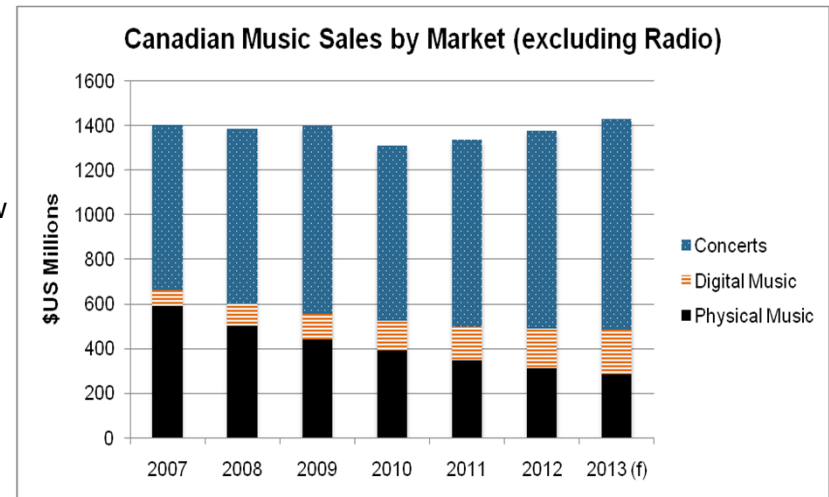


MTCS: Music Initiatives

November, 2013

Music Sector: Overview

- Ontario is home to Canada's largest, and one of the world's most diversified music sectors. Ontario's music sector generates over 80% of total national revenues, up from 65% in 2005
- Ontario's sector is unique in that it is comprised of a wide range of players. As of 2011, the sector was represented by over 700 establishments, a growth of 37% from 513 in 2000
- Music continues to evolve with digitization introducing new opportunities and challenges
 - A key challenge for the sector therefore has been to effectively create new business models within markets that have fundamentally shifted - and continue to change - in less than a decade
 - Despite these challenges, Ontario's diverse music sector has strong potential. Restructuring and business model evolution has led to strong profit margins ranging from 5.5% - 19% and expenditures on music production remain healthy
- The Canadian music market is anticipated to grow to \$1.4 B in 2013, driven by strong growth in digital and live music. Globally, PricewaterhouseCoopers (PwC) anticipates the music industry to be worth \$59.7 B in 2016, growing at an average rate of 3.7%
- Based on these opportunities, the Ministry is pursuing two key initiatives aimed at stimulating growth in Ontario's music sector: the **Live Music Strategy**, and the **Ontario Music Fund**



Live Music

- Live music plays a critical role in the vibrancy and success of Ontario and Canada's music industry. It is also a key economic sector and driver of tourism and regional economic growth:
 - 6.4% in average annual growth
 - \$455M in revenues
 - \$252M to Canada's annual GDP
 - Over 7,000 direct and indirect jobs



Live Music Cont'd

- Successful live music regions such as Austin and Nashville have illustrated the potential opportunity to strategically integrate live music within economic and cultural agenda's to drive growth:

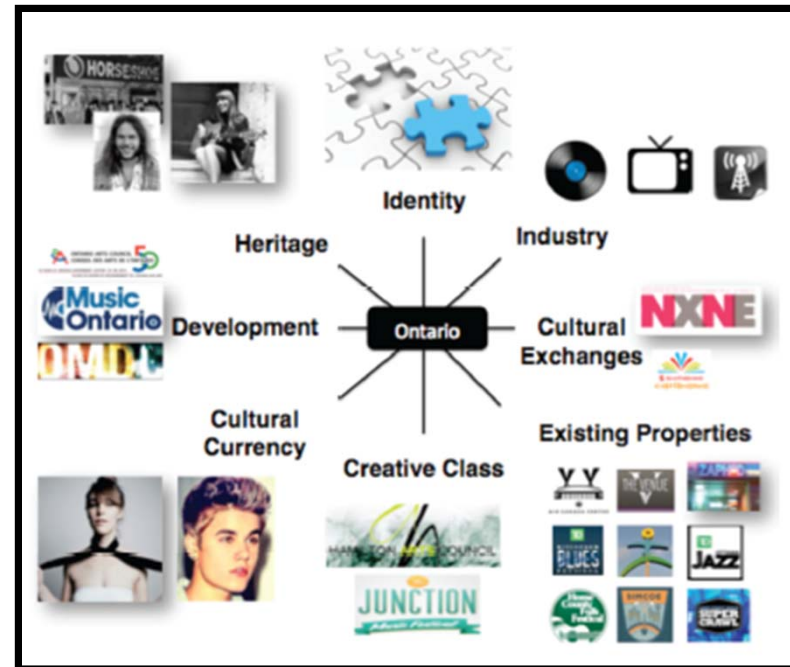
	Austin, TX	Nashville, TS
Music Economic Impact	\$1.6B	\$2.6B
# of Jobs	12,000	19,437
Overall Regional Employment Growth Rate (National Ranking)	3.7% (10 th)	3.8% (2 nd)

- Recognizing this opportunity, Ontario engaged with Music Canada and the Canadian Independent Music Association (CIMA) to explore potential approaches for leveraging live music
- A key outcome of these discussions was a recommendation to collaboratively engage the private sector and government partners to establish and strengthen linkages between music and other economic sectors

Live Music Strategy

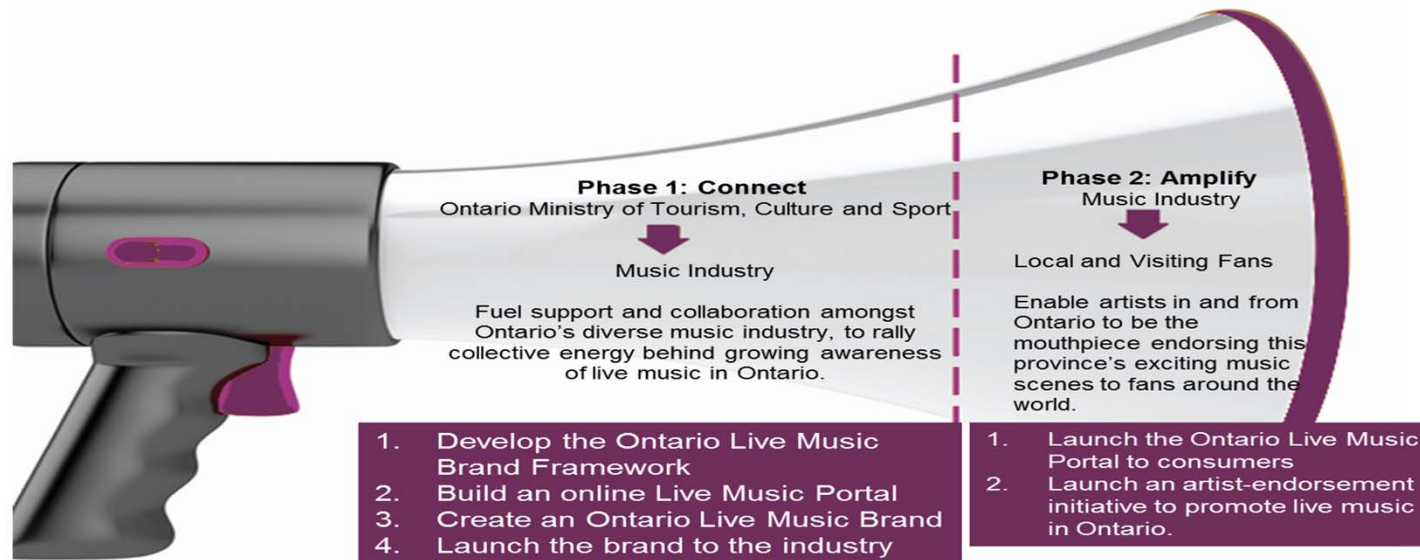
Objectives:

- Increase strategic collaboration between government and industry
- Establish linkages between live music and the music sector and other high-growth sectors including tourism
- Leverage existing resources to create new opportunities to promote live music, music tourism and the music sector
- Position Ontario as a premier global destination for live music and music tourism
- Boost Ontario's live performance revenue, attendance and economic impact



LMS: Branding and Promotions

- Branding and promotions are two key pillars of the Live Music Strategy
- Ontario is working with the advertising agency DraftFCB and has partnered with Music Canada and the working group on the development of an online promotions and listings portal
- These initiatives will provide a common language and identity to Ontario's music sector, boost tourism and provide a brand to showcase Ontario musicians and music companies abroad
- Work is currently underway on both initiatives, with an anticipated completion of the branding in Fall 2013, and launch of the portal in Spring 2014



Ontario Music Fund

- The Ontario Music Fund (OMF) was announced by Minister Chan (Tourism, Culture and Sport) and Minister Sousa (Finance) on May 1 at Lee's Palace in Toronto and confirmed in the 2013 Ontario Budget, released on May 2.
- The OMF is a \$45 million grant program over three years to support the music industry in Ontario, starting in 2013-14.
- The OMF is based on the following four key goals:
 - **Increasing music production activity** in Ontario to build strong, competitive and sustainable music companies that support and develop Canadian artists.
 - **Strengthening Ontario's music ecosystem** by supporting institutions, organizations and initiatives that develop artists, drive revenue growth and attract audiences/increase tourism.
 - **Strategically advancing Ontario's Live Music Strategy** and increasing opportunities for new/emerging Canadian artists to perform in Ontario, in Canada and internationally.
 - **Creating opportunities for emerging artists and music businesses** in francophone, aboriginal and culturally-diverse communities and musical genres.
- The OMF was launched on October 28, 2013

OMF: Program Streams

The OMF will be delivered through a newly created Ontario Music Office (OMO) at the OMDC.

The OMF will support organizational business or project plans through the following streams:

1. **Music Company Development** – Direct support to Ontario-based music businesses based on their business plans and track records
2. **Music Futures**– Support to small/diverse music businesses (with lower revenues), to develop and market their artists
3. **Live Music** – Support for promoters, presenters and agents to expand programming that features Canadian artists; assistance available for expanding business capacity
4. **Music Industry Development** – Assistance to music industry trade associations, organizations and consortiums for innovative projects that expand the industry’s audience reach, marketing capabilities, digital innovation, etc.

OMF: Key Elements

The new OMF will provide \$15 million in annual funding over the next three years to support the music industry in Ontario

Funding under the OMF will be available to Ontario-based music companies only. This will include:

- Canadian-owned/controlled record companies (Domestic Companies)
- Foreign-owned, Ontario-based record companies (Majors)
- Music associations (e.g., CIMA, MusicOntario, and Music Canada)
- Music managers
- Promoters, presenters, agents
- Music publishers
- Not-for-profit music organizations
- Other not-for-profit organizations with a music-related planned activity that will meet the objectives of the program

OMF application deadlines for 2013/14 are as follows:

- Music Company Development – December 9, 2013
- Music Futures – January 6, 2014
- Live Music – January 6, 2014
- Music Industry Development – January 31, 2014

Funding decisions will be announced between February to March 2014

The Ontario Music Fund and the Live Music Strategy - Linkages

	Ontario Music Fund (OMF)	Live Music Strategy (LMS)
Description	<ul style="list-style-type: none"> The OMF is a 3-year \$45 million strategic economic development fund to incent and stimulate growth in Ontario's music sector. 	<ul style="list-style-type: none"> The LMS is an MTCS and music industry initiative aimed at profiling, promoting and showcasing Ontario's live music sector as a tourism asset and driver of growth.
Strategic Objectives	<ul style="list-style-type: none"> Increasing music production activity in Ontario to build strong, competitive and sustainable music companies. Strengthening Ontario's music ecosystem Increasing opportunities for new/emerging Canadian artists to perform in Ontario, in Canada and internationally. Creating opportunities for emerging artists and music businesses in francophone, aboriginal and culturally-diverse communities and musical genres. 	<ul style="list-style-type: none"> Leveraging existing industry and MTCS resources to drive growth in Ontario's live music sector to create jobs and stimulate regional economic growth. Coordinating the creation of a live music brand and portal to celebrate and promote Ontario's live music sector. Motivating industry partnerships across a wide range of players from record labels to venues to the business community and tourism industry.
Linkages	<ul style="list-style-type: none"> The OMF and the LMS are both initiatives aimed at developing Ontario's music sector and increasing its economic impact. The OMF is a broader economic development initiative aimed at the overall music sector with live music as one component of several initiatives. The LMS is aimed at creating a well-defined concept of Ontario's live music sector, raising its profile and through strategic promotions and coordinated funding increasing its economic impact on a regional level. Overall, both initiatives are complementary in building a strong and vibrant music sector 	