

**A WME Consulting Associates Report  
to the  
Corporate Review Branch,  
Department of Canadian Heritage**

**Evaluation of the  
Public Lending Right Program**

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## Executive Summary

In its June 2000 report entitled *The Challenge of Change: A Consideration of the Canadian Book Industry*, the Standing Committee on Canadian Heritage recommended “that the Department of Canadian Heritage initiate an evaluation of the Public Lending Right Commission with a view to improving this important source of income for Canadian authors, translators and illustrators”.

The Public Lending Right Program is a program introduced by the federal government in 1986 to compensate Canadian writers for the use of their works through Canadian libraries. Originally called the Payment for Public Use Program, its objective is “to increase the revenues and improve the financial situation of Canadian writers and give public recognition to their contribution to protecting Canada’s cultural identity.”

In the 16 years since inception, the program has provided some \$90 million to Canadian writers and has tripled in size: from a budget of \$3 million in 1986 to \$10.03 million in 2002, from 4,377 beneficiaries in 1986 to 13,269 in 2002, and from approximately 15,000 eligible titles in 1986 to 50,878 in 2002.

The program is administered for the federal government by the Public Lending Right Commission, a 19-member body composed of writers, representatives of writers’, publishers’ and translators’ associations, librarians, and non-voting members from the Canada Council for the Arts, the Department of Canadian Heritage, the National Library of Canada and the Bibliothèque nationale du Québec. The PLRC is administratively housed at the Canada Council for the Arts and its annual budget is provided by the Canada Council.

In 2002, the program provided payments to 13,269 writers (86% to authors, 6% to co-authors, 3% each to translators and illustrators, and 2% to editors, photographers and anthology contributors). The amount of each writer’s payment is based on the number of his/her books (poetry, fiction,

drama, children's literature and non-fiction) held by a sample of university and public libraries. The maximum payment in 2002 was \$3,675 and the average payment was \$727.

The purpose of the evaluation was to assess the continued relevance, success, design and delivery, and cost-effectiveness of the program. The methodology included a document/ file/literature review, interviews with PLRC members and representatives of Canada Council, Department of Canadian Heritage, representatives of libraries, and other experts, and four focus groups with PLRP beneficiaries. The results of a 2002 telephone survey of 375 PLRP beneficiaries by Ekos Research Associates Ltd. were also taken into account in this report.

### *Evaluation Conclusions*

#### *Relevance*

The Public Lending Right Program was found to be compatible with current Department of Canadian Heritage and overall federal government objectives that focus on excellence in the creative process, diverse Canadian content, and access to the arts and heritage for Canadians.

Recognizing the contributions of Canadian writers, and improving writers' financial situation, through PLRP contributes to the creation and dissemination of, and public access to, Canadian literary works. Such compensation is consistent with the spirit of the Status of the Artist Act, which recognizes "the importance to artists that they be compensated for the use of their works, including the public lending of them".

This program fills a particular niche among programs for Canadian writers because it does not make a judgment on the value or content of a book. It is enough that the book be published, meet the program's eligibility criteria, and appear on library shelves for the writer to qualify. Furthermore, *all* eligible books are covered by PLRP, unlike other funding programs. As much as

writers respect the idea that judgment and acceptance by their peers is the ultimate “competitive” measure of artistic worth, they believe that many worthwhile projects are rejected.

The beneficiary survey indicates that 91% of respondents feel the program is still needed to a great extent, and 68% feel that it has been a factor, either to a great extent or to some extent, in their continuing to be writers. Seventy-three percent of survey respondents said that the program increased public recognition of Canadian writers to a great extent or to some extent. When asked to identify any “negative outcomes of the program,” 73% of respondents indicated that there are no negative outcomes, and, asked if changes to the PLRP are needed, 44% of respondents replied that no changes are necessary.

### ***Success/Impact***

The Public Lending Right Program was found to be successful. It has increased writers’ incomes and improved their financial situation to some extent. The tripling of the program’s budget since 1986 has not significantly affected the average payment to writers because the number of beneficiaries and the number of eligible titles have also tripled.

The average PLRP payment has fluctuated between a low of \$559 per year in 1996-1997 and a high of \$821 in 1992-93. The number of payments in the lower ranges has grown at a considerably greater rate than the number in the higher ranges; slightly more than thirty percent (30.7%) received payments in the \$100 - \$300 range in 2002.

However, the beneficiary survey indicates that beneficiaries are generally satisfied with the level of PLRP payments; nearly two-thirds of respondents said that the program had improved their financial situation to a great extent or to some extent.

Also, analysis shows that although annual average PLRP payments may be low, cumulative payments may represent significant amounts. During the last 10 years, a significant number of

new writers have been added to the list of beneficiaries and very few have been dropped (i.e. because of death or because their titles were no longer found in sampled libraries), so the total of payments for any one book over time could be significant.

In terms of increasing public recognition of writers, the PLRP was seen to have had a significant impact. Seventy-three percent of beneficiary survey respondents felt that the PLRP has “helped increase public recognition of Canadian writers” to some extent or to a great extent. The survey results also indicated that, while both objectives of the program are very important, recognition is the more important.

Focus group participants said they see PLRP payments as evidence that Canadians, through their government, recognize the worth of Canadian writers and their work. Although the program is not well known by the general public, writers feel that its existence reflects values of fairness and justice. Few writers, PLRC members, Canadian Heritage representatives, Canada Council representatives or other resource people felt PLRP should put greater emphasis on increasing public recognition of Canadian writers, for example by devoting additional resources to communications or publicity campaigns, as such public recognition is being accomplished by other means (prizes, awards, etc.).

### ***Design and Delivery***

The administration of the PLRP was found to be efficient and effective. The Public Lending Right Commission is to a large extent an autonomous body within Canada Council, with the basis for their relationship defined by a 1995 Administrative Agreement. Both PLRC and the Canada Council report that the Administrative Agreement provides a sound basis for the PLRP administration and that PLRC’s use of the Canada Council information technology systems and database has produced savings and allowed PLRC to use a greater portion of its budget for payments to writers. (In 2001-02, 3.95% of the PLRP budget was spent on administration.)

It was found that the working relationship between the PLRC and the Canada Council is positive, but there can be tension over budget levels. The PLRC sees itself as a body that should receive its budgetary authority directly from the Government, while Canada Council administrators see the Canada Council Board as the body responsible for determining the PLRP allocation with the Canada Council annual budget.

There were different perspectives among key informants on the most appropriate role for the PLRC. Some see PLRC's role as that of an administrator, administering available funds for the Public Lending Right Program on behalf of the government. Others see the PLRC as an administrator and also as a defender of writers and their rights, and the guardian and promoter of the PLR, not as a Public Lending Right "program," but as a Public Lending "Right," whose time to be recognized formally through legislation will eventually come. The Commission has consistently articulated its long-term goals of achieving: 1) "universal" coverage (i.e. for all nature of books); 2) a recognized legal "right" for the PLRP; and 3) a sustained "hit rate" (the amount paid each time a book is found in a sampled library) of \$50, compared to a 2002 rate of \$36.75.

### ***Cost-effectiveness and Alternatives***

There was no strong impetus to alter the PLRC structure or modify its administrative processes. There have been suggestions over the years for changes to PLRP delivery, for example creating an independent institution in the Canadian Heritage portfolio to deliver the PLRP, or making the Canada Council responsible for PLRP delivery, with the PLRC as an advisory committee, however the majority position of beneficiaries and key informants is that the benefits of current arrangements between the PLRP and the Canada Council far outweigh possible, unproven benefits of change.

*Based on results of the research, the following evaluation observations/recommendations are made:*

***Observation/Recommendation 1***

The PLRP remains relevant and contributes to the achievement of government cultural policy objectives.

***Observation/Recommendation 2***

The PLRP benefits from the administrative efficiencies that its delivery under the aegis of the Canada Council provides.

***Observation/Recommendation 3***

PLRP budget considerations should be conducted in accordance with the Administrative Agreement of 1995 between the Canada Council and the PLRC. Canada Council and PLRC should ensure that the Administrative Agreement is clear and provides a means to make changes as necessary to maximize the efficiency and effectiveness of the Program and ensure that government objectives are met.



## Introduction

In its June 2000 report entitled *The Challenge of Change: A Consideration of the Canadian Book Industry*, the Standing Committee on Canadian Heritage made the following recommendation: The Committee recommends that the Department of Canadian Heritage initiate an evaluation of the Public Lending Right Commission with a view to improving this important source of income for Canadian authors, translators and illustrators.<sup>1</sup> In December 2001, the Department of Canadian Heritage (PCH) initiated a program evaluation of the Public Lending Right program in response to that recommendation. This Evaluation Report presents the findings of the completed evaluation.

The evaluation was conducted between January and September 2002, under the authority of the Corporate Review Branch of PCH. It follows the approach and methodology of the Treasury Board policy for program evaluation in the Government of Canada, which states that program evaluation "...supports the generation of accurate, objective and evidenced-based information to help managers make sound, more effective decisions on their policies, programs and initiatives and through this provide results for Canadians."<sup>2</sup> As per program evaluation practice and Treasury Board direction, the evaluation focuses on issues of program relevance, success and cost-effectiveness.

The Public Lending Right Program (PLRP) was last evaluated in 1990.<sup>3</sup>

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<sup>1</sup> *The Challenge of Change: A Consideration of the Canadian Book Industry*, June 2000, the Standing Committee on Canadian Heritage. Recommendation 4.4, page 70. Available at <http://www.parl.gc.ca>

<sup>2</sup> Preface to the Evaluation Policy, Treasury Board of Canada Secretariat, revised April 1, 2001. Available at [http://www.tbs-sct.gc.ca/pubs\\_pol/dcgpubs/TBM\\_161/siglist\\_e.html](http://www.tbs-sct.gc.ca/pubs_pol/dcgpubs/TBM_161/siglist_e.html)

<sup>3</sup> Evaluation of the Public Lending Right Program 1986/1989, May 1990, Jean-Paul L'Allier & Associés

This report includes a profile of the PLRP, a description of the evaluation methodology, a discussion of evaluation findings, conclusions, recommendations and appendices.

## **Public Lending Right Program Profile**

### **Overview of the Public Lending Right Program**

The Public Lending Right Program was established in 1986 by the federal government to compensate writers for the use of their works through Canadian libraries. Originally known as the Payment for Public Use (PPU) Program, the program is intended “to increase the revenues and improve the financial situation of Canadian writers and to give public recognition to their contribution to protecting Canada’s cultural identity.” Since the early 1960s, discussions on the establishment of such a program had taken place periodically among writers and their English and French language associations, Canadian library associations, the Canada Council for the Arts, and the Department of Communications, the lead department for federal cultural programs at that time. The PPU was on the agenda of the federal-provincial meeting of Ministers of Culture in 1985 in Halifax, the outcome of which was an agreement that the initiative be pursued by the federal government through the Department of Communications.

The PLRP is funded by the Government of Canada through the Canada Council for the Arts and administered by the Public Lending Right Commission (PLRC), which was established to deliver the program for the government. Overall, since its inception in 1986, the PLRP has approximately tripled in size. The budget has grown from \$ 3 million to \$9.65 million, the number of writers receiving payments has increased from 4,377 to 13,269, and the number of eligible titles for which payment is made has increased from approximately 15,000 to 50,878. The average payment received in 2002 was approximately \$727. The PLRC distributes the largest part of its annual budget to authors. Payments are also made to eligible editors, illustrators, photographers and translators. (The term “writer” is used throughout this report to

refer to PLR payment recipients, including authors, editors, illustrators, photographers and translators.)

The PLRP compensates eligible writers for their books held in Canadian libraries. Payments are based on the number of their eligible titles held by a sampling of public and university libraries.

### **Administration of the PLRP**

The PLRC operates “under the aegis of” the Canada Council for the Arts, a Crown Corporation in the Canadian Heritage portfolio that reports to Parliament through the Minister of Canadian Heritage. Annual funding for the PLRP (\$10,029,229 in 2002-2003) is provided from the Canada Council’s annual appropriation from Parliament.

At the time of the establishment of the PPU program in 1986, it was decided that the management of the program would be entrusted to an Administrative Committee that would be responsible for giving program advice and guidelines to an Executive Committee. The Executive Committee was to be formed to “supervise the administration of the program.” The Canada Council approved the establishment of a PPU “Commission”, its Executive Committee and basic operating principles in 1986. Also in 1986, the Executive Committee changed the name of the program to “the more generally accepted term, Public Lending Right ... because of widespread negative reaction to the name Payment for Public Use and its acronym, and also because the name translates very badly into French.”<sup>5</sup> The Public Lending Right Commission Constitution and By-Laws that outline membership, management and guidance of the operations of the PLRC were developed and approved by the Executive Committee of the PLRC in 1988. The Constitution and By-Laws are provided in Annex 5.

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<sup>4</sup> Webster’s dictionary defines aegis as a “shield or breastplate emblematic of majesty...”, and indicates that the term is use to mean protection, auspices or sponsorship.

<sup>5</sup> Minutes of the Meeting of the Executive Committee, October 8, 1986, item 2.

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At a time of government fiscal restraint prior to 1995, the Canada Council sought clarification of its administrative relationship with the PLRC. During this period, some writers wrote letters to government in support of the PLRP. An Administrative Agreement between the Canada Council and the PLRC was signed in 1995 and is the administrative and accountability framework for the PLRC (The Administrative Agreement is provided in Appendix 1.) It states, “that the PLRC exclusively administers PLR funds, and shall determine and direct, as appropriate, payments to authors. The PLRC has decision-making authority over policy questions, such as the Commission’s Constitution and its by-laws, the program’s eligibility criteria, payment formulae, library sampling, planning strategies for the Commission, etc.”<sup>6</sup> The agreement further says “The PLRC follows the financial practices established by the Canada Council, in accordance with Treasury Board guidelines respecting the administration of public funds. The PLRC follows the same planning and budgeting cycle practices as the Canada Council... The Commission accepts all Government-ordered budgetary measures (either cuts or increases) applied by the Canada Council to the budget of the Commission, whether to its administrative or program budgets. Except where specified by Government, the Commission will determine the allocation of such cuts or increases according to its own program or administrative priorities.”<sup>7</sup>

The PLR Program has historically been oriented towards the Department of Canadian Heritage; PLRC representatives have met periodically with the Minister of Canadian Heritage to discuss PLR program development and budgetary requirements. Funding increases recommended by the Minister have been channelled through the Canada Council's government appropriation as earmarked funds for PLRP. In 2001 for the first time, at the suggestion of the Department, the PLRC presented the program's budgetary requirements to the Canada Council staff. In that same year, the PLRC Chair made a presentation to the Canada Council board for a portion of new money allocated by government to the Council.

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<sup>6</sup> Administrative Agreement between the Canada Council and the Public Lending Right Commission, December 1995, item 1. (i).

<sup>7</sup> Administrative Agreement between the Canada Council and the Public Lending Right Commission, December

A Memorandum of Understanding that makes the Council's computer system and its support and enhancements available to the PLRC was signed by the Canada Council and the PLRC in 1996 and updated in 2002.

With respect to reporting, the PLRC submits an Annual Report to the Canada Council at the end of each fiscal year. It includes the Chairperson's discussion on the results of the year and program statistics. The Canada Council includes a section on results of the PLRP in its annual report to Parliament.

### **The Public Lending Right Commission**

In accordance with its constitution, the PLRC has 19 members, 11 of whom are writers (eight appointed by writers' associations, three by the Commission), two librarians and two publishers (selected by their associations).<sup>8</sup> In addition, the National Library of Canada, the Bibliothèque nationale du Québec, the Canada Council for the Arts, and the Department of Canadian Heritage each appoint one non-voting member. An Executive Committee of seven Commission members oversees the PLRC operations, assisted by a permanent staff of four. The PLRC offices are located in the Canada Council offices in Ottawa.

### **PLR in the International Context**

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1995, item 2. (iii).

<sup>8</sup> The following association/organizations appoint one member each to the PLRC: Association des écrivains acadiens; Association des éditeurs canadiens; Association of Canadian Publishers; Association pour l'avancement des sciences et des techniques de la documentation; Canadian Authors' Association; Canadian Library Association; The League of Canadian Poets; Literary Translators Association/Association des traducteurs littéraires; Playwrights Union of Canada; Société des écrivains canadiens; Union des écrivains québécois; and the Writers' Union of Canada.

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Canada is one of 15 countries that have set up PLR systems to provide payments to writers for the public use of their works. Each has a slightly different approach. Some base payments on library book loans (e.g. the UK, Germany, the Netherlands, Israel); some base payments on library holdings, regardless of whether the books are borrowed (e.g. Canada, Australia, Denmark); some countries consider both (e.g. Iceland). Some countries have linked their PLR programming to copyright legislation (e.g. Germany and Austria); others treat PLR as separate (e.g. the UK). All make some form of payment to writers in recognition of the free public access to their works through libraries.

France and a number of other countries are exploring options for establishing PLR programs. Most recently, the European Union has been engaged in discussions on the harmonization of PLR programs among its members. At present only partial harmonisation has been achieved, and legislative measures and PLR practices vary considerably among member states.<sup>9</sup>

Canada hosted the Third International Public Lending Right Conference in 1999 and has been active in international discussion on the development of PLR programs.

### **PLR Program Eligibility and Payment Procedures**

It is the responsibility of writers to register their titles with the PLRC by completing forms available from the Commission. Titles need to be registered only once. Writers are not required to re-register each year, but payments are not made retroactively if the annual registration deadline for new works (May 1) is missed. It is mostly through writers associations, publishers and other writers that new writers become aware of the PLRP.

Published works of poetry, fiction, drama, and nonfiction at least 48 pages in length (based on the UNESCO definition of a book), and children's literature at least 24 pages in length are eligible.

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<sup>9</sup> See the Report from the Commission to the Council, the European Parliament and the Economic and Social Committee on the Public Lending Right in the European Union, Commission of European Communities, Brussels

Practical books giving advice or instructions, self-help or how-to books and manuals, travel and nature guides, cookbooks, books designed primarily for an educational market, directories, conference proceedings, unpublished works, newspapers and magazines, and some others are ineligible. All guidelines and criteria are clearly explained in a PLRP brochure and on the PLRC website.

Payments cease in the year of death of a recipient, and the estates of deceased recipients are not entitled to receive payments. PLRP payments are GST exempt, but are considered “other income” by Canada Customs and Revenue Agency (CCRA) for income tax purposes.

The amount of PLRP payments to writers is based on a PLRC sampling of the holdings of a number of libraries; the more titles a writer has registered and the more libraries in which these titles are found, the larger the writer’s PLRP payment. The PLRC samples a combination of public and university libraries, ten English and five French (and an number of extra libraries to assure proper representation of children’s books which are not usually held in university libraries). A number of large, urban libraries are included. Demographic considerations are taken into account in the selection of libraries. For purposes of efficiency and economy, only two English and one French library are rotated out of the sampling “roster” each year to make way for new libraries. The remaining libraries are re-sampled, using updated PLRP eligible title lists. Multiple copies of one title held by a single library are counted as one “hit.” The PLRC considers the regular rotation of libraries sufficient to correct for the discarding of books by libraries.<sup>10</sup>

The sampling is done annually during the months of July and August. From the sampling results and the PLRP budget, the PLRC determines a “hit rate”, i.e. the amount paid each time a book is found. The “hit rate” varies from year to year. At the inception of the PLRP in 1986 the “hit rate” was \$40.00. In 2001-2002, it was \$36.75. The hit rate for French-language library

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September 12, 2002; available at [http://europa.eu.int/comm/internal\\_market/en/intprop/docs/index.htm#lendingr](http://europa.eu.int/comm/internal_market/en/intprop/docs/index.htm#lendingr)

<sup>10</sup>No statistics exist to verify this assumption. However, it is our understanding from discussion with librarians that academic libraries do not generally discard holdings, and that although public libraries discard used, frayed copies of

sampling is set at double the hit rate for English-language library sampling because half as many French language libraries as English language libraries are sampled. The payment ceiling is set at one hundred times the hit rate (fifty times for French language library sampling). Payments to eligible recipients are made once annually in February.

### Program Budget and Growth

The following table shows total PLRP budget, amount used for administration, number of writers that received PLRP funding, average payment, “hit rate” and payment ceiling by year, since the program was introduced.

YEAR	BUDGET	ADMINISTRATION COSTS	NO. OF PAYMENT RECIPIENTS	NO. OF TITLES RECEIVING PAYMENT*	AVERAGE PAYMENT	"HIT" RATE ENG/ FR	PAYMENT CEILING
1986-1987	\$3,000,000	\$253,881	4,377	15,000 (est.)	\$628	\$40/80	\$4,000
1987-1988	\$3,813,000	\$382,060	5,200	17,000 (est.)	\$670	\$39/78	\$3,900
1988-1989	\$4,455,000	\$389,151	5,718	21,000 (est.)	\$694	\$40/80	\$4,000
1989-1990	\$5,202,000	\$452,116	6,405	22,500 (est.)	\$729	\$40/80	\$4,000
1990-1991	\$5,773,000	\$458,499	6,962	24,065	\$772	\$42/84	\$4,200
1991-1992	\$6,663,000	\$388,989	7,699	26,672	\$805	\$43.25/ 86.50	\$4,325
1992-1993	\$7,285,000	\$503,022	8,393	29,461	\$821	\$43.70/ 87.40	\$4,370
1993-1994	\$6,611,000	\$404,496	9,082	32,194	\$864	\$36.30/ 72.60	\$3,630
1994-1995	\$6,598,305	\$398,655	9,604	34,405	\$651	\$33.90/ 67.80	\$3,390
1995-1996	\$6,428,069	\$358,651	10,172	36,525	\$598	\$31.30/ 62.60	\$3,130

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multiple holding titles, they are generally reluctant to discard the “last copy” of a work.

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1996-1997	\$6,296,937	\$324,363	10,730	38,877	\$559	\$29.35/ 58.70	\$2,935
1997-1998	\$8,366,000	\$321,389	11,151	40,781	\$720	\$39.00/ 78.00	\$3,900
1998-1999	\$8,366,000	\$350,210	11,602	42,785	\$695	\$37.80/ 75.50	\$3,780
1999-2000	\$8,366,000	\$336,008	12,148	45,655	\$663	\$34.45/ 68.90	\$3,445
2000-2001	\$8,966,000	\$396,366	12,740	48,346	\$679	\$35.25/ 70.50	\$3,525
2001-2002	\$10,013,662	\$395,882	13,269	50,878	\$727	\$36.75/ 73.50	\$3,675

\* only estimates are available for 1986/87 to 89/90

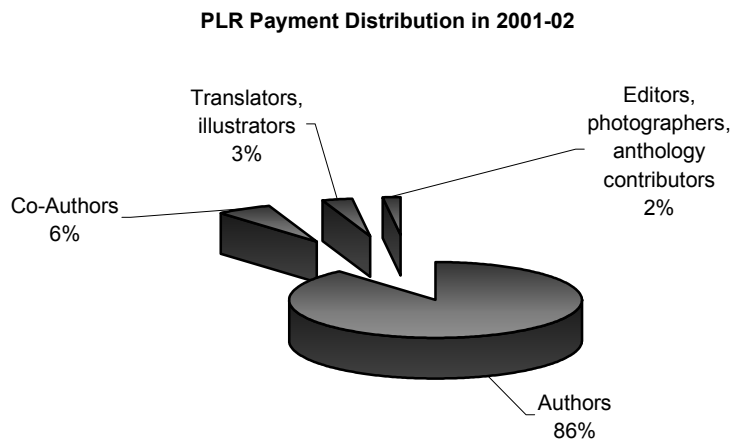
The number of PLRP beneficiaries has grown considerably since 1986. In 1986/87, 4,377 writers qualified for PLRP payment; in 2001/02, 13,269 qualified – a slightly more than three-fold increase in 15 years. Similarly, the number of titles for which payments were made grew from approximately 15,000 to 50,878, and the budget grew from \$3,000,000 to \$10,013,662.

Total payment amounts also more than tripled. In 1986/87 payments totalling \$2.71 million were made; in 2001/02, this total was \$9.65 million. Average payments per writer varied from approximately \$627 to approximately \$821. The average payment in 2000/01 was approximately \$679, and in 2001/02, approximately \$727. Four hundred and fourteen (414) writers received the maximum individual payment of \$3,675 in 2001/02.

The “hit rate” rose from \$40.00 in 1986 to a high of \$43.70 in 1992. In the following year it fell to \$36.30, and continued to fall to a low of \$29.35 in 1996. The hit rate in 2000/01 was \$35.25.

### **Payment Distribution**

The chart below illustrates PLRP payment distribution for 2001-02.



The beneficiary group that receives the largest portion of PLRP funding is authors. In 2001-02, 86% of PLRP payments went to authors, and 6% to co-authors. Three percent (3%) of total payments were distributed each to translators and illustrators, and the remaining 2% went to editors, photographers and anthology contributors. This distribution profile has been fairly consistent since the inception of the PLR program.

### **The Standing Committee on Canadian Heritage**

The Standing Committee on Canadian Heritage provided the impetus for the initiation of this evaluation. During 1999 and 2000, the Standing Committee held hearings to examine the Canadian book publishing industry. Briefs that mentioned the PLR were presented by the Canadian Library Association, The Writers’ Union of Canada, and the Playwrights Union of Canada. The Canadian Library Association pointed out the importance of the PLR; the Writers’ Union expressed concern that PLR payments had declined by 15% from 1998 to 1999 (this was

reported as erroneous in the Report<sup>11</sup>), and encouraged the Standing Committee to recommend that the PLR be enshrined in legislation and that increased funding be provided ; and the Playwrights Union noted the existence of the program. In its report of June 2000 entitled *The Challenge of Change: A Consideration of the Canadian Book Industry*, the Committee recommended an evaluation of the PLRC by the Department of Canadian Heritage.

## Evaluation Methodology

The purpose of this study was to evaluate the relevance, success, cost-effectiveness and alternatives to PLRP. In the context of cost-effectiveness/alternatives, the evaluation considered issues of program design and delivery.

The evaluation was managed by the Corporate Review Branch (CRB) of the Department of Canadian Heritage. CRB was assisted in this role by an evaluation advisory committee that included representatives of PCH (Arts Financing and Legislation Branch and Portfolio Affairs Branch), the Canada Council and the PLRC. The role of the advisory committee was to provide input to evaluation terms of reference, facilitate access to resource people and documents, and validate findings.

The evaluation questions were:

### Relevance

1. To what extent are the principles and objectives of the Public Lending Right Program consistent with current Department of Canadian Heritage and overall federal government priorities?
2. To what extent is this support program for writers, illustrators and translators still necessary to achieve departmental and overall federal priorities?

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<sup>11</sup> See the Chapter Four: Writers and Creators, Section B. Public Lending Right and Reprographic Collectives pp 40-41 of the report cited.

3. To what extent is the program still relevant to the individuals who receive Public Lending Right Program funding (Canadian writers, illustrators, translators)?
4. To what extent is the Public Lending Right Program still needed by Program beneficiaries?

### **Success**

5. To what extent has the Public Lending Right Program succeeded in increasing the income and improving the financial situation of Canadian authors? To what extent has the Public Lending Right Program succeeded in increasing the income and improving the financial situation of Canadian illustrators and translators? What portion of beneficiaries' incomes do PLR payments represent? Are PLR payments reasonable compensation for royalties foregone because of the holding of books by libraries?
6. To what extent has the Public Lending Right Program increased public recognition of Canadian authors? To what extent has the program increased public recognition of Canadian authors' contribution to safeguarding the cultural identity of Canada?
7. What, if any, specific impacts has the program had for PLRP beneficiaries?
8. What, if any, unintended outcomes (positive or negative) have occurred as a result of this Program?

### **Design and Delivery**

9. Is the Public Lending Right Program being delivered as it was originally envisaged?
10. What changes in Canada's writing/publishing/library world since the Public Lending Rights Program was introduced have affected the climate in which PLRP operates? (For example, the Writers' Union cites remarkable growth in Canadian writing in the last 30 years....what has this meant to the Public Lending Rights Program?) Have there been changes in library funding, library acquisition or holding policies, publishers' interest in works by Canadian writers, illustrators and translators or PLRP eligibility criteria that have had significant implications for this Program? What are the changes and what have their implications been for the PLR Program?
11. Are the eligibility criteria for the Public Lending Right Program appropriate for the current environment?
12. (Within current resource allocations), what changes, if any, should there be to the administration and delivery of the Public Lending Right Program?
13. (Within current resource allocations), what changes, if any, should there be to the

dissemination of information about the Public Lending Right Program (to potential beneficiaries, beneficiaries or government)?

14. What changes, if any, could be made to improve reporting on the Public Lending Right Program (to government and beneficiaries)?

15. How effective are the working relationships between the Public Lending Right Commission, the Canada Council for the Arts, and the Department of Canadian Heritage, and what changes, if any, would increase their effectiveness?

### **Cost-effectiveness and Alternatives**

16. Is the Public Lending Right Commission still an appropriate delivery mechanism, is it set up appropriately, and is it still appropriate for the Public Lending Right Commission to operate under the aegis of the Canada Council for the Arts? How could the delivery structure of the Public Lending Right Program be improved?

17. Have there been developments in public lending right practices of other countries that might benefit Canada's Public Lending Right Program if adopted here?

18. What other changes, if any, would make the Public Lending Right Program and its delivery structure more cost-effective or efficient?

The project employed the following methodologies:

- *Literature/Document/File Review*
  - a) various government, industry and association reports/documentation on book publishing, reading statistics, cultural workforce statistics, libraries in Canada, international PLR, and Canada Council and PCH support programs for writers and publishers (reports consulted are included in Appendix 2);
  - b) documents about the PLRP at the PLRC, PCH, and the Canada Council including: original PLRP documentation, the PLRC constitution and by-laws and the Administrative and Information Technology Agreements between the PLRC and the Canada Council, the

1990 PLR Evaluation Report of Jean-Paul L'Allier & Associés, letters from PLRP beneficiaries and others to the government and Canada Council and responses, PLRC meeting minutes, and PLRC sub-committee reports to the PLRC;

c) proceedings of the Standing Committee on Canadian Heritage concerning the Canadian Book Industry and briefs and submissions to the Committee;

- *Review* of Treasury Board Secretariat and Office of the Auditor General policies and reports on program evaluation and third party service delivery, and PCH Reports on Plans and Priorities and Performance Reports;
- *Review* of the PLRC, Canada Council, PCH and Standing Committee websites;
- Input to questionnaire and review of the results of a survey of 375 PLRP beneficiaries conducted by Ekos Research Associates Ltd. in spring 2002 (description below);
- *Conduct of 30 key informant interviews*. This included the development of five Key Informant Interview Guides specific to PCH, PLRC and Canada Council key informants, library representatives and external experts, and the identification of expert key informants, in consultation with the Project Authority. The key informant list and interview guides are included as Appendices 3 and 4.
- *Conduct of Four Focus Groups with PLRP Payment Beneficiaries*. Two focus groups (in English) were held in Toronto and two (one each in English and French) in Montreal. Half of the participants were chosen randomly from a list of 4,095 beneficiaries who had given permission to the PLRC to release their names and addresses for research purposes, and half were chosen from a shortlist of beneficiaries who have a long experience with the program that was provided by the PLRC. Efforts were made to include writers in different genres (fiction, poetry, drama, non-fiction), photographers, illustrators etc. A total of

thirty-two participants took part in the focus groups. The focus group discussion guide is included as Appendix 5.

The telephone survey of beneficiaries was conducted in June 2002. Three hundred and seventy-five interviews were completed, selected from a list of 4,095 beneficiaries who had given permission for their participation. Authors and illustrators were selected randomly. Because there are far fewer of them, all illustrators and translators were contacted. Overall, the results of the survey demonstrate that the PLRP is still very relevant to beneficiaries and contributes at least to some extent to many positive outcomes. The majority of survey respondents did not identify any specific negative impacts of the PLRP.

The methodological limitations to the evaluation were:

- Writers who are not beneficiaries of PLRP were not surveyed or included in focus groups;
- Focus groups were held in central Canada.

## **Findings**

The findings below are organized by evaluation question and reflect information gained from all sources, including the document review, the website review, the beneficiary survey, key informant interviews, and focus groups.

The findings provide the context for the evaluation conclusions and recommendations. These conclusions and recommendations appear in a separate section at the end of this report.

## **Relevance of the PLRP**

***The Program is compatible with government and PCH objectives***

The compatibility of the program with basic government and PCH objectives is not at issue.

In the Speech from the Throne of January 30, 2001, the government stated: “The focus of our cultural policies for the future must be on excellence in the creative process, diverse Canadian content, and access to the arts and heritage for all Canadians.” The speech also said that the government “will help communities to develop arts and heritage programs that are sustainable and relevant to their diverse circumstances and aspirations.”<sup>12</sup>

The strategic objectives of the Department of Canadian Heritage that PLRP addresses are:

- Canadian Content: Promoting the creation, dissemination and preservation of diverse Canadian cultural works, stories and symbols reflective of our past and expressive of our values and aspirations;
- Cultural Participation and Engagement: Fostering access to and participation in Canada's cultural life; and
- Connections: Fostering and strengthening connections among Canadians and deepening understanding across diverse communities.<sup>13</sup>

The link between the federal government objectives and the PLRP can be made through the broad principle that by recognizing the contributions of writers and improving their financial situation, the quantity and quality of their artistic production is increased. In theory, this in turn results in more and better literary works finding their way into public libraries, and then into the hands and minds of Canadian readers. Creation, dissemination and access are thereby promoted. There exists no statistical, measurable evidence that the provision of PLRP funds to writers results in an increase in the amount of time they spend writing. However, the result of the beneficiary survey

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<sup>12</sup> 2001 Speech from the Throne available at [http://www.gg.ca/media/speeches/archive-milestone\\_e.asp](http://www.gg.ca/media/speeches/archive-milestone_e.asp)

<sup>13</sup> Statement of Mission and Strategic Objectives of the Department of Canadian Heritage available at [www.pch.gc.ca/pc-ch/org/mission/tex\\_e.cfm](http://www.pch.gc.ca/pc-ch/org/mission/tex_e.cfm).



and focus groups conducted for this evaluation, and another study,<sup>14</sup> provide qualitative evidence that writers consider PLRP payments and writing grants fundamentally as a means to “buy time” to continue their writing activity.

The rationale for providing compensation to writers does not find a direct link to any PCH mission or objectives statement. However, it does fall squarely in place with the spirit and the wording of the Status of the Artist Act that received Royal Assent in June 1992, which recognizes specifically “the importance to artists that they be compensated for the use of their works, including the public lending of them” (Section 2(e) of the Status of the Artist Act, S.C. 1992, c. 33).

Most key informants and survey respondents felt that PLRP goals are clearly aligned with federal cultural objectives as they know them. The logical connection was as follows. The PLRP contributes directly and indirectly to the achievement of cultural objectives by providing financial support to Canadian writers that assists them in their creative endeavors. So, the PLR program helps build capacity in the literary arts sector, and contributes to the assurance of diversity of literary expression. This in turn provides for a diversity of Canadian expressions to all Canadians. Indirectly, the PLRP also contributes to the increased accessibility of Canadian literary works, as witnessed by the increased numbers of eligible titles held in Canadian libraries, and hence to the achievement of “connecting Canadians to one another,” as works from various writers and parts of the country are made available to other Canadian audiences and locations.

### ***The need for the PLRP continues***

As a Payment for Public Use Program, the PLRP was designed to address the real or perceived loss of royalty revenues to writers when libraries purchase books and lend them to readers, and to

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<sup>14</sup> *The Impact of Canada Council Individual Artist Grants on Artist Careers: Results of Research on Grant Patterns and Discussion Groups with Individual Artist Grant Recipients – A Report to the Canada Council for the Arts, March 2000*

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provide recognition of the contributions of writers. The PLRP program still contributes to the achievement of these goals. It fills a distinctive and needed niche for writers not provided by other programs - compensation for the public use of their works, and recognition that these works have value. PLRP support is seen as an essential piece of the cultural support mosaic to writers and to Canadian literary production that is provided by government.

Also, results of the beneficiary telephone survey were that 68% of respondents felt that to some extent or to a great extent, the program was a factor in their continuing to be writers. Ninety-one percent felt that the program is still needed to a great extent. Without the PLRP, the government's achievement of its goal of ensuring cultural identity by promoting the creation and dissemination of Canadian books would be more difficult. The PLRP provides needed support in alignment with the cultural goals and strategic objectives of government and PCH.

### ***The PLRP is still relevant to beneficiaries***

Beneficiaries had an opportunity to comment on the relevance of the program through the beneficiary telephone survey and, for a much smaller number, in focus groups. Key informants also had an opportunity to comment from the perspective of their own stakeholders (e.g. writers' organizations) and from experience with beneficiaries. In addition, a large number of beneficiaries' letters to PCH and the Canada Council were examined.

From the lines of evidence above, particularly results of the beneficiary survey, we conclude that the program continues to be relevant to beneficiaries. It is seen to be clearly focused on the goals of increasing the income and improving the financial situation of Canadian writers and increasing public recognition of their important contribution to safeguarding the cultural identity of Canada.

In the beneficiary survey, 64% of respondents said that the program had improved their financial situation to some extent or to a great extent. Twenty-six percent said that public recognition of Canadian writers was increased to a great extent, and 47% to some extent. Fifty-two percent felt that the program contributed to protecting Canada's cultural identity to a great extent, and 34% to some extent.

An idea that was expressed by several key informants and focus group participants during the course of this evaluation was that the PLRP is one of a number of important government support programs that ultimately contribute to a healthy cultural environment for writers and writing. These programs include peer-reviewed artist grants, publishing grants, prizes and public recognition events, support for libraries, public readings, and writers' residencies. They see the PLRP as making a unique contribution still needed to a considerable extent because it is a payment for use program not duplicated elsewhere that provides both financial and recognition benefits.

### **Success of the PLRP**

#### ***PLRP payments have increased writers' incomes and improved their financial situation to a certain extent***

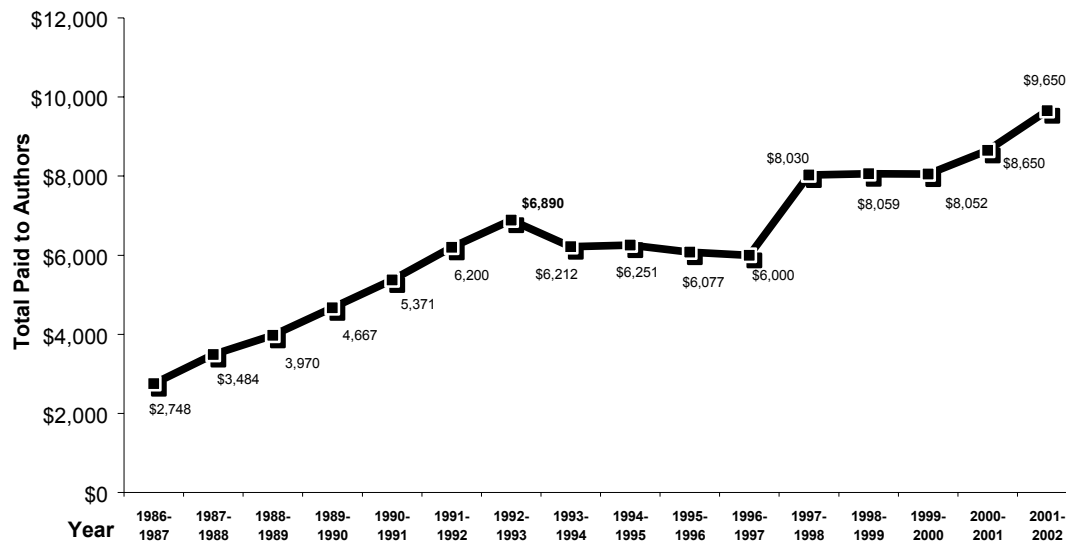
One of the stated goals of the PLRP is to increase the income and improve the financial situation of Canadian writers. As was demonstrated in the PLR profile above, the PLRP has made payments totaling over \$90 million to beneficiaries during the 16 years of the program's existence.

The results of the survey of PLRP beneficiaries in June 2002 indicate that beneficiaries are generally satisfied with the level of PLRP payments. According to the survey, 47% of respondents felt that the PLRP has improved their financial situation "to some extent" and 17%

“to a great extent.” When asked to identify “negative outcomes of the program,” 73% of respondents indicated that there were no negative outcomes and only 11% identified “program under-funded” as a negative outcome. Furthermore, when asked if changes to the PLRP are needed, 44% of respondents replied that no changes were necessary. Twelve percent recommended “more funding/payments.”

The graph below illustrates total PLRP payments to beneficiaries since the inception of the program.

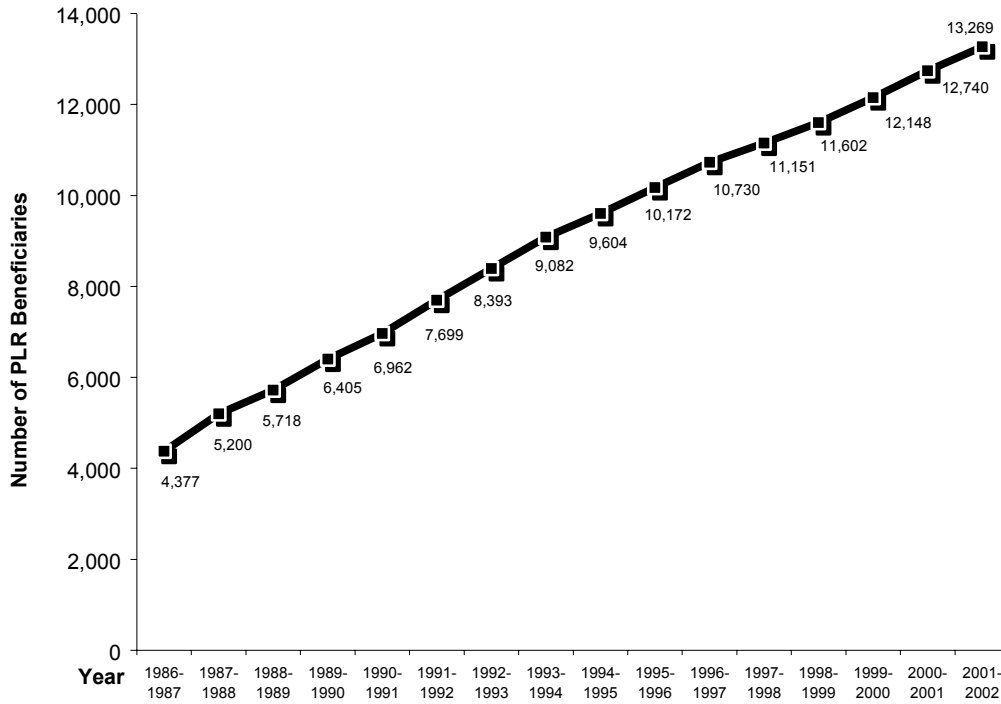
**PLRP Payments to Beneficiaries (in millions)**



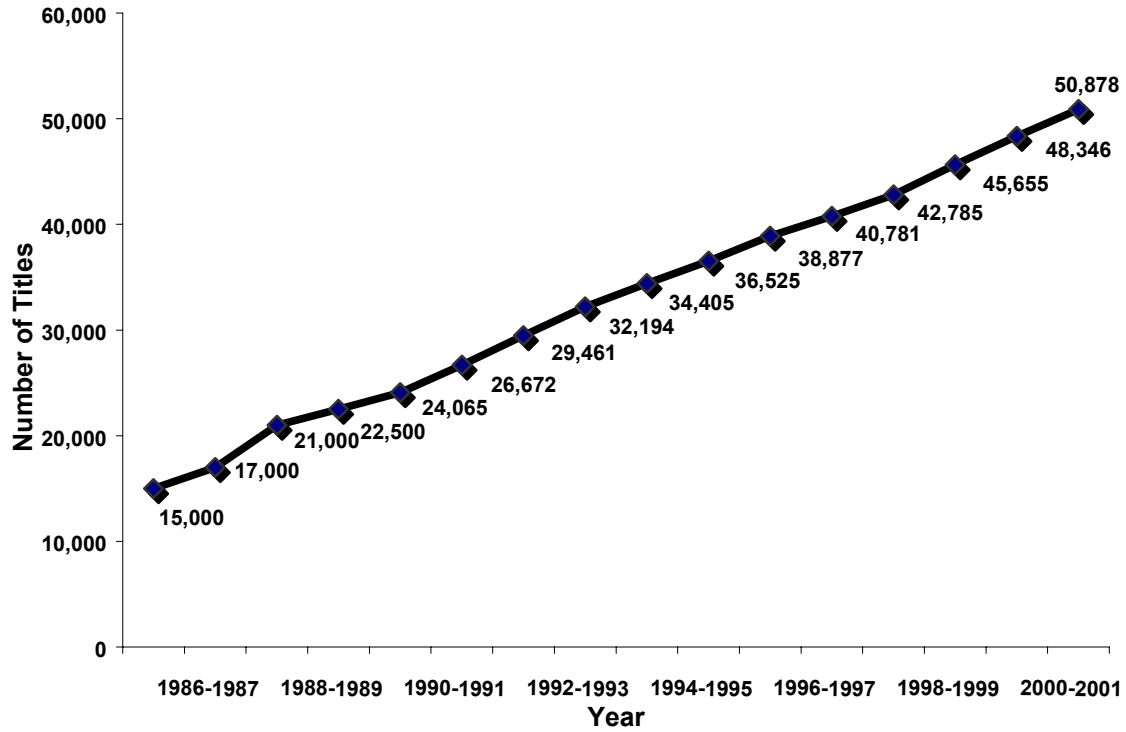
This more than tripling of total payments, however, has not had a significant effect on the average payment to writers because there has also been a tripling of beneficiaries and eligible titles. The average payment has fluctuated between a low of \$559 per year in 1996-1997 and a high of \$821 in 1992-93. The average payment in 2001-02 was \$727.

The graphs below illustrate the number of PLRP beneficiaries, number of titles receiving payment and the average beneficiary payment since inception of the program.

**Number of PLR Beneficiaries Receiving Payment**

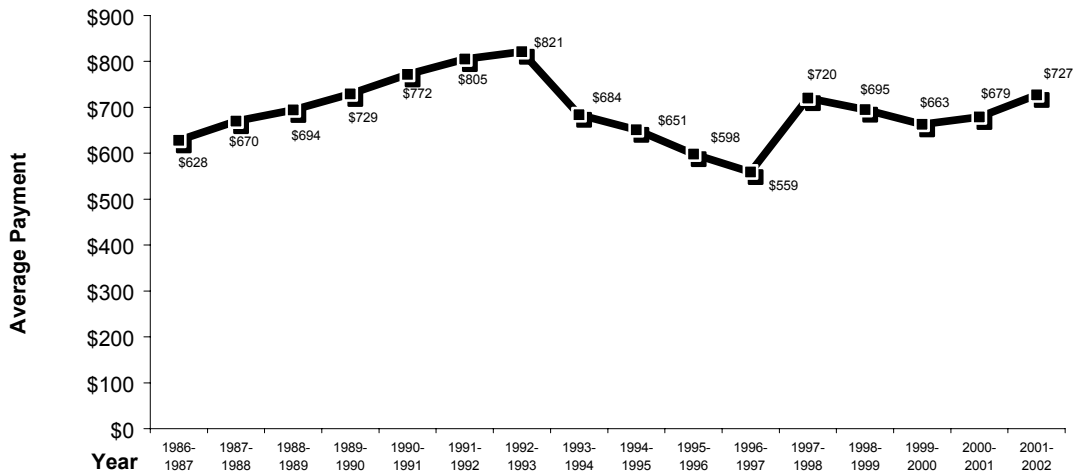


### Titles Receiving Payments



Note: The numbers of titles from 1986 to 1990 are estimates.

### Average Payment to Beneficiaries



The graphs above illustrate that the goal of increasing the income of writers was achieved. Absolute program budget growth during the last 15 years has been considerable, except for the period of “Program Review” in the mid 1990s, during which virtually all federal government programs experienced cuts. We note that the effect of inflation on the amounts above and on other amounts cited in this report have not been calculated, and that some purchasing power will have been eroded over time.

The table below presents the number of beneficiaries in each payment amount range by year since 1991-92 (data for previous years not available).

YEAR	Numbers of Beneficiaries and their Payment Ranges						
	Minimum (\$20-\$35)	Minimum to \$249	\$250 to \$499	\$500 to \$999	\$1,000 to \$1,999	\$2,000 to Maximum	Maximum
1991-1992	112	1,790	2,237	1,721	1,079	563	197
1992-1993	116	1,965	2,394	1,834	1,215	652	217
1993-1994	140	2,667	2,536	1,939	1,094	471	235
1994-1995	132	3,092	2,585	1,983	1,135	435	242
1995-1996	113	3,486	2,802	2,040	1,095	368	268
1996-1997	105	4,335	2,703	1,916	1,073	322	276
1997-1998	169	3,510	2,773	2,330	1,427	649	293
1998-1999	180	3,820	2,933	2,346	1,368	645	310
1999-2000	147	4,150	3,088	2,445	1,406	564	348
2000-2001	157	4,391	3,168	2,490	1,523	641	370
2001-2002	135	3,979	3,519	2,751	1,717	754	414

The table demonstrates that the goal of increasing writers’ incomes has been only partially successful. The steady growth in the number of beneficiaries and eligible titles has meant that the number of payments in the lower ranges (up to \$1,000) has grown at a considerably greater rate

than the number in the higher ranges (\$1,000 to maximum). Only a small proportion of recipients (8.8% in 2001-02) received more than \$2,000.

We have done a breakdown of beneficiaries receiving less than \$500. In 2001-02 the total number was 7,498 or 57.5% of total beneficiaries, and the proportion of beneficiaries in this range has been consistent at least since 1994.

The table below illustrates the payment range below \$500 broken out in \$100 segments.

<b>Beneficiary Payments Below \$500</b>											
Payment range	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000	2000-01	2001-02
Min. -\$99.99	536	592	724	801	1,151	1,326	1,000	1,165	1,116	1,180	1,156
\$100-\$199.99	873	986	1,397	1,354	1,781	1,927	1,705	1,809	1,854	1,931	1,961
\$200-\$299.99	861	883	1,436	1,671	1,544	2,069	1,327	1,336	2,047	2,122	2,123
\$300-\$399.99	1,066	1,166	1,128	1,146	1,149	851	1,605	1,664	1,345	1,419	1,392
\$400-\$499.99	691	730	518	705	663	865	646	779	876	909	866
<b>TOTAL</b>	<b>4,027</b>	<b>4,357</b>	<b>5,203</b>	<b>5,677</b>	<b>6,288</b>	<b>7,038</b>	<b>6,283</b>	<b>6,753</b>	<b>7,238</b>	<b>7,561</b>	<b>7,498</b>

The table demonstrates that even in the below \$500 range, recipient numbers are highest and growing in the \$100 - \$300 range. In 2001-02, 4,084 recipients or 30.7% of total recipients received payments in the \$100 - \$300 range.



In resume, we observe that a relatively high and growing proportion of PLRP beneficiaries receive relatively small annual payments.

The discussion above indicates the degree to which absolute and relative increases in income to beneficiaries have been achieved.

We point out however, that the nature of the expected increase in income (e.g. absolute amount or percentage change) that the PLRP was expected to achieve was never articulated. In the absence of quantitative goals and benchmarks, it is not possible to draw evaluation conclusions on the degree to which increased income has been achieved.

The results of the survey indicate that PLRP payments represent, in general, a very small part of total income and of income from writing of beneficiaries. Statistical data from other sources to corroborate this survey result are not available. It appears from research conducted by the Canada Council, based on data from the 1996 Statistics Canada Census and the 1992 Statistics Canada Cultural Labour Force Survey<sup>15</sup>, that writers and artists in general, often have a number of sources of income, some of which are from their artistic activity and some of which are not, and from both full-time and self-employed income of various kinds. Detailed data on the proportions of specific sources of income to writers (e.g. royalty payments, PLRP payments, grants, reading fees, etc.) have not been collected.

The analyses conducted by the Canada Council cited above indicate that the 1996 Census conducted by Statistics Canada counted 18,585 writers in the Canadian labour force. (The Canada Council cautions that this number is considerably understated because writers and other artists often hold multiple jobs, and Census and labour force data classify occupation based on most hours worked in one occupation, without capturing data on multiple job holders).

According to the 1996 Census, the average employment income (from all sources) for writers was

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<sup>15</sup> See Arts Sector Profile #2 Artists in the Labour Force, The Canada Council for the Arts, 1999

\$27,942. PLRP payments in 1995/96 were received by 10,172 recipients. The average PLRP payment that year was almost \$600. Very roughly, we estimate, based on these statistics, that PLRP income could represent an overall average of approximately 2% of total income of writers.

As a percentage of total income from writing activity only, since we can do not have reliable statistics, we can only conclude that the percentage would be higher.

The key informant interviews and focus groups provided considerable qualitative insight into these statistics, the financial situation of writers and the place that PLRP payments have in the broader financial profile of beneficiaries.

Focus group comments suggest that the financial situation of beneficiaries varies considerably from individual to individual. For higher income individuals, PLRP payments usually represent a small improvement to their financial situation, although those individuals who volunteered that they receive maximum or close-to-maximum payments indicated that the amount is significant to them.

However, PLRP payments appear to be most important financially to lower income beneficiaries, in particular those who make a substantial part of their income from writing. For these individuals, a payment they can count on each year and whose amount is generally predictable (unlike royalty payments), is important because it increases their capacity to plan. Focus group participants said that financial planning by such writers consists mainly of spending frugally, and assuring that “ non-writing” activity would not have to be engaged in to finance “writing” time.

Writers and publishers confirmed that royalty payments to writers generally decline considerably after books have been on the market for one or two years, even books that have enjoyed commercial success. PLRP payments continue most often well after royalty payments have stopped, i.e. as long as the works are still found in libraries. So, in many instances, and even more so for writers of books that do not enjoy high sales, PLRP payments represent dependable

income for writing that has already been completed, which finances on-going creative work. So, we observe that for many PLRP payment recipients, what appears objectively to be a relatively small payment amount, almost certainly has a disproportionate positive impact on their writing activity. In addition, as indicated above and as demonstrated in the results of the 2002 survey, beneficiaries were most appreciative of the “recognition” aspects of the program.

We point out that although annual average payments may be low, cumulative payments may represent significant amounts (especially compared to royalty payments which often end or are considerably reduced after one-two years). The analysis below presents details on the fluctuations in number of PLRP payments per year between 1992 and 2002 (previous data unavailable). It illustrates that during the last 10 years, significant numbers of new writers joined the PLRP while very few writers dropped out (i.e. because of death or because their titles were no longer found in sampling). In fact, large numbers of writers remain in the PLRP system for many years and cumulative payments have grown.

### Fluctuations in Number of PLRP Beneficiaries from 1992 to 2002

Year	Total number of writers who received PLRP payments	Deceased-last payment received that year	Estimated number of writers lost track of or whose cheques were returned two years in a row	Estimated number of writers who lose payment in any one year due to sampling changes	New writers	Net increase in number of writers who received PLRP payments
1992-93	8,383	unavailable	30	15	633	694
1993-94	9,082	unavailable	30	15	558	699
1994-95	9,604	unavailable	30	15	523	522
1995-96	10,172	67	30	15	533	568
1996-97	10,730	74	30	15	501	558
1997-98	11,151	108	30	15	438	421
1998-99	11,602	88	30	15	460	451
1999-2000	12,148	113	30	15	536	546
2000-01	12,740	108	30	15	587	592
2001-02	13,269	111	30	15	541	529

Notes:

1. All figures are taken from PLRC Annual and Statistical Reports except for “Estimated number of writers lost track of or whose cheques were returned two years in a row” and “Estimated number of writers who lose payment in any one year due to sampling changes”. These are estimates provided by the PLRC.
2. The PLRC has tracked the numbers of deceased recipients only since 1995.
3. Every year, there are new writers from the previous year who will receive a payment for the first time in the subsequent year. This explains the discrepancy in the numbers. For example, in 2001-02: The PLRP had 541 new writers register over the previous year’s base of 12,740. At the same time, 108 writers from the previous year did not

receive a payment in 2001-02. Another 30 were lost track of or their cheques were returned, and another 15 writers were dropped because of a change in sampling. So, 12,740 (previous year's base) + 541 (new writers) = 13,281 – 108 (deceased) = 13,173 – 45 (lost, no payment writers) = 13,128. However, PLRP compensated 13,269 writers in 2001-02. This means that roughly 141 writers from previous years (mostly the year before) received a payment for the first time. This is because their title wasn't found the first year it was registered. It took a second year of sampling to be found.

Even though PLRP payments often continue well beyond the period of royalty payments, some focus group participants expressed concern that the PLRP would lose relevance if the amount of annual payments descends low enough to be perceived only as tokens of appreciation, rather than payments that truly improve writers' financial situation.

### ***Beneficiaries see PLRP payments as tangible public recognition of Canadian writers***

The original documentation on the PLRP indicates that giving public recognition to writers' important contribution to protecting Canada's cultural identity is the other program goal.

The evaluation found that a very important impact of the PLRP has been its contribution to the perception of public recognition in the minds of beneficiaries. The 2002 beneficiary survey results indicated that 73% of respondents felt that the PLRP has "helped increase public recognition of Canadian writers" to some extent or to a great extent. The survey results indicated further that beneficiaries feel that recognition is a more valuable outcome of the program than extra income. When asked "Is the program valuable primarily as a source of extra income or as recognition of your contribution to Canadian literature?," 46% of respondents replied "extra income and recognition," 35% replied "recognition" and 18% replied "extra income."

In focus group discussions and key informant interviews, this notion of "recognition" was further probed.

Focus group participants said they see payments as evidence that Canadian society, through its government, recognizes the worth of writers and their books. This is of prime importance to

beneficiaries. Indeed, it was mentioned on several occasions that if the program were eliminated, it would be a severe blow to the confidence and sense of worth that the program has engendered among writers and detract from national recognition of Canadian literary production.

Writers also feel that PLRP's existence indicates that their books are significant enough for the government to compensate for their use from public funds. They see this as tangible recognition that their production has "value" to Canadian society. It was mentioned that before the advent of the PLRP, Canadian society did not recognize that public use should be compensated. Now, such recognition is provided and continues to be provided each time a writer receives a PLRP cheque. Even though the program is not well known to the public, writers feel that the country has made a policy decision that reflects values of fairness and justice.

It was found that beneficiaries and key informants feel that the PLRP program is unique in the nature of its recognition. This is because the PLRP does not make a judgment on the value or content of a book. It is enough that the book be published, meet the program's eligibility criteria, and appear on the library shelves. This is of great importance to writers. Granting decisions of provincial or federal arts councils are generally based on a peer review process. As much as they respect the idea that judgement and acceptance by their peers is the ultimate "competitive" measure of artistic worth, they believe that many worthwhile projects are rejected, where most writers receive PLRP support.

Furthermore, few grants are awarded relative to the number of applicants, whereas all eligible books are covered by the PLRP. There is no "cut-off" point based on merit or any other criteria, below which some eligible works would not receive payment (rather, the "hit rate" goes down). It is a straightforward payment for use program, using library holdings as a proxy measure for public use. This "universality" is a kind of recognition of their work in the minds of writers. It suggests that, unlike grants, a kind of "market" force (i.e. decisions by publishers to publish the work, by libraries to buy it, and by readers to read or consult it) determines acceptance for

payment by the program, and provides a validation of their contribution. This is viewed as an independent and valuable measure. Several writers in interviews and in focus groups expressed the view that this principle is of great importance to them, more so than the actual dollar amount of the payment.

Another measure of the recognition to writers that the PLRP provides is in the observation many writers made that for PLRP, payments are made directly to writers rather than to intermediaries, e.g. publishers. In addition, payments are for work already completed, and require no justification or explanation on how the money will be used. Finally, payments are made to all whose works are found in libraries, whether they are full-time or part-time writers, whether they are well known, whether they have income from other sources, and whether their work is popular. The PLRP is seen as the great “equalizer,” non-judgmental and fair, and a source of recognition for all writers. This is highly appreciated by many beneficiaries.

Beneficiaries generally recognize and approve of the balance that the PLRP has struck between payment for use and cultural support. They recognize and approve that no “means test” is administered to determine eligibility, and that no one “gets rich” on the program because maximum payments are capped. Since some funds are directed to “underpaid” writers (e.g. poets and playwrights whose works may be worthwhile but whose sales are low), it is generally accepted among writers that the program is administered in an equitable manner.

Few writers, PLRC representatives, PCH, Canada Council or other experts who provided input to this evaluation viewed increasing recognition of writers directly by the public as an important primary concern of the PLRP. Most felt that in the current environment, this type of public recognition of writers has been and continues to be achieved principally through the awarding of literary prizes and through the work of the Canada Council, other art councils, the CBC, libraries and other bodies. Public recognition of Canadian writers, particularly English-language writers, is higher than it has ever been, and no interviewees felt that the PLRP should devote significant resources to communication or publicity campaigns aimed at increasing public recognition of

writers, particularly when this is being accomplished by other means. Indeed, many informants mentioned that they appreciated that the PLRC does its utmost to keep its costs to a minimum so that the maximum percentage of its budget can go to writers themselves. None wished to see this change.

A number of individuals in government positions mentioned that publicity and communication campaigns are usually costly, require on-going commitment, and may provide meager results.

It appears from growth statistics of new writers added each year and interview results with individuals from the book writing, lending and publishing environments that there are few if any eligible writers who are unaware of the program's existence and therefore miss the opportunity to register.

In resume, the idea of public recognition has taken on a very important but indirect and expanded meaning for many involved in the PLRP, particularly PLRP beneficiaries. Efforts to increase direct public recognition of the program are felt to be unneeded.

***PLRP tells writers their books are still “alive”***

The PLRP has had other small but significant positive impacts.

For many beneficiaries, the information on library “hits” that accompanies their PLRP payments is an indication to them that their works are still “alive” i.e. that their books are being used and read. It is a sign that books that have been around for a number of years are still available to the public.

Some beneficiaries, especially writers of books published in small numbers by small publishers, mentioned that seeing that their works are still in libraries across the country, sometimes in other



parts of the country, is a source of encouragement that helps motivate them to continue writing. For others, it is a source of a feeling of involvement in the community and pride in being Canadian.

## **Design and Delivery**

### ***Administration of the PLRP is effective***

The PLRC functions to a large extent as an autonomous body in the Canada Council, directing and administering the PLRP.

We observe that the administration of the PLRC is in accordance with its Constitution and By-Laws and is efficient and effective (The PLRC Constitution and By-Laws are included as Appendix 6.) Commission members have been named by the organizations stipulated in its Constitution. There is little disagreement from beneficiaries on what the PLRC is expected to do for them – distribute payments for eligible books held in Canadian libraries. The objectives of the program to improve the financial situation of writers and to provide public recognition of writer’s contributions have remained constant since its inception in 1986 and the Program has been administered in a manner in keeping with those original objectives (although we note the absence of *recognition* in the statement of Commission objectives in the By-Laws).

Both the PLRC and the Canada Council report that the Administrative Agreement and the Memorandum of Understanding on the provision of informatics services are clear, and provide a sound basis for the administration of the PLRP. PLRC employees are subject to the human resources regime of the Canada Council, and this appears to be in the best interests of all parties. The PLRC and the Canada Council agree that the economic efficiency of having the PLRP use the considerable power of the Canada Council information technology systems and database administration represent solid savings to taxpayers and allow the PLRC to contribute more of its budget to PLRP payments.

Past and present members of the Commission have provided thoughtful consideration of important PLRP delivery issues, e.g. eligibility criteria, and decisions of the Commission are taken after due debate. Records of the proceeding of meetings of the PLRC are complete.

The beneficiary survey, focus group results and interviews reveal that writers view the PLRC positively, (although the beneficiary survey showed slightly less support for the current administration of the program among Francophone respondents). Beneficiaries consider the PLRC representative of their interests. Although some may not agree with all Commission policies e.g. on eligibility criteria, payment caps, etc., they generally believe that the Commission has made reasonable trade-offs, given the limitations of its budget.

The PLRC is also seen as a well-run and efficient organization. Key informants recognize that the Commission has made conscious and deliberate decisions to assure that the maximum percentage of its budget finds its way into the hands of beneficiaries (3.95% of its budget is being spent on administration this year). The Executive Secretary of the Commission is highly regarded for her knowledge, enthusiasm, good judgement, efficiency and positive relations with beneficiaries and other stakeholders.

Among key informants, there were different perspectives on the role of PLRC.

Some see PLRC's role as that of an administrator – administering available funds for the Public Lending Right Program on behalf of the government.

Others see the PLRC as an administrator and also as a defender of writers and their rights, and the guardian and promoter of the PLR, not as a Public Lending Right “program,” but as a Public Lending “Right,” whose time to be recognized formally through legislation will eventually come. The Commission has consistently and clearly articulated its major long-term goals of achieving:

1) “universal” coverage (i.e. for all nature of books), 2) a recognized legal “right” for the PLRP, and 3) a sustained “hit rate” of \$50.00<sup>16</sup>.

***PLRP eligibility criteria are appropriate***

The main categories of ineligible titles include practical advice and “how-to” instruction books, travel, nature guides and cookbooks, and books designed primarily for an educational market. Other excluded works include directories, dictionaries and encyclopedias, conference proceedings, catalogues newspapers, magazines, periodicals, unpublished works, government reports, musical scores and calendars.

Some key informants agree that the program should focus on “literary” works, as “popular” works (e.g. “how-to” books) already receive higher revenues from sales and royalties. As such, the PLRP is in part a program of compensation for use and foregone royalties, and also a cultural support program that directs monies to under-funded writers, particularly poets, playwrights and novelists. Many accept this position as legitimate and laudable. Original program documentation did not provide direction on this question; it was left to the PLRC to administer available funds as it saw fit.

Some others, including PLRC representatives, believe that when funding permits, all books by Canadian writers should be eligible. The PLRC’s position is that exclusions are in place to avoid spreading limited funds too thinly among recipients, particularly when some writers already receive “fair” compensation from other sources. Their perspective is that the spirit of the original objective is to compensate all writers for the use of their work through libraries, so all works by Canadian writers in libraries should be eligible.

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<sup>16</sup> PLR payments to writers in 2001-02 totaled approximately \$9.65 million. If the hit rate had been \$50.00, the 2001-02 payment budget would have been approximately 36% or \$3.48 million higher.

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Several key informants and writers expressed the view that the scholarly works of writers with full-time university positions should be excluded because these individuals have regular incomes. Others feel that linking a “means test” for individuals to eligibility of their work is contrary to the spirit of the program.

PLRC minutes show that there has been debate of eligible and ineligible categories, and the PLRC’s authority to make such decisions is respected by beneficiaries, focus group participants and key informants. It was found that the PLRC considers appeals of its decisions and responds to each with an explanation.

Works in non-print media are not covered by the PLRP. Since the PLRP was introduced, the publishing world has seen the emergence of books on tape, etc., and library holdings have expanded to include works in other media. Librarians and publishers interviewed for this evaluation said that the current use of “electronic” books is not as strong as anticipated. When asked about changes to the program, only 6% of beneficiaries suggested extending PLR payments to other formats.

***The “hit rate” is a budget-based calculation, not a value-based target***

Determining an appropriate “hit rate” has been, and continues to be, a thorny issue. In part, this is because an objective determination of what constitutes appropriate compensation for use or foregone royalties has never been established. Instead, the “hit rate” has always been calculated by dividing the budget by the number of titles after retaining an appropriate amount for program administration. So, the measure of appropriateness of the “hit rate” in any year is that it “fits” the budget and the sampling results.

A “value-based” hit rate would be very difficult to determine. Firstly, no market-based comparison is possible because there exists no market price for “borrowed books”, since libraries

lend their books at no charge. Secondly, other value determination methods have been considered, such as foregone royalties. However, many key informants (especially library representatives) disagree with the notion that library book borrowing reduces book purchases. Indeed, many maintain that library lending and book and writer promotion activities organized by libraries encourage increased book purchases by the public. In any event, no study has been done by the PLRC or other Canadian organizations to determine what amount of royalty revenue might have been foregone due to the presence of books on libraries.

Other value determination methods quickly stray from establishing an appropriate compensation amount for the holding of books in libraries into increasing support for writers and artists, value for creative work, minimum wages for artists, etc. These are important issues, and some key informants are of the opinion that the PLRP should be part of a “package” of mechanisms to support artists. In any event, the challenge of determining the compensation a writer should receive for the holding of his or her book by a public library remains. The “hit rate” does not measure value, but it is useful for determining the relative weight of payments and what payment goes to each writer.

***The “hit rate” continues to be based on library holdings rather than lending***

Since the program’s inception, the PLRC has sampled the holdings of representative English and French public and academic libraries across the country. The original documentation for the PLRP indicated that the program would initially measure library holdings and could eventually change to a system of measuring lending. The issue of measuring lending has been a subject of discussion, particularly at international PLR forums.

Until recently, sampling was done manually by matching PLRP eligibility lists to library holding lists. During the summer of 2002, PLRC conducted a pilot project of electronic sampling based on ISBN numbers with a number of libraries. The Commission reports that the project was

successful, showing promise for wider application, especially in smaller provinces. The method should provide some efficiency gains to the PLRC in the future.

The majority of key informants are of the opinion that sampling library holding is an efficient method that has some advantages over using lending statistics, even if lending data would be more precise. There is a fear that the cultural support effect of the program, i.e., providing income to writers of lesser-used but valued works would be lost, since these works appear to be borrowed less often. Also, a number of librarians observe that usage of books in libraries themselves (which would not show up in lending statistics) is considerable, and this usage would not be taken into account. Finally, although considerable progress has been made and continues to be made in many libraries to computerize lending records, this practice is far from standard in libraries across the country. The nation-wide system that would be required to effect an efficient and accurate lending count for PLRP purposes is not possible at this time, and is not likely to be in the short or medium term future.

### ***Pressure for budget increases is likely to continue***

If the number of eligible writers and titles continues to rise, and there is no change to eligibility criteria, pressure for increased resources will continue. The alternative would be to lower the per unit payment amount or further limit eligibility. The PLRC has been reluctant to do either, preferring to seek government support for a higher “hit rate” and the budget increases that this would entail.

Over the years, the PLRC has considered changes to control program growth. In 1993, following a ten per cent cut to its budget (in line with comparable cuts to most federal granting programs), the PLRC identified the following budget control options:

- delaying payment for newly registered titles in their first year (providing savings in year one only);

- delaying payment for newly registered titles in their first and second years (providing savings in years one and two only);
- limiting the number of years a title may receive PLRP payments, e.g. 10 years;
- de-listing or reducing payments for certain categories of titles e.g. scholarly or legal;
- disqualifying works of Canadian writers who don't live in Canada;
- voluntary claw-back of PLRP payments for those writers earning more than “x” dollars per annum (it was suggested that the PLRC could enquire about the issuance of a tax-deductible donation receipt for monies received by the Canada Council from writers, earmarked for a “PLRP Payback Fund”).

There were also discussions about other options e.g. a descending hit rate scale over time so that more funds would be directed to the writers of more recent works, or limited payments to scholarly writers with full-time university employment and the associated salary and income assurance, as they might be justified on the basis of “fairness.”

None of these options was implemented by PLRC, for two reasons. PLRC representatives say some writer groups would bear some degree of present or future financial loss, and the Commission did not want to be seen to be “penalizing” one sub-group over another. Also, they expressed concern that introducing measures to limit or reduce payments would constitute a breach of the Commission’s organizational mission, a submission to unwarranted pressure, and a tacit agreement that PLRP can be treated like other federal programs.

All interviewees and focus group participants were probed for creative approaches to managing growth. Many writers and PLRC members were reluctant to contribute to this discussion, considering instead that the correct path is to find ways to convince government to increase its budget. Many felt that continued growth has been a significant accomplishment, and that any limitation on unit funding would detract from the fundamental goal of improving the financial situation of writers. Others recognized the funding and growth dilemma, but felt for the most part

that the PLRC is the organization best qualified to make decisions on whom to pay and in what amounts.

The publishing and book distribution industry in Canada is currently undergoing restructuring. Business arrangements between publishers, distributors and booksellers are evolving. It is difficult to predict what effects changes will have on book availability, or royalty payments to writers. Some key informants felt that small publishers could be affected more than others. If a significant number of writers' incomes is affected negatively, it is possible that the PLRP will experience pressure for higher payments to fill the gap.

***Working relationship between the PLRC and the Canada Council is positive but the Commission would like more input into budget decisions***

PLRC and Canada Council key informants agree that the working relationship between the two organizations is positive, although there can be tension over budget levels.

The PLRC sees itself as a body that should receive its budgetary authority directly from the Government. On the other hand, the Canada Council administrators understand item 2. (iii) of the 1995 Administrative Agreement more “literally”, insofar as it is the Canada Council Board that approves the Canada Council annual budget, including the PLRP allocation, and for which the Canada Council is accountable and the Canada Council administration responsible.

During the last number of years, the Canada Council has twice been accorded supplemental funding<sup>17</sup>, a portion of which went to the PLRP. As an arm's-length organization from government, the Canada Council manages its funds internally and is accountable to its Board of Directors. It has, however, identified program “themes” for funding (e.g. individual creation or

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<sup>17</sup> In 1997 the Canada Council was accorded \$25 million for each of the following five years above its annual allocation, and this was made permanent in 2002. In 2000, the Canada Council was accorded an additional \$10 million, and in 2001 an additional \$25 million over three years.



dissemination) that are aligned with Government cultural policy priorities and Department of Canadian Heritage objectives.

We note that the amount of annual allocation to the PLRP of the supplemental government funds accorded to the Canada Council is known until 2003. In addition, we note that the allocation of funds by the Canada Council Board identifies the PLRP as a program with a separate budget line. The PLRC is responsible for the administration of the PLRP and the management of PLRP funds.

### **Cost-Effectiveness and Alternatives**

#### ***PLRP delivery is cost-effective***

PLRP statistics show that the PLRC has been a cost-effective and efficient organization in administering the PLRP budget. In 2001-02, the PLRC spent \$395,882 of its budget of \$10,013,662 on administrative expenses, and it employs just four persons. Administrative expenses have been maintained below 7% for more than 10 years, and over this period, we observe a trend toward lower administration costs as a percentage of total expenditures, in spite of the increase in writer and title volumes. The PLRC has been able to keep its administrative expenses to a minimum by sharing in the costs of finance, computer, personnel and other administrative services from the Canada Council. The PLRC has acknowledged that in this respect, the relationship with the Canada Council has been extremely beneficial, and it would be impossible to achieve such administrative savings without a positive, collaborative association with a larger organization.

#### ***Alternative delivery options***

Some suggestions have been made over the years for changes to PLRP delivery. These have included creating an independent institution in the Canadian Heritage portfolio to deliver the PLRP, and making the Canada Council responsible for PLRP delivery with the PLRC as an Advisory Committee. This evaluation revealed no strong impetus to alter the PLRC structure or modify its administrative processes. Indeed, the majority position of beneficiaries and key informants is that the current arrangements between the PLRP with the Canada Council, the premier organization representative of creative interests in Canada, outweigh possible, unproven benefits of change.

Although in some countries PLR programs are included under copyright legislation, it has been widely accepted that in Canada this option is not recommended. Such inclusion would require that all writers be compensated. Since Canadian libraries hold large numbers of works by non-Canadian writers, this would represent a considerable diversion of available funds to them, contradicting the objective of “improving the financial situation and increasing the revenues of Canadian writers”.

### ***Canada’s PLRP model is appropriate for Canada***

Since before inception of the PLR in Canada and continuing to the present, the PLRC has been active internationally in exploring and considering the experiences of other countries’ delivery of PLR programs.

The consensus of key informants familiar with other countries’ PLR programs is that the Canada’s PLR program is well adapted to Canadian realities. For example, it takes all of the

following into account: the fact that a large proportion of Canada's library holdings in English and in French are by non-Canadian writers; Canada's need to maintain a Canadian cultural identity separate from the United States'; the circumstances of Canada's publishing and book distribution industry; Canada's heritage of writing in both English and French and more recently in other languages; and the nature of other support programs at different levels of government. It appears, based on documents reviewed and key informant comments, that the PLRC considers the costs and benefits of program models in other countries, and no modifications to the Canadian model are required.

## **Conclusions**

The evaluation conclusions below are based on the evaluation findings and organized around the evaluation issues.

### **Relevance**

The evaluation concludes that the PLRP continues to contribute to the achievement of government priorities and meet the needs of beneficiaries.

*For beneficiaries*, the PLRP plays a unique and respected role. It provides financial assistance that is appreciated and needed. It provides recognition of the activity and output of writers that beneficiaries value.

*For the government*, the PLRP contributes to the realization of federal cultural objectives, i.e., it promotes the creation, dissemination and preservation of Canadian cultural works, and fosters access to these works.

### **Success**

The evaluation concludes that the PLRP is successful at increasing public recognition of writers' contribution to safeguarding the cultural identity of Canada and, to a certain extent, at increasing the income and improving the financial situation of Canadian writers.

Both the beneficiary survey and the focus group results indicate that recognition provided by PLRP is of primary importance to beneficiaries. The beneficiary survey results in particular indicated that "recognition of their contribution to Canadian literature" is at least as valuable to beneficiaries as "extra income." PLRP payments are a signal to beneficiaries that Canadian society values its writers.

With respect to financial goals, beneficiary survey results indicate that beneficiaries see PLRP payments as having improved their income and financial situation. Although average payments to writers have increased only marginally since 1986, writers appreciate them, and just 12% of survey respondents identified increased funding as a suggested improvement to the program.

## **Design and Delivery**

The evaluation concludes that the PLRC is effective and efficient in its delivery of the PLR program, and the links between PLRC and Canada Council have produced significant cost savings. The PLRP eligibility criteria are clear and effectively applied and the program seems to be well known to writers, given its growth of the last fifteen years.

The only real design and delivery question that emerged from the research was the PLRC's advocacy work on behalf of writers, which has taken it beyond the role of manager and deliverer

of a program for government. Key informants expressed different views on the acceptability of the advocacy role.

### **Cost-Effectiveness/Alternatives**

Research results suggest the program is cost-effective; no alternatives were proposed to its current structure or delivery.

## Observations/Recommendations

The following evaluation observations/recommendations are made:

### *Observation/Recommendation 1*

The PLRP remains relevant and contributes to the achievement of government cultural policy objectives.

### *Observation/Recommendation 2*

The PLRP benefits from the administrative efficiencies that its delivery under the aegis of the Canada Council provides.

### *Observation/Recommendation 3*

PLRP budget considerations should be conducted in accordance with the Administrative Agreement of 1995 between the Canada Council and the PLRC. Canada Council and PLRC should ensure that the Administrative Agreement is clear and provides a means to make changes as necessary to maximize the efficiency and effectiveness of the Program and ensure that government objectives are met.

## Appendix 1: Administrative Agreement Between the Canada Council and the PLRC

ADMINISTRATIVE AGREEMENT between

THE CANADA COUNCIL AND THE PUBLIC LENDING RIGHT COMMISSION (PLRC)

That the PLRC continue its unique partnership with the Canada Council in an administrative framework that respects the PLRC's needs and achieves accountability of the PLRC to the Canada Council and through the Canada Council to Parliament.

This document confirms the following:

1.
  - i) That the PLRC exclusively administers PLR funds, and shall determine and direct, as appropriate, payments to authors. The PLRC has decision-making authority over policy questions, such as the Commission's Constitution and its by-laws (see attached), the program's eligibility criteria, payment formulae, library sampling, planning strategies for the Commission, etc. No amendment to those items in the Constitution and by-laws which specifically affect the Canada Council shall be made without prior consultation with the Council. The PLRC, the Administrative Committee referred to in the charter Canada Council/Department of Communications document – DOS 64944, is responsible for giving advice and guidelines to the Executive Committee in accordance with its members' respective interests.
  2.
    - i) The PLRC follows the financial practices established by the Canada Council, in accordance with Treasury Board guidelines respecting the administration of public funds. The PLRC follows the same planning and budgeting cycle and practices as the Canada Council. This cycle includes a quarterly report to the Treasurer of the Canada Council, which reflects performance against the PLRC's annual plan.
      - ii) Once all program and administrative objectives are accomplished, as detailed in the PLRC's annual plan, unspent monies, either in the payments or administrative portions of the budget, are available to the PLRC for successive years.
      - iii) The Commission accepts all Government-ordered budgetary measures (either cuts or increases) applied by the Canada Council to the budget of the Commission, whether to its administrative or program budgets. Except where specified by Government, the Commission will determine the allocation of such cuts or increases according to its own program or administrative priorities.
  3. Reporting relationship of the Executive Secretary of the PLRC.
    - i. The Executive Secretary of the PLRC reports directly to the PLRC Chair.
    - ii. The Executive Secretary is responsible for the planning, controlling and reporting of the PLRC's administrative budget and activities to the Executive Committee of the Commission, and shall inform the Treasurer of the Canada Council of these matters.
    - iii. The Executive Secretary of the PLRC is empowered to make decisions on the day-to-day running of the PLRC office.
  4. The PLRC shall retain its current practice of providing all records and accounts related to the payments to authors and/or the administrative portions of the PLRC budget required for auditing purposes to the Auditor General or other external or internal auditors.

5. The PLRC shall continue to submit to the Canada Council an Annual Report within three months of the end of each fiscal year. This report presents details on the PLR program's objectives, results and accomplishments. More specifically, the report includes year-end statistics and an analysis on growth in distribution of payments to new authors, new titles, as well as information on overall payment distribution by province, by language and by category. The report also provides narrative details and analysis concerning the success of the PLR program, any specific problems encountered in the structure or working of the fund, and other relevant information.
6. The Chair of the PLRC shall meet with the Director of the Canada Council in order to assure accountability, and may meet with representatives of the Department of Canadian Heritage, whenever necessary, to discuss and review issues such as program structure, program orientation and administration, and audit findings.
7. In the event of the Canada Council being obliged to cover a debt or liability incurred by the PLRC, the Council will recuperate such amount from the PLRC budget.
8. The PLRC shall be responsible to the Canada Council for payment of administrative fees relating to services provided to it by the Council. These fees, the amount of which is agreed upon in advance by both parties, are paid on an ongoing basis.
9. The Canada Council and the Public Lending Right Commission will work in partnership to promote the principles of the PLR program at both government and public levels.
10. No amendment to this agreement shall be made without prior approval of all parties.

For the Canada Council

Roch Carrier

For the Public Lending Right Commission

Douglas Burnet Smith

Signed this 20<sup>th</sup> day of December 1995



## Appendix 2: Bibliography

Canada Council for the Arts (1999). *Arts Sector Profile #2 Artists in the Labour Force*.

Commission to the Council, the European Parliament and the Economic and Social Committee (2002, September) *Report Public Lending Right in the European Union*. Commission of European Communities, Brussels.

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Soderstrom, Mary. (1999, September). *Q&Q Feature: Making Ends Meet*. Quill & Quire pp. 16-17.

WME Consulting Associates (2000, March) *The Impact of Canada Council Individual Artist Grants on Artist Careers: Results of Research on Grant Patterns and Discussion Groups with Individual Artist Grant Recipients*. Canada Council for the Arts.

## **Appendix 3: Key Informant List**

### ***Department of Canadian Heritage***

Nadia Laham, Director, Book Policy and Programs  
Hubert Lussier, Director General, Arts Policy  
Glen Mostowich, Senior Portfolio Analyst, Policy, Planning and Resourcing, Portfolio Affairs  
Patrick O'Reilly, Director, Policy, Planning and Resourcing, Portfolio Affairs  
Roma Quapp, Senior Policy Analyst, Arts Financing and Legislation  
Cynthia White Thornley, Director, Arts Financing and Legislation

### ***Canada Council for the Arts***

Keith Kelly, Director, Public Affairs, Research and Communications Division  
Gordon Platt, Head, Writing and Publishing Section  
Mark Watters, Secretary-Treasurer

### ***Public Lending Right Commission***

Joan Clark, Chair  
Carole David, Vice Chair  
Ray Ellenwood, Member (Literary Translators Association of Canada)  
Gwen Hoover, Executive Secretary  
Jules Larivière, Member (Association pour l'avancement des sciences et des techniques de la documentation)  
Angela Rebeiro, Member (Association of Canadian Publishers)  
André Roy, Member (Union des écrivaines et écrivains québécois)  
Andreas Schroeder, Member (The Writers' Union of Canada)  
Paul Whitney, Member (Canadian Library Association)

### ***National Library of Canada***

Roch Carrier, National Librarian  
Paul McCormick, Director General Strategic Policy and Planning (and non-voting member of PLRC)

### ***External Libraries***

Hugues Bélanger, Responsable, Services techniques, Bibliothèque de Québec  
Don Mills, Director, Mississauga Library Services  
Philippe Sauvageau, Directeur, Bibliothèque de l'Assemblée nationale

### ***Other Experts***

Dean Brinton, Executive Director, Foundation for Heritage and the Arts  
Penny Dickens, formerly of The Writers' Union of Canada

Douglas Gibson, McClelland & Stewart Canada

Richard Giguère, Professor, Université de Sherbrooke

Naïm Kattan, former Head, Writing and Publishing, Canada Council

Claude LeBouthillier, former Chair, PLRC

David Staines, Dean, Faculty of Arts, University of Ottawa

Joyce Zemans, Professor, York University, former Director, Canada Council for the Arts

## Appendix 4: Key Informant Interview Guides

PCH Interview Guide  
Public Lending Right Evaluation  
WME Consulting Associates  
June 2002

### I. Relevance

- 1) Since the Public Lending Right Program was created in 1986, the objectives and priorities of the federal government have of course evolved. From your perspective, does the Public Lending Right Program still contribute to the achievement of Department of Canadian Heritage and federal objectives? If yes, how does it contribute?
- 2) Could these federal objectives be achieved without the Public Lending Right Program? What would be lost without this program?
- 3) Since the program was created, its annual budget, the number of writers receiving payments, and the number of eligible titles have all tripled. What do these numbers suggest to you about the relevance of/need for the program today? Is the program as important as it was in 1986?
- 4) From your perspective, how much is the Public Lending Right Program still important to/needed by program beneficiaries? If the program is still important/needed, is it important/needed primarily as a source of extra income for writers, as a recognition of writers' contribution to Canadian literature (or both)?

### II. Success

- 5) The program was introduced to compensate writers for the use of their works through Canadian libraries. From your perspective, are Public Lending Right payments a reasonable compensation for the use of writers' works through libraries?
- 6) An objective of the Public Lending Right Program was to increase the income and improve the financial situation of Canadian writers. To what extent do you think the program has succeeded at this?
- 7) The other objective of the Public Lending Right Program was to increase public recognition of Canadian writers, and their contribution to safeguarding the cultural identity of Canada? To what extent do you think the program has succeeded at this? If it has succeeded in some measure, what is the evidence, and why do you think this success is due to the Public Lending Right Program and not to other program(s), or that it would not have happened even without the (PLR) program?
- 8) From your perspective, has the PLRP had any other impacts (positive or negative) on beneficiaries? Has it had impacts (positive or negative, intended or unintended) on the Department, Canada Council, writers in general, libraries or publishers?

### III. Design and Delivery

- 9) Have there been significant changes in Canada's writing/publishing/library world since the Public Lending Right Program was introduced which have affected the program (e.g. changes in the number of Canadian publishers or changes in library acquisition policies or budgets)? What changes have you noticed, and what have the implications been for the Public Lending Right Program?

- 10) Do you see the need for any changes to the Public Lending Right Program eligibility criteria? If yes, what changes and why?
- 11) Do you see the need for any changes to reporting on the Public Lending Right Program to the Department of Canadian Heritage, to Parliament, to beneficiaries? If yes, what changes and why?
- 12) From your perspective, how effective are working relationships between the Department of Canadian Heritage, the Canada Council for the Arts and the Public Lending Right Commission? Do you see the need for any changes to increase the effectiveness of these relationships? If yes, what changes and why?
- 13) If the number of eligible writers and eligible titles (for PLRP) continues to grow, how do you think such increases should be addressed? Revised eligibility criteria to reduce the number of writers and/or titles, so as to keep within the current budget allocation? Continuation of current criteria and seek additional resources for Public Lending Right Program? A combination of the above? Other ways? How should such decisions be made?
- 14) From your perspective, is the current Public Lending Right “hit rate” (\$36.75E/\$73.50F) an appropriate funding level to achieve Public Lending Right Program objectives? If not, what hit rate level would be more appropriate and why?

#### **Cost-Effectiveness and Alternatives**

- 15) From your perspective, is the Public Lending Right Commission still the most appropriate delivery mechanism for the Public Lending Right Program? If yes, is it set up appropriately, and is it still appropriate for it to operate under the aegis of the Canada Council? If no, what alternative would you suggest, and why?
- 16) Can you suggest any other changes that would make the Public Lending Right Program and its delivery structure more cost-effective or efficient?
- 17) Is there anything you would like to add to this discussion?

Canada Council Interview Guide  
Public Lending Right Evaluation  
WME Consulting Associates  
July 2002

### Relevance

- 1) Since the Public Lending Right Program was created in 1986, the objectives and priorities of the federal government have of course evolved. From your perspective, does the Public Lending Right Program still contribute to the achievement of Department of Canadian Heritage and federal objectives? If yes, how does it contribute?
- 2) Could these federal objectives be achieved without the Public Lending Right Program? What would be lost without this program?
- 3) Since the program was created, its annual budget, the number of writers receiving payments, and the number of eligible titles have all tripled. What do these numbers suggest about the relevance of the Public Lending Right Program and the need for it? Is the program as important as it was in 1986?
- 4) From your perspective, how much is the Public Lending Right Program still important to/needed by program beneficiaries? If the program is still important/needed, is it important/needed primarily as a source of extra income for writers, as a recognition of writers' contribution to Canadian literature (or both)?

### Success

- 5) The program was introduced to compensate writers for the use of their works through Canadian libraries. From your perspective, are Public Lending Right payments reasonable compensation for the use of writers' works through libraries?
- 6) An objective of the Public Lending Right Program was to increase the income and improve the financial situation of Canadian writers. To what extent do you think the program has succeeded at this?
- 7) The other objective of the Public Lending Right Program was to increase public recognition of Canadian writers, and their contribution to safeguarding the cultural identity of Canada? To what extent do you think that the Public Lending Right Program has succeeded at this? If it has succeeded in some measure, what is the evidence of it, and why do you think this public recognition is due to the PLRP and not to other program(s), or that it would not have happened even without the Public Lending Right Program?
- 8) From your perspective, has the PLR Program had any other impacts (positive or negative) on beneficiaries? Has it had impacts (positive or negative, intended or unintended) on the Department, Canada Council, writers in general, libraries or publishers?

### Design and Delivery

- 9) Have there been significant changes in Canada's writing/publishing/library world since the Public Lending Right Program was introduced which have affected the climate in which the program operates (e.g. changes in the number, scope or amounts CC writing and publishing grants)? What changes have you noticed, and what have the implications been for the Public Lending Right Program?

- 10) Do you see the need for any changes to the Public Lending Right Program eligibility criteria? If yes, what changes and why?
- 11) Do you see the need for any changes to reporting on the Public Lending Right Program to the Department of Canadian Heritage, to Parliament, to beneficiaries? If yes, what changes and why?
- 12) From your perspective, how effective are working relationships between the Department of Canadian Heritage, the Canada Council for the Arts and the Public Lending Right Commission? Do you see the need for any changes to increase the effectiveness of these relationships? If yes, what changes and why?
- 13) How effective is the present agreement (since 1995) between the CC and the PLRC? Do you see the need for any changes to increase the effectiveness of the agreement? If yes, what changes and why?
- 14) If the number of eligible writers and eligible titles continues to grow, how do you think such increases should be addressed? Revised eligibility criteria to reduce the number of writers and/or titles, so as to keep within the current budget allocation? Continuation of current criteria and seek additional resources for Public Lending Right Program? A combination of the above? Other ways? How should such decisions be made?
- 15) From your perspective, is the current Public Lending Right “hit rate” (\$36.75E/\$73.50F) an appropriate funding level to achieve Public Lending Right Program objectives? If not, what hit rate level would be more appropriate and why?

#### **Cost-effectiveness and Alternatives**

- 16) From your perspective, is the Public Lending Right Commission still the most appropriate delivery mechanism for the Public Lending Right Program? If yes, is it set up appropriately, and is it still appropriate for it to operate under the aegis of the Canada Council? If not, what alternative would you suggest, and why?
- 17) Can you suggest any other changes that would make the Public Lending Right Program and its delivery structure more cost-effective or efficient?
- 18) Is there anything you would like to add to this discussion?

PLRC Members Interview Guide  
Public Lending Right Evaluation  
WME Consulting Associates  
July 2002

### Relevance

- 1) Since the Public Lending Right Program was created in 1986, the objectives and priorities of the federal government have of course evolved. From your perspective, does the Public Lending Right Program still contribute to the achievement of Department of Canadian Heritage and federal objectives? If yes, how does it contribute?
- 2) Could these federal objectives be achieved without the Public Lending Right Program? What would be lost without this program?
- 3) Since the program was created, its annual budget, the number of writers receiving payments, and the number of eligible titles have all tripled. What do these numbers suggest about the relevance of the Public Lending Right Program and the need for it? Is the program as important as it was in 1986?
- 4) From your perspective, how much is the Public Lending Right Program still important to/needed by program beneficiaries? If the program is still important/needed, is it important/needed primarily as a source of extra income for writers or as a recognition of writers' contribution to Canadian literature (or both)?

### Success

- 5) The program was introduced to compensate writers for the use of their works through Canadian libraries. From your perspective, are Public Lending Right Payments a reasonable compensation for the use of writers' works through libraries?
- 6) An objective of the Public Lending Right Program was to increase the income and improve the financial situation of Canadian writers. To what extent do you think the program has succeeded at this?
- 7) The other objective of the Public Lending Right Program was to increase public recognition of Canadian writers, and their contribution to safeguarding the cultural identity of Canada? To what extent do you think the Public Lending Right Program has succeeded at this? If it has succeeded in some measure, why do you think that the public recognition is due to the PLRP and not to other program(s), or that it would not have happened even without the Public Lending Right Program?
- 8) From your perspective, has the PLR Program had any other impacts (positive or negative) on beneficiaries? Has it had impacts (positive or negative, intended or unintended) on the Department, Canada Council, writers in general, libraries or publishers?

### IV. Design and Delivery

- 9) Is the Public Lending Right Program being delivered as it was originally envisaged? If no, how has it changed, and why?
- 10) Have there been significant changes in Canada's writing/publishing/library world since the Public Lending Right Program was introduced which have affected the program (e.g. changes in the number of Canadian publishers or changes in library acquisition policies or budgets)? What changes have you noticed, and what have the implications been for the Public Lending Right Program?



- 11) Do you see the need for any changes to the Public Lending Right Program eligibility criteria? If yes, what changes and why?
- 12) Do you see the need for any changes to reporting on the Public Lending Right Program to the Department of Canadian Heritage, to Parliament, to beneficiaries? If yes, what changes and why?
- 13) From your perspective, how effective are working relationships between the Department of Canadian Heritage, the Canada Council for the Arts and the Public Lending Right Commission? Do you see the need for any changes to increase the effectiveness of these relationships? If yes, what changes and why?
- 14) How effective is the present agreement (since 1995) between the Canada Council and the Public Lending Right Commission? Do you see the need for any changes to increase the effectiveness of this agreement? If yes, what changes and why?
- 15) If the number of eligible writers and eligible titles continues to grow, how do you think such increases should be addressed? Revised eligibility criteria to reduce the number of writers and/or titles, so as to keep within the current budget allocation? Continuation of current criteria and seek additional resources for Public Lending Right Program? A combination of the above? Other ways? How should such decisions be made?
- 16) From your perspective, is the current Public Lending Right “hit rate” (\$36.75E/\$73.50F) an appropriate funding level to achieve Public Lending Right Program objectives? If not, what hit rate level would be more appropriate and why?

#### **Cost-effectiveness and Alternatives**

- 17) From your perspective, is the Public Lending Right Commission still the most appropriate delivery mechanism for the Public Lending Right Program? If yes, is it set up appropriately, and is it still appropriate for it to operate under the aegis of the Canada Council? If not, what alternative would you suggest, and why?
- 18) Are you aware of developments in public lending right practices of other countries that might benefit Canada’s Public Lending Right Program if adopted here? If yes, what are they and why do you recommend them?
- 19) Can you suggest any other changes that would make the Public Lending Right Program and its delivery structure more cost-effective or efficient?
- 20) Is there anything you would like to add to this discussion?

Library Representatives Interview Guide  
Public Lending Right Evaluation  
WME Consulting Associates  
July 2002

Background:

Please describe your involvement with the Public Lending Right Program.

**Relevance**

- 1) The Public Lending Right Program was established by the federal government in 1986 “to increase the income and improve the financial situation of Canadian authors and to increase public recognition of Canadian authors’ important contribution to safeguarding the cultural identity of Canada”. From your perspective, is there still a need for such a program? Why or why not?

**Success**

- 2) The program was introduced to compensate writers for the use of their works through Canadian libraries. From your perspective, are Public Lending Right Payments a reasonable compensation for the use of writers’ works through libraries?
- 3) The other objective of the Public Lending Right Program was to increase public recognition of Canadian writers, and their contribution to safeguarding the cultural identity of Canada? To what extent do you think the Public Lending Right Program has succeeded at this? If it has succeeded in some measure, why do you think that the public recognition is due to the PLRP and not to other program(s), or that it would not have happened even without the Public Lending Right Program?
- 4) From your perspective, has the PLR Program had any other impacts (positive or negative) on beneficiaries? Has it had any impacts (positive or negative, intended or unintended) on libraries themselves?

**Design and Delivery**

- 5) Have there been significant changes in Canada’s library world since the Public Lending Right Program was introduced which would have affected the program (e.g. changes in library acquisition policies or budgets; changes in library book holding and disposal practices; changes in the number of Canadian books available)? What changes have you noticed, and what could the implications have been for the Public Lending Right Program?
- 6) How could the system for determining Public Lending Right payments be improved? (i.e. library holdings vs. lending statistics; selection and rotation of libraries; English/French library selection)? What would the cost implications be for libraries and/or the PLRC?
- 7) Do you see the need for any changes to the Public Lending Right Program eligibility criteria, e.g. the eligibility period for titles? If yes, what changes and why?
- 8) From your perspective, should library holdings other than printed books e.g. books on tape and videos, be considered eligible for PLR payments? Why or why not? What would the cost implications be? Are there things now eligible that no longer need to be included?

- 9) From your perspective, is the current Public Lending Right “hit rate” (\$36.75E/\$73.50F) an appropriate funding level to achieve Public Lending Right Program objectives? If not, what hit rate level would be more appropriate and why?

**Cost-effectiveness and Alternatives**

- 10) Are you aware of developments in public lending right practices of other countries that might benefit Canada’s Public Lending Right Program if adopted here? If yes, what are they and why do you recommend them?
- 11) Can you suggest any other changes that would make the Public Lending Right Program and its delivery structure more cost-effective or efficient?
- 12) Can you suggest any viable alternative support mechanisms for Canadian writers, other than through usage of their books via libraries?
- 13) Is there anything you would like to add to this discussion?

Other Experts Interview Guide  
Public Lending Right Evaluation  
WME Consulting Associates  
July 2002

## **Background**

Please describe your involvement with the Public Lending Right Program.

## **Relevance**

- 1) The Public Lending Right Program was established by the federal government in 1986 “to increase the income and improve the financial situation of Canadian authors and to increase public recognition of Canadian authors’ important contribution to safeguarding the cultural identity of Canada”. From your perspective, what is the rationale for such a program? Is there still a need for such a program? Why or why not?
- 2) Since the program was created, its annual budget, the number of writers receiving payments, and the number of eligible titles have all tripled. What do these numbers suggest about the relevance of the Public Lending Right Program and the need for it? Is the program as important as it was in 1986?
- 3) From your perspective, how much is the Public Lending Right Program still important to/needed by program beneficiaries? If the program is still important/needed, is it important/needed primarily as a source of extra income for writers or as a recognition of writers’ contribution to Canadian literature (or both)?

## **Success**

- 4) Overall, what do you consider to be the main outcomes of the program since 1986?
- 5) The program was introduced to compensate writers for the use of their works through Canadian libraries. From your perspective, are Public Lending Right Payments a reasonable compensation for the use of writers’ works through libraries?
- 6) An objective of the Public Lending Right Program was to increase the income and improve the financial situation of Canadian writers. To what extent do you think the program has succeeded at this?
- 7) The other objective of the Public Lending Right Program was to increase public recognition of Canadian writers, and their contribution to safeguarding the cultural identity of Canada? To what extent do you think the Public Lending Right Program has succeeded at this? If it has succeeded in some measure, why do you think that the public recognition is due to the PLRP and not to other program(s), or that it would not have happened even without the Public Lending Right Program?
- 8) From your perspective, has the PLR Program had any other impacts (positive or negative, intended or unintended) on beneficiaries? Has it had any impacts on others e.g. libraries, publishers, governments?

## **Design and Delivery**

- 9) Have there been significant changes in Canada’s writing/publishing/library world since the Public Lending Right Program was introduced which have affected the program or the need for the program (e.g. changes in the

number of Canadian publishers or changes in library acquisition policies or budgets)? What changes have you noticed, and what have the implications been for the Public Lending Right Program?

- 10) Do you see the need for any changes to the Public Lending Right Program eligibility criteria? If yes, what changes and why?
- 11) If the number of eligible writers and eligible titles continues to grow, how do you think such increases should be addressed? Revised eligibility criteria to reduce the number of writers and/or titles, so as to keep within the current budget allocation? Continuation of current criteria and seek additional resources for Public Lending Right Program? A combination of the above? Other ways? How should such decisions be made?
- 12) From your perspective, is the current Public Lending Right “hit rate” (\$36.75E/\$73.50F) an appropriate funding level to achieve Public Lending Right Program objectives? If not, what hit rate level would be more appropriate and why?

#### **Cost-effectiveness and Alternatives**

- 13) From your perspective, is the Public Lending Right Commission still the most appropriate delivery mechanism for the Public Lending Right Program? If yes, is it set up appropriately, and is it still appropriate for it to operate under the aegis of the Canada Council? If not, what alternative would you suggest, and why?
- 14) Are you aware of developments in public lending right practices of other countries that might benefit Canada’s Public Lending Right Program if adopted here? If yes, what are they and why do you recommend them?
- 15) Can you suggest any other changes that would make the Public Lending Right Program and its delivery structure more cost-effective or efficient?
- 16) Can you suggest any viable alternative support mechanisms for Canadian writers, other than through usage of their books via libraries?
- 17) Is there anything you would like to add to this discussion?

## Appendix 5: Focus Group Discussion Guide

Focus Group Questions  
August 2002

Introduction by Eric Wilner

### Relevance

An evaluation always explores whether a program still contributes to the achievement of the funder's overall objectives, so my first question will be on this subject.

The Department of Canadian Heritage has a mandate to promote the creation, dissemination and preservation of Canadian cultural products and foster access to and participation in Canada's cultural life.

1. From your perspective, as beneficiaries of the program, does the Public Lending Right Program help the government achieve this objective? If so, what is its specific contribution?

Let's talk now about the relevance of the program to writers and editors, translators and illustrators.

The Public Lending Right Program was created to help safeguard the cultural identity of Canada by increasing the income and improve the financial situation of Canadian authors and by increasing public recognition of Canadian authors' contribution to Canada's cultural identity. I would like your views on whether there is still a need for a program with these objectives. Let's talk first about the need for a program to improve writers' financial situation.

2. Do you think there is still a need for a program to increase the income of Canadian writers? Why/why not? If the PLR payment represents just a small proportion of most writers' incomes, why is it still important?
3. Has this need changed since the PLR program was introduced in 1986? If so, how?
4. Do you think the PLR payment you receive is compensation for royalties not received for copies of your books that are held by public libraries? (if yes, probe about whether they think the level of payment is reasonable)

Let's move to the public recognition objective.

5. Do you think there is still a need for a program to increase public recognition of the contribution of Canadian writers?
6. Has this need changed since the PLR program was introduced in 1986? If so, how?
7. How successful has the Public Lending Right Program been at increasing public recognition of writers? Can you think of other ways of increasing public recognition that would be just as effective or more effective? (Probe whether financial compensation is necessary)
8. What impacts has the program had for you personally?

### Program Design

Now I would like to hear your views on the design of this program. One major design issue is the eligibility

criteria, because the number of eligible writers and titles is still growing. Assuming the budget remains as it is, I would like your views on how PLR funds can best be used.

9. For example, do you think there should be a limit on the number of years a book is eligible for PLR? This would increase funding to writers whose books are more recent.
10. Or, do you think PLR payments should be limited to people who write full-time, or whose major activity is writing? This would help people who don't have another source of income.
11. What other ideas do you have to make maximum use of the PLR budget? (e.g. different hit rates for different categories; eliminate funding for full-time professors; base payments on lending statistics, others)
12. Is the budget sufficient to achieve the program goals we have been talking about?

#### Program Delivery

Now I would like to ask you a question about the delivery of the Public Lending Right Program.

13. The program is delivered for the government by a commission that operates at arms-length from the government. Can you think of any way delivery of the program could be improved?

Other

14. Is there anything else you would like to tell me about the Public Lending Right Program?

Thank you.

## Appendix 6: PLRC Constitution and By-Laws

### PUBLIC LENDING RIGHT COMMISSION CONSTITUTION

1. Name
  - 1.1 The name of the body shall be the Public Lending Right Commission/Commission du droit de prêt public.
2. Objectives
  - 2.1 The Commission shall exist to establish, direct and administer a program of payments to authors for their books held in library collections across Canada.
3. Membership
  - 3.1 The Public Lending Right Commission shall consist of a maximum of 19 members.
  - 3.2 These members shall represent the associations/organizations which have appointed them.
  - 3.3.1 The following associations/organizations shall each appoint one member to the Public Lending Right Commission:
    - Association des écrivains acadiens
    - Association des éditeurs canadiens
    - Association of Canadian Publishers
    - Association pour l'avancement des sciences et des techniques de la documentation
    - Bibliothèque nationale du Québec
    - Canada Council/Conseil des Arts du Canada
    - Canadian Authors' Association
    - Canadian Library Association
    - Communications Canada
    - The League of Canadian Poets
    - Literary Translators Association/Association des traducteurs littéraires
    - National Library of Canada/Bibliothèque nationale du Canada
    - Playwrights Union of Canada
    - Société des écrivains canadiens
    - Union des écrivains québécois
    - The Writers' Union of Canada
  - 3.3.2 In order to maintain a linguistic balance and as much as possible a regional representation of writers on the Commission, and to represent the interests of writers not belonging to the organizations/associations listed in 3.3.1, the Public Lending Right Commission may appoint up to three writers as members of the Commission.
  - 3.3.3 In the event that a constituent association declines to appoint a representative to the Commission, the Commission shall, to fill the term, appoint such a representative provided that the representative meets the eligibility criteria for membership in the constituent association.
  - 3.4.1 Members representing the following organizations of the Commission shall each have one vote:
    - Association des écrivains acadiens
    - Association des éditeurs canadiens
    - Association of Canadian Publishers
    - Association pour l'avancement des sciences et des techniques de la documentation



Canadian Authors' Association  
Canadian Library Association  
The League of Canadian Poets  
Literary Translators Association/Association des traducteurs littéraires  
Playwrights Union of Canada  
Société des écrivains canadiens  
Union des écrivains québécois  
The Writers' Union of Canada

3.4.2 Writer members appointed by the Commission under 3.3.2 shall each have one vote.

3.5 Members representing the following organizations shall have no vote:

Bibliothèque nationale du Québec  
Canada Council/Conseil des Arts du Canada  
Communications Canada  
National Library of Canada/Bibliothèque nationale du Canada

3.6.1 Constituent associations shall be permitted to name a substitute to replace a regularly appointed member unable to attend any meeting of the Commission.

3.6.2 Para 3.6.1 shall apply mutatis mutandis to members appointed under 3.3.2.

3.7 A person whose appointment to the Commission has been revoked by the association/organization that member represents, including the Commission, cannot sit as a member of the Public Lending Right Commission.

#### 4. Management

4.1 Management of the Commission shall be vested in an Executive Committee.

4.2 The Executive Committee shall consist of seven members elected by and from the voting members of the Commission: a Chair and a Vice-chair elected from among the writer members, one of whom shall be anglophone and one francophone; two other writer members, one of whom shall be anglophone and one francophone; two librarians and one publisher.

4.3 A member of the Executive Committee shall be permitted to send to a meeting of that committee a substitute who shall have no vote.

#### 5. Language of Operations

5.1 Normally, the work of the Commission shall be done in both official languages of Canada and all members of the Commission, as well as observers, shall be provided with simultaneous interpretation at such meetings.

5.2 All official documents generated by the Commission, including but not limited to reports and news releases, shall be made available in both official languages.

#### 6. Head Office

6.1 Head office of the Commission shall be located in a municipality selected by the voting members of the Commission.

#### 7. Certification of Documents

7.1 Documents of the Commission requiring certification shall be certified by the Chair and one other member of the Executive Committee of the Commission.

8. Amendment of the Constitution and By-Laws
- 8.1.1 The Executive Committee or six voting members of the Commission, four of whom shall be writers, may propose amendments to this Constitution, or to the By-Laws of the Commission, which shall be submitted to the Executive Secretary in writing not less than thirty working days before the Annual General Meeting.
- 8.1.2 All proposed amendments shall be distributed to the members of the Commission no later than fourteen calendar days prior to the Annual General meeting, or to a Special General Meeting called for that purpose.
- 8.2 To be passed, an amendment to this Constitution or to the Commission's By-Laws shall require a two-thirds majority of the voting members of the Commission.

**PUBLIC LENDING RIGHT COMMISSION  
BY-LAWS**

1. Objectives

1.1 The objectives of the Commission are to:

- a) Establish, direct and administer a program of payments to authors for their books held in library collections across Canada;
- b) Administer funds available for such a compensation program;
- c) Recommend and promote the enactment and enforcement of any program that makes such a compensatory scheme viable.
- d) Encourage cordial relationships among its members and with Public Lending Right organizations in other nations;
- e) Receive legacies and gifts.

2. Function

2.1 The function of the Commission is to:

- a) Determine the general policies of the Public Lending Right program;
- b) Ensure that the Executive Committee and the Executive Secretary operate within the framework of the policies determined by the Commission, in accordance with the Constitution and the By-Laws of the Commission;
- c) Receive and approve regular reports from the Executive Committee concerning the actions taken by the Committee and the Executive Secretary.

2.2 The function of the Executive Committee is to execute the policies determined by the Commission in accordance with the Constitution and By-Laws of the Commission.

3. Membership

3.1 The membership on the Public Lending Right Commission shall consist of writers, librarians and publishers as delineated in the Commission's Constitution, who shall be voting members; and advisory members who shall have no vote.

3.2.1 All voting members of the Commission shall serve for a three-year term, with one-third of the members appointed each year except for the representatives of l'Association pour l'avancement des sciences et des techniques de la documentation and the Canadian Library Association, who shall serve for a two-year term.

3.2.2 All membership duration periods shall provide for a membership termination date at the conclusion of the Annual General Meeting.

4. Officers

4.1 The officers of the Commission shall consist of:

- a) The Chair
- b) The Vice-chair

4.2 The Chair shall be chief executive officer of the Commission.

4.3 The Vice-chair shall serve in the capacity of Chair in the absence of that officer. The position shall be filled

from among Commission members of the language group not represented by the Chair.

- 4.4.1 If the position of Chair becomes vacant, the Vice-chair shall automatically replace the Chair until the end of the term.
- 4.4.2 In the event that the Vice-chair is unable to fill the position of Chair, the Executive Committee shall fill such office from among voting writer members of the Commission, subject to the representation called for in the Constitution of the Commission, until the next meeting of the Commission.
- 4.5 If the position of Vice-chair becomes vacant, the Executive Committee shall within sixty days fill such office from among voting writer members of the Commission, subject to the representation called for in the Constitution of the Commission, until the next meeting of the Commission.
- 4.6 The officers shall be elected as hereinafter set forth, and shall hold office until successors are elected, subject to paragraphs 4.5, 6.1, 6.2 and 6.3.
- 4.7 The position of an elected officer shall be vacated:
- a) through written notice of resignation delivered to the Executive Secretary;
  - b) through a resolution for removal from office passed by a two-thirds' vote of those present at a meeting of the Commission;
  - c) if the officer is no longer eligible to serve on the Commission as per the Constitution para. 3.7;
  - d) if the officer dies.

5. The Executive Secretary

- 5.1 The Executive Secretary shall be an employee of the Public Lending Right Commission.
- 5.2 Under the authority of the Public Lending Right Commission and its Executive Committee, the Executive Secretary shall:
- a) Implement the decisions of the Commission and its Executive Committee;
  - b) Administer the Public Lending Right program.

6. Executive Committee

- 6.1 Members of the Executive Committee shall serve for two-year terms on a rotating basis, one-half being replaced in each year.
- 6.2 The term of the Chair and Vice-chair shall be for two years; such officers may not serve a second consecutive term in that office.
- 6.3 Should the three-year Commission term of members of the Executive Committee expire while they are still members of the Committee, those members may complete their terms on the Executive Committee provided they have been reappointed for a further three-year term to the Commission by the organizations they represent, otherwise the Executive Committee position will be deemed vacant and a new member will be elected to fill the vacancy for the remaining year of the term.
- 6.4 The positions held by members of the Executive Committee shall be vacated through a resolution for removal from office passed by a two-thirds' vote of those present at a meeting of the Commission.
- 6.5.1 The Executive Committee shall meet as often as required, in no case less often than twice a year, at a time and place to be determined by the Chair.
- 6.5.2 A special meeting of the Executive Committee may be called at the request of three members of that Committee, such meeting to be held within fifteen days of notice of meeting being given.

6.6 Under exceptional circumstances, meetings of the Executive Committee may be held by telephone conference.

7. Elections

7.1 The election of members of the Executive Committee shall be conducted at the Annual General Meeting.

7.2 The Executive Secretary shall serve as Election Chair assisted by two scrutineers to be elected for this purpose by and from the Commission.

7.3 All valid nominations shall be given to the Election Chair who shall prepare such ballots if requested.

8. Remuneration

8.1 Members of the Commission and the Executive Committee, if they so request, shall be eligible to receive an honorarium for meetings attended, based on the then current schedule of honoraria as established by the Commission.

8.2 Members of the Commission and the Executive Committee, if they so request, shall be reimbursed for travel to Commission and Executive meetings, for accommodation required, and for meals and incidental expenses incurred while attending such meetings, at the then current rates established by the Commission.

9. Protection of Officers

9.1 Members of the Executive Committee who, at the request of the Commission, have undertaken or are about to undertake any liability of behalf of the Commission, and their heirs, executors and administrators, and estate and effects, respectively, shall from time to time and at all times, be indemnified and saved harmless out of the funds of the Commission from and against

- a) all costs, charges and expenses that such Executive Committee members, or officers, sustain or incur in or about any action, suit or proceeding which is brought, commenced or prosecuted against them, for or in respect to any act, deed, matter or thing whatever, made, done or permitted by them, in or about the execution of their duties of their office in respect of any such liability; and
- b) all other costs, charges and expenses which they sustain or incur, in or about or in relation to their affairs thereof, except such costs, charges or expenses as are occasioned by their own willful neglect or default.

10. Meetings

10.1 The Commission shall meet at least once a year, at a time and place determined by the Executive Committee, provided that at least thirty days' written notice is given to members of the Commission.

10.2 The Annual General Meeting of the Commission shall be held within ninety days of the end of the fiscal year and at such place in Canada as shall be determined by the Executive Committee.

10.3 Special General Meetings may be called at the request of the Chair or upon request of any five voting members of the Commission.

10.4 Notice of the place and time of every meeting and, in the case of Special General Meetings, the nature of the business to be brought before it, shall be communicated in writing to each member of the Commission at least thirty days prior to the date of the meeting.

11. Voting

11.1 Each voting member of the Commission shall have the right to cast a ballot, but no member may

vote by proxy.

12. Quorum

12.1 A simple majority of the Executive Committee members shall constitute a quorum of any meeting of the Committee.

12.2 Eight voting members in person, five of whom shall represent writers' groups, shall constitute a quorum at any General Meeting of the Commission.

13. Adjournment

13.1 If a quorum be not present at the end of sixty minutes after the hour at which any meeting is called, the Chair may declare the meeting adjourned to a day and hour to be fixed by the Chair, but not later than two months thereafter.

**AMENDMENTS TO THE CONSTITUTION AND BY-LAWS  
OF THE PLR COMMISSION**

1. The modification affects by-law 6.1

6.1 Members of the Executive Committee shall serve for two-year terms.

This amendment was adopted at the 8 June 1990 Annual General Meeting of the Commission.

2. The modification affects point 8. of the Constitution:

8.3 No amendment to those items in the Constitution or By-Laws which specifically affect the Canada Council shall be made without prior consultation with the Council.

This amendment was adopted at the 25 November 1995 Special General Meeting of the Commission.