



Ref: 50710

February 14, 2024

The Honourable Pascale St-Onge
Minister, Canadian Heritage
Email: hon.pascale.st-onge@pch.gc.ca

Dear Minister St-Onge:

In December 2023, I wrote a letter highlighting my concerns about proposed changes to language-based funding ratios and the expiration of the \$105 M funding lift to Telefilm Canada, due to its significant impacts on British Columbia's (B.C.) motion picture industry. I was pleased to learn of the recent two-year renewal of Telefilm Canada's funding envelope at \$100 M, and I hope that a longer-term commitment will follow. I am writing today to expand upon the discussion and provide you with a provincial perspective on the pressing needs of B.C.'s publishing and music industries.

In April 2023, the Province of B.C. invested a historic \$42 M in its creative industries, which includes \$22.5 M for music and \$0.6 M for publishing, over three years. In addition, we continue to invest \$3 M annually in the BC Book Publishing Tax Credit. Our government also recently provided \$2 M in support of hosting the 2025 JUNO Awards. This reflects our ongoing commitment to ensuring industry success in an increasingly challenging business environment.

Both publishing and music are struggling to rebuild and thrive post-pandemic. Publishing is facing rising costs with paper, printing, and shipping. They are also impacted by the ongoing loss of revenue from a lack of educational tariff payments, an outdated federal *Copyright Act*, and uncertainty about the future impacts of artificial intelligence. Live music continues to grapple with challenges related to booking talent, increased travel expenditures, difficulties in recruiting trained staff, rising equipment rental and supply costs, and impacts of global warming on festivals.

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Book Publishing

The Canada Book Fund (CBF) plays an integral role in supporting B.C.'s book publishers, particularly through the Publishing Support sub-component. In reviewing preliminary 2023/24 data, there is an approximate \$0.582 M decrease in funding for B.C. publishers provided through this sub-component, as compared to 2022/23. This appears to be due to the lower total funding envelope, the ending of pandemic supports, and ten new entrants into the program. This will have a profound impact upon many B.C. publishers, as it directly reduces the level of funding a publisher is eligible to receive through the BC Book Publishing Tax Credit, which is calculated at 90 percent of the CBF grant. The decrease in funding will exacerbate issues that publishers are already facing.

The 2021 Liberal election platform and the Minister of Canadian Heritage's 2021 mandate letter both committed to supporting Canadian authors and book publishers by increasing CBF funding. In addition, Budget 2022 promised "to ensure a sustainable educational publishing industry, including fair remuneration for creators and copyright holders, as well as a modern and innovative marketplace that can efficiently serve copyright users." None of these promises have been meaningfully fulfilled to date.

While Budget 2021 announced new funding, it was a temporary two-year lift allocated to booksellers, and additional pandemic supports are now expended. Publishers need our support now more than ever, as demonstrated by the growing demand on the Publishing Support program. The Association of Canadian Publishers (ACP), l'Association nationale des éditeurs de livres (ANEL), and Books BC are calling for your government to meet its stated commitments through making a permanent increase to the CBF budget of 50 percent. This is an essential step that will ensure a sustainable and successful future for this industry in an increasingly challenging and unpredictable business environment.

Magazines

Federal Budget 2022 relaunched the Special Measures for Journalism (SMJ) component of the Canada Periodical Fund (CPF) with a new investment of \$40 M over three years, starting in 2022/23. Mags BC contends this investment has been critical to B.C.'s magazine industry as it allows for controlled circulation (free) magazines, of which Western Canada has a much higher number than Ontario and Québec. I urge you to continue investing in the SMJ, with an increase to its budget of 50 percent, and I strongly urge you to make this sub-component a permanent feature of the CPF program. In addition, I ask you to immediately include controlled circulation print publications as eligible applicants in the Aid to Publishers (ATP) component. As the CPF's largest funding stream, this adjustment will ensure more equitable federal funding support and fair competition between publications.

Music

The 2021 Liberal election platform and the Minister of Canadian Heritage's 2021 mandate letter both committed to ensuring better and stable funding for the music sector by increasing the annual contribution to the Canada Music Fund (CMF). While Budget 2021 announced \$70 M, over three years, much of this temporary emergency support funding was allocated in 2021/22.

National organizations, such as the Canadian Independent Music Association (CIMA) and Canadian Live Music Association (CLMA), as well as Music BC, are actively advocating for an increase to the Canada Music Fund's regular program budget of \$60 M. This includes \$50 M to realize the 2021 platform commitment, as well as an additional \$10 M to support the specific needs of the live music industry. Contributions from private radio broadcasters are on the decline and they project contributions to be as low as \$2 M in 2024. A federal increase in funding is essential to address this shortfall. The CMF plays a key role in supporting B.C.'s music industry and complements our \$7.5 M annual investment through Amplify BC.

Now, more than ever, the federal government needs to step up, meet its public commitments, and invest in the future survival of the publishing and music sectors. I am available to schedule a call if you would like to discuss this submission in more detail.

Sincerely,



Lana Popham
Minister of Tourism, Arts, Culture and Sport

pc: Bob D'Eith
Parliamentary Secretary for Arts and Film