Case Study: Canada

About this case study

This case study has been drawn from the report *AI Policy and its Impacts on the Screen Sector Across the Globe,* by the CoSTAR Foresight Lab and prepared by Olsberg·SPI.

The full report examines how artificial intelligence is reshaping the screen sector internationally, drawing on policy analysis, desk research and in-depth consultations across four jurisdictions: Australia, California, Canada and France. It explores the implications of AI adoption for governance, regulation, rights, labour, skills, sustainability and innovation.

This document presents one case study from that research in isolation, highlighting a specific jurisdictional approach and its relevance to ongoing UK policy discussion.

For full context, comparative analysis and UK-focused insights, please refer to the **complete report.**

Introduction

Canada's screen sector is a well-established and critical economic driver, producing large-scale domestic and international feature films and television projects.

Canada has also been at the forefront of AI development, producing AI pioneers Yoshua Bengio, Richard Sutton and Geoffrey Hinton, whose neural network research laid the foundation for current AI systems, such as ChatGPT.[1] In 2017, Canada was also the first in the world to introduce a national AI strategy.[2]

Although Canada can be considered advanced in AI from a technological perspective, the legislation has not kept pace, with no AI laws yet successfully established. This has several implications for the screen sector, as well as for the Creative Industries more widely.

This case study focuses on how the lack of a formal policy on AI poses a risk to the rights of creators and creates uncertainty across industries, especially in the screen sector.

1   *Artificial intelligence was made in Canada. How can we be world leaders once again?* The Hub, 14th February 2025. Accessible at: https://thehub.ca/2025/02/14/artificial-intelligence-was-made-in-canada-so-why-arent-we-leading-the-ai-race/

2   *Pan-Canadian Artificial Intelligence Strategy.* Government of Canada, 3rd December 2024. Accessible at: https://ised-isde.canada.ca/site/ai-strategy/en

Context: Canada's Screen Sector 🎥

In 2024, film and television production contributed £5.95 billion (CA$11.04 billion) to Canada's GDP.[1] While significant, this was a notable decrease (of 18.5%) compared to the previous year.

There was a similar decline in employment, with film and television production in Canada generating employment for 179,130 Canadians in 2023/24 (including direct and spin-off impacts), a decline of 22.2% compared to 2022/23.

These declines are the direct result of the 2023 WGA and SAG-AFTRA strikes pausing production in the USA (as explored in section 4.2). International investment in screen production is an important feature of the Canadian screen sector, with over half of total film and television production investment coming from global studios and streamers (£4.09 billion (CA$7.58 billion) in 2024).[2]

Despite these recent declines, Canada remains a key screen sector and filming location. A well-established infrastructure, competitive production incentives, professional and experienced crews, varied locations and expertise in post-production, VFX and animation, alongside a favourable exchange rate, allow productions to maximise their time and budgets in Canada. This is especially the case in the major production hubs of British Columbia, Quebec and Ontario.

Canada has hosted many critically acclaimed and high-profile productions over the last 25 years, including the recent Amazon Prime series *The Boys* (2019-present), HBO's *The Last of Us* (2023-present) and the FX historical drama *Shōgun* (2024-present).

There are several national bodies that represent the Canadian sector, including The Alliance of Canadian Cinema, Television and Radio Artists (ACTRA), Telefilm, the Canadian Media Producers Association (CMPA), and the Association Québécoise de la Production Médiatheque (AQPM).

The Canadian video games sector is also very well established, with more than 820 active video games studios. It contributes £2.75 billion (CA$5.1 billion) to Canada's annual GDP and provides over 34,000 FTE jobs.[3]

---

1   *Profile 2024: An economic report on the screen-based media production industry in Canada.* Canadian Media Producers Association, December 2024. Accessible at: https://telefilm.ca/wp-content/uploads/2025/01/Profile-2024-Eng-Final_Dec-20.pdf

2   *Summary of Key Findings: The Beneficial Impact of Global Studios and Streamers on Canadian Creatives and Cultural Ecosystem.* KPMG, May 2024. Accessible at: https://www.mpa-canada.org/wp-content/uploads/2024/05/highlights-kpmg-report-en.pdf

3   *Canada's video game Industry contributed $5.1 billion to GDP in 2024.* Newswire, 28th January 2025. Accessible at: https://www.newswire.ca/news-releases/canada-s-video-game-industry-contributed-5-1-billion-to-gdp-in-2024-888181811.html#:~:text=821%20active%20video%20game%20studios,an%20average%20salary%20of%20%24102%2C000.&text=86%25%20of%20employees%20are%20full,average%20age%20of%2034%20years

Current Policy Concerning AI and the Screen Sector

In 2017, Canada was the first country in the world to devise and launch a national AI strategy (The Pan-Canadian Artificial Intelligence Strategy).[4] The vision was for Canada to have a world leading AI ecosystem by 2030, bridging government, the private sector and academia. The strategy's three pillars are commercialisation, standards, and talent and research.

Initiatives related to the national AI strategy include creating national AI institutes in Toronto (The Vector Institute), Montreal (MILA) and Edmonton (Amii), promoting the worldwide adoption of Canadian technologies through several AI innovation clusters, developing standards for the advancement and use of AI, and introducing programmes to cultivate AI talent and infrastructure.[5] The Canadian government plans to provide over £213.3 million (CA$400 million) in support of these initiatives between 2021 and 2031.[6]

At the same time, Canada currently has no laws to directly regulate generative AI. A first attempt was made in 2022, when the Artificial Intelligence and Data Act (AIDA) was proposed.[7] AIDA aimed to establish a regulatory framework for the development and use of 'high-impact' AI systems. The Act was part of the proposed Digital Charter Implementation Act (Bill C-27), which also included a Consumer Privacy Protection Act and the Personal Information and Data Protection Tribunal Act. The AIDA would have required 'high-impact' AI businesses to identify, address and document any harm and bias risks in their AI systems, clarify the intended uses and limitations of their AI systems for users, and create risk mitigation strategies and continuously monitor their systems.

There were many criticisms of the AIDA, including a lack of clarity around the definition of 'high-impact' AI systems. This led to a clarifying amendment in October 2023: any AI systems that could be used to determine employment and service access, process biometric information, moderate and prioritise content, for healthcare or emergency services, by courts or administrative bodies or by law enforcement, were initially considered high impact. This definition was still criticised for not being exhaustive enough.[8]

In addition, AIDA was considered to be insufficient for protecting Canadian workers against AI systems that could be considered as harmful; recommendations were that the legislation be "reconceived from a human, labour, and privacy rights-based perspective, placing transparency, accountability and consultation at the core of the approach to regulating AI".[9]

---

4   *Pan-Canadian Artificial Intelligence Strategy.* Government of Canada, 3rd December 2024. Accessible at: https://ised-isde.canada.ca/site/ai-strategy/en

5   *Securing Canada's AI advantage.* Prime Minister of Canada, 7th April 2024. Accessible at:https://www.pm.gc.ca/en/news/news-releases/2024/04/07/securing-canadas-ai

6   *Pan-Canadian Artificial Intelligence Strategy.* Government of Canada, 3rd December 2024. Accessible at: https://ised-isde.canada.ca/site/ai-strategy/en

7   *The Artificial Intelligence and Data Act (AIDA)* - Companion Document. Government of Canada, 31st January 2025. Accessible at: https://ised-isde.canada.ca/site/innovation-better-canada/en/artificial-intelligence-and-data-act-aida-companion-document

8   *AI Watch: Global regulatory tracker - Canada.* White & Case, 16th December 2024. Accessible at: https://www.whitecase.com/insight-our-thinking/ai-watch-global-regulatory-tracker-canada

9   The death of Canada's Artificial Intelligence and Data Act: What happened, and what's next for AI Regulation in Canada? Montreal Ethics, 17th January 2025. Accessible at: https://montrealethics.ai/the-death-of-canadas-artificial-intelligence-and-data-act-what-happened-and-whats-next-for-ai-regulation-in-canada/

Lobby organisations representing various branches of the Cultural Industries, including screen, expressed their dissatisfaction with AIDA's effectiveness in protecting artists and creative workers against the social and economic impacts of generative AI; these groups included the Directors Guild of Canada, the Writers Guild of Canada, the Screen Composers Guild of Canada, Music Canada, and a group representing authors and publishers.[10]

These challenges were exacerbated by the lack of initial consultation with industry representatives and civil society organisations, including those representing the First Nations.[11] In November 2023, the government responded to the criticisms by proposing some amendments to the AIDA legislation's scope, requirements and regulatory powers, but they were not enough to address concerns.[12] [13] The bill was never passed.

Canada elected a new government in April 2025, and the Honourable Evan Solomon was appointed Minister for Artificial Intelligence. Solomon has stated that the government intends to move away from excessive regulation and towards innovation and economic growth,[14] and confirmed that there is no plan to reintroduce the AIDA. They will instead review what elements can be repurposed in an updated regulatory framework, with a focus on copyright protection.

This is a different perspective from other countries that are part of an international trend toward structured AI governance in the screen sector, such as Denmark's proposed legislation targeting deepfakes, and Italy's incorporation of AI-specific provisions into audiovisual tax credit programmes.[15] The proactive stance taken by SAG-AFTRA in the USA to embed robust AI-related protections into commercial contracts[16] further underscores industry recognition of AI's implications for performer rights and intellectual property.

The Canadian government's current view on the value of policy in this area has not stopped lobbying and action; ACTRA has taken substantial steps to codify similarly robust protections for performers.[17] Through its Toronto-based AI Sub-Committee, ACTRA advanced the principles of Consent, Compensation and Control (the Three Cs) into both collective agreement negotiations and federal policy advocacy. The 2025-2027 Independent Production Agreement further institutionalises these protections, mandating informed consent, transparency of use and fair compensation for AI-generated or replicated performances.[18]

---

10   Ibid.

11   Ibid.

12   Ibid.

13   *State of AI regulation in Canada in 2025*. Xenoss, 9th May 2025. Accessible at: https://xenoss.io/blog/ai-regulation-canada#:~:text=Voluntary%20Code%20for%20generative%20AI,-Alongside%20AIDA%20provisions&text=While%20compliance%20is%20not%20mandatory,AI%20use%20cases%20are%20established.

14   *AI minister Evan Solomon wary of overdoing regulation, but says Bill C-27 "not gone"*. Betakit, 11th June 2025. Accessible at: https://betakit.com/ai-minister-evan-solomon-wary-of-overdoing-regulation-but-says-bill-c-27-not-gone/

15   *Denmark to tackle deepfakes by giving people copyright to their own features*. The Guardian, 27th June 2025. Accessible at: https://www.theguardian.com/technology/2025/jun/27/deepfakes-denmark-copyright-law-artificial-intelligence?utm_campaign=denmark-takes-on-deepfakes&utm_medium=referral&utm_source=www.vp-land.com

16   *Member Message: SAG-AFTRA Members Approve 2025 Commercials Contracts Agreement*. SAG-AFTRA, 21st May 2025. Accessible at: https://www.sagaftra.org/member-message-sag-aftra-members-approve-2025-commercials-contracts-agreement#:~:text=Importantly%2C%20these%20contracts%20include%20the,systems%20without%20consent

17   *Protecting Canadian Performers: Assessing the Impact of Canada's Proposed Bill C-27, Artificial Intelligence and Data Act*. ACTRA, 8th September 2023. Accessible at: https://www.actra.ca/wp-content/uploads/2023/09/PA-AI-Submission.pdf

18   *Independent Production Agreement*. Alliance of Canadian Cinema, Television and Radio Artists (ACTRA), January 2025. Accessible at: https://www.actra.ca/agreements/ipa/

The Minister also plans to drive the commercialisation of AI in Canada through increasing investment in data centres and research, championing Canadian AI companies, and encouraging the adoption of AI in small and medium enterprises. In July 2025, Solomon announced a £73.13 million (CA$98.6 million) investment by SCALE AI (Canada's global AI innovation cluster) into 23 new AI adoption projects. Notably, none of these are related to the cultural or screen industry,[19] with current projects in areas such as immunology, steel production, rail network optimisation and e-commerce.

Beyond AIDA, several Canadian laws shape how AI intersects with film and television. The Personal Information Protection and Electronic Documents Act (PIPEDA)[20] and provincial equivalents[21] require consent and transparency in personal data use, applying to AI-driven tools in casting, audience analytics, or targeted marketing.

Canada's Copyright Act[22] grants exclusive rights to creators, but its application to AI remains unsettled. A 2023-24 consultation showed that the Creative and Cultural Industries – including screen sector stakeholders – stressed the need for consent, credit, and compensation when AI uses creative works. By contrast, tech companies argued that current frameworks risk slowing innovation and investment.[23]

One ongoing high-profile case concerns a challenge to a decision by the Canadian Intellectual Property Office (CIPO) to permit a copyright registration with both a human and AI system registered as the authors.[24] The work was refused copyright in the USA on the grounds that the human author conceived the idea, but the AI system executed it, and stating that a human giving prompts to an AI system is not sufficient to constitute authorship. The Canadian Federal Court has yet to make a ruling, but if they do not revoke the CIPO's decision to copyright the work, it will set a new precedent for the concept of ownership and raise new questions around ownership and licensing.

Another case currently ongoing in the Ontario Superior Court of Justice is a claim against OpenAI by several major Canadian news publishers, including the Toronto Star, Metroland, CBC/Radio-Canada, the Canadian Press, the Globe and Mail and Postmedia.[25] The plaintiffs claim that OpenAI has infringed copyright laws by scraping content from these news outlets to develop its AI models. While Open AI insists that its models are trained on publicly available data and the use of such content is grounded in fair use principles, the media companies believe that Open AI is in breach of copyright laws and online

19   *Canada's AI adoption accelerates, driving growth for industries: Nearly $100m invested in 23 new projects through SCALE AI's latest funding round.* SCALE AI, 10th July 2025. Accessible at:
https://www.scaleai.ca/100m-invested-in-23-new-projects-through-scale-ais-latest-funding-round/

20   *Personal Information Protection and Electronic Documents Act.* Government of Canada, 25th June 2025. Accessible at: https://laws-lois.justice.gc.ca/eng/acts/p-8.6/

21   *Data protection laws in Canada.* DLA Piper, 26th January 2023. Accessible at: https://www.dlapiperdataprotection.com/index.html?t=law&c=CA

22   *Copyright Act.* Government of Canada, 25th June 2025. Accessible at: https://laws-lois.justice.gc.ca/eng/acts/C-42/Index.html

23   *Consultation on Copyright in the Age of Generative Artificial Intelligence: What we heard report.* Government of Canada, 11th February 2025. Accessible at: https://ised-isde.canada.ca/site/strategic-policy-sector/en/marketplace-framework-policy/consultation-copyright-age-generative-artificial-intelligence-what-we-heard-report#s9

24   *Can AI be an author? Federal Court asked to decide in new copyright case.* Norton Rose Fulbright, 6th August 2024. Accessible at: https://www.nortonrosefulbright.com/en-us/knowledge/publications/ad12aba2/can-ai-be-an-author-federal-court-asked-to-decide-in-new-copyright-case

25   *Statement of Claim Form 14A.* Ontario Superior C0urt of Justice, 28th November 2024. Accessible at: https://litigate.com/assets/uploads/Canadian-News-Media-Companies-v-OpenAI.pdf

terms of use and are profiting from their intellectual property without consent or compensation. To date, the case has not been settled, but if the plaintiffs win the lawsuit, OpenAI could be forced to pay compensation for every article used to train the ChatGPT model, as well as share any profits made using the articles, and OpenAI would be prohibited from using any articles in the future.

In Quebec, the Conseil de l'Innovation du Quebec[26] and the Québecois Artificial Intelligence Institute (Mila)[27] have advanced guidelines on responsible AI, calling for cultural databases in French and Indigenous languages and binding transparency on training data sources. For the screen sector, such measures could protect Canadian stories while supporting innovation, ensuring that creative contributions are fairly acknowledged and compensated when used to train or generate AI systems.

Additional Insights from Consultations 🤝

Consultees highlighted the key role that the screen sector plays in the preservation of Canadian cultural heritage and identity, and, relatedly, how generative AI systems create concerns. Stakeholders reported that Francophone and Indigenous groups risk losing their specificity, due to AI models being biased towards Anglophone and especially USA content. For this reason, many of the Canadian creators and representatives had a critical view of generative AI systems, citing the need to ensure data sovereignty for cultural minorities and the maintenance of cultural diversity.

Consultees also stressed the need to develop skills that support screen sector workers to adapt to and adopt AI. They highlighted the importance of building technical AI expertise – both in using tools to enhance creativity and in understanding ethical and legal issues, including responsible use and identifying misuse. At the same time, as AI streamlines technical tasks, consultees emphasised strengthening soft skills such as communication and collaboration, particularly for new entrants. Understanding the full production value chain as well as AI's role across it was seen as essential for effective teamwork, while creatives should also cultivate a refined aesthetic sense to better judge and work with AI-generated outputs.

26   *Quebec 12 Priority Recommendations for Responsible Use of AI.* Securiti, 2nd May 2024. Accessible at: https://securiti.ai/quebec-responsible-use-of-ai/

27   *AI Governance, Policy and Inclusion.* Mila, October 2024. Accessible at: https://mila.quebec/en/ai4humanity/ai-governance-public-policy-and-safety

Key Takeaways 📋

Canada's screen sector remains a significant contributor to the national economy, though it has recently faced turbulence. These declines were largely driven by the USA labour strikes, underscoring the importance of international investment. Despite these challenges, Canada retains its position as a global hub for production thanks to competitive incentives, strong infrastructure, and specialist expertise across VFX, animation and post-production. Industry representatives are keen to protect these advantages, recognising both the economic importance of inward investment and the role of the screen sector in shaping Canadian cultural identity.

The policy environment surrounding AI in Canada is in flux. Canada was an early mover with its *Pan-Canadian AI Strategy*, but legislative attempts such as the Artificial Intelligence and Data Act (AIDA) fell short, with consultees criticising weak definitions, limited protections for workers, and a lack of consultation with cultural and Indigenous groups.

While other countries are moving toward more structured AI governance, Canada's new government has shifted its focus to economic growth and commercialisation, confirming there are no plans to revive AIDA. Instead, efforts are being directed toward data centre investment and adoption of AI across industries –though notably not in the screen sector.

In the absence of strong federal regulation, copyright law and privacy legislation remain the main legal frameworks shaping AI's application, while high-profile legal disputes, such as those concerning authorship and content scraping, are testing the boundaries of existing law.

Industry consultees expressed deep concern about the risks that generative AI poses to Canadian culture and labour. Francophone and Indigenous groups were particularly vocal about data sovereignty and the potential marginalisation of cultural diversity by AI models trained predominantly on USA and Anglophone content. Guilds and unions have taken a proactive stance where government has not, embedding protections for performers through collective bargaining, with ACTRA advancing its principles of consent, compensation and control.

Stakeholders also emphasised the need for skills development, both technical – enabling workers to harness AI tools responsibly – and interpersonal, such as communication and collaboration, which will remain central as AI automates technical tasks.

Overall, while Canada is positioning itself as a leader in AI innovation, the screen sector continues to call for a policy framework that balances commercial opportunity with cultural protection and workers' rights.