



Canada Council
for the Arts

Conseil des arts
du Canada

Public Lending
Right Program

Programme du droit
de prêt public

PUBLIC LENDING RIGHT COMMISSION

ANNUAL REPORT
on the activities
of the PLR Commission
and
of the PLR Program

2012-13



Public Lending Right
Commission

Commission du droit
de prêt public

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8 June 2013

The Public Lending Right Program has represented an essential instrument in Canadian cultural policy-making. For authors, public lending right payments constitute fair compensation for free and public access to their works.

THE PUBLIC LENDING RIGHT PROGRAM

Authors register their titles with the Public Lending Right (PLR) program. Works of fiction, poetry, drama, children's literature, non-fiction as well as scholarly works are eligible. The PLR Program's database of registered eligible titles is checked annually against the holdings of a selection of public libraries (six library catalogues for each official language group).

PLR payments are determined by the results of the library sampling and are calculated according to a payment scale. This scale comprises four categories, based on the number of years titles have been registered with the program. During the sampling, it is the title's presence in one or more of the selected libraries that results in a payment. Each year the available budget determines both the amount paid each time a book is found, as well as the maximum amount an author can earn. Authors have now registered a remarkable 88,300 eligible books with the PLR Program.

TABLE OF CONTENTS

Message from the Chair	p/6
Message from the Executive Secretary	p/9
Members and Staff	p/13
Comments on the Statistical Report	p/14
Statistical Activity Report	p/15

MESSAGE FROM THE CHAIR

Now that my first year as Chair of the Public Lending Right Commission (PLRC) has come to a close, I am pleased to present the 2012-2013 annual report on the Public Lending Right (PLR) Program and the Commission's overall operations. I have been a Commission member since 2008 representing the Union des écrivaines et écrivains québécois, and will serve as Chair for the rest of my two-year term until June 2014, while Beatriz Hausner, representing the League of Canadian Poets, will serve as Commission Vice-Chair for the same period.

I would first like to thank immediate past Chair Ken McGoogan for his service, and also acknowledge the work of Michelle Legault, who resigned as Executive Secretary to take on new challenges. The program's full-time staff – Rachelle Lanoue, Benoît Rollin and Danielle Guindon– constitute our institutional memory and provide continuity during periods of internal change, and I would like to thank them as well for their valuable services.

Apart from my election as Chair, another major change was the appointment in April 2012 of Peter Schneider as the PLR Program manager and the Commission's Executive Secretary. I would like to commend him for the evident efficacy and focus he has brought to the task over the past year and will hopefully continue to do so for many years to come.

There have also been several changes in Commission membership, and I would like to acknowledge the work accomplished by the members whose terms ended this year, while also welcoming the new members. Jacques Ouellet, who was Chair from 2008 to 2010, left the Commission in June 2012 after seven years of service, and was replaced by Jean-Mari Pître representing the Regroupement des écrivains acadiens. Marie-Célie Agnant, who sat on the Commission for three years as a Francophone author, was replaced in the same capacity by Louis-Philippe Hébert.

The Public Lending Right Program is the only Canada Council for the Arts program that receives advice on its performance from an independent commission. Each of the Commission's members and each individual who ensures that the PLR Program

operates soundly therefore play a key role in making sure that both the Program's services and the Commission's mandate are discharged properly. Although it will be necessary to envisage changing the Commission's overall composition, in the context of the structural and functional changes that will be necessary in order to ensure that the PLR Program continues and evolves, we have decided not to make such changes this year. We have preferred instead to focus on strengthening the bonds of cooperation between the current Commission members.

We thus began a period of profound transformation this year, which has been not only exciting but also full of responsibility for the future of the PLR Program and the authors who receive financial payments every year. A basic, essential and very positive finding highlighted in our annual report is that the number of authors and books registered in the program continues to increase. In fact, since the PLR Program was established in 1986, it has clearly demonstrated its support for Canadian authors through the regular payments it makes to them for the free access to their books that the general public enjoys in the country's libraries. In February 2013, 18,186 authors received payments from the PLR Program (an increase of 1.86 per cent compared with the previous year) for the 88,300 eligible titles registered in the program in 2013 (an increase of 3.64 per cent compared with the 85,196 eligible titles registered in 2012). The program's impact clearly reflects the efficacy of our communications. In fact, in order to continue promoting the program this year, Rachelle Lanoue and Benoît Rollin attended the major book fairs in Montreal and Quebec City to meet writers and, where appropriate, urge those who have not yet registered with the PLR Program to do so.

This increase in both the number and output of Canadian writers highlights not only the need for the PLR Program but also its fragility due to a frozen budget. The first two reports commissioned from Roy MacSkimming were very helpful to us in assessing the original policies that served as the basis for both the initial PLR Program and the PLRC (in the first report) and in comparing the Canadian PLR system and its management with its counterparts around the world. These reports were extremely valuable in providing the Commission with a specific description

of the current situation, which will allow us to make the necessary changes for the future in an independent and serene frame of mind.

Mr. MacSkimming's first two reports are already accessible on our website, and his third will shortly be available there as well, as soon as it has been discussed within the Commission. As recommended by Francis Farley-Chévrier, the Union des écrivaines et écrivains québécois's executive director, Mr. MacSkimming was ably assisted by Karoline Georges for the interviews in French. The gist of his third report is an analysis of the various possible options going forward and their direct repercussions on how the PLR Program operates, combined with descriptions of the various potential change scenarios concerning the program model itself and its operating criteria, as decided 27 years ago. This is precisely the main subject on the PLRC's agenda for the coming year, and it will be both exciting and inevitable for us to discuss it again in detail with all our partners.

Aline Apostolska

MESSAGE FROM THE EXECUTIVE SECRETARY

The world is changing but the principle remains the same: the work of writers has commercial as well as cultural value, and compensation for public use of intellectual property is a fundamental moral obligation. Since 1986, when Canada's Public Lending Right program was created, registered authors have benefited from annual payments derived from the results of a national survey of library collections. In the intervening years, the number of active registrations has steadily increased, and the advance of new technologies affecting modes of production, collection, and dissemination of library books has accelerated. In this period of sometimes dizzying change, it is a challenge and an obligation to ensure that the program remains vital and relevant in its design and methodology, so that it can continue to serve its important function. Having arrived in the PLR office at the beginning of April, 2012 as Program Manager and Executive Secretary to the Public Lending Right Commission, I can foresee busy years ahead.

REBRANDING THE PROGRAM

This year, I was able to witness firsthand the dedicated collaboration and hard work that support the annual mailing of author payment cheques. More than 18,000 individuals received a PLR payment in 2013, each envelope leaving the Canada Council offices in Ottawa during the same week in mid-February. The cheques and stationery bore the logo of the Canada Council for the Arts, which has administered the program since its first year of operation, in 1986-87. It was a delight for all to witness the many Tweets, blog posts, and comments from authors as they received their compensation for the use of their books in public libraries and shared the good news.

THE IMPORTANCE OF RESEARCH

The importance of research to the effective operation of the Commission and the program cannot be exaggerated. This year was perhaps the most research-intensive period in the program's recent history, as consultant Roy MacSkimming worked to deliver no fewer than three major reports intended to bolster the work of the Council and the Commission. The first two installments were posted online during 2012, and Mr. MacSkimming's third study, undertaken with the support of research associate Karoline Georges, will appear later on in 2013. This work, when taken

as a suite of connected studies, traces the public policy origins of Canada's lending right program, the establishment of the Public Lending Right Commission, and the comparative landscape of PLR Programs around the world as well as addressing the arrival and impact of new technologies, the present and future landscape of Canada's public libraries, and the possible dimensions of future program design options.

THE VALUE OF NETWORKS AND EXCHANGE

Over the course of the past year, we have benefited from the leadership and expertise in the Canadian publishing industry and library community, as well as the work of colleagues outside Canada. In particular, Dr. Jim Parker, Registrar of the UK PLR Office, has provided insight and collegial assistance whenever called upon for advice. I look forward to the next biennial conference of the PLR International network, slated for Dublin, Ireland at the end of September 2013. As we move further into the 21st century, the common challenges faced by PLR Programs around the world increasingly call for knowledge-sharing and mutual support.

THE FUTURE OF EBOOKS

Canada's Public Lending Right Commission signaled its recognition of ebooks as potentially eligible works in 2011, based in part on the evidence contained in a research report delivered by consultant Paul Whitney. In the wake of this decision, much work has been done by Canadian publishers to make electronic books more readily available through public libraries. However, much of the practical implementation is still to come. The program staff here are actively working toward the day when ebooks will be incorporated into the payment model. Our next stage of program development will be to call for the registration of electronic titles in the near future, with further analysis and modeling required before payment for public use can begin.

DIGITIZING OUR AUTHOR REGISTRATION ARCHIVES

Since its first year of operation, the Canada Council has maintained an archive of author registration files submitted to the PLR Program office. These cardboard and

paper files have been used year in, year out by program staff in the administration of the Public Lending Right program. When it became clear that the upcoming move to a new facility at the end of 2013 would entail a dramatic reduction in storage space, the management of the Canada Council initiated the wholesale digitization of the entire set of author registration records. Staff members are now working to complete the digital scanning of old records in time for the move, and now scan all new documents directly into our electronic archives rather than filing more papers. It is possible to look ahead a few years and to imagine a mostly paperless program cycle, without any loss of continuity or program history.

NEW HORIZONS, NEW OPPORTUNITIES

With the anticipated move to new, less costly headquarters in late 2013 on the horizon, the Canada Council is at the same time working to advance the next-generation delivery of programs and services to Canadians. For the Public Lending Right program, over the long term this will eventually mean a more client-focused registration and payment cycle, with less paper documentation required and the possibility of introducing improvements such as direct electronic deposit of PLR payments. I look forward to providing further updates about our evolution in next year's report.

A MOMENT TO SAY THANKS

As always, thanks are owed to the dedicated team members who support the program's operation: Danielle Guindon, Rachelle Lanoue, Benoît Rollin, and Sundeep Minhas have worked tirelessly to assist me and the members of the Commission. I would like to further express my gratitude for the leadership and vision of the Canada Council's CEO, Robert Sirman and the Director of the Arts Disciplines Division, Anne Valois, and for the engagement of my colleagues, with special thanks to Patrick Bélanger, Carole Boileau, Tara Lapointe, and Myriam Mérette for their creative problem-solving and willingness to contribute over the past year.

Peter Schneider



MEMBERS AND STAFF

(AS OF MARCH 31ST, 2013)

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Erin Creasey
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Marilyn Dumont
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Rachelle Lanoue (Administrative
Coordinator)

Danielle Guindon (Clerk)

Louis Lasnier
ÉCRIVAINS FRANCOPHONES D'AMÉRIQUE

* Writer appointed as member by the PLR Commission

COMMENTS ON THE STATISTICAL REPORT

The report on the 27th year of the Public Lending Right (PLR) program provides an overview of the repercussions of the program's growth, the ongoing results of the application of the payment scale and the scope of the program's activities.

Statistics are based on three elements: number of authors, number of titles, and payments.

The tables on program growth indicate a steady increase in the number of authors and titles registered, with annual growth comparable to that of the five previous years. The number of authors receiving a payment increased to 18,186, a new record. This continuing pressure on program administration points to real issues of capacity and potential work overload; the development of next-generation tools and processes, including the eventual arrival of online author registration, will be essential.

Growth in demand has had a direct influence on PLR payments. Despite the successful introduction of the growth management scale in the program's 24th year, the constant increase in both registered authors and eligible titles discovered in the annual library surveys suggest that further action is required in order to stabilize the average payment to authors. In this year's program cycle, the average payment decreased by 3.24%, to a record low amount of \$537. Great care must be taken in order to assure that current and future generations of literary creators are able to continue to benefit from the program. With PLR payment for the public library use of ebooks a looming commitment, there is much to be done.

In any future modification of the program's sampling design, greater detail will be essential in order to derive the most accurate results possible. While the financial resources available to create payments are unlikely to keep pace with the level of author interest in the program, the changing demographics of Canada and evolving public use patterns in libraries call for a responsive approach that is forward-looking. The inclusion of more regional library collections in the determination of payments, the possibility of monitoring loans activity and the numbers of copies of eligible works that are circulating – all are elements that can help to provide additional precision in the calculation of payments, given the context of limited resources and increasing demand for compensation for public use of registered titles.

STATISTICAL ACTIVITY REPORT

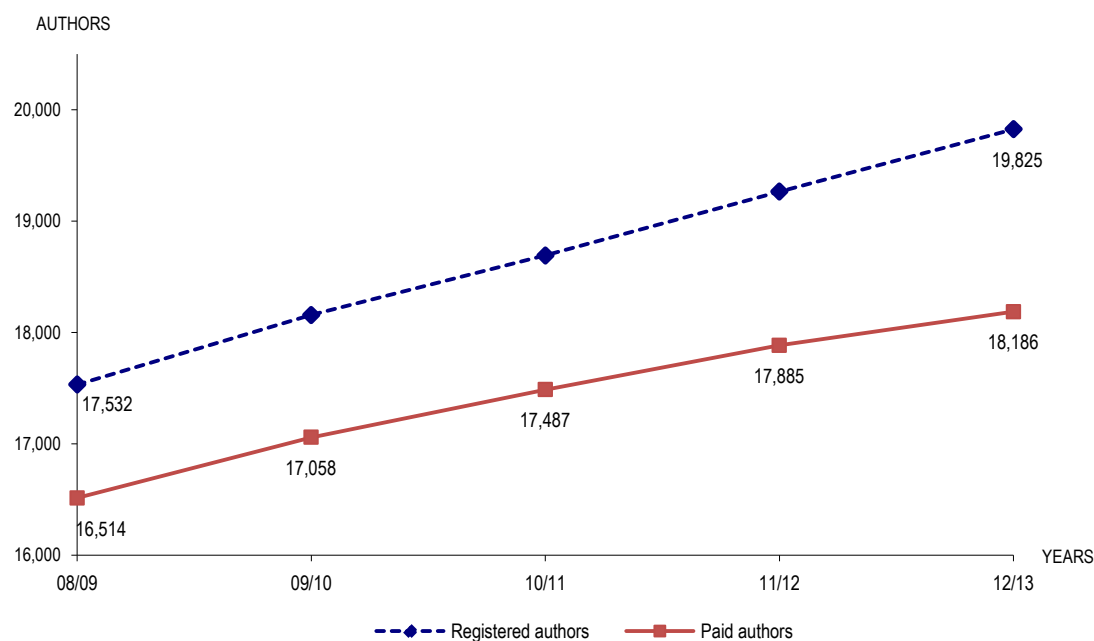
OVERVIEW OF THE 27TH YEAR OF THE PLR PROGRAM

	2011-2012	2012-2013	VARIATION
Authors registered	19,265	19,825	2.91%
Authors receiving a payment	17,885	18,186	1.68%
Registered titles	87,802	90,815	3.43%
Eligible titles	85,196	88,300	3.64%
Titles receiving a payment	72,870	74,246	1.89%
Amount distributed to authors	\$9,921,248	\$9,766,310	-1.56%
Average payment	\$555.00	\$537.00	-3.24%
Median payment	\$268.80	\$261.66	-2.66%
Maximum amount paid per book (category I)	\$336.00	\$336.70	0.21%
Maximum amount paid per book (category II)	\$268.80	\$269.36	0.21%
Maximum amount paid per book (category III)	\$235.20	\$235.69	0.21%
Maximum amount paid per book (category IV)	\$201.60	\$202.02	0.21%

Growth: new authors

	2010-2011	2011-2012	2012-2013
New authors registered			
English			491
French			399
Total	859	908	890
New authors receiving payment			
English			316
French			321
Total	655	716	637
Amounts paid to new authors			
English			\$76,108
French			\$118,412
Total	\$195,583	\$206,350	\$194,520

Growth: registered authors and paid authors (2008-2013)



Distribution of author payments

1. PAYMENTS BY RANGE AND BY LANGUAGE (2012-2013)

Payments	Language	Authors	% of total authors	Total paid	% of total budget
Minimum \$25	E	389	2.14%	\$9,725	0.10%
	F	118	0.65%	\$2,950	0.03%
	E+F	507	2.79%	\$12,675	0.13%
From \$25.01 to \$50.00	E	750	4.12%	\$28,816	0.30%
	F	329	1.81%	\$12,800	0.13%
	E+F	1,079	5.93%	\$41,616	0.43%
From \$50.01 to \$100.00	E	1,763	9.69%	\$133,878	1.37%
	F	511	2.81%	\$39,361	0.40%
	E+F	2,274	12.50%	\$173,239	1.77%
From \$100.01 to \$261.66	E	3,587	19.72%	\$614,057	6.29%
	F	1,648	9.06%	\$291,666	2.99%
	E+F	5,235	28.79%	\$905,723	9.27%
Median \$261.66	E+F	9,095	50.00%	\$1,133,254	11.60%
From \$261.67 to \$537.00	E	2,512	13.81%	\$932,992	9.55%
	F	1,445	7.95%	\$539,307	5.52%
	E+F	3,957	21.76%	\$1,472,299	15.08%
From \$537.01 to \$999.99	E	1,443	7.93%	\$1,051,939	10.77%
	F	935	5.14%	\$686,136	7.03%
	E+F	2,378	13.08%	\$1,738,075	17.80%
From \$1,000.00 to \$1,999.99	E	956	5.26%	\$1,321,842	13.53%
	F	741	4.07%	\$1,024,834	10.49%
	E+F	1,697	9.33%	\$2,346,675	24.03%
From \$2,000.00 to \$2,999.99	E	283	1.56%	\$695,364	7.12%
	F	230	1.26%	\$563,279	5.77%
	E+F	513	2.82%	\$1,258,643	12.89%
From \$3,000.00 to \$3,366.99	E	66	0.36%	\$209,565	2.15%
	F	44	0.24%	\$139,788	1.43%
	E+F	110	0.60%	\$349,353	3.58%
Maximum \$3,367.00	E	177	0.97%	\$595,959	6.10%
	F	259	1.42%	\$872,053	8.93%
	E+F	436	2.40%	\$1,468,012	15.03%
Total	E	11,926	65.58%	\$5,594,137	57.28%
	F	6,260	34.42%	\$4,172,173	42.72%
	E+F	18,186	100%	\$9,766,310	100%

Median: The median of a population is the point that divides the distribution of scores in half.

In February 2013, 9,095 authors (50%) received \$261.67 or less. They shared 11.60% of the budget.

Average: In February 2013, the average payment was \$537. 13,052 authors (71.77%) received \$537 or less .

They shared 26.68% of the budget. 5,134 authors (28.23) received more than \$566. They shared 73.32% of the budget.

Distribution of author payments

2. PAYMENTS BY PROVINCE AND TERRITORY (2012-2013)

Province/ Territory	Registered authors	% of total registered authors	Number of payments	% of total paid authors	% of authors receiving a payment	Total paid	% of total budget
Newfoundland and Labrador	282	1.42%	263	1.45%	93.26%	\$105,662	1.08%
Nova Scotia	695	3.51%	656	3.61%	94.39%	\$252,524	2.59%
Prince Edward Island	87	0.44%	78	0.43%	89.66%	\$36,421	0.37%
New Brunswick	428	2.16%	406	2.23%	94.86%	\$168,068	1.72%
Quebec	6,741	34.00%	6,287	34.57%	93.27%	\$4,161,616	42.61%
Ontario	6,315	31.85%	5,684	31.25%	90.01%	\$2,808,388	28.76%
Manitoba	467	2.36%	433	2.38%	92.72%	\$159,323	1.63%
Saskatchewan	376	1.90%	329	1.81%	87.50%	\$157,114	1.61%
Alberta	998	5.03%	898	4.94%	89.98%	\$408,333	4.18%
British Columbia	2,780	14.02%	2,546	14.00%	91.58%	\$1,200,683	12.29%
Northwest Territories	19	0.10%	18	0.10%	94.74%	\$7,025	0.07%
Yukon	30	0.15%	29	0.16%	96.67%	\$8,110	0.08%
Nunavut	2	0.01%	2	0.01%	100.00%	\$232	0.00%
Outside Canada	605	3.05%	557	3.06%	92.07%	\$292,811	3.00%
Total	19,825	100%	18,186	100%	91.73%	\$9,766,310	100%

Example: In 2012-2013, 87.50% of registered Saskatchewan authors received a payment. This represents 1.81% of paid authors. These authors received 1.61% of the payment budget.

Growth: new titles

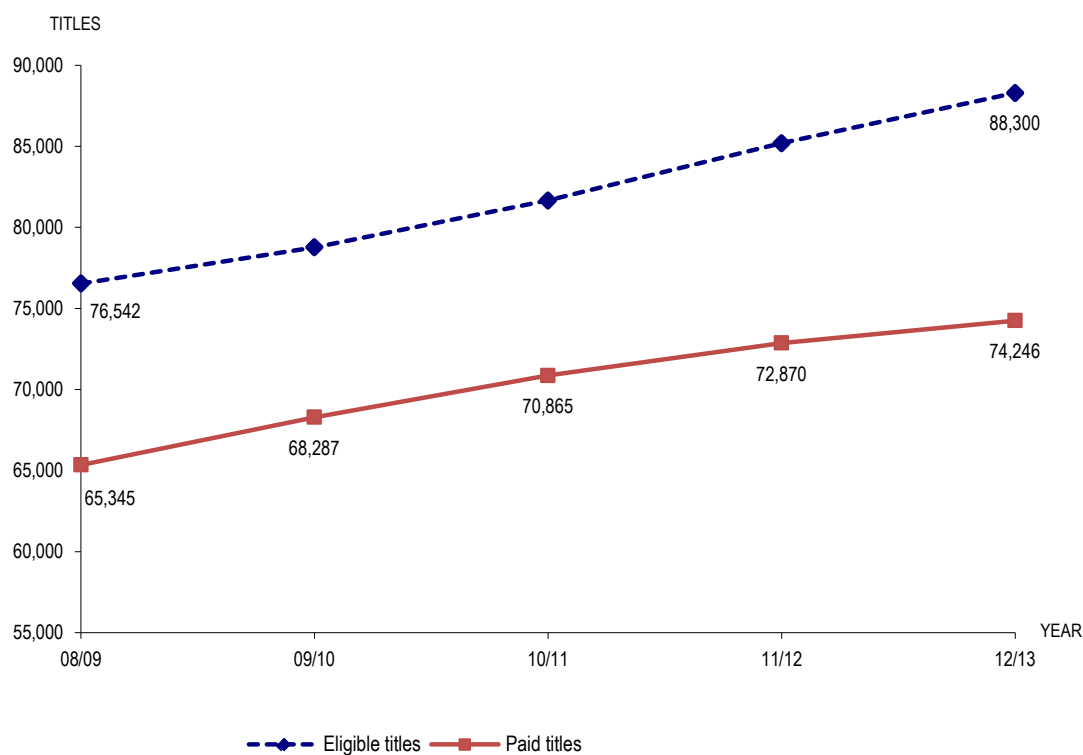
	2010-2011	2011-2012	2012-2013
New titles			
English			2,747
French			2,305
Bilingual			31
Other			93
Total	5,302	5,248	5,176
New eligible titles			
English			2,238
French			2,065
Bilingual			24
Other			73
Total	4,607	4,511	4,400
New titles found in sampled libraries			
English			1,658
French			1,803
Bilingual			17
Other			34
Total	3,712	3,616	3,512
Amounts paid for new titles			
English			\$306,617
French			\$369,791
Bilingual			\$1,543
Other			\$3,344
Total	\$712,777	\$706,759	\$681,295

New eligible titles by language and by category (2012-2013)

Category	English	French	Other	Bilingual	Total	% of total titles
Children's	565	844	15	3	1,427	32.43%
Fiction	553	526	15	2	1,096	24.91%
Poetry	224	164	16	9	413	9.39%
Drama	46	28	2	0	76	1.73%
Non-Fiction*	850	503	25	10	1,388	31.55%
Total	2,238	2,065	73	24	4,400	
Total in %	50.86%	46.93%	1.66%	0.55%		

*Non-fiction includes scholarly works

Growth: eligible titles and paid titles (2008-2013)



Growth: eligible titles by language

Language	Year	Number of titles	Growth in comparison to previous year
English	2010-2011	48,869	3.30%
	2011-2012	50,639	3.62%
	2012-2013	52,125	2.93%
French	2010-2011	30,170	4.36%
	2011-2012	31,861	5.60%
	2012-2013	33,567	5.35%
Bilingual	2010-2011	385	4.62%
	2011-2012	392	1.82%
	2012-2013	411	4.85%
Other	2010-2011	2,239	2.66%
	2011-2012	2,304	2.90%
	2012-2013	2,197	4.64%
Total	2010-2011	81,663	3.68%
	2011-2012	85,196	4.33%
	2012-2013	88,300	3.64%

Eligible titles found in 2012-2013

Language	Number of titles	Percentage
English	43,346	58.38%
French	29,903	40.28%
Bilingual	327	0.44%
Other	670	0.90%
Total	74,246	100%

Eligible titles by category and language

Category	Language	Number of titles	% of all same language titles	% of all titles of this category	% of all registered titles
Children	ENGLISH	10,859	20.83%	49.32%	12.30%
	FRENCH	10,541	31.40%	47.87%	11.94%
	OTHER	582	26.49%	2.64%	0.66%
	BILINGUAL	37	9.00%	0.17%	0.04%
	TOTAL	22,019			24.94%
Fiction	ENGLISH	9,730	18.67%	53.33%	11.02%
	FRENCH	8,073	24.05%	44.25%	9.14%
	OTHER	415	18.89%	2.27%	0.47%
	BILINGUAL	26	6.33%	0.14%	0.03%
	TOTAL	18,244			20.66%
Poetry	ENGLISH	5,281	10.13%	55.99%	5.98%
	FRENCH	3,699	11.02%	39.22%	4.19%
	OTHER	344	15.66%	3.65%	0.39%
	BILINGUAL	108	26.28%	1.15%	0.12%
	TOTAL	9,432			10.68%
Drama	ENGLISH	1,315	2.52%	58.29%	1.49%
	FRENCH	891	2.65%	39.49%	1.01%
	OTHER	38	1.73%	1.68%	0.04%
	BILINGUAL	12	2.92%	0.53%	0.01%
	TOTAL	2,256			2.55%
Non fiction*	ENGLISH	24,940	47.85%	68.61%	28.24%
	FRENCH	10,363	30.87%	28.51%	11.74%
	OTHER	818	37.23%	2.25%	0.93%
	BILINGUAL	228	55.47%	0.63%	0.26%
	TOTAL	36,349			41.17%
Total	ENGLISH	52,125			59.03%
	FRENCH	33,567			38.01%
	OTHER	2,197			2.49%
	BILINGUAL	411			0.47%
	TOTAL OF ALL CATEGORIES	88,300			100%

Example: The 24,940 English-language non-fiction titles represent: 47.85% of all English-language eligible titles; 68.61% of all non-fiction titles; and 28.24% of all eligible titles.

* Non-fiction includes scholarly works.