" and its "mission of defending and promoting Canadian culture."

Diversity of Cultural Expressions

Another central concern among witnesses was the threat of cultural homogenization and the erosion of cultural and narrative sovereignty.

Ms. Desrochers said, "since its inception, the digital environment has not been conducive to the diversity of cultural expressions," adding that AI is contributing to "unprecedented challenges for cultural diversity."

Likewise, Ms. Guèvremont pointed to market penetration by "certain cultural powers, such as the United States," and to the role of AI-powered recommendation algorithms in promoting "content similar to the content previously viewed and enjoyed by users." She said that homogenization is not unique to the AI era, but that AI could certainly "amplify" it.

Discoverability

The same deluge of synthetic content that witnesses said created unfair competition could also "make human creations less accessible and less visible," for Ms. Guèvremont, aggravating the challenge of discoverability for diverse cultural production.

Ms. Kontoyanni agreed that discoverability was a "major challenge," saying, "not only do you have to be discoverable, but you also have to exist somewhere in a future where AI-generated works will occupy most of the space."

Ms. Guèvremont said that while a bill on discoverability is "currently being studied in Quebec," and while the *Online Streaming Act* addresses discoverability as well, these "[cover] the stage of distributing and disseminating works" but do not "combat homogenization at the content creation and production stage." She said she wondered "whether we shouldn't … go so far as to legislate specifically on the use of artificial intelligence in cultural and creative industries" and thereby address the risks "specific to the use of artificial intelligence in culture."

Biased Training Data

Ms. Guèvremont told the Committee that a new source of risk arises from the training databases for AI models, which are "built from a corpus in which certain cultures are overrepresented, mainly anglophone and western cultures," encouraging "the production of those same aesthetic or narrative forms." She said that because they are "designed to reproduce statistically average patterns based on their training data," they

tend to result in "representation biases" that disadvantage "non-conventional or marginalized forms of expression."

Pierre-Philippe Côté said that while AI "can be a formidable vehicle for diversity … [giving] voice to creators from under-represented communities, [allowing] content to be adapted for various audiences and [expanding] access to culture," it is crucial to "guard against algorithmic bias and guarantee that the tools that are developed reflect the wealth of Canada's culture."

Marc-Olivier Ducharme echoed these concerns, noting that AI reproduces the "risks and biases" found in the training datasets and saying that "without safeguards, ethics and cultural specificities become externalities," leading to "cultural standardization" and ultimately a loss of both cultural and economic sovereignty. He said, "toxic algorithms homogenize cultures," threatening different languages:

> As a francophone, I have no artificial intelligence model that represents me. Current models can mimic my language, but they can't understand my cultural specificity. I'm a Quebecker, so it's not too bad, but an Acadian person has a cultural and linguistic specificity that's very different from that of Quebec. Less data on Acadian culture was collected by harvesting, which makes the biases even stronger … What about a queer artist or a Jamaican-Canadian artist, for example? What about the people who exist at truly complex intersections of our societies, where models … end up acting as real homogenizers of culture?[31]

Francophone Cultural Content

Marie-Christine Morin also emphasized the specific risk to Francophone and Acadian communities, saying that their content risks being "completely drowned out" without "specific legislative measures or parameters on the subject." She said, "It is essential to train AI models in French using representative data from our communities, to promote the diversity of francophone cultural expressions in Canada." She added that without parameters and legislation, "French content will get swallowed up by content that does not reflect who we are."

Her colleague Sven Buridans said that the Fédération Culturelle canadienne-française had already trained its members to understand unstructured data to "strengthen the discoverability of French-language content" online, but that AI is a "complete game changer" to which the organization is "unable to respond."

31 CHPC, *Evidence*: Marc-Olivier Ducharme.

Mr. Buridans noted the "unique characteristics of Canadian and Acadian French-speaking cultural communities" and said that "it will take more than a language model to prevent AI from generating overly biased output. It will take a cultural learning model."

Indigenous Cultural and Narrative Sovereignty

Several witnesses also raised concerns specific to Indigenous communities.

Ms. Ghosh of Rezolution Pictures International said that "challenges and questions abound" in relation to Indigenous content in the era of AI. She named one of these as Indigenous data sovereignty, or "the right of Indigenous peoples to govern, control and protect data that pertains to their cultures, lands, languages and bodies." She stressed the need for "Indigenous control over the cultural framework of data, the process of data collection, the content produced, the stories told and the priorities the data supports." She said that "when AI systems extract, process and monetize Indigenous data without consent, colonization through data continues to harm and destroy."

A brief from the Indigenous Screen Office outlined similar concerns, including the misappropriation and integration of Indigenous cultures and data into AI systems through TDM; the prospect that such systems will then "amalgamate" distinct Indigenous cultural expressions to "generate misleading stereotypical outputs"; and the crowding out of authentic Indigenous content by AI-generated representations done "in the style of Indigenous arts and artists."

Ms. Ghosh also pointed to the "scarcity of accurate, unbiased cultural datasets" used by AI platforms and the "glaring and disrespectful" stereotypes and biases that reflect the "unsupervised nature of immense online datasets." She explained that when her company needed culturally appropriate images for a feature documentary, *Red Fever*, they were unable to find them in stock image libraries or by using AI platforms and existing data and were ultimately forced to create a "smaller, vetted and curated" dataset for use with the consent of the artists whose images and research are used to generate content. She added, "[t]he decades-long cultural and data research" on which the platform was trained "has disappeared into the AI abyss," and while "we hope it will be used for good … there is no footnote or reference connecting Rezolution and all the communities that contributed to it."

Protecting Cultural Data

Witnesses described existing or potential initiatives underway to safeguard cultural data and empower creators to control, access and benefit from it in their work.

Mr. Ducharme highlighted the need for "cultural data trusts," defined as sovereign infrastructures that "protect and value our cultural data, whose governance rules and terms of access are decided by the communities and by the artists." He suggested investing in "public AI" and infrastructure owned in common by artists and arts organizations, as well as laboratories for cultural communities to develop tools adapted to French, Indigenous and minority languages.

Mr. Buridans told the Committee about Culturepédia, the "first social trust for data management," which he described as "a protected and sovereign legal environment in which data can be uploaded to train members of cultural organizations to work with data." Noting it was just a "prototype," and vulnerable to budget cuts, he stressed the need to "strengthen our capacity to work with that data" and increase digital literacy among members. He said he looked forward to "Canadian open source models governed by clear legislation that addresses threats or concerns."

Mr. Buridans also called for "cross-institutional efforts" with federal cultural institutions, citing co-operation agreements with the Department of Heritage and several portfolio organizations. He said, "[i]t is important to coordinate how our language and the unique characteristics of our communities are represented" and noted that "currently, those efforts are a bit scattered."

Étienne Grenier said, "mastering production tools and capabilities is essential for the cultural survival of our people" and that "if we want to … develop artificial intelligence systems that represent our values and cultural baggage, we'll have to do it … with our own means and institutions." He said the Bibliothèque et Archives nationales du Québec "develops model projects based on its own data," and noted that initiatives are underway in France as well: "The French government's strategy is to consider … cultural data as a treasure and a heritage, which government institutions promote to boost their discoverability. The training, models and challenges of discoverability are managed by government enterprises."

Ms. Ghosh told the Committee that the *Red Fever* example "reflects the power of human-supervised smaller datasets and how incredibly positive AI can be – if managed well by humans – in improving Indigenous representation on the screen." She said it inspired her company to "begin a modest culture and community-centred project," with funding from the Société de développement des entreprises culturelles, "to work on bringing control,

consent, credit, compensation and copyright to Indigenous creatives and professionals," thereby "[inching] AI platforms towards Indigenous data sovereignty." Ms. Ghosh said that if the research were annotated and fed back into "the bigger model," it might "to some degree offset all the biases and stereotypes that exist right now." She added that such models could help "bring back" Indigenous languages as well.

The Indigenous Screen Office proposed a framework based on responsibility, collaboration and transparency, that would safeguard Indigenous creators' intellectual property and privacy; protect against bias and discrimination; support the use of AI tools while affirming the primacy of human authorship; and ensure the "transparent and lawful use" of creative works. The ISO also recommended "[prohibiting] the use of AI technologies to gather and generate outputs about Indigenous cultural identity, Indigenous ceremonies, Indigenous traditions, and Indigenous historical legacies."

Marie-Julie Desrochers emphasized Canada's leadership role in the adoption of the UNESCO *Convention on the Protection and Promotion of the Diversity of Cultural Expressions*. She highlighted the commitment made at MONDIACULT 2025 to promote the discoverability of multilingual cultural content, protect copyright, and involve the cultural sector in AI policy development. She said she hoped Canada would continue its leadership role by supporting an additional protocol to the 2005 Convention to strengthen the protection of the diversity of cultural expressions in the digital environment. She also expressed a hope for "real political will" to take action domestically and internationally.

Ms. Guèvremont added that UNESCO's 2021 recommendation on the ethics of artificial intelligence "contains a lot of guidance relating to AI, creative industries and the diversity of cultural expressions" that might help guide the Committee's reflections.

Opportunities and Challenges for the News Sector

As a subset of the cultural sector with a unique relationship to democracy and public trust, the news industry faces its own set of opportunities and challenges in the era of artificial intelligence. Rudyard Griffiths of *The Hub*, Nikita Roy of Newsroom Robots Lab, and Vicky Mochama of Press Forward shared with the Committee their views on how to protect the journalistic work, data and intellectual property essential to sustain a healthy information ecosystem while also ensuring accountability and Canadian visibility across a value chain that has been irreversibly transformed.

Opportunities in the News Industry

Mr. Griffiths noted that AI is "surely … a piece of [the] solution" to Canada's productivity problem as a whole and highlighted how AI has allowed his organization, as a "smaller publisher," to "compete with [its] larger peers." He said that AI makes it possible to "synthesize large amounts of information quickly and report this out to news consumers," pointing to the "remarkable work … being done in the field of investigative journalism using large language models and large datasets to further transparency and accountability on the part of organizations, including government." He said that with AI he is "able to do investigative journalism in a way I could never have done even six or 12 months ago on a scale" previously possible only for larger outlets like *The Globe and Mail*.

Ms. Mochama said the industry had been "adopting AI tools for a fairly long time" and gave several examples of how it has served independent news outlets, for instance by improving workflows. She described the use of AI in a recent municipal election to "parse the issues most important to the city's residents … and shape a 30-question survey sent to all candidates."

Nikita Roy, likewise, was clear that she was "pro-AI," saying the technology "amplifies" human creativity rather than replacing it: "Any person who did not … go to a journalism school or do an entire videography class … is able to go and create" news using AI.

Impacts of AI on the News Ecosystem

Witnesses also highlighted the need to respond to the implications of AI-driven shifts in news distribution and consumption.

The Collapse of Search

The main driver of these shifts is the "collapse of search"[32] as users rely increasingly on AI-generated summaries like Google Overviews for information without clicking through to news sites.

Mr. Griffiths explained that news organizations in 2025 reported "significant drops in … the referral traffic that traditionally has come from Internet search engines." He said studies indicate that "upwards of 60% of Google searches are now zero click," a sobering statistic given that Google is "responsible for 90% of all search volume in … much of the

32 CHPC, *Evidence*: Nikita Roy.

Western world." He stated that the shift "obviously challenges the business models of many news and information providers on the web."

Witnesses echoed the concerns raised across the creative industries concerning the unauthorized scraping of content without fair compensation to creators.

Ms. Mochama said that AI summaries reduce traffic to news sites by "scraping human-verified information without compensation or attribution." She said the summaries remove vital "points of connection" where publications generate revenue through "advertising, reader donations or selling tickets to community events."

A brief submitted by News Media Canada noted that AI companies are "flagrantly scraping and summarizing content directly from published news articles … without authorization or compensation" and in the process diminishing outlets' "ability to sell advertising and subscriptions." The organization said AI companies are "effectively strip-mining proprietary content, freeriding on the backs of news publishers while unlawfully enriching themselves."

Some witnesses pointed to a further implication of the collapse of search, namely the loss of essential context[33] as well as the "serendipity" and learning associated with traditional research.[34] Given AI's tendency to "[do] much of the cognitive work for us"[35] even as it hallucinates and generates inaccuracies,[36] Ms. Mochama stressed the need for a collective effort to heal the information ecosystem from the ground up: "A teenager who looks up math answers on ChatGPT … is residing in a classroom where there are serious deficits and information gaps … [When] we think of partnerships, who do we want holding the hand of that 16-year-old boy and making sure he gets the right math answer and can replicate that information?"

Trust in News

Another related concern was that of public trust in news, already under threat from the circulation of human-generated disinformation on social media in recent years.

Mr. Geist described the risk of "misinformation or public confusion" from "'AI slop' in poorly crafted AI news," while News Media Canada said [large language models] do "not

33 CHPC, *Evidence*: Nikita Roy.

34 CHPC, *Evidence*: Rudyard Griffiths.

35 CHPC, *Evidence:* Kelly Wilhelm.

36 CHPC, *Evidence*: Rudyard Griffiths; Vicky Mochama.

adhere to journalistic standards" and often generate outputs that are unreliable and misleading.

Ms. Mochama said AI chatbots "confidently [distribute] false or incomplete information," undermining the function of journalism in providing "trusted, verified and bylined" information for which reputable organizations are "legally liable." She added, "the Canadian public are increasingly being asked to do their own fact-checking in a deeply fractious information ecosystem."

Nikita Roy pointed out that if a newsroom like CBC/Radio-Canada is wrong, "we have a person to … talk to," whereas when AI platforms "go wrong, you cannot hold them to account."

Mr. Geist pointed out that the market itself could have a "disciplining effect," saying an AI system that "consistently provides … inaccurate or biased" information is likely "not [to be] an AI service [the public wants] to rely upon."

Cultural Sovereignty and Canadian Visibility

Witnesses' concerns about cultural sovereignty in the context of the creative industries were also applicable to the maintenance of a Canadian presence in the news.

Nikita Roy told the Committee that as AI becomes "the infrastructure that mediates how people encounter information," it also "[redistributes] the power to tell stories and decide whose stories get heard." She said this transformation "strikes at the core of Canada's cultural sovereignty and our ability to shape our own narratives in a world … increasingly filtered by algorithms that we did not design and we do not control."

Noting that news is becoming increasingly "conversational," Ms. Roy said, "we must ask whose voices guide [these conversations] and whose are left out," noting that "if Canadian journalism isn't built into" AI models, "it's invisible." She said AI is the "new home page," with platforms "[reassembling] reporting from multiple newsrooms" and "stripping away our editorial voice:"

> We are entering an era … where the very infrastructure of knowledge is being rewritten by systems we don't design and do not govern. If we fail to anticipate that cultural shift, our cultural sovereignty may not be decided in Parliament, but in the prompt and response loops of foreign AI platforms.

Ms. Roy said the "greatest risk facing creators is invisibility," explaining, "if our data, our languages and our voices aren't part of global models, we … fade from the world's informational map." She noted that because of a lawsuit filed by Canadian publishers

against OpenAI, "ChatGPT does not show you any Canadian news from these … publishers" but provides "news from outside Canada" in response to user questions.

The Path Forward for News

Witnesses identified potential measures for ensuring the integrity and sustainability of the Canadian news ecosystem, while cautioning against interventions that could yield unintended consequences.

Mr. Griffiths pointed to the *Online News Act* as a "cautionary tale." He said that as a part of the agreement between news outlets and Google to access the $100 million fund established to secure an exemption from the Act, publishers "must make all of their content available to Google," allowing the company to "[scrape] behind your paywall" to "serve up [subscriber-only content] in their [large language model]." He said this obligation "removes any bargaining power" for publishers "to negotiate with Google over fair terms of what that content is worth."

Mr. Griffiths stressed the need for "patience" and "foresight," for "a sense of our ingenuity" and "some confidence in ourselves" to navigate the new technology. He said, "[w]e need to be integrated with the world. We need to be using the world's technologies. We need to … have a sense of our own resiliency and our ability to meet this challenge together with, frankly, the bare minimum of intervention." For Mr. Griffiths, the question of copyright "should be where we start and end" the conversation on transparency and fairness, rather than subsidies to create "an artificial economic foundation for industries that are challenged."

Mr. Geist also pointed to unintended consequences of the *Online News Act*, such as the blocking of news content on Meta platforms and the increasing dependence of news outlets on both Google funding and "regulatory models that result in these kinds of payments." He said, "if we say that the only way you can include certain Canadian content in a large language model is if you meet these new regulated costs … we run the risk of running a replay" of such consequences, with services deciding to exclude Canadian content rather than pay for it. His testimony highlighted the challenge of balancing Canadian presence in AI outputs with concerns about compensation:

> One of the … things we have to do … is to say, "What do we really want to see happen here? Do we want to ensure that … a Canadian perspective [and] Canadian virtues and values are reflected in … the outputs?" I think the danger is in erecting barriers and saying, "We don't want you to use our stuff."

Several witnesses highlighted the need for compensation for news creators, with News Media Canada advocating for intellectual property rights and Nikita Roy saying compensation is necessary for "knowledge creators to continue producing" news. Like her counterparts in the creative industries, Ms. Roy advocated for "transparency, credit and choice."

Witnesses also agreed on the need for transparency and clear attribution. Ms. Mochama said attribution was critical to public trust, while Mr. Geist said it allows the public to know the "core sources" for AI-generated claims.

Nikita Roy highlighted the importance of capacity building to ensuring the sector's survival and future relevance, saying "we must invest in creators' ability to work with AI and strengthen AI literacy … so that people can shape technology and not just be shaped by it." Noting that her organization had recently led a training program for journalists at the City University of New York, she said, "when creators understand AI the right way, they stop fearing it and start shaping it. AI literacy is creative agency and that's what keeps culture alive in this new era."

Ms. Roy also said that "conversational" news of the kind that takes place on AI platforms holds enormous potential, allowing people to "[engage] with news at a one-on-one level" and offering an opportunity to "cater to people across languages at the level of language they require" and contribute to a "more informed society." She said conversational news would "[transform] journalism from a one-way broadcast to a dialogue that we can have at an individual level," given the assurance of "trusted information … within a trusted algorithm."

To this end, Ms. Roy recommended creating a "Canadian data commons," or an "ethically governed cultural data infrastructure, a kind of public library for the AI age that reflects our bilingual, Indigenous and multicultural reality."

Ms. Roy also said that building a dedicated "technology infrastructure for newsrooms" is a "critical [gap] that has to be filled and supported for the news industry," particularly given newsrooms' inability to "compete with … Silicon Valley" at the level of investment.

Ms. Mochama stressed the importance of bringing "everybody to the table," including news media publishers, "foundations, library systems and municipalities," as well as "big tech if they want to sit with us."

Foreign AI Giants and the Threat to Cultural Sovereignty

Underpinning many of the challenges that witnesses identified – as well as the question of what kind of policy response would enable Canada to both navigate the new technological landscape and demonstrate global leadership in it – is the size, scale and provenance of the most powerful players in AI.

Witnesses described a structural imbalance resulting from the relative size and levels of investment in AI as compared to the arts and cultural sector. For Dave Anctil, the "American digital giants" have "absolutely no consideration for vulnerable individuals and industries, and even less for the small cultural industries of Quebec and Canada."

Mr. Ducharme described the situation as one of "digital feudalism," with Silicon Valley "[aspiring] to our dollars, data and talent." He pointed out that "artificial intelligence giants are funded to the tune of hundreds of billions of dollars," creating "dominant positions that are hard to counterbalance." He said that Silicon Valley "controls all our production tools" and that while "artists want to be able to understand how artificial intelligence impacts their work and the creation of their own value," the rules set by Silicon Valley are "opaque" and "constantly changing."

The Regulatory Challenge

For some witnesses, the asymmetry between "Silicon Valley" and Canada's creative community necessitates significant caution and foresight in the regulatory space. Mr. Griffiths said the "large incumbent tech companies" have a "moat around them as a result of their scale, their size and their ability to create this technology and … distribute it to us at scale."

Michael Geist warned against "creating barriers that would render us uncompetitive as a market," for instance by imposing costs on AI development that companies could avoid by moving elsewhere and excluding Canadian content.

In particular, Mr. Geist was skeptical of strategies to generate subsidies for the creative industries by "[making] web giants pay." Mr. Griffiths added that any attempt to "freeze the Canadian economy in place" to protect certain industries from disruption would be "prohibitively expensive." He said that while "profound dislocation" was inevitable, Canada would "come through" as it had following previous technological upheavals.

Investing in Digital Sovereignty

To offset the dominance of foreign technology companies in the digital space, several witnesses called for strategic investments in digital sovereignty beyond the "data trusts" and "data commons" already proposed to safeguard cultural and linguistic data.

Dave Anctil said, "to protect cultural diversity, allow people to discover content created thanks to this diversity, and ensure that our cultural and media industries can compete globally, we'll have no other choice but to create our own infrastructure, as we've done in the past." He said, "without digital sovereignty, I have very little hope for the survival of … cultural sovereignty."

Mr. Côté highlighted the risks of "excessive dependence on American technologies" for hosting content, warning that "extraterritorial laws" could jeopardize Canadian cultural content and leave it open to misappropriation. For Mr. Côté, "responsible, locally controlled AI solutions that guarantee data security and the preservation of our cultural heritage," like the decentralized data centres operated by his company Orio Cloud, offer an example of a sovereign infrastructure that could safeguard cultural sovereignty.

Mr. Côté explained that Orio specifically uses "decentralized data centres that are intelligently distributed to minimize the risk of breaches and … ensure that every piece of data remains protected and confidential." These systems, which use environmentally sustainable infrastructure housed in decommissioned churches across Quebec, illustrate a model that protects Canadian intellectual property from exposure to foreign laws. Mr. Côté stressed the need to "think about smaller, decentralized models that will create jobs throughout Canada and bring the technologies to areas outside urban centres and to the public and users."

Witnesses also pointed to Canada's leadership in AI research as an invaluable asset. Stephanie Enders highlighted Canada's "unique and rich history" in artificial intelligence research, while Alexandra Kearney told the Committee that "the three Canadian AI research centres, Vector, Mila, and AMII" are "national treasures" and that "if there is one thing that we can do to succeed as a country in this century, both technically and culturally, it is to protect and nurture these research institutes, along with their output."

Jonathan Roberge, however, argued that promoting sovereignty would require regulation, not just promotion and investment. He pointed out that investing millions or billions to "keep pace with Silicon Valley" would "result in a notorious deficit for Canada, as it will never be able to keep pace." He said that both general and cultural sovereignty "[require] regulation" and proposed that the "practice community" be brought together "to try to develop" a framework.

The Need for a National Conversation on AI

Witnesses told the Committee of the need for a national conversation on AI that is inclusive of all sectors, particularly the cultural sector, alongside individuals possessing in-depth expertise on the technology.

Several witnesses pointed to the exclusion of the cultural sector from discussions and decision-making processes to date, including its "complete absence" from Minister Evan Solomon's Strategic Task Force.[37] Ms. Desrochers, Jonathan Roberge, Étienne Grenier and Sven Buridans lamented the lack of cultural sector representation in federal initiatives concerning AI. Mr. Buridans highlighted that the sector is also "absent from AI funding channels," while Mr. Roberge noted that the government has thus far been "biased towards artificial intelligence."

Ms. Desrochers said that the conversation should engage organizations like the Coalition for the Diversity of Cultural Expressions. The Indigenous Screen Office also recommended creating an "AI advisory council composed of creators and leaders from Indigenous communities" to ensure the reflection of Indigenous rights and interests in new legislation or policies.

Jonathan Roberge said that public policy must be based on "serious evidence" or that policymakers risk "flying blind." He noted that his two research chairs – specializing in francophone AI and digital technology – have "never been given a research mandate by the department of Canadian Heritage," suggesting a shortfall that would need to be corrected for the conversation to move forward.

Witnesses also emphasized that the policy response should be grounded in evidence, research and diverse expertise in order to avoid creating unintended outcomes. Dr. Kearney stressed the importance of "introducing technical people into the room," noting that AI is a very "nuanced" technology and that experts should be present to ensure that policy and regulatory initiatives are securely grounded in technological realities. Dr. Kearney also emphasized that AI must not be treated as a "monolith" as it has many existing and potential applications that could be impeded by frameworks that are overly broad.

Ms. Enders also advised against "horizontal" regulation of the technology as such, suggesting that governance be structured around the application of an "AI lens" to

37 CHPC, *Evidence*: Étienne Grenier.

existing sectoral regulations rather than creating a "universal path" that would capture all existing and potential AI technologies. She said,

> hearkening back to why AI literacy is so important, as we have dialogue and consultation on what … regulation should be, there should be an equal playing field for all of the people involved, so that they understand they are talking about this technology knowledgeably and so that their voices can be heard and amplified appropriately.

Ms. Enders, Dr. Kearney and Ms. Curran also expressed their support for regulating harmful applications of the technology rather than the technology itself. Dr. Kearney said, "regulate harm – that's the most important thing – not use."

CONCLUSION: CHARTING A PATH FORWARD

In the broadest terms, the testimony heard by the Committee over the course of the study suggested that the transformation of Canada's creative industries by artificial intelligence would require a strategic, robust and sustainable response.

While the testimony did not yield a consensus on the exact means of striking the balance between facilitating innovation and protecting Canadian creators and creative industries, several clear areas of interest emerged.

Upholding Authorization, Remuneration and Transparency

Witnesses stated that the pillars of Authorization, Remuneration and Transparency should ground the use of copyrighted content by generative AI models. They called for upholding the *Copyright Act* as it stands, rejecting the introduction of text and data mining exceptions and the extension of copyrightability to machine-generated outputs. They also expressed their support for a voluntary, market-based licensing regime that they said would ensure respect for creators' rights without stifling innovation. Finally, they insisted on the need for transparency, both for training datasets and to identify AI-generated outputs.

Supporting Creators and Creative Industries

Witnesses called for continued government support for the cultural industries through the kind of programming that has long been a vehicle for Canadian cultural policy. They stressed the need to reaffirm the primacy of human authorship and protect creative livelihoods, noting that funding should be targeted to support human creative endeavours.

Investing in AI Literacy and Training

Approximately a dozen witnesses stressed the need to invest in AI literacy, training and capacity building as a critical component of a Canadian AI strategy, adapted to all age groups as well as across the different sectors.

Investing in Sovereign AI Infrastructure

Witnesses called for strategic investments in digital sovereignty, such as cultural data trusts and data commons as well as public AI infrastructure, ensuring that Canadian cultural data – including Indigenous and francophone data – is safeguarded from foreign control and the homogenizing forces of foreign AI systems.

International Collaboration and Leadership

Witnesses said Canada is well positioned to assume a global leadership role, noting that AI is a global challenge that calls for global solutions. They said that in the UNESCO space, Canada should continue to lead in protecting the diversity of cultural expressions, while in the broader conversation on technology, Canada should lead collaboratively with other Western democracies, such as the European Union, and show leadership in developing a responsible AI framework.

A Nuanced Approach to Regulation

Witnesses highlighted the challenge of regulating a global and constantly evolving technology predominantly controlled by foreign tech giants. They cautioned against measures that could shift investment outside of Canada and reduce its global cultural presence, or stifle artistic and technological innovation. Some suggested focusing on harms and specific uses of the technology rather than the technology itself.

An Inclusive National Conversation

Witnesses called for ongoing and inclusive dialogue on AI, with input from the cultural sector as well as AI experts.

RECOMMENDATIONS

Recognizing that there may be additional issues and concerns that may not have been raised over the course of the study, the Committee recommends the following:

Recommendation 1

That the Government of Canada protect the property rights and interests of artists through the principles of the *Copyright* Act, in accordance with the ART principle—authorization, remuneration and transparency:

a) **The Government of Canada must take the necessary steps and ensure that the scope of the *Copyright Act* applies to AI-generated content in order to guarantee copyright protection.**

b) **The Government of Canada must mandate greater transparency from AI developers regarding copyrighted works used to train their models, including disclosure of training data sources, to enable proper authorization and licensing.**

c) **The Government of Canada must establish a clear opt-in consent requirement for the use of copyrighted works in the training of artificial intelligence systems, ensuring that creators' works may not be used for text and data mining or model development without their prior authorization.**

Recommendation 2

That the Government of Canada protect Canada's digital sovereignty through investing in sovereign infrastructure, such as Canadian-owned and governed public data infrastructure; infrastructure allowing artists and organizations to maintain control over their cultural data and research; research and development, including the creation of laboratories; and the development of AI tools trained on linguistic and cultural content that is representative of Canada.

Recommendation 3

That the Government of Canada require that all fully synthetic or AI-generated content be clearly identified as such through standardized labelling mechanisms that are visible and understandable to the public in order to promote transparency, maintain public trust and preserve the integrity of Canada's information and cultural ecosystem. This requirement should apply across all relevant sectors, including digital platforms, broadcasters, public institutions and cultural organizations, and be accompanied by guidelines defining the responsibilities of producers, broadcasters and technical intermediaries.

Recommendation 4

That the Government of Canada establish a framework governing the systematic and easily identifiable labelling of content created with the assistance of artificial intelligence, including through the use of metadata, digital watermarks or other robust technical solutions. This framework should clearly distinguish content generated entirely by AI from content co-created by humans in order to protect the value of human creative work, support the public's ability to make informed choices and enable artists, cultural organizations and institutions to disclose their use of AI in a consistent, transparent manner.

Recommendation 5

That the Advisory Council on Artificial Intelligence create a working group dedicated specifically to cultural issues, mandated to examine the impacts of AI on artistic and cultural ecosystems and to provide informed advice to the Government of Canada. This working group should include experts from Quebec, Indigenous and Canadian cultural communities to reflect the country's linguistic, cultural and territorial diversity and ensure that AI-related policies and regulatory frameworks take into account the specific realities and needs of cultural communities.

Recommendation 6

That the Advisory Council on Artificial Intelligence be strengthened through the appointment of at least two additional members from the cultural community, including at least one individual from Quebec, to ensure meaningful representation of artistic and cultural perspectives. These members should be selected from individuals with recognized expertise in cultural creation, dissemination or management and should participate fully in the Council's deliberations and opinions to ensure that the impacts of AI on cultural expression, copyright and artists' working conditions are systematically considered.

Recommendation 7

That the Government of Canada take all necessary measures to maintain Canada's leadership in artificial intelligence research and development and ensure that the technologies developed remain Canadian through the registration of intellectual property patents. These measures would include the following:

a) **The Government of Canada must continue to support the national AI research institutes, AMII, Vector and Mila, in upholding Canada's leadership in the ethical development of AI.**

b) **The Department of Canadian Heritage must explore programming to support cultural AI experimentation that will help Canadian creators adopt and master AI as a tool to enhance human capabilities while preserving creative autonomy.**

Recommendation 8

That the Government of Canada regulate the harmful outcomes of AI, not the technology itself, in order to protect Canadians while maintaining innovation and competitiveness.

Recommendation 9

That the Government of Canada collaborate with experts and stakeholders to develop a national strategy for AI literacy and skills across all educational levels and professional sectors, including the creative industries. This strategy should align with established guidelines, such as the UNESCO AI student competencies.

Recommendation 10

That the Department of Canadian Heritage continue to support artistic and cultural production. The Department must develop and implement guidelines ensuring that existing and future cultural funds, such as tax credits and programs supporting cultural production, support human creative jobs and content. The Department of Canadian Heritage must also conduct or fund expert research on the impacts of advances in artificial intelligence on creators and the creative industries.

Recommendation 11

That the Advisory Council on Artificial Intelligence, including the two additional members from the cultural community as specified in Recommendation 6, undertake work to determine the threshold of human intervention required to grant copyright to an AI-assisted creative work.

Recommendation 12

That the Government of Canada support the development of ethical and representative cultural data trusts, explicitly including cultural and linguistic expressions from

underrepresented communities, to reduce algorithmic bias in AI tools used in the creative industries.

Recommendation 13

That the Government of Canada establish targeted acceleration and funding programs for cultural creators, entrepreneurs and organizations from underrepresented communities to promote their participation in the development, use and governance of AI technologies in the creative sectors.

APPENDIX A:
LIST OF WITNESSES

The following table lists the witnesses who appeared before the committee at its meetings related to this report. Transcripts of all public meetings related to this report are available on the committee's webpage for this study.

Organizations and Individuals	Date	Meeting
Coalition for the Diversity of Cultural Expressions Marie-Julie Desrochers, Executive Director	2025/10/06	5
Copibec Maryse Beaulieu, Advisor, Legal and Public Affairs Arezki Raab, Assistant General Manager	2025/10/06	5
International Observatory on the Societal Impacts of AI and Digital Technologies Dave Anctil, Affiliated Researcher	2025/10/06	5
The Hub Rudyard Griffiths, Publisher	2025/10/06	5
ArtIA Marc-Olivier Ducharme, Director, Innovation, Alliances and Futurs, Sporobole	2025/10/08	6
Music Canada Patrick Rogers, Chief Executive Officer	2025/10/08	6
Music Publishers Canada Margaret McGuffin, Chief Executive Officer	2025/10/08	6
OCAD University Kelly Wilhelm, Head, Cultural Policy Hub	2025/10/08	6
Society of Composers, Authors and Music Publishers of Canada Jennifer Brown, Chief Executive Officer	2025/10/08	6
Access Copyright Erin Finlay, Legal Counsel, The Canadian Copyright Licensing Agency	2025/10/22	8

Organizations and Individuals	Date	Meeting
Association of Canadian Publishers	2025/10/22	8
John Illingworth, Executive Director		
Brendan Ouellette, Co-Chair, Copyright Committee		
Canadian Authors Association	2025/10/22	8
Travis Croken, National Co-Chair, Wax Seal Productions		
Cultural Careers Council Ontario	2025/10/22	8
Diane Davy, Executive Director, Work in Culture		
Fédération culturelle canadienne-française	2025/10/22	8
Sven Buridans, Director, Innovation and Digital Partnerships		
Marie-Christine Morin, Executive Director		
Meta Platforms Inc.	2025/10/22	8
Kevin Chan, Public Policy Director		
Rachel Curran, Head of Public Policy		
AI Governance and Safety Canada	2025/10/27	9
Wyatt Tessari L'Allié, Founder and Executive Director		
As an individual	2025/10/27	9
Alexandra Kearney, Co-Founder, Artificial Agency		
BILI Social	2025/10/27	9
Adrian Capobianco, Chief Executive Officer and Co-Founder		
Canadian Media Producers Association	2025/10/27	9
Lisa Broadfoot, Vice-President, Industry and Business Affairs		
Alain Strati, Senior Vice-President, Industry and Policy		
Société des auteurs et autrices de radio, télévision et cinéma	2025/10/27	9
Laurent Dubois, Executive Director		
Véronyque Roy, Lawyer and Labor Relations Advisor		

Organizations and Individuals	Date	Meeting
As an individual	2025/10/29	10
Michael Geist, Canada Research Chair in Internet and E-Commerce Law, Faculty of Law, University of Ottawa		
Véronique Guèvremont, Full Professor, Holder of the UNESCO Chair on the Diversity of Cultural Expressions		
Chip Sutherland, Entertainment Lawyer and Artist Manager		
Newsroom Robots Lab	2025/10/29	10
Nikita Roy, Chief Executive Officer		
Press Forward	2025/10/29	10
Vicky Mochama, Communications Director		
As an individual	2025/11/03	11
Eric Chan, A.k.a. EEPMON, Digital Generative Artist		
Directors Guild of Canada	2025/11/03	11
Samuel Bischoff, Director of Policy		
Warren P. Sonoda, President, National		
Entertainment Software Association of Canada	2025/11/03	11
Paul Fogolin, President and Chief Executive Officer		
Alberta Machine Intelligence Institute	2025/11/05	12
Stephanie Enders, Chief Delivery Officer		
Orio	2025/11/05	12
Pierre-Philippe Côté, Entrepreneur and Founder		
Rezolution Pictures International Inc.	2025/11/05	12
Archita Ghosh, President		
Union des Artistes	2025/11/05	12
Tania Kontoyanni, Chair of the Board		
Writers Guild of Canada	2025/11/05	12
Neal McDougall, Assistant Executive Director		
Victoria Shen, Executive Director		

APPENDIX B:
LIST OF BRIEFS

The following is an alphabetical list of organizations and individuals who submitted briefs to the committee related to this report. For more information, please consult the committee's webpage for this study.

Association nationale des éditeurs de livres

Council of Ministers of Education, Canada

Directors Guild of Canada

Indigenous Screen Office

Motion Picture Association-Canada

Music Canada

News Media Canada

Screen Composers Guild of Canada

REQUEST FOR GOVERNMENT RESPONSE

Pursuant to Standing Order 109, the committee requests that the government table a comprehensive response to this report.

A copy of the relevant *Minutes of Proceedings* (Meetings Nos. 5, 6, 8, 9, 10, 11, 12, 13, 23, 25 and 28) is tabled.

Respectfully submitted,

Lisa Hepfner
Chair

Conservative Supplementary Report on Effects of Technological Advances in Artificial Intelligence on the Creative Industries

The House of Commons Standing Committee on Canadian Heritage

On behalf of the Conservative members of the Standing Committee on Canadian Heritage, we submit this supplementary report on Effects of Technological Advances in Artificial Intelligence on the Creative Industries.

Artificial intelligence (AI) presents an enormous opportunity for Canada to lead globally, drive innovation, strengthen our economy, and improve the lives of everyday Canadians, especially those in the creative sector. Key to realizing this potential is ensuring that the government does not stifle innovation with overbearing restrictions. Rather, government regulation must focus on addressing harmful uses, not the technology itself.

After hearing from various witnesses across the creative sector, four key takeaways emerged: 1) Canada is succeeding in AI; 2) AI offers opportunity for Canadians; 3) Overregulation poses a risk to Canada's success in AI; and 4) the government must regulate the harmful uses, not the technology itself.

1. Canada is Succeeding in AI

Canada is well-positioned to be a global leader in AI. Dr. Alexandra Kearney, a Reinforcement Learning scientist and co-founder of Artificial Agency, stated that Alberta has a "world-class AI community." Canada is home to three leading AI research centres: Vector, Mila, and AMII, which Dr. Kearney described as "national treasures." In addition to these major research centres, smaller independent studios with limited access to capital, are able to "punch way above their weight class" with agentic intelligence, which is the ability of an AI system to autonomously set goals, make decisions, and take actions to achieve outcomes with minimal human guidance.

Canada is already demonstrating success through the innovation of AI scientists and creatives such as Dr. Kearney, underscoring a clear opportunity for the country to assume global leadership in this field.

2. AI Offers Opportunity for Canadians

AI presents diverse opportunities for the Canadian creative sector. One of these opportunities is the potential for transformative innovation. This is especially crucial as we enter an age of transformation. Rudyard Griffiths, the co-founder and publisher at The Hub, likened the moment to leaving the horse and buggy behind and moving on to combustion engines. He acknowledged that this could be a "moment of profound dislocation," but added, "We will get through this." Similarly, Rachel Curan from Meta stated, "historically we have seen that new

technology has always preceded a boom in creative industries. Following the printing press, we saw the growth of the novel, for instance. I think new avenues of creative expression that we have not even seen yet will come as a result of this new technology. I think the opportunities are enormous for Canadian artists." This was also echoed by Eric Chan, a digital and generative artist. He stated, "AI is the printing press of our era. Every leap in reproduction technology has been called apocalyptic and became infrastructure. In the 1400s, the Gutenberg Press arrived, and literacy exploded and elites lost control. In the 1800s photography arrived, painters panicked at losing their jobs and said, 'it's not art, it is a machine, it took seconds, why paint when you can have the perfect picture.' Yet decades later, photography became fine art." Many Canadians in the creative industry, like Eric Chan, have already begun leveraging AI for innovative purposes. Chan, a successful artist, uses AI to "optimize" his art and he believes that AI is "a transformative tool for everyone."

Another opportunity in AI is the ability to promote safety. Paul Foglin from the Entertainment Software Association of Canada (ESAC) stated that AI can be used in video games to "add another layer" of "player safety." He gave the example of utilizing AI to catch "potentially toxic language" used over headsets in the middle of a game. Meta is also using AI to identify underage users using the platform. Rachel Curran stated that Meta has built AI systems that read signals from users to "determine whether users are in the right experience for their age or not." These AI-driven opportunities will help provide Canadians with a safer online experience.

AI has the potential to improve productivity. Rudyard Griffiths, the co-founder and publisher at The Hub, stated that Canada suffers from "a profound productivity problem." He believes that "There are significant productivity gains, obviously, that a variety of types of businesses are experiencing through the adoption of AI." He especially believes this for the news industry "because so many LLMs (Large Language Models) were trained on the output of that industry" that it is "well positioned to use the types of outputs that the LLMs produce […] to enhance various aspects of news gathering, synthesis and dissemination."

Furthermore, AI provides Canadians in the creative sector with the opportunity to leverage it as an assistive tool. Adrian Capobianco, the CEO of BILI Socials, stated, "We use AI for the assist, not the goal. We don't fully lean on AI to create artificial influencers, as an example, but we leverage AI in many ways in our business." Similarly, Pierre-Philippe Côté from Orio stated, "Artificial intelligence provides powerful tools that can be used to stimulate creativity, such as by generating music, images and scenarios, by automated editing, by real-time translation and by trend analysis." He further stated, "I see AI as a tool. It helps me make better art and think outside the box. It empowers me." Kevin Chan from Meta also made this observation, saying, "Artists, musicians and other creators use our AI tools as a creative partner. It helps to automate repetitive tasks like editing and building content calendars and helps those same creators reach new and bigger audiences through personalized recommendations and content optimization." These examples demonstrate that AI provides Canadians with the opportunity to employ it effectively as an assistive tool in the creative process.

Many witnesses highlight AI's ability to benefit journalism. Rudyard Griffiths stated, "there are important applications of AI in a news context that can generate both productivity and profitability for news organization but also deliver to news readers and consumers news that is useful, well-researched, and genuinely uncovers new and important insights." Nikita Roy from Newsroom Robots Lab echoed this point, stating, "This [AI] transforms journalism from a one-way broadcast into a dialogue at the individual level, which I believe will contribute to a more informed Canadian society." Roy also stated, "Generative AI is going to revolutionize the way people access information. We are already seeing that with tech platforms but if newsrooms are able to do it with trusted, verified information what you are essentially having is people engaging with news on a one-on-one level." These perspectives illustrate that AI can serve as a powerful assistive tool, enhancing the quality, accessibility, and engagement of journalism in Canada.

AI also expands opportunities for accessibility. Eric Chan reinforced this point, stating, "AI is decentralized creativity 101. A teenager in rural New Brunswick can now generate album art, write lyrics, or animate a short film without a $100,000 studio or a gatekeeper's blessing. That is accessibility, not piracy." Pierre-Philippe Côté echoed this by stating, "AI can be a formidable vehicle for diversity. It gives voice to creators from underrepresented communities, allows content to be adapted for various audiences and expands access to culture." AI thus provides Canadians with a powerful tool to enhance accessibility across the creative sector.

AI offers Canadians significant opportunities by driving innovation, enhancing safety, improving productivity, serving as an assistive tool, benefiting journalism, and expanding accessibility across the creative and cultural sectors.

3. Overregulation Poses a Risk

The opportunities offered by AI can make Canada an increasingly attractive destination for business investment and innovation. When founding Artificial Agency, Dr. Kearney and her co-founder chose Canada as the place to build their organization, driven by the belief that Canadian creatives "deserve to benefit from the fruits of AI's success economically" and should "have the tools to define global entertainment in this century." Canada's welcoming environment for innovation and creativity in AI presents a significant cultural and economic opportunity. To fully realize this potential, Canada must continue fostering an environment that attracts talent, investment, and innovative projects. Crucial to this is ensuring that investment and innovation are not hindered by overregulation. Rudyard Griffiths illustrated this by saying, "I think we just have to prepare ourselves for change, for things to be different than they were in the past and for industries to adapt. Some of that, no doubt, will require patience. It will require foresight. There will be what we call structural readjustments—some of which could be painful. The alternative might be more painful. To try to freeze the Canadian economy in place and to try to protect whole swathes of industries from this disruptive technology would be

prohibitively expensive, I think. Ultimately and significantly, it would undermine the issues that we really need to be working on, which are gains in our productivity and our ability to create the share of wealth that underwrites, among many things, Canada's generous social programs."

Griffiths also pointed to the Online News Act as a “cautionary tale” for overregulation. He stated, "there are some very real challenges that over-regulation represents, and I would simply point to the Online News Act […] the Online News Act and the regulation that it imposes on the news sector, all news organizations must make all of their content available to Google. If you are a recipient of funding through the Online News Act, you are unable to prevent Google from scraping behind your paywall, scraping subscriber-only content to serve up in their LLM." When discussing the Online News Act, Dr. Michael Geist, a law professor at the University of Ottawa, highlighted the importance of ensuring legislation allows the country to remain competitive. Dr. Geist stated, “You have to ensure that you are in the game. And so, we face real risks if we make choices that lead organizations to say that Canada is a country that is not AI-friendly, and we can't effectively compete in this space."

Ultimately, Canada’s ability to lead in AI will depend on maintaining a policy environment that enables innovation by avoiding overregulation and keeping the country competitive in a rapidly evolving global landscape.

4. Regulate the Harm, Not the Technology itself

Several witnesses emphasized the need to strike a careful balance, establishing clear safeguards while preserving competitiveness, by targeting the harm of AI, rather than regulating the technology itself. Dr. Kearney illustrated this point by stating, “regulate harm —that's the most important thing—not use." This point was similarly echoed by Rachel Curran from Meta, who stated, "Our view is that you should regulate the use of the technology, not the technology itself. Look at the uses to which AI is being put. Many of those uses are legal or illegal already. It's already illegal to engage in impersonation or fraud, for instance, so those laws simply need to be enforced in the context of AI."

Additionally, legislators must consult with experts in AI when drafting legislation. Dr. Kearney emphasized this by stating, "When you're looking into implementing measures, I would strongly consider introducing technical people into the room. When the previous AI legislation, the AIDA, was being considered, I was in a consulting session, and someone said that we need to regulate the technology known as reinforcement learning. My Ph.D. adviser here at the University of Alberta is the grandfather of that field. It's a problem formulation, not a technology, so when you let people in the room who don't necessarily have a basis, say this in an unchecked way, you lead yourself into a situation where you could be shooting yourself in the foot.” She further warned of drafting legislation without expert consultation by stating, “Again, this is a form of technology that is very nuanced; it's very niche. There are very few people with a great depth of expertise. When they say that this problem formulation needs to be regulated, that means

they're saying all of the great work that has come out of the University of Alberta should not have happened."

It is crucial for the government to maintain an environment that supports innovation without the hindrance of overregulation, by focusing on regulating the harmful uses rather than the technology itself. The government must also include experts in the development of AI policy to ensure informed and effective decision-making.

Summary

Canada is already succeeding in AI and is well-positioned to lead globally, with significant opportunities to drive innovation, enhance safety, improve productivity, support journalism, expand accessibility, and serve as an assistive tool for creators. Realizing this potential, however, requires avoiding overregulation and focusing policy on addressing harmful uses of AI rather than the technology itself, guided by experts in the field. By striking this balance, Canada can ensure that AI benefits all Canadians in the creative sector while maintaining its global leadership.