



# Written Submission for the Pre-Budget Consultations in Advance of the 2023 Federal Budget

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Submitted by:

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## List of recommendations

### Recommendation 1:

That by the end of 2022, the government brings into force changes in the Copyright Act to extend the term of copyright to life-plus-70 years, as outlined in the Budget Implementation Act 2022. And that the government follows up on its promise to protect creators and copyright holders by overhauling the private copying regime to become technologically neutral.

### Recommendation 2:

That the government ensures 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).

### Recommendation 3:

That the government accelerates the commitment to a permanent increase to the Canada Music Fund (CMF) from \$36 million to \$50 million in 2024-25 by two years to 2022-23.

### Recommendation 4:

That the government develops incentives targeted at increasing the profile and usage of Canadian songs and composers within audio-visual and interactive productions.

## Introduction

On behalf of our members, we would like to thank the House of Commons Finance Committee (FINA) for once again giving us the opportunity to submit this pre-budget submission.

Our submission and recommendations reflect the decades of experience from our members. Music publishers represent thousands of Canadian songwriters and make significant investments into the songs and scores that are heard every day on the radio and television, on streaming services, in video games, in film and television productions and on new emerging platforms around the world.

## Create, promote, protect: About Music Publishers Canada

Music Publishers Canada is a membership-based organization largely made up of Canadian small and medium-sized enterprises representing all regions of the country, as well as large international companies with offices in Canada. Founded in 1949, we work to ensure the views of music publishers working in Canada are heard.

Our members help foster opportunities for Canadian songwriters and composers to thrive on the global stage and as such, export is central to what our members do best. In fact, 79 per cent of the revenues of our independent members flowed to Canada from foreign sources. We know first-hand the importance of the global market.

Our recommendations to the committee focus on ensuring the government supports Canada's creative sector, including the music industry and the growing innovative and export-oriented music publishing sector, to help them thrive and produce rewards for our creators and our economy.

## Following through on Budget 2022 commitment on copyright

We at MPC view the government's commitment to extend copyright protection as brought forward in Bill C-19 as a major and much-needed improvement in the country's copyright regime. We recommend that the government implement the necessary order in council to fully recognize the changes in the Act by December 31, 2022.

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

Budget 2022, in addition to noting the planned extension of copyright term, stated on page 274 that "the government is committed to ensuring that the Copyright Act protects all creators and copyright holders."

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With that commitment in mind, we are calling on the government to take the necessary steps to ensure that the severely outdated private copying regime is made technologically neutral. This is a marketplace-driven solution that will put earned revenues back into the music ecosystem.

The private copying levy was first established in 1997, and the lack of a copyright levy for today's medium of choice for copying music — smartphones and tablets — is depriving music rights holders of millions of dollars a year in compensation. This damaging loss of revenue for songwriters, music publishers and others in the creative sector is happening despite the fact that annual copying activity has grown exponentially.

Restoration of the private copying regime is essential to the health of our sector and its potential long-term growth as we recover from the pandemic.

### **Recommendation 1**

**That by the end of 2022, the government brings into force changes in the Copyright Act to extend the term of copyright to life-plus-70 years, as outlined in the Budget Implementation Act 2022. And that the government follows up on its promise to protect all creators and copyright holders by overhauling the private copying regime to become technologically neutral.**

### **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 exclusively within the Canadian domestic market. International trade and exports have allowed the sector to expand 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-writing 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. Like many other industries, COVID-19 had a substantial impact on our ability to make these connections. Many events and business-to-business (B2B) opportunities were canceled or postponed. To ensure our members remained competitive and capitalized on any opportunities, MPC supported the industry as it 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 Mexico, Japan, 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 2**

**That the government ensures 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).**

## **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 other companies and artists within the music industry ecosystem. In Budget 2019, 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 accelerate its commitment to permanent increased investment from \$36 M to \$50 M in Budget 2022-23. By implementing this recommendation, the Canadian music industry’s funding bodies, FACTOR and Musicaction, will be provided with the resources necessary to both ensure that their existing programs can be effective and have the financial flexibility to develop new programming and augmented administrative support.

## **Recommendation 3**

***That the government accelerates the commitment to a permanent increase to the Canada Music Fund (CMF) from \$36 million to \$50 million in 2024-25 by two years to 2022-23.***

## **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 and film productions. This is an important revenue source for Canadian songwriters, composers, and music publishers. As we emerge from the pandemic, we believe there is an opportunity to incentivize the use of Canadian songs and composers in audio-visual and interactive productions.

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## Recommendation 4

*That the government develops incentives targeted at increasing the profile and usage of Canadian songs and composers within audio-visual and interactive productions.*

## Conclusion

Music publishers are grateful that the government is moving ahead with the key reform in the Copyright Act to extend the term to life-plus-70 years. However, it is imperative the government finalize this reform by enacting the coming-into force mechanism of the legislation. Allied with that important reform, we believe it is crucial for the government to address challenges with the private copying regime. Doing so will be in keeping with the government's promise to protect all creators and copyright holders.

We also appreciate the federal government's work to support our industry during the COVID-19 pandemic. As we move forward from that difficult period, we hope the government will join us in providing support and developing the needed policies to maximize the contribution that Canada's music publishers and their songwriting partners can make to the country's cultural mosaic and to our all-important export-oriented economy. Thank you for this opportunity to provide our input as Canadians look to Budget 2023 to chart a fair, inclusive and prosperous post-COVID future.

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