



Public Lending Right
Commission

Commission du droit
de prêt public

Annual Report

Public Lending Right Commission

2008-2009

Public Lending Right Commission



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de prêt public

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We trust that the Public Lending Right program will become an ever more effective instrument in upgrading the annual income of Canadian writers and in recognizing their major contribution to our cultural development and to our quality of life, which at times we take too much for granted.

*— Flora MacDonald, former Minister of Communications, at a 1987 ceremony
presenting the first PLR cheques*

About the PLR

Purpose of the Public Lending Right Commission

The Public Lending Right (PLR) Commission's mandate is to increase the revenues and improve the financial situation of Canadian writers and to give public recognition to their important contribution to protecting Canada's cultural identity. It makes payments to Canadian authors for the presence of their books catalogued in Canadian public libraries, according to the PLR program's eligibility criteria. Authors have now registered a remarkable 76,542 eligible books with the PLR Commission.

Background

After nearly forty years of lobbying on the part of Canada's national writers' organizations, the PLR program was created in 1986. During the late 1970s and early 1980s, authors convinced the federal government to create the PLR program. With the support of the Canada Council for the Arts, a committee of writers, publishers and librarians created the PLR program in 1986. In fact, the work of the national associations was so impressive that the founding documents of the PLR program state that these associations should be entrusted with the program's administration. Canada is one of 29 countries to have implemented such a program. In 1992, in the *Status of the Artist Act*, the Government of Canada recognized "the importance to artists that they be compensated for the use of their works, including the public lending of them."

The PLR Commission is made up of representatives of national organizations of writers, librarians and publishers. The majority of members are authors. The PLR Commission is responsible for setting the general policies of the program, and an executive committee carries out these policies. In 2008-2009, both the Commission and the Executive Committee were chaired by writer Jacques Patrice Ouellet. The PLR Commission has four full-time staff and operates under the administrative aegis of the Canada Council for the Arts. Funding for the PLR program comes from the federal government through the Department of Canadian Heritage

How the PLR program works

Authors register their titles with the PLR Commission. Works of fiction, poetry, drama, children's literature, general non-fiction and scholarly books are eligible. Ineligible categories include how-to books, guide books, bibliographies, compilations and textbooks. The PLR Commission's database of registered eligible titles is checked annually against the holdings of a selection of public libraries (six catalogues for each official language group).

PLR payments are determined by the library sampling. It is the title's presence in one or more of these libraries that produces a payment. The number of copies found in a library is not taken into account. 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.

Brief History of the PLR

- 1946** The world's first library compensation program is developed in Denmark.
- 1949** The Canadian Authors Association starts to discuss the possibility of a Public Lending Right (PLR) program in Canada.
- 1951** The Massey-Lévesque Royal Commission on National Development in the Arts, Letters and Sciences reports on two Special Studies it had requested in the subject of Canadian literature. The two authors of the studies, reporting respectively on English- and French-language literature, are in agreement: "Neither in French nor in English have we yet a truly national literature."
- 1973** The Writers' Union of Canada begins to lobby for a PLR program.
- 1977** The Canada Council sets up the Payment for Public Use Committee to examine the creation of a PLR program.
- 1982** The Applebaum-Hébert Committee recommends that the government establish a program to provide payment for library use.
- 1986** The PLR program is established by a Cabinet decision in March 1986, with an initial budget of \$3 million allocated to it by the Treasury Board Secretariat. Canada becomes the 13th country in the world to develop a PLR program.
- 1988** The PLR Commission's Constitution and Bylaws are developed and approved.
- 1992** The *Status of the Artist Act* is passed into law, and includes among its general principles "the importance to artists that they be compensated for the use of their works, including the public lending of them."
- 1996** The PLR Commission and the Canada Council for the Arts sign an administrative agreement to clarify the relationship between the two organizations.
- 1999** Canada hosts the 3rd annual PLR International Conference.
- 2005** The PLR Commission and the Canada Council for the Arts sign a revised administrative arrangement to clarify the relationship between the two organizations.

Message from the Chair

The year 2008-2009 brought its share of significant changes to the Public Lending Right (PLR) Commission. Among these were the adoption of a new growth management strategy, the arrival of new members to the PLR Commission, the establishment of a committee to study the impact of electronic books in public libraries, and the creation of a planning committee for the 25th anniversary celebrations of our organization in 2011. Important decisions were reached during the year, and once ratified at the AGM they will contribute to the steady and positive advancement of the PLR Commission for the years ahead.

All of the changes in 2008-2009 were necessary, for they enable the PLR Commission to give approximately 16,000 writers – who benefit from its program and are the reason for its existence – their rightful public recognition for their contribution to Canadian culture. The PLR Commission has had to change and adapt in order to reconcile the annual increase in new registrations (roughly 4%) with virtually no increase in its own annual budget.

However, for the PLR Commission to fully and adequately achieve its goal of payments to writers whose books are borrowed from the public libraries of the country, it needs a substantial increase in its annual funding. Because I am a publisher and a writer as well as the Chair of the PLR Commission, I can attest first-hand to the situation of the literary world. Most writers have a hard time making a living from their craft, the acquisition budgets of public libraries are inadequate, and publishing costs, particularly for minority language communities, continue to rise. The PLR Commission's payments provide a direct and essential support for creation. The inadequate funds result in reduced payments to Canadian authors at the same rate as the increase in the number of registered authors. Currently, the more writers we see registering with the PLR Commission, the more the payments made to those same Canadian writers (both francophones and anglophones) will shrink.

This state of affairs has a positive as well as a negative aspect. On the positive side, the increase in registrations means that the PLR program is increasingly well known to Canadian writers; the down side is that the reduced value of payments translates a budget that has not increased to match this growth. At the international level, Canada is joined by an ever-increasing number of countries who are establishing PLR programs. Around the world, PLR payments continue to be an important source of income for authors. For example, in 2008-2009, United Kingdom authors

received a maximum payment of £6,600 (approximately \$11,750 CDN), while Canadian authors received a maximum payment of \$2,800.

I would like to believe that during my tenure as Chair of the PLR Commission, our operating budgets will be increased significantly, and this despite the current economic constraints. Over the years, the PLR Commission has clearly demonstrated the need for its program and has been calling for an increase to its budget. This year, \$700,000 was added to the base budget, which was very welcomed. This resulted in better compensation for Canadian authors. The *Status of the Artist Act* adopted in 1992 affirms the “the importance to artists that they be compensated for the use of their works, including the public lending of them.” Writers must be adequately compensated for the work that they do, and for the added value that their work brings to the population of Canada. The PLR payment represents important revenue for the majority of writers who, while not necessarily bestselling authors, have chosen to live by the pen. Their work is a remarkable contribution to the cultural development of Canadian society and also to world heritage.

In closing, I want to thank the staff at the PLR Commission. Despite our chronic underfunding, they remain tireless and enthusiastic in doing the valuable work that they do. I also wish to thank the members of the PLR Commission who have retired this year, and welcome the new members who will take up the joys and challenges of the PLR Commission for many years to come.

Jacques P. Ouellet

Message from the Executive Secretary

In 2008-2009, the PLR Commission's 23rd year, we delivered \$9,901,023.60 in payments to 16,514 Canadian authors in 1,751 communities in Canada and 357 communities abroad. The average payment of \$600 represents compensation to authors for the access people around the country enjoy to Canadian literature in Canadian public libraries.

In 2008-2009, the budget for author payments continued to benefit from the Tomorrow Starts Today (TST) funding, which provides increased federal support for the arts and culture. The PLR Commission receives \$1 million in TST funding, which ends in March, 2010. We remain hopeful that it will be renewed. In addition, as stated in the Canada Council for the Arts' Action Plan released in February, 2008, the PLR's budget for 2008-2009 was increased by \$700,000.

* * * *

The PLR Commission's priorities and activities this past year should be described as forward-thinking. We approach our 25th anniversary in 2011 with the intent of celebrating our past achievements, facing future challenges which are changing the landscape of reading, and dealing with the program's constant growth – a challenge we have faced since the first payment cheques were issued in 1986.

The Growth Management Strategy

In June, 2008, the PLR Commission voted unanimously in favour of adopting the Growth Management Strategy (GMS). The introduction of the GMS means that a payment scale will be used as of the February, 2010, author payments. The decision to implement the GMS has not been an easy one for the PLR Commission. Since 1993, the PLR Commission, which is composed of authors, publishers, librarians, translators and government representatives, examined a series of solutions to manage its limited funds in a way to maximize our funds' impact for all authors. The GMS is, in our opinion, the best solution because it ensures that no one loses his or her payments entirely. With this plan, an author whose book is found in a sampled library will always receive a payment.

The Governance of the PLR Commission

This year, over half the members of the PLR Commission attended their first board meeting. One of our big pre-occupations was ensuring the new members were equipped to lead the PLR Commission and make well-informed decisions, especially during this period of change. We adopted a policy on the orientation of new PLR Commission members and instituted an orientation session and mentoring for new members.

Enshrining the PLR Commission's Corporate Policies

The PLR Commission continued its work of documenting policies, procedures and standards. By operating according to established, sanctioned practices, we ensure that the PLR operates with consistency and clarity of purpose. Of note, in June, 2008, the PLR Commission approved the Library Sampling Policy. Library sampling is at the core of what the PLR Commission does. In fact, codifying our practice in this area is of great importance, since the choice of libraries and the practice we adopt determines the level of remuneration an author will receive.

The Changing Landscape of Books: Electronic Books

In June, 2008, the PLR Commission struck a sub-committee to study the question of electronic books. The mandate of the E-Books Sub-Committee is to evaluate the progression of the use of electronic books in public libraries in view of assessing the impact that including these titles for PLR payments would have on the budget and functionality of the PLR program. The sub-committee decided to focus on the following areas: how e-books are defined, how they will be loaned by libraries, how the PLR will measure the presence of an e-book in a library and how e-books will affect the management of the PLR program.

The 8th International PLR Conference (2009) in Lisbon, Portugal

We will be attending the 8th International PLR Conference (2009), which will be held from September 23rd to 25th, in Lisbon, Portugal. Currently, there is no PLR system in Portugal, even though in 1992 the European Union Lending Right Directive was transposed into the Portuguese legal system. There are currently 29 countries around the world with established PLR programs, and 11 countries with programs in development.

* * * *

Finally, I would like to thank the PLR team: Danielle Guindon (Clerk), Rachelle Lanoue (Administrative Assistant) and Benoît Rollin (Program Officer), as well as the members of the PLR Commission. Their dedication and enthusiasm for this program is truly inspiring

Michelle Legault

Members and Staff of the PLR Commission

Name	Organization
Jacques Ouellet (Chair)	Regroupement des écrivains acadiens
Kenneth McGoogan (Vice-Chair)	The Writers' Union of Canada
David Copelin (Past Chair)	Playwrights Guild of Canada
Marie-Célie Agnant	Public Lending Right Commission*
Aline Apostolska	Union des écrivaines et des écrivains québécois
Phyllis Aronoff	Literary Translators Association of Canada
Gaston Bellemare	Association nationale des éditeurs de livres
Laurie Brinklow	Association of Canadian Publishers
Gillian Cantello (non-voting)	Library and Archives Canada
Olivier Charbonneau	Association pour l'avancement des sciences et des techniques de la documentation
Linda Cook	Canadian Library Association
Carole David	Public Lending Right Commission*
Marc Duhaime (non-voting)	Department of Canadian Heritage
Marilyn Dumont	Public Lending Right Commission*
Beatriz Hausner	The League of Canadian Poets
Luc LaRoche (non-voting)	The Canada Council for the Arts
Louis Lasnier	Écrivains francophones d'Amérique
Bernice Lever	Canadian Authors Association
Hélène Roussel (non-voting)	Bibliothèque et Archives nationales du Québec

Executive Committee

Jacques Ouellet (Chair), Kenneth McGoogan (Vice-Chair), David Copelin (Past Chair), Aline Apostolska, Gaston Bellemare, Olivier Charbonneau, Linda Cook, Louis Lasnier

Staff

Michelle Legault (Executive Secretary), Benoît Rollin (Program Officer),
Rachelle Lanoue (Administrative Assistant), Danielle Guindon (Clerk)

* The PLR Commission elects up to three authors to sit on the Commission.

Financial Summary

Note: This report is provided for information purposes only. The financial statements of the PLR Commission are consolidated, for reporting purposes, with those of the Canada Council for the Arts.

Description	2008-2009	2007-2008
Staff salaries	\$261,099	\$243,786
Overtime	\$0	\$452
Staff benefits	\$75,033	\$78,067
Part-time staff salaries	\$2,943	\$238
Part-time staff benefits	\$0	\$116
Total Salaries	\$339,075	\$322,659
<u>Other operating expenses:</u>		
Staff travel	\$824	\$2,935
Administration fees: Canada Council	\$390,000	\$390,000
Postage and Courier	\$11,532	\$11,021
Full Commission meetings	\$37,309	\$43,661
Executive Committee meetings	\$13,010	\$22,558
Printing costs	\$6,095	\$5,955
Office stationery/supplies	\$1,474	\$0
Other expenses	\$258	\$42
Total other operating expenses	\$460,503	\$476,173
Total operating expenses	\$799,577	\$798,832
<hr/>		
Total PLR payments issued to authors at the time of the annual mailing	\$9,901,024	\$9,115,095

Statistical Activity Report

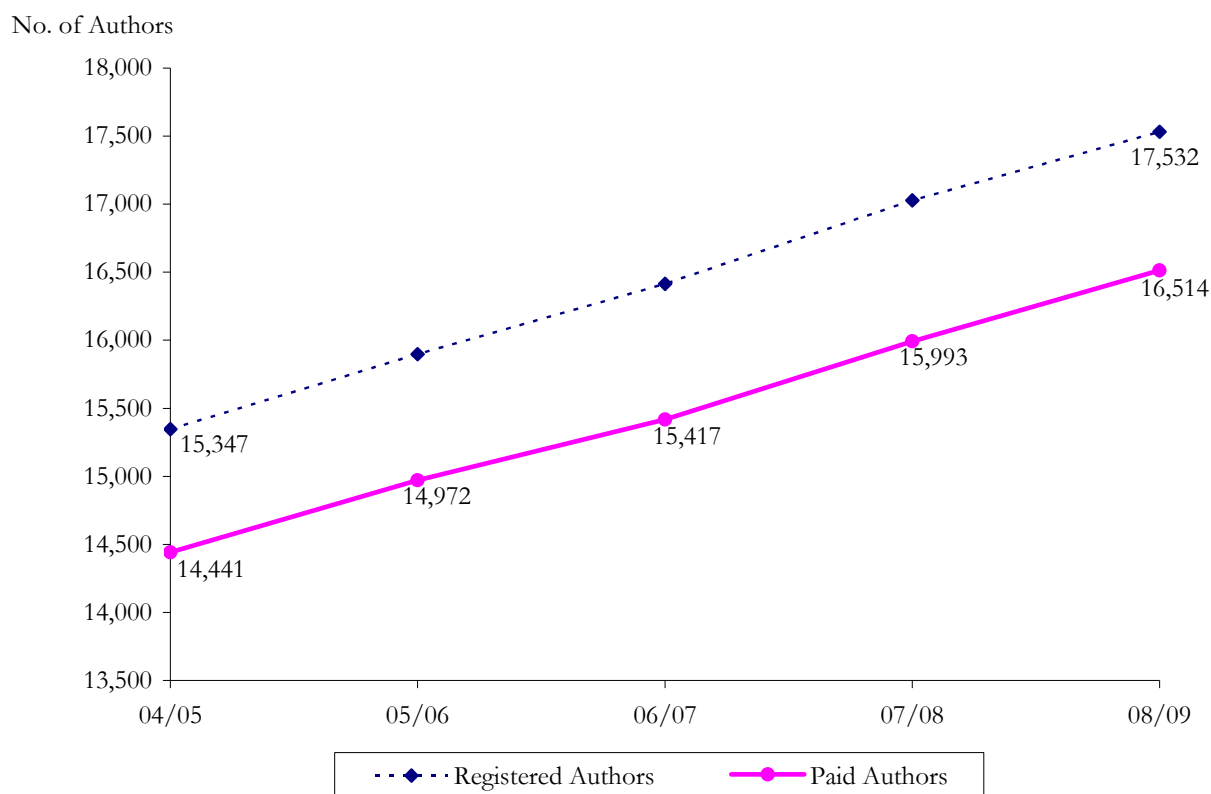
Results of the PLR program's 23rd year

	2007-2008	2008-2009	+ / - (2007-2008)
AUTHORS REGISTERED IN THE PROGRAM	17,028	17,532	2.96%
AUTHORS RECEIVING PAYMENT	15,993	16,514	3.26%
REGISTERED TITLES	73,578	78,038	6.06%
ELIGIBLE TITLES	73,075	76,542	4.74%
TITLES RECEIVING PAYMENT	62,631	65,345	4.33%
AMOUNT DISTRIBUTED TO AUTHORS	\$9,115,095	\$9,901,024	8.62%
AVERAGE PAYMENT PER AUTHOR	\$570	\$600	5.26%
MEDIAN PAYMENT	\$279.59	\$292.00	4.44%
MAXIMUM AMOUNT PAID PER BOOK	\$268.10	\$280.00	4.44%

Growth: new authors

REQUESTS FOR REGISTRATION KITS	English	French	Total
2006-2007			749
2007-2008			827
2008-2009	531	271	802
NEW AUTHORS REGISTERED			
2006-2007			798
2007-2008			849
2008-2009	496	254	750
NEW AUTHORS RECEIVING PAYMENT			
2006-2007			640
2007-2008			728
2008-2009	428	245	673
AMOUNTS PAID TO NEW AUTHORS			
2006-2007			\$194,458
2007-2008			\$211,286
2008-2009	\$115,952	\$83,351	\$199,303

Number of registered authors, 2004-2009



Distribution of author payments

1. Payments by range and by language, 2008-2009

	Language	Authors	%	\$	%
MINIMUM \$25	E	274	1.66%	\$6,850.00	0.07%
	F	66	0.40%	\$1,650.00	0.02%
	E+F	340	2.06%	\$8,500.00	0.09%
FROM \$25.01	E	5,625	34.06%	\$885,306.80	8.94%
TO \$292.00	F	2,295	13.90%	\$413,703.20	4.18%
	E+F	7,920	47.96%	\$1,299,010.00	13.12%
MEDIAN \$292.00	E+F	8,260	50.02%	\$1,307,510.00	13.21%
FROM \$292.01	E	2,330	14.11%	\$1,016,749.60	10.27%
TO \$600.00	F	1,127	6.82%	\$519,388.80	5.25%
	E+F	3,457	20.93%	\$1,536,138.40	15.51%
FROM \$600.01	E	1,111	6.73%	\$858,530.80	8.67%
TO \$999.99	F	695	4.21%	\$545,476.80	5.51%
	E+F	1,806	10.94%	\$1,404,007.60	14.18%
FROM \$1,000.00	E	1,025	6.21%	\$1,414,470.00	14.29%
TO \$1,999.99	F	730	4.42%	\$1,011,016.00	10.21%
	E+F	1,755	10.63%	\$2,425,486.00	24.50%
FROM \$2,000.00	E	295	1.79%	\$696,820.80	7.04%
TO \$2,799.99	F	223	1.35%	\$520,660.80	5.26%
	E+F	518	3.14%	\$1,217,481.60	12.30%
MAXIMUM \$2,800.00	E	373	2.26%	\$1,044,400.00	10.55%
	F	345	2.09%	\$966,000.00	9.76%
	E+F	718	4.35%	\$2,010,400.00	20.30%
TOTAL	E	11,033	66.81%	\$5,923,128.00	59.82%
	F	5,481	33.19%	\$3,977,895.60	40.18%
	E+F	16,514	100.00%	\$9,901,023.60	100.00%

Median: The median of a population is the point that divides the distribution of scores in half.
In February 2009, 8,260 authors (50.02%) received \$292.00 or less. They shared 13.21% of the budget.

Average: In February 2009, the average payment was \$600.

11,717 authors (70.95%) received \$600 or less . They shared 28.72% of the budget.
4,797 authors (29.05%) received more than \$600. They shared 71.28% of the budget.
2,991 authors (18.11%) received \$1,000 or more. They shared 57.10% of the budget.
1,236 authors (7.48%) received \$2,000 or more. They shared 32.60% of the budget.

Distribution of author payments

2. Payments by province, 2008-2009

Province / Territory	Number of Authors	%	Number of Payments	%	% Paid	\$	% Total Budget
NEWFOUNDLAND AND LABRADOR	258	1.47%	241	1.46%	93.41%	\$109,930.20	1.11%
NOVA SCOTIA	637	3.63%	606	3.67%	95.13%	\$253,646.20	2.56%
PRINCE EDWARD ISLAND	68	0.39%	63	0.38%	92.65%	\$37,367.60	0.38%
NEW BRUNSWICK	378	2.16%	361	2.19%	95.50%	\$177,065.40	1.79%
QUÉBEC	5,703	32.53%	5,468	33.11%	95.88%	\$3,918,240.40	39.57%
ONTARIO	5,709	32.56%	5,297	32.08%	92.78%	\$2,999,724.60	30.30%
MANITOBA	432	2.46%	406	2.46%	93.98%	\$186,278.60	1.88%
SASKATCHEWAN	343	1.96%	312	1.89%	90.96%	\$182,661.60	1.84%
ALBERTA	889	5.07%	820	4.97%	92.24%	\$424,338.40	4.29%
BRITISH COLUMBIA	2,519	14.37%	2,371	14.36%	94.12%	\$1,269,769.80	12.82%
NORTHWEST TERRITORIES	12	0.07%	12	0.07%	100.00%	\$5,216.80	0.05%
YUKON	27	0.15%	27	0.16%	100.00%	\$8,458.60	0.09%
NUNAVUT	5	0.03%	5	0.03%	100.00%	\$1,802.40	0.02%
OUTSIDE CANADA	552	3.15%	525	3.18%	95.11%	\$326,523.00	3.30%
TOTAL	17,532	100.00%	16,514	100.00%	94.19%	\$9,901,023.60	100.00%

Example: In 2008-2009, 90.96% of registered Saskatchewan authors received a payment.

This represents 1.89% of paid authors. These authors received 1.84% of the payment budget.

New registered titles

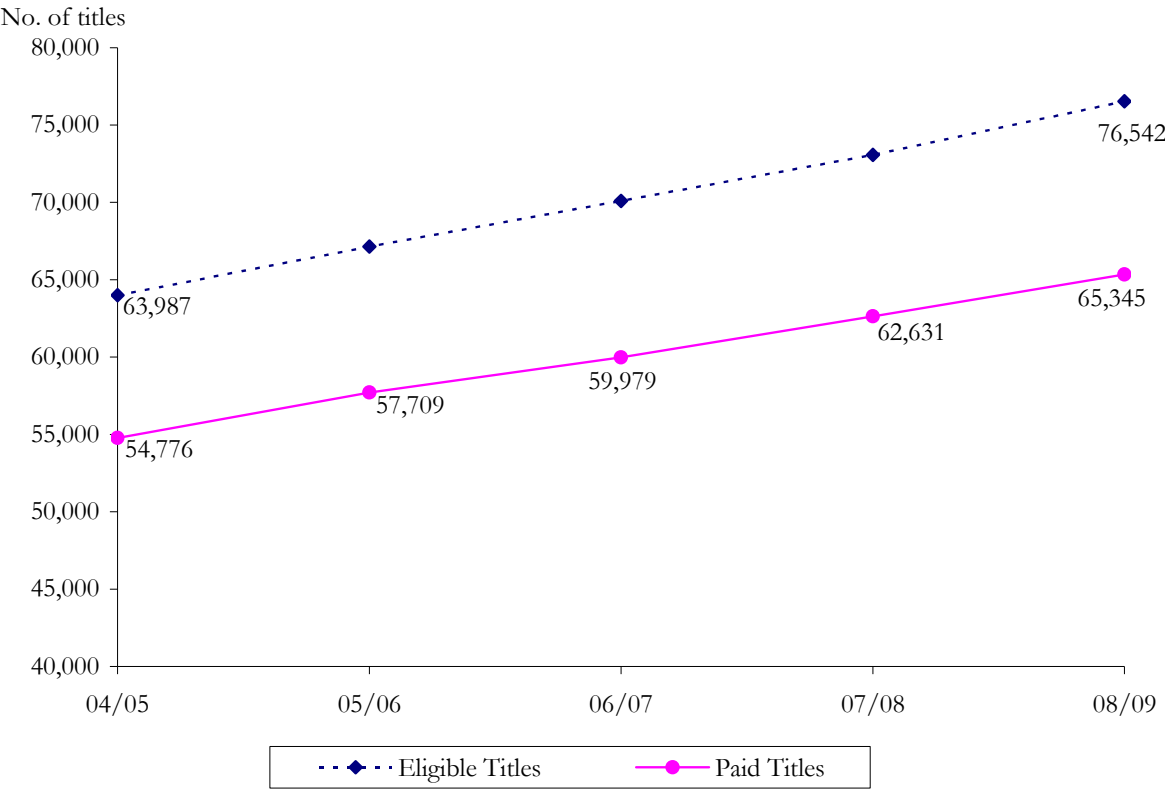
NEW REGISTERED TITLES	English	French	Other	Bilingual	Total
2006-2007					4,341
2007-2008					4,624
2008-2009	2,726	1,700	178	40	4,644
NEW ELIGIBLE REGISTERED TITLES					
2006-2007					3,778
2007-2008					4,139
2008-2009	2,418	1,524	172	28	4,142
NEW TITLES FOUND IN SAMPLED LIBRARIES					
2006-2007					3,066
2007-2008					3,343
2008-2009	1,812	1,411	36	21	3,280
AMOUNTS PAID FOR NEW TITLES					
2006-2007					\$511,342
2007-2008					\$536,643
2008-2009	\$279,558	\$268,121	\$2,281	\$1,903	\$551,863

New eligible titles by language and by category

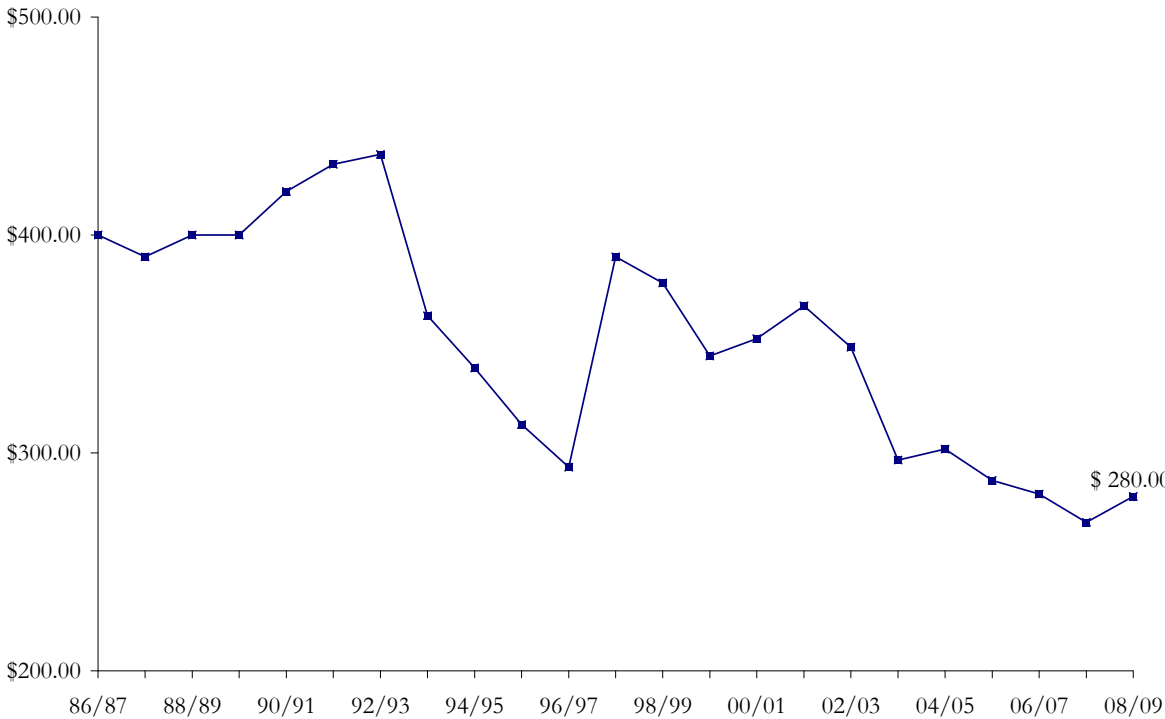
	English	French	Other	Bilingual	Total	%
CHILDREN'S	612	593	76	9	1,290	31.14%
FICTION	508	373	31	1	913	22.04%
POETRY	228	156	17	4	405	9.78%
DRAMA	52	24	1	0	77	1.86%
NON-FICTION*	1,018	378	47	14	1,457	35.18%
TOTAL	2,418	1,524	172	28	4,142	
%	58.38%	36.79%	4.15%	0.68%		

* Non-fiction includes scholarly works.

Number of titles, 2004-2009



Maximum per title since 1986
(the amount paid for a title found in all sampled libraries)



Annual growth in the number of eligible titles by language

Language	Year	Number of titles	Growth in comparison to previous year
ENGLISH	2006-2007	42,227	3.90 %
	2007-2008	43,916	4.00 %
	2008-2009	45,939	4.61 %
FRENCH	2006-2007	25,227	5.38 %
	2007-2008	26,362	4.50 %
	2008-2009	27,625	4.79 %
BILINGUAL	2006-2007	315	2.94 %
	2007-2008	332	5.40 %
	2008-2009	356	7.23 %
OTHER	2006-2007	2,321	2.88 %
	2007-2008	2,465	6.20 %
	2008-2009	2,622	6.37 %
TOTAL	2006-2007	70,090	4.39 %
	2007-2008	73,075	4.26 %
	2008-2009	76,542	4.74 %

Eligible titles found in 2008-2009

Language	Number of titles	Percentage
ENGLISH	38,886	59.51%
FRENCH	25,550	39.10%
OTHER	611	0.94%
BILINGUAL	298	0.46%
TOTAL	65,345	100.00%

Eligible titles by language and category

Language	Category	Number of titles	% Language	% Category	% Overall
ENGLISH	CHILDREN'S	8,882	19.33%	52.43%	11.60%
	FICTION	8,175	17.80%	52.75%	10.68%
	POETRY	4,709	10.25%	55.46%	6.15%
	DRAMA	1,176	2.56%	57.96%	1.54%
	NON-FICTION*	22,997	50.06%	68.48%	30.04%
	TOTAL	45,939	100%		60.02%
FRENCH	CHILDREN'S	7,472	27.05%	44.10%	9.76%
	FICTION	6,600	23.89%	42.59%	8.62%
	POETRY	3,356	12.15%	39.52%	4.38%
	DRAMA	795	2.88%	39.18%	1.04%
	NON-FICTION*	9,402	34.03%	28.00%	12.28%
	TOTAL	27,625	100%		36.09%
OTHER	CHILDREN'S	555	21.17%	3.28%	0.73%
	FICTION	702	26.77%	4.53%	0.92%
	POETRY	338	12.89%	3.98%	0.44%
	DRAMA	45	1.72%	2.22%	0.06%
	NON-FICTION*	982	37.45%	2.92%	1.28%
	TOTAL	2,622	100%		3.43%
BILINGUAL	CHILDREN'S	33	9.27%	0.19%	0.04%
	FICTION	20	5.62%	0.13%	0.03%
	POETRY	88	24.72%	1.04%	0.02%
	DRAMA	13	3.65%	0.64%	0.11%
	NON-FICTION*	202	56.74%	0.60%	0.26%
	TOTAL	356	100%		0.47%
TOTAL	CHILDREN'S	16,942			22.13%
	FICTION	15,497			20.25%
	POETRY	8,491			11.09%
	DRAMA	2,029			2.65%
	NON-FICTION*	33,583			43.88%
	TOTAL	76,542			100%

Example:

The 22,997 English-language non-fiction titles represent: 50.06% of all English-language eligible titles;
68.48% of all non-fiction titles; and
30.04% of all registered titles.

* Non-fiction includes scholarly works.