



Canada Council  
for the Arts

Conseil des arts  
du Canada

Public Lending Right  
Commission

Commission de droit  
de prêt public

Public Lending Right  
in Canada

# Options for Renewal

**Research paper**

prepared for  
the Canada Council for the Arts  
by Roy MacSkimming with research  
assistance from Karoline Georges

March 2013

Bringing the arts to life  
De l'art plein la vie

The contents of this paper are the responsibility of its author, Roy MacSkimming, and do not necessarily reflect the views or policies of the Canada Council for the Arts or the Public Lending Right Commission.

# **Contents**

## **Overview of Paper**

### **1 Context**

- 1.1 Introduction: A Program Unlike Others
- 1.2 When a Right Is Not a Right
- 1.3 The Sustainability Challenge
- 1.4 The Study: Objectives, Methodology, Limitations

### **2 Realities and Trends in Canada's Public Libraries**

- 2.1 The Library Survey: Purpose, Scope, Distribution
- 2.2 Survey Responses
  - 2.2.1 Public Libraries and Canadian Literature
  - 2.2.2 Collections-Management Issues
  - 2.2.3 Data-Collection Issues

### **3 Options for Program Renewal**

- 3.1 Key Informant Interviews
- 3.2 Options: Program Design Elements
  - 3.2.1 Eligibility Criteria
  - 3.2.2 Growth Management Strategy
  - 3.2.3 Minimum / Maximum Thresholds

### 3.3 Options: Program Models

#### 3.3.1 Holdings-Based Model

#### 3.3.2 Variant of the Holdings-Based Model

#### 3.3.3 Loans-Based Model

#### 3.3.4 Hybrid Model

#### 3.3.5 Other Concepts

## **4 Reflections**

## **Appendices**

- 1 Libraries Participating in the Survey
- 2 Key Informant Interviews
- 3 Bibliography
- 4 PLR Statistical Tables, 2011/12

## Overview of Paper

In 2011 Canada's Public Lending Right (PLR) program marked its 25<sup>th</sup> anniversary. Recognizing that the environment in which PLR operates – the environment for books, publishing and libraries – had changed considerably during that quarter-century, the Canada Council for the Arts commissioned a series of research studies to create a knowledge base for the program.

The first study documented PLR's policy origins in historical context. The second study examined the development of the program design over 25 years, compared Canadian PLR with PLR programs internationally, and considered the impact of technological change on the program.

The present study is the third in the series and builds on the previous two. Its purpose is to conduct research and analysis assisting decision makers to evaluate options for PLR's future. The paper focuses on two key areas: mapping current realities and trends in Canada's public libraries, which are essential partners in PLR's work; and identifying options for program renewal in the light of pressures on PLR's financial sustainability.

Part 1, "Context," situates the program within the setting of PLR programs internationally and cultural programs domestically. It reiterates PLR's core objective as originally defined by Cabinet: "*to compensate authors for the use of their works through Canadian libraries.*" It goes on to explain why the program, despite its name, does not confer a legal "right," even if it may be construed as a moral one; describes how the federal government gave responsibility for PLR to the Canada Council when establishing the program in 1986; and outlines how policymakers arrived at the rationale for the program model and design – in particular the eligibility criteria determining which authors and titles participate, and the holdings-based model determining how payments are calculated. Part 1 also documents the ongoing challenges to the program's financial sustainability. And it sets out the paper's objectives, methodology and limitations, including the study mandate to present research and analysis but not to make recommendations for action.

Part 2, "Realities and Trends in Canada's Public Libraries," is intended to cast light on library practices and public-use patterns affecting PLR-eligible titles. It summarizes in narrative form the results of an electronic survey of public libraries conducted by the study authors between November 16 and December 19, 2012. Responses were received from 14 large library systems serving some 11.1 million Canadians, about a third of the country's population, in eight different provinces. The survey addresses three broad topics: *Public Libraries and Canadian Literature* (how libraries collect, preserve and promote PLR-eligible books and make them accessible for public use); *Collections-Management Issues* (factors affecting the acquisition, circulation and shelf-life of those books); and *Data-Collection Issues* (availability of public library data on holdings, loans and in-house use, which might be provided to the PLR Office for program-development purposes).

Part 3, “Options for Program Renewal,” summarizes the results of 20 key informant interviews with persons highly knowledgeable about the current state of Canada’s PLR program and the challenges facing it. The interviewees offer a broad range of opinion on the strengths and weaknesses of various options for making the program more sustainable in future and more effective in meeting its core objective.

The options being considered are divided into two categories. Under *Program Design Elements*, interviewees discuss possible changes in eligibility criteria, possible extensions of the program’s Growth Management Strategy, and the merits of raising or lowering the minimum and maximum payment thresholds. Under *Program Models*, divergent views are offered on retaining the current holdings-based program model, adopting instead a variant on the holdings-based model used in Australia and New Zealand, adopting a loans-based model, or adopting some hybrid version. Decision makers are presented with a diversity of options and viewpoints to consider for the future operation of the program.

In Part 4, “Reflections,” the study author concludes this series of PLR research papers by making observations on the program renewal process.

The Appendices include lists of participants in the public library survey and key informant interviews; a bibliography; and a selection of statistical tables used in the paper, drawn mainly from the *Public Lending Right Statistical Report, 2011/12*, the most recent at the time of writing.

# 1 Context

## 1.1 Introduction: A Program Unlike Others

The Public Lending Right (PLR) program is unique in Canada. No other program at any level of government compensates authors for free public use of their books in libraries.

The program is not, however, unique in the world. Canadian PLR is part of an expanding universe of 30 such programs created by national governments since 1946, when Denmark enacted the first PLR system.

In 1986, Canada became the 13<sup>th</sup> nation to implement PLR. The Canadian program is now in its 27<sup>th</sup> year of operation.

As discussed in two earlier research papers by this author commissioned by the Canada Council for the Arts, “The Policy Foundations of Public Lending Right in Canada” (November 2011) and “Canada’s Public Lending Right Program: Program Design, International Comparisons, and the Impact of Technology” (March 2012), PLR systems throughout the world share a common objective based on a simple principle: that it is a matter of fairness, and therefore good public policy, to compensate authors for the public’s use of their intellectual property in libraries.

It has long been recognized that free library access to books and all they contain provides society and the individual with enormous benefits. Libraries make the riches of world literature available to people of all ages, who enjoy enhanced literacy and knowledge through the pleasure of reading. In a free society, public libraries are a public good, even a public necessity.

Authors too receive benefits: a wider public for their books, whose “discoverability” is greatly enhanced by their presence in library collections. At the same time, authors incur a cost: each copy of a library book may be read dozens or even hundreds of times, yet the author receives only a single-copy royalty from the library’s purchase. PLR seeks to provide authors with a fair measure of compensation in return for that public use and public benefit.

Exactly how each PLR program achieves that objective varies from country to country. No two national PLR systems are exactly alike. This is true even within the European Union, which requires member states to operate a system of payments for library use, but allows considerable leeway in its implementation.

All 30 existing PLR programs use a formula of some kind to calculate payments to authors and related book creators. The formula typically entails a sampling of representative library data, extrapolated to arrive at payment levels per title. Some of the main variables among national PLR systems include:

- eligibility of authors, related creators, and works;
- types of libraries sampled to determine public use: e.g., public libraries only, or some combination of public, school, university and/or other libraries;
- the basis for calculating payments, whether library holdings of eligible works, library loans of those works, or library purchases;
- the program's legal status and administrative body;
- the nature and extent of the program's benefits to authors, including minimum and maximum payments; and
- the scale of financial resources allocated to the program.

Canada's PLR program is one of only six located outside the European Union (the others being in Australia, the Faroe Islands, Greenland, Israel and New Zealand). Distinguishing features of Canadian PLR are that it:

- Makes payments to Canadian citizens or permanent residents who are authors of books in specific eligible categories, as well as to eligible co-authors, translators, illustrators, photographers, and anthology editors and contributors;
- Bases payments on an annual sampling of holdings in large public library systems throughout Canada in both official languages;
- Calculates payments according to the presence of eligible titles held within the collections of the sampled library collections;
- Is a program of the Canada Council for the Arts, receiving funding through the Council's annual parliamentary appropriation; and
- Is administered by the Council's Public Lending Right Office, working closely with the Public Lending Right Commission (PLRC).

Canada's PLR sampling process is designed to be generally representative of regions in both official languages. The 2011/12 sample included municipal library systems in Canada's four biggest urban areas: Toronto, Montreal, Vancouver and Calgary. The anglophone sample also included four "virtual catalogues" combining the collections of systems within southern Ontario, southern British Columbia, Manitoba and Nova Scotia; consequently the anglophone sample actually covered a total of 11 library systems. The six systems in the francophone sample included, in addition to the city of Montreal, Quebec City, Gatineau, the Saguenay, Trois-Rivières and the province of New Brunswick (see Appendix 4, Table 7 for a list of sampled libraries).

Because of gaps in the data (national surveys of Canadian libraries by Statistics Canada and the National Library ended in the 1990s), it is difficult to quantify the exact percentage of public library holdings or circulation represented by the PLR sample. However, it is possible to compare the sample with data from the Canadian Urban Libraries Council / Conseil des Bibliothèques Urbaines du Canada, which collects statistics from most of the country's large

urban public libraries. In 2011, the 47 library systems reporting to CULC/CBUC had total holdings of 47 million items and total circulation of 205 million items. The aggregate figures for the PLR-sampled libraries represented somewhat over half of those totals: a large enough sample, when combined with its regional composition, to make it acceptable to the voting members of the Public Lending Right Commission.

The methodology of PLR in Canada comes under direction of the Public Lending Right Commission, as mandated by the federal government and the Canada Council when the program was created. The Commission comprises a rotating body of 15 voting representatives of national associations of writers, translators, librarians and publishers, as well as four non-voting representatives of government cultural agencies. The Commission makes PLR unique among Canada Council programs. No other Council program gives a role to an appointed body (leaving aside the Canadian Commission for UNESCO, which operates under the Council's general authority but is not one of its programs). There is a superficial similarity between the PLRC and the boards of copyright licensing collectives such as Access Copyright and Copibec, which represent the interests of writers and publishers in regard to reprography. But both of these are stand-alone, non-profit organizations, as opposed to PLR's status as a program within a government-funded, arm's-length cultural agency.

Another unique aspect of PLR is that it is formula-based, making payments to registered authors and related creators without recourse to peer assessment. The PLR Office determines which authors and books are eligible to participate according to program criteria and conducts an electronic search for those books in the sampled library collections. This differs from the procedure followed in other Canada Council programs for writers and individual artists, which support future projects on the recommendations of peer assessment committees applying criteria of artistic excellence.

In 2011 Canadian PLR marked its 25<sup>th</sup> anniversary, an event widely celebrated by the writing community in both official languages. Recognizing that the environment for books, publishing and libraries had evolved considerably during that quarter-century, the Canada Council commissioned a series of research studies including the two papers cited above. The present study is the third in the series. Its purpose is to conduct research and analysis assisting decision makers to evaluate options for the program's future. The paper focuses on two key areas: mapping current realities and trends in Canada's public libraries, which are essential partners in PLR's work; and identifying options for program renewal in the light of pressures on PLR's sustainability, to be discussed further in 1.3 below.

## **1.2 When a Right Is Not a Right**

It is important to clarify some ambiguous terminology. Although the program is named Public Lending Right, this does not refer to a legal right under Canadian law, however much one may

consider PLR a moral right. The program is not based on legislation. It was brought into being by a decision of Cabinet, based on a detailed proposal from the Canada Council. Initial program funding was voted by Treasury Board in 1986 and assigned to the Canada Council to administer. In lacking a legislative basis, Canadian PLR differs from PLR programs in some other countries, such as the United Kingdom, Germany and Australia. There are specific reasons why the Canadian program is structured this way.

As described in “The Policy Foundations of Public Lending Right in Canada,” the original policy design work was conducted by a working group created by the Canada Council, known as the Consultative Committee on Payment for Public Use. Consisting of authors, librarians and publishers in both official languages, the Consultative Committee worked between 1977 and 1981. It studied existing PLR schemes, compiled extensive research on Canadian authors and libraries, conducted program modelling, and proposed a detailed program design. On the committee’s recommendation, the Council concluded that it would be impractical to give the program the force of law under the most applicable existing statute, the Copyright Act. Inclusion in the Act would have required Canada, as a signatory to international Copyright conventions, to provide payments to all authors of books in Canadian libraries, including large numbers of foreign authors. In addition, legislating any form of right would have obligated the program to pay all authors regardless of the genre in which they write.

The Canada Council and the federal government were persuaded that neither of these outcomes was desirable from the standpoint of the program’s effectiveness. If foreign nationals and/or authors writing in every genre became eligible, the pool of funds would be seriously diluted given the resources likely to be available, and the program’s impact on individual authors would be reduced. Having compiled a database of over 5,000 Canadian book authors as of 1981, the Consultative Committee did not expect that the program to be so richly funded that it should remain open to the world. Consequently, it recommended that the program exist outside the Copyright Act, and indeed outside any legislation conferring a right.

This position left the program free to target funding to Canadians writing in the same literary categories as those supported by the Canada Council’s granting programs for writing and publishing: fiction, poetry, drama, children’s books and creative non-fiction. These genres are reflective of the Council’s mandate to support the arts. Ineligible for support are genres deemed to be self-financing from the commercial or educational marketplace, such as how-to books, self-help books, guides, directories, cookbooks, school or college textbooks, etc.

When Treasury Board approved funds for creation of the program in October 1986, it did so under the name Payment for Public Use. It defined the program’s core objective as being “*to compensate authors for the use of their works through Canadian libraries.*”

The Treasury Board document also contained this supplementary statement of the government’s intent: “*The program is intended to increase the revenues and improve the financial situation of*

*Canadian writers and give public recognition to their important contribution to protecting Canada's cultural identity."*

The document establishing the program made no reference to a right. Nonetheless, one of the first acts of the newly constituted Payment for Public Use Commission, created by the Canada Council in implementing Cabinet's decision, was to change the program's name to Public Lending Right, the term commonly used internationally; and to change its own name to Public Lending Right Commission. But since no such right exists in Canadian law, the Commission remains able to modify the program's design in terms of eligibility criteria or any other matter concerning program model and methodology.

As discussed in "Canada's Public Lending Right Program: Program Design, International Comparisons, and the Impact of Technology," the Commission has already made certain changes to the original program methodology: e.g., to the library-sampling process (changes implemented in 2004/05), and the method of calculating payments to authors and related creators (implemented in 2009/10). The latter change, known as the Growth Management Strategy, was made in response to the erosion of program resources as steady growth in participation by authors and titles outpaced budget increases.

### **1.3 The Sustainability Challenge**

The inexorable rise in PLR participation rates results from the vigorous productivity of Canadian authors and publishers. Over the five most recent years, 2007 to 2012, an average of 4,391 new titles has become eligible for the program each year (see Appendix 4, Table 5).

This productivity level would be the same regardless of which PLR program model was in play. Because the Canadian model is holdings-based, each year payments are spread across a constantly growing population of eligible titles held in the sampled library collections. And since the program budget has been static for many years and losing ground to inflation, PLR's sustainability is now at risk.

As early as 1995, nine years after the program's inception, Douglas Burnet Smith, then Chair of the Public Lending Right Commission, stated: "Managing program growth, then, is our most formidable challenge, given the expectation...of government restraint."

Today Smith's observation is truer than ever. Over the decade from 2001/02 to 2011/12, PLR's payments budget rose from \$9,653,043 to \$9,921,248, an increase of \$268,205, or 2.8%. (All figures are derived from the PLRC's *Statistical Report, 2011-12*: see Appendix 4, Table 2.)

But during that same decade, the number of authors receiving payments rose from 13,269 to 17,885, an increase of 4,616, or 35%. Meanwhile the number of eligible titles receiving payments rose from 50,878 to 72,870, an increase of 21,992, or 43%.

The following scenario, using the Bank of Canada's Consumer Price Index inflation calculator, is indicative of the general problem:

If PLR payments had kept pace with inflation over the past decade, while receiving a budget increase identical to the one actually received, it would have resulted in total payments by 2011/12 of \$11,861,367 – nearly \$2 million more than the actual payments figure.

Further indicators of the sustainability challenge are cited in “Canada's Public Lending Right Program: Program Design, International Comparisons, and the Impact of Technology.” Drawn from the program's full history from 1986/87 to 2011/12, these indicators show that PLR payments have lost over half of their original purchasing power:

- Since the program's first year, the number of participating authors has risen by a factor of 4, from 4,377 to 17,885. But the payments budget has risen by a factor of only 1.8 when adjusted for inflation: from \$2.7 million in 1987 dollars – the equivalent of \$5.5 million today – to \$9.9 million in 2012;
- In the program's first year, the average PLR payment per author was \$628. In 2012, it was \$555 – the lowest in PLR's history. Adjusted for inflation, today's average payment would have been the equivalent of \$263 in 1987;
- The maximum PLR payment in 1987 was \$4,000 – the equivalent of \$8,016 in today's dollars. In 2012 the maximum is \$3,360.

In earlier years, the PLR Commission's advocacy efforts with the federal government resulted in occasional funding increases to cope with program growth. The overall trend in PLR's funding was upward during its first 16 years: the payments budget grew in stages from approximately \$2.7 million in 1986/87 to \$9.7 million in 2001/02. But in the next decade, as we've seen, the budget lost considerable ground. And in the continuing climate of government fiscal restraint, there is little expectation of significant budgetary increases for the near term.

As a program of the Canada Council, PLR benefited in the current year, 2012/13, from the fact that the Council's parliamentary appropriation remained intact in contrast to the many federal agencies and departments that saw their appropriations reduced to meet federal deficit-reduction targets. Budgetary restraint is likely to be ongoing for the foreseeable future, and it is in the context of this challenge – a challenge worthy of a concerted and imaginative response – that the present study is undertaken.

#### **1.4 The Study: Objectives, Methodology, Limitations**

The objectives of the present study are two-fold:

- To compile information on the state of Canadian public library collections, identifying current realities and trends, and casting light on acquisitions practices and public-use patterns in relation to PLR-eligible books; and
- To conduct research into available options for the future of the PLR program, identifying the strengths and weaknesses of each.

This research is intended to assist the Public Lending Right Commission and the Canada Council to make informed decisions about PLR's future.

The methodology chosen to achieve the first objective is a survey of Canadian public library systems. Public libraries are essential partners in PLR's work. By paying authors according to the presence of their titles in libraries, the PLR program reflects and relies on the curatorial judgment of professional librarians who have selected those titles for their collections. The survey responses are intended to provide relevant contextual knowledge of the changing library environment in which both librarians and PLR operate.

The second objective is pursued by conducting key informant interviews as an investigation into program design options. This work is intended to capture a spectrum of ideas about the strengths and weaknesses of possible program modifications, with a view to making PLR more sustainable and more effective in achieving its core objective.

A limitation of the study is that it is restricted to researching and analyzing information and presenting it to decision makers, stakeholders and other interested parties. Recommendations have not been requested from the consultants, and none are made. Decisions on the structure and management of the program remain the purview and responsibility of the Public Lending Right Commission and the Canada Council. It should be noted that a majority of the 20 key informant interviews were conducted with persons who are currently, or have been formerly, associated with the PLR program. Some of those persons are among the decision makers to whom this paper is addressed.

## **2 Realities and Trends in Canada's Public Libraries**

### **2.1 The Library Survey: Purpose, Scope, Distribution**

Following consultations with library collections managers, the consultants prepared a survey document designed to elicit a broad range of information about the operations of Canadian public libraries in both official languages. This information concerns the acquisitions and holdings of Canadian-authored books, particularly in PLR-eligible categories; the accessibility, circulation and other public uses of those books; and other modalities of public engagement by libraries to promote reading Canadian authors. The intent of compiling the information is to cast light on library practices and use patterns affecting PLR-eligible titles.

Questions were posed about public libraries' role and operations in three areas, to be discussed below:

- Public Libraries and Canadian Literature;
- Collections-Management Issues;
- Data-Collection Issues.

The electronic survey was distributed on November 16, 2012 to the CEOs, Directors or Chief Librarians of 19 major library systems across the country: nine operating in French, nine in English, and one (the Ottawa Public Library) in both languages. These libraries include those participating in the most recent PLR sampling process, as well as others that have participated in the past.

### **2.2 Survey Responses**

Fifteen completed questionnaires were received by December 19, 2012: eight relating to English-language collections and seven to French-language collections. Survey results from the Ottawa Public Library are included in both the English and French totals. These returns represent 14 out of the 19 library systems, a response rate of 74%.

The responding library systems are located in eight different provinces. Their services are available to a substantial proportion of the population, including Canada's five largest cities by population. In total these libraries serve 13, or 43%, of Canada's largest 30 municipalities, plus the province of New Brunswick. They provide library services to an aggregate population base of 11.1 million people, a third of all Canadians. Library systems responding to the survey are listed in the Appendices.

The survey questions follow, with a summary of the libraries' responses to each question. A narrative summary is provided, rather than a graphic tabulation of responses, since most of the questions gave rise to nuanced replies instead of simple yes-or-no answers.

### **2.2.1 Public Libraries and Canadian Literature**

The survey asked a series of questions seeking the libraries' views on acquiring, preserving and promoting Canadian-authored books and making them accessible for public use.

**1. Mission:** *Please state briefly (in 150 words or less) your Library's mission in regard to building its collections of Canadian-authored books in all formats. Where does this mission rank among the Library's priorities?*

Each library described its basic institutional mission. These mission statements can be broadly characterised as serving the local community by providing the public with the widest possible access to print, audio, visual and electronic resources for information, learning and enjoyment. The following two statements are representative:

- “Providing universal access to a broad range of human knowledge, experience, information and ideas....”; and
- “Démocratiser l'accès à l'information, à la connaissance, à la culture et au loisir [democratizing access to information, knowledge, culture and leisure].”

As to placing a priority on building collections of Canadian-authored books, respondents were about evenly divided. Half identified this as either a top priority or a very high priority, described in terms of documenting the Canadian experience for the benefit of library users, or fostering public awareness of Canada and Canadians. The other half of respondents placed a higher priority on materials about, and originating in, their particular locality, province or region.

**2. Acquisitions Policy:** *How does the above mission drive your Library's selection and acquisition of Canadian-authored books? Please respond particularly in regard to PLR-eligible categories: fiction, poetry, drama, children's books, scholarly works, creative non-fiction.*

Responses to this question indicate a high degree of consensus among public librarians on the principles underlying acquisitions policy. Librarians base their selection of materials on their knowledge of library users' interests and on patterns of user demand. They acquire books and other materials (periodicals, CDs, DVDs, etc.) with the perceived needs of their community in mind. They also apply criteria of professional quality and current relevance. To complement their subjective judgment, they pay particular attention to book review media, literary awards, diversity of subject matter and viewpoint, and the overall balance of the collection.

Libraries apply the same criteria to all acquisitions, including Canadian-authored books. Although libraries in the four largest urban areas specified that they place a high priority on

acquiring Canadian-authored titles across all categories, the remainder expressed an even greater commitment to collecting regional and local materials. Most libraries located in Quebec stated a distinct preference for collecting québécois literature and subject matter. Most English-language libraries also emphasized acquisition of books by local authors and materials dealing with their own province or region.

One anglophone library acknowledged buying almost everything produced by authors within the province. A Quebec library indicated that it privileges québécois titles over titles from the rest of Canada; an anglophone library said something similar in regard to books from its own province and region. One library stated that, within a larger priority on Quebec publications, it puts special emphasis on titles from its particular region of Quebec. Another noted that the Quebec government subsidizes the acquisition of Quebec titles: a reference to a program administered by Culture et Communication Québec offering collections-development project grants to qualifying libraries, provided that 75% of the funding is spent on books and other materials published in the province.

This focus on regional literature across the country likely helps to explain why the presence of PLR-registered titles is smaller in some library collections than in others. Among anglophone libraries sampled during 2011/12, the percentage of all registered English-language titles found in the collections varied between 36% and 72%, the average being 53%. In francophone libraries, the percentage of all registered French-language titles found varied from 51% to 72%, with an average of 62%. (See Appendix 4, Table 8.) Other factors influencing these variances include, of course, differences among libraries in the scale of their acquisitions budgets. Influences favouring the higher average percentage of French titles in francophone libraries may include the relative homogeneity of Quebec society compared with the rest of Canada, and strong Quebec government policies encouraging the production, distribution and consumption of Quebec cultural content.

**3. Curatorial Role:** *Does the Library have a curatorial responsibility to ensure that its Canadian collections preserve, and provide public access to, works of lasting literary and cultural value? How would you describe that responsibility?*

Most libraries replied that they have neither the mandate, budget, nor space to exercise a curatorial responsibility by preserving Canadian book collections for research purposes or for posterity. One respondent pointed out that this is the mandate of archival organizations such as Library and Archives Canada and the Bibliothèque et Archives nationales du Québec, as well as university libraries.

Almost universally, however, an exception was made for building and preserving “special collections” of local or regional history and literature. Most libraries noted a responsibility to preserve the written heritage and historical memory of their particular community. Often these are treated as archival resources. Similarly, some libraries maintain special collections in areas

such as genealogical resources, classic works of Canadian or québécois literature, or First Nations materials.

Respondents described their responsibility as providing the public with access to materials in the present, rather than preserving them for future purposes. One respondent noted, however, that library users do expect their public library to keep older titles available: “They like to read series, they like to see the development of an author’s body of work, they like to re-read favourites, and they like to share their favourites with their children.”

*Does the Library see itself as a “cultural space” providing the public with access to contemporary and historical Canadian literature, especially in light of the demise of independent bookstores?*

Respondents agreed strongly that public libraries constitute a “cultural space.” They do so, first, by providing free and open access to a wealth of cultural resources; and second, by helping visitors to identify and find materials with the aid of online catalogues and professional staff expertise. Libraries also provide programming of a cultural, informational or educational nature, bringing the public into direct contact with Canadian literature and even with authors themselves (see next question).

Respondents pointed out that within large urban library systems, neighbourhood branches provide citizens with a cultural space close to home for purposes of study, leisure reading and a variety of community activities. Within provincial or regional systems, local branches represent an important community infrastructure for leisure reading and learning, especially in smaller communities lacking a bookstore.

The reference in this question to the demise of independent bookstores resonated more strongly with anglophone librarians. In Quebec, on the other hand, the longstanding Loi 51 has helped to maintain economically healthy publishing and retail bookselling industries. This legislation requires public libraries and other provincially funded institutions to source books from accredited bookstores in the province, and requires those bookstores in turn to stock a minimum quantity of Quebec-published titles. Answers to the next question provide some examples of how libraries may be filling gaps left in some anglophone communities by the disappearance of independent bookstores.

**4. Promotion of Canadian Literature:** *What tools does the Library use to promote Canadian books and authors, enhancing their “discoverability” (e.g., website, displays, handouts, in-library author appearances, community events outside the library, staff training, etc.)?*

Libraries reported using a great variety of tools and programs to promote Canadian and/or québécois literature. These include:

- In-library author appearances;
- City-wide author reading series;
- Filming author readings and posting them on the library's website;
- Reading clubs for children, young adults and adults, including online clubs;
- Children's story times;
- "One Book" programs, in which all citizens are invited to read a chosen Canadian title;
- Writing workshops;
- Writer-in-residence programs;
- Themed book exhibitions;
- Suggested reading lists;
- Participation in literary festivals, *salons du livre* and other community events;
- Website book promotions;
- Social-media promotions (Facebook pages, Twitter, blogs);
- Sponsoring and promoting local or regional literary awards;
- Promoting national and regional award winners and nominees;
- Identifying Canadian-authored titles with a visual designation;
- Promotional bookmarks;
- Library training sessions to maintain staff knowledge of new books.

As specialists in the dissemination of information and knowledge, librarians have developed expertise in using digital communications and media to reach the public. One major urban system termed its website "the library's virtual branch" and described it as "a powerful tool for promoting programs, books and authors."

Responses to questions 3 and 4 make it apparent that Canada's public libraries do considerably more than collect, stock and lend books. They provide cultural spaces in which citizens of all ages can browse and discover Canadian as well as international titles; and they are proactive in bringing the public face-to-face with Canadian books and authors. Libraries use multiple means of communication to enhance public knowledge of contemporary literature and stimulate public interest in reading it. Libraries' engagement with the public seeks to encourage personal reading by offering a wide selection of attractive choices. It may even influence book-buying decisions by library users wishing to own a particular title or read other works by an author discovered at the library.

### ***2.2.2 Collections-Management Issues***

The survey asked a series of questions seeking information about ways in which public libraries manage their Canadian collections.

**1. Budget:** *In general, what impact have recent funding constraints had on the Library's operations? What is the particular impact on the Library's ability to acquire PLR-eligible books: i.e., Canadian fiction, poetry, drama, children's books, scholarly works, creative non-fiction?*

Perhaps surprisingly, a majority of respondents reported no significant funding constraints on their acquisition budgets for library materials in general or PLR-eligible books in particular. One library system reported receiving annual budgetary increases matching or exceeding inflation. Another large urban system cited a collections-development plan that has increased the capacity of branches to acquire PLR-eligible titles.

These responses indicate a positive situation for acquisition of new titles. As long as libraries continue to purchase new books at current levels, PLR participation rates will continue to grow commensurately.

In some cases, however, particularly in smaller communities, budgetary restraints have had an impact. One library in a smaller city reported having to reduce services, opening hours and collections. Another mentioned staff reductions. A third referred to the need to seek financial partnerships to support collections building.

**2. Circulation:** *Are the Library's books in PLR-eligible categories generally available for check-out by the public? Approximately what proportion of the Library's PLR-eligible titles is housed in reference collections for in-library use only?*

A substantial majority of respondents stated that PLR-eligible books are generally available for borrowing by library users.

Most added that the proportion of PLR-eligible titles maintained in special reference collections (comprising materials available for in-library consultation but not for borrowing) is negligible to very small. Two libraries specified less than 1%.

The responses of the country's three largest urban systems, however, were slightly different. One stated that it maintains *some* PLR-eligible titles in its reference collection only (titles for which there is low anticipated demand), but that it is very difficult to estimate what proportion these represent of all PLR-eligible titles in the collection. Another library specified that 19% of its PLR-eligible titles are found in the reference collection. A third indicated that, for each title added to the reference collection, the library usually purchases a circulating copy as well. It is noted that these three systems are among the four highest in terms of percentage of PLR-registered titles found during the most recent (2011/12) sampling process (Appendix 4, Table 8).

**3. In-Library Use:** *Is in-library use of the Library's book collections increasing or decreasing? For what reasons? How does this trend compare with in-library use of PLR-eligible titles?*

Public library use includes consulting and reading books in-library without necessarily borrowing them. Nearly all respondents to the survey reported that in-library use is declining or, at best, not growing significantly. The reason most commonly cited was that users are increasingly accessing information online and hence not consulting library copies of reference works as frequently as in the past. Only one large urban system reported a small increase in in-house use.

Libraries that collect statistics in this area normally do so during one or more "sampling weeks" annually and extrapolate results for the whole year. They count all items (books, periodicals, newspapers, etc.) consulted by users in the library, regardless of category. Consequently they are unable to compare PLR-eligible titles with other categories.

It should be noted that reference works, i.e., dictionaries, encyclopaedias, guides, directories, etc., are ineligible for PLR.

**4. Inter-Library Loans:** *Do inter-library loans help to fill gaps in the public's access to Canadian literature? Please provide an estimate of the proportion of inter-library loans represented by PLR-eligible titles.*

Respondents answered "yes" unequivocally to the first question: an indication that a book's presence in a library collection can also serve the needs of readers at another library and often in another community, since inter-library loans may be made between one community and another. One response was typical: "Inter-library loans help to fill the gaps in the public's access to all kinds of material, including Canadian literature."

Libraries keep statistics on inter-library loans – both the number of items sent to, and received from, other libraries – but do not track items by category. Therefore the majority of respondents were unable to provide an estimate of PLR-eligible titles as a proportion of total inter-library loans. Three estimates of this proportion were provided, but they cover such a wide range – from 2% to 28% to 50% -- that it is difficult to draw any firm conclusions from them.

A point of reference: inter-library loans made by the 47 libraries reporting to the Canadian Urban Libraries Council / Conseil des Bibliothèques Urbaines du Canada in 2011 totalled 126,921, and inter-library loans received totalled 104,255.

**5. Withdrawal Policy:** *Briefly stated, what are the Library's criteria for culling its collections? Approximately what percentage of the Canadian collections is de-accessioned each year?*

Responding libraries reported almost identical criteria for de-accessioning or “weeding” books from their collections. These criteria apply to all categories of books. They include a book’s physical condition; the currency and accuracy of its content; the level of its circulation; the number of copies of a title in the collection; and physical space considerations.

If a title has not been borrowed for a specific period of time, it may be weeded. Most respondents did not specify the time period. One stated one year; another said two years; and another commented that the period varies by collection. On the other hand, a book in poor physical condition that remains in demand by library users will be replaced with a new copy.

Librarians review their collections regularly, given physical limitations on space, and the constant pressure from new acquisitions. But most respondents were unable to provide an estimate of the percentage of their Canadian collections de-accessioned each year, since such statistics are not kept by category. Only one reported a specific figure: 6%.

It is clear from the responses, however, that older books are reassessed regularly and if necessary removed from collections. In general, a book will not be kept indefinitely if it attracts no user interest. Titles that have been weeded from a collection, when searched in the PLR sampling process, are identified as “not found” and do not receive a “hit,” i.e., payment.

EBooks are not yet included in PLR sampling but may soon be (see the series of questions under 7 below). Presumably eBooks are less liable to de-accessioning than print titles for reasons of space or physical deterioration. Nonetheless, there may be other reasons for a library to weed eBooks, such as currency and accuracy of content, or level of demand.

**6. Life-Cycle:** *Broadly speaking, what is the typical life-cycle (in terms of months or years) of PLR-eligible categories in terms of peak active circulation? In terms of shelf-life in the collections? How does this differ from other categories?*

Responses to these questions varied widely. Five responding libraries reported that there is no empirical data to support answers. Some did not answer, without explaining why. Several others made individual estimates, as follows:

*Peak active circulation of a typical title in PLR-eligible categories:* one year, two years, five years;

*Average shelf-life of PLR-eligible titles:* seven years, 10 years, 20 years. Several respondents stated that average shelf-life is impossible to determine; the duration of a book’s presence in the collection depends on a variety of factors, including continuing user demand and perceived

cultural value (e.g., award nominees, classics, local author or subject, etc.), which vary greatly from book to book.

All replies regarding the third question indicated that PLR-eligible books do not differ from other categories in terms of either peak circulation or shelf-life.

**7. eBooks:** *Approximately what percentage of the Library's acquisitions budget is currently allocated to eBooks? What is the dollar figure?*

This is the first in a series of questions that the survey asked about eBooks. Currently eBooks are not eligible for inclusion in PLR. But since the Public Lending Right Commission has stated its intention of including them in the program by 2014/15, it was felt that collecting data on eBooks in public libraries would be useful for informing implementation of that decision.

By now most new PLR-eligible titles are being published in both print and eBook formats. In addition, many older print books have been newly digitized; and some new titles – particularly self-published books – are being released as eBooks only.

Some libraries were not in a position to answer the two foregoing questions. Some answered one but not the other. Naturally those answers that were received vary a great deal from library to library, as follows:

*Percentage of acquisitions budget allocated to eBooks:* 0.5%, 2%, 2.8%, 3%, 3.4%, 3.5%, 4.8%, 6%, 6.5%, 8.6%.

*Most recent annual dollar figure for eBook purchases:* \$45,000, \$65,000, \$80,000, \$102,000, \$140,000, \$188,000, \$500,000, \$1.14 million.

In the case of two francophone library systems, eBook purchases will begin only during 2013. Two other libraries noted that acquisitions of other electronic resources (e.g., streaming materials online) are accounted for separately from eBook purchases.

These responses indicate – apart from considerable variation in budgetary resources – that for many libraries, eBooks still represent a relatively small segment of total acquisitions. It is, however, a rapidly growing segment: see next question.

*What do you expect eBooks as a percentage of the Library's acquisitions budget to be five years from now?*

The eBook market is growing rapidly. Yet, as described in the author's two earlier PLR papers, and in a comprehensive 2011 report on eBooks in Canadian libraries commissioned by the PLRC from Paul Whitney, obstacles exist to libraries' access to eBooks in general and Canadian-authored eBooks in particular. Consequently some respondents were reluctant to estimate what

their eBook purchases will be in five years, apart from the expectation that they will almost certainly represent a higher percentage than now.

The following eight estimates were provided, suggesting that for some libraries, substantial increases in eBook purchases are expected: 2–5%, 5%, 8–10%, 10%, 13–15%, 20%, 20% or higher, and (remarkably) 50%.

*In percentage terms, what is the increase in eBook circulation in the most recent year, compared to the previous year?*

An extremely broad range of figures was provided for eBook circulation increases during the most recent year: 2%, 50%, 75%, 86.7%, 100%+, 105%, 110%, 162%, 165%.

All but the first of these figures represent an exponential increase in eBook circulation. If similar annualized increases continue in the near term, eBooks will come to represent an increasingly significant portion of library loans and public use in Canada. (It should be noted that these circulation figures apply to all eBooks, not Canadian or PLR-eligible titles only.)

*Is the Library actively seeking to acquire eBook editions of Canadian PLR-eligible titles?*

All but one of the responding libraries affirmed that they are actively seeking to acquire PLR-eligible titles in eBook format. Two libraries mentioned collaborating with the Canadian Urban Libraries Council / Conseil des Bibliothèques urbaines du Canada in its efforts to work with anglophone Canadian publishers to improve library access to eBooks.

One library noted that it purchases only fiction and narrative non-fiction in eBook format – the reason being that currently available electronic formats are not well-suited to graphic works such as children’s and other illustrated books. Another respondent mentioned seeking to expand its relationships with eBook providers, in order to obtain access to a wider selection of titles.

*Do you expect acquisition of Canadian-authored eBooks to grow significantly as a result of initiatives such as l’Entrepôt numérique and/or Ebound?*

During 2012 l’Entrepôt numérique and its related organization, Prêtnumérique.ca – initiatives of the Association nationale des éditeurs du livre – ramped up their program of making Canadian-authored eBooks in French available to libraries. Meanwhile Ebound – an initiative of the Association of Canadian Publishers – worked with the Canadian Urban Libraries Council / Conseil des Bibliothèques urbaines du Canada to develop a made-in-Canada platform making Canadian-authored eBooks in English more accessible to libraries in a user-friendly manner. (For additional information on these projects, see “Canada’s Public Lending Right Program: Program Design, International Comparisons, and the Impact of Technology,” and the 2011 PLRC report by Paul Whitney.)

A substantial majority of respondents answered yes to this question, clearly indicating that l'Entrepôt numérique and/or Ebound will be instrumental in assisting them to acquire more Canadian eBooks.

Two respondents answered in the negative, and two felt unable to say.

One Quebec library noted that l'Entrepôt numérique is its sole eBook supplier at this time, and that it supplies only Quebec titles. An anglophone library commented that these projects will increase its Canadian eBook purchases, provided the titles are made available with affordable pricing and use policies. (This caveat reflects difficulties that libraries currently experience with some English-language eBook publishers, particularly multinational firms, such as charging high prices for library editions of eBooks, or placing limits on the number of times an eBook may be lent by libraries.)

*What resources does the Library devote to providing patrons with technical support for using eReaders and accessing eBooks in its collections?*

Most of the libraries indicated that they now provide the public with technical support to assist in borrowing and reading eBooks. The remainder indicated that they will begin doing so in 2013. This support represents a significant allocation of library staff time and resources.

Modalities of support include:

- Training library staff to help the public with technical issues;
- Workshops offered to the public by library staff;
- In-library support by staff responding to questions one-on-one;
- Support to customers over the telephone or by email, including provision of a direct e-resources phone line and email address;
- Printed leaflets providing guidance on how to use eBooks;
- Help pages and blogs on the library website;
- Technical help given by vendors such as Overdrive, the major U.S. supplier of eBooks to libraries in North America;
- Lending eBook readers to customers, with assistance in how to use them;
- Promoting access to the library's eBook collection through social media.

**8. Self-published Titles:** *Briefly stated, what criteria does the Library use in acquiring self-published titles? Has there been a significant increase in the Library's acquisition of self-published titles in PLR-eligible categories?*

This question was prompted by the fact that PLR treats self-published books as eligible under certain conditions: they must fall into the eligible categories and be found in the sampled library holdings, i.e., librarians must have deemed them worthy of inclusion in their collections.

All responding libraries reported that they apply the same criteria to self-published titles as to professionally published works: public interest, relevance, quality, etc. Some noted that they also pay attention to reviews and media coverage as indicators of public interest in self-published titles, and to the author's professional credentials. Many mentioned giving special treatment to self-published titles by local authors, for which there may be greater local demand.

In responses to the second question, there was a notable divergence between anglophone and francophone librarians. Anglophones were much more likely to have observed a recent increase in acquisition of self-published titles in PLR-eligible categories. For the great majority of francophone libraries, however, no significant increase was reported. This difference likely reflects the relative frequency and popularity of self-publishing in the two languages.

### **2.2.3 Data-Collection Issues**

The survey asked questions concerning the data that public libraries collect about their holdings and circulation figures, and their willingness and ability to share those data with the PLR Office.

**1. Impact of a Loans-Based PLR System:** *Canada operates a “holdings-based” PLR system: i.e., payments to authors are based on the presence of eligible titles in public library collections. In some other countries, PLR is “loans-based”: i.e., payments are based on the number of times eligible titles are borrowed. In the hypothetical event that PLR adopted a system based on loans, what would likely be the broad impact in the case of a) fiction, b) poetry and drama, c) children's books, d) scholarly works, e) creative non-fiction?*

Responses to this question show a distinct consensus among librarians, but with one important divergence between French and English libraries.

Librarians in both language groups felt that two PLR-eligible categories in particular would benefit most from moving from a holdings-based system to a loans-based system: fiction and children's books. Of the eligible categories, these are found to be the most frequently borrowed. One francophone library pointed out that the fiction and children's categories account for 25% and 30%, respectively, of total loans made by that institution.

At the same time, there was consensus across the board that the categories most greatly disadvantaged by changing to a loans-based system would be poetry, drama and scholarly works. More than one respondent commented that public libraries do not systematically collect scholarly publications in any case, and that circulation of both poetry and drama tends to be very low.

The divergence came in regard to the impact of a loans-based model on non-fiction titles. Francophone libraries tended to project a negative impact on non-fiction. Anglophone libraries, on the other hand, saw the impact as positive, at least in the case of popular non-fiction. One large urban anglophone system commented that, in both fiction and non-fiction, a loans-based model would produce results mirroring the bestseller list, and the biggest gainers would be currently bestselling titles, as well as books considered classics in their category.

**2. Circulation Data:** *Would the Library's current technological capabilities allow it to capture and export to the PLR Office loans data on individual titles / ISBNs? Would new circulation software be required to accomplish these tasks? Or would it be possible to accomplish them by modifying existing software?*

Responses to this question highlighted the differences in technological capacity among different libraries. A majority replied that their library management systems do not currently have the functionality required to capture annual loan counts per title and export the data to the PLR Office.

On the other hand, three libraries replied with an unequivocal "yes" to this question. In these three cases, existing systems do include the necessary functionality. Two others indicated that it would be potentially possible to export loans data: loans are automatically recorded by their library management systems, but they do not currently aggregate or publish these data by title.

For most libraries in the survey, the circulation management software currently in use does not capture loans data by title or by year; nor does it contain a built-in feature to extract and export the data. Therefore some level of software customization would be required, at the very least, and possibly some non-automated manual work as well. Most libraries indicated that they would need to conduct further research to determine the feasibility and cost of furnishing annual loans data by title to the PLR Office.

*Cost permitting, would the Library likely be willing to make these data available to the PLR Office?*

In principle, libraries expressed a willingness to share these data if requested, but with certain caveats: that obtaining the information should first prove to be feasible; that the PLR Office itself should have the capability to receive and sort the data; and that the work involved in developing this capability should not burden libraries with extra expense or staff requirements.

**3. In-Library Use Data:** *Does the Library currently measure in-library use of books? If so, how? By individual title or by category / section? Would the Library likely be willing to share these data with the PLR Office on an ongoing basis? If not, what would be the reasons?*

As noted earlier, free public use of library books includes consulting or reading them in-library without borrowing them. Libraries in both language groups were virtually unanimous in responding to this question. Most of the libraries share a common practice of measuring in-house use of library materials, but only on a sampling basis for one week a year (in some cases two or four weeks), extrapolating results over the whole year. The measurement used is a simple count of all types of library materials used by patrons in-house and left out for re-shelving. No distinctions are made among books, newspapers, periodicals, etc., with no documentation by category, title or author.

These data are public and could be shared with the PLR Office, but would likely not be particularly relevant to PLR's purposes. One library pointed out that measuring in-house use of specifically PLR-eligible titles would be prohibitively labour-intensive and expensive.

***4. Holdings Data:*** *Could the Library, now or in future, provide the PLR Office with data on the number of copies of individual titles / ISBNs held within its system?*

This question is relevant to one of the program-design options considered below in Part 3.

Responses to this question were decidedly mixed. About half the libraries replied affirmatively: they are currently able and willing to supply the PLR Office with information on the number of copies per title held by the system.

Other libraries agreed that they could provide the information, provided certain requirements were met: e.g., if the PLR Office supplied a list of ISBNs in a certain technical format; or if the PLR Office conducted the research itself, using the library's catalogue records; or if it proves feasible to retrieve the data manually.

Others said that further investigation and evaluation would be needed before they were able to answer the question.

Still others answered no, citing a lack of resources to collect this type of information.

## **3 Options for Program Renewal**

### **3.1 Key Informant Interviews**

In their investigation into program renewal options, the consultants conducted a series of key informant interviews with persons highly knowledgeable about the PLR program. The intent was to capture a spectrum of ideas about the strengths and weaknesses of possible modifications to the program design and model, with a view to making PLR more sustainable and more effective in achieving its core objective of compensating authors for library use.

Sustainability can mean different things to different people. In the context of this paper, sustainability means addressing the challenges outlined in section 1.3 above, “The Sustainability Question”: principally, the widening disparity between participation growth and program resources. In a climate of government fiscal restraint, can program resources be spent to greater effect in achieving its core objective?

Twenty key informant interviews were conducted. Interviewees included: six sitting members of the Executive Committee of the Public Lending Right Commission (three representatives of authors, two representatives of librarians, one representative of book publishers); three sitting non-voting members of the Commission (two representatives of federal government agencies, one representative of a Quebec government agency); two former PLRC Executive Committee members (both formerly representatives of librarians); two current heads of anglophone and francophone writers’ organizations; the Director, Collections Management of Canada’s largest public library system; the CEO of a Canadian book industry sales data organization; the Registrar of the PLR program in the U.K.; the Director and CEO of the Canada Council for the Arts; and three staff members of the Council’s PLR Office. A list of interviewees appears in the Appendices. It will be noted that 15 of the 20 interviewees have, or have been in the past, directly involved with administration of the program.

In addition, the consultants studied documents relating to PLR programs in other countries and drew on domestic and international research as cited in the Bibliography.

### **3.2 Options: Program Design Elements**

Many elements in the design of Canadian PLR could be amenable to change as part of an effort to make the program more sustainable and effective. The program design is discussed in detail in the two previous papers in this series. For this paper, interviewees were asked to comment on the viability, strengths and weaknesses of potential modifications to the program design.

### **3.2.1 Eligibility Criteria**

Interviewees were asked to consider whether either widening or narrowing PLR's criteria for eligibility of authors or titles would contribute to the program's sustainability.

The almost universal response was that widening the criteria beyond a) authors who are Canadian citizens or permanent residents of Canada, or b) published books in the categories of fiction, poetry, drama, scholarly works or creative non-fiction, would *not* make the program more sustainable. Increasing participation by extending it to non-Canadian authors or additional title categories would simply dilute payments further and weaken the program's effectiveness.

One exception was a proposal that publishers receive some compensation from the program (as they do, for example, in Australia, France and several other European countries), on the grounds that publishers enable creators to reach the public. Interestingly, this suggestion did not come from a publisher. Although they are represented on the PLRC, Canadian publishers have been careful over the years not to make a claim on PLR funding, acknowledging its origins and purpose as a program to benefit writers.

Tightening the eligibility criteria for certain title categories had somewhat more support. This would decrease the number of titles in the program – a number that increased in 2011/12 alone by 4,511 new titles, producing a net increase of 3,533 (after subtracting titles exiting the program) and of 2,005 in the number of titles actually receiving payment (Appendix 4, Table 1).

Nonetheless, most of those interviewed favoured retaining the current title eligibility rules. One commented that the PLR Commission has devoted a great deal of thought to this subject over the past 27 years, and as a result the criteria are solid: "It would be foolhardy to think there is an easy fix – this is not the way to fix the sustainability problem." Another commented that the criteria are already inherently unfair to authors of books in some ineligible categories (self-help books, cookbooks, etc.), which are frequently among the most borrowed from libraries; but that it is logical, given that PLR is a program of the Canada Council, that eligibility criteria resemble those in other Council programs for writing and publishing.

Among those favouring a tightening of title eligibility, two proposed limiting eligibility to literary creation – works of fiction, poetry, drama and children's literature, with the possible inclusion of literary essays – thus eliminating most non-fiction and scholarly works from the program. Such a change, it was suggested, would free up a considerable proportion of PLR funding for the remaining eligible titles, given that non-fiction (including scholarly titles) represented 39.1% of all titles compensated in 2011/12, and 33.9% of total payments (Appendix 4, Table 6).

A variant of this position, supported by three interviewees, was that only scholarly works should be eliminated from the program. The rationale for this suggestion was that: a) more often than not, academic authors are salaried university teachers being paid by their universities, at least in

part, to conduct scholarly research and publish it in book form; in addition, they may also be funded to do so by the Social Sciences and Humanities Research Council; and b) public libraries do not routinely collect scholarly works.

One interviewee commented that a better resolution of the latter issue was the PLRC's decision in 2004/05 to remove university libraries from the sampling process, which reduced the number of "hits" for scholarly titles and reduced payments for academic works accordingly. Another interviewee recommended that, if scholarly titles are to remain eligible for PLR, the Canada Council might approach the Social Sciences and Humanities Research Council to seek a financial contribution toward PLR payments for that category.

It was proposed by one interviewee that translators not be eligible for PLR, on the grounds that they aren't creators. It is relevant to note here that the Cabinet decision establishing PLR made literary translators eligible for the program (as they are in many other countries) and gave them a seat on the PLRC. The Canada Council itself places considerable importance on funding and facilitating translation of Canadian literary works; it also includes translation among the prize categories in the Governor General's Literary Awards. (In 2011/12, translators received \$360,253, or 3.63% of total PLR payments. By comparison, illustrators received a total of \$475,934, or 4.8% of all payments. See Appendix 4, Table 4.)

Two interviewees proposed a tightening of the way in which the eligibility criteria are applied to children's titles. Historically, the program has taken a generous approach to the eligibility of children's books by accepting genres that are ineligible in the case of adult books, e.g., cookbooks, how-to books and instructional titles, provided they are directed to children. It was suggested that a review of children's titles restricting eligibility to the same genres as adult books would free up funds by eliminating many titles from the program. (In 2011/12, children's books accounted for 26.4% of all titles compensated and 31.2% of all payments; see Appendix 4, Table 6.) The interviewees added that, in implementing such a review, the program would have to choose between a) vetting all children's titles registered since the beginning of the program, and b) vetting only new titles as they are registered, thus grandfathering older titles even if they do not conform to the revised criteria. Clearly the latter approach would be administratively easier and less time-consuming, but the former would free up more money to go to other titles.

Another proposed exclusion concerned editors of anthologies, who must contribute at least 10% of a book's text to qualify for payment. It was said that eliminating this category would not free up a large amount of money (in 2011/12 editors received \$64,536 or 0.65% of all payments: Appendix 4, Table 4), but would save administrative time currently devoted to appeals involving editors.

### ***3.2.2 Growth Management Strategy***

As described in "Canada's Public Lending Right Program: Program Design, International Comparisons, and the Impact of Technology," the program adopted the Growth Management

Strategy (GMS) in 2009/10 after several years of deliberation and consultation with writers' groups by the PLRC.

The GMS addresses the issues of participation growth and steady decline in average payments. It seeks to provide what a PLRC resolution termed "an equitable hit rate" (the rate at which an author is compensated if a title is found in a sampled library collection). Instead of a single rate for every "hit," a sliding scale was introduced. Four different rates of payment are made, calibrated in five-year increments according to the number of years a title has been registered in the program: 0 to 5 years; 6 to 10 years; 11 to 15 years; and 16 years or more. The rate declines as a book remains longer in the program. In 2011/12 the highest rate was \$48.00 per hit in the first category (100%), followed by \$38.40 in the second category (80%), \$33.60 in the third category (70%), and \$28.80 in the last category (60%).

The GMS is based on the rationale that, in general, the more recent a title is, the more likely it is to be used and read by library customers. This represents the most significant adjustment to date in the program's design. It has generally found acceptance among writers and their organizations. Interviewees were asked whether the GMS has made PLR more sustainable, and whether further changes to the strategy are warranted.

Most informants believe the GMS has had a positive effect in helping to achieve the program objective "to compensate authors for the use of their works through Canadian libraries." But many would now go further, extending the GMS by placing a cap on the length of time a title can participate in the program. In this scenario, titles would be dropped from the program after a given period of time. With varying outcomes depending on the period chosen, this would have the effect of removing thousands of titles from the PLR registration database each year, creating budgetary room for new eligible titles and concentrating payments on more recent works. Proponents of this change argue that years of budgetary constraint have presented the program with a major, unavoidable challenge to its viability, requiring such a decisive measure.

Another argument advanced in favour of a cap is that the public uses library books most intensively during the first few years after publication (see library survey, 2.2.2, item 6, re peak active circulation and shelf life). Therefore it is appropriate and fair, given the objective of compensation for public use, to fund a title's use during the period of greatest use.

The actual time limit proposed for this measure varied from seven years to 15. Several interviewees proposed a limit of 10 years. One advocated maintaining a sliding rate scale within a time limit of 10 years: "Une compensation de 10 ans pour la présence en bibliothèque me paraît largement suffisante et honnête. Selon moi, c'est justice, étant donné le nombre croissant d'auteurs et de livres chaque année; cette compensation doit aussi encourager la création, donc encourager les auteurs à écrire plus et publier plus." ["Compensation for 10 years of presence in a library seems to me generally adequate and reasonable. It's justifiable, given the growing

number of authors and titles each year; this compensation should also encourage creation, and thus encourage authors to write and publish more.”]

Similarly, another interviewee felt the GMS should be adjusted to prioritize payment to “the working writer” who is still producing new work. This person proposed limiting payments to seven years after registration, combined with a sliding scale providing 100% of the hit rate in the first three years, 60% in the next two, and 40% in the final two: “The GMS has worked well, but we need to tighten it up. Changing the GMS could by itself solve the problem of erosion of funding.”

Some interviewees favoured a longer time limit: 15 years per title. One commented that if this measure proved inadequate, the period could be shortened later. Another proposed 10 to 15 years, the number to be predicated on determining a consensus on the typical active shelf life of a library book. One noted that imposing a cap would negatively affect authors of older books, but commented, “I’d sooner see adjustments in this area than other, more drastic changes.”

Other interviewees were neutral about a time limit. One commented that there are pros and cons to the idea, and that decision makers need to decide if the program’s mandate is actually to focus on writers who are currently active and productive, or on all writers regardless of when their books first appeared. Some older authors, it was pointed out, have written books that remain active in libraries for many years: for example, if the author is still popular, if the book is considered a classic, or if it has been placed on school or university courses and is in demand by students.

Three interviewees strongly opposed the idea of a time limit. One compared it to “un cataplasme sur une jambe de bois. Une stratégie de survie qui permet au programme de mourir plus lentement.” [“...putting a bandage on a wooden leg. It’s a survival strategy that only allows the program to die more slowly.”]

Other opponents of introducing a time limit felt that it would negate the aspect of PLR’s mandate, referenced in the original Treasury Board document establishing the program, of recognizing authors’ contributions to Canada’s cultural identity (see section 1.2 above). The answer, they argued, lies in staying true to the original program design while injecting more adequate funds into PLR to allow it to fulfil its mandate. One interviewee commented that a time limit is “antithetical to the real value of books and unfair to writers who don’t produce a steady output.” This interviewee maintained that, in any case, a process of attrition occurs in public libraries as librarians weed books from collections, effectively curtailing a title’s participation in PLR (see public library survey, 2.2.2, item 5, on withdrawal policy).

It was suggested that a drawback of imposing a time limit is that many older titles are now receiving a second lease on life in the marketplace, and to some extent in libraries, by being reissued in digital format. (As noted earlier, although eBooks are not currently eligible for PLR, the program expects to include them by 2014/15.)

### **3.2.3 Minimum / Maximum Thresholds**

The PLR program maintains a minimum payment threshold (floor) and a maximum threshold (ceiling).

The current rule regarding the floor is that any registered author / creator with at least one eligible title found in at least one sampled library is assured of a minimum payment of \$25. (In 2011/12, the hit rate was \$28.80 for an author receiving a full hit. However, in the case of translated works, illustrated titles, anthologies, or books with multiple editors, the hit rate must be divided proportionately among the eligible author / creators. In such cases, especially where a title is found in very few sampled libraries, the \$25 minimum becomes relevant.)

The rationale for the ceiling is that it spreads PLR funding more widely and equitably among participating authors by capping payments to highly prolific and popular writers. The ceiling began at the level of \$4,000 in 1987 dollars. Today it is \$3,360. (The latter level is based on the following formula: a total of 10 titles receiving the maximum seven hits in the sampled libraries, multiplied by the maximum hit rate of \$48.)

A large number of interviewees felt that it is now time to adjust these thresholds – particularly the floor – in order to make PLR payments more meaningful in financial terms.

**Minimum Payment:** One proposal would see the floor raised from \$25 to the median payment level per author (\$269 in 2011/12). This would be accompanied by restoring the ceiling to the original 1987 level, adjusted roughly for inflation, of \$8,000 in current dollars. The proponent of this idea acknowledged it as extreme, but proposed it in order to “produce meaningful savings” and prevent the program from becoming undermined by the continual erosion of its resources, which will ultimately reduce payments to insignificant levels.

It may be noted that raising the floor to the median would eliminate payments to half of all current recipients, or 8,943 authors, assuming all other elements in the program design remained the same. Substantial monies would be made available for redistribution to the remaining 8,943 authors. Within that group, the redistributed funds would be affected further by raising the ceiling to \$8,000, which would benefit more prolific and popular authors. Statistical modelling would reveal the full consequences of such a makeover of the program. (As a point of reference, the difference between the total amount that authors would have received in 2011/12 if not for imposition of the current ceiling was \$1,113,824; see Appendix 4, Table 4.)

Other advocates of raising the floor proposed more moderate changes. They too viewed the current minimum as too insignificant an amount: “not worth the time it takes to cut a cheque,” in the words of one. Not everyone, however, specified the minimum they would consider appropriate. Proposals generally varied between \$75 and \$100. In support of this position, a precedent was cited: author-publisher contracts, which often apply a \$50 to \$100 minimum to author royalties before a cheque is issued.

Some advocates of this change suggested that an author / creator's PLR earnings falling below the new floor should accumulate over time until they reach the minimum, at which time a cheque would be issued. It was acknowledged that this measure would create complications for the program's accounting procedures, requiring a reserve to be created to cover deferred minimum payments.

Several interviewees disagreed with the idea of raising the floor. One argued in favour of maintaining the \$25 minimum on the grounds that the more authors and titles supported, the greater the program's reach, and therefore the greater its "success." Another pointed out that the minimum in the U.K. program is only £1 (currently \$1.61 Cdn.). According to this interviewee, many authors appreciate even this largely symbolic recognition of their literary contribution to libraries; moreover, they represent a significant part of the British program's large and vocal constituency.

Another interviewee who disagreed with raising the floor did so on pragmatic grounds: that, by raising it even as high as \$100, the amount of money recouped would be too small to have a meaningful impact on the remaining authors. A statistical dry run using 2011/12 program statistics demonstrated that introducing a \$100 floor would remove 3,478 authors from the program, or 19.5% of total participants, but would recoup only \$205,136, or 2.07% of total payments.

**Maximum Payment:** There was far less consensus among views on adjusting the payment ceiling. Interviewees were about evenly divided among advocates of raising it, lowering it, or maintaining it at the current level of \$3,360.

In addition to the interviewee quoted above in favour of raising the ceiling to \$8,000, some others favoured an increase without specifying an amount. One commented that a ceiling somewhere between \$5,000 and \$10,000 would be more realistic in terms of purchasing power in today's economy.

Several interviewees favoured lowering the ceiling. In one person's view, a lower maximum payment would be fairer to less prolific authors by redistributing the funds still more widely than at present. There were two proposals for specific reductions: to \$3,000 and \$2,500.

Several others supported leaving the ceiling at its current level unless other adjustments are made. Ideally, they suggested, the maximum should be raised, but it would be irresponsible to do so at this time unless a) the payments budget is considerably augmented, and/or b) mechanisms are adopted either to limit the number of new titles entering the program, or to accelerate the number of older titles exiting it.

### 3.3 Options: Program Models

Inevitably, any wide-ranging examination of PLR's future involves discussion of the program model. Interviewees were asked to comment on the viability, strengths and weaknesses of the various models available.

A major characteristic of the 30 active PLR programs internationally is the choice they make among a holdings-based model, a loans-based model, or some other variant. Seven nations, including Canada, have opted for a holdings-based model. Twenty-one have adopted a loans-based model. Two have adopted a system based on annual library book purchases. Many variations exist among national systems, but the choice of model is their most fundamental distinguishing feature: it creates the very basis for paying authors for the free public use of their works in libraries.

The reasons why Canada chose a holdings-based model are explained in historical context in the paper "The Policy Foundations of Public Lending Right in Canada." Principally, these reasons were pragmatic, flowing from the fact that, in the early 1980s, before widespread digitization of library collections and operations, a system based on a manual count of library loans of individual titles would have been highly labour-intensive and prohibitively expensive. The administrative burden of operating a manual loans system would have fallen chiefly on librarians. Underwriting the costs of such a system would have fallen either on library budgets or the PLR budget itself. For these reasons, neither of the major stakeholder groups involved in the PLR debate at that time – writers and librarians – was in favour of a loans-based system, preferring to keep administrative costs low. Some stakeholders also contended that a loans-based system would only mirror the rewards of the book market, prioritizing payments to the most popular, bestselling writers while disadvantaging the majority of other authors. Hence a holdings-based system was viewed as fairer and more egalitarian.

The 1986 Treasury Board document establishing the program contained a directive to create a holdings-based system. But it left the future somewhat ambiguous: "The Payment for Public Use will be based on the number of Canadian books held by libraries in Canada and perhaps eventually on the number of books borrowed."

Library associations were grateful for the government's decision to fund the program and to require a relatively small administrative contribution of time and effort from librarians. Authors and their representatives, meanwhile, felt it paramount to keep the program's administration as lean and inexpensive as possible, in order to maximize resources available for author and creator payments. (Currently, in the program's 27<sup>th</sup> year, the staffing of the PLR Office remains at four full-time employees, the same as in its first year of operation.)

But the environment in which book publishing, public libraries and PLR operate has changed dramatically since 1986. Digitization of all aspects of library operations has enabled automation of PLR's sampling of collections. Digitization also introduces the possibility of facilitating

adoption of a loans-based system in place of a holdings-based system. Some of the questions and responses in the public library survey summarized earlier are designed to clarify whether that option is, or would eventually be, technologically feasible for libraries and the program itself, as it is in other countries.

In the key informant interviews, subjects were asked to comment on the strengths and weaknesses, in the Canadian PLR context, of the holdings-based model, the loans-based model, or some hybrid model reflecting aspects of both, or featuring different elements altogether.

### ***3.3.1 Holdings-Based Model***

Canada's version of the holdings-based model is described in detail in the two earlier PLR papers by this author.

In essence, the argument for the holdings model is that a book's inclusion in a public library catalogue acts as a valid surrogate for measuring its public use. While not capturing the actual incidence of a book's use or the presence of multiple copies, the holdings model assumes that:

- Librarians have exercised their professional expertise, judgment and knowledge of community interests in selecting each title made available through the sampled collections;
- Hence the library acquisitions process acts as a curatorial filter, eliminating many titles and increasing the chances that books purchased for the collections will appeal to and be used by the public;
- Titles in the sampled collections have met a test of quality and relevance, and virtually all are accessible for free public use at any time;
- Public use is not measured solely by loans, since many library materials are used in-library without being checked out;
- Librarians regularly evaluate public use of their collections, weeding out titles that are outdated and/or no longer circulating; hence titles remaining in the collections continue to have some measure of public demand.

The survey summarized in Part 2 above sheds further light on library practices as they implicate PLR-eligible titles. One interviewee, a veteran administrator of major urban library systems, commented: "I spent years doing acquisitions, and as the number of Canadian publications increased, you'd filter more and more, out of necessity. You'd never knowingly buy a title that you thought would never be borrowed, even if it would only circulate once or twice a year."

The position of some key informants was that Canada's holdings-based model works well in its present form, has already made responsible adjustments to the program design, and has kept its administrative costs low. Some stated that the holdings model is not only aligned with the

Canada Council's mandate to support the arts, but appropriately aligned with the mandate of libraries as public cultural resources offering the population a broad diversity of choice in reading material. PLR's main problem, in this view, is that it lacks adequate funds to fulfil its mandate: in the words of one interviewee, "The government should not allow it to atrophy." In general, these informants applauded the current model's broadly based payments strategy and expressed strong concerns about its possible replacement by a loans-based model (see 3.3.2 below).

Nonetheless, most proponents of Canada's holdings-based model still saw a necessity to change it substantively, as described above under 3.2, in order to ensure PLR's sustainability and effectiveness.

Other interviewees pointed to shortcomings in the holdings model. They argued that it lacks the capacity to measure the public's use of library books accurately and is therefore insufficiently aligned with the program's core objective of compensation for public use. Authors receive payments for titles that may reside in library collections for years without necessarily being borrowed or used, but the program is not positioned to know this one way or the other. One interviewee, an author registered in the program, stated that PLR payments received over time for that author's titles have substantially exceeded royalties earned from sales, and that this discrepancy is difficult to justify in terms of public spending.

Another interviewee observed that the holdings model contains a basic structural flaw: although the number of new eligible titles grows annually, the program budget cannot be expected to keep pace. This syndrome penalizes authors by steadily reducing the program's impact. This interviewee therefore proposed adoption of a loans-based system on the assumption that, while the number of new titles will still grow in a loans-based system, the total number of loans by users will not grow commensurately, remaining far more stable.

A simple test indicates that this assumption appears to be essentially correct. PLR statistics for 2011/12 show a typical net increase in eligible titles of 3,533, or 4.33% (see Appendix 4, Table 1), whereas statistics compiled by the Canadian Urban Libraries Council over the past three years show smaller increases in the total annual circulation of participating library systems:

*2009 (45 library systems surveyed): 196,764,974 items loaned*

*2010 (45 library systems surveyed): 198,877,015 items loaned (1.1% increase)*

*2011 (47 library systems surveyed): 205,427,886 items loaned (3.3% increase)*

Moreover, most of the 3.3% circulation increase in 2011 was accounted for by the addition to the survey of two more library systems. Hence the aggregate circulation figures were, in fact, relatively stable year to year.

### ***3.3.2 Variant of the Holdings-Based Model***

It was suggested that Canada might consider adopting a variant of the holdings-based model currently in use by PLR programs in Australia and New Zealand.

These systems calculate payments differently than in Canada: not according to a title's simple presence in sampled libraries, but according to the number of copies of that title held by the libraries. To qualify for payment, a title must have at least 50 copies in the collections surveyed.

Although the Australian and New Zealand systems do not track loans, they do attempt to approximate a measurement of public use more closely, insofar as the number of copies purchased is a reflection of librarians' estimation of user demand. Clearly a title with 20 copies spread throughout the branches of a library system is more likely to be used than a title with two copies in that same system.

Some interviewees saw merit in investigating this model as a compromise solution for Canada. It was suggested that a graduated payments scale, with payments per copy declining in ratio to the number of copies held, should be applied to prevent those titles most heavily stocked in libraries from consuming an excessive proportion of the budget. Nonetheless, others opposed the idea, on the same grounds as they oppose the loans-based model (see 3.3.3 below).

As a point of comparison, Australia has a population of 22.6 million, about two-thirds the size of Canada's. Its 2011/12 PLR payments budget was \$9.2 million AU or \$9.7 million Cdn., about the same as Canadian PLR. Its administrative and operational costs were \$452,662 AU, or 4.7% of total costs.

### ***3.3.3 Loans-Based Model***

Because it is less familiar to Canadians, a brief description of some of the main features of a loans-based model is in order:

- Like the holdings-based model, a loans-based system samples data in a representative selection of libraries – but in this case, the data represent the number of times an eligible title is borrowed from the library each year;
- Utilizing the library's digital management system, customized software tracks individual loans and aggregates the data per title for export to the PLR program;
- To calculate payment figures, the PLR program may use a formula to extrapolate a national estimate of total loans per title from the sampling data; or it may simply use the sampling data itself as the basis for payment;
- Although the sampling data constitute another form of estimate of public use, the estimate comes closer to measuring the actual incidence of use than in the holdings-based model;

- Again like the holdings-based model, a loans-based system usually applies a maximum payment per author, ensuring that highly popular titles do not receive the lion's share of the payments budget, and spreading payments more broadly and evenly across the pool of eligible titles and authors.

PLR in the U.K. provides a well-established working example of the loans-based model. British PLR is based on founding legislation, with a legislated payments scheme that has been operating since 1982. The program collects data on loans of registered titles from a revolving sample of some 30 library authorities representing various regions of the country. To track loans by ISBN, the sampled libraries use software modules customized by the suppliers of their library management systems. Each loan is automatically written to a file, and the file is sent monthly to the office of the Registrar of PLR.

British public libraries are mandated to publish their circulation statistics. This allows the U.K. PLR Office to determine the aggregate loans reported by the sampled libraries as a percentage of all loans in that region; it is then able to "gross up" the loans data per title to arrive at national estimates. Payments to authors are based on these estimates. Under the terms of British PLR legislation, the program must cover the libraries' software development costs, as well as their annual expenses of running the software.

In an interview with the Registrar of PLR in the U.K., it was determined that the program's costs per sampled library amount to some £3,000 to £4,000 for initial software development and another £1,000 for annual running costs. The U.K. system reduces its administrative expenses by using online registration for authors and titles, as well as electronic cheque deposit (services also offered by PLR programs in Australia and other countries). Canadian PLR hopes to offer similar services to authors in the near future.

Some key informants interviewed for the study favoured adoption of a loans-based system for Canada. They argued that this model would align the program more closely with its original core objective by providing a more realistic and accurate picture of public use. Two interviewees stated that a loans model would also make the program more sustainable since, as discussed in 3.3.1 above, loans represent a more gradual and stable index of growth than holdings. Under a loans-based system with a flat-lined budget, authors would experience annual fluctuations in payment according to the number of times their books were borrowed each year, rather than receiving steadily declining payments per title because the program budget was increasingly eroded by participation growth.

Some cautions were expressed by proponents of adopting a loans model. One acknowledged that the model does not, in fact, provide a complete measure of public use, since it doesn't account for the many customers who read or consult books in-library and leave them behind on tables. Another stated that a loans model should be adopted only after further research has been carried out: e.g., a dry run to estimate impacts on individual payments and compare these effects to

results under the current system. Another commented that a consequence of a loans model is that it would largely reward books that are already bestsellers; therefore it would be necessary to introduce a graduated payment scale, whereby a title in a seldom-borrowed category, such as poetry, would receive a full payment per loan, whereas highly popular titles would receive smaller payments per loan as the loan volume increased.

Those favouring a holdings-based system identified factors that they consider weaknesses in the loans-based model. One shared view was that it is not good cultural policy for PLR to reinforce the marketplace by rewarding books for their popularity. One interviewee stated that this merely “encourage le triomphe de l’économie sur le littéraire [encourages the triumph of economics over literature].” Other interviewees suggested that changing the system in this way would “completely reorient how PLR funding flows,” diverting it away from, say, the collection of short stories published by a literary press and toward popular romance or mystery novels. Several interviewees said that such a change in orientation would run counter to the Canada’s Council’s mandate to support the arts. This scenario was compared to a hypothetical one in which the Council decided to stop funding poetry and opera, on the grounds that only a small percentage of the population reads poetry or goes to the opera.

More broadly, the observation was made that the literary marketplace is already “skewed” by the tendency of retailers, consumers and libraries to base book purchases on prize lists and bestseller lists. A situation has arisen where a few authors can earn a relatively large amount of money, but the great majority earn very little. One of the desirable side-effects of PLR as currently designed, in this view, is that it balances this polarizing trend by delivering a measure of financial recognition to a large and diverse community of authors.

Interviewees also commented on the volatile nature of the writing and publishing world itself at this moment. The digital revolution has ushered in seismic changes in book retailing, eBooks and self-publishing; traditional publishers and independent bookstores are going out of business, particularly in anglophone Canada. At the same time, the federal government has amended the Copyright Act in ways that authors’ organizations contend will cut severely into writers’ incomes. The new legislation allows photocopying and other reprographic uses without payment if they are for educational purposes; one association estimates that the result will be to reduce authors’ income from copyright licensing by a third. Such an uncertain time for authors is not the moment to introduce an upheaval in PLR “likely to harm most of the authors in the program.”

Finally, one interviewee commented that switching to a loans model might appear logical but could have unintended consequences: nearly one-third of PLR payments already go to children’s books, and this tendency would likely increase, reducing payments for adult literature accordingly. Moreover, a loans-based system would undermine the cultural policy rationale for PLR, casting other Canada Council programs and government arts policies into doubt and representing “a slippery slope” toward basing federal arts support on commercial success.

### ***3.3.4 Hybrid Model***

Several interviewees saw the possibility that a hybrid PLR system could make the program more sustainable.

This implies modifying the current holdings model by combining it with some aspects of a loans model, or some other model reflecting public use. A hybrid variant was seen as a compromise solution that could be more inclusive than a purely loans-based system: i.e., not reducing payments to certain categories of books so severely, but still injecting a degree of user measurement. Some interviewees supported investigating this idea in principle, but were not ready to give it a great deal of definition.

One specific example of a hybrid PLR system was proposed by two different interviewees. In this variant, the payments budget would be divided into separate components for print books and eBooks (once eBooks are admitted to the program). Print books would continue to be funded on the holdings model as they are now, but eBooks would be funded on a loans model.

The rationale for different treatment of print books and eBooks is as follows: libraries frequently purchase or license eBooks as part of a bundled database collection, which does not engage the librarians' curatorial judgment in making individual acquisitions to the same extent as in print acquisitions. Therefore a PLR payment for an eBook's simple presence in a sampled collection is less justifiable. In addition, eBooks don't occupy physical space on a library shelf and so are less likely to be culled than print books. It would therefore be preferable, as well as eminently practical technologically, to track their circulation and base payment on actual loans.

In this example of a hybrid model, it was suggested, the eBooks component of the PLR payments budget could reflect the percentage of the total Canadian book market represented by eBooks. Ideally, in its proponents' view, an eBooks component would receive new funding from the federal government, since it represents an expansion of the book market and an extension of PLR into a whole new area of support.

### ***3.3.5 Other Concepts***

Two general ideas emerging from the interview process deserve mention. Both were offered in the broadest terms as alternative, or complementary, approaches to PLR.

One idea was based on an interpretation of the shifting dynamics and demographics of contemporary culture. In this view, consumption of cultural products is rapidly moving from an economic-transaction basis to a cultural-commons basis, as expressed by the movement for free access to digital content in music, video, literature and other art forms. This is the direction in which the arts are moving, especially for younger consumers. Therefore a transactional program like PLR is outmoded and possibly irrelevant. The money spent on PLR would be better invested

in encouraging innovation and excellence in new literary creation through the Canada Council's granting programs for writers. (As a point of comparison, the Council's programs of direct assistance to writers currently total some \$3.8 million, whereas PLR's payments budget is \$9.9 million.)

The other idea involved pursuing a long-term goal of achieving a new, complementary program of compensation to authors for public use of their works. This program would be separate from PLR and based on the Australian precedent of Educational Lending Right (ELR).

Australian ELR is funded at an even higher level than Australian PLR. It works in a similar way, but bases payments to authors on the number of copies of eligible titles held in the collections of school and university libraries, as opposed to public libraries.

A Canadian ELR program would require new funding, quite separately from the PLR budget. It would have the effect of recognizing the free public use of Canadian authors' works in school, college and university libraries, which are not currently sampled. To some degree, the titles and authors compensated by ELR would overlap with PLR, but to a more considerable extent compensation would likely be extended to entirely different categories of books and authors: e.g. authors of school and college textbooks and other educational materials, including scholarly works.

A further refinement in the Australian ELR model spreads funding more widely and equitably among titles. A tiered or graduated rate scale accords a substantially higher payment per copy for the first 50 copies of a title found in sampled libraries, with the rate steadily declining in stages as quantities increase – from 51 copies to 500, 501 to 5,000, 5,001 to 50,000, and above 50,000.

If decision makers proposed this idea to the federal government – or perhaps to provincial governments, since education falls under provincial jurisdiction – additional research would need to be conducted. The purpose of the research would be to determine whether an Educational Lending Right program would be justifiable in terms of public policy, and to what extent it would involve compensation to a broadly different class of titles and authors from those participating in PLR.

## 4 Reflections

After writing three research papers on Public Lending Right over the past two years, two broad conclusions stand out clearly for this author: PLR is an extraordinarily important program in the eyes of Canadian writers, and it is also important for Canadian society.

That authors prize and even cherish the program is not surprising. They are, after all, its direct beneficiaries. One must look beyond mere self-interest, however, to understand why authors consider PLR so significant. For most participants in the program, the financial reward of PLR payments is not great. A median payment per author of \$269 in 2011/12 (4.7% less than the previous year), and an average payment of \$555 (down 2% from the previous year), is not going to make any one of them wealthy, although there is no doubt that the arrival of a PLR cheque every February is very welcome.

But in a profession where the financial rewards are seldom large, authors place a high value on the *principle* of PLR: that Canada understands the need to strike a fair bargain with its authors in return for the free availability of their works in public libraries, and therefore it provides a tangible recognition of this contribution to the public good. For authors, receiving PLR is a matter of professional pride and a measure of public respect.

For the public, too, the benefit of PLR is equally real, if less obvious. Funded on Canadians' behalf by the federal government and administered on their behalf by the Canada Council, PLR is their assurance that Canadian authors whose works they enjoy through public libraries are fairly compensated. It is in the public interest to provide this form of natural justice. It is also in the public interest that the program itself should be reassessed and renewed to ensure that it is sustainable and as effective as possible in achieving its policy objective.

Reassessing and renewing a program in its 27<sup>th</sup> year of operation can be fraught with complication and difficulty. Certain ambiguities must be confronted: that the program implies a "right" that is perhaps moral but certainly not legal; that for historical reasons, the program extends that "right" to some Canadian authors but not others; that again for historical reasons, the program intended as payment for public use but accepts a surrogate for measuring that use; that the original Cabinet document creating the program was itself ambiguous about the ultimate basis for calculating payments; etc. Complicating the process further, the program's history has built a certain comfort level among stakeholders with the standing program design and model, and consequently a level of expectation exists based on historical patterns of funding.

Introducing substantive changes into such a well-established program is likely to be met with resistance from some stakeholders, depending on their circumstances and the nature of the changes. As decision makers at the Public Lending Right Commission and the Canada Council contemplate modifications to the program, they will undoubtedly want to model the outcomes of

potential changes to determine the likely effects on current participants. Experience with formula-based funding programs shows that changing one variable has a mathematical effect on other variables and sometimes creates unintended consequences. Decision makers need to be aware of the real-world effects of such consequences before implementing substantive changes, however justifiable in the abstract.

Similarly, proposals for change may have unintended administrative impacts. For example, a proposed change to eliminate scholarly titles from eligibility would raise practical problems for PLR administrators in making fine distinctions between scholarly titles from other forms of non-fiction. Program staff would be called upon to make subjective interpretations of a book's content and readership: a labour-intensive and time-consuming process detracting from other duties. It would also leave the program open to more frequent appeals by academic authors seeking to overturn ineligibility rulings. Other potential changes could entail increases in PLR's administrative overheads. These increases need to be calculated realistically when decision makers deliberate whether the benefit of any given change justifies the cost.

It is hoped that the information and analysis contained in the report will prove helpful in those deliberations. Part 1 has established the context in which Canada's PLR program currently operates. Part 2 has attempted to shed light on policies and practices within the public library community that impinge on PLR-eligible books. It is evident from the library survey that, while professional librarians share a common vision of the services they provide to the public, they take various approaches to delivering them. Public library systems also vary considerably in the scale of their resources and their technological capacities. Common to virtually all public libraries is the fact that, far from being passive repositories of books, they function pro-actively as open cultural spaces and change agents in their community on behalf of books, authors and reading, with incalculable benefits for a literate and well-informed public.

The summary of key informant interviews in Part 3 reveals a broad range of views about the ways in which PLR might be made more sustainable and effective in achieving its objective. On a few issues, such as eligibility criteria for authors, or the value of the current Growth Management System, a substantial degree of consensus exists. But on other issues, including introducing a cap on the length of time a registered title remains in the program, raising the minimum payment threshold, or changing the program model to alter the basis for calculating payments, conflicting ideas and diverse options emerged for consideration.

Canada achieved PLR in 1986 only after a protracted and determined struggle by dedicated advocates: chiefly writers and their allies in the library community and at the Canada Council. Their struggle is documented in the paper "The Policy Foundations of Public Lending Right in Canada." In that light, it is understandable why one writer interviewed for the current study commented, in reference to options being proposed for PLR's renewal, that: "These are very difficult questions to grapple with. Some of the options imply that many writers will be left out

of the program. But then those people will have to mobilize, to organize, demand change and figure out a way to get more money for the program.”

That essentially political observation echoes an essay about PLR written 32 years ago, when the Canadian program was still a gleam in some writers’ eyes. The essay’s author, Thomas Stave, then Head Documents Librarian at the University of Oregon, described PLR’s international history to that point as “the story of the efforts to incarnate [a] seemingly simple idea in a form that would satisfy the practical requirements of the complex world of books and politics into which it was born.”

Canadian PLR’s renewal will have to satisfy those sometimes conflicting practical requirements. The challenge falls to decision makers at the Public Lending Right Commission and the Canada Council for the Arts. They would do well to recall a quotation attributed in Stave’s essay to the British author Lord Goodman: “Nobody will be able to produce a Public Lending Right scheme that is perfect.”

Nonetheless, a concerted effort to improve and strengthen, if not perfect, PLR is unquestionably worth making. The program embodies an important ethical principle in public policy, closely linked to the democratic right to freedom of information and expression. It also embodies a bargain struck in good faith between Canadian authors and the Canadian public, as represented by the federal government. From time to time it becomes necessary to revisit and renew the terms of that bargain. Now is one of those times.

## **Appendices**

### **Appendix 1: Libraries Participating in the Survey**

A total of 19 public library systems from across Canada were invited to participate in an electronic survey for this study between November 16 and December 19, 2012. The following 14 systems completed and returned the questionnaire. Their responses are summarized in Part 2 of the report:

Bibliothèque de Longueuil

Bibliothèque de Montréal

Bibliothèque Municipale de Gatineau

Bibliothèque Municipale de Sherbrooke

Bibliothèque Publique d'Ottawa

Bibliothèques de Québec

Calgary Public Library

Edmonton Public Library

Halifax Public Library

Regina Public Library

Service des Bibliothèques Publiques du Nouveau-Brunswick

Toronto Public Library

Vancouver Public Library

Winnipeg Public Library

## **Appendix 2: Key Informant Interviews**

The following 20 persons participated in key informant interviews, summarized in Part 3 of the report:

1. Aline Apostolska, author and Chair, Public Lending Right Commission (representing Union des écrivaines et des écrivains québécois)
2. Gaston Bellemare, publisher and member, Public Lending Right Commission (representing Association nationale des éditeurs de livres)
3. Vickery Bowles, Director, Collections Management and City-Wide Services, Toronto Public Library
4. Linda Cook, librarian and member, Public Lending Right Commission (representing Canadian Library Association)
5. Francis Farley-Chevrier, Directeur-général, Union des écrivaines et des écrivains québécois
6. Noah Genner, CEO, Book Net Canada
7. Beatriz Hausner, author and Vice-Chair, Public Lending Right Commission (representing League of Canadian Poets)
8. Robert Hunter, non-voting member, Public Lending Right Commission (representing Department of Canadian Heritage)
9. Rachelle Lanoue, Administrative Coordinator, Public Lending Right Program
10. Luc Larochelle, non-voting member, Public Lending Right Commission (representing Canada Council for the Arts)
11. Jules Larivière, librarian and retired member, Public Lending Right Commission (formerly representing Association pour l'avancement des sciences et des techniques de la documentation)
12. Ken McGoogan, author and Past Chair, Public Lending Right Commission (representing Writers' Union of Canada)
13. Dr. Jim Parker, Registrar, Public Lending Right, United Kingdom
14. Benoît Rollin, Program Officer, Public Lending Right Program
15. Hélène Roussel, non-voting member, Public Lending Right Commission (representing Bibliothèque et Archives nationales du Québec)

16. Philippe Sauvageau, librarian and member, Public Lending Right Commission (representing Association pour l'avancement des sciences et des techniques de la documentation)
17. Peter Schneider, Manager, Public Lending Right Program, and Executive Secretary, Public Lending Right Commission
18. Marilyn Simonds, author and Chair, Writers' Union of Canada
19. Robert Sirman, Director and CEO, Canada Council for the Arts
20. Paul Whitney, librarian and retired member, Public Lending Right Commission (formerly representing Canadian Library Association)

### Appendix 3: Bibliography

Australia, *Public Lending Right Annual Report, 2011-12*: [www.arts.gov.au/plr-committee/annual-report](http://www.arts.gov.au/plr-committee/annual-report)

Canada, *Public Lending Right Program Statistical Report, 2011-2012*. Public Lending Right Commission, Ottawa, 2012.

Canadian Urban Libraries Council / Conseil des Bibliothèques Urbaines du Canada, *Canadian Public Library Statistics*: [www.culc.ca/kpis](http://www.culc.ca/kpis)

International PLR Network: [www.plrinternational.com](http://www.plrinternational.com)

MacSkimming, Roy. "The Policy Foundations of Public Lending Right in Canada." Report to the Canada Council for the Arts, Ottawa, 2011.

MacSkimming, Roy. "Canada's Public Lending Right Program: Program Design, International Comparisons, and the Impact of Technology." Report to the Canada Council for the Arts, Ottawa, 2012.

Stave, Thomas. "Public Lending Right: A History of the Idea," *Library Trends*, Spring 1981.

United Kingdom, *Report on the Public Lending Right Scheme and Central Fund Account, 2011-12*. Public Lending Right, Stockton-on-Tees, 2012.

Whitney, Paul. "EBooks and Public Lending Right in Canada." Report to the Public Lending Right Commission, Ottawa, 2011.

#### **Appendix 4: PLR Statistical Tables, 2011/12**

The following tables from the *Public Lending Right Program Statistical Report, 2011-12* are sourced in the report:

1. Results of the Public Lending Right Program's Twenty-Sixth Year, p. 1
2. Historical Summary (1986-2012), p. 3
3. Payments by Payment Range and Author's Language (2011-12), p. 14
4. Payments by Role (2011-12), p. 15
5. New Eligible Titles by Language (2007-2012), p. 22
6. Payments by Category and by Language (2011-12), p. 25
7. Libraries Sampled in 2011-12, p. 31
8. Library Sampling Results, 2011-12, p. 32

1. Results of the Public Lending Right Program's Twenty-Sixth Year, p.1

**RESULTS OF THE PUBLIC LENDING RIGHT PROGRAM'S  
TWENTY-SIXTH YEAR**

|                                             | 2010-11     | <b>2011-12</b>     | VARIATION<br>(2010-11) |
|---------------------------------------------|-------------|--------------------|------------------------|
| AUTHORS REGISTERED IN THE PROGRAM           | 18,692      | <b>19,265</b>      | 3.07%                  |
| AUTHORS RECEIVING PAYMENT                   | 17,487      | <b>17,885</b>      | 2.28%                  |
| REGISTERED TITLES                           | 84,234      | <b>87,802</b>      | 4.24%                  |
| ELIGIBLE TITLES                             | 81,663      | <b>85,196</b>      | 4.33%                  |
| TITLES RECEIVING PAYMENT                    | 70,865      | <b>72,870</b>      | 2.83%                  |
| AMOUNT DISTRIBUTED TO AUTHORS               | \$9,901,337 | <b>\$9,921,248</b> | 0.20%                  |
| AVERAGE PAYMENT PER AUTHOR                  | \$566       | <b>\$555</b>       | -1.94%                 |
| MEDIAN PAYMENT                              | \$282.00    | <b>\$268.80</b>    | -4.68%                 |
| MAXIMUM AMOUNT PAID PER BOOK (CATEGORY I)   | \$339.22    | <b>\$336.00</b>    | -0.95%                 |
| MAXIMUM AMOUNT PAID PER BOOK (CATEGORY II)  | \$271.39    | <b>\$268.80</b>    | -0.95%                 |
| MAXIMUM AMOUNT PAID PER BOOK (CATEGORY III) | \$237.44    | <b>\$235.20</b>    | -0.94%                 |
| MAXIMUM AMOUNT PAID PER BOOK (CATEGORY IV)  | \$203.56    | <b>\$201.60</b>    | -0.96%                 |

2. Historical Summary (1986-2012), p.3

**HISTORICAL SUMMARY (1986-2012)**

|       |    | <b>REGISTERED<br/>AUTHORS</b> | <b>AUTHORS<br/>RECEIVING<br/>PAYMENTS</b> | <b>AVERAGE<br/>PAYMENT</b> | <b>MEDIAN<br/>PAYMENT</b> | <b>ELIGIBLE<br/>TITLES</b> | <b>TITLES<br/>RECEIVING<br/>PAYMENTS</b> | <b>MAXIMUM<br/>VALUE<br/>PER TITLE</b> | <b>TOTAL PAID<br/>TO AUTHORS</b> | <b>TOTAL<br/>OPERATING<br/>EXPENSES</b> |
|-------|----|-------------------------------|-------------------------------------------|----------------------------|---------------------------|----------------------------|------------------------------------------|----------------------------------------|----------------------------------|-----------------------------------------|
| 86/87 | 1  | 4,553                         | 4,377                                     | \$628                      | N/A                       | 14,138                     | N/A                                      | \$400.00                               | \$2,747,949                      | \$253,881                               |
| 87/88 | 2  | 5,638                         | 5,200                                     | \$670                      | N/A                       | 18,611                     | N/A                                      | \$390.00                               | \$3,484,988                      | \$382,060                               |
| 88/89 | 3  | 6,713                         | 5,718                                     | \$694                      | N/A                       | 22,519                     | N/A                                      | \$400.00                               | \$3,970,947                      | \$389,151                               |
| 89/90 | 4  | 7,153                         | 6,405                                     | \$729                      | N/A                       | 24,954                     | N/A                                      | \$400.00                               | \$4,667,214                      | \$452,116                               |
| 90/91 | 5  | 7,681                         | 6,962                                     | \$772                      | N/A                       | 27,192                     | 24,065                                   | \$420.00                               | \$5,371,927                      | \$458,499                               |
| 91/92 | 6  | 8,125                         | 7,699                                     | \$805                      | N/A                       | 30,340                     | 26,672                                   | \$432.50                               | \$6,200,426                      | \$388,989                               |
| 92/93 | 7  | 8,801                         | 8,393                                     | \$821                      | N/A                       | 32,744                     | 29,461                                   | \$437.00                               | \$6,890,845                      | \$503,022                               |
| 93/94 | 8  | 9,689                         | 9,082                                     | \$684                      | N/A                       | 34,589                     | 32,194                                   | \$363.00                               | \$6,212,600                      | \$404,496                               |
| 94/95 | 9  | 10,274                        | 9,604                                     | \$651                      | N/A                       | 37,168                     | 34,405                                   | \$339.00                               | \$6,251,784                      | \$398,655                               |
| 95/96 | 10 | 10,555                        | 10,172                                    | \$598                      | N/A                       | 39,539                     | 36,525                                   | \$313.00                               | \$6,077,961                      | \$358,651                               |
| 96/97 | 11 | 11,262                        | 10,730                                    | \$559                      | N/A                       | 41,909                     | 38,877                                   | \$293.50                               | \$6,000,406                      | \$325,363                               |
| 97/98 | 12 | 11,557                        | 11,151                                    | \$720                      | N/A                       | 44,360                     | 40,781                                   | \$390.00                               | \$8,030,000                      | \$321,389                               |
| 98/99 | 13 | 11,986                        | 11,602                                    | \$695                      | N/A                       | 46,928                     | 42,785                                   | \$378.00                               | \$8,059,252                      | \$350,210                               |
| 99/00 | 14 | 12,523                        | 12,148                                    | \$663                      | N/A                       | 49,332                     | 45,655                                   | \$344.50                               | \$8,052,114                      | \$336,008                               |
| 00/01 | 15 | 13,041                        | 12,740                                    | \$679                      | N/A                       | 52,123                     | 48,346                                   | \$352.50                               | \$8,650,376                      | \$396,366                               |
| 01/02 | 16 | 13,546                        | 13,269                                    | \$727                      | N/A                       | 55,443                     | 50,878                                   | \$367.50                               | \$9,653,043                      | \$395,882                               |
| 02/03 | 17 | 14,205                        | 13,889                                    | \$694                      | \$357                     | 58,973                     | 53,532                                   | \$348.50                               | \$9,639,776                      | \$403,402                               |
| 03/04 | 18 | 14,792                        | 14,435                                    | \$619                      | \$326                     | 61,175                     | 56,243                                   | \$296.70                               | \$8,938,460                      | \$459,669                               |
| 04/05 | 19 | 15,347                        | 14,441                                    | \$621                      | \$302                     | 63,988                     | 54,776                                   | \$301.70                               | \$8,962,741                      | \$486,394                               |
| 05/06 | 20 | 15,899                        | 14,972                                    | \$601                      | \$287                     | 67,142                     | 57,709                                   | \$287.35                               | \$9,001,099                      | \$758,712                               |
| 06/07 | 21 | 16,414                        | 15,417                                    | \$588                      | \$281                     | 70,090                     | 59,979                                   | \$281.05                               | \$9,062,476                      | \$793,143                               |
| 07/08 | 22 | 17,028                        | 15,993                                    | \$570                      | \$280                     | 73,075                     | 62,631                                   | \$268.10                               | \$9,115,095                      | \$798,832                               |
| 08/09 | 23 | 17,532                        | 16,514                                    | \$600                      | \$292                     | 76,542                     | 65,345                                   | \$280.00                               | \$9,901,024                      | \$799,577                               |
| 09/10 | 24 | 18,157                        | 17,058                                    | \$583                      | \$296                     | 78,768                     | 68,287                                   | \$348.60                               | \$9,939,089                      | \$814,440                               |
| 10/11 | 25 | 18,692                        | 17,487                                    | \$566                      | \$282                     | 81,663                     | 70,865                                   | \$339.22                               | \$9,901,337                      | \$465,949                               |
| 11/12 | 26 | 19,265                        | 17,885                                    | \$555                      | \$269                     | 85,196                     | 72,870                                   | \$336.00                               | \$9,921,248                      | \$458,921                               |

### 3. Payments by Payment Range and Author's Language (2011-12), p. 14

#### PAYMENTS BY PAYMENT RANGE AND AUTHOR'S LANGUAGE (2011-12)

|                        |              |               | %             | TOTAL              | %             |
|------------------------|--------------|---------------|---------------|--------------------|---------------|
|                        | LANGUAGE     | AUTHORS       | AUTHORS       | PAID               | BUDGET        |
| MINIMUM 25 \$          | E            | 361           | 2.02%         | \$9,025            | 0.09%         |
|                        | F            | 105           | 0.59%         | \$2,625            | 0.03%         |
|                        | E + F        | 466           | 2.61%         | \$11,650           | 0.12%         |
| FROM \$25.01           | E            | 6,021         | 33.67%        | \$810,632          | 8.17%         |
| TO \$268.80            | F            | 2,475         | 13.84%        | \$359,121          | 3.62%         |
|                        | E + F        | 8,496         | 47.50%        | \$1,169,753        | 11.79%        |
| <b>MEDIAN \$268.80</b> | <b>E + F</b> | <b>8,962</b>  | <b>50.11%</b> | <b>\$1,181,403</b> | <b>11.91%</b> |
| FROM \$268.81          | E            | 2,512         | 14.05%        | \$972,068          | 9.80%         |
| TO \$555.00            | F            | 1,328         | 7.43%         | \$518,488          | 5.23%         |
|                        | E + F        | 3,840         | 21.47%        | \$1,490,556        | 15.02%        |
| FROM \$555.01          | E            | 1,399         | 7.82%         | \$1,037,009        | 10.45%        |
| TO \$999.99            | F            | 853           | 4.77%         | \$632,911          | 6.38%         |
|                        | E + F        | 2,252         | 12.59%        | \$1,669,920        | 16.83%        |
| FROM \$1,000.00        | E            | 1,004         | 5.61%         | \$1,396,831        | 14.08%        |
| TO \$1,999.99          | F            | 725           | 4.05%         | \$994,574          | 10.02%        |
|                        | E + F        | 1,729         | 9.67%         | \$2,391,405        | 24.10%        |
| FROM \$2,000.00        | E            | 294           | 1.64%         | \$716,749          | 7.22%         |
| TO \$2,999.99          | F            | 238           | 1.33%         | \$579,532          | 5.84%         |
|                        | E + F        | 532           | 2.97%         | \$1,296,281        | 13.07%        |
| FROM \$3,000.00        | E            | 72            | 0.40%         | \$228,497          | 2.30%         |
| TO \$3,359.99          | F            | 46            | 0.26%         | \$144,466          | 1.46%         |
|                        | E + F        | 118           | 0.66%         | \$372,963          | 3.76%         |
| MAXIMUM \$3360.00      | E            | 207           | 1.16%         | \$695,520          | 7.01%         |
|                        | F            | 245           | 1.37%         | \$823,200          | 8.30%         |
|                        | E + F        | 452           | 2.53%         | \$1,518,720        | 15.31%        |
| <b>TOTAL</b>           | <b>E</b>     | <b>11,870</b> | <b>66.37%</b> | <b>\$5,866,332</b> | <b>59.13%</b> |
|                        | <b>F</b>     | <b>6,015</b>  | <b>33.63%</b> | <b>\$4,054,916</b> | <b>40.87%</b> |
|                        | <b>E + F</b> | <b>17,885</b> | <b>100%</b>   | <b>\$9,921,248</b> | <b>100%</b>   |

**Median:** The median of a population is the point that divides the distribution of scores in half.  
In February 2012, 8,962 authors (50%) received \$268.80 or less. They shared 11.91% of the budget.

**Average:** In February 2012, the average payment was \$555.  
12,802 authors (71.58%) received \$555 or less. They shared 26.93% of the budget.  
5,083 authors (28.42%) received more than \$555. They shared 73.07% of the budget.

#### 4. Payments by Role (2011-12), p. 15

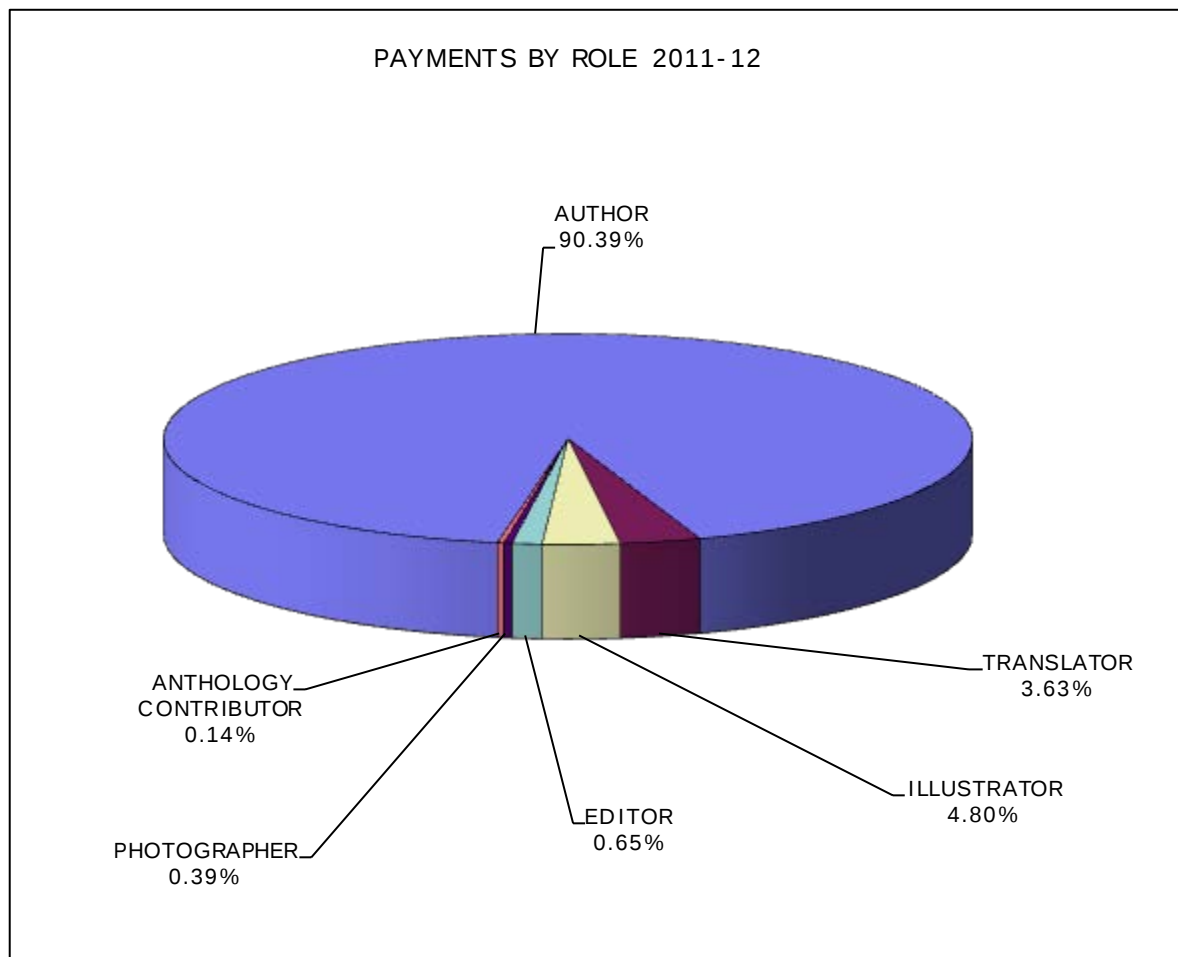
##### PAYMENTS BY ROLE (2011-12)

| ROLE                  | TOTAL<br>(BEFORE APPLICATION<br>OF MAXIMUM*) | %      | TOTAL<br>(PRO-RATED BASED ON<br>ACTUAL BUDGET**) |
|-----------------------|----------------------------------------------|--------|--------------------------------------------------|
| AUTHOR+CO-AUTHOR      | \$9,974,681                                  | 90.39% | \$8,967,887                                      |
| ILLUSTRATOR           | \$529,366                                    | 4.80%  | \$475,934                                        |
| TRANSLATOR            | \$400,697                                    | 3.63%  | \$360,253                                        |
| EDITOR                | \$71,781                                     | 0.65%  | \$64,536                                         |
| PHOTOGRAPHER          | \$43,273                                     | 0.39%  | \$38,905                                         |
| ANTHOLOGY CONTRIBUTOR | \$15,274                                     | 0.14%  | \$13,732                                         |

|                              |                     |             |                    |
|------------------------------|---------------------|-------------|--------------------|
| <b>TOTAL (BEFORE MAX. *)</b> | <b>\$11,035,072</b> |             |                    |
| <b>%</b>                     |                     | <b>100%</b> |                    |
| <b>TOTAL (ACTUAL**)</b>      |                     |             | <b>\$9,921,248</b> |

\* These amounts represent earnings prior to application of per author maximum of \$3,360.00

\*\* Extrapolated amounts are based on percentages by role and on the actual total amount paid out (\$9,921,248).



5. New Eligible Titles by Language (2007-2012), p. 22

**NEW ELIGIBLE TITLES BY LANGUAGE (2007-2012)**

|              | <b>2007-08</b> | <b>2008-09</b> | <b>2009-10</b> | <b>2010-11</b> | <b>2011-12</b> | <b>Average</b> |
|--------------|----------------|----------------|----------------|----------------|----------------|----------------|
| ENGLISH      | 2,316          | 2,418          | 2,498          | 2,477          | <b>2,329</b>   | 2,408          |
| FRENCH       | 1,630          | 1,524          | 1,869          | 1,937          | <b>2,065</b>   | 1,805          |
| OTHER        | 169            | 172            | 168            | 170            | <b>105</b>     | 157            |
| BILINGUAL    | 24             | 28             | 19             | 23             | <b>12</b>      | 21             |
| <b>TOTAL</b> | <b>4,139</b>   | <b>4,142</b>   | <b>4,554</b>   | <b>4,607</b>   | <b>4,511</b>   | <b>4,391</b>   |

**NEW ELIGIBLE TITLES BY CATEGORY AND LANGUAGE (2007-2012)**

|                     |              | <b>2007-08</b> | <b>2008-09</b> | <b>2009-10</b> | <b>2010-11</b> | <b>2011-12</b> | VARIATION<br>2010-11 | <b>Average</b> |
|---------------------|--------------|----------------|----------------|----------------|----------------|----------------|----------------------|----------------|
| <b>CHILDREN</b>     | ENGLISH      | 671            | 612            | 498            | 639            | <b>563</b>     | -76                  | 597            |
|                     | FRENCH       | 581            | 593            | 704            | 838            | <b>809</b>     | -29                  | 705            |
|                     | OTHER        | 93             | 76             | 35             | 74             | <b>20</b>      | -54                  | 60             |
|                     | BILINGUAL    | 6              | 9              | 0              | 1              | <b>0</b>       | -1                   | 3              |
|                     | <b>TOTAL</b> | <b>1,351</b>   | <b>1,290</b>   | <b>1,237</b>   | <b>1,552</b>   | <b>1,392</b>   | <b>-160</b>          | <b>1,364</b>   |
| <b>FICTION</b>      | ENGLISH      | 484            | 508            | 527            | 620            | <b>636</b>     | 16                   | 555            |
|                     | FRENCH       | 441            | 373            | 505            | 476            | <b>561</b>     | 85                   | 471            |
|                     | OTHER        | 21             | 31             | 65             | 37             | <b>17</b>      | -20                  | 34             |
|                     | BILINGUAL    | 3              | 1              | 2              | 4              | <b>1</b>       | -3                   | 2              |
|                     | <b>TOTAL</b> | <b>949</b>     | <b>913</b>     | <b>1,099</b>   | <b>1,137</b>   | <b>1,215</b>   | <b>78</b>            | <b>1,063</b>   |
| <b>POETRY</b>       | ENGLISH      | 201            | 228            | 231            | 263            | <b>211</b>     | -52                  | 227            |
|                     | FRENCH       | 147            | 156            | 173            | 166            | <b>174</b>     | 8                    | 163            |
|                     | OTHER        | 25             | 17             | 21             | 24             | <b>11</b>      | -13                  | 20             |
|                     | BILINGUAL    | 8              | 4              | 7              | 4              | <b>3</b>       | -1                   | 5              |
|                     | <b>TOTAL</b> | <b>381</b>     | <b>405</b>     | <b>432</b>     | <b>457</b>     | <b>399</b>     | <b>-58</b>           | <b>415</b>     |
| <b>DRAMA</b>        | ENGLISH      | 49             | 52             | 86             | 45             | <b>35</b>      | -10                  | 53             |
|                     | FRENCH       | 21             | 24             | 33             | 39             | <b>25</b>      | -14                  | 28             |
|                     | OTHER        | 0              | 1              | 0              | 1              | <b>1</b>       | 0                    | 1              |
|                     | BILINGUAL    | 0              | 0              | 0              | 0              | <b>0</b>       | 0                    | 0              |
|                     | <b>TOTAL</b> | <b>70</b>      | <b>77</b>      | <b>119</b>     | <b>85</b>      | <b>61</b>      | <b>-24</b>           | <b>82</b>      |
| <b>NON-FICTION*</b> | ENGLISH      | 911            | 1,018          | 1,156          | 910            | <b>884</b>     | -26                  | 976            |
|                     | FRENCH       | 440            | 378            | 454            | 418            | <b>496</b>     | 78                   | 437            |
|                     | OTHER        | 30             | 47             | 47             | 34             | <b>56</b>      | 22                   | 43             |
|                     | BILINGUAL    | 7              | 14             | 10             | 14             | <b>8</b>       | -6                   | 11             |
|                     | <b>TOTAL</b> | <b>1,388</b>   | <b>1,457</b>   | <b>1,667</b>   | <b>1,376</b>   | <b>1,444</b>   | <b>68</b>            | <b>1,466</b>   |

\* Non-fiction includes scholarly works.

6. Payments by Category and by Language (2011-12), p. 25

**PAYMENTS BY CATEGORY AND BY LANGUAGE  
(2011-12)**

| CATEGORY             | LANGUAGE<br>OF TEXT | NUMBER<br>OF TITLES | %              | \$                 | %              |
|----------------------|---------------------|---------------------|----------------|--------------------|----------------|
| <b>CHILDREN</b>      | ENGLISH             | 9,594               | 13.17%         | \$1,463,669        | 14.75%         |
|                      | FRENCH              | 9,469               | 12.99%         | \$1,619,356        | 16.32%         |
|                      | BILINGUAL           | 26                  | 0.04%          | \$3,266            | 0.03%          |
|                      | OTHER               | 181                 | 0.25%          | \$13,307           | 0.13%          |
|                      | <b>TOTAL</b>        | <b>19,270</b>       | <b>26.44 %</b> | <b>\$3,099,598</b> | <b>31.24 %</b> |
| <b>FICTION</b>       | ENGLISH             | 7,986               | 10.96%         | \$1,164,791        | 11.74%         |
|                      | FRENCH              | 7,160               | 9.83%          | \$1,227,351        | 12.37%         |
|                      | BILINGUAL           | 21                  | 0.03%          | \$2,119            | 0.02%          |
|                      | OTHER               | 162                 | 0.22%          | \$7,284            | 0.07%          |
|                      | <b>TOTAL</b>        | <b>15,329</b>       | <b>21.04 %</b> | <b>\$2,401,545</b> | <b>24.21 %</b> |
| <b>POETRY</b>        | ENGLISH             | 4,602               | 6.32%          | \$490,122          | 4.94%          |
|                      | FRENCH              | 2,972               | 4.08%          | \$299,069          | 3.01%          |
|                      | BILINGUAL           | 87                  | 0.12%          | \$8,440            | 0.09%          |
|                      | OTHER               | 170                 | 0.23%          | \$10,021           | 0.10%          |
|                      | <b>TOTAL</b>        | <b>7,831</b>        | <b>10.75 %</b> | <b>\$807,652</b>   | <b>8.14 %</b>  |
| <b>DRAMA</b>         | ENGLISH             | 1,146               | 1.57%          | \$132,695          | 1.34%          |
|                      | FRENCH              | 806                 | 1.11%          | \$111,270          | 1.12%          |
|                      | BILINGUAL           | 11                  | 0.02%          | \$1,090            | 0.01%          |
|                      | OTHER               | 14                  | 0.02%          | \$718              | 0.01%          |
|                      | <b>TOTAL</b>        | <b>1,977</b>        | <b>2.71 %</b>  | <b>\$245,772</b>   | <b>2.48 %</b>  |
| <b>NON-FICTION**</b> | ENGLISH             | 19,815              | 27.19%         | \$2,299,917        | 23.18%         |
|                      | FRENCH              | 8,302               | 11.39%         | \$1,042,134        | 10.50%         |
|                      | BILINGUAL           | 175                 | 0.24%          | \$15,354           | 0.15%          |
|                      | OTHER               | 171                 | 0.23%          | \$9,276            | 0.09%          |
|                      | <b>TOTAL</b>        | <b>28,463</b>       | <b>39.06 %</b> | <b>\$3,366,681</b> | <b>33.93 %</b> |
|                      | ENGLISH             | 43,143              | 59.21%         | \$5,551,195        | 55.95%         |
|                      | FRENCH              | 28,709              | 39.40%         | \$4,299,180        | 43.33%         |
|                      | BILINGUAL           | 320                 | 0.44%          | \$30,269           | 0.31%          |
|                      | OTHER               | 698                 | 0.96%          | \$40,605           | 0.41%          |
|                      | <b>TOTAL</b>        | <b>72,870</b>       | <b>100 %</b>   | <b>\$9,921,248</b> | <b>100 %</b>   |

\*\* Non-fiction includes scholarly works.

## 7. Libraries Sampled in 2011-12, p. 31

### LIBRARIES SAMPLED IN 2011-12

#### ENGLISH LIBRARIES

- |    |                                    |                                                                                                |
|----|------------------------------------|------------------------------------------------------------------------------------------------|
| 57 | Toronto Public Library             | X 2*                                                                                           |
| 58 | Southern BC Virtual Catalogue      | (Vancouver Public Library & Burnaby Public Library)                                            |
| 59 | Southern Ontario Virtual Catalogue | (Hamilton Public Library & Mississauga Library System)                                         |
| 61 | Manitoba Virtual Catalogue         | (Winnipeg Public Library, Western Manitoba Regional Library & South Central Regional Library ) |
| 66 | Nova Scotia Virtual Catalogue      | (Nova Scotia Provincial Library Catalogue & Halifax Regional Library)                          |
| 69 | Calgary Public Library             |                                                                                                |

#### FRENCH LIBRARIES

- |    |                                                             |      |
|----|-------------------------------------------------------------|------|
| 48 | Service des bibliothèques publiques du<br>Nouveau-Brunswick |      |
| 62 | Bibliothèque de Trois-Rivières                              |      |
| 63 | Bibliothèque municipale de Gatineau                         |      |
| 64 | Bibliothèque de Saguenay                                    |      |
| 67 | Bibliothèque de la ville de Québec                          |      |
| 68 | Bibliothèque publique de Montréal                           | X 2* |

\* The results of this library are doubled to reflect the population density.

**LIBRARY SAMPLING RESULTS  
(2011-12)**

| <b>LIBRARY IDENTIFICATION</b>                                  | <b>SAMPLED<br/>TITLES</b> | <b>TITLES<br/>FOUND</b> | <b>%</b>       |              |
|----------------------------------------------------------------|---------------------------|-------------------------|----------------|--------------|
| ENGLISH, BILINGUAL AND OTHER TITLES                            |                           |                         |                |              |
| 57 Toronto Public Library                                      | 53,335                    | 38,336                  | 71.88%         | <b>X 2 *</b> |
| 58 Southern BC Virtual Catalogue                               | 53,335                    | 31,505                  | 59.07%         |              |
| 59 Southern Ontario Virtual Catalogue                          | 53,335                    | 22,685                  | 42.53%         |              |
| 61 Manitoba Virtual Catalogue                                  | 53,335                    | 25,477                  | 47.77%         |              |
| 66 Nova Scotia Virtual Catalogue                               | 53,335                    | 22,921                  | 42.98%         |              |
| 69 Calgary Public Library                                      | 53,335                    | 19,000                  | 35.62%         |              |
|                                                                |                           |                         | <b>AVERAGE</b> | 53.10%       |
| FRENCH, BILINGUAL AND OTHER TITLES                             |                           |                         |                |              |
| 48 Service des bibliothèques publiques du<br>Nouveau-Brunswick | 34,557                    | 17,909                  | 51.82%         |              |
| 62 Bibliothèque de Trois-Rivières                              | 34,557                    | 18,530                  | 53.62%         |              |
| 63 Bibliothèque municipale de Gatineau                         | 34,557                    | 19,811                  | 57.33%         |              |
| 64 Bibliothèque de Saguenay                                    | 34,557                    | 19,173                  | 55.48%         |              |
| 67 Bibliothèques de Québec                                     | 34,557                    | 24,533                  | 70.99%         |              |
| 68 Bibliothèque publique de Montréal                           | 34,557                    | 24,945                  | 72.19%         | <b>X 2 *</b> |
|                                                                |                           |                         | <b>AVERAGE</b> | 61.95%       |

\* The results of this library are doubled to reflect the population density.