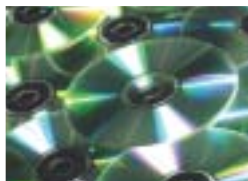




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Support to Sector Associations Program

A 'Sound' Program

CANADA MUSIC FUND

Annual Report 2003 - 2004



Canada



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Building a Strong Industry with Associations on the Lookout for Changes

1. The Support to Sector Associations Program and its Objectives

The Support to Sector Associations Program (SSAP) is one of eight programs making up the Canada Music Fund (CMF), and is administered by the Sound Recording Policy and Programs Directorate of the Department of Canadian Heritage.

The program's singular objective is to assist Canada's sound recording sector associations in their efforts to provide their respective members with professional representation services and continued analysis of public policy initiatives and industry trends and issues. In areas such as songwriting, sound recording, marketing and performing, professional associations represent Canadians who identify their role in the music scene by language, region, genre and craft. The Department of Canadian Heritage is committed to ensuring that its public policy remains relevant to this dynamic and constantly evolving sector. Through the collective voice provided by professional associations, Canadians involved in the music community play a vital role in the ongoing consultation and policy development process.



By offsetting a portion of their operating expenses¹, the SSAP assists associations to maintain, and potentially improve, their structural capacity. This empowers them to better represent their members' interests, and thereby strengthens the Canadian sound recording industry.

¹ The SSAP is not a project-based program. Its funding model focuses on an association's structural capacity—the capacity that allows it to undertake a certain level of operational activity on behalf of its members.

In addition, such assistance helps members of the associations become better informed and educated and, in turn, make enlightened decisions regarding their respective careers and businesses within the music industry.

Since its inception in 2001, the program has assisted a number of Canadian not-for-profit music sector associations. During 2003-04, the SSAP invested over \$571,000 to assist sound recording associations in representing Canadian women and men who are involved in a wide variety of activities related to the sound recording industry.

The expected results and outcomes of the program include:

- > Improving the infrastructure of sound recording sector associations;
- > Expanding the capacity of the sound recording sector associations to interact with appropriate government departments and agencies;
- > Improving the sound recording sector associations' monitoring capabilities leading to, as an example, more timely membership-specific socio-economic profiles;
- > Building the visibility of the associations and working toward strengthening and increasing membership;
- > Increasing the sector associations' capacities in the area of public policy research, analysis and development through sector-specific studies, surveys and statistics.



“In the view of CIRPA, the Department contribution was a vital component in the ability of CIRPA to undertake effectively a wide range of initiatives and activities.”

“It is very clear that the contribution enables a much higher quality level in a wide variety of CIRPA objectives and, as such, makes a very valuable contribution to the levels of information and service that CIRPA provides.”

– Canadian Independent Record Production Association (CIRPA)



Playback

2. The Year in Review

Fiscal year 2003-04 represented the program's second year. During this time, the program continued to distinguish itself from its predecessor, the Sound Recording Development Program (SRDP).

The program undertook consultations with selected associations in Canada's music sector during 2003-04, and also refined its allocation formula. These are both significant steps toward ensuring that the program continues to reflect the realities of music industry associations, and that its awards to those associations it funds are fair and consistent.

2.1 INDUSTRY CONSULTATIONS

For the first time since the inception of the program, the Department of Canadian Heritage undertook consultations with key selected associations in the Canadian music sector. Consultations took place on March 3, 2004 in Toronto for the English-language sector, and on March 24, 2004 in Montréal for the French-language sector.

The 22 associations that participated included both those that traditionally access program assistance and those that have not. Of the 22 associations consulted, 14 were English-language organizations and eight were French-language organizations.

The purpose of the consultations was twofold:

1. To provide an overview of how the Department administers the program with emphasis on how the allocation of funds is determined;
2. To solicit associations' comments and suggestions for ways in which the administration of the program could better respond to their needs.



The associations welcomed the Department's decision to provide financial assistance to help offset their day-to-day operational expenses. When compared to the predecessor program (the SRDP), associations indicated that this decision represented an improvement in the way in which financial assistance is provided.

While the general consensus was that the Department was on track, key recommendations to improve the program included:

1. Increasing the level of funds available to the program;
2. Improving the timeliness in the delivery of assistance to associations;
3. Introducing a base level of funding assistance;
4. Expanding the accessibility of the program to allow more associations to benefit from its assistance.

The Department is currently examining the feasibility of implementing one or more of these recommendations for the 2004-05 financial year.



2.2 FUND ALLOCATION

The Department refined its funding allocation formula in 2003-04. These modifications were implemented in order to mitigate, as much as possible, any significant year-over-year fluctuations in the amounts of assistance provided to repeat beneficiary-associations. Consistent funding levels help associations more effectively plan their long-term operations and balance their expected sources of financial support. They also serve to manage expectations of the program.

“Funding from the Support to Sector Associations Program is imperative for the successful execution of our national and regional events and programs.”

“It is clear that without the additional support funding we received through the Support to Sector Associations Program, the SAC would be unable to continue providing the multitude of programs and initiatives undertaken within the previous year. We are grateful for the support and we believe that our efforts continue to contribute to creating a vibrant musical industry in Canada, in spite of the many challenges we currently face.”

– Songwriters Association of Canada (SAC)

For the Record



3. Financial Data and Statistics

3.1 FINANCIAL BREAKDOWN

In its second year, the program provided support in the total amount of \$571,955 to nine sound recording sector associations. A redirection of funds from other Canada Music Fund programs allowed for the program's total budget to be increased slightly (by an amount of \$13,807), from the \$558,148 initially planned for at the outset of the year.

The program received eleven applications for a combined total of \$1,084,413. Two applications were rejected.

It should be noted that the program awards financial assistance based solely on current and projected operational expenses, and total staff complement.

All funds were awarded on the basis of a competitive process. While each application was assessed on its own merits, it was, by necessity, also evaluated against other applications received. Accordingly, the evaluation process included both applicant-specific historical trend analysis and applicant-to-industry comparisons. As a result, a specific award was based, in part, on information received from all applicants.

As an indication of its popularity and perceived value, it is worth noting that the program was oversubscribed this year by a factor of two. The Department predicts that this demand pressure on the program will continue or increase in 2004-05.

The chart that follows illustrates the funding allocations to each association for this past financial year.



3.2 FINANCIAL REQUESTS AND AWARDS

2003-04 SSAP AWARDS	
Applicant	Amount Awarded
Alliance nationale de l'industrie musicale (ANIM)	\$28,294
Association québécoise de l'industrie du disque, du spectacle et de la vidéo (ADISQ)	\$175,261
Canadian Country Music Association (CCMA)	\$38,843
Canadian Independent Record Production Association (CIRPA)	\$197,317
East Coast Music Association (ECMA)	\$31,901
Music Managers Forum (MMF)	\$15,448
Songwriters Association of Canada (SAC)	\$31,405
Société pour la promotion de la relève musicale de l'espace francophone (SOPREF)	\$16,947
Société professionnelle des auteurs et des compositeurs du Québec (SPACQ)	\$36,539
Total	\$571,955



The above financial assistance awards represent an average award of 53% of the amount recipients requested.

“The Support to Sector Associations Program has enabled ANIM to become more effective, to better respond to the needs of its members, to represent them more efficiently vis-à-vis federal agencies and partners, and has allowed us to take part in developing policies designed to stimulate the consolidation and growth of the French-language music industry.”

“The Alliance would not have achieved the same results, and would have had difficulties functioning without the SSAP’s financial support.”

– Alliance nationale de l’industrie musicale (ANIM)

What's Next



4. Next Steps for the Support to Sector Associations Program

The Department's consultations with music sector associations in March 2004 yielded several recommendations to improve the SSAP and make it more responsive to industry needs. This feedback is extremely important, not only because it represents the opinions and experience of the associations that the program exists to fund, but also because the program, which is already oversubscribed, can expect additional demand pressure in the years to come. Better understanding the realities and requirements of recording industry associations will help the program plan for the future.



The recommendations are currently being given careful consideration and examined with an eye toward the feasibility of their implementation in the 2004-05 fiscal year.

4.1 STAKEHOLDER CONSULTATIONS

In the coming years, the Department will hold a series of consultations with recording industry stakeholders. Given the success and value of the program's consultations with music sector associations in 2004, an expansion of the process to include a larger cross-section of industry stakeholders and a more comprehensive list of topics represents a logical next step for the SSAP.

The following is a preliminary listing of issues the Department plans to discuss with stakeholders:

- > Methodology used to arrive at awards for 2004-05;
- > Factors to be considered during preliminary triage of applicants;

- > Whether assistance should continue to be provided to all qualifying associations;
- > Assessment methods;
- > Plausibility of horizontal collaboration and partnership requirements among associations.

A comprehensive list will be developed in advance of the actual consultations.

4.2 EARLY PROGRAM LAUNCH AND REMITTANCES TO BENEFICIARIES

In response to suggestions that the program attempts to deliver assistance to associations more rapidly, the Department will strive to ensure that remittances are made in the second quarter of the year for 2004-05. This is the earliest target date that can be reasonably set given the due diligence requirements established both at the Department level and by Treasury Board Secretariat.



It is hoped that this acceleration of the process will help make the program more responsive to the needs of sector associations and the realities of Canada's music industry in general.

"A program that gives us the right to exist."

– Société professionnelle des auteurs
et des compositeurs du Québec (SPACQ)

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