

AN INDUSTRY IN TRANSITION: The Sound Recording Industry in British Columbia

APPENDICES - DRAFT

***Prepared for the Ministry of Community,
Aboriginal and Women's Services, Canadian
Heritage and Western Diversification
January 2004***

TABLE OF CONTENTS - APPENDICES

- I. Listing of Reports and Documents Reviewed*
- II. Copy of the Questionnaire*
- III. Summary of the Survey Results*
- IV. List of Representatives Surveyed*
- V. Summary of the Focus Group*
- VI. Overview of Programming in Other Provinces*

LISTING OF REPORTS AND DOCUMENTS REVIEWED

- Alliance for Arts and Culture, "Investing in Culture: A Direct Look At BC's Arts Funding"
- American Music, Reebee Garofalo, "From Music Publishing to MP3: Music and the Industry in the Twentieth Century", Fall, 1999
- APRS, "About the Education and Training Initiative"
- Arts and Culture Development Industries Development Team, "MARIA training leads to a bright future"
- artsandcultural.com, "Waking UP the Neighbours"
- Association of Independent Music, "Independent Record Labels Worldwide Join Forces to Create Virtual Majority", February 1, 2003
- AzOz.com, George Ziemann, "RIAA's Statistics Don't Add Up to Piracy", December 11, 2002
- Canada News Wire, "Public/private Collaboration Central to Making Canadian Programming Work", March 21, 2003
- Canadian Music Week, "Canada is losing control of a Cultural Industry", 2002
- Canadian Musical Reproduction Rights Agency Ltd., "Mechanical licensing . . . and other mysteries", May 1998
- Canadian Journal of Communication, Stuart McFadyen, "Cultural Development in an Open Economy"
- Canadian Heritage, "Canadian Content in the 21st Century", March 2002
- Canadian Heritage, Paul Hoffert, "Changing Relationships in Cultural Industries", 2001
- Canadian Heritage, "From Creators to Audience"
- Canadian Music, Mariya Sweetwyne, "Canadian Music, Culture and Commodity", March 1999
- Canadian Heritage, "Evaluation of the Sound Recording Development Program"
- Canadian Conference of the Arts, "Safeguard, Enrich and Strengthen", December 2001
- Canadian Institute of International Affairs, Adam Knelman Ostry, "Is the Global Culture Upon Us?", March 2000
- CATA Alliance, "Annual Review", 2000
- CBS MarketWatch, Russ Britt, "Can mergers save the record business?", November 7, 2003
- CBSNEWS.com, "Tectonic Change In Music Industry", May 12, 2003
- CIRPA, "What We do"
- Contemporary Music Policy, WAM, revised by Q Music, "An Australian Industry Network Discussion Paper", September 2000
- CRMDdaily.com, Erika Marphy, "Music Industry Could Have Turned Customer Complaints to Gold", September 9, 2003
- Cultural Human Resources Council, "Priority Human resources Development Needs in the Canadian Cultural Sector", September 11, 1996
- Department of Canadian Heritage, Nordcity Group Limited, "Task Force on the Future of the Canadian Music Industry" 1998
- Department of Canadian Heritage, Larry Leblanc, "Music Distribution in Canada", April 2003
- Department of Canadian Heritage, "Evaluation of the Sound Recording Development Program", April 2000
- Department of Canadian Heritage, Dick Stanley, "Statistics in the Wake of Challenges Posed by Cultural Diversity in a Globalized Context", June 2002

- Ernst & Young, "A Refundable Investment Tax Credit for Canadian Sound Recordings: Design Issues and Revenue Costs", May 1999
- Ernst & Young, Satya Poddar and Morley English, "Private Financing of Canadian Sound Recording and Commercial Theatre: Feasibility and Design of a Refundable Investment Tax Credit", August, 1995
- FACTOR, "Regional Affiliates"
- FACTOR, "Evaluation of the Sound Recording Development Program", 2001
- First Monday, Wilfred Dolfsma, "How Will the Music Industry Weather the Globalization Storm?", May, 2000
- Futuremusic, Dan Ray, "The Music Industry's Red Tide", April 10, 2002
- Global Information, Inc., "Mobile Music Market Research, Trends & Intelligence", January 2003
- Grammy.com, Mike Snider, "Music Festivals' Video Game Plan" August 20, 2003
- HollywoodReporter.com, "The Online Music Opportunity" April 24, 2003
- HollywoodReporter.com, "No Music Recovery Before '05, Study Says", November 19, 2003
- HollywoodReporter.com, "Working Folks Lobby Congress" September 23, 2003
- HollywoodReporter.com, "Film & TV Music Conference" November 20, 2003
- HollywoodReporter.com, "Executive Profile: Joe Galante, Chairman RCA Label Group - Nashville", April 24, 2003
- HollywoodReporter.com, "The Music Industry: New Realities, New Priorities" April 24, 2003
- informaMedia.com, "No Growth in Global Music Sales Before 2005", 2003
- InfoWorld, Sean M. Dugan, "Are you getting what you're WORTH?", 2003
- Institute for Technology & Enterprise, Mihir Parikh, "The Music Industry in the Digital World: Waves of Change", June 1999
- International Symposium on Cultural Statistics, David Throsby, "The Cultural Workforce: Issues of Definition and Measurement", October 2002
- Ispos-Reid, "File Sharing And CD Burners Proliferate", June 12, 2002
- JAPAN CLOSE-UP, Yasharu Dando, "Japan Research and Analysis through Internet Information: The Music Industry Is Sliding Down a Slope of Self-Destruction", November 21, 2002
- ketupa.net, Issues: Music Sector, "Media Profiles Issues and Regions", March 2002
- KPMG, Cam Mackie, "Determining the Economic Impact if the Sound Recording Industry In Manitoba", June 9, 1998
- lawgirl.com, Jodi Sax, "Digital Distribution and the Music Industry", September 1999
- Lega Media, Wilfred Dolfsma, "The Music Industry in a Digital Age", May 2000
- Lyle Tilley Davidson, 1999 Music Industry Survey, "Assessment of the Nova Scotia Music Industry", January 31, 2000
- Manitoba Innovation Framework, "Culture & New Media Industries"
- MEM, Peter Terpstra, "The Future of the Music Industry", 1999
- Minister of International Trade, Department of Foreign Affairs and International Trade, "Focus on . . . The Arts and Culture Industries", January 25, 2001
- Ministry of Finance, Province of Ontario, Tax Legislation Bulletin, "Ontario Sound Recording Tax Credit", March 2001
- Music Industry Structure, "Current Music Industry Structure"
- Music Board of Ireland, "Shaping the Future: A Strategic Plan for the Development of the Music Industry in Ireland", November 2002

- Music Industry Association of Nova Scotia, "The Nova Scotia Music Sector Strategy", Summer 2002
- Music Business Canada, "Sound Recording Profile"
- MusicBusinessCanada, "About CIRPA"
- National Resources, "Funding Resources"
- NewsFactor Network, Lames Maguire, "The Courtroom of Public Opinion", January 24, 2003
- Newshare, Bill Densmore, "Study documents vast changes expected in the music industry; Role of "label" will be reduced; but artists power increasing", July 22, 2002
- Nova Scotia Culture Strategy, "Strategic Partnerships and Linkages", November 30, 1998
- Pacific Music Industry Association, Price Waterhouse, "Study of the British Columbia Music Industry, 1996
- PricewaterhouseCoopers LLP, Carolyne Morris, "Filmed Entertainment Industry in Canada the Fastest Growing in the World", September 8, 2003
- PriceWaterhouseCoopers, Kevin Carton, "That's (Digital) Entertainment"
- PriceWaterhouseCoopers, "The Broadband Future: Interactive, Networked, and Personalized", November 2003
- Pro-music, "Global sales of recorded music down 10.9% in the first half of 2003", October 2003
- PwCglobal.com, "Profit and Peril in the Digital World Are Focus of New Research from PricewaterhouseCoopers" November 4, 2003
- PwCglobal.com, "B.C. Tech Sector Collaboration Poises Province to Become Major Global Competitor", October 9, 2003
- PwCglobal.com, "Entertainment and Media outlook: 2003 - 2007"
- PwCglobal.com, "Global Entertainment And Media Industry Will Reach \$1.4 Trillion In 2007 Despite Real Economy, Defense Spending Increases", June 2003
- RAIYA, "CITTF Seminar: Principals of Pre-Production", October 8, 2003
- ROXIO, "Prospectus" September 3, 2003
- ROXIO, "Annual Report - 2003", 2003
- Screendigest, Jurgen Preiser and Armin Vogel, "The Music Industry in the 21st Century: Facing the Digital Challenge", May 2002
- SDRM, "NMPA International Survey: Twelfth Edition", 2002
- Shuffling the Deck, "ELECTION UPDATE - Liberal Party"
- silentway.com, Tony Brooke, "On the Future of the Music Industry", 1999
- SOCAN, "Towards Excellence"
- SOCAN, "What's right for music"
- Solutions Research Group Consultants Inc., "Perspectives On Canadian Talent Development And Radio", April 2000
- Statistice Canada, "Sound Recording Survey"
- Statistics Canada, Erika Dugas, "Hitting A High Note: Canadian Recording Artists in 1998"
- Technology and the Music Industry, Colin Cartnell, "Technology and the Music Industry", March 2002
- Telefilm Canada, "Canada Music Fund - Music Entrepreneur Program (MEP)", September 11, 2002
- The Canadian Independent Record Production Association, "Bill C-32 Brief (An Act to Amend The Copyright Act)", August 30, 1996

- The Globe and Mail, Kate Taylor, "Sour Notes From the Music Biz", September 13, 2003
- The Fine Arts Career Pathway Project, Tara Toutant, "Improving the School-to-work Transitions in the Fine Arts: A Summary Report"
- The Canadian Recording Industry Association, "Industry Stats" September 2003
- The Canadian Film and Television Production Association, "Submission To the Standing Committee On Canadian Heritage", September 15, 2003
- The Business of Recording, "The History of Sound Recording Technology: Portable Music"
- The Business of Recording, "The History of Sound Recording Technology: the Digital Era"
- The Music Board of Ireland, "Summary of the Key Issues and Development Initiatives", 2001
- TheStreet.com, George Mannes, "The Music Industry is Playing a Familiar Tune", November 10, 2003
- U.S. Census Bureau, "Sound Recording Studios", 2002
- urbanflowcase.com, "Ten tips on hoe to get your music played on Commercial Radio"
- WriteTheWeb, Giles Turnbull, "The future of music", July 9, 2001

COPY OF THE QUESTIONNAIRE

We have been commissioned by the Government of BC and the Government of Canada to conduct a review of the sound recording industry in BC. We would like to ask you questions about your organization and about actions that could be taken improve the competitive position of sound recording industry in BC. Your responses will be held strictly confidential. Only the aggregated results of respondents will be published in the report. Do you have a few minutes now? If not, can we set up a time to interview you?

A. TO BE COMPLETED BY INTERVIEWER

Respondent: _____ Organization: _____
 Segment: _____ Phone: _____

B. PROFILE INFORMATION ON THE INDUSTRY

1. In what year was your organization established? _____
2. In what city is the head office for the organization based? _____
3. How many full-time equivalent employees do you have in British Columbia?

_____ Total Employees

4. In order to assess the relative importance of the sound recording industry, we would like to get an indication of your organization's total revenues from BC operations. For the last fiscal year, approximately what were your organization's revenues?

_____	Revenues or	_____	_____
_____	Under \$250,000	_____	\$1 million to \$5 million
_____	\$250,000 to \$500,000	_____	\$5 million to \$10 million
_____	\$500,001 to \$1 million	_____	Over \$10 million

5. Over the past three years, have your revenues from BC operations:

_____ Increased (by what percent _____)?
 _____ Decreased (by what percent _____)?
 _____ Remained the same?
 _____ Other (_____)

Comments: _____

6. What percent of your organization’s revenues from BC operations are generated directly from the production and/or sale of music CDs or other media containing pre-recorded music?

_____ % % from sound recordings

IF NONE, GO TO QUESTION 7

6a. Over the past three years, have the sound recording revenues of your BC operations:

- _____ Increased (by what percent _____)?
- _____ Decreased (by what percent _____)?
- _____ Remained the same?
- _____ Other (_____)

Comments: _____

6b. Approximately what percentage of your sound recording revenues are generated from sales:

a	To distributors	%
b	Through on-line sales	%
c	Through traditional retail operations	%
d	From sales of sound recordings (e.g. CDs) at concerts, festivals, etc.	%
e	From product sales through other channels	%
f	From providing services related to the production of sound recordings	%
g	Other _____	%

7. **Apart from sound recordings, what (other) products and services are major sources of revenues for your BC operations?** _____

8. **During the past three years, has the organization obtained funding from a government program in Canada?**
 _____ Yes _____ No _____ Not sure

8a. **(If yes) From what program(s)?** _____

C. OPPORTUNITIES AND CONSTRAINTS TO DEVELOPMENT

1. **Do you believe that there are significant opportunities for growth in the sound recording industry in BC?**
 _____ Yes _____ No _____ Not sure

1a. **(If yes or no) Why is that?** _____

2. **By what percent do you think the revenues of the sound recording industry in BC will grow or decline over the next five years?**
 _____ Percent change

Comments: _____

3. In what specific areas within the sound recording industry sector do you see the greatest opportunities for growth for BC based companies? Why is that? _____

4. What components of the sound recording industry do you anticipate may decline in importance over the next three to five years? Why is that? _____

5. How do you see the sources of revenues for artists and record labels changing over the next three to five years? How is the revenue model for the industry likely to change? _____

5a. (If a change is noted) How well positioned is BC to take advantage of these changes? Why is that? _____

	Not At All		Somewhat		Major		Not Relevant
	1	2	3	4	5		n/a
c. Availability of skilled workers?	1	2	3	4	5		n/a
<i>(if 3 or more) Please explain?:</i> _____							

d. Enforcement of copyright protection?	1	2	3	4	5		n/a
<i>(if 3 or more) Please explain?:</i> _____							

e. Access to Federal Government programs?	1	2	3	4	5		n/a
<i>(if 3 or more) Please explain?:</i> _____							

f. Marketing capabilities?	1	2	3	4	5		n/a
<i>(if 3 or more) Please explain?:</i> _____							

g. Management capabilities?	1	2	3	4	5		n/a
<i>(if 3 or more) Please explain?:</i> _____							

Not At All	Somewhat		Major	Not Relevant	
1	2	3	4	5	n/a

h. Creative capabilities of the local industry?

1	2	3	4	5	n/a
----------	----------	----------	----------	----------	------------

(if 3 or more) Please explain?: _____

7. What other factors constrain development of the sound recording industry in BC?

8. What region in Canada would you say is the primary competitor to BC in the sound recording industry? _____

8a. (If a region is identified) What is the relative competitive position of BC versus this jurisdiction? Where do we hold competitive advantages? Where are we at a competitive disadvantage? _____

9. What is the relative competitive position of BC vis-a-vis the US? Where do we hold competitive advantages? Where are we at a competitive disadvantage? _____

D. POTENTIAL ACTIONS TO PROMOTE DEVELOPMENT

1. Do you see a role for the Federal or Provincial Government in promoting further development of the sound recording industry in BC?

_____ Yes _____ No _____ Not sure

1a. (If yes or no) Why is that? _____

2. The Province of Ontario has introduced a 20% refundable tax credit on production expenditures for sound recordings by emerging Canadian artists or groups. Would you be in favour of a similar program for BC?

_____ Yes _____ No _____ Not sure

2a. (If yes or no) Why is that? _____

SUMMARY OF THE SURVEY RESULTS

This appendix provides a summary of the responses to selected questions from the industry survey.

Characteristics of the Organizations Surveyed																																																																																																								
<i>Most of the organizations have been in operation for more than ten years</i>	<p>In what year was your organization established?</p> <ul style="list-style-type: none"> • Prior to 1970 (9 responses) • From 1970 to 1979 (7 responses) • From 1980 to 1989 (10 responses) • From 1990 to 1998 (26 responses) • From 1999 to current (5 responses) 																																																																																																							
<i>The head office of most of the companies is located in the Lower Mainland</i>	<p style="text-align: center;">2. In what city is the head office for the organization based?</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 60%;"></th> <th style="width: 10%;">Frequency</th> <th style="width: 10%;">Percent</th> <th style="width: 10%;">Valid Percent</th> <th style="width: 10%;">Cumulative Percent</th> </tr> </thead> <tbody> <tr><td></td><td style="text-align: center;">1</td><td style="text-align: center;">1.7</td><td style="text-align: center;">1.7</td><td style="text-align: center;">1.7</td></tr> <tr><td>Burnaby</td><td style="text-align: center;">1</td><td style="text-align: center;">1.7</td><td style="text-align: center;">1.7</td><td style="text-align: center;">3.3</td></tr> <tr><td>Courtenay</td><td style="text-align: center;">1</td><td style="text-align: center;">1.7</td><td style="text-align: center;">1.7</td><td style="text-align: center;">5.0</td></tr> <tr><td>Duncan</td><td style="text-align: center;">1</td><td style="text-align: center;">1.7</td><td style="text-align: center;">1.7</td><td style="text-align: center;">6.7</td></tr> <tr><td>Harrison Hot Springs</td><td style="text-align: center;">1</td><td style="text-align: center;">1.7</td><td style="text-align: center;">1.7</td><td style="text-align: center;">8.3</td></tr> <tr><td>Kelowna</td><td style="text-align: center;">2</td><td style="text-align: center;">3.3</td><td style="text-align: center;">3.3</td><td style="text-align: center;">11.7</td></tr> <tr><td>LA</td><td style="text-align: center;">1</td><td style="text-align: center;">1.7</td><td style="text-align: center;">1.7</td><td style="text-align: center;">13.3</td></tr> <tr><td>Langley</td><td style="text-align: center;">1</td><td style="text-align: center;">1.7</td><td style="text-align: center;">1.7</td><td style="text-align: center;">15.0</td></tr> <tr><td>Mayne Island</td><td style="text-align: center;">1</td><td style="text-align: center;">1.7</td><td style="text-align: center;">1.7</td><td style="text-align: center;">16.7</td></tr> <tr><td>Mission</td><td style="text-align: center;">1</td><td style="text-align: center;">1.7</td><td style="text-align: center;">1.7</td><td style="text-align: center;">18.3</td></tr> <tr><td>Nelson</td><td style="text-align: center;">1</td><td style="text-align: center;">1.7</td><td style="text-align: center;">1.7</td><td style="text-align: center;">20.0</td></tr> <tr><td>New Westminister</td><td style="text-align: center;">2</td><td style="text-align: center;">3.3</td><td style="text-align: center;">3.3</td><td style="text-align: center;">23.3</td></tr> <tr><td>North Vancouver</td><td style="text-align: center;">2</td><td style="text-align: center;">3.3</td><td style="text-align: center;">3.3</td><td style="text-align: center;">26.7</td></tr> <tr><td>Port Moody</td><td style="text-align: center;">1</td><td style="text-align: center;">1.7</td><td style="text-align: center;">1.7</td><td style="text-align: center;">28.3</td></tr> <tr><td>Salt Spring</td><td style="text-align: center;">1</td><td style="text-align: center;">1.7</td><td style="text-align: center;">1.7</td><td style="text-align: center;">30.0</td></tr> <tr><td>Toronto</td><td style="text-align: center;">4</td><td style="text-align: center;">6.7</td><td style="text-align: center;">6.7</td><td style="text-align: center;">36.7</td></tr> <tr><td>Vancouver</td><td style="text-align: center;">35</td><td style="text-align: center;">58.3</td><td style="text-align: center;">58.3</td><td style="text-align: center;">95.0</td></tr> <tr><td>Victoria</td><td style="text-align: center;">3</td><td style="text-align: center;">5.0</td><td style="text-align: center;">5.0</td><td style="text-align: center;">100.0</td></tr> <tr><td>Total</td><td style="text-align: center;">60</td><td style="text-align: center;">100.0</td><td style="text-align: center;">100.0</td><td></td></tr> </tbody> </table>					Frequency	Percent	Valid Percent	Cumulative Percent		1	1.7	1.7	1.7	Burnaby	1	1.7	1.7	3.3	Courtenay	1	1.7	1.7	5.0	Duncan	1	1.7	1.7	6.7	Harrison Hot Springs	1	1.7	1.7	8.3	Kelowna	2	3.3	3.3	11.7	LA	1	1.7	1.7	13.3	Langley	1	1.7	1.7	15.0	Mayne Island	1	1.7	1.7	16.7	Mission	1	1.7	1.7	18.3	Nelson	1	1.7	1.7	20.0	New Westminister	2	3.3	3.3	23.3	North Vancouver	2	3.3	3.3	26.7	Port Moody	1	1.7	1.7	28.3	Salt Spring	1	1.7	1.7	30.0	Toronto	4	6.7	6.7	36.7	Vancouver	35	58.3	58.3	95.0	Victoria	3	5.0	5.0	100.0	Total	60	100.0	100.0	
	Frequency	Percent	Valid Percent	Cumulative Percent																																																																																																				
	1	1.7	1.7	1.7																																																																																																				
Burnaby	1	1.7	1.7	3.3																																																																																																				
Courtenay	1	1.7	1.7	5.0																																																																																																				
Duncan	1	1.7	1.7	6.7																																																																																																				
Harrison Hot Springs	1	1.7	1.7	8.3																																																																																																				
Kelowna	2	3.3	3.3	11.7																																																																																																				
LA	1	1.7	1.7	13.3																																																																																																				
Langley	1	1.7	1.7	15.0																																																																																																				
Mayne Island	1	1.7	1.7	16.7																																																																																																				
Mission	1	1.7	1.7	18.3																																																																																																				
Nelson	1	1.7	1.7	20.0																																																																																																				
New Westminister	2	3.3	3.3	23.3																																																																																																				
North Vancouver	2	3.3	3.3	26.7																																																																																																				
Port Moody	1	1.7	1.7	28.3																																																																																																				
Salt Spring	1	1.7	1.7	30.0																																																																																																				
Toronto	4	6.7	6.7	36.7																																																																																																				
Vancouver	35	58.3	58.3	95.0																																																																																																				
Victoria	3	5.0	5.0	100.0																																																																																																				
Total	60	100.0	100.0																																																																																																					
<i>Most of the businesses have three or fewer employees</i>	<p>How many full-time equivalent employees do you have in British Columbia?</p> <ul style="list-style-type: none"> • 2 employees or less (27 responses) • From 3 to 5 employees (12 responses) • From 6 to 10 employees (10 responses) • Over ten employees (7 responses) • No response (4 responses) 																																																																																																							

<p><i>Most of the businesses generate revenues of less than \$500,000 annually</i></p>	<p>For the last fiscal year, approximately what were your organizations revenues?</p> <ul style="list-style-type: none"> • Under \$250,000 (25 responses) • \$250,000 to \$500,000 (8 responses) • \$500,000 to \$1 million (6 responses) • Over \$1 million (18 responses) • No response (3 responses) 																														
<p><i>Forty percent of the businesses indicated that their revenues have increased over the past three years</i></p>	<p>5. Over the past three years, have your revenues from BC operations:</p> <table border="1" data-bbox="495 625 1445 896"> <thead> <tr> <th></th> <th>Frequency</th> <th>Percent</th> <th>Valid Percent</th> <th>Cumulative Percent</th> </tr> </thead> <tbody> <tr> <td></td> <td>4</td> <td>6.7</td> <td>6.7</td> <td>6.7</td> </tr> <tr> <td>Increased</td> <td>24</td> <td>40.0</td> <td>40.0</td> <td>46.7</td> </tr> <tr> <td>Decreased</td> <td>14</td> <td>23.3</td> <td>23.3</td> <td>70.0</td> </tr> <tr> <td>Remained the same</td> <td>18</td> <td>30.0</td> <td>30.0</td> <td>100.0</td> </tr> <tr> <td>Total</td> <td>60</td> <td>100.0</td> <td>100.0</td> <td></td> </tr> </tbody> </table>		Frequency	Percent	Valid Percent	Cumulative Percent		4	6.7	6.7	6.7	Increased	24	40.0	40.0	46.7	Decreased	14	23.3	23.3	70.0	Remained the same	18	30.0	30.0	100.0	Total	60	100.0	100.0	
	Frequency	Percent	Valid Percent	Cumulative Percent																											
	4	6.7	6.7	6.7																											
Increased	24	40.0	40.0	46.7																											
Decreased	14	23.3	23.3	70.0																											
Remained the same	18	30.0	30.0	100.0																											
Total	60	100.0	100.0																												
<p><i>Over one-half of the businesses generate the majority of their revenues directly from the production and/or sale of music CDs or other media containing pre-recorded music</i></p>	<p>What percent of your organization’s revenues are generated directly from the production and/or sale of music CDs or other media containing pre-recorded music?</p> <ul style="list-style-type: none"> • None (10 responses) • .1% - 10% (7 responses) • 11% - 25% (4 responses) • 26% to 50% (0 responses) • 51% - 75% (10 responses) • 76% - 99% (9 responses) • 100% (17 responses) • No response (3 responses) 																														
<p><i>The organizations were relatively evenly divided between those who indicated that sound recording revenues had recently increased, stayed the same or decreased</i></p>	<p>6a. Over the past three years, have the sound recording revenues of your BC operations:</p> <table border="1" data-bbox="495 1533 1445 1803"> <thead> <tr> <th></th> <th>Frequency</th> <th>Percent</th> <th>Valid Percent</th> <th>Cumulative Percent</th> </tr> </thead> <tbody> <tr> <td></td> <td>16</td> <td>26.7</td> <td>26.7</td> <td>26.7</td> </tr> <tr> <td>Increased</td> <td>15</td> <td>25.0</td> <td>25.0</td> <td>51.7</td> </tr> <tr> <td>Decreased</td> <td>13</td> <td>21.7</td> <td>21.7</td> <td>73.3</td> </tr> <tr> <td>Remained the same</td> <td>16</td> <td>26.7</td> <td>26.7</td> <td>100.0</td> </tr> <tr> <td>Total</td> <td>60</td> <td>100.0</td> <td>100.0</td> <td></td> </tr> </tbody> </table>		Frequency	Percent	Valid Percent	Cumulative Percent		16	26.7	26.7	26.7	Increased	15	25.0	25.0	51.7	Decreased	13	21.7	21.7	73.3	Remained the same	16	26.7	26.7	100.0	Total	60	100.0	100.0	
	Frequency	Percent	Valid Percent	Cumulative Percent																											
	16	26.7	26.7	26.7																											
Increased	15	25.0	25.0	51.7																											
Decreased	13	21.7	21.7	73.3																											
Remained the same	16	26.7	26.7	100.0																											
Total	60	100.0	100.0																												

<p><i>Slightly more than one half of the businesses have obtained government funding over the past three years</i></p>	<p>3. During the past three years, has the organization obtained funding from a government program in Canada?</p>				
		Frequency	Percent	Valid Percent	Cumulative Percent
	Yes	31	51.7	54.4	54.4
	No	26	43.3	45.6	100.0
	Total	57	95.0	100.0	
	System Total	3	5.0		

<p><i>A wide variety of government programs and funding sources were identified</i></p>	<p>From which government program(s) in Canada did your organization obtain funding?</p>	
	<ul style="list-style-type: none"> • Department of Canadian Heritage (12 responses) • FACTOR (12 responses) • Canadian Council of the Arts (11 responses) • BC Arts Council (8 responses) • Local Government (5 responses) • Communications Canada (5 responses) • MITAP (4 responses) • HRDC (2 responses) • Radio Star (2 response) 	

OPPORTUNITIES AND CONSTRAINTS TO DEVELOPMENT

<p><i>The majority of industry representatives (75%) believe there are significant opportunities for growth in the sound recording industry.</i></p>	<p>1. Do you believe that there are significant opportunities for growth in the sound recording industry in BC?</p>				
		Frequency	Percent	Valid Percent	Cumulative Percent
	Yes	45	75.0	75.0	75.0
	No	6	10.0	10.0	85.0
	Not Sure	9	15.0	15.0	100.0
	Total	60	100.0	100.0	

<p><i>Estimates of the change in BC industry revenues that will occur over the next five years range from a decline of 50% to an increase of 100%.</i></p>	<p>By what percent do you think the revenues of the sound recording industry in BC will grow or decline over the next five years?</p>	
	<ul style="list-style-type: none"> • Revenues will decrease (9 responses) • Stay the same (2 responses) • Increase from 1% to 10% (10 responses) • Increase by more than 10% (10 responses) • Not sure/no response (29 responses) 	

<p><i>Opportunities were identified in a wide variety of areas</i></p>	<p>In what specific areas within the sound recording industry do you see the greatest opportunities for growth for BC based companies?</p> <ul style="list-style-type: none"> • Develop BC's talent pool (13 responses) • Increase sales to global markets (12 responses) • Expand licensing revenues from film, television and electronic games (11 responses) • Increase online marketing and distribution (9 responses) • Strengthen BC's live music scene (9 responses) • Capitalize on industry restructuring (8 responses) • Increase revenue from online music sales (7 responses) • Promote BC as a destination for international recording artists (6 responses) • Use a combination of education, legal action and lower CD prices to increase sales (5 responses)
<p><i>Sales of CD, cassettes, and other media are projected to decline</i></p>	<p>What components of the sound recording industry do you anticipate may decline in importance over the next three to five years?</p> <ul style="list-style-type: none"> • Retail sales of CD, cassettes or other media (33 responses) • Specific genres or types of products (20 responses) • Traditional recording and manufacturing facilities (17 responses) • Traditional distribution channels (13 responses)
<p><i>The internet is expected to significantly impact the revenue model of the industry going forward</i></p>	<p>How do you see the sources of revenues for artists and record labels changing over the next three to five years? How is the revenue model for the industry likely to change?</p> <ul style="list-style-type: none"> • Increasing use of/reliance on the Internet (26 responses) • Increased opportunities for independent artists and labels (25 responses) • Increased importance of live performance (11 responses) • More direct payments to artists (8 responses) • Increased in illegal downloading (7 responses) • Greater reliance on film and video (4 responses) • More restricted access of Canadian artists to the US (3 responses)
<p><i>Creative and production talent are key strengths of the industry</i></p>	<p>What would you identify as the major strengths of the industry that we can build on in BC?</p> <ul style="list-style-type: none"> • Strong creative talent (26 responses) • Experienced production talent (11 responses) • State-of-the-art studio infrastructure (11 responses) • Strong management capabilities (9 responses) • Established and emerging record labels (8 responses) • Quality of life and proximity to markets (8 responses) • Strong cluster of multi-media, film and television, animation, post-production and high-tech companies (6 responses)

20% of respondents identified access to key markets as a major constraint to development

8a. There are a number of factors that can constrain further expansion of an industry. On a scale of 1 to 5, where 1 is no constraint at all, 3 is somewhat of a constraint, and 5 is a major constraint, to what extent does ACCESS TO KEY MARKETS constrain the growth of the sound recording industry in BC:

	Frequency	Percent	Valid Percent	Cumulative Percent
No constraint at all	4	6.7	7.3	7.3
2	13	21.7	23.6	30.9
Somewhat of a constraint	13	21.7	23.6	54.5
4	13	21.7	23.6	78.2
A major constraint	12	20.0	21.8	100.0
Total	55	91.7	100.0	
System	5	8.3		
Total	60	100.0		

25% of respondents identified access to financing as a major constraint to development

8b. To what extent does ACCESS TO FINANCING constrain the growth of the sound recording industry in BC?

	Frequency	Percent	Valid Percent	Cumulative Percent
No constraint at all	2	3.3	3.8	3.8
2	6	10.0	11.3	15.1
Somewhat of a constraint	9	15.0	17.0	32.1
4	21	35.0	39.6	71.7
A major constraint	15	25.0	28.3	100.0
Total	53	88.3	100.0	
System	7	11.7		
Total	60	100.0		

Only 2% of respondents identified availability of skilled workers as a major constraint to development

8c. To what extent does THE AVAILABILITY OF SKILLED WORKERS constrain the growth of the sound recording industry in BC?

	Frequency	Percent	Valid Percent	Cumulative Percent
No constraint at all	24	40.0	42.9	42.9
2	22	36.7	39.3	82.1
Somewhat of a constraint	5	8.3	8.9	91.1
4	4	6.7	7.1	98.2
A major constraint	1	1.7	1.8	100.0
Total	56	93.3	100.0	
System	4	6.7		
Total	60	100.0		

<p>18% of respondents identified the enforcement of copyright protection as a major constraint to development</p>	<p>3d. Is the enforcement of copyright protection a constraint to the growth of the sound recording industry in BC?</p> <table border="1"> <thead> <tr> <th></th> <th>Frequency</th> <th>Percent</th> <th>Valid Percent</th> <th>Cumulative Percent</th> </tr> </thead> <tbody> <tr> <td>1 No constraint at all</td> <td>16</td> <td>26.7</td> <td>32.7</td> <td>32.7</td> </tr> <tr> <td>2</td> <td>13</td> <td>21.7</td> <td>26.5</td> <td>59.2</td> </tr> <tr> <td>3 Somewhat</td> <td>4</td> <td>6.7</td> <td>8.2</td> <td>67.3</td> </tr> <tr> <td>4</td> <td>5</td> <td>8.3</td> <td>10.2</td> <td>77.6</td> </tr> <tr> <td>5 Major constraint</td> <td>11</td> <td>18.3</td> <td>22.4</td> <td>100.0</td> </tr> <tr> <td>Total</td> <td>49</td> <td>81.7</td> <td>100.0</td> <td></td> </tr> <tr> <td>System</td> <td>11</td> <td>18.3</td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td>60</td> <td>100.0</td> <td></td> <td></td> </tr> </tbody> </table>		Frequency	Percent	Valid Percent	Cumulative Percent	1 No constraint at all	16	26.7	32.7	32.7	2	13	21.7	26.5	59.2	3 Somewhat	4	6.7	8.2	67.3	4	5	8.3	10.2	77.6	5 Major constraint	11	18.3	22.4	100.0	Total	49	81.7	100.0		System	11	18.3			Total	60	100.0		
	Frequency	Percent	Valid Percent	Cumulative Percent																																										
1 No constraint at all	16	26.7	32.7	32.7																																										
2	13	21.7	26.5	59.2																																										
3 Somewhat	4	6.7	8.2	67.3																																										
4	5	8.3	10.2	77.6																																										
5 Major constraint	11	18.3	22.4	100.0																																										
Total	49	81.7	100.0																																											
System	11	18.3																																												
Total	60	100.0																																												
<p>12% of respondents identified access to Federal Government programs as a major constraint to development</p>	<p>e. To what extent does ACCESS TO FEDERAL GOVERNMENT PROGRAMS constrain the growth of the sound recording industry in BC?</p> <table border="1"> <thead> <tr> <th></th> <th>Frequency</th> <th>Percent</th> <th>Valid Percent</th> <th>Cumulative Percent</th> </tr> </thead> <tbody> <tr> <td>No constraint at all</td> <td>8</td> <td>13.3</td> <td>16.0</td> <td>16.0</td> </tr> <tr> <td>2</td> <td>11</td> <td>18.3</td> <td>22.0</td> <td>38.0</td> </tr> <tr> <td>Somewhat of a constraint</td> <td>9</td> <td>15.0</td> <td>18.0</td> <td>56.0</td> </tr> <tr> <td>4</td> <td>15</td> <td>25.0</td> <td>30.0</td> <td>86.0</td> </tr> <tr> <td>A major constraint</td> <td>7</td> <td>11.7</td> <td>14.0</td> <td>100.0</td> </tr> <tr> <td>Total</td> <td>50</td> <td>83.3</td> <td>100.0</td> <td></td> </tr> <tr> <td>System</td> <td>10</td> <td>16.7</td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td>60</td> <td>100.0</td> <td></td> <td></td> </tr> </tbody> </table>		Frequency	Percent	Valid Percent	Cumulative Percent	No constraint at all	8	13.3	16.0	16.0	2	11	18.3	22.0	38.0	Somewhat of a constraint	9	15.0	18.0	56.0	4	15	25.0	30.0	86.0	A major constraint	7	11.7	14.0	100.0	Total	50	83.3	100.0		System	10	16.7			Total	60	100.0		
	Frequency	Percent	Valid Percent	Cumulative Percent																																										
No constraint at all	8	13.3	16.0	16.0																																										
2	11	18.3	22.0	38.0																																										
Somewhat of a constraint	9	15.0	18.0	56.0																																										
4	15	25.0	30.0	86.0																																										
A major constraint	7	11.7	14.0	100.0																																										
Total	50	83.3	100.0																																											
System	10	16.7																																												
Total	60	100.0																																												
<p>13% of respondents identified marketing capabilities as a major constraint to development</p>	<p>f. To what extent does MARKETING CAPABILITIES constrain the growth of the sound recording industry in BC?</p> <table border="1"> <thead> <tr> <th></th> <th>Frequency</th> <th>Percent</th> <th>Valid Percent</th> <th>Cumulative Percent</th> </tr> </thead> <tbody> <tr> <td>No constraint at all</td> <td>6</td> <td>10.0</td> <td>10.7</td> <td>10.7</td> </tr> <tr> <td>2</td> <td>8</td> <td>13.3</td> <td>14.3</td> <td>25.0</td> </tr> <tr> <td>Somewhat of a constraint</td> <td>14</td> <td>23.3</td> <td>25.0</td> <td>50.0</td> </tr> <tr> <td>4</td> <td>20</td> <td>33.3</td> <td>35.7</td> <td>85.7</td> </tr> <tr> <td>A major constraint</td> <td>8</td> <td>13.3</td> <td>14.3</td> <td>100.0</td> </tr> <tr> <td>Total</td> <td>56</td> <td>93.3</td> <td>100.0</td> <td></td> </tr> <tr> <td>System</td> <td>4</td> <td>6.7</td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td>60</td> <td>100.0</td> <td></td> <td></td> </tr> </tbody> </table>		Frequency	Percent	Valid Percent	Cumulative Percent	No constraint at all	6	10.0	10.7	10.7	2	8	13.3	14.3	25.0	Somewhat of a constraint	14	23.3	25.0	50.0	4	20	33.3	35.7	85.7	A major constraint	8	13.3	14.3	100.0	Total	56	93.3	100.0		System	4	6.7			Total	60	100.0		
	Frequency	Percent	Valid Percent	Cumulative Percent																																										
No constraint at all	6	10.0	10.7	10.7																																										
2	8	13.3	14.3	25.0																																										
Somewhat of a constraint	14	23.3	25.0	50.0																																										
4	20	33.3	35.7	85.7																																										
A major constraint	8	13.3	14.3	100.0																																										
Total	56	93.3	100.0																																											
System	4	6.7																																												
Total	60	100.0																																												

<p>7% of respondents identified management capabilities as a major constraint to development</p>	<p>8g. To what extent does MANAGEMENT CAPABILITIES constrain the growth of the sound recording industry in BC?</p> <table border="1"> <thead> <tr> <th></th> <th>Frequency</th> <th>Percent</th> <th>Valid Percent</th> <th>Cumulative Percent</th> </tr> </thead> <tbody> <tr> <td>No constraint at all</td> <td>11</td> <td>18.3</td> <td>20.8</td> <td>20.8</td> </tr> <tr> <td>2</td> <td>16</td> <td>26.7</td> <td>30.2</td> <td>50.9</td> </tr> <tr> <td>Somewhat of a constraint</td> <td>15</td> <td>25.0</td> <td>28.3</td> <td>79.2</td> </tr> <tr> <td>4</td> <td>7</td> <td>11.7</td> <td>13.2</td> <td>92.5</td> </tr> <tr> <td>A major constraint</td> <td>4</td> <td>6.7</td> <td>7.5</td> <td>100.0</td> </tr> <tr> <td>Total</td> <td>53</td> <td>88.3</td> <td>100.0</td> <td></td> </tr> <tr> <td>System</td> <td>7</td> <td>11.7</td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td>60</td> <td>100.0</td> <td></td> <td></td> </tr> </tbody> </table>		Frequency	Percent	Valid Percent	Cumulative Percent	No constraint at all	11	18.3	20.8	20.8	2	16	26.7	30.2	50.9	Somewhat of a constraint	15	25.0	28.3	79.2	4	7	11.7	13.2	92.5	A major constraint	4	6.7	7.5	100.0	Total	53	88.3	100.0		System	7	11.7			Total	60	100.0		
	Frequency	Percent	Valid Percent	Cumulative Percent																																										
No constraint at all	11	18.3	20.8	20.8																																										
2	16	26.7	30.2	50.9																																										
Somewhat of a constraint	15	25.0	28.3	79.2																																										
4	7	11.7	13.2	92.5																																										
A major constraint	4	6.7	7.5	100.0																																										
Total	53	88.3	100.0																																											
System	7	11.7																																												
Total	60	100.0																																												
<p>None of the respondents identified the creative capabilities of the industry as a major constraint to development</p>	<p>8h. To what extent does the CREATIVE CAPABILITIES OF THE LOCAL INDUSTRY constrain the growth of the recording industry in BC?</p> <table border="1"> <thead> <tr> <th></th> <th>Frequency</th> <th>Percent</th> <th>Valid Percent</th> <th>Cumulative Percent</th> </tr> </thead> <tbody> <tr> <td>No constraint at all</td> <td>33</td> <td>55.0</td> <td>56.9</td> <td>56.9</td> </tr> <tr> <td>2</td> <td>20</td> <td>33.3</td> <td>34.5</td> <td>91.4</td> </tr> <tr> <td>Somewhat of a constraint</td> <td>5</td> <td>8.3</td> <td>8.6</td> <td>100.0</td> </tr> <tr> <td>Total</td> <td>58</td> <td>96.7</td> <td>100.0</td> <td></td> </tr> <tr> <td>System</td> <td>2</td> <td>3.3</td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td>60</td> <td>100.0</td> <td></td> <td></td> </tr> </tbody> </table>		Frequency	Percent	Valid Percent	Cumulative Percent	No constraint at all	33	55.0	56.9	56.9	2	20	33.3	34.5	91.4	Somewhat of a constraint	5	8.3	8.6	100.0	Total	58	96.7	100.0		System	2	3.3			Total	60	100.0												
	Frequency	Percent	Valid Percent	Cumulative Percent																																										
No constraint at all	33	55.0	56.9	56.9																																										
2	20	33.3	34.5	91.4																																										
Somewhat of a constraint	5	8.3	8.6	100.0																																										
Total	58	96.7	100.0																																											
System	2	3.3																																												
Total	60	100.0																																												
<p>Ontario is identified as the primary competitor to BC within Canada</p>	<p>What region in Canada would you say is the primary competitor to BC in the sound recording industry?</p> <ul style="list-style-type: none"> • Ontario (51 responses) • Back East (2 responses) • The world (2 responses) • Quebec (1 response) 																																													
<p>Our talent pool and quality of life provide us with competitive advantages</p>	<p>What is the relative competitive position of BC versus this jurisdiction? Where do we hold competitive advantages?</p> <ul style="list-style-type: none"> • BC's talent pool (35 responses) • Quality of life (14 responses) • Proximity to the US and other foreign markets (11 responses) • Studio infrastructure (10 responses) • Management expertise (8 responses) 																																													

<p><i>However, these are offset to some degree by our distance from head offices and funding sources</i></p>	<p>Where are we at a competitive disadvantage?</p> <ul style="list-style-type: none"> Distance from head offices/funding sources (38 responses) Limited critical mass/networking opportunities (16 responses) Limited access to capital (15 responses) Weaker live music scene (14 responses) Smaller population base (12 responses) Lack of A&R presence (11 responses)
--	---

INDUSTRY RECOMMENDATIONS

<p><i>Virtually all representatives see a role for government in promoting development of the industry</i></p>	<p>1. Do you see a role for the Federal or Provincial Government in promoting further development of the sound recording industry in BC?</p> <table border="1"> <thead> <tr> <th></th> <th>Frequency</th> <th>Percent</th> <th>Valid Percent</th> <th>Cumulative Percent</th> </tr> </thead> <tbody> <tr> <td>Yes</td> <td>57</td> <td>95.0</td> <td>95.0</td> <td>95.0</td> </tr> <tr> <td>No</td> <td>1</td> <td>1.7</td> <td>1.7</td> <td>96.7</td> </tr> <tr> <td>Not Sure</td> <td>2</td> <td>3.3</td> <td>3.3</td> <td>100.0</td> </tr> <tr> <td>Total</td> <td>60</td> <td>100.0</td> <td>100.0</td> <td></td> </tr> </tbody> </table>		Frequency	Percent	Valid Percent	Cumulative Percent	Yes	57	95.0	95.0	95.0	No	1	1.7	1.7	96.7	Not Sure	2	3.3	3.3	100.0	Total	60	100.0	100.0	
	Frequency	Percent	Valid Percent	Cumulative Percent																						
Yes	57	95.0	95.0	95.0																						
No	1	1.7	1.7	96.7																						
Not Sure	2	3.3	3.3	100.0																						
Total	60	100.0	100.0																							

<p><i>There is strong industry support for the concept of a 20% refundable tax credit</i></p>	<p>2. The Province of Ontario has introduced a 20% refundable tax credit on production expenditures for sound recordings by emerging Canadian artists or groups. Would you be in favour of a similar program for BC?</p> <table border="1"> <thead> <tr> <th></th> <th>Frequency</th> <th>Percent</th> <th>Valid Percent</th> <th>Cumulative Percent</th> </tr> </thead> <tbody> <tr> <td>Yes</td> <td>55</td> <td>91.7</td> <td>91.7</td> <td>91.7</td> </tr> <tr> <td>Not Sure</td> <td>5</td> <td>8.3</td> <td>8.3</td> <td>100.0</td> </tr> <tr> <td>Total</td> <td>60</td> <td>100.0</td> <td>100.0</td> <td></td> </tr> </tbody> </table>		Frequency	Percent	Valid Percent	Cumulative Percent	Yes	55	91.7	91.7	91.7	Not Sure	5	8.3	8.3	100.0	Total	60	100.0	100.0	
	Frequency	Percent	Valid Percent	Cumulative Percent																	
Yes	55	91.7	91.7	91.7																	
Not Sure	5	8.3	8.3	100.0																	
Total	60	100.0	100.0																		

<p><i>Support for market development and provision of financial incentives were the actions most commonly recommended for government</i></p>	<p>What actions should be taken by government to promote the development of the sound recording industry?</p> <ul style="list-style-type: none"> Provide marketing and export development assistance (18 responses) Introduce tax credits/financial incentives to stimulate production activity (14 responses) Support touring, live performances and venue development (13 responses) Develop better tax structures and investment climate (11 responses) Strengthen BC's access to federal funding programs (8 responses)
--	---

	<ul style="list-style-type: none"> • Increase support for Music BC to develop industry initiatives and respond to key challenges (8 responses) • Develop stronger profile and understanding of the industry (7 responses) • Increase opportunities for professional development, especially in terms of business and management skills (7 responses) • Increase access to investment capital for small businesses (6 responses) • Revise CANCON point system to better support new music and artist development (5 responses) • Take more active role in educating the public that downloading hurts artists and the economy (5 responses) • Address cross border immigration issues (3 responses)
<p><i>Marketing and further development of industry partnerships were the actions most commonly recommended for industry and others</i></p>	<p>What actions should be taken by industry and others to promote the development of the sound recording industry?</p> <ul style="list-style-type: none"> • Undertake joint marketing initiatives (11 responses) • Encourage more networking and industry partnerships (10 responses) • Promote artists through showcases and compilations (10 responses) • Raise awareness of industry issues and opportunities (6 responses) • Establish more infrastructure for live performances (5 responses) • Develop a stronger Industry Association (5 responses) • Reduce retail price of CDs (4 responses) • Increase back-selling of local artists and songs on the radio (4 responses) • Establish closer relationships with film, television and multi-media industries (4 responses) • Develop more management talent (3 responses) • Encourage corporate sponsorships (2 responses)

LIST OF REPRESENTATIVES SURVEYED

- Allen Moy, Divine Industries
- Bill Baker, Mint Records
- Bill Buckingham, Producer
- Bob D'eith, Music BC and Spark Records
- Brad Josling, Diamond Dog Management
- Brian Thompson, A&B Sound - Buyer
- Brian Watson, Maximum Management
- Bruce Allen, Bruce Allen Talent
- Charlie McKenzie, Musician
- Chris Potter, Producer
- Merritt Music Festival
- Colin Miles, Canadian Music Centre
- Darren Staten, Synergy Records
- David Brian, Universal Music Group
- David Jewel, Spin Digital Media
- Doug Cox, Vancouver Island Music Festival
- Francis Xavier-Edward, Mission Folk Music Festival
- Frank Weipert, New Music West
- Greg Joy, Horizon Records
- Greg Strowe, Digital Media
- Greg Holiday, BC Country Music Association
- Heather Kitching, Festival Distribution
- ICA Folkfest
- Jane Dittrich and Julie Glover, Armoury Studios
- Jeff Alexander, Vancouver Symphony Orchestra
- Jim Smith, Vancouver New Music Society
- Joanna Manatta, BC Touring Council
- John Sereda, Composer
- Kate Wattie, Tonic Records
- Lawrence Gasher, Musico Studio
- Len Osanic, Fiasco Bros
- Commercial Music Festival
- Linda Tanaka, Salmon Arm Roots Festival
- Black Tusk Films
- Mark Abson, Sony Music Canada
- Mark Jowett, Nettwerk Records - Publishing Division
- MCDI Manufacturing
- Michael Burke, Cordova Records
- Mike Peters, Pacific Music Marketing
- Mimi Northcott, Canadian Recording Studios
- Nicholas Bagg, Zulu Records
- Paul Baker, Baker Street Studios
- Paul Whittaker, Rainbach Music Ltd.
- Peter Mann, Troubadour Music
- Harrison Festival Society
- Randy Staub, Producer.
- Ric Arboit, Nettwerk Records
- Rick Kilborn, Cols Music International
- Robert Kerr, Coastal Jazz and Blues
- Roger Levins, Greenhouse Studios
- Simon Kendall, Composer

- Steve Dixon, PHD Distribution
- Tara MacDonald, Watchdog Management
- Terry O'Brien, SOCAN
- Valerie Biggin, Mushroom Studios
- Virgin Records
- Vlado Forgac, Radius Media Group
- Wayne Morris, Vancouver Musicians Association

SUMMARY OF THE FOCUS GROUP

KEY ISSUES DISCUSSED

- Tax credits for sound recording, available to both local and foreign companies, are needed to provide financial incentives for independent labels, stimulate industry activity and employment, attract more international production and recording artists and make better use of BC's world class studio infrastructure.
- More export development and international marketing are needed to grow BC's sound recording industry. The success of BC artists and companies is dependent on their capacity to develop business relationships and a growing audience in key international markets. More funding and support for marketing and international promotion is needed to increase the economic strength and commercial potential of BC based companies. It was suggested that better linkages with Canadian consulates in key territories be looked into further as a vehicle for international marketing.
- Local companies lack resources, both in terms of financial and labour to take advantage of new opportunities in the marketplace. A program which could provide assistance with labour costs, either through apprenticeships, co-op programs or matched funding would enable companies to increase business activity, capitalize on emerging opportunities and expand their operations.
- Because of the project-based nature of the industry, it was felt that there needs to be more of a focus on project-based funding. Also the fact that Federal Government programs do not reflect the unique needs of BC based companies was seen as a problem that was made worse by the absence of any Provincial Government industry support. Further research into the viability of opening up lottery funds to the music industry was suggested. In other countries, lottery funds are a key source of funding for cultural industries and could provide needed support to stimulate industry growth and development in BC.
- Continued support for and development of Music BC is needed to provide a focal point for industry issues and a vehicle for networking, professional development and community building among industry stakeholders. Music BC can help the industry respond to key issues and challenges, build greater links between various sectors and provide the industry with a stronger voice with all levels of government and the general public.
- There needs to be more opportunities to promote and develop local artists and showcase their talent. It was suggested that Music BC and SOCAN work together to establish regularly occurring artist showcases to build audience support, develop grass root talent, and provide opportunities to expose and profile emerging talent to key industry players.
- Corporate partnerships were seen as an opportunity for increasing marketing and promotional activities within the industry. Greater attention to developing these relationships and creating joint marketing activities and events were seen as a priority and an important vehicle for developing local talent and increasing industry profile.
- The growing number of venues that have either closed or are no longer available for live

music performance in Vancouver is a real concern. Artists need access to live music venues to promote their talent and gain valuable experience. High property taxes, the City of Vancouver's unreasonable bylaws with respect to live performance, outdated liquor laws and limited opportunities for all ages concerts are contributing to the growing scarcity of live music venues in Vancouver. Action needs to be taken now if this trend is to be reversed before BC welcomes the world for the Winter Olympics in 2010.

- The economic loss to the industry as a result of government inaction with respect to copyright protection is a major concern. It was felt that the government needs to be made more aware of the negative impacts of illegal downloading, including the effects on employment, company profitability and the associated tax revenues losses due to copyright theft.
- More resources are needed to develop, produce, promote and take to market high quality music recordings. The lack of Provincial Government support to the music industry in BC was seen as a major barrier to development. In other provinces, including Manitoba, Alberta, Ontario and Saskatchewan, there are financial resources available to properly promote and develop new artists. This creates a significant disadvantage for the industry in BC that needs to be addressed. Access to financing and support services that other sectors enjoy should be available to the music industry. Small business loans, underwriting for overseas bad debt, a re-established MITAP program and assistance for managers who are working with emerging artists were some suggestions of programs needed to stimulate industry activity and increase sustainability over the long term.
- More focus on skills development, mentorship and apprenticeship type programs are needed to ensure that there is an ongoing transfer of knowledge and skills to the younger generation of artists, managers, promoters, record labels, composers, producers and engineers.
- The music industry in BC has functioned largely under the radar screen and, as a result, there is little awareness of its economic contribution and employment impact. A stronger industry profile will create better awareness of key issues, create synergies between other industry sectors such as Film, TV and new media and enable the industry to more effectively lobby both the federal and provincial government.

OVERVIEW OF PROGRAMMING IN OTHER PROVINCES

We have put together the following preliminary description of programming that has been established in other provinces in Canada.

<p>Alberta</p>
<p>1. Project Grant Program This grant program supports the artistic development of individual Alberta artists, bands, ensemble of artists who propose to work together and organizations in music by assisting with projects in one or any combination of the following categories: a. Art production b. Training and/or career development c. Travel and/or marketing d. Research Normally the maximum project grant under this program will not exceed \$10,000, and may include up to \$2,000 per month subsistence allowance. Applicants may apply for up to 100% of eligible expenses, directly related to carrying out the proposed project. These expenses may include, but are not limited to: artist’s fees, subsistence, transportation, accommodation, royalties, administration, contract help, promotion, publicity, production, and other expenses that the AFA considers reasonable and necessary.</p> <p>2. Individual Composers Commission Grant The Individual Composers Commissions Grant can be used for the applicants commissioning fee and 50% of the copying fees. The organization or company commissioning the work is responsible for all other costs</p> <p>3. Alberta Foundation for the Arts Purpose: Fosters growth of Albertan-owned and operated sound recording companies Eligible Applicants: Alberta registered sound recording companies/music publishers with an established track record Eligible Activities: Sound recording label/music publishing activity Amount of Assistance: Maximum \$40,000 Assessment: Formula Grant</p>
<p>Saskatchewan</p>
<p>The Saskatchewan Sound Career Initiative identifies existing challenges in the provincial music industry and develops solutions designed to meet them head-on.</p> <p>1. Matching Fund Programs Funded by the Department of Culture, Youth and Recreation, through the Cultural Industries Development Fund, the programs provide financial assistance to artists and industry professionals to develop different aspects of their careers. Programs are for any genre of music. Maximum amounts that can be applied for represent up to 50% of your total budget, unless otherwise indicated. Programs do not cover expenses incurred before your application is received.</p> <p>2. Demo Mentorship Program Enables an emerging artist to work with an outside producer/mentor to record a professional studio</p>

demo (which may then be used to apply to FACTOR demo programs). Geared towards artists who do not have a good quality demo yet. Grant maximum \$500 (towards a budget of \$1000) plus an additional \$250 paid for producer's fees. Artists and mentors will be required to "check in" periodically to ensure that a mentor relationship is being nurtured.

3. Press Kit Program

To develop a professional press kit to be used to promote both the artist and his/her current sound recording. Maximum \$500.

4. WCMA Travel Bursary

To encourage attendance of Saskatchewan members at this event and take part in workshops, showcasing, and awards. SRIA members who wish to attend the Western Canadian Music Awards weekend (September 25-28), and who reside 250 km. or more from Regina, may apply for up to \$250 to assist in their gas/airfare, accommodations, etc. Applicants must be registered as a conference delegate.

5. Tour Support Program

Supports tours by Saskatchewan recording artists. Tour must have a minimum of 8 dates, maximum grant \$2500 (not to exceed the tour's shortfall). No deadlines. Funding will be provided to first qualified and approved applicants.

6. Network Travel Program

Assists with travel to other cities to showcase or develop working relationships with potential managers, agents, labels, artists, etc. or may assist engineers, producers, or sound techs to travel to conferences, seminars, and other educational opportunities, which will allow the applicant to improve his/her skills in sound recording. Applicants will be required to submit a detailed marketing plan, rather than an entire business plan. Maximum grant \$2000/year.

7. Small Business Loans

Being a small business owner in any industry is hard, let alone the music industry. That's why we created the Small Business Loans Program. Funded by the Department of Industry and Resources, this program encourages entrepreneurship and growth in the Saskatchewan music and sound recording industry by helping small businesses with start-up costs, major equipment purchases and business plan development, among other things.

Applicants can receive loans of up to \$10,000. All loans are to be paid back with interest; however, a low interest rate has been maintained to ensure that people can access this capital..

8. Professional Development Workshop Series

Established by the Saskatchewan Recording Industry Association, the Workshop Series is an important element of our award-winning Professional Development Strategy, covering a wide range of topics targeted to both recording artists and music industry professionals in Saskatchewan.

Manitoba

1. Market Access Program - Artists

The purpose of the Market Access Program is to support Manitoba artists and music industry

professionals in professional development and attending and enhancing their presence at professionally organized music industry conferences, showcases, and other related approved events. Applicants may apply for up to 75% of approved expenses. The maximum amount of funding available is \$1250 for Canadian events, and \$1500 for international events. Contributions will be in the form of a grant.

2. Business Development Support Program

The purpose of the Business Development Support Program is to assist established Manitoba companies operating in the sound recording sector with the creation of three-year business plans. The business plans resulting from this program will help companies solidify their growth objectives, market themselves effectively, and secure appropriate financing. The program will also assist companies in accessing Manitoba Film & Sound's Portfolio Investment Envelope (PIE) Program. The BDC Group Business Planning Program cost is \$5000.00 per company plus GST. Eligible companies are required to pay \$1000.00 plus GST. MARIA's Business Development Support Program will pay the remaining \$4000.00 plus GST.

3. Manitoba Sight and Sound

While its primary focus in the film industry, Manitoba Film & Sound administers a series of programs for both the film and the sound industry. The non-profit society, which is funded by the Provincial Government, provides grants of up to \$2,000 for the professional studio enhancement of an existing demo tape (to be used for A&R and other "calling card" purposes) and production loans up to \$20,000 for up to 50% of the budget associated with a full-length recording projects.

Ontario

1. Ontario Sound Recording Tax Credit

The Ontario Sound Recording Tax Credit (OSRTC) is a 20 per cent refundable tax credit for certain expenditures incurred by a qualifying corporation in the production of "eligible Canadian sound recordings" by "emerging Canadian artists or groups".

2. Cultural Strategic Investment Fund

The Ministry provides \$900,000 through the Cultural Strategic Investment Fund to help organizations build new partnerships, find new sources of revenue, and promote the export and market development of Ontario's cultural products. (not focussed specifically on music but all cultural industries)

New Brunswick

Overview of All Financial Assistance Components - New Brunswick Sound Initiative Program 2003-2004. Created in 1998 and administered by the Culture and Sport Secretariat through the Arts Development Branch, the primary goal of the New Brunswick Sound Initiative (NBSI) Program is to promote the development of the music industry of New Brunswick by supporting production, marketing and promotion of sound recordings, and by supporting professional development initiatives for the sound recording industry development.

1. Emerging Artists Assistance (New)

This component is designed to assist New Brunswick emerging artists who have never recorded an album. The financial aid supports demo production as well as demo promotional activities to promote

artistes in the industry. It also supports professional development activities to help artists enhance their professional skills.

Applicants: Artists

Initiatives: professional demo production, promotion and professional development activities, and stage performances related to the demo

Financial contribution: 50% - Max \$8,000 (\$2,000 / production; \$2,000 / promotion; \$2,000 / professional development; \$4,000 / stage performances)

2. Album Production Assistance

This component is designed to assist the production of commercially viable sound recordings by the New Brunswick sound recording and music industry.

Applicants: Artists' labels, record companies

Initiatives: sound recordings (min. 6 songs), and production completion costs

Financial contribution: 50% - Max \$15,000

3. Album Marketing and Promotion Assistance

This component is designed to assist with the financing of marketing and promotion of New Brunswick sound recordings by New Brunswick artists.

Applicants: Artists' labels, record companies, artists' managers.

Initiatives: Marketing and promotion initiatives such as promotional material, public relations, launches, advertising, radio tracking, promotional tours, etc. talking place within 24 months of the release of the album.

Financial contribution: 50% - Max \$10,000 / initial costs; \$5,000 / additional costs with 1,500 units sold

4. Stage Performance Assistance

This component is designed to help New Brunswick recording artists reach audiences while promoting their sound recording products through stage performances on local, regional, national and international levels.

Applicants: Artists' labels, record companies, artists' managers.

Initiatives: Official showcases, opening acts, show tours that take place within 24 months of the release of the album.

Financial contribution: 50% -

Showcase: canadian projects, max \$3,000 / artist; non-canadian projects , max \$15,000 / artist

Opening Acts: canadian projects only, \$500, \$3,000 / artist

Canadian Tour: local-regional, \$3 000; national, \$8,000 (+ \$500/extra date Max \$2,000); Max 2 grants / artist Non Canadian Tour: North America, \$10,000; Outside North America, \$25,000; Max. 2 grants / artist

5. Networking and Business Travel Assistance

This component is designed to support the applicants to travel to other cities to develop working relationships with potential managers, agents, record labels, artists, strategic partners, etc.

Applicants: Recording artists, artists' labels, record companies, managers

Initiatives: confirmed artist meetings, participation in music conferences or trade shows

Financial contribution: 50% - Max \$2,000 with an album with less than 1,000 units sold; Max \$8,000 with more than 1,000 record units sold

6. Professional Development and Promotion Assistance

This component is designed to allow sound recording industry professionals to improve their skills and

increase their level of expertise in the sound recording industry, and to promote artists and companies at a regional, national and international levels.

Applicants: Sound recording industry professionals and artists

Initiatives: Attending professional development activities (conferences, seminars, etc) and attending promotional activities (industry awards)

Financial contribution: 50% - professional development activities, Max \$2,000; promotional activities, \$1,500

7. Professional Stage Image Assistance

This component is designed to assist New Brunswick performing artists to enhance their professional stage image in support of a tour or a showcase which are supported with a sound recording.

Applicants: Artists' labels, record companies, managers

Initiatives: workshops with stage professionals

Financial contribution: 50% - \$3,000 / artist

8. Workshop Assistance

This component is designed to assist the creation of professional training opportunities within the province that will enhance the skills development of persons working in the New Brunswick music and sound recording industry.

Applicants: Professional associations and non-for-profit organizations

Initiatives: music industry related seminars, conferences, workshops, educational workshops and sessions, etc.

Financial contribution: 50% - Max \$20,000

Newfoundland

1. MIANL/Steele New Talent Demo Grant

The MIANL, in partnership with Steele Communications, is providing funding to MIANL members who wish to work on their first demo recording project with a MIANL member studio. Four grants (maximum \$1000) are awarded at each of the three yearly deadlines

National Programs

1. VIDEOFACT

VideoFACT offers a program of non-recoupable grants for the production of Canadian music videos. The organization was set up voluntarily and funded entirely by the MuchMusic Network. Requests for financing may come from record companies, record producers, video directors, producers or artists – basically, anyone involved in the production of the music video. While most videos are produced to promote a sound recording, this is not a requirement for VideoFACT. VideoFACT supports all forms of music videos, in both English and French

2. Radio Starmaker Fund

The Radio Starmaker Fund was created in the fall of 2000 on the initiative of the Canadian Association of Broadcasters and approved by the CRTC. It is a private fund which has as its stated purpose to "make a substantial and discernable difference to the careers of Canadian artists" by providing substantial incremental investment where the Artist has established a proven track record and his or

her label is making a significant investment in their future career. The Fund has been fully operational since September 2001 and has committed over 3.5 million dollars to Canadian artists to date. The Fund expects to continue to support Canadian artists at this level for the next 8 - 10 years.

3. Foundation to Assist Canadian Talent On Record (FACTOR)

As a private non-profit organization and an industrial strategy, FACTOR is dedicated to providing assistance toward the growth and development of the Canadian independent recording industry. The funds not only assist Canadian recording artists and songwriters in having their material produced, their videos created, or to tour internationally, but they provide support for Canadian record labels, distributors, producers, engineers, directors - all those facets of the infrastructure which must be in place in order for artists and the Canadian independent recording industry to progress in the international marketplace

4. SOCAN Foundation

The SOCAN Foundation's programs support publications, educational initiatives, composer residencies, the distribution of concert music recordings to broadcasters outside Canada, competitions, international showcasing, classical music concert series, music industry associations, and music festivals.

5. Canadian Council for the Arts - Grants for Specialized Music Sound Recording

This program supports the recording of Canadian "specialized music" by Canadian artists, ensembles, bands, record companies and independent producers. Funds for this program are provided by the Department of Canadian Heritage (DOCH) through the Canadian Musical Diversity Program of the Canada Music Fund. The Canada Council for the Arts administers the Canadian Musical Diversity Program on behalf of DOCH and delivers these funds to the public as Grants for Specialized Music Sound Recording and Grants for Specialized Music Distribution. The Canada Music Fund also includes programs that are administered by other agencies as well as non-profit private sector organizations, including Telefilm Canada, FACTOR and MusicAction. For the purposes of this Canada Council program, "specialized music" is defined as any musical production whose intent and/or content places creativity, self-expression and/or experimentation above the current demands and format expectations of the mainstream recording industry. This music is usually identified with the parallel market and alternative distribution systems.

6. Canada Music Fund Programs

The Canada Music Fund is comprised of eight complementary programs. The Creators' Assistance Program, the Canadian Musical Diversity Program, the New Musical Works Program and the Collective Initiatives Program are governed by specific criteria and provide Canadian creators, artists, entrepreneurs, record labels, and others with financial assistance for project-specific activities. The Music Entrepreneur Program and the Support to Sector Associations Program provide financial assistance to strengthen the position of music entrepreneurs and music sector associations. The Canadian Music Memories Program ensures the preservation of Canada's musical heritage and the Policy Monitoring Program monitors the overall progress of the CMF. These programs are not open for general application.