



Canadian
Heritage

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From Creators *to* Audience

New Policy Directions
for Canadian
Sound Recording

Canada 

Foreword

The Government of Canada is pleased to launch the Canadian Sound Recording Policy. This policy signals an important evolution from project-based support to a comprehensive policy framework that invests in the Canadian sound recording sector at every level—from creators to audience.

Extensive consultations with the public and industry groups have helped shape the Canadian Sound Recording Policy. Our experience and success with the Sound Recording Development Program (SRDP), as well as studies of the sound recording sector, and an independent evaluation of the SRDP, also provided important direction. Three main objectives emerged from this process:

- To enhance Canadians' access to a diverse range of Canadian music choices through existing and emerging media;
- To increase the opportunities available for Canadian music artists and cultural entrepreneurs to make a significant and lasting contribution to Canadian cultural expression; and
- To ensure that Canadian music artists and entrepreneurs have the skills, know-how and tools to succeed in a global and digital environment.

The Canadian Sound Recording Policy addresses each of these objectives to ensure that Canadians and the world have access to a diverse selection of Canadian music on their radios, television sets, in stores, at public venues and on the Internet.

The policy establishes the Canada Music Fund, a series of eight programs in support of policy objectives. As well, it creates the Canada Music Council comprised of a diverse cross-section of music industry representatives to advise the Minister and the Department on the implementation of initiatives to support songwriting, composing, new musical works, specialized music, market development initiatives, sound recording entrepreneurship, and to give access to and preserve Canadian musical collections.

Ultimately, the Canadian Sound Recording Policy will measurably contribute to the success of Canada's sound recording sector. And, in building on the success of the SRDP, the policy will adopt a more holistic approach to developing this sector.

Music counts

Canada's sound recording industry encompasses a range of Canadian music artists and entrepreneurs who are responsible for creating, producing and promoting the vast majority of Canadian music—songwriters, composers, performers, studios, producers, engineers, record companies, artist managers, music publishers, manufacturers, distributors, publicists, retail outlets, and concert promoters. The industry generates thousands of jobs, many of them held by young Canadians.

Canadian music embodies the creativity and spirit of Canadians. It helps define who we are, and reflects the richness of Canada's linguistic and cultural diversity.

Canadian music artists are among our best known cultural ambassadors abroad. Nelly Furtado, Natalie McMaster, La Bottine Souriante, Nickelback, The Barenaked Ladies, Diana Krall, Céline Dion, Bruce Cockburn, The Tragically Hip, and many others enrich the lives of Canadians and help to shape how we are perceived in the world. So too do the thousands of Canadian musicians and entrepreneurs, from classical to country, who bring Canadian music to festivals and events around the world.

Canadian music is part of our everyday lives. This is especially true for young Canadians. We hear it on the radio on our way to work or school. We buy it in stores and access it on the Internet. We experience it live at concerts, in clubs and restaurants, at festivals and at parties. Canadian music sets the mood for television programs, commercials, and movies. We hear it in virtually every Canadian neighbourhood as today's youth gather in garages to practice.

Yet the Canadian music industry is undergoing fundamental changes. Faced with the challenges of a global digital economy, Canadian sound recording must transform itself to keep pace with our changing world, and to remain relevant and competitive.

The Government of Canada can contribute to a smooth transition for this industry in this period of flux. Ensuring that Canadians continue to have access to diverse Canadian music choices means developing the right policy framework and tools for meeting today's global and digital challenges.

Public policy and the Canadian sound recording industry

The Government of Canada has played a vital role in creating a supportive policy and program environment and in fostering partnerships with creators and entrepreneurs, with the goal of building a domestic sound recording industry.

The *Broadcasting Act* affirms the Government of Canada's commitment to a broadcasting system that encourages the development of Canadian expression and reflects Canada's cultural and linguistic reality.

Canadian Radio-television and Telecommunications Commission (CRTC) policies aimed at supporting the sound recording sector include Canadian content and French-language airtime requirements, contributions towards Canadian talent development, and requirements to offer tangible benefits to the music industry for certain ownership transactions.

The Canadian Broadcasting Corporation and the Société Radio-Canada provide important avenues through which youth, local and regional talent and culturally-specific music genres are disseminated across Canada.

Other federal government legislation also plays an important role. Canada's *Copyright Act* provides the legal framework for creators, publishers, performers and producers to control the use of their work and to be remunerated for it. The *Investment Canada Act* requires that investments in the cultural sector be reviewed for compatibility with Canadian cultural policies.

The Sound Recording Development Program (SRDP), introduced in 1986, helped increase the quantity and quality of Canadian sound recordings. Its principal function was to provide project assistance for the production, marketing and distribution of Canadian sound recordings.

The Canada Council for the Arts works with artists and arts organizations to create non-mainstream popular music, world music, classical traditions, Aboriginal music and various jazz and concert music genres. The Council also supports professional development, festivals, tours, concert rehearsals and productions, festival programming, orchestras and choirs.

The National Library of Canada ensures that Canadians have access to their music heritage by acquiring and preserving Canadian sound recordings for future generations. The National Library is also using the Internet and other technologies to make Canadian music recordings more broadly available.

The changing soundscape

While efforts at the federal and provincial levels have laid the foundation for a Canadian sound recording industry where Canadian creators are celebrated at home and abroad, the industry sector is facing major challenges brought on by the global and digital economy.

Globalization is taking down barriers, eroding borders and making way for a world of opportunities for Canadian artists and recording companies. It is also opening the door to even greater competition for the mostly smaller and undercapitalized Canadian firms.

The digital environment poses great challenges. The music industry was the first in the cultural sector to face the complex realities of the Internet when it became a new medium for accessing recorded music. The concerns surrounding Internet-based music services continue to challenge the industry worldwide.

It is critical that Canada's sound recording entrepreneurs be equipped to deal with these issues and make a smooth transition to the digital economy. An important part of this transition involves adjusting to the new ways in which audiences access their music. Music entrepreneurs must reach out to audiences through the Internet as well as market their artists through traditional routes such as retail stores, radio, television, and print media. They must embrace the Internet and other technologies as marketing and sales tools. Maximizing their market position will mean finding creative ways to reposition themselves, develop partnerships, bring their artists to audiences and remain competitive.

The Canadian-owned and -controlled sound recording industry is the main source of innovation, talent development and musical diversity in Canada. The Government of Canada is committed to ensuring that the industry develops the tools to succeed in this challenging environment and that Canadians continue to have access to a diverse range of quality Canadian sound recordings.

The Canadian Sound Recording Policy addresses the many challenges of the global and digital environment and aims to build a strong future for the Canadian music industry. It adopts a holistic approach, from creators to audience, to create the conditions for success. The policy will ensure that Canadian music artists continue to succeed at home and abroad and that new talent continues to emerge. It will also help promote viable Canadian music firms and make Canadian choices more widely available in the new borderless world.

Canadian voices, Canadian choices

For generations, Canadians in every corner of the country have found their voice in music. Canadian artists have written and recorded music that has shaped the Canadian experience, created a sense of common citizenship and provided a source of pride. The Canadian Sound Recording Policy aims to ensure that the successes of the music industry are sustained in the 21st century.

The Canadian Sound Recording Policy sets out three clear objectives to guide the design and implementation of the Government of Canada's new and more comprehensive public policy approach to supporting the sound recording industry:

- To enhance Canadians' access to a diverse range of Canadian music choices through existing and emerging media;
- To increase the opportunities available for Canadian music artists and entrepreneurs to make a significant and lasting contribution to Canadian cultural expression; and
- To ensure that Canadian music artists and entrepreneurs have the skills and means to succeed in a global and digital environment.

The Canada Music Fund

The principal means for achieving the goals of the Canadian Sound Recording Policy is the Canada Music Fund. This new fund absorbs the Sound Recording Development Program. It also introduces a new and integrated range of both innovative and proven programs designed to deliver on the policy's vision of supporting diversity, capacity, and excellence in the sound recording industry, at every level, from creators to audience. It will operate with advice from the Canada Music Council representing a broad cross-section of the sound recording industry.

The Government of Canada will work closely with program delivery partners in the music industry and the wider cultural sector to ensure the effective administration of the new programs. Important partnerships with FACTOR, Musicaction and the Canada Council for the Arts will continue and new ones will be forged with the Society of Composers, Authors and Music Publishers of Canada (SOCAN Foundation), Telefilm Canada, the AV Preservation Trust of Canada and the National Library of Canada.

The Canada Music Fund comprises the following initiatives:

- Creators' Assistance Program
- Canadian Musical Diversity Program
- New Musical Works Program
- Music Entrepreneur Program
- Support to Sector Associations Program
- Collective Initiatives Program
- Canadian Music Memories Program
- Policy Monitoring Program

Creators' Assistance Program

The Creators' Assistance Program will help artists create high-quality Canadian musical works, and give Canadian talent the tools to fully develop their creative and business skills. Songwriters and composers tend to work in isolation, with few opportunities to share their expertise and develop their talent in a collaborative environment. They also lack public profile, even though countless Canadians may enjoy their music. This initiative aims to support community building and skills development, and to increase awareness of their works.

Canadian Musical Diversity Program

The Canadian Musical Diversity Program will offer resources to produce and distribute specialized music recordings reflective of the diversity of Canadian voices. Specialized music is a musical production that places creativity, self-expression and/or experimentation above the current demands and format expectations of the mainstream music industry.

New Musical Works Program

The New Musical Works Program invests in the Canadian sound recording stars of the future by providing assistance to entrepreneurs, creators, and artists. New resources will help develop their talent and expertise. This critical source of Canadian creativity and expression requires support and opportunities to grow. The program will provide project-based support to help develop and renew the sound recording industry.

Music Entrepreneur Program

The Music Entrepreneur Program (MEP) will ensure that Canadian music entrepreneurs build a strong, sustainable industry that continues to contribute to the Canadian musical experience.

The MEP will provide company-based funding to allow Canada's music entrepreneurs to make the transition to the digital economy, effectively develop Canadian talent, and ultimately become self-sufficient. This program will invest in eligible established industry professionals with viable multi-year business plans, giving them critical assistance to consolidate and develop their human, financial, and technological resource base.

The end result will be to empower entrepreneurs with solid business skills and an ability to execute sound strategies particularly at the production, marketing, and distribution levels. Canadian artists will benefit from more dynamic and viable Canadian sound recording entrepreneurs with better visibility and increased sales. Canadians and the world will share in the rewards of having access to a wide range of high-quality Canadian music choices.

Support to Sector Associations Program

Continued support to sound recording sector associations will also encourage capacity building and effective representation. The Government of Canada is committed to working in partnership with the industry to ensure that Canada's voices of experience continue to contribute to shaping public policies for the sound recording sector.

Collective Initiatives Program

Initiatives that bring together Canadian creators, entrepreneurs, and the media can offer significant and enduring returns for the sound recording sector. Conferences and awards shows, physical and online showcases, as well as market development initiatives offer the industry important opportunities to share best practices, inspire young artists and entrepreneurs, and build a star system. The Collective Initiatives Program will help provide the funding required to ensure that Canadian creators and entrepreneurs have opportunities to gain greater profile and showcase their excellence and creativity.

Canadian Music Memories Program

Long after the sounds have faded, Canadian music remains part of our cultural fabric, woven into our lives and our memories. A wealth of Canadian music has been captured on recordings and preserved at the National Library of Canada; however, much of the collection is deteriorating and the costs of preservation are high. The Canadian Music Memories Program will ensure that significant works are preserved, giving Canadians of today and tomorrow access to their musical heritage. It will also fund private sector initiatives to collect, consolidate and make available collections of Canadian music for the public.

Policy Monitoring Program

To provide the maximum operational efficiency of the fund, this program will draw on a wide range of resources to establish an ongoing and timely monitoring of all programs. In doing so, the Department will ensure that the programs will meet policy objectives, change with the times, and address future challenges to come.

Safeguarding our investment

The Canada Music Fund has been designed to ensure increased transparency, representation and accountability. Agreements between the Department of Canadian Heritage and executing agencies will ensure that concerned parties are committed to successfully carrying out the Canadian Sound Recording Policy's vision. They will also commit the Fund's administrators and federal program managers to efficiently and effectively delivering the Fund's programs, measuring its performance, and regularly reporting its results.

Measures of success

The Canadian Sound Recording Policy will secure a cultural return on the Government of Canada's investment:

- Canadians will enjoy better access to high-quality Canadian music content through existing and emerging media;
- Canadian talent will have access to greater career development opportunities;
- New and established Canadian artists will be marketed more creatively and effectively in Canada and around the world;
- Canadian sound recording entrepreneurs meet the challenges of the transition to new technologies; and
- Canadian sound recording firms and Canadian artists will enjoy more fruitful long-term collaborations.

Achieving success will require a commitment on the part of all players. The Government of Canada will measure the policy's success through a variety of tools:

- Cultural indicators such as the number of new artist releases and the diversity of releases by genres;
- Audience and consumption indicators such as sales numbers, radio airplay, Internet traffic, festival and concert attendance, and royalties to creators; and
- Performance measures for Canadian labels, including revenues, profitability, and capitalization.

Ultimately, success rests in part in the hands of our youth—the music fans and talent base of today and tomorrow. Nearly half of Canada’s young people write or play music. They are also Internet savvy. Capturing and retaining this important audience and talent base will be critical if Canada’s sound recording sector is to meet the challenges brought on by today’s rapid pace of change. The Canadian Sound Recording Policy sets the stage for achieving this ambitious goal. The rest is in the hands of the talented Canadians who create, market, distribute and preserve our musical memories.