

The Toronto New Media Trainers Alliance represents the public and private sector College's, Universities and Training Institutions who prepare students for roles within the global New Media Industry. Though we are a Toronto organization, we offer an industry perspective regarding the New Media industry and employment trends that is unique within the Greater Toronto Area. These include:

1. A global perspective of the New Media industry. Many of our institutions either through working relationships with other educational institutions in other cities, provinces, countries and continents have a global perspective of industry employment and technological trends.
2. Our active role within the local industry gives us a unique insight into future employment trends within the industry in the GTA.
3. Close working relationships with software and hardware suppliers that permit us to identify new industry standards and employment demands and to then modify our respective curriculums to reflect these changes.
4. Working relationships and regular contacts with government-supported and or private-sector industry organizations around the world developed to promote the interests of the New Media industry within their jurisdictions.
5. Active participation in many GTA New media organizations ranging from SmartToronto, Liberty Village and the Design Exchange to small industry specific groups such as FlashInT.O..

Over the past twelve months we have become very concerned with the lack of focus and support for what has been regarded as the third largest New Media center in North America, behind San Francisco and New York. We believe the time has arrived for all levels of government- municipal, provincial and federal- to rationalize and rethink the myriad of economic programs and incentives that tend to splinter, not unify, the local industry.

The Toronto New Media industry is fractured and the fractures are becoming even more pronounced as government support programs foster competition for a limited pool of funding for new businesses, tax incentives and other grants for the industry. The result is the current disconnect between the companies that hire our students and the organizations government regards as the industry's spokespersons. For example,:

1. IMAT (Interactive Media Association of Toronto) is perceived by government as being one of the major New Media industry bodies in the GTA, Yet the industry regards IMAT as having a credibility problem in that there are no benefits to be accrued from membership in the organization. Thus IMAT's membership though impressive has actually fallen when one considers the hundreds of small to medium size New Media "shops" currently operating within the GTA.
2. Liberty Village is perceived by the industry as having lost its focus from being a "spokesman" for the industry to focusing on economic survival and revenue generation.
3. Liberty Village, Spadina Bus, "The Junction" and the "Laird Junction" are regarded by government as being autonomous areas and each is funded through a

myriad of provincial ministries and grant programs that foster competition, not cooperation among these “clusters”. We find it odd that each area is a geographic cluster of New Media firms, each essentially doing the same thing, yet government perceives each to be unique and treated individually.

4. An outmoded employment tracking policy by the Ministry of Colleges and Universities fails to recognize the traditional model used for employment statistics – full time employment – has no relevance in an industry whose employment model is based more on contractual employment relationships ranging from project work to sole-proprietorships and not traditional employer/employee relationships.
5. SmartToronto focuses more on the growth, promotion and support of the technical infrastructure of the industry- Information Technology- than on the nurturing of one of the more vibrant industries in the GTA. There is a great difference between the creation of content (New Media) and its delivery (IT). This fundamental distinction is something all levels of government and many industry organizations have been unable to grasp or articulate.

The time for study and analysis is over. Two major studies- *Playing To Win: The Digital Media Industry in Ontario*, January 1998, Digital Media Champion Group and *Toronto New Media Works*, January 2000, PriceWaterhouseCoopers- have been completed and they both came to remarkably similar conclusions:

“The Toronto New Media cluster’s weakness is its small size and scale. As a result it lacks a unified voice and prominent New Media brand names. The two most important strategies for policy and program action are, first to ensure that products and services development involves direct co-operation with specific customers, in order to highlight the cluster’s capabilities to clients and second to provide external marketing support.” (PriceWaterhouseCoopers)

“If Ontario’s industry is to become a world player, it must take key steps to protect and shape its future. To succeed it will need the strategic support of other industries that stand to benefit from a strong digital media industry. It will also need the kinds of incentives that governments traditionally offer those industries that have significant economic potential and the ability to create highly-skilled jobs – the kinds of jobs that other governments in Canada and abroad are using in their bid to compete in the global digital media market.” (Playing to Win.)

It is time for government to realize:

1. The Toronto New Media Industry has to be regarded by government as a single entity.
2. That government should insist a central organization be developed or assist in the creation of such a representative organization.
3. The economic benefits to be reaped from a coordinated grant, tax or assistance policy designed to assist the industry in the creation of new markets, products and employment.

These goals are not unattainable. In fact, they are the policies of two governments; one provincial (Québec) and the other federal (Hamburg, Germany) and both have resulted in a vibrant New Media industry. Other national governments, most notably, Brazil, Malaysia and China, are also looking to New Media as key industries. Many of the members of the New Media Trainers Alliance have been contacted by these governments for training advice. Many are currently negotiating or have curriculum-sharing agreements in place with post secondary educational institutions in these countries. The models being used by these countries are variations of those being used in Quebec and Hamburg.

Quebec's policy was championed by its current premier to address perceived cultural issues. Hamburg's was developed to protect its position as the premier media center of the German Republic. A province. A city state. A cultural protection organization. An offshoot of traditional print and electronic media. On the surface they are quite dissimilar yet their approaches are remarkably similar. In fact, the model used, in both instances, was developed by the Republic of Ireland as it successfully identified IT as being a competitive advantage in its efforts to move from an industrial to an information economy.

In both instances government insisted funding and incentives be "funneled through one organization. (AllianceNumerique in Quebec and Hamburg newmedia@work). These organizations were also charged with the global promotion and new market development for their respective industries. Companies are encouraged, through a series of tax incentives, R&D allowances, relocation allowances and so on to relocate in predetermined media areas- Montréal and HafenCity. In discussions with the heads of both AllianceNumerique and Hamburg newmedia@work it was made very clear that government support had strings attached. In both cases, the costs of government support were to have a positive benefit. "We give the industry a 25% or more break in taxes and incentives", said one Quebec official, "yet we get it all back, and more, from income and sales taxes." In Hamburg, the media industry grew by almost 4,000 companies between 1995 and 1999 generating revenues of more the \$25 billion (Eurodollars) annually.

How do those numbers compare to Toronto? According to the PriceWaterHouseCoopers study over 400 content creation firms were located in the GTA in 2000. They employ 4,000 to 8,000 workers and the commercial output ranges from \$400 million to \$1.2 billion annually. Thought the number may seem to be impressive, PriceWaterhouseCoopers also pointed out that Toronto is losing between \$2 billion and \$3 billion in lost direct, indirect and induced due to the gap between the industry's current production and its potential. They point out a minimum of 10,000 jobs lost and that "this gap will most likely widen even more rapidly in the future if policy and program action is not taken soon."

The creation of these media centers has also fostered a feeling of community throughout the Industry. In many cases, smaller New Media companies are being retained by other companies in the "cluster" thus perpetuating the collaborative work environment that is the hallmark of the new media industry. As these areas have grown and established themselves, a number of support industries from hospitality to hardware have grown up around and within these areas. Thus major secondary economic benefits inevitably establish themselves in an area of economic stability.

These are two major media centers which have also become new media centers as the convergence of media benefited from a coordinated approach at all levels of government. This situation does not exist in Toronto.

What makes these two examples so important is that their New Media Industries are no different from their Toronto counterparts. In all cases, the companies inevitably take a global outlook to business. They initially start out serving a local market and through industry exposure or notice find themselves undertaking projects for clients from around the world

“. The “Klondike” of Germany’s digital world is on the Elbe. The network of multimedia and high-tech firms found here knows no parallels in Germany. “Prospectors” from all over the world- anything from start-up agencies to international corporations- have settled in Hamburg. The resultant synergy effects and the ever more closely-knit network of producers and users have turned the city into Germany’s “WebDorado”

Hamburg: The Media Metropolis

If one were to substitute the word “Hamburg” with “Toronto”, “the Elbe” with “Lake Ontario” and “Germany” with “Ontario” you would have an accurate description of the Toronto New Media industry.

The start-ups could be 10+1 Media, a two man “Flash shop” in Toronto contracting to produce work for a number of companies in the GTA. The internationals could be such firms as Deepend out of the UK and Oven Digital from New York that have subsidiaries in Toronto. It could range from the individual- Colin Moock- who has developed an international reputation as a “New Media” superstar to the collective- Chiat-Day, an international advertising agency, regularly involves its Toronto New Media area in projects for its subsidiaries around the world. It could be Toronto - based international New Media companies- AliasWavefront- which both attract the users of its products to Toronto – Ken, help me out with a company- and export local talent to locations around the world. It could be a company that starts out small, BlueSpark, and quietly expands its clientele to include national and multi-national corporations.

Toronto does have a stellar international New Media reputation but a lack of a coordinated policy of support at all levels of government is retarding the growth and potential of the industry.

On the surface it may seem odd that a group of New Media Trainers are asking for such a coordinated policy and the development/creation of one organization that speaks for the new media industry in Toronto and functions as an intermediary between government and the industry.

As pointed out earlier, our global exposure to the New Media industry means we are uniquely positioned to make this request. Our agenda is to simply train people to undertake employment in the industry. We see the industry “globalizing”, (By this we mean, the ability to undertake projects for clients around the world, not just the local market area. For example, a group of New Media students at Humber College just completed a web site for an organization based in Manchester, U.K. This site was added to a site originally designed by a company in New Zealand.) and are deeply concerned Toronto will lose a golden opportunity to become a global “player”. If this occurs, the

student being hired out of Toronto to work in London, England is going to be the norm not the novelty it is today. The company moving from Toronto to Montréal Sao Paolo or Hamburg to take advantage of a favorable government environment will be increasingly common

As educators, we have absolutely no financial or political agenda to promote. Thus we regard ourselves as “neutral” ground. Our global outlook has shown us there is a real threat to the establishment of a vibrant New Media industry in Toronto and the current web of grants, incentives and competing industry groups and spokespersons is in fact retarding the industry’s potential, not fostering it.