



**Contribution to the Pre-Budget Consultations
in Advance of the 2023 Federal Budget**

By the Professional Music Publishers' Association

October 3, 2022

Recommendation 1: That the core funding for the Canada Music Fund be increased to \$50M annually for its existing clients.

Recommendation 2: That amendments be made to the *Copyright Act* to increase revenues for the music industry, including making the private copying scheme technology-neutral.

Recommendation 3: That amendments be made to the *Broadcasting Act* to increase revenues for the music industry.

Recommendation 1: That the core funding for the Canada Music Fund be increased to \$50M annually for its existing clients.

Currently, the Canada Music Fund has a base funding of \$24M, with an additional \$10M per year announced until March 31, 2024.

We are requesting an increase in core funding for the Canada Music Fund (CMF) to \$50M for its existing clients. In other words, we would like to see the current additional \$10M added to the core funding and a new investment of \$16M. If the federal government wishes to support new clients, such as those in our industry that received federal funding during the pandemic and are still in need of support, it should do so with the additional funding to the \$50M that we are requesting for the CMF.

The current funding for the CMF is not sufficient to adequately support the music industry. The cultural sector is still feeling the devastating impact of the pandemic and is struggling to recover from the inflation that is currently affecting society. Rising costs and strong international competition, particularly from the U.S., are hindering a diverse, accessible and thriving music industry because many songwriters and music publishers are unable to create and promote our culture under the present conditions.

In addition, there are labour shortages in all sectors, including the music industry. The pandemic has contributed to the migration of cultural workers to other sectors. Our industry is full of artists who are passionate about their work, but this is no longer enough to retain them. Businesses need to be supported to be competitive with other sectors to ensure decent wages for workers given all the other issues mentioned above that are having an impact on our community.

Recommendation 2: That amendments be made to the *Copyright Act* to increase revenues for the music industry, including making the private copying scheme technology-neutral.

The *Copyright Act*, which is the basis of our industry's business model, is totally inadequate. It is riddled with exceptions, is not technology-neutral, and is not in step with today's reality.

With all the copying that has been going on illegally for years, the government needs to find a way to compensate rights holders for the use of their music. One simple way to do this would be to implement a technology-neutral private copying scheme that would raise tens of millions of dollars for rights holders. The *Copyright Act* needs to be modernized to ensure adequate revenues for rights holders.

Recommendation 3: That amendments be made to the *Broadcasting Act* to increase revenues for the music industry.

The *Broadcasting Act* is over 30 years old and needs to be updated to reflect today's reality, where online streaming services are ubiquitous.

From a strictly financial perspective, the Act affects the music industry in two ways. Traditional broadcasters are required to make contributions to help develop Canadian content. The fact that online music streaming services—an integral part of the music industry today—are not required to pay means that fewer contributions are made to FACTOR and Musicaction, which deliver CMF funding. In addition, the *Broadcasting Act* gives the CRTC the authority to establish Canadian music quotas and Francophone music quotas on the radio. These quotas are 30% and 65%, respectively, and they generate significant revenues and increased visibility for our music. In the music industry, creators do not make money unless their music is broadcast. Currently, music streaming services are not subject to any regulations requiring them to recommend our music, which limits our capacity to reach the public and leads to declining own-source revenues in the music industry.

To increase industry revenues, the *Broadcasting Act* must be updated so that online music streaming services contribute to the development of Canadian music and are required to recommend our music to Canadians, thereby increasing our market share.

About APEM

The Professional Music Publishers' Association (APEM) represents Francophone music publishers in Canada. Its members total 830 labels featuring 400,000 musical works.

APEM is a member of many music industry groups in Quebec, in Canada and around the world. It provides a training program for industry professionals, hosts conferences as part of the Rendez-Vous Pros des Francos and puts on events such as the Sommet musique et technologie and Quand la musique rencontre l'image in partnership with the Academy of Canadian Television and Cinema. Every year, APEM awards the Christopher-J.-Reed prize to an individual who is involved in their professional community. APEM is also responsible for initiatives such as Evangeline and La Boîte aux paroles, a metadata database and a song lyric portal, respectively, as well as the Music Use Guide.

About music publishing

Music publishers are professionals responsible for managing musical works and developing creators' careers. It is said that music publishers are to songwriters and composers what managers are to actors. Publishing activities generate revenues in every context where music is used (concerts, sound recordings, covers, audiovisual productions, online, video games, etc.).

For more information

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