

# Written Submission for the Pre-Budget Consultations in Advance of the Upcoming Federal Budget

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Submitted by:

Margaret McGuffin, Chief Executive Officer  
Music Publishers Canada (Éditeurs de Musique au Canada)  
[mmcguffin@musicpublishing.ca](mailto:mmcguffin@musicpublishing.ca)

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56 Wellesley Street West, Suite 320 • Toronto, Ontario • M5S 2S3  
P: 416.926.7952 • [www.musicpublisher.ca](http://www.musicpublisher.ca)

## List of recommendations

Music Publishers Canada recommends that the Government of Canada:

### **Recommendation 1:**

Prioritize copyright reform as a part of the sector's long-term recovery, including implementing term extension immediately and ensuring the private copying regime is technologically neutral.

### **Recommendation 2:**

Establish a whole-of-government industrial strategy for the creative industries to ensure sector growth and maintain global competitiveness.

### **Recommendation 3:**

Develop incentives targeted at increasing the profile and usage of Canadian songs and composers within audio-visual productions.

### **Recommendation 4:**

Make the Budget 2021 increase to the Canada Music Fund permanent and ensure that a small business lens is used in funding decisions.

### **Recommendation 5:**

Ensure cultural and trade funding programs continue to take into account activities that allow Canadian companies in the creative sector to grow and export, including Canadian Heritage's Creative Export Strategy as well as supports offered by Global Affairs Canada (access to consular services in key markets, and the Global Opportunities for Associations fund).

## Create, promote, protect: Music publishing essential to economic recovery

We thank the House of Commons Finance committee for the opportunity to submit this pre-budget submission. As Canadians become vaccinated and the country looks toward economic recovery from the devastating effects of the global COVID-19 pandemic, it is integral that the music industry, including the growing, innovative and export-oriented music publishing sector, continues to be able to thrive.

Music Publishers Canada (MPC) is a membership-based organization, founded in 1949, that ensures the views of music publishers working in Canada are heard. It is our mission to create business opportunities for our members and to promote their interests and those of their songwriting partners through advocacy, communication, and education.

Music publishers are the business partners of songwriters, lyricists and composers. Our members represent and make investments into thousands of Canadian songwriters and songs that are heard daily on the radio, on streaming services, in video games and film and television productions around the world.

Export is at the heart of what music publishers do: in 2019, 79 per cent of the music publishing revenues accrued by Canadian-owned independent companies came from foreign sources. By all accounts, Canadian music publishing is a global success story.

We must ensure that as a country, our companies maintain their global advantage in the post-pandemic recovery.

## Copyright reform essential to sector growth

MPC applauds the government's commitment under the Canada-U.S.-Mexico (CUSMA) trade agreement to extend the general term of copyright protection in works – that is, musical, literary, dramatic, and artistic works – to the international standard of the life of the author plus 70 years. It's time for the government to act and implement the provision into domestic law.

A strong and modern copyright regime is central to the work of a music publisher, composers and songwriters. For many in the creative industries, copyright is their paycheck. Music publishers are innovators, and their focus on strong export strategies have allowed these entrepreneurs and Canadian companies to flourish internationally.

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Music publishing is about championing a song and its songwriter through the lifespan of its career and the song's copyright, and music publishers, by necessity, take a long-term perspective and work to create value for copyright behind the scenes. This long-term perspective results in songs being covered again and again, being given new life in audio-visual productions long after the first recording, and continuing to generate royalties long after their release. This is an opportunity to help grow the industry, especially as we look toward recovery. Implementing copyright term extension means Canadian songwriters and the businesses that invest in them are properly compensated for their work. These revenues matter — not only because they are earned income for rights holders — but because they are reinvested into emerging songwriters, jobs, and the economy.

MPC strongly recommends that Canada extend the term of protection immediately and without any accompanying measures.

In addition to implementing term extension immediately, we urge the government of Canada to amend the Copyright Act to ensure that the private copying regime is made technologically neutral. This is a marketplace-driven legislative solution that will put earned revenues back into the music ecosystem.

[Prioritizing copyright reform](#), including restoration of the private copying regime, is essential to addressing the sector's long-term recovery from COVID-19 and economic growth.

### **Recommendation 1:**

***Prioritize copyright reform as a part of the sector's long-term recovery, including implementing term extension immediately and ensuring the private copying regime is technologically neutral.***

## **Whole of government lens on creative industries needed to ensure global competitiveness, economic recovery**

The Canadian creative industries are a global success story. Accounting for \$53.1 billion and three per cent overall of GDP, more than 666,500 Canadians are directly employed in the creative industries, with countless spinoff jobs that significantly contribute to the economy. The creative industries — which includes the music, book, magazine, screen-based media, interactive media, broadcasting, performing arts and digital sectors in addition to associated subsectors — is a key economic industry undergoing significant change with numerous opportunities.

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The sector drives job creation and economic growth. The creative industries not only support Canadian culture and identity at home and abroad, but also invest in creators and communities from coast to coast to coast. Helping the small and large businesses that make up the sector overcome challenges, especially as a result of the COVID-19 pandemic, and capitalize on opportunities abroad will help grow exports, make Canada globally competitive and ensure our economy is diversified.

The government's own Economic Strategy Tables on Digital Industries noted in its report that: "To fully capture the potential of Canadian creative firms, we recommend the creation of a dedicated creative industries forum as a next step."

We urge the Government of Canada to implement this, and Recommendation 80 from the Standing Committee on Finance's report *Canadian Ideas: Leveraging Our Strengths* from February 2020: "Urgently assemble an Economic Strategy Table on Creative Industries to unlock the full innovative potential of these sectors, produce world class content, and share its creative works both at home and abroad."

This whole of government lens on the creative industries is needed, now more than ever, and will significantly contribute to Canada's post-pandemic economic recovery.

### **Recommendation 2:**

***Building on the Finance committee's recommendations, establish an industrial strategy for the creative industries to ensure sector growth and maintain global competitiveness.***

## **Increasing the profile and use of Canadian songs and composers**

There are important linkages between the music publishing sector and the audio-visual production sector. As noted earlier, Canadian songs and compositions are heard around the world — and often — in various television & film productions. This is an important revenue source for Canadian songwriters, composers, and music publishers. As we look to emerge from the pandemic, we believe that there is an opportunity to incentivize the use of Canadian songs and composers in audio-visual productions through tools like tax credits for film & television production.

### **Recommendation 3:**

***Develop incentives targeted at increasing the profile and usage of Canadian songs and composers within audio-visual productions.***

## Continued support for the Canada Music Fund

The support provided by the government of Canada through the Canada Music Fund (CMF) has the potential to be a valuable tool for Canada's music publishers, their songwriting partners as well as the companies within the music industry ecosystem. In the 2019 budget, the government had announced supplemental funding of \$10 million to the CMF for two years (2019-20, 2020-21), and we were pleased to see this commitment to stability continued through 2022-2023 and 2023-2024 included in Budget 2021. We urge the government to make this supplementary investment permanent, in order to ensure that the sector continues on a trajectory of recovery and stability. The success of small businesses should also be a key consideration when music funding decisions get made.

### **Recommendation 4:**

***Make the Budget 2021 increase to the Canada Music Fund permanent and ensure that the small business success is considered in funding decisions.***

## Growing export and trade opportunities

Because of the size of Canada's music market, there is not enough volume — of writers, catalogues, deals, or copyright royalties — for the music publishing sector to thrive domestically. International trade and exports have allowed the sector to grow exponentially in the face of digital transformation and global competitiveness. Our industry plays an important role in improving Canada's export potential and economic recovery strategy.

For music publishers to create an international presence, they travel to established and emerging markets to land co-write opportunities as well as synchronizations in films, TV, commercials, trailers, video games, digital content and being added to radio or online playlists. All of this takes time and relationship building. With COVID-19, many events and B2B opportunities have been cancelled or postponed, but MPC has pivoted to online and virtual initiatives to continue supporting our members in this uncertain time.

Our members have been able to use diplomatic assets to help the music publishing sector while building relationships and exporting Canadian songs around the world and we thank the Trade Commissioner Service for its support. With that critical support, our virtual B2B events have created key opportunities for our members to network and build business relationships with counterparts in Los Angeles, New York, Germany, and the United Kingdom.

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Programs to support songwriting camps or business-to-business trade missions and activities to grow export and trade opportunities are crucial and should be expanded. This will lead to greater investment in Canadian creators.

### **Recommendation 5**

***Ensure cultural and trade funding programs continue to take into account activities that allow Canadian companies in the creative sector to grow and export, including Canadian Heritage's Creative Export Strategy as well as supports offered by Global Affairs Canada (access to consular services in key markets, and the Global Opportunities for Associations fund).***

### **Conclusion**

Music publishers are grateful for the extensive and broad measures that the federal government has already implemented to support the industry in response to the COVID-19 global pandemic, however more needs to be done to ensure that our sector is able to fully recover. Ensuring rightsholders are compensated, establishing a whole-of-government strategy for the creative industries increased support and incentives to use Canadian songs and composers, and growing trade and export opportunities are all essential to Canada's recovery in a post-pandemic economy. Supporting recovery of the creative industries, especially the music publishing sector, is vital to overcoming the challenges of the pandemic. As a country, we must not leave the music sector behind, but rather help it to maintain global success.