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Communications Monitoring Report 2019

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The Canadian Radio-television and Telecommunications Commission (CRTC)
Ottawa, Ontario Canada
K1A ON2
Tel: 819-997-0313
Toll-free: 1-877-249-2782 (in Canada only)
https://applications.crtc.gc.ca/contact/eng/library

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Communications Monitoring Report 2019

Communications Services in Canadian Households: Subscriptions and Expenditures 2013-2017

Communications Services in Canadian Households: Subscriptions and Expenditures 2013-2017

This snapshot provides an overview of the adoption of communications technologies by Canadian households from 2013-2017, and illustrates the trends in household communications expenditure. The data presented here was drawn from Statistics Canada's Survey of Household Spending[1] and CRTC sources. Additional data on Canada's communications industry can be found in the [Commission's 2018 Communications Monitoring Report (CMR)](#).

i. Quick Facts

Infographic 1.1 Canadian households' subscriptions and expenditures quick facts

Source: Statistics Canada's Survey of Household Spending, Table 11-10-0223-01
Note: "Television distribution" refers to cable, Internet Protocol (IPTV), and satellite services used to provide television services to households.

[1] http://www23.statcan.gc.ca/imdb/p2SV.pl?Function=getSurvey&SDDS=3508

In 2017:

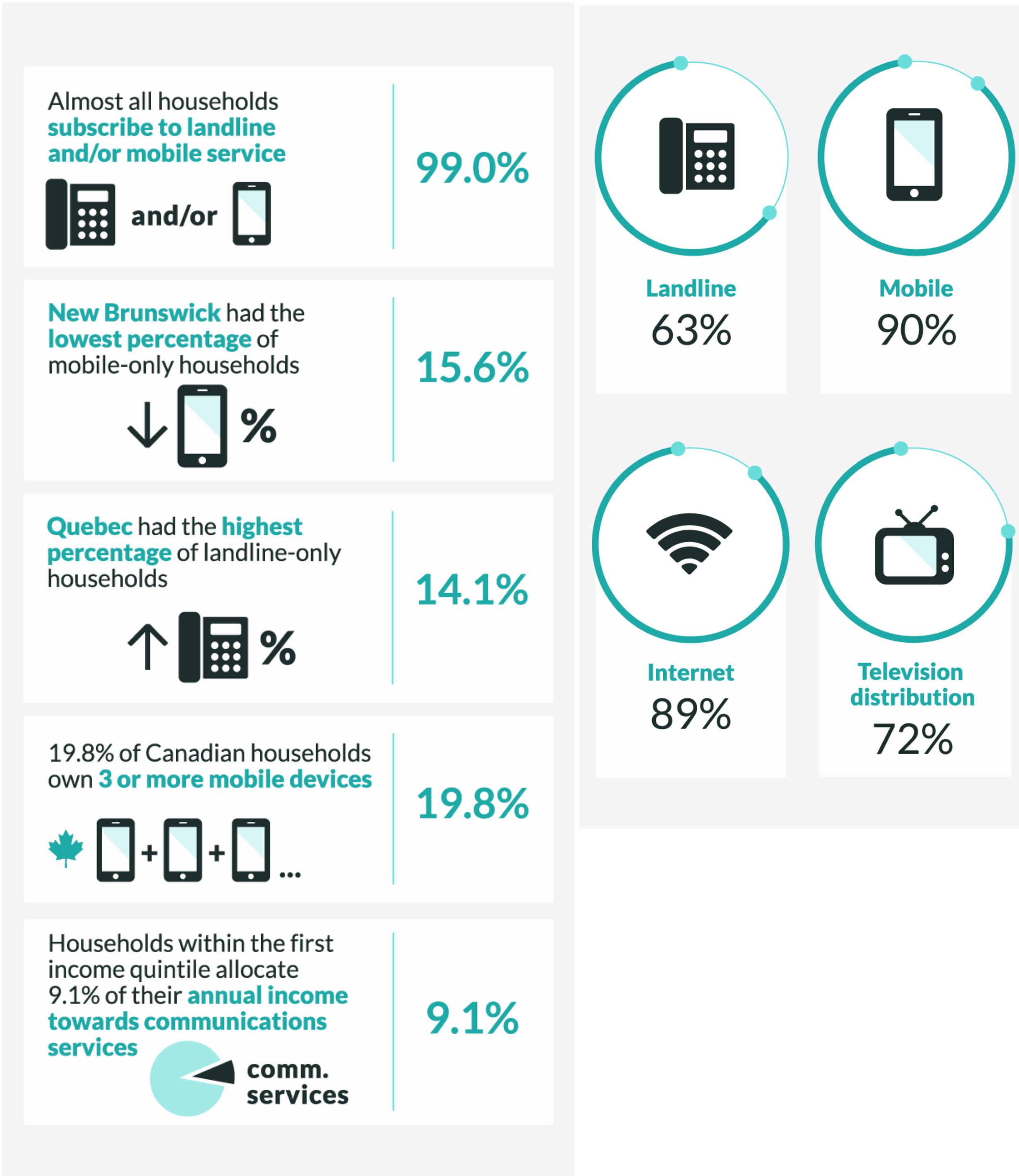
> *Canadian households continued to abandon landline telephone service in favour of mobile service, with almost a third subscribing to mobile service only.*[2]
>
> *Household subscriptions to television distribution services*[3] *continued their gradual decline, with about three-quarters of households subscribing, while the percentage of households with Internet service increased slightly to 89.0%.*
>
> *Canadian households spent an average of $233.00 per month on their communications services, an increase of $10.17 (4.6%) from 2016. In comparison, the average annual inflation rate in Canada was 1.6% in 2017, according to Statistics Canada.*
>
> *Canadian households spent more per month on mobile ($101.00) than on Internet services ($54.17), television distribution ($52.58) and landline services ($25.25).*

[2] Various terms are used to describe the telephone services available to Canadians. Statistics Canada reports on cell phone subscriptions and expenditures. This article refers to cell phones as mobile phones, with expenditures on mobile service including voice, SMS, and data services such as Internet access. The term "landline" is used here to describe wireline telephone service.

[3] Broadcasting distribution undertakings (BDUs) provide subscription television services to Canadians. They redistribute programming from conventional over-the-air television and radio stations. They also distribute pay audio and discretionary services (i.e. pay, specialty, pay-per-view (PPV) and video-on-demand (VOD) services). Most BDUs are cable, national direct-to-home (DTH) satellite, or Internet Protocol television (IPTV) service providers. In this article, BDU services are referred to as "television distribution services" and exclude digital media subscriptions and watching or streaming television programs or clips over the Internet.

ii. What communications services do Canadian households use?

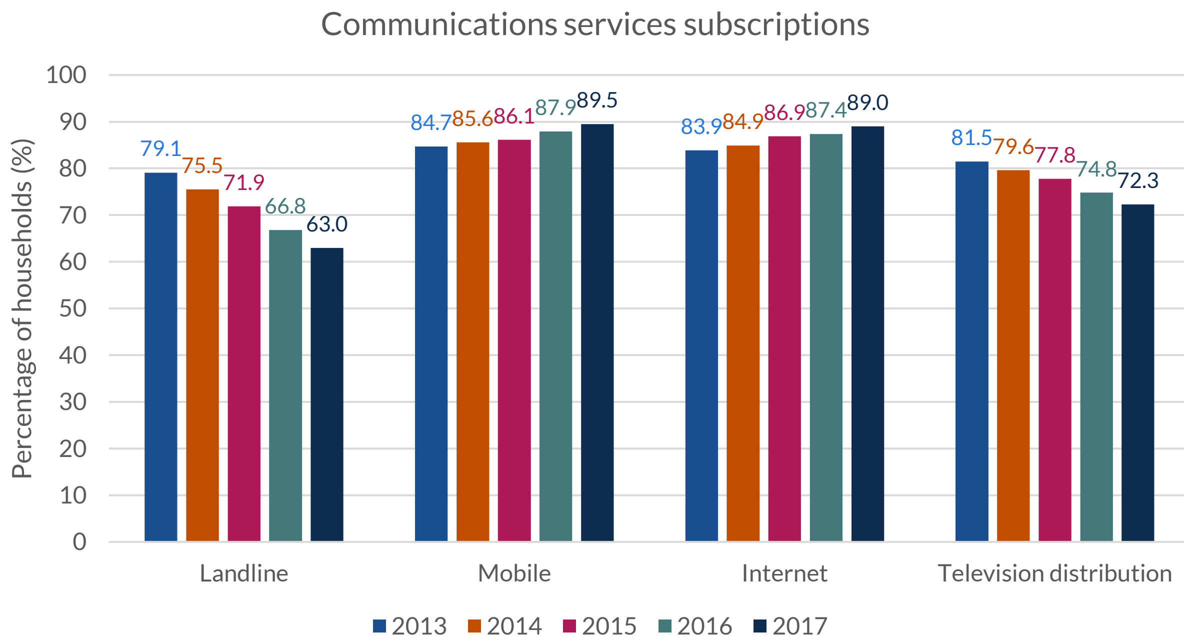
Infographic 1.2 Communications services of Canadian households



Source: Landline, mobile, and Internet subscription data from Statistics Canada, custom breakdown of Table 11-10-0223-01. TV subscription data from CRTC data collection.

Within the Canadian communications system, it is important to highlight individual service subscriptions for landline, mobile, Internet, and television distribution services. Most, if not all, Canadians subscribe to one or more of these services, which play a major role in their everyday lives. This subsection reports Canadian adoption patterns by service type, income, and province.

Figure 1.1 Household communications services subscriptions



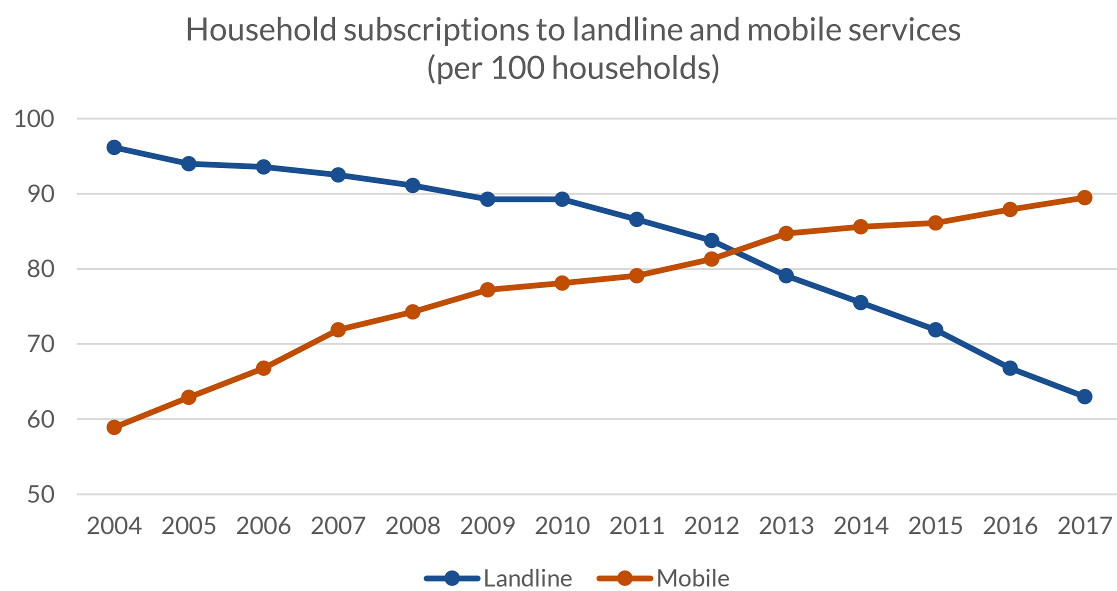
Source: Landline, mobile, and Internet subscription data from Statistics Canada, custom breakdown of Table 11-10-0223-01. TV subscription data from CRTC data collection.

Mobile and landline subscriptions

In 2017, slightly more households subscribed to mobile services (89.5%) than Internet services (89.0%). Nearly all Canadian households (99.0%) subscribed to either mobile or landline service in 2017 (Table 1.2), and households owned on average 1.7 mobile phones.

Over the last decade, the percentage of households with landlines has decreased, while the percentage with mobile phones has increased (Figure 1.2). Fewer households are subscribing to both services – in 2017, almost a third (36.0%) of Canadian households were mobile-only households, and 9.5% had only a landline.

Figure 1.2 Household subscriptions to landline and mobile services (per 100 households)

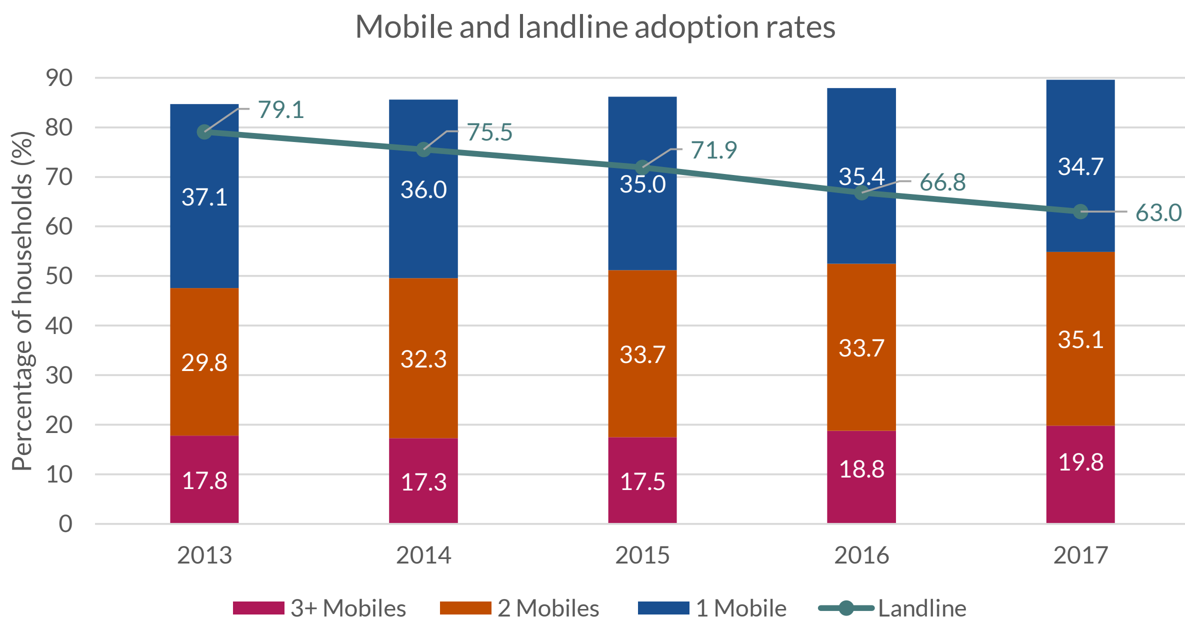


Source: Statistics Canada's Survey of Household Spending, custom request for a breakdown of Table 11-10-0223-01

While the transition to widespread mobile phone use – partly as a substitute for landline service – is a long-term process, the historical data in Table 1.2 shows how rapidly Canadian households have embraced mobile phones. In 2004, landline-only households (40.0%) far exceeded their mobile-only counterparts (2.7%). However, landline and mobile penetration data show opposing trends over the last decade and a half. Take-up of mobile services surpassed that of landline services when landline dropped 5.6% between 2011 and 2012, which was exceptionally fast considering that the annual decline in landline penetration between 2004 and 2017 was 3.2%. By contrast, the number of mobile subscribers increased at the rapid rate of 4.2% between 2011 and 2012, ultimately reversing the penetration trends of both services.

In 2017, 36.0% of Canadian households subscribed to mobile services only and 9.5% of households subscribed to landline services only. As mobile and landline service take-up fluctuated, revenues reflected the change. From 2013 to 2017, mobile revenues increased by 4.9% annually (2018 CMR, Table 6.3) and landline revenues decreased by 5.8% annually (2018 CMR, Table 4.6). During this period, mobile revenue growth outpaced subscriber growth. Mobile data revenues generated much of the growth, as they increased at an average rate of 11.9% each year between 2013 and 2017 (2018 CMR, Figure 6.1). From 2016 to 2017 alone, average data usage per subscriber increased by 37.5% (2018 CMR, Figure 6.15), generating greater revenues per subscriber in addition to the increase in mobile subscriptions. For more insight on consumer spending habits, refer to the Canadian household communications spending section below.

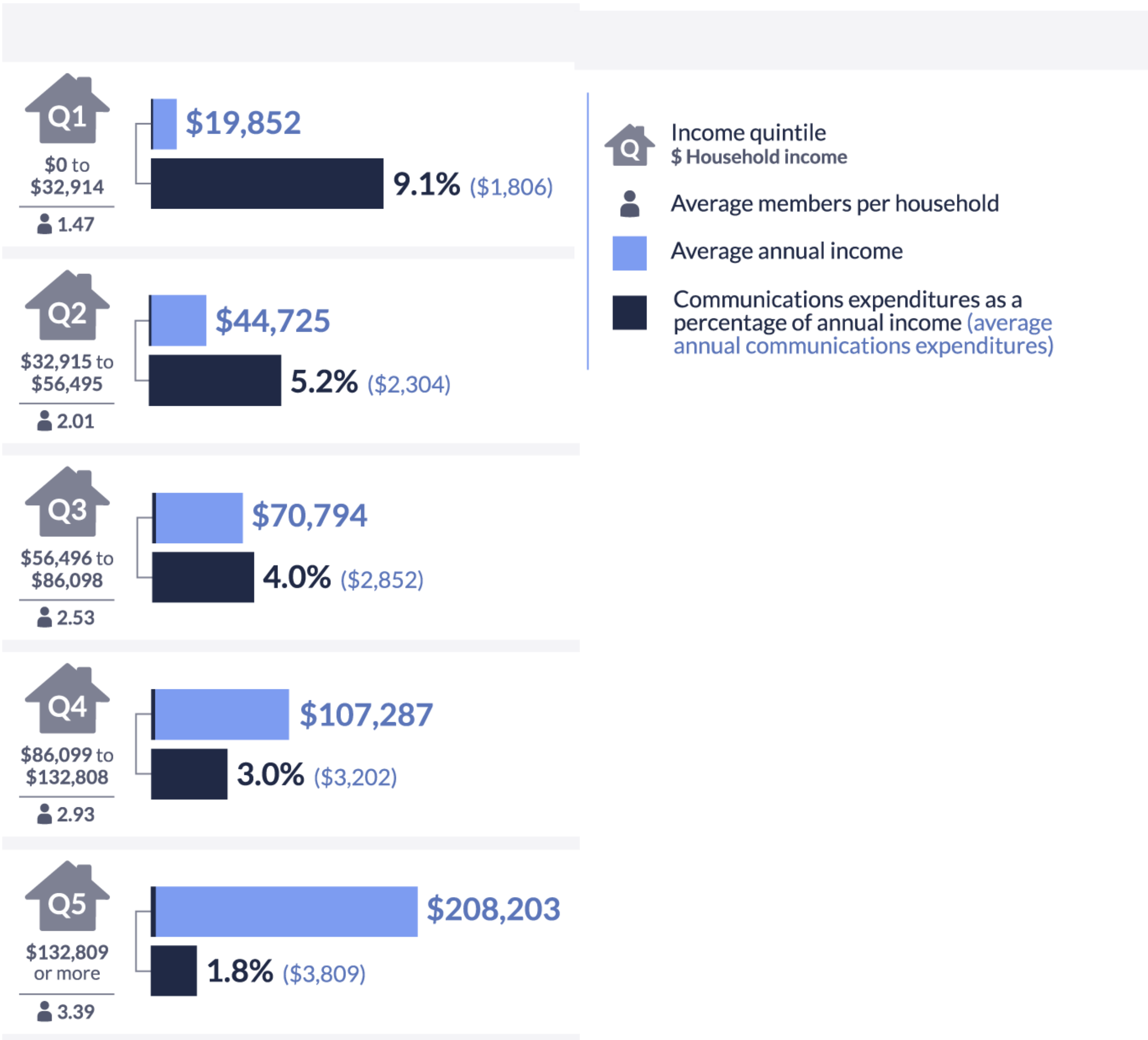
Figure 1.3 Mobile and landline adoption rates



Source: Statistics Canada's Survey of Household Spending, Table: 11-10-0228-01

Subscriptions by income quintile

Infographic 1.3 Household characteristics and communications expenditures by income quintile



Source: Statistics Canada's Survey of Household Spending, Table: 11-10-0228-01 and Table: 11-10-0223-01

The data on telephone subscriptions by income quintile (see Table 1.1) illustrated different consumption patterns in higher- and lower-income households. While 99.0% of Canadian households had telephone service, just 2.4% of Canada's highest-income households relied solely on a landline, compared to almost 23.9% of the lowest-income households. Forty-two percent of low-income households subscribed to mobile service only, as did about a quarter of the highest-income households.

Of the five income quintiles, households in the fifth quintile changed their telephone usage habits the most in 2017. The number of landline-only households in this income quintile decreased by 29.4%. Households in the fourth income quintile changed their telephone usage habits the most when it came to exclusive use of mobile service, showing an increase of 18.3% in 2017.

Financial resources appear to play a role in whether households subscribed to both mobile and landline services. Over the past five years, households in the highest income quintile consistently recorded the lowest percentage of households subscribing to mobile services only. Conversely, households in the lowest income quintile recorded the highest percentage of households subscribing to landline services only.

Subscriptions by province

Subscriptions by population

In 2017, 99.0% of Canadians were covered by long-term evolution (LTE) networks, and with the exception of the North, which had 63.5% coverage, every province had over 90.0% LTE coverage (2018 CMR Table 6.13). Although LTE coverage was largely available in most regions, Alberta led in terms of mobile penetration, with 91.6% of its population subscribing to mobile services (2018 CMR Table 6.15). Prince Edward Island led in terms of coverage. However, it had the lowest penetration rate of the provinces (71.3%), demonstrating that the availability of a network in a certain region doesn't necessarily translate to a higher penetration rate.

Subscriptions by household

While a majority of Canadians had access to LTE networks and 89.5% subscribed to mobile services, Quebec and the Atlantic provinces (New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador) continued to have more landline service subscribers than Ontario and the Western provinces (Manitoba, Saskatchewan, Alberta, and British Columbia) (see Table 1.3). Furthermore, there were more mobile-only households in the Western provinces and Ontario than in the Atlantic provinces and Quebec, even though LTE was available to a greater percentage of the population in the Atlantic provinces (2018 CMR Table 6.13). Quebec had the highest percentage of landline-only households (14.1%) and the lowest percentage of households with mobile service (84.4%). Households in New Brunswick were the most reliant upon landlines – 83.4% had landlines and just 11.2% had mobile service only. In contrast, 43.1% of Alberta households relied on mobile service alone, and only 55.6% had landlines. Overall, the coverage of almost 97.0% of Canadians, with two or more networks, gives Canadians some options when making communications services subscription decisions.

Internet subscriptions and computer ownership

In 2017, 99.0% of Canadian households had access to fixed broadband Internet access and 89.0%[4] of Canadian households had a home Internet subscription. Internet use from home increased slightly in all income quintiles except the fourth quintile, an overall average increase of 1.8% (see Table 1.5). The vast majority of high-income households subscribed to Internet services in 2017, compared to less than two-

[4] Includes all Internet services, regardless of speed.

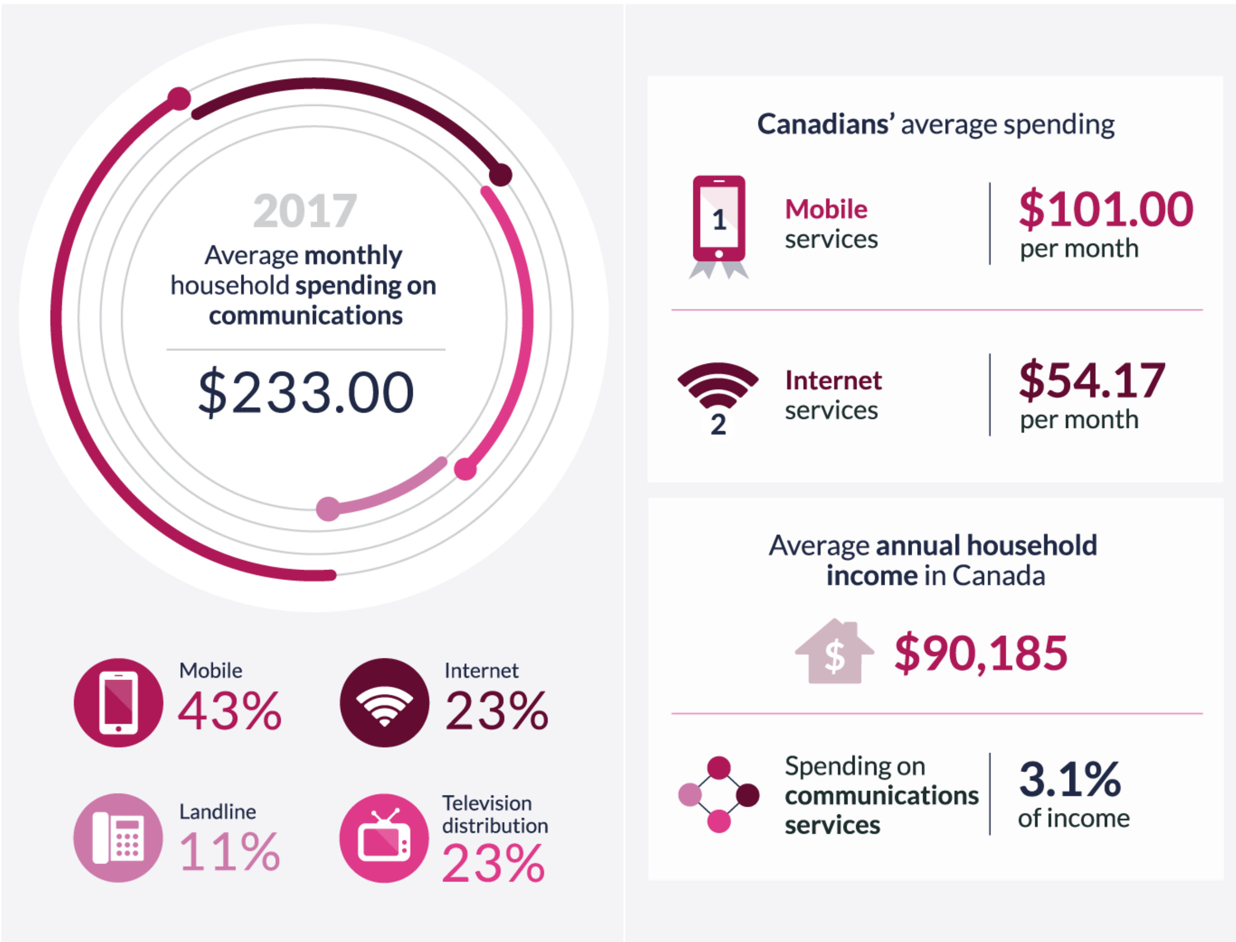
thirds of the lowest-income households. Internet use from home in the first income quintile was 20.0 percentage points lower than the overall average of 89.0% and 16.3 percentage points lower than in the second income quintile.

With mobile devices such as smartphones and tablets, Canadians can access the Internet from nearly any location. However, home computers still played an important role for Canadians. As Table 1.5 shows, most Canadian households had home computers (84.1%).

Overall, more households owned mobile phones (89.5%) than home computers (84.1%) in 2017. This trend was more pronounced in the lower income quintiles. For example, 73.1% of Canadian households in the first income quintile owned mobile phones (see Table 1.3), compared to 63.4% of households that owned home computers (see Table 1.5). Home computer ownership was unchanged between 2016 and 2017, except in the second income quintile, where it increased by 1.4%.

iii. What do Canadian households spend on communications services?[5]

Infographic 1.4 Canadian households' average expenditures on communications services

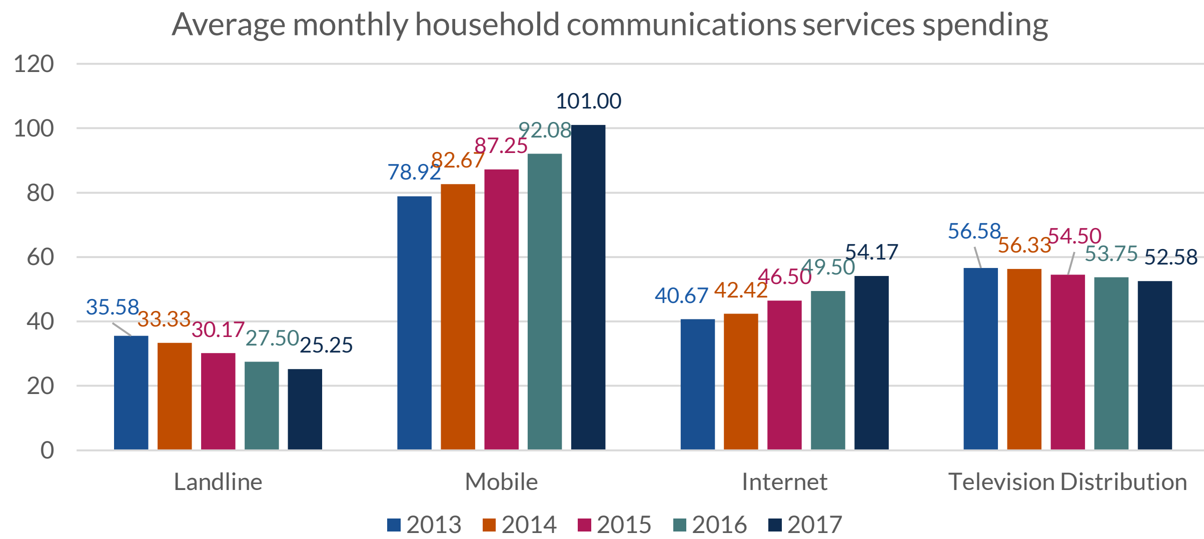


Source: Statistics Canada's Survey of Household Spending, Table: 11-10-0223-01

Households make decisions about the amounts they are willing to spend on communications services, with spending habits varying for many different reasons. Some habits reflect personal choice and others are influenced by service availability, affordability, and household resources. This section focuses on household spending for various services by income, household location (urban/rural), and age, to inform a better understanding of Canadian households' communications spending habits.

[5] The information presented regarding household expenditures on communications services comes from Statistics Canada's Survey of Household Spending and does not include any projections or CRTC data.

Figure 1.4 Average monthly household communications services spending



Source: Statistics Canada's Survey of Household Spending, Table: 11-10-0223-01

Data on communications services spending provides insights into how communications services affect the household budget, but there are limitations when using expenditure data to assess adoption and spending patterns. The data does not reflect consumption of free services, such as over-the-air television and radio services, which remain valuable to many Canadians. The data presented here reports average expenditures and takes into account all households, including those that do not subscribe to any services. As a result, the average expenditures may over- or under-report actual spending for individual households. Most communications subscriptions, like those for television distribution, landline, and Internet services, tend to be purchased at a household level (and often in a bundle)[6], meaning that there is a single subscription per household. However, larger households may have higher expenditures for these services (e.g. purchasing more Internet data or a broader selection of television channels). Households may have several subscriptions to mobile services. The data presented here does not allow for analysis of individual expenditures on communications services.

Statistics Canada reported that average annual household incomes before taxes in Canada in 2016 and 2017 were $91,347 and $90,185 respectively. Average income increased in all income quintiles, except in the fifth quintile. In 2017, the Canadian provincial average annual household income before taxes ranged from $76,820 (New Brunswick) to $111,212 (Alberta). The most significant shift in average household income was in Alberta, which saw a downward shift from $129,102 in 2016 to $111,212 in 2017.

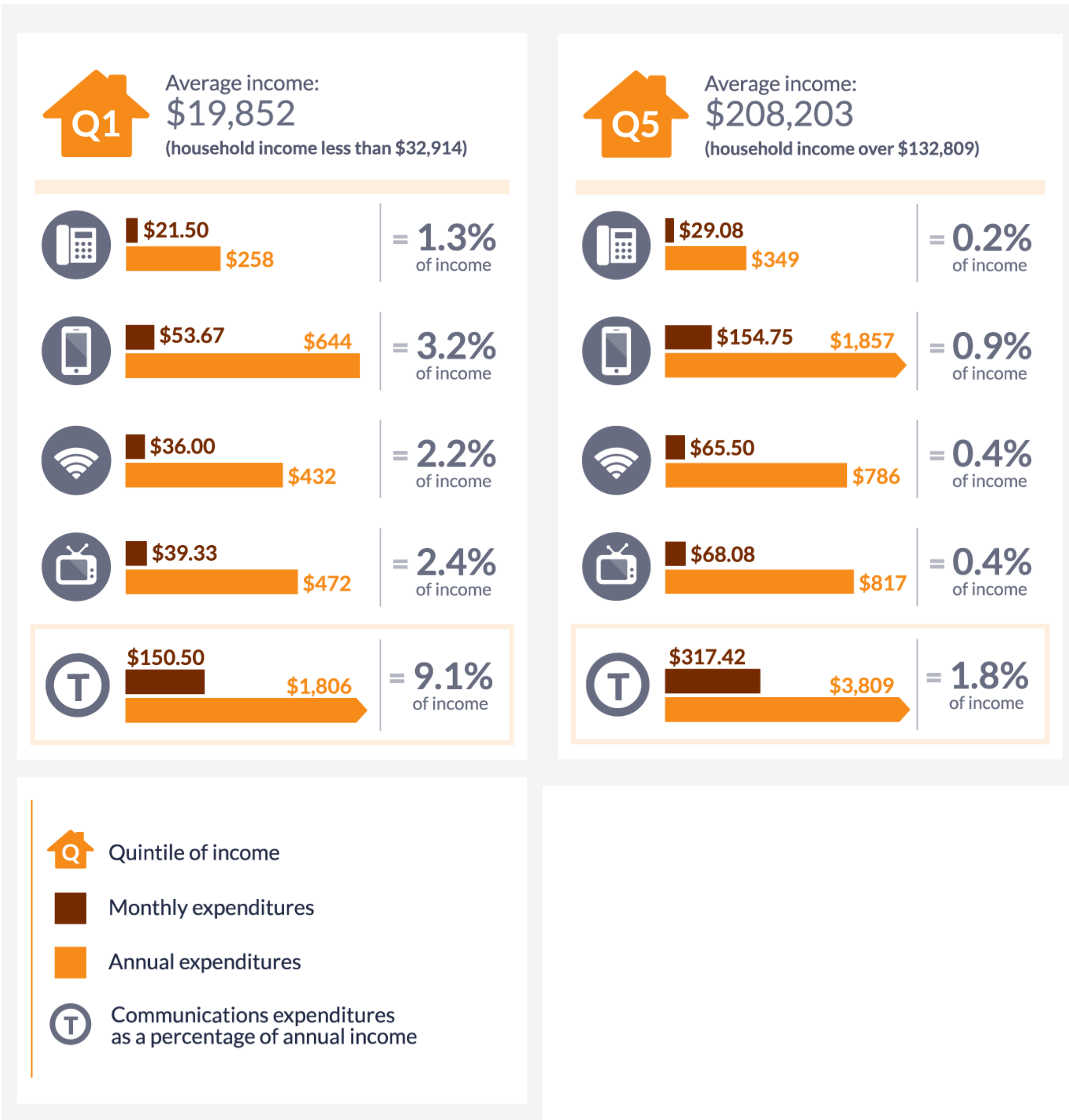
Throughout 2017, the average Canadian household spent $233.00 per month on communications services, an increase of $10.17 (4.6%) from 2016 (see Table 1.6). As in 2016, Internet and mobile services drove household expenditure growth and telecommunications industry revenues (see

[6] See the annual User Guide for the Survey of Household Spending for a description of how expenditures for services bought as a bundle (e.g. Internet, television distribution, and landline) are separated into discrete expenses.

Figure 1.4). In 2017, expenditures on mobile services led in terms of annual growth (9.7%), followed by expenditures on Internet services (9.4%). These increases occurred as consumers shifted to services offering higher Internet speeds and more mobile data. (See Retail Fixed Internet Sector and Broadband Availability and Retail Mobile Sector in the 2018 CMR for more details on Internet and mobile services respectively.)

Expenditures by income quintile

Infographic 1.5 Household expenditures on communications services by income quintile



Source: Statistics Canada's Survey of Household Spending, Table: 11-10-0228-01

See Table 1.6 on Open Data for data of all quintiles

In 2017, similar to previous years, household incomes in the fifth quintile were approximately 10.5 times higher than those in the first quintile, while expenditures on communications services as a percentage of household income were about five times higher in the first quintile than in the fifth. Annual expenditures on communications services represented 9.1% of the average income of households in the first quintile, compared to only 1.8% of the average income of households in the fifth quintile.

While there was considerable variance among the average amounts spent by Canadians in each income quintile, households tended to devote a larger proportion of their communications services budget to either mobile or television distribution services. On average, household spending on television distribution services decreased by 2.2% from 2016 to 2017, while average household spending on landline telephone services decreased by 8.2% during the same period. During the same period, household spending on mobile, Internet, and overall communications services continued to grow.

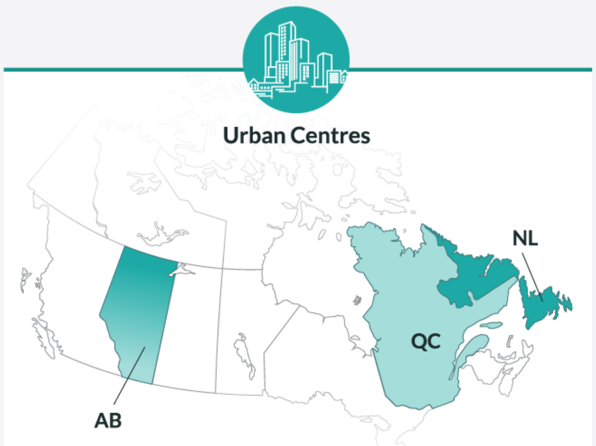
Overall, households spent the most on mobile services ($101.00 per month on average; see Figure 1.4). On average, for all income quintiles, spending on landline services declined from 2013 to 2017 at a compound annual growth rate (CAGR) of -8.2%. However, average expenditures on Internet services showed the largest growth (9.4%) between 2016 and 2017, and the highest 2013 to 2017 CAGR (7.4%), for all income quintiles (Table 1.6).

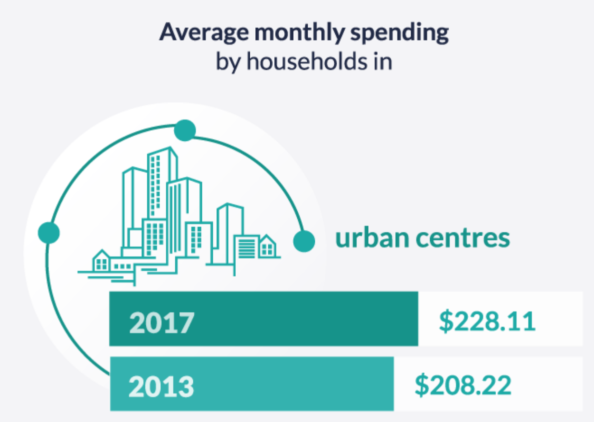
Households in the highest income quintiles spent more on communications services than those in the lower income quintiles. Household expenditures increased across all quintiles between 2016 and 2017, with expenditures in households in the first income quintile increasing the most (7.4%).

Even though total spending on communications services by the lowest-income households was more than two times lower than total spending by the highest-income households, as shown in Table 1.7, expenditures on communications services represented a significantly larger percentage of their annual incomes, about five times more to be more precise. In addition, households in the first income quintile spent more on communications services on a per person basis than all other income quintiles, spending almost $8.75 more per person per month than those in the fifth income quintile.

Average monthly expenditures by location - urban centres[7] vs. rural communities[8]

Infographic 1.6 Average provincial household expenditures on communications services comparison in urban centres and in rural communities

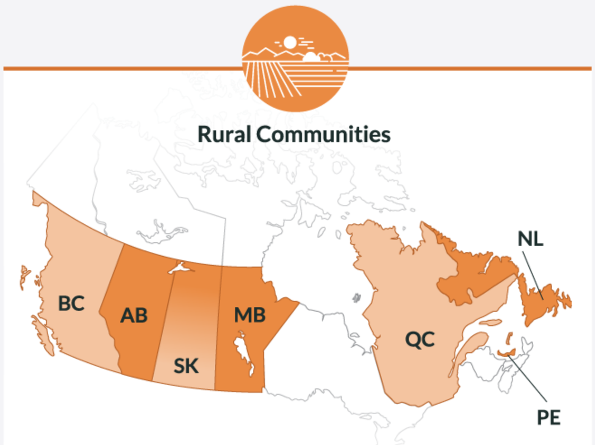


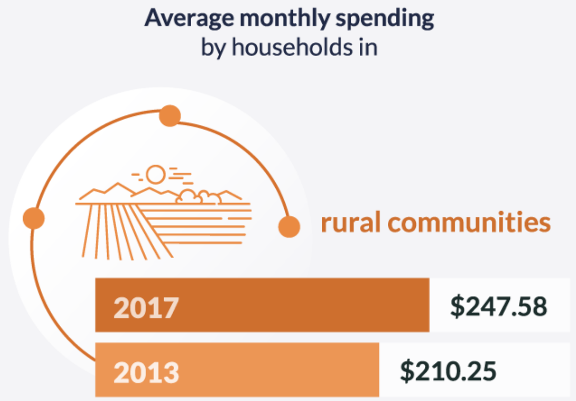


	High	Low
Total	Newfoundland and Labrador $274.83	Quebec $181.83
	Newfoundland and Labrador $39.00	Alberta $19.86
	Alberta $132.22	Quebec $63.67
	Prince Edward Island $64.92	Quebec $46.19
	Newfoundland and Labrador $66.04	Quebec $48.50

[7] Urban centres, also known as small/medium/large population centres, are defined by the following: small centres have populations between 1,000 and 29,999; medium centres have populations between 30,000 and 99,999; and large centres have populations greater than 100,000. For the purposes of this report, urban centres data reports the average of small/medium/large centres.

[8] Rural communities are defined as areas with a population of less than 1,000 or a density of 400 or fewer people per square kilometre.



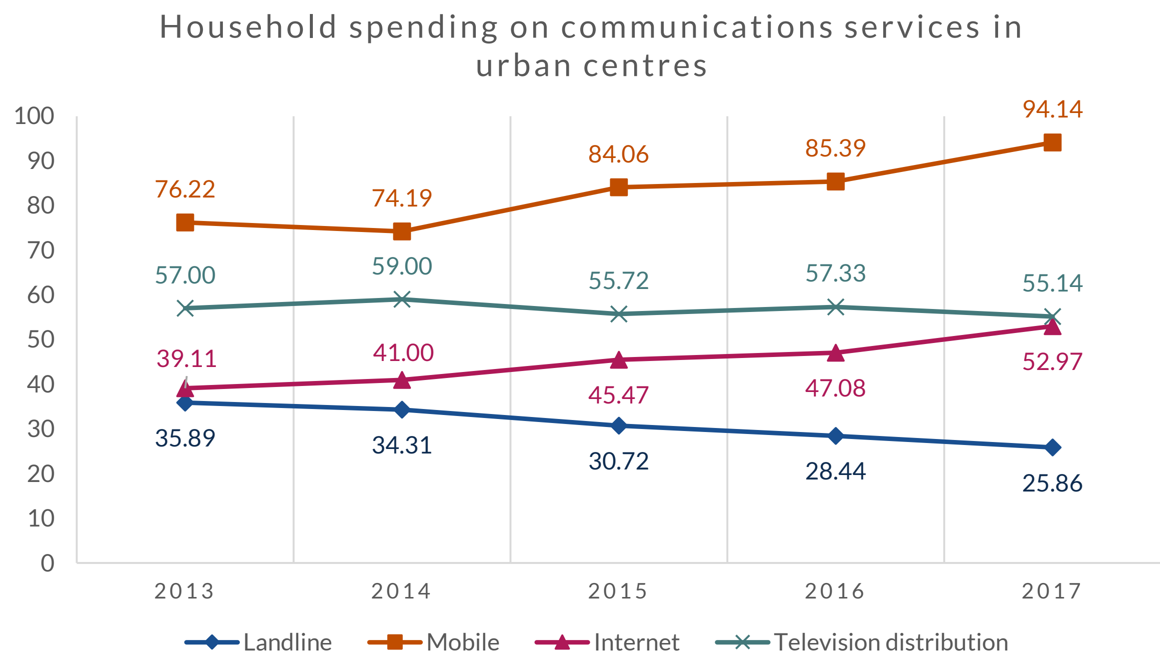


	High	Low
Total	Newfoundland and Labrador $277.75	Quebec $199.83
	Newfoundland and Labrador $57.25	Quebec $30.50
	Saskatchewan $119.33	Quebec $67.17
	British Columbia $70.42	Saskatchewan $44.75
	Newfoundland and Labrador $72.42	Quebec $53.00

Source: Statistics Canada's Survey of Household Spending, Table 11-10-0223-01

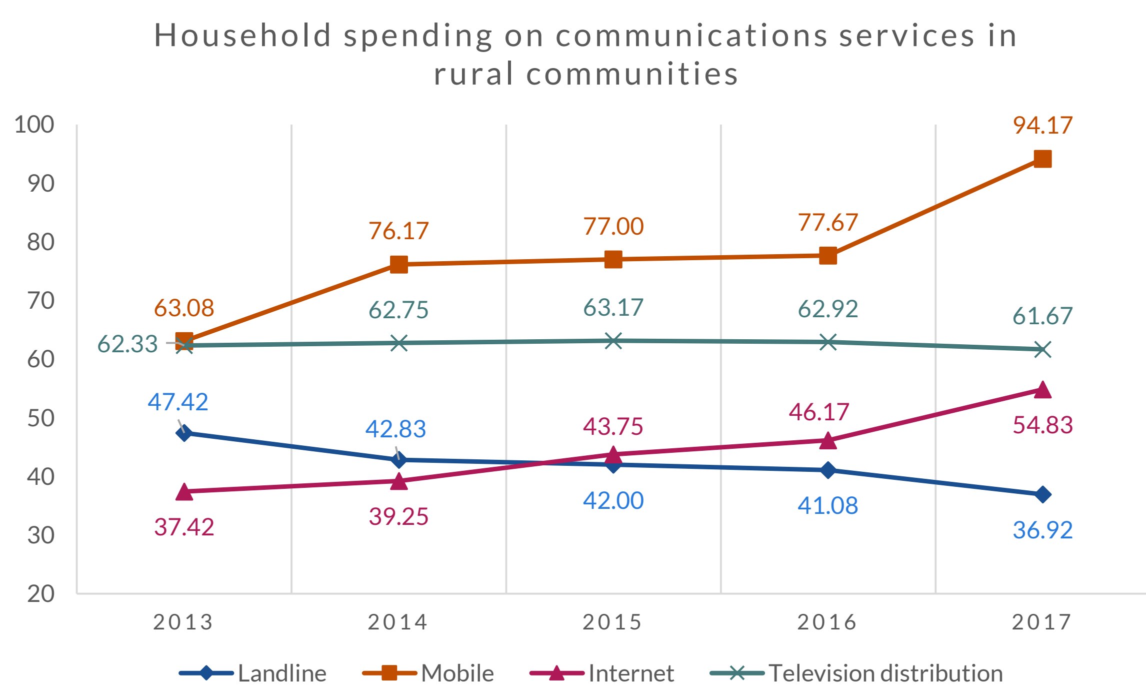
As seen in Table 1.6, expenditures on mobile and Internet services increased from 2013 to 2017, landline service expenditures decreased, and television distribution service expenditures remained relatively stable (see Figure 1.5). Internet expenditures surpassed landline service expenditures in urban centres in 2013, whereas in rural communities (see Figure 1.6) this occurred in 2015. Further, mobile service expenditures were fairly similar to television distribution service expenditures in rural communities prior to 2013, but more was spent on mobile services in recent years.

Figure 1.5 Average monthly household spending on communications services in urban centres



Source: Statistics Canada's Survey of Household Spending, custom request for a breakdown of Table 11-10-0223-01

Figure 1.6 Average monthly household spending on communications services in rural communities



Source: Statistics Canada's Survey of Household Spending, custom request for a breakdown of Table 11-10-0223-01

Households in rural communities increased their spending on all communications services to a greater degree than urban households. On average, households in rural communities spent $247.58 per month, an increase of 8.7% from 2016, compared to those in urban centres, which spent $228.11 per month, an increase of 4.5% for the same period. The difference in average household expenditures between urban and rural communities reflects the slightly higher prices offered in rural areas, where there are typically fewer service providers.

Expenditures also varied by province. For instance, Quebec residents spent significantly less on communications services in both urban and rural communities (see Table 1.9 and Table 1.10) than all other provinces, while Newfoundland and Labrador residents spent the most on communications services. Overall, the highest total monthly service spending was in Newfoundland and Labrador, at $274.83 and $277.75 in urban centres and rural communities respectively.

Expenditures by age

Infographic 1.7 Household expenditures on communications services by age in 2017

Source: Statistics Canada's Survey of Household Spending Table: 11-10-0227-01

Data on household spending by age was segmented based on the age of the household's reference person,[9] the person who typically handled financial matters in the home. Households whose reference person was aged 40 to 54 spent the most on communications services ($266.08 per month, up 3.2% from 2016), while those whose reference person was aged 65 years or over spent the least ($191.17 per month, up 4.8% from 2016).

In all Canadian households, the smallest communications expense was for landline services (Figure 1.7), which were also the services with the biggest age-related differences in household expenditures. Although landline subscriptions are declining annually (as seen in Figure 1.2), landlines remained important for Canada's older households. While younger households spent just $6.08 per month on average on landline services (an average expenditure that includes many households that do not have a landline), the oldest households spent on average more than six times that amount ($37.83 per month).

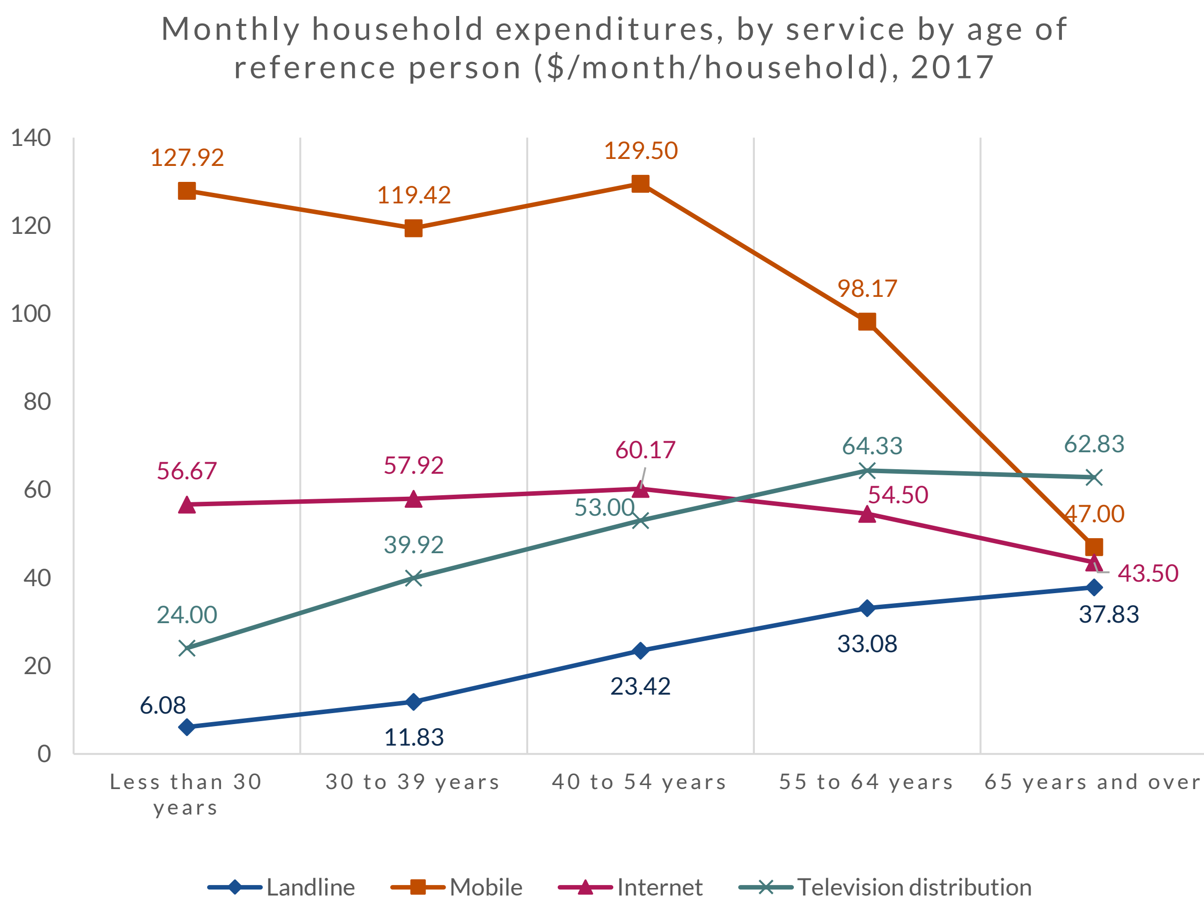
This difference between age groups was also reflected through their usage habits. Older households (whose reference person was aged 65 years or over) spent the most on television distribution services and the least on Internet services. Typically, the younger generation (households whose reference person was under 30 years old), which watched an average of 18.6 hours of television per week, spent on average $24.00 a month

[9] Statistics Canada identifies the reference person as the household member mainly responsible for household financial maintenance (for example, paying the mortgage, property taxes, or utility bills). In cases where members share the financial responsibility equally, one person is chosen to be the reference person.

on television distribution services. This spending was more than 50% lower than the oldest generation, which watched on average 42.2 hours per week and spent $62.83 per month on television distribution services (2018 CMR - Broadcasting, Figure 9.6). Figure 1.8 is comparable to Figure 1.7, showing how the trends for mobile, Internet, and landline were fairly similar in terms of both expenditures and percentage of users per age group.

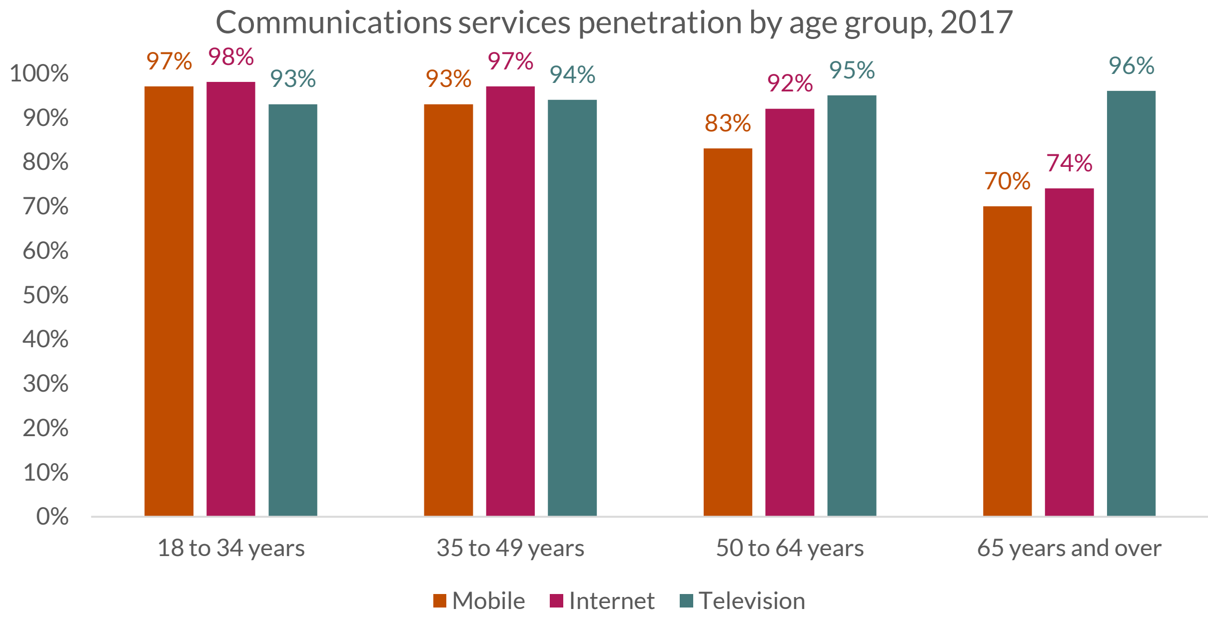
Figure 1.7 illustrates stark differences in spending between the youngest and oldest households. The youngest households tended to spend much more on Internet and mobile services than their older counterparts. Ninety-seven percent of the youngest generation surveyed used mobile services and allocated a large portion of their spending towards it ($127.92 per month). A similar pattern was visible with Internet services. The correlation between spending and usage suggests that different services have varying levels of importance to each generation, and that individuals spent more on the services they tended to use the most.

Figure 1.7 Monthly household expenditures, by service and by age of reference person ($/month/household), 2017



Source: Statistics Canada's Survey of Household Spending, Table: 11-10-0227-01

Figure 1.8 Communications services penetration by age group[10], 2017

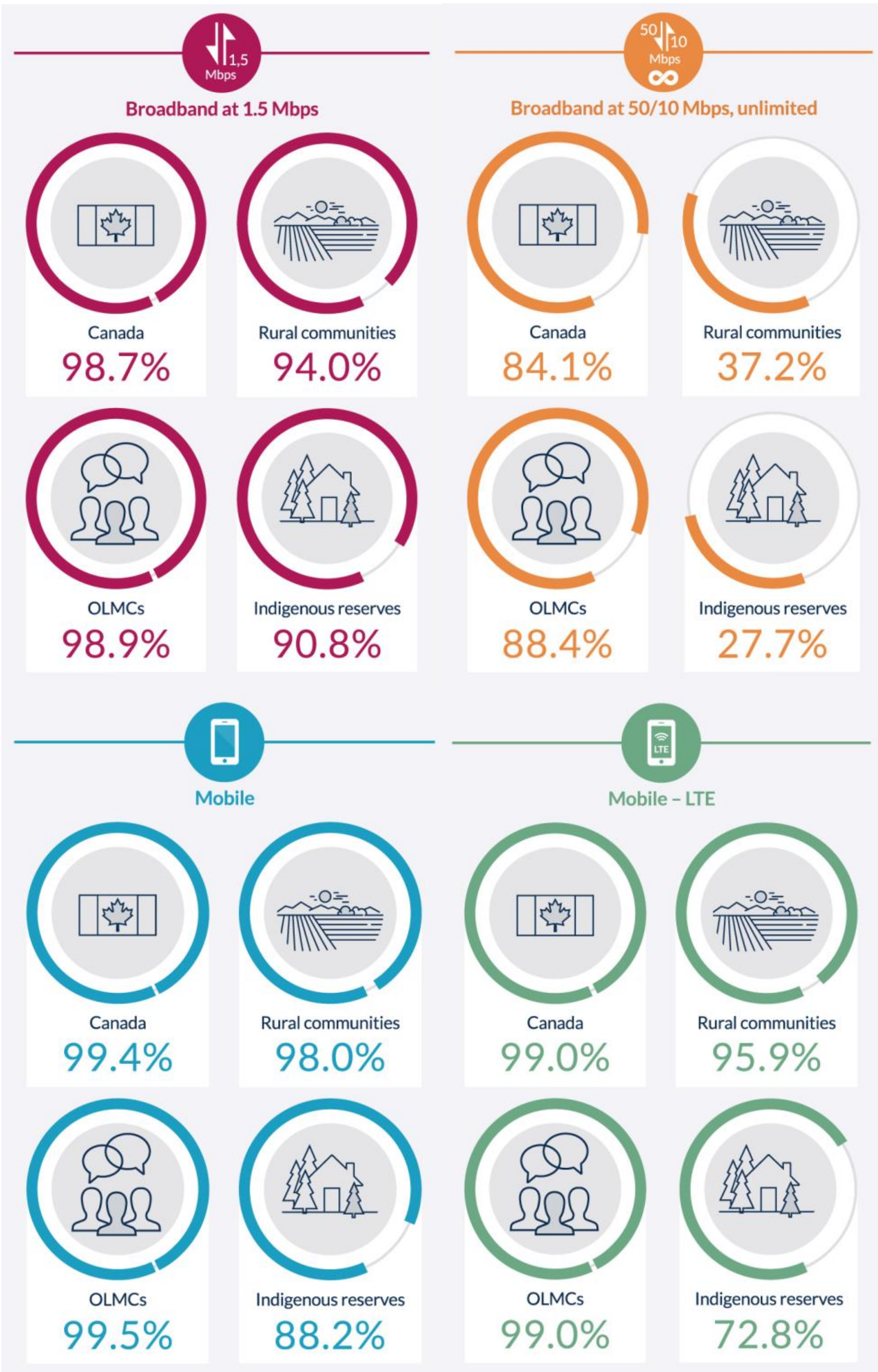


Source: Media Technology Monitor, Fall 2017 (respondents: Canadians aged 18+)

[10] The total number of respondents and responses from the Media Technology Monitor may differ from those in Statistics Canada's Survey of Household Spending. The age group parameters are also different to correlate with the parameters in the respective surveys.

iv. Who is covered by broadband and mobile networks across Canada?

Infographic 1.8 Broadband and mobile coverage in Canada in 2017



Source: Innovation, Science and Economic Development Canada (ISED) and CRTC data collection

Notes: For the purposes of this report, the official language minority population is defined in terms of the first official language spoken metric as defined within the *Official Languages Act*, using data from the 2016 Census. In all provinces and territories except Quebec, the official language having minority status is French. In all provinces and territories except Quebec, the official language having minority status is French. The presence of official language minority populations within a 25km area of an official minority language school was used to model and map OLMCs.

Indigenous reserve areas, representing total population and dwellings on reserves, were used in the analysis.

Broadband was measured on a household basis, at 1.5 Mbps and at 50/10 Mbps unlimited service availability. Mobile and mobile via LTE availability were measured on a population basis.

Arguably, broadband Internet services and mobile services have become the two most important services to Canadians over the past several years. The two services combined made up more than 66.6% of total household expenditures of communications services at the end of 2017. Hence, access to these services was fundamentally essential to enable Canadians to fully participate in society and to benefit from the digital economy.

The availability of broadband at 1.5 Mbps and mobile services across Canada varied by province or territory and level of service, especially in certain communities. Generally, Canadians who resided in official minority language communities (OLMCs) and rural communities had similar levels of access to Internet and mobile services to households and Canadians who resided in Indigenous reserve areas.

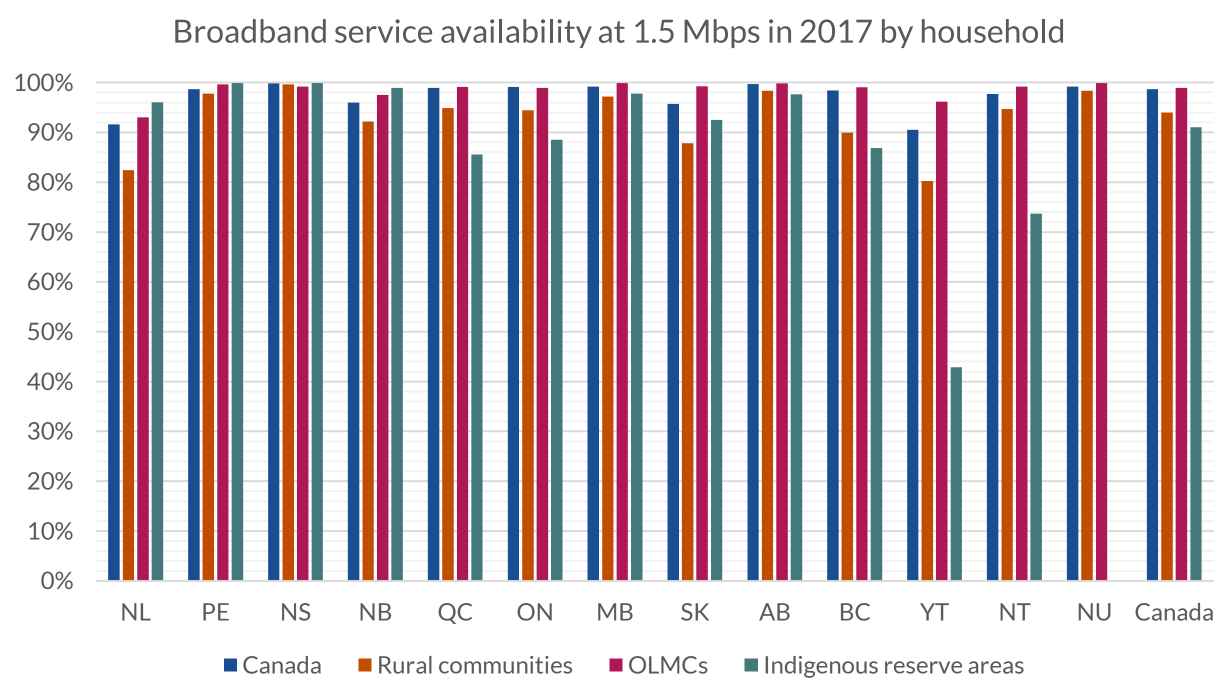
In Newfoundland and Labrador, only 67.9% of Indigenous reserve areas had access to mobile services, compared to 96.1%, overall, of all residents of Newfoundland and Labrador; this was even lower than in each of the three territories. Two other provinces where the Indigenous reserve areas had considerably less access to mobile services than the overall provincial level were Quebec and Manitoba, at 75.6% and 77.6% respectively.

Broadband Internet services

For the purposes of this section, broadband availability at 1.5 Mbps and at 50/10 Mbps unlimited is reported on a household basis. Availability of 1.5 Mbps broadband in OLMC and rural communities was closely aligned to the provincial average, while availability in Indigenous reserve areas in certain provinces was significantly lower. There were four provinces (Newfoundland and Labrador, Prince Edward Island, Nova Scotia and New Brunswick) where broadband availability was greater in Indigenous reserve areas than the provincial average, which may suggest that these communities were well served in 2017. However, in Indigenous reserve areas in the North and in the provinces of Quebec and Ontario, broadband availability was much lower than the provincial figures, suggesting that these communities were less well served overall.

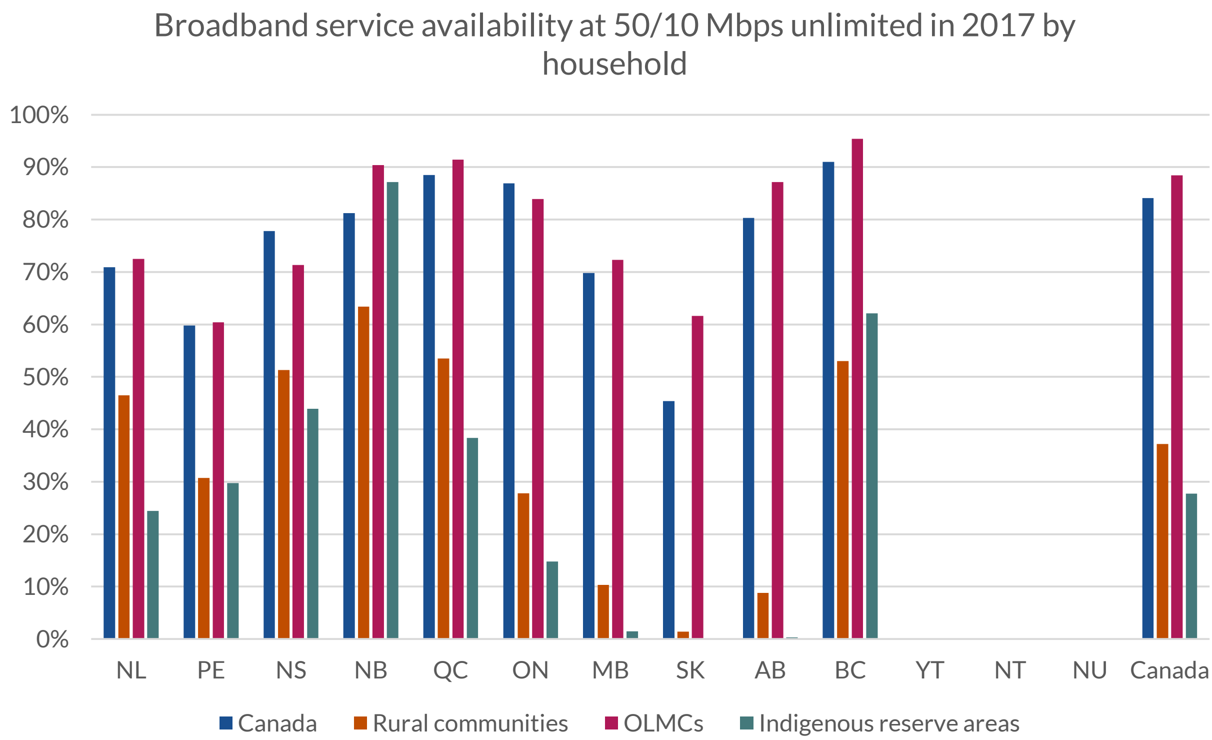
The availability of 50/10 Mbps unlimited broadband was noticeably different from availability at 1.5 Mbps. Across Canada, 50/10 Mbps unlimited was available to 84.1% of Canadians. However, only 37.2% of rural communities and 27.7% of Indigenous reserve areas had access to the faster speeds of 50/10 Mbps unlimited, demonstrating a divide between the various communities for faster broadband services. In the northern territories (Yukon, Northwest Territories and Nunavut), 50/10 Mbps unlimited broadband is unavailable altogether, which further illustrates the urban-rural divide in terms of access to service, especially at the faster speeds.

Figure 1.9 Broadband service availability at 1.5 Mbps in the provinces and territories in 2017 by household, in Canada overall, and in rural communities, OLMCs, and Indigenous reserve areas



Source: Innovation, Science and Economic Development Canada (ISED) and CRTC data collection

Figure 1.10 Broadband service availability at 50/10 Mbps unlimited in the provinces and territories in 2017 by household, in Canada overall, and in rural communities, OLMCs, and Indigenous reserve areas



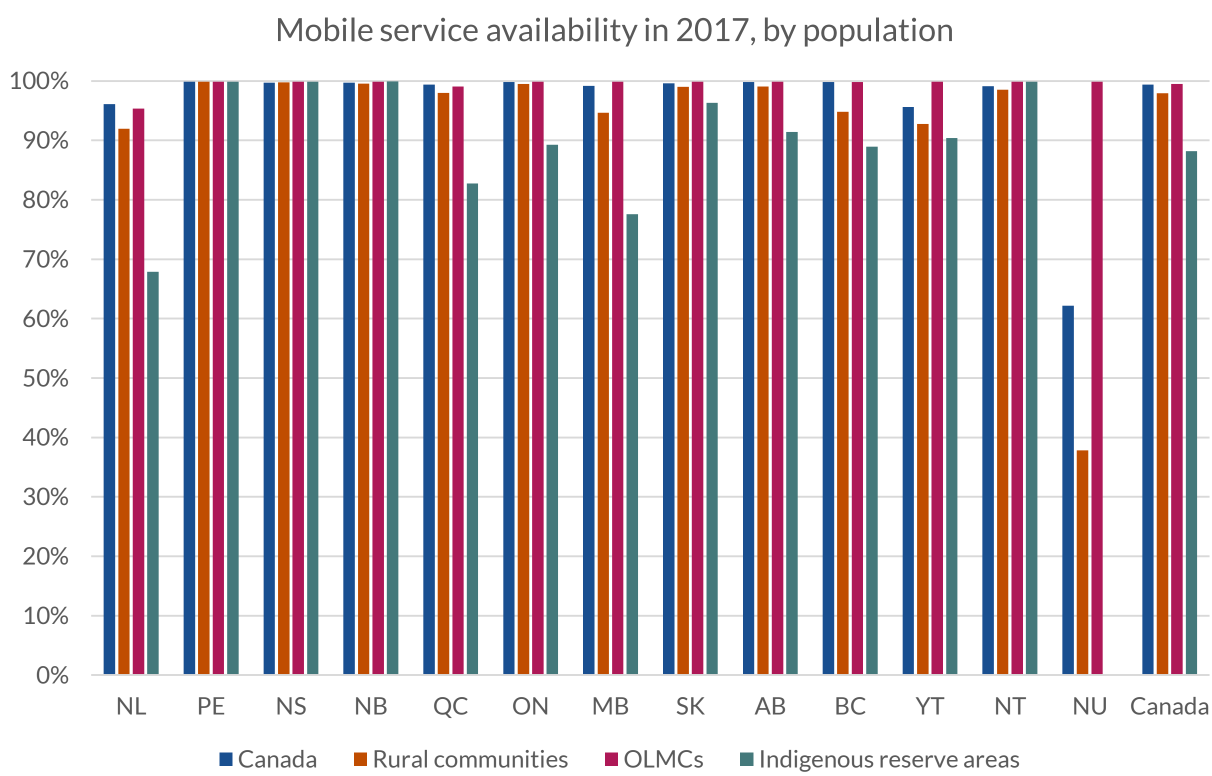
Source: Innovation, Science and Economic Development Canada (ISED) and CRTC data collection

Mobile services

Mobile services via LTE were available to 99.0% of Canadians at the end of 2017. In rural communities, OLMCs, and Indigenous reserve areas, LTE was available to 95.9%, 99.0%, and 72.8% of the population, respectively.

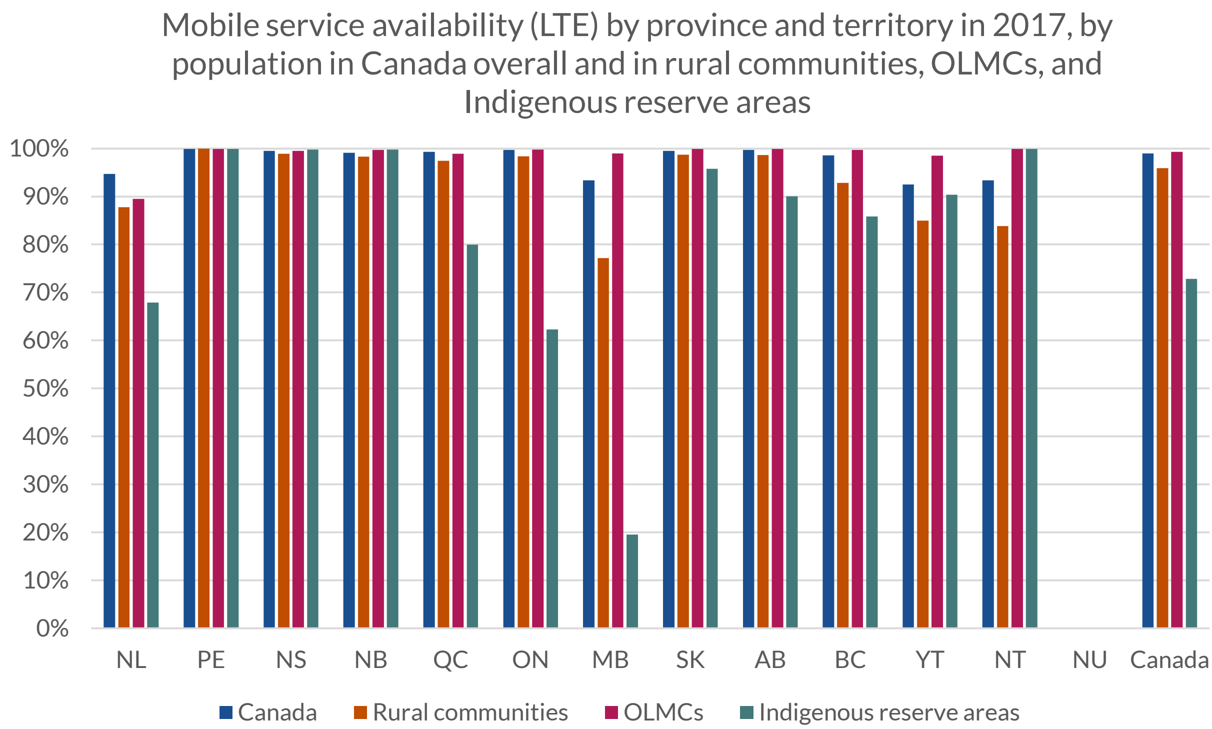
The largest difference in coverage between the provincial average and the Indigenous reserve areas was seen in Manitoba. Only 19.5% of the Indigenous reserve areas in Manitoba had access to LTE, compared to 93.4% of Manitobans in general. Two other provinces that also showed noticeable differences in access to LTE were Newfoundland and Labrador and Ontario where 67.9% and 62.3% of the Indigenous reserve areas are covered by LTE, respectively, compared to their overall provincial figures of 94.7% and 99.7% respectively.

Figure 1.11 Mobile service availability by province and territory in 2017, by population in Canada overall, in rural communities, in OLMCs, and in Indigenous reserve areas



Source: Innovation, Science and Economic Development Canada (ISED) and CRTC data collection

Figure 1.12 Mobile service availability (LTE) by province and territory in 2017, by population in Canada overall and in rural communities, OLMCs, and Indigenous reserve areas

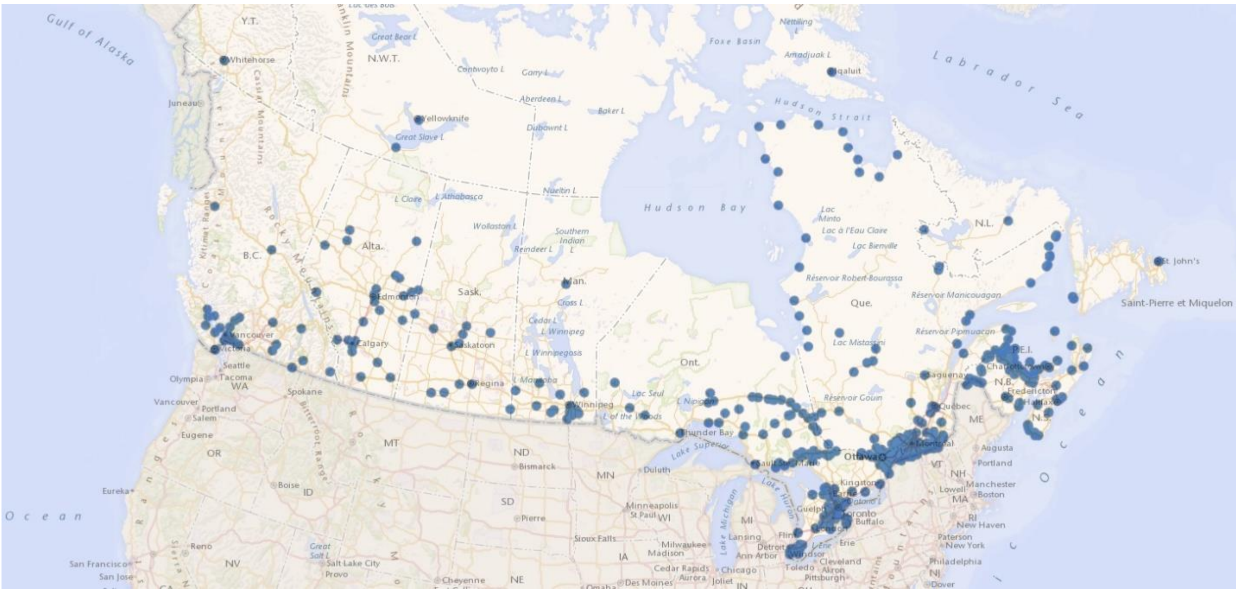


Source: Innovation, Science and Economic Development Canada (ISED) and CRTC data collection

New Brunswick has the largest official language minority population, at 31.0% of its overall population, followed by Quebec at 13.4%.

See Table 1.11 (Open Data) for 2016 data on Canadians whose mother tongue is an official language with minority status in the province or territory in which they reside, and in Canada overall. In all provinces and territories except Quebec, the official language having minority status is French.

Map 1.1 Population distribution of OLMCs across Canada, 2016

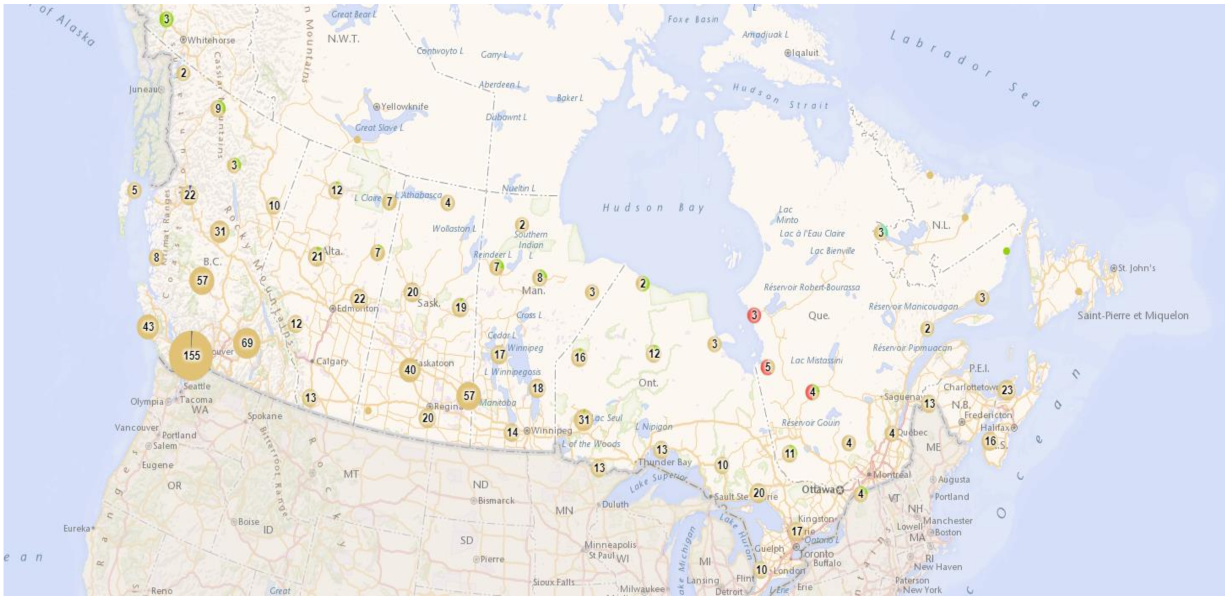


Source: 2016 Census, Statistics Canada, and data collection from both Innovation, Science and Economic Development Canada (ISED) and CRTC

Map 1.1 displays areas across Canada where OLMCs are present. The blue circles are OLMCs, modeled as areas within 25km of an official language minority school. The interactive map for OLMCs is also available online.

Map 1.2 displays areas across Canada where Indigenous reserve areas are present. The colour and number inside each circle represents the specific type of reserve where Indigenous reserve areas are present and the number of reserves in each area. Broadband availability within each census subdivision is available as part of the data set. Zoom into the map to update the tooltip with the broadband availability or review the Data Panel at the bottom of the map for full details. The interactive map for the number of reserve areas is also available online.

Map 1.2 Distribution of Indigenous reserve areas across Canada, 2017



Source: 2016 Census, Statistics Canada, and data collection from both Innovation, Science and Economic Development Canada (ISED) and CRTC

v. Methodology

Urban centres and rural communities

Urban centres, also known as small/medium/large population centres, are defined as follows: small centres have populations between 1,000 and 29,999, medium centres have populations between 30,000 and 99,999, and large centres have populations greater than 100,000. For the purposes of this report, data for urban centres reports the average of small/medium/large centres.

Rural communities are defined as areas with a population of less than 1,000 or a density of 400 or fewer people per square kilometre.

Official language minority communities

To identify official language minority communities (OLMCs) in Canada, a number of different criteria can be used. These include identifying the first language learned at home, the language spoken at home, and the language of education.

For the purposes of this report, the official language minority population is defined in terms of the first official language spoken metric as defined within the *Official Languages Act*, using data from the 2016 Census. In all provinces and territories except Quebec, the official language having minority status is French.

The presence of official language minority populations within a 25km area of an official minority language school was used to model and map OLMCs.

As a means of mapping OLMCs and calculating the availability of 50/10 Mbps unlimited service, a method of OLMC population placement was chosen that concentrates on areas within 25 km of official language minority schools to represent the locations of the communities. This methodology, which was developed by Canadian Heritage, was used to assign OLMC populations to areas and to calculate 50/10 Mbps unlimited availability to OLMC communities.

Indigenous reserve areas

Statistics Canada uses census subdivisions to represent different areas in Canada. Census subdivisions are municipalities or areas that can be equated to municipalities for statistical reasons. The different census subdivisions used by Statistics Canada were assessed. The census subdivisions that represent Indigenous reserve areas were included in the data analysis as well as mapping of this population. The analysis was based upon total population and dwellings on reserves according to the Statistics Canada census data and, as such, it may differ from other official sources.

Income quintiles and household spending

Income quintile information regarding household expenditures on communications services comes from Statistics Canada's Survey of Household Spending and does not include any projections or CRTC data. Canadian household incomes and household monthly expenditures were reported for the five income quintiles. An income quintile is a measure of the socioeconomic status of 5 different household groups (specifically household income levels), with each household group representing about 20% of the total population.

Table 1.1 Average annual household incomes and average monthly expenditures by income quintile ($/month), 2017

Type	First quintile	Second quintile	Third quintile	Fourth quintile	Fifth quintile
Income	Less than $32,914	Between $32,915 to $56,495	Between $56,496 to $86,098	Between $86,099 to $132,808	Over $132,809
Average annual income	$19,852	$44,725	$70,794	$107,287	$208,203
Landline	$21.50	$25.17	$23.58	$26.67	$29.08
Mobile	$53.67	$71.67	$103.08	$121.67	$154.75
Internet	$36.00	$49.33	$58.00	$61.92	$65.50
TV distribution	$39.33	$45.83	$53.00	$56.58	$68.08
Total	**$150.50**	**$192.00**	**$237.67**	**$266.83**	**$317.42**

Source: Statistics Canada's Survey of Household Spending, Table: 11-10-0223-01

vi. Appendices

Table 1.2 Canadian landline and mobile service subscribers per 100 households, 2004-2017

Year	Landline	Mobile	Landline and/or mobile	Landline only	Mobile only
2004	96.2	58.9	98.9	40.0	2.7
2005	94.0	62.9	98.8	36.0	4.8
2006	93.6	66.8	98.6	31.8	5.0
2007	92.5	71.9	98.8	26.9	6.3
2008	91.1	74.3	99.1	24.8	8.0
2009	89.3	77.2	99.3	22.1	10.0
2010	89.3	78.1	99.4	21.3	10.1
2011	86.6	79.1	99.3	20.2	12.7
2012	83.8	81.3	99.2	17.9	15.4
2013	79.1	84.7	99.3	14.6	20.2
2014	75.5	85.6	99.2	13.6	23.7
2015	71.9	86.1	99.3	13.2	27.5
2016	66.8	87.9	99.3	11.4	32.5
2017	63.0	89.5	99.0	9.5	36.0

Source: Statistics Canada's Affordability Study (2004-2007) and Survey of Household Spending, custom request for a breakdown of Table 11-10-0223-01 (2008-2017)

Table 1.3 Canadian landline and mobile service subscribers per 100 households, by income quintile, 2013-2017

Service	Year	First quintile	Second quintile	Third quintile	Fourth quintile	Fifth quintile	Average of all quintiles	CAGR of average of all quintiles (2013-2017)
Landline	2013	65.2	75.0	82.2	84.7	87.5	78.9	-5.5%
	2014	65.3	69.1	74.3	80.2	88.3	75.5	
	2015	63.6	68.6	72.1	74.1	81.0	71.9	
	2016	58.2	65.3	63.6	70.6	76.1	66.8	
	2017	54.9	59.7	62.7	65.2	72.5	63.0	
	Growth 2016-2017 (%)	-5.7	-8.6	-1.4	-7.6	-4.7	-5.6	
Mobile	2013	66.8	79.7	88.5	92.9	96.4	84.9	1.3%
	2014	67.4	83.2	89.4	93.2	95.0	85.6	
	2015	69.9	80.3	89.9	93.9	96.7	86.1	
	2016	68.7	85.6	92.7	96.2	96.4	87.9	
	2017	73.1	86.8	94.4	96.3	96.9	89.5	
	Growth 2016-2017 (%)	6.4	1.4	1.8	0.1	0.5	1.8	
Landline and/or mobile	2013	97.5	99.7	99.7	99.6	100.0	99.3	-0.1%
	2014	97.8	99.4	99.2	99.5	99.8	99.2	
	2015	98.6	99.0	99.5	99.8	99.8	99.3	
	2016	98.2	99.5	99.6	99.6	99.8	99.3	
	2017	97.0	99.6	99.5	99.5	99.3	99.0	
	Growth 2016-2017 (%)	-1.2	0.1	-0.1	-0.1	-0.5	-0.3	
Landline only	2013	30.7	20.0	11.2	6.7	3.6	14.4	-9.9%
	2014	30.4	16.2	9.8	6.3	4.8	13.6	
	2015	28.7	18.7	9.6	5.9	3.1	13.2	
	2016	29.5	13.9	6.9	3.4	3.4	11.4	
	2017	23.9	12.8	5.1	3.2	2.4	9.5	
	Growth 2016-2017 (%)	-19.0	-7.9	-26.1	-5.9	-29.4	-16.8	
Mobile only	2013	32.3	24.7	17.5	14.9	12.5	20.4	15.3%
	2014	32.5	30.3	24.9	19.3	11.5	23.7	
	2015	35.0	30.4	27.4	25.7	18.8	27.5	
	2016	40.0	34.2	36.0	29.0	23.7	32.6	
	2017	42.1	39.9	36.8	34.3	26.8	36.0	
	Growth 2016-2017 (%)	5.2	16.7	2.2	18.3	13.1	10.5	

Source: Statistics Canada's Survey of Household Spending, custom request for a breakdown of Table 11-10-0223-01.
Each quintile represents 20% of households.

Table 1.4 Landline and mobile service subscribers per 100 households, by province, 2017

Province	Landline	Mobile	Landline and/or mobile	Landline only	Mobile only
British Columbia	59.3	92.0	98.7	6.7	39.4
Alberta	55.6	93.6	98.7	5.1	43.1
Saskatchewan	57.3	93.5	99.7	6.2	42.4
Manitoba	65.6	90.1	99.5	9.4	33.9
Ontario	61.2	90.8	99.3	8.5	38.1
Quebec	67.6	84.4	98.5	14.1	30.9
New Brunswick	83.4	87.8	99.0	11.2	15.6
Nova Scotia	68.2	87.1	98.9	11.8	30.7
Prince Edward Island	67.8	87.3	98.6	11.3	30.8
Newfoundland and Labrador	83.0	89.1	99.6	10.5	16.6
All of Canada	**63.0**	**89.5**	**99.0**	**9.5**	**36.0**

Source: Statistics Canada's Survey of Household Spending, custom request for a breakdown of Table 11-10-0223-01

Table 1.5 Home computer ownership and Internet use from home per 100 households, by income quintile, 2013-2017

Technology	Year	Household income less than $32,914 (first quintile)	Household income from $32,915 to $56,495 (second quintile)	Household income from $56,496 to $86,098 (third quintile)	Household income from $86,099 to $132,808 (fourth quintile)	Household income over $132,809 (fifth quintile)	Average for all quintiles
Home computer	2013	64.4	80.6	89.8	95.4	97.9	85.6
	2014	64.3	78.1	87.7	94.0	97.4	84.3
	2015	61.9	79.6	89.1	95.3	96.6	84.5
	2016	63.9	78.0	89.1	93.4	96.2	84.1
	2017	63.4	79.1	89.5	93.5	95.1	84.1
	Growth 2016-2017 (%)	-0.8	1.4	0.4	0.1	-1.1	0
Internet use from home	2013	59.7	77.6	89.0	94.9	98.4	83.9
	2014	63.5	78.5	88.7	95.5	98.3	84.9
	2015	64.4	82.1	92.8	97.2	98.2	86.9
	2016	65.2	82.7	93.3	97.9	98.1	87.4
	2017	69.0	85.3	94.1	97.7	98.5	89.0
	Growth 2016-2017 (%)	5.8	3.1	0.9	-0.2	0.4	1.8

Source: Statistics Canada's Survey of Household Spending, custom request for a breakdown of Table 11-10-0223-01

Table 1.6 Average five-year monthly household spending on communications services, by service and by income quintile ($/month/household), 2013-2017

Service	Year	First quintile	Second quintile	Third quintile	Fourth quintile	Fifth quintile	Average of all quintiles	CAGR of average of all quintiles (2013-2017)
Landline	2013	29.08	33.50	36.08	38.17	41.00	35.58	-8.2%
	2014	26.58	31.08	32.50	36.17	40.33	33.33	
	2015	25.50	28.08	29.83	31.50	36.08	30.17	
	2016	22.75	26.67	27.75	26.92	33.25	27.50	
	2017	21.50	25.17	23.58	26.67	29.08	25.25	
	Growth 2016-2017 (%)	-5.5	-5.6	-15.0	-0.9	-12.5	-8.2	
Mobile	2013	42.42	55.92	77.25	91.75	127.00	78.92	6.4%
	2014	43.92	60.42	80.83	100.42	127.83	82.67	
	2015	43.75	62.25	84.83	105.33	140.08	87.25	
	2016	47.42	66.08	95.42	110.67	141.00	92.08	
	2017	53.67	71.67	103.08	121.67	154.75	101.00	
	Growth 2016-2017 (%)	13.2	8.5	8.0	9.9	9.8	9.7	
Internet	2013	25.58	35.25	42.08	48.00	52.42	40.67	7.4%
	2014	29.50	37.17	44.17	48.75	52.67	42.42	
	2015	30.58	41.58	49.92	53.75	56.83	46.50	
	2016	32.17	43.58	52.00	58.00	61.92	49.50	
	2017	36.00	49.33	58.00	61.92	65.50	54.17	
	Growth 2016-2017 (%)	11.9	13.2	11.5	6.8	5.8	9.4	
Television distribution	2013	37.00	49.33	57.67	64.58	74.50	56.58	-1.8%
	2014	38.92	49.42	56.92	62.25	74.17	56.33	
	2015	38.83	46.92	55.42	58.75	72.42	54.50	
	2016	37.75	47.92	52.50	59.58	71.08	53.75	
	2017	39.33	45.83	53.00	56.58	68.08	52.58	
	Growth 2016-2017 (%)	4.2	-4.4	1.0	-5.0	-4.2	-2.2	
Total	2013	134.08	174.00	213.08	242.50	294.92	211.75	2.4%
	2014	138.92	178.08	214.42	247.58	295.00	214.75	
	2015	138.67	178.83	220.00	249.33	305.42	218.42	
	2016	140.09	184.25	227.67	255.17	307.25	222.83	
	2017	150.50	192.00	237.67	266.83	317.42	233.00	
	Growth 2016-2017 (%)	7.4	4.2	4.4	4.6	3.3	4.6	
CAGR of total services	**2013-2017**	**2.9**	**2.5**	**2.8**	**2.4**	**1.9**	**2.4**	

Source: Statistics Canada's Survey of Household Spending, Table: 11-10-0223-01

Table 1.7 Expenditure per service and by income quintile as a percentage of average annual income, 2017

Metric	First quintile	Second quintile	Third quintile	Fourth quintile	Fifth quintile	Average of all quintiles
Average income	$19,852	$44,725	$70,794	$107,287	$208,203	$90,185
Landline	1.3%	0.7%	0.4%	0.3%	0.2%	0.3%
Mobile	3.2%	1.9%	1.8%	1.4%	0.9%	1.3%
Internet	2.2%	1.6%	1.0%	0.6%	0.4%	0.7%
Television distribution	2.4%	1.4%	0.9%	0.6%	0.4%	0.7%
Total communications expenditures	**9.1%**	**5.2%**	**4.0%**	**3.0%**	**1.8%**	**3.1%**

Source: Statistics Canada's Survey of Household Spending, Table: 11-10-0223-01

Table 1.8 Household spending on communications services as a percentage of annual income, by income quintile, 2013-2017

Year	Characteristics	First quintile	Second quintile	Third quintile	Fourth quintile	Fifth quintile	All quintiles
2013	Minimum household income threshold	$0	$30,669	$51,805	$79,723	$121,292	Less than $30,668
	Maximum household income threshold	$30,668	$51,804	$79,722	$121,291	n/a	More than $121,292
	Average annual income	$18,582	$41,105	$64,854	$98,634	$199,702	$84,575
	Average members per household	1.49	2.11	2.49	2.95	3.34	2.48
	Communications expenditures as a percentage of average annual income	8.3%	4.9%	3.8%	2.8%	1.7%	2.9%
2014	Minimum household income threshold	$0	$30,520	$53,275	$81,295	$124,839	Less than $30,519
	Maximum household income threshold	$30,519	$53,274	$81,294	$124,838	n/a	More than $124,839
	Average annual income	$19,664	$42,122	$67,083	$101,177	$201,752	$86,360
	Average members per household	1.50	2.05	2.51	2.91	3.40	2.47
	Communications expenditures as a percentage of average annual income	8.5%	4.1%	3.8%	2.9%	1.8%	3.0%
2015	Minimum household income threshold	$0	$31,609	$54,588	$82,710	$126,879	Less than $31,608
	Maximum household income threshold	$31,608	$54,587	$82,709	$126,878	n/a	More than $126,879
	Average annual income	$19,403	$42,887	$68,331	$103,021	$210,693	$88,867
	Average members per household	1.43	2.11	2.57	2.91	3.35	2.47
	Communications expenditures as a percentage of average annual income	8.6%	5.0%	3.9%	2.9%	1.7%	2.9%
2016	Minimum household income threshold	$0	$32,091	$55,471	$85,337	$130,046	Less than $32,090
	Maximum household income threshold	$32,090	$55,470	$85,336	$130,045	n/a	More than $130,046
	Average annual income	$19,559	$43,436	$70,178	$104,533	$219,031	$91,347
	Average members per household	1.47	2.01	2.51	3.00	3.36	2.47
	Communications expenditures as a percentage of average annual income	8.6%	5.1%	3.9%	2.9%	1.7%	2.9%
2017	Minimum household income threshold	$0	$32,915	$56,496	$86,099	$132,809	Less than $32,914
	Maximum household income threshold	$32,914	$56,495	$86,098	$132,808	n/a	More than $132,808
	Average annual income	$19,852	$44,725	$70,794	$107,287	$208,203	$90,185
	Average members per household	1.47	2.01	2.53	2.93	3.39	2.47
	Communications expenditures as a percentage of average annual income	9.1%	5.2%	4.0%	3.0%	1.8%	3.1%

Source: Statistics Canada's Survey of Household Spending, Table: 11-10-0223-01

Table 1.9 Household average monthly household communications services expenditure in rural communities, 2012-2017

Region	Service	2012	2013	2014	2015	2016	2017
Can.	Landline	47.25	47.42	42.83	42.00	41.08	36.92
Can.	Mobile	58.17	63.08	76.17	77.00	77.67	94.17
Can.	Internet	34.00	37.42	39.25	43.75	46.17	54.83
Can.	Television distribution	59.25	62.33	62.75	63.17	62.92	61.67
N.L.	Landline	58.33	58.50	56.17	55.83	53.08	57.25
N.L.	Mobile	60.67	62.33	76.92	87.92	93.67	95.67
N.L.	Internet	31.75	37.83	37.42	45.33	49.33	52.42
N.L.	Television distribution	61.92	65.33	70.25	70.75	76.67	72.42
P.E.I.	Landline	51.83	56.00	52.58	46.42	46.33	47.50
P.E.I.	Mobile	55.25	51.08	89.58	89.75	92.92	94.33
P.E.I.	Internet	35.50	40.50	39.67	50.42	58.83	59.08
P.E.I.	Television distribution	60.83	73.08	62.00	58.92	70.83	63.58
N.S.	Landline	55.42	54.67	53.17	54.08	44.58	44.42
N.S.	Mobile	58.50	67.42	67.67	66.08	84.33	86.00
N.S.	Internet	35.83	38.17	42.75	45.92	52.92	57.00
N.S.	Television distribution	67.92	65.92	65.50	66.25	61.92	63.58
N.B.	Landline	50.17	47.58	47.00	45.75	44.42	43.83
N.B.	Mobile	53.67	58.67	73.42	66.50	63.33	86.08
N.B.	Internet	31.75	33.83	38.58	39.25	41.08	51.08
N.B.	Television distribution	60.17	59.42	57.75	65.33	64.83	59.42
Que.	Landline	43.50	41.83	38.25	38.00	37.08	30.50
Que.	Mobile	31.17	45.25	49.42	49.50	53.42	67.17
Que.	Internet	31.83	33.00	33.67	37.08	36.42	49.17
Que.	Television distribution	51.75	55.75	50.67	50.83	54.08	53.00
Ont.	Landline	46.33	45.33	41.92	43.83	44.33	38.42
Ont.	Mobile	50.75	55.33	80.50	78.25	70.50	108.42
Ont.	Internet	36.83	43.00	44.42	47.42	54.92	57.50
Ont.	Television distribution	57.67	65.83	69.17	66.83	61.92	69.92
Man.	Landline	46.83	49.25	46.33	43.33	40.50	40.08
Man.	Mobile	70.42	83.83	91.42	104.17	103.50	111.50
Man.	Internet	29.58	37.83	42.33	38.00	52.92	57.83
Man.	Television distribution	55.75	58.83	55.67	70.33	77.83	65.50
Sask.	Landline	54.92	52.83	51.17	48.33	47.67	39.00
Sask.	Mobile	68.75	88.25	98.83	109.17	116.00	119.33
Sask.	Internet	34.08	29.25	37.92	41.42	44.75	44.75
Sask.	Television distribution	67.75	64.58	74.75	70.50	73.75	70.42
Alta.	Landline	46.25	56.92	39.58	36.25	36.17	35.00
Alta.	Mobile	130.17	114.67	139.67	118.75	121.17	117.75
Alta.	Internet	41.33	42.42	42.17	52.58	46.08	56.33
Alta.	Television distribution	76.17	72.75	80.08	74.42	70.42	66.58
B.C.	Landline	47.08	43.25	39.83	30.42	34.00	31.42
B.C.	Mobile	63.08	48.92	53.25	94.92	88.92	98.17
B.C.	Internet	31.17	38.33	37.83	54.17	52.92	70.42
B.C.	Television distribution	55.92	59.75	59.00	68.92	64.58	51.67

Source: Statistics Canada's Survey of Household Spending, custom request for a breakdown of Table 11-10-0223-01

Table 1.10 Household average monthly communications services expenditure in urban centres, 2012-2017

Region	Service	2012	2013	2014	2015	2016	2017
Can.	Landline	38,83	35.89	34.31	30.72	28.44	25.86
Can.	Mobile	63,42	76.22	74.19	84.06	85.39	94.14
Can.	Internet	34,89	39.11	41.00	45.47	47.08	52.97
Can.	Television distribution	56,61	57.00	59.00	55.72	57.33	55.14
N.L.	Landline	48,29	43.67	42.83	41.00	42.83	39.00
N.L.	Mobile	76,50	83.83	91.83	99.17	110.71	115.75
N.L.	Internet	37,46	42.04	42.63	46.67	48.71	54.04
N.L.	Television distribution	62,75	61.63	67.92	61.96	64.42	66.04
P.E.I.	Landline	39,67	43.63	43.50	45.92	39.58	34.58
P.E.I.	Mobile	56,92	64.38	71.25	68.79	84.13	96.50
P.E.I.	Internet	34,92	39.96	45.67	47.13	51.92	64.92
P.E.I.	Television distribution	58,71	61.08	63.75	58.17	58.58	52.92
N.S.	Landline	45,22	43.44	39.00	40.31	39.08	37.17
N.S.	Mobile	64,28	71.75	62.69	76.72	91.25	88.89
N.S.	Internet	36,53	40.00	43.36	47.64	52.11	56.89
N.S.	Television distribution	64,03	59.00	65.58	57.67	60.28	59.19
N.B.	Landline	41,69	40.86	36.22	36.22	36.78	33.44
N.B.	Mobile	63,03	64.22	69.25	77.08	82.92	82.67
N.B.	Internet	38,17	40.94	41.14	46.17	46.92	51.42
N.B.	Television distribution	57,25	58.50	59.47	55.39	57.83	59.03
Que.	Landline	34,03	33.08	34.25	28.97	28.00	23.47
Que.	Mobile	41,08	43.47	46.06	51.11	56.14	63.67
Que.	Internet	33,22	35.17	32.83	35.50	37.08	46.19
Que.	Television distribution	46,39	45.75	47.64	47.83	48.72	48.50
Ont.	Landline	43,58	40.92	36.94	33.86	33.61	29.81
Ont.	Mobile	60,47	79.39	70.47	82.31	76.83	93.17
Ont.	Internet	37,06	39.89	45.08	49.36	46.28	53.58
Ont.	Television distribution	59,72	60.47	62.56	57.67	60.44	57.42
Man.	Landline	36,28	36.47	34.92	30.92	25.67	27.17
Man.	Mobile	69,78	78.19	79.89	89.53	85.06	114.81
Man.	Internet	35,61	38.78	38.69	43.92	46.69	49.61
Man.	Television distribution	64,47	59.69	57.83	59.44	55.00	50.06
Sask.	Landline	41,47	36.56	34.92	30.64	29.17	25.72
Sask.	Mobile	80,22	87.11	88.28	102.39	109.31	116.33
Sask.	Internet	31,58	33.86	35.53	42.17	44.92	51.39
Sask.	Television distribution	64,33	67.83	67.19	64.33	64.22	58.64
Alta.	Landline	35,81	32.81	30.67	25.22	21.31	19.86
Alta.	Mobile	97,25	118.67	110.11	135.94	128.69	132.22
Alta.	Internet	33,97	42.36	44.89	51.64	55.08	60.00
Alta.	Television distribution	65,14	65.03	66.11	65.86	67.50	60.61
B.C.	Landline	33,97	28.39	30.11	27.86	22.00	21.28
B.C.	Mobile	67,11	90.50	87.25	94.14	96.17	110.25
B.C.	Internet	33,33	40.75	43.03	47.47	53.08	57.19
B.C.	Television distribution	54,33	58.64	61.64	55.19	58.08	56.67

Source: Statistics Canada's Survey of Household Spending, custom request for a breakdown of Table 11-10-0223-01

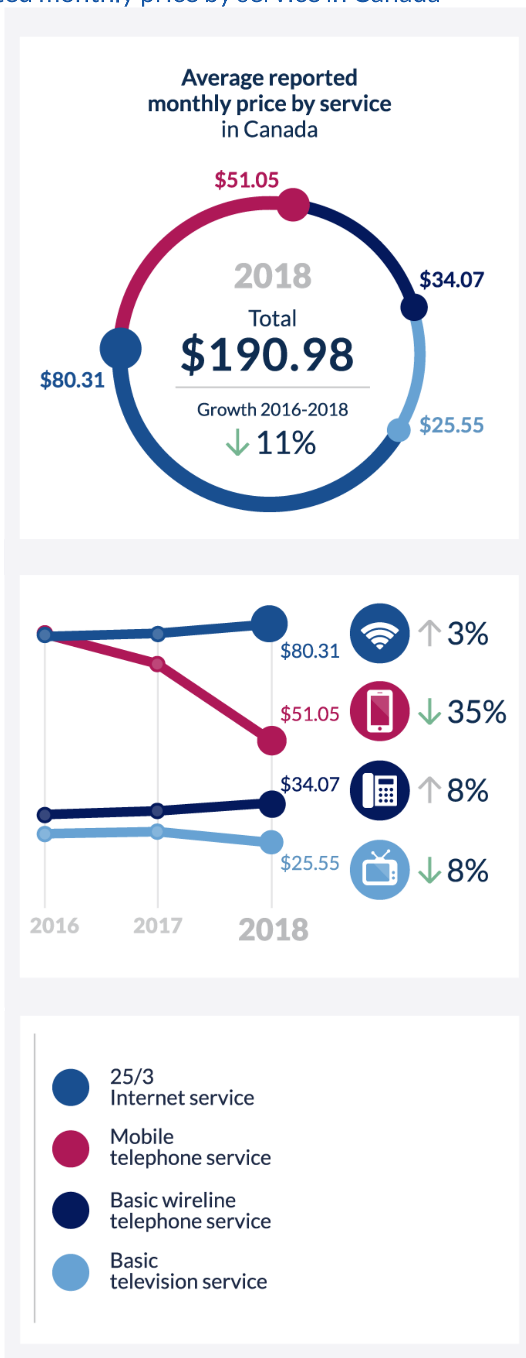
Communications Monitoring Report 2019

2018 Communications Services Pricing in Canada

2018 Communications Services Pricing in Canada

i. Highlights

Infographic 2.1 Average reported monthly price by service in Canada



Source: CRTC data collection

The Canadian Radio-television and Telecommunications Commission (hereafter, the Commission) collects prices annually from Canadian service providers for residential communications services. This report presents the reported monthly prices (hereafter, prices) for each of basic television[11], basic wireline telephone[12], Internet (3 levels of service) and mobile (4 levels of service) services for 24 urban centres and 54 rural communities, from all provinces and territories across Canada, as of December 31, 2018[13].

Based on the prices of basic television, basic wireline telephone, Internet (25/3)[14] and mobile (unlimited voice & SMS and 5GB of data) [15], the nationwide monthly reported average price for the four services combined (hereafter, combined price) in 2018 was an average of $191, or 11%, lower than in 2016.

The decrease in combined prices is attributable to lower prices for mobile services (specifically, plans that include unlimited voice and SMS, and 5 GB of data) across Canada, and to a lesser degree lower basic television service prices in most areas.

In 2018, Internet and mobile services accounted for almost 70% of the combined price, with each service offering a number of plans with varying price trends over the 2016–2018 period. These services are explored in more detail below. Subsequent subsections will examine provincial/territorial as well as urban/rural prices and trends.

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[11] A basic television package includes local and regional TV stations, channels with mandatory distribution, community and provincial legislature channels (where available), and provincial/territorial educational channels.

[12] Basic wireline phone service refers to single-line, local telephone service operating over a managed network, (i.e. circuit-switched or IP-based) including dial-tone, touchtone, message relay and 9-1-1 service. Access independent voice over Internet Protocol (VoIP) telephony and mobile are not considered basic wireline phone services for the purposes of this report.

[13] See methodology for pricing methodology and the list of urban centres and rural communities.

[14] Internet is represented by the category of service that includes 25 Mbps download and 3 Mbps upload, with at least 100 GB of monthly transfer. It is the most representative of subscribership out of the three monitored packages.

[15] Mobile is represented by the plan that includes unlimited voice and SMS, and 5 GB of Internet data.

Prices by type of service

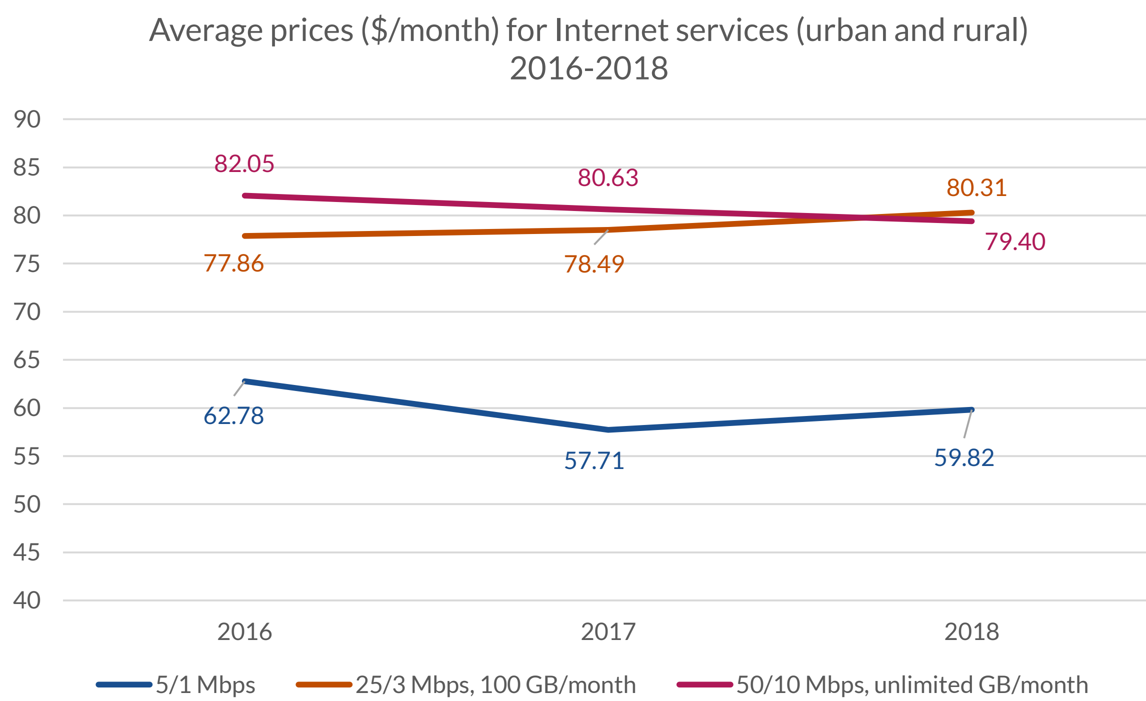
Average monthly prices for Internet services: 2016-2018

From 2016 to 2018, prices for Internet services generally declined, although they evolved at different rates depending on the speed of the service.

Prices for 5/1 and 50/10 internet services decreased by 5% and 3% respectively from 2016 to 2018. At the same time, subscribers were moving towards faster packages and internet service offerings were moving to higher speeds and higher data limits. In 2017, for example, almost 40% of high-speed residential Internet service subscriptions were for download speeds of 50+ Mbps, compared to 26% in 2016.

In contrast to the average price of 5/1 and 50/10 internet services, the average price for 25/3 internet service increased by 3% over the 2016-2018 period.

Figure 2.1 Average prices ($/month) for Internet services (urban and rural) 2016-2018



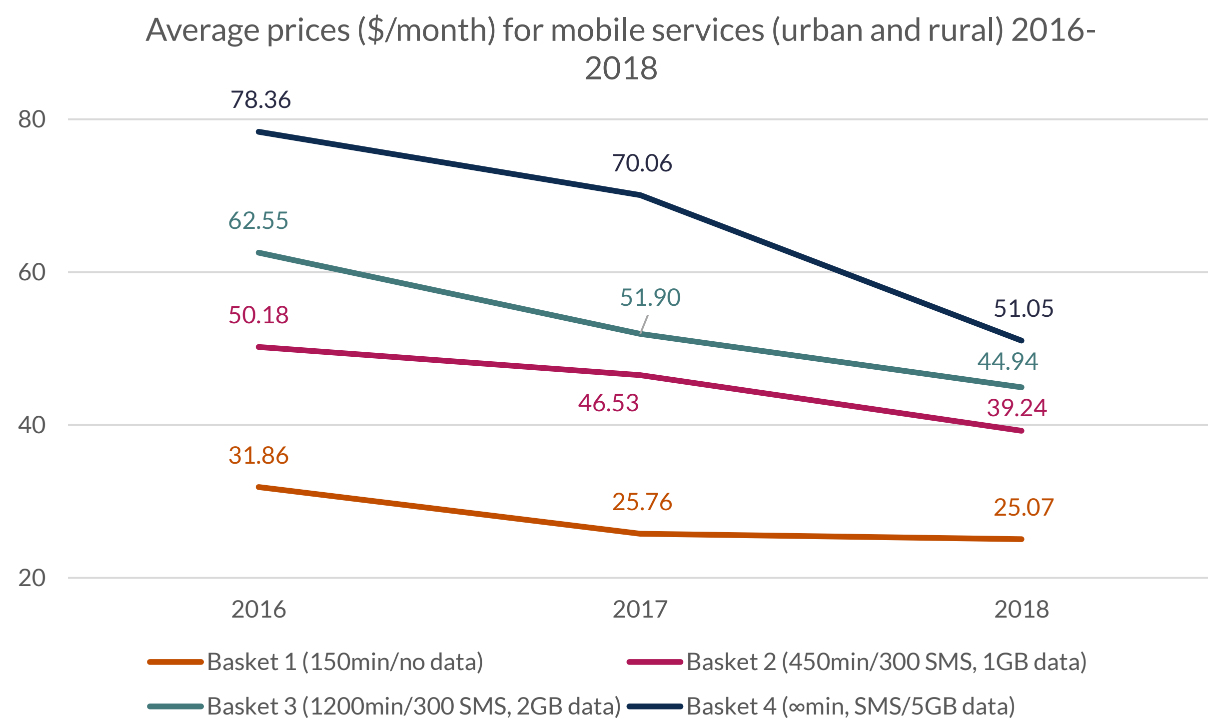
Source: CRTC data collection

Average monthly prices for mobile services: 2016-2018

Against a backdrop of higher data usage (the average mobile data subscriber used over 2 GB of data per month in 2017, a 30% increase from 2016) and significant smartphone penetration (87% in 2017), prices for mobile services have declined over the 2016-2018 period. Decreases were most pronounced for service offerings including 2GB of data or more.

2018 prices for mobile services offering 150 to 450 minutes of voice service and up to 1GB of data decreased by approximately 22% when compared to 2016, while prices for mobile services offering 2GB of data or more decreased by approximately 32% compared to 2016.

Figure 2.2 Average prices ($/month) for mobile services (urban and rural) 2016-2018



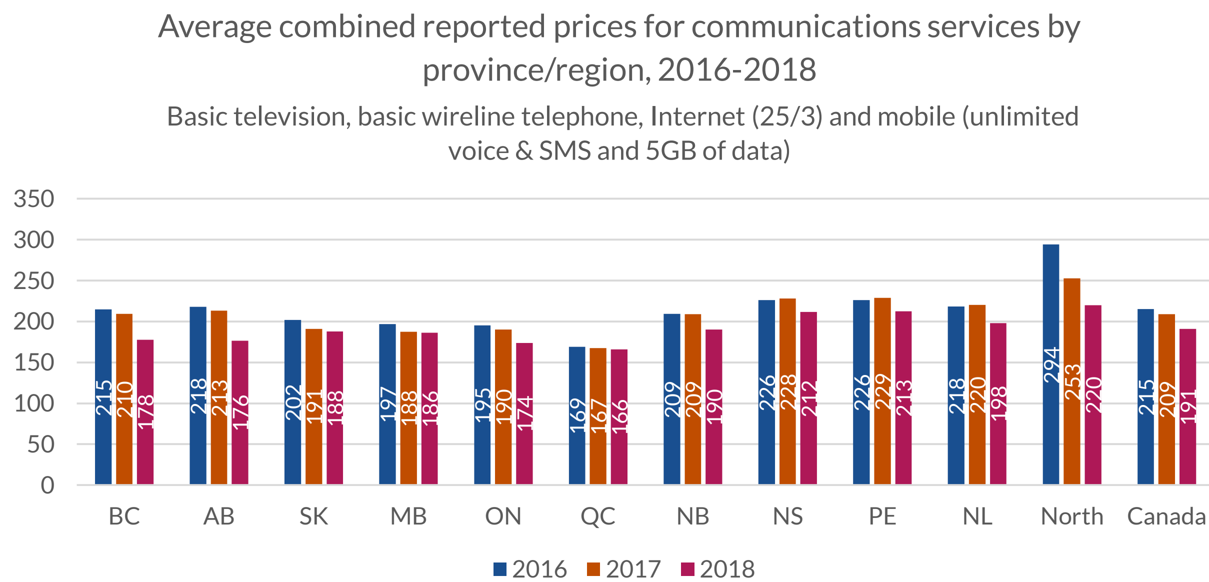
Source: CRTC data collection

Prices by province/territory

While the national price for combined communications services decreased on average by 11% when compared to 2016, there were regional differences.

The graph below focuses on basic television, basic wireline telephone, Internet (25/3), and mobile (unlimited voice & SMS and 5GB of data) services to highlight provincial/territorial pricing differences.

Figure 2.3 Average combined reported prices for communications services by province/region, 2016-2018 Basic television, basic wireline telephone, Internet (25/3) and mobile (unlimited voice & SMS and 5GB of data)



Source: CRTC data collection

Note: for trending purposes, when there is no reported price in a rural location, the corresponding reported urban price is used. (e.g. 25/3 Internet service was not available in rural Saskatchewan, Manitoba, Prince Edward Island or the North16 in 2016, therefore only urban prices were used).

In 2018, average prices ranged from $166 in Quebec to $220 in the North, with Prince Edward Island not far behind at $213.

Quebec, Ontario, Alberta and British Columbia reported the lowest average combined prices due to lower internet and mobile prices, in that order.

Average provincial/territorial prices decreased in 2018 as compared to 2016, especially in the North and the West, again due primarily to significantly lower mobile prices. Prices in the North dropped by 25% overall, with price reductions for each service, especially mobile (35%) and Internet (26%). The Internet price drop is largely attributable to an increase in the number of providers now offering Internet service at speeds of 25/3 Mbps or faster.

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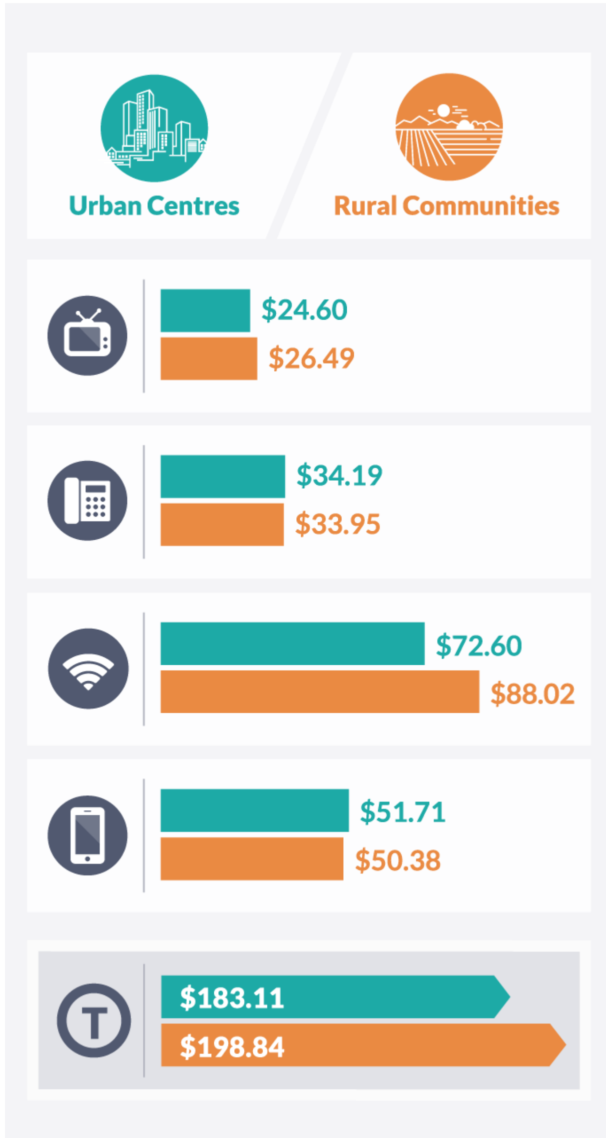
[16] The North refers to Nunavut, Northwest Territories, and Yukon.

Urban versus rural comparison

Infographic 2.2 Average reported monthly price of communications services in urban centres and rural communities



Source: CRTC data collection

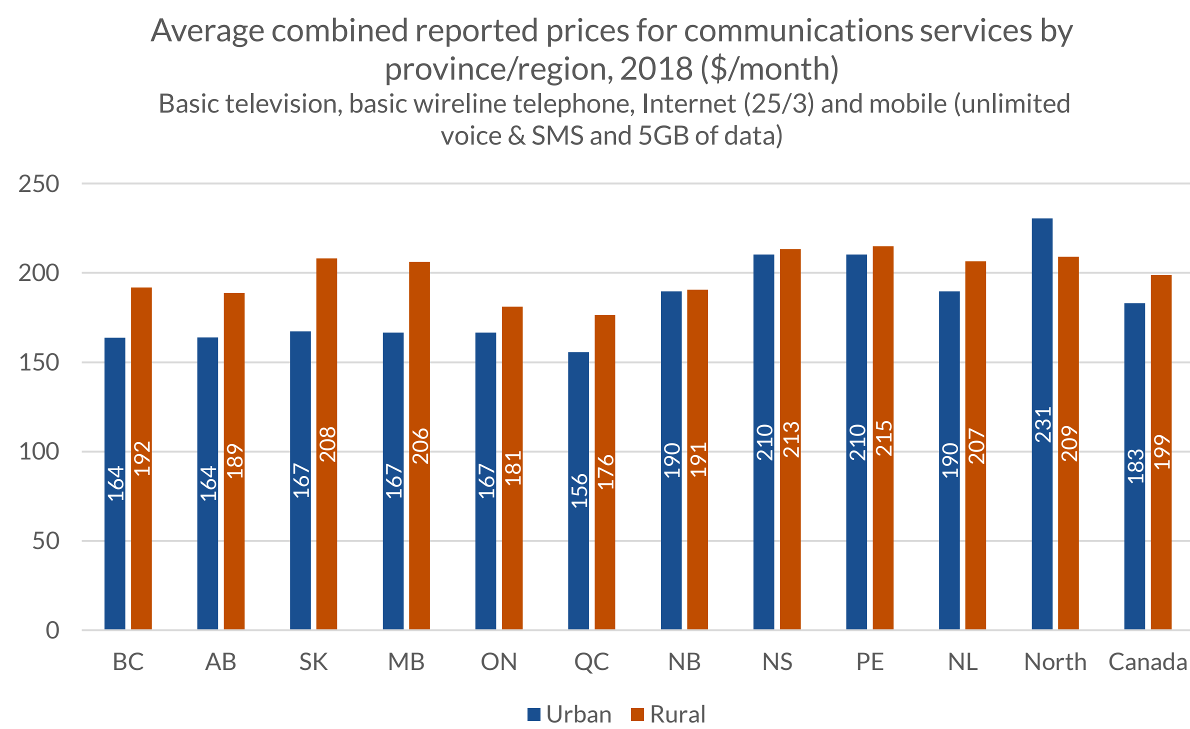
In 2018, the average combined price in urban areas tended to be lower than in rural communities. Nationally, the average combined price was $183 for urban centres and $199 for rural communities, a difference of about 9%, higher than the 5% urban-rural difference in 2017. The gap between prices in urban centres and rural communities varied by region (for detailed urban and rural data, please see Open Data).

As seen above, 25/3 Internet service had the largest urban-rural price variance of the four services. This variance was also seen at the provincial/territorial level, ranging from the urban 25/3 price being lower than the rural price by about $38 in Saskatchewan and Manitoba, to the urban price being about $6 higher than the rural price in the North.

The urban-rural price difference in 2018 was greatest in British Columbia, Alberta and Saskatchewan, with urban prices approximately 13% lower than rural prices.

Average combined prices in northern rural communities were about 10% lower than those in northern urban areas, due mainly to the presence of satellite Internet access service, which is usually not available in urban areas, and is offered at a lower price than its fixed counterpart.

Figure 2.4 Average combined reported prices for communications services by province/region, 2018
Basic television, basic wireline telephone, Internet (25/3) and mobile (unlimited voice & SMS and 5GB of data)



Source: CRTC data collection

Urban centres

Average combined prices in urban centres ranged from $156 in Quebec to $231 in the North,[17] with Prince Edward Island and Nova Scotia also near the top at $210.

Provincial/territorial price differences are due, to a large degree, to differences in prices for Internet service, which ranged from $54 in Ontario to $107 in the North.

Mobile prices ranged from a low of $44 in Quebec to a high of $66 in the North.

[17] Not all services were available in all three territories.

Rural communities

The average combined price in rural communities ranged from a low of $176 in Quebec to a high of approximately $214 in Prince Edward Island and Nova Scotia, with the North not far behind at $209.

High prices in Prince Edward Island and the North are mainly due to higher Internet (and to a lesser degree mobile) prices, which are similarly high in urban centres.

The highest average price for Internet service was in the North ($101), while the highest price for basic wireline voice services ($38) was in Ontario. Ontario also had the highest average price for basic television service ($30), and Prince Edward Island/Nova Scotia had the highest average price for mobile services ($56).

ii. Television distribution services

In 2018, the lowest prices for basic television[18] service ranged from $14 to $25, depending on the area in which the service was offered. Generally, the areas with the lowest prices had three or more competitors offering services.

A basic television package usually offers between 20 and 35 channels, depending on the location and service provider. It includes local and regional television stations, mandatory distribution channels (e.g. Weather Network, APTN), community and provincial legislature channels (where available), and provincial/territorial educational channels. A basic television service package is meant as an entry-level service offering and presents the lowest cost for a television service subscription.

While licensed distributors must offer a basic television package for $25 per month or less, exempted distributors, such as small cable companies, may offer a service including more channels and at a higher price as their entry level service. This results in prices higher than $25 in the following charts.

The bar charts in this section display the range of prices for the various services in urban centres and rural communities in Canada. The number of service providers surveyed is indicated in parentheses. When multiple numbers are displayed, for example "(2/3)", it means there were two to three providers reporting for the area.

[18] In its Regulatory Policy 2015-96, following the Let's Talk TV proceeding, the Commission required licensed distributors to offer an entry-level service at $25 or lower as of March 1st 2016, and full pick and pay as of December 2016.

Urban centres

In urban centres throughout Canada, $25 television distribution service packages were offered by licensed Broadcasting Distribution Undertakings (BDUs)[19] as mandated in Broadcasting Regulatory Policy 2015-96. In the North, the lowest price remained $25, while in the Atlantic provinces[20] prices were reduced to $18, compared with $25 in the previous year. This price point was similar to that in the rest of Canada, as only in Toronto, Hamilton, London and Kitchener-Waterloo were prices lower ($14).

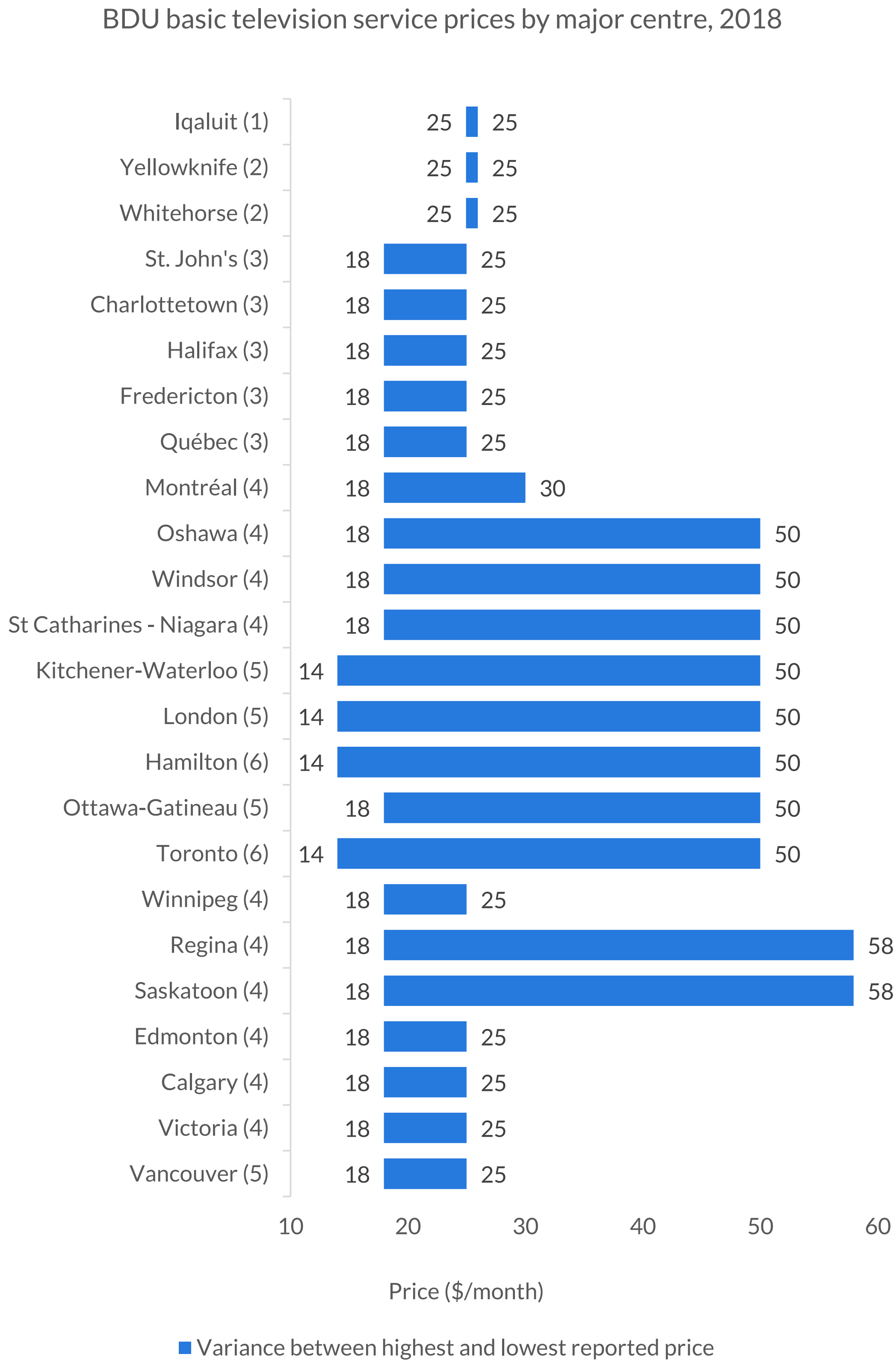
In the markets where basic television service was offered at the lowest price, five or more competitors were present, and they included Internet Protocol television (IPTV)[21] service providers.

[19] Providers who redistribute programming from conventional over-the-air television and radio stations in order to offer subscription television service to Canadians. They also distribute pay audio, pay television, pay-per-view, video-on-demand, and speciality services. Examples include cable (delivered through coaxial cables), satellite, and Internet Protocol Television (IPTV).

[20] The Atlantic provinces are New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador.

[21] IPTV is a system through which television services are delivered using Internet protocol over a private, managed network (e.g. Fibe TV, Optik TV) as opposed to traditional over-the-air (OTA), cable television or satellite. It excludes Internet-based streaming services.

Figure 2.5 BDU basic television service prices by major centre, 2018



Source: CRTC data collection

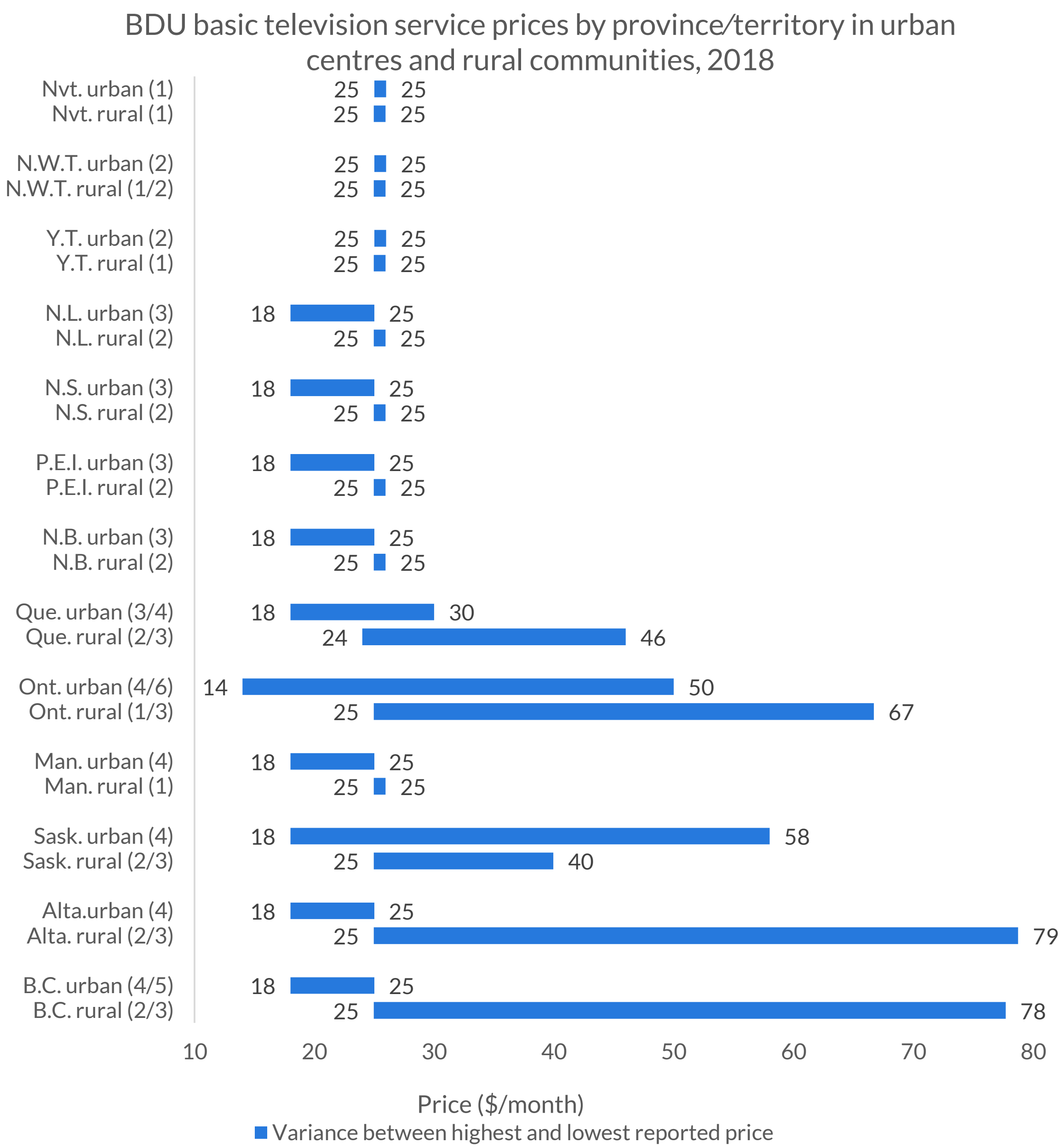
Rural communities versus urban centres

In 2018, prices for basic television service were usually lower in areas with three or more service providers reporting. The lowest price in urban centres was in Ontario, at $14.

The lowest price in rural communities was $24 in Quebec and $25 in all other provinces.

Overall, there was no difference between the lowest price in rural communities and the lowest price in urban centres in the North, while the difference ranged from $7 in most provinces to $11 in Ontario.

Figure 2.6 BDU basic television service prices by province/territory in urban centres and rural communities, 2018



Source: CRTC data collection

iii. Local wireline telephone services

Local wireline telephone service was available across Canada for approximately $33. In certain areas the service was available for under $25.

Basic local telephone service[22] includes unlimited calling within a defined local calling area, 9-1-1 services, and message relay services, as well as access to long distance services.

The bar charts in this section display the range of prices for the various services in urban centres and rural communities in Canada. The number of service providers surveyed is indicated in parentheses. When multiple numbers are displayed, for example "(2/3)", it means there were two to three providers reporting for the area.

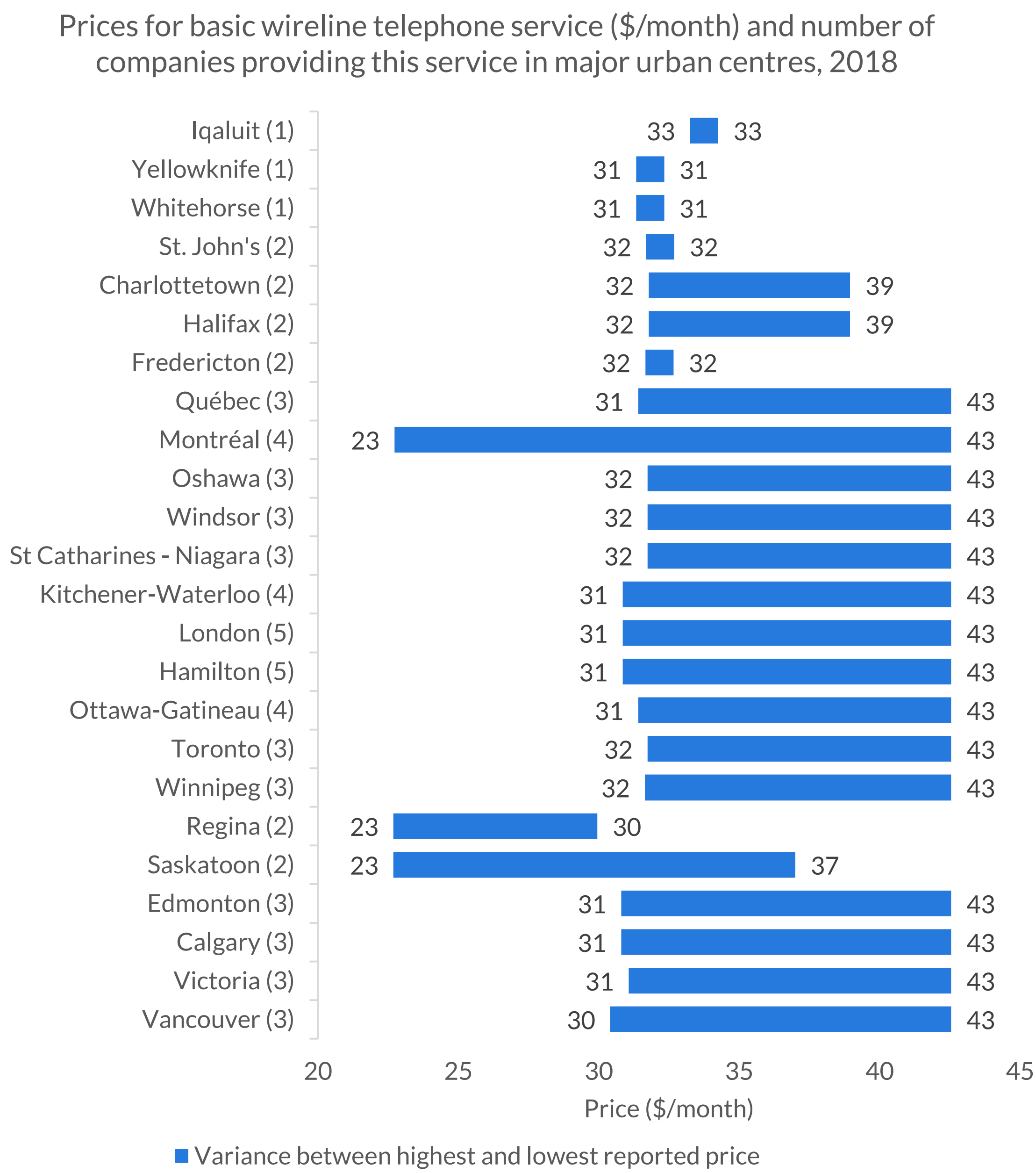
[22] Only access-dependent services were included in the analysis.

Urban centres

Overall, prices for basic wireline telephone service in urban centres ranged between approximately $31 and $43 per month. In Montréal, Regina and Saskatoon, reported minimum prices were approximately $8 lower, at $23.

The lowest price in the North was $31 in Whitehorse and Yellowknife.

Figure 2.7 Prices for basic wireline telephone service ($/month) and number of companies providing this service in major urban centres, 2018



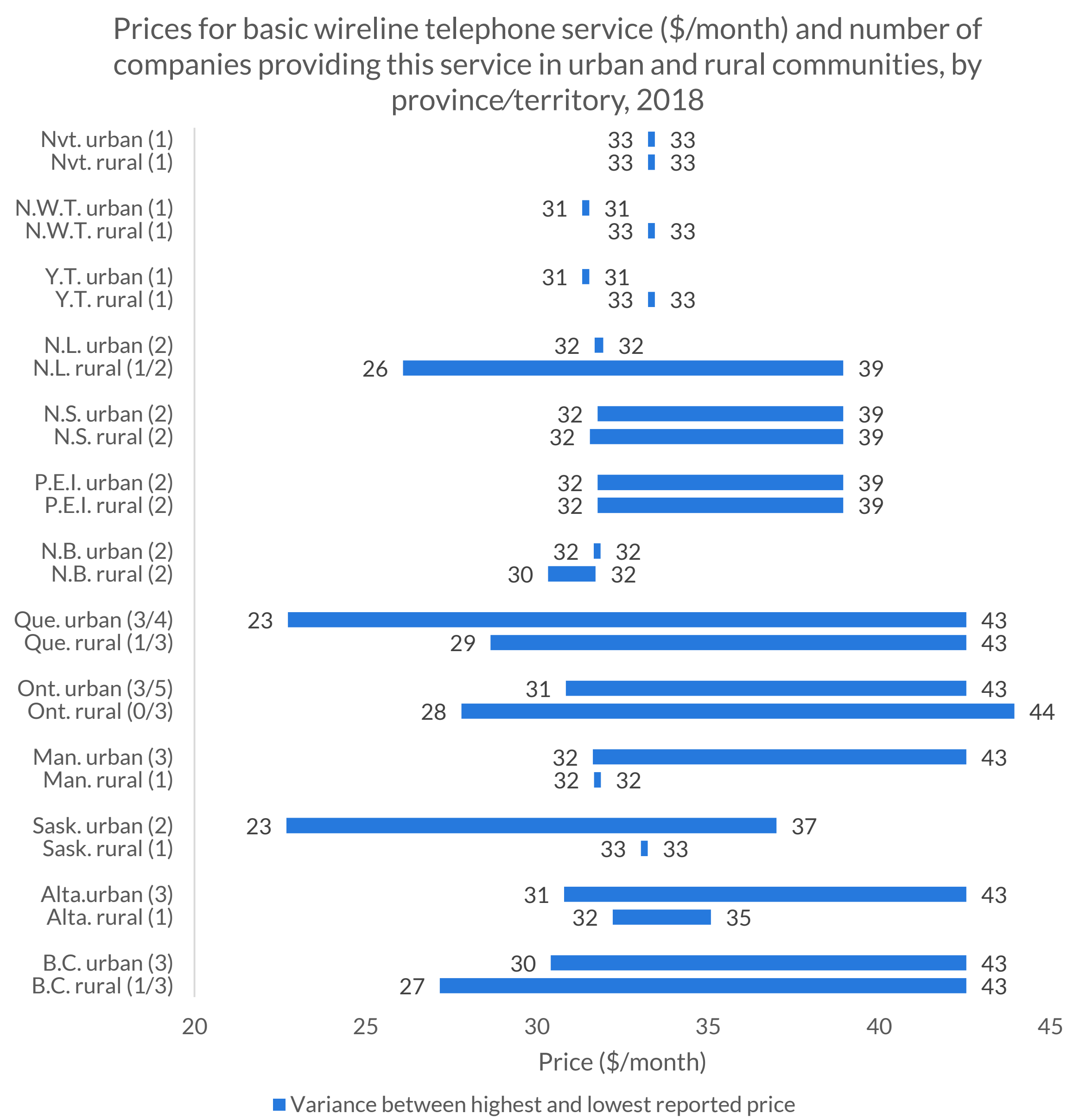
Source: CRTC data collection

Rural communities versus urban centres

Prices for basic wireline telephone service were generally consistent between urban centres and rural communities, with service available at approximately $32 per month. The lowest prices were in Saskatchewan and Quebec urban centres ($23), followed by rural communities in Newfoundland and Labrador and British Columbia ($26).

Overall, prices in urban centres ranged from $23 in Saskatchewan and Quebec to $43 in Ontario, Alberta and British Columbia, while prices in rural communities ranged from $26 in Newfoundland and Labrador to $44 in Ontario.

Figure 2.8 Prices for basic wireline telephone service ($/month) and number of companies providing this service in urban and rural communities, by province/territory, 2018



Source: CRTC data collection

iv. Internet services

Consistent with previous years, urban households generally had access to lower Internet service prices in 2018. They also had a greater number of Internet service providers (ISPs) to choose from compared with rural households. On average, rural communities had access to four ISPs, while urban centres had access to eight.

In 2018, ISPs were asked to report the prices of services meeting the service objective target and the former objective target, as well as an intermediate service:

- 5 Mbps download and 1 Mbps upload (5/1 Mbps) (the former basic service objective target speeds)
- 25 Mbps download and 3 Mbps upload (25/3 Mbps) with at least 100 GB of monthly data transfer
- 50 Mbps download and 10 Mbps upload (50/10 Mbps) with unlimited monthly data transfer (the new universal service objective target speeds)

The bar charts in this section display the range of prices for the various services in urban centres and rural communities in Canada. The number of service providers surveyed is indicated in parentheses. When multiple numbers are displayed, for example "(2/3)", it means that there were two to three providers reporting for the area.

Urban centres

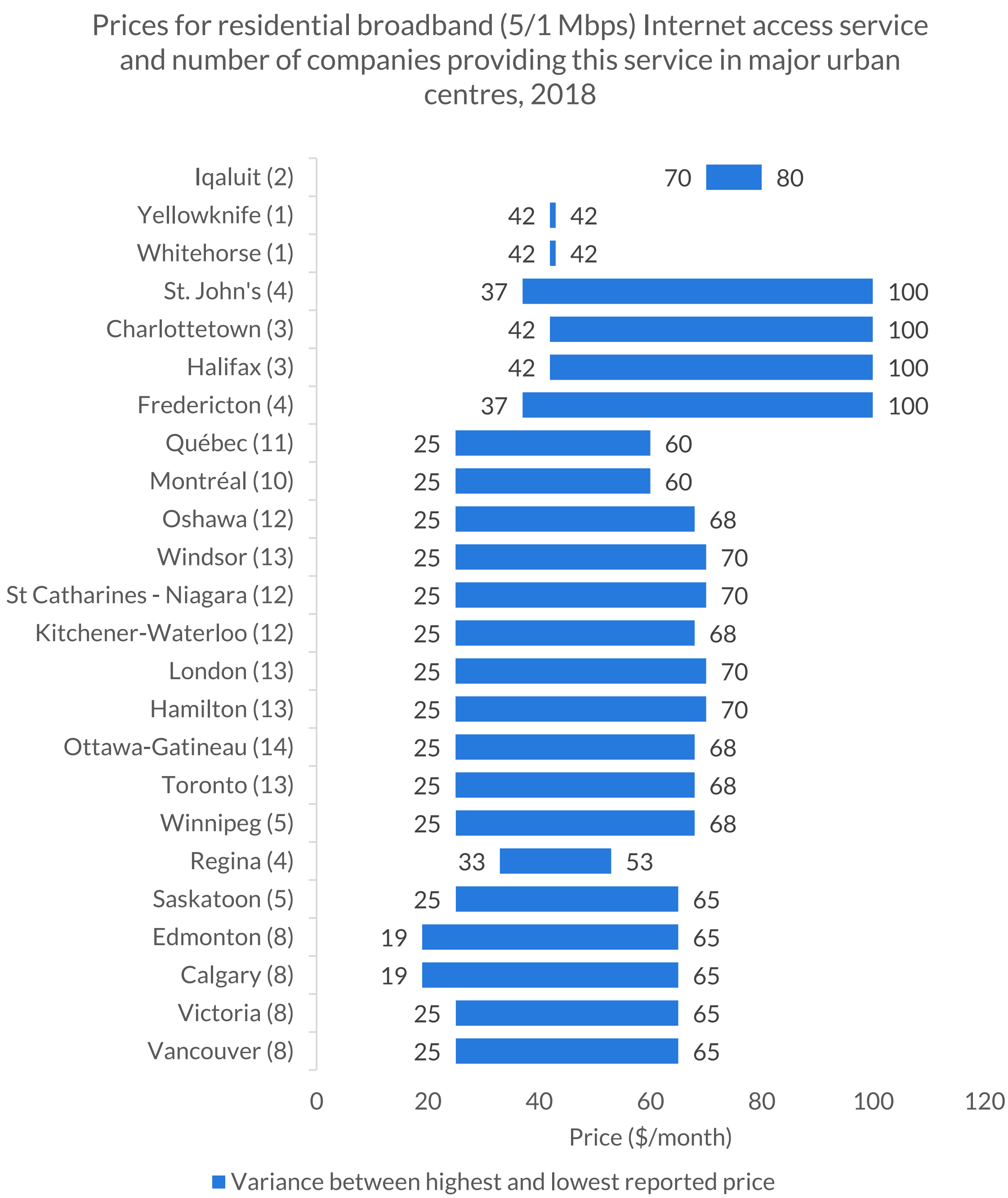
Urban centres in Ontario and Quebec had more ISPs than those in western Canada, followed by the Atlantic provinces. The territories had the fewest options for ISPs.

5/1 Mbps service

In urban centres, 5/1 Mbps Internet service was available for as low as $19 per month in Alberta and $25 per month in British Columbia, Saskatchewan, Quebec and Ontario, with the exception of Regina ($39). In the Atlantic provinces and the North, the lowest price varied from $37 to $70.

The lowest-priced 5/1 Mbps service option reported was provided with unlimited data transfer by three to five ISPs in each city in the Atlantic provinces and Alberta and British Columbia, four ISPs in each city in Manitoba and Saskatchewan, six in Quebec cities and 8 to 10 ISPs in Ontario cities. Ontario also featured more ISPs and greater use of wholesale broadband services. None of the reported services in the territories had unlimited data transfer in their lowest-priced offering.

Figure 2.9 Prices for residential broadband (5/1 Mbps) Internet access service and number of companies providing this service in major urban centres, 2018



Source: CRTC data collection
Except in Iqaluit, satellite services are excluded in urban areas.

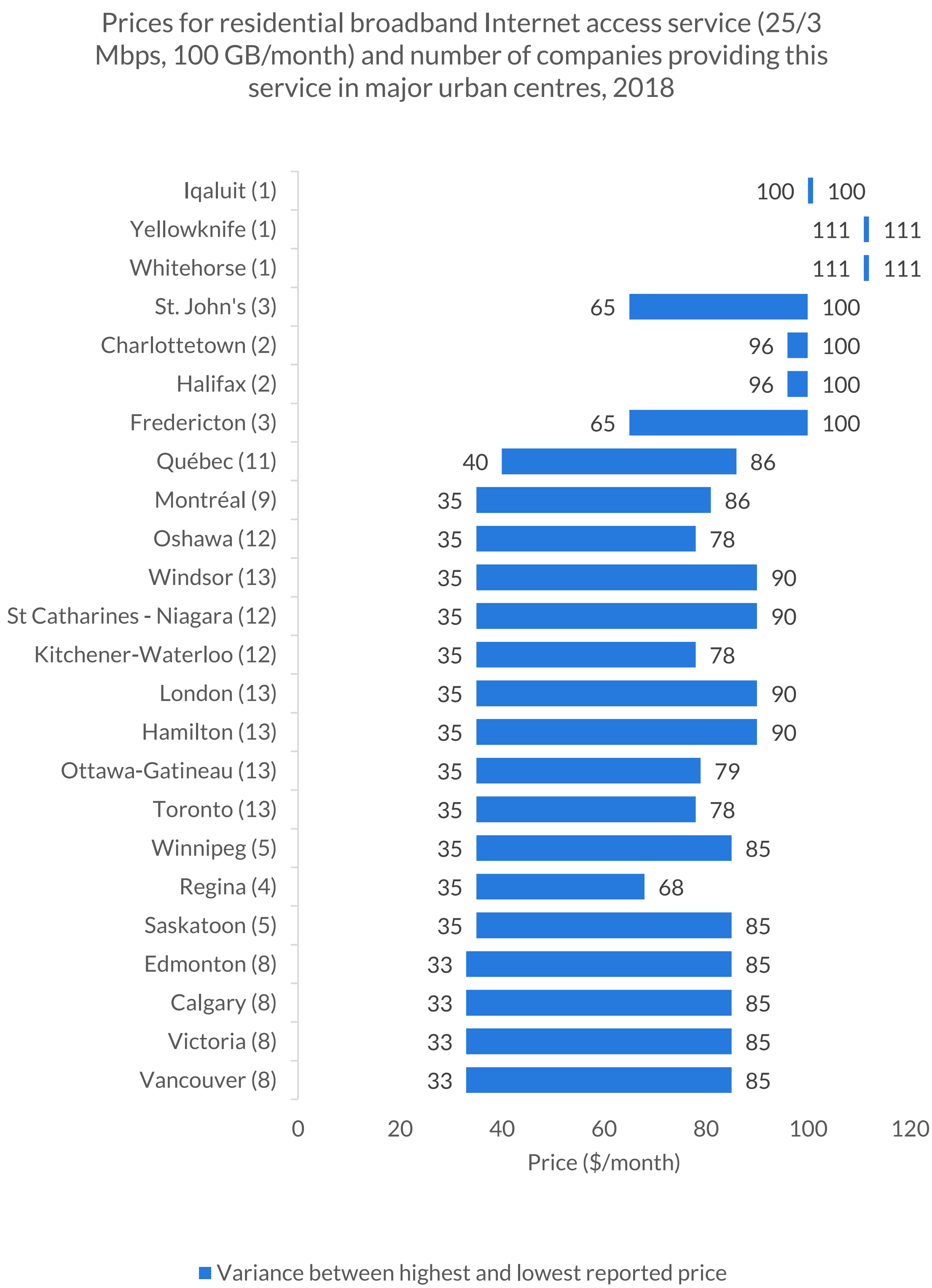
25/3 Mbps service with at least 100 GB of monthly data transfer

Internet service with a download speed of 25 Mbps and upload speed of 3 Mbps or more was available for a minimum of about $33 to $40 across urban centres in Canada, except in the Atlantic provinces and in the North. The lowest price was $33, found throughout urban centres in British Columbia and Alberta.

The lowest-priced 25/3 Mbps service option reported was provided with unlimited data transfer by two providers in cities in the Atlantic provinces, four in cities in Manitoba and Saskatchewan, and by five providers in each city in British Columbia and Alberta. In Ontario cities, nine to eleven providers in each area provided unlimited data in their lowest-cost option, while cities in Quebec each had eight providers report this. As noted earlier, these areas also featured more ISPs and greater use of wholesale broadband services. No reported services in the territories had unlimited data transfer in their lowest-priced offering.

The lowest-cost 25/3 Mbps service options reported with data transfer limits tended to include at least 200 GB, while in many areas up to 400 GB were included by some ISPs.

Figure 2.10 Prices for residential broadband Internet access service (25/3 Mbps, 100 GB/month) and number of companies providing this service in major urban centres, 2018

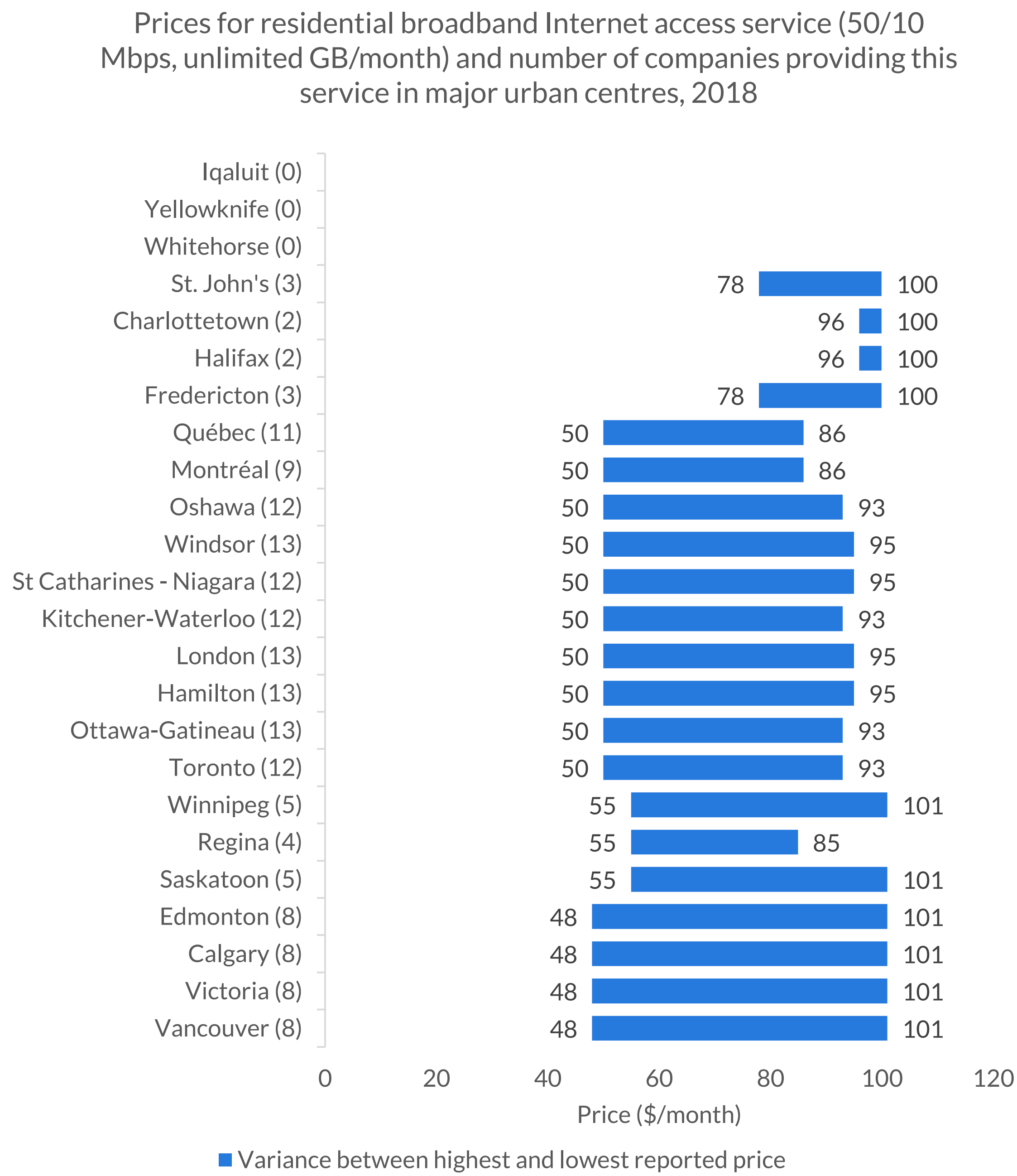


Source: CRTC data collection

50/10 Mbps service with unlimited monthly data transfer

As shown in the figure below, service including unlimited data transfer and speeds of 50 Mbps download and 10 Mbps upload was available in all non-territorial urban centres. Prices ranged from $48 to $101 in Alberta and British Columbia, from $50 to $95 in Ontario and Quebec, from $55 to $101 in Manitoba and Saskatchewan and from $78 to $100 in the Atlantic provinces. This regional difference is also seen in the average price, which is lower in Ontario and Quebec than in other areas.

Figure 2.11 Prices for residential broadband Internet access service (50/10 Mbps, unlimited GB/month) and number of companies providing this service in major urban centres, 2018



Source: CRTC data collection

Rural communities versus urban centres

Canadians living in rural communities generally have fewer ISPs to choose from than those living in urban centres. In the rural areas examined, the average number of available ISPs was four, and in urban areas this average was eight.

In addition to having fewer ISPs, rural communities also had access to lower Internet service speeds. Service offerings were reported in all rural communities for 5/1 Mbps and 25/3 service, and in 68% of rural communities for 50/10 Mbps service.

In addition to generally higher prices, service offerings in rural communities tended to have lower reported monthly data transfer limits (an average of 151 GB for 25/3 and 5/1 Mbps services) than those in urban areas (an average of 182 GB for 25/3 and 5/1 Mbps services), as well as fewer ISPs providing unlimited data transfer with their reported lowest-price offering.

Unlimited data transfer was included in the lowest-priced service offering reported in around 83% of rural areas for 5/1 Mbps service, and in 54% of rural areas for 25/3 Mbps service.

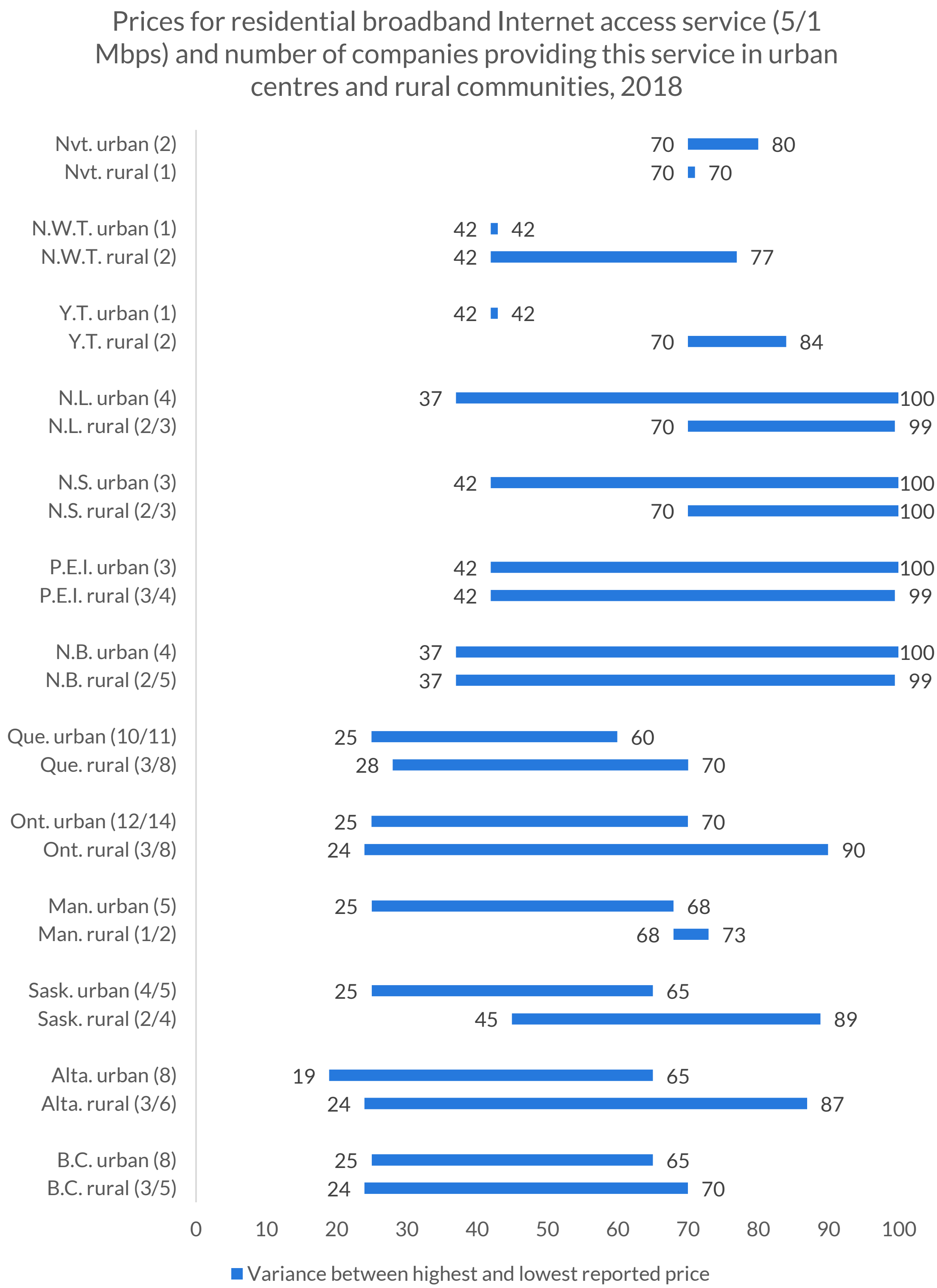
5/1 Mbps service

The lowest price for 5/1 Mbps service in urban centres was $19, in Alberta. The lowest price for the same service in rural communities was $24, in Ontario and British Columbia.

The provinces with the largest difference in lowest reported price between rural communities and urban centres were Manitoba (a $43 difference), Newfoundland and Labrador (a $33 difference), and Nova Scotia and Yukon (a $28 difference).

Ontario had the highest number of ISPs reporting service offerings and the lowest prices in rural communities ($24) and only a one dollar difference between the lowest prices in rural communities and urban centres.

Figure 2.12 Prices for residential broadband Internet access service (5/1 Mbps) and number of companies providing this service in urban centres and rural communities, 2018



Source: CRTC data collection
Except in Iqaluit, satellite services are excluded in urban areas.

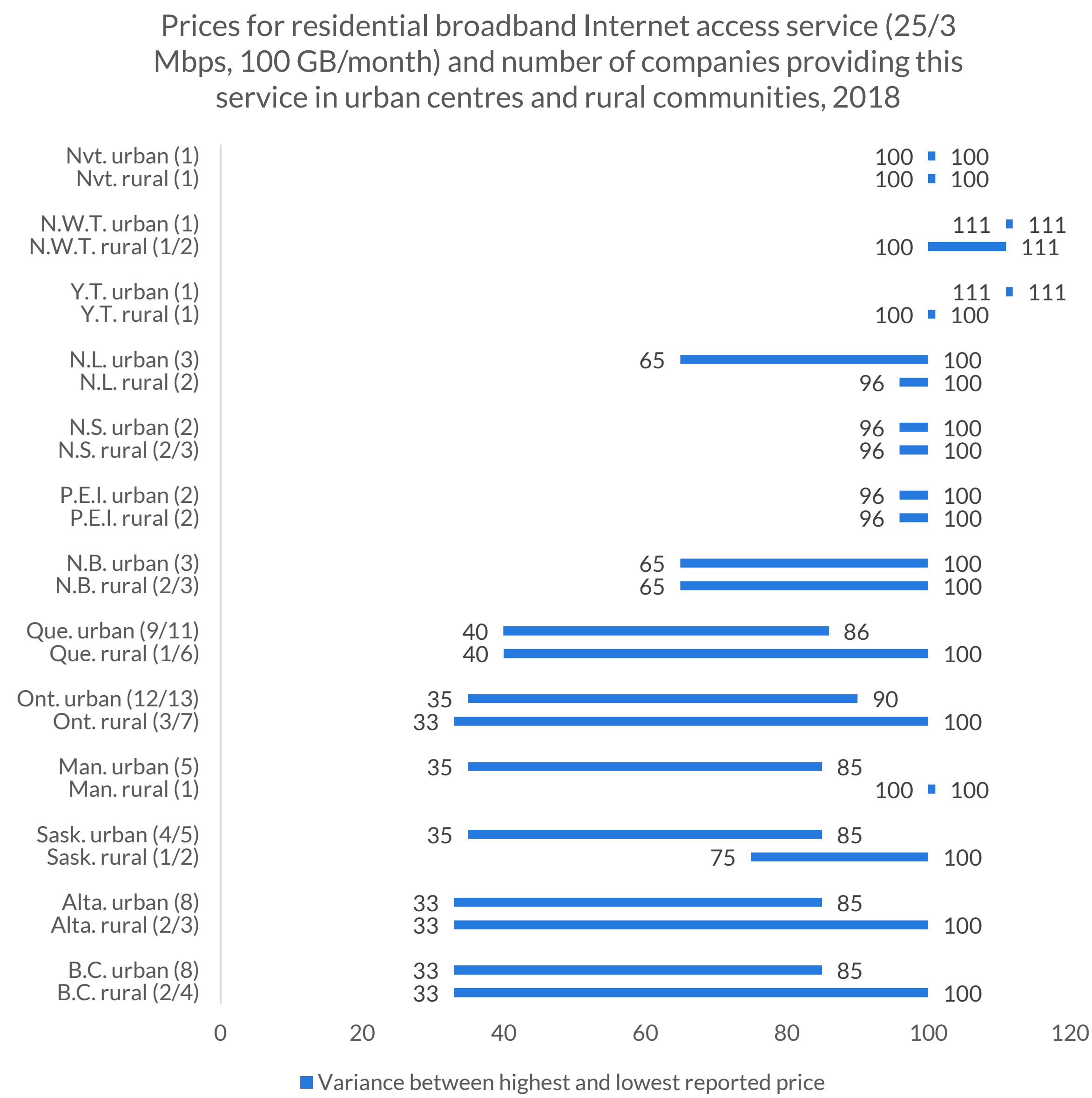
25/3 Mbps service with at least 100 GB of monthly data transfer

Prices for 25/3 Mbps service varied from $33 to $111. The lowest price in urban areas was $33, in British Columbia and Alberta, while prices in the North ranged from $100 to $111 per month, where the service was available.

In rural communities, prices for this service ranged from $33 Alberta, British Columbia, and Ontario to $111 in the North, where the service was available.

The difference in prices between rural communities and urban areas ranged from $0 in Alberta, British Columbia, Quebec and New Brunswick to $65 in Manitoba.

Figure 2.13 Prices for residential broadband Internet access service (25/3 Mbps, 100 GB/month) and number of companies providing this service in urban centres and rural communities, 2018

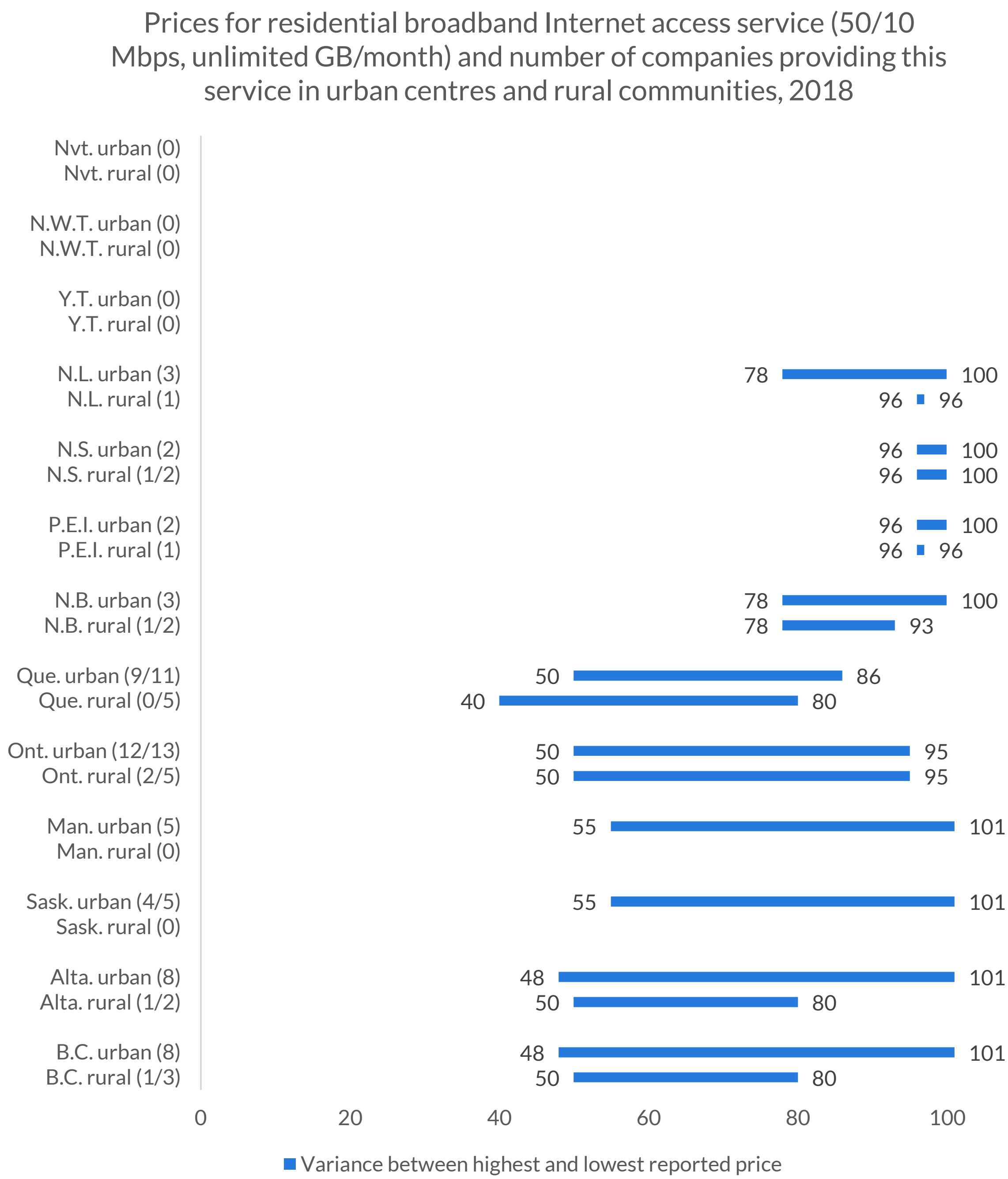


Source: CRTC data collection

50/10 Mbps service with unlimited monthly data transfer

50/10 Mbps service offerings were reported through most of the provinces, with the exception of rural Manitoba and rural Saskatchewan, which tended to rely on fixed wireless service offerings. Prices ranged from $40 in Quebec to $101 in Manitoba, Saskatchewan, Alberta and British Columbia. This service was not reported in the territories.

Figure 2.14 Prices for residential broadband Internet access service (50/10 Mbps, unlimited GB/month) and number of companies providing this service in urban centres and rural communities, 2018



Source: CRTC data collection

v. Mobile services

In 2018, each studied market had two or more wireless service providers (WSPs), with Ontario the only province to have five WSPs in certain urban centres.

The price structure of mobile services is based on usage. To assess the prices for these services in urban centres and in rural communities, four service baskets were used, and both flanker and primary service brands were considered. These baskets were modified in 2016 to increase the amount of Internet data included per month in the level 2, 3 and 4 baskets.

- The **level 1** service basket comprises introductory or low-usage types of plans that offer 150 minutes of voice service per month, with no SMS or Internet data.
- The **level 2** mobile service basket comprises low- to mid-tier types of plans that offer at least 450 minutes of voice service, 300 SMS and 1 GB of Internet data per month.
- The **level 3** service basket comprises plans geared towards the typical smartphone user, offering at least 1200 minutes of voice service, 300 SMS and 2 GB of Internet data per month.
- The **level 4** service basket is geared towards smartphone users who want access to unlimited minutes of voice service and SMS, along with 5 GB of Internet data per month.

As in previous years, the difference between the lowest and highest prices generally grew as the service baskets included more voice and data usage.

The bar charts in this section display the range of prices for the various services in urban centres and rural communities in Canada. The number of service providers surveyed is indicated in parentheses. When multiple numbers are displayed, for example "(2/3)", it means there were two to three providers reporting for the area.

Urban centres

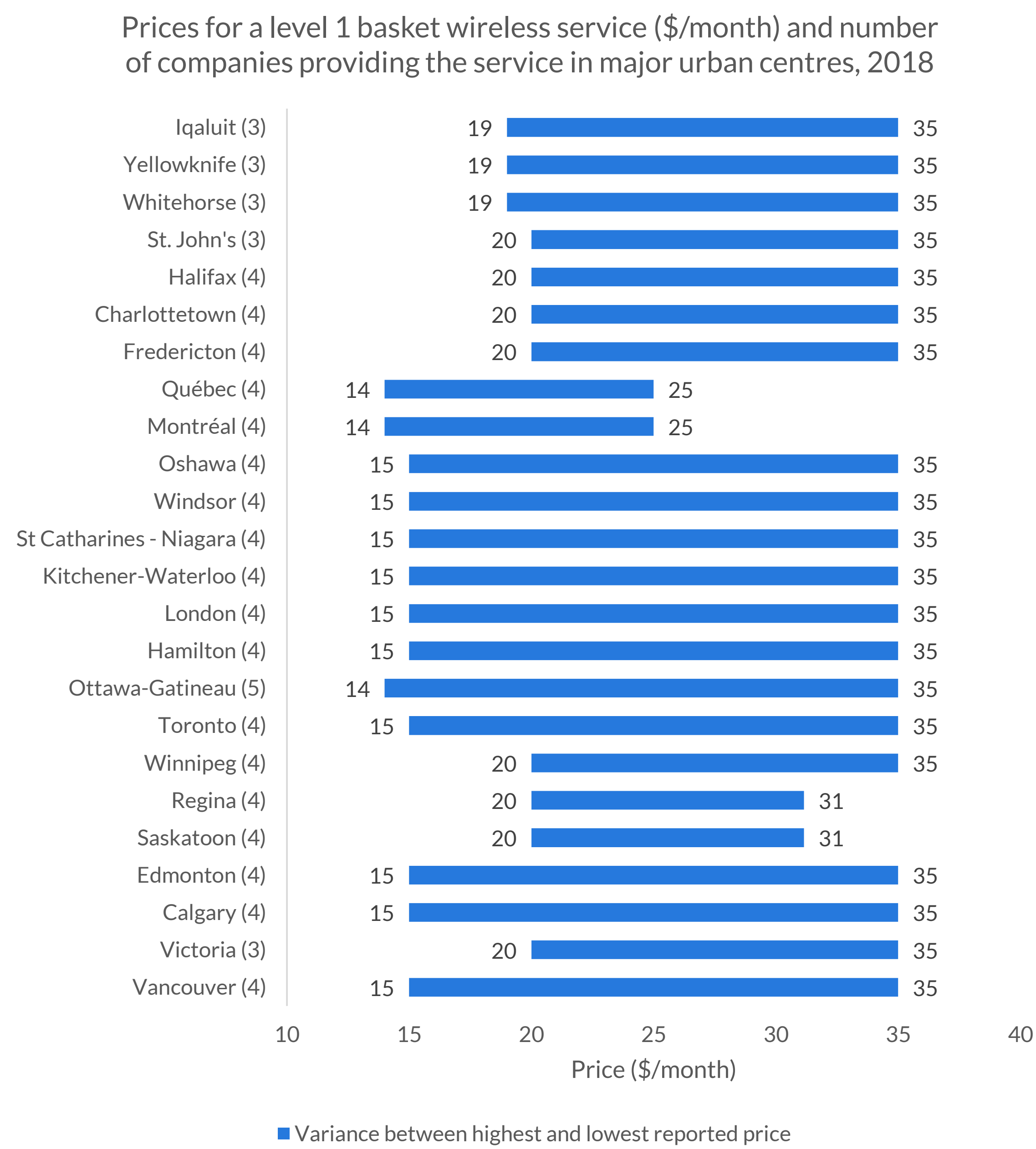
Urban centres with four or more WSPs generally had the largest difference between the lowest and highest prices reported, as well as the lowest reported prices in three of the four service baskets. The differences between the lowest and highest prices across all service baskets in any given urban centre ranged from a low of $3 to a high of $54. The price difference that was most pronounced was for the level 4 service basket in the North. The average price differences between the lowest and highest reported prices for the level 1, 2, 3 and 4 service baskets were $17, $12, $15 and $20 respectively.

Level 1 services – 150 minutes of voice, no SMS, no Internet data

Level 1 services were available for approximately $20 or less across Canada. Prices were lowest in Ottawa-Gatineau, Montréal and Québec, at $14, while in the rest of Canada they were at or below $20.

Prices for level 1 services had limited variations within urban centres. The lowest prices in most cities ranged from $14 to $20, with the widest variation between lowest and highest price ($21) being in Ottawa-Gatineau, the only urban centre that had five WSPs.

Figure 2.15 Prices for a level 1 basket wireless service ($/month) and number of companies providing the service in major urban centres, 2018



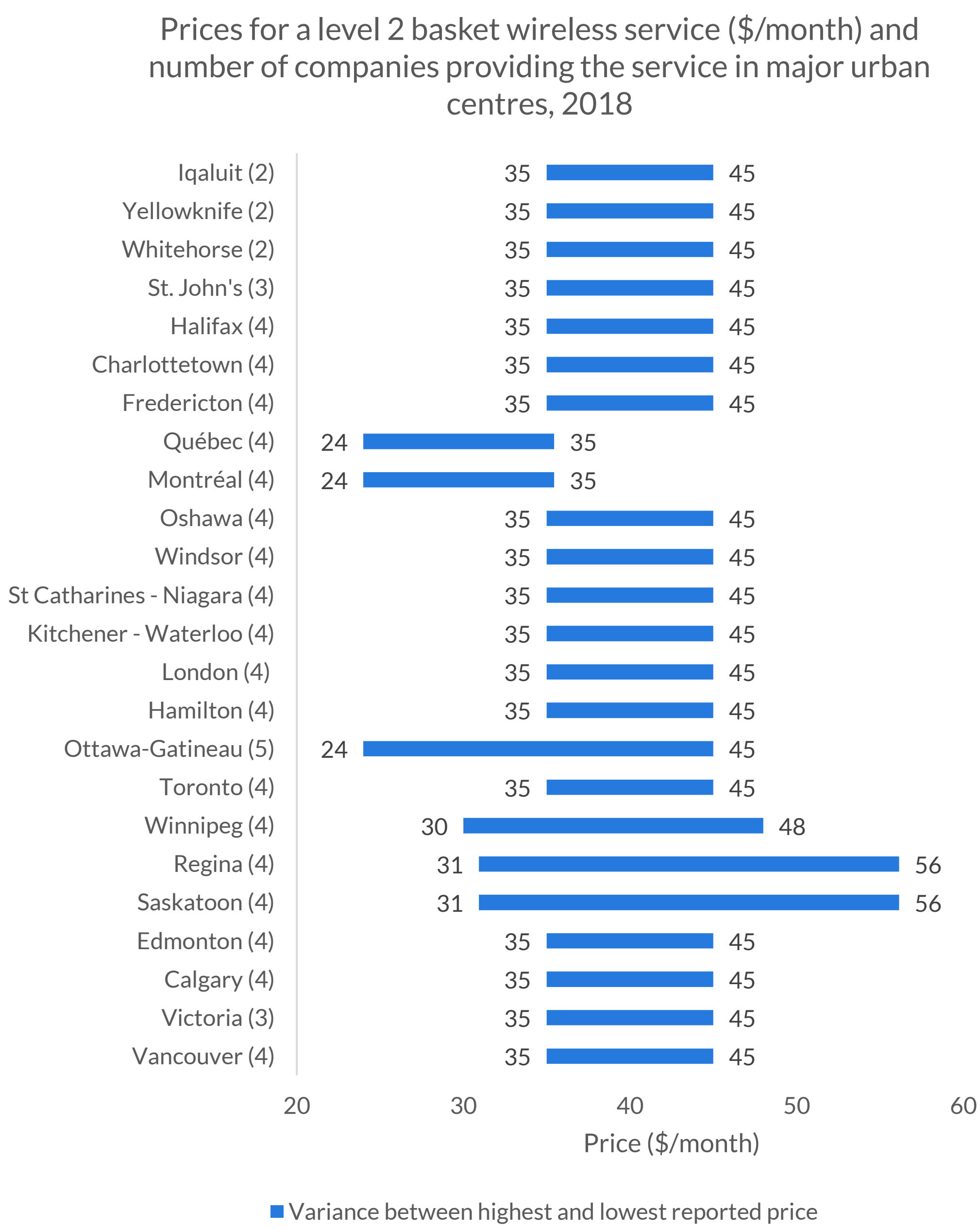
Source: CRTC data collection

Level 2 services – 450 minutes of voice, 300 SMS, 1 GB of Internet data

The lowest prices in urban centres for level 2 services ranged from $24 in Ottawa-Gatineau, Québec and Montréal to $35 in almost all other provinces and territories. In all the provinces and territories, including in the North, level 2 services were available at a price point of $35 or lower.

Overall, prices ranged from $24 to $56, while in most areas the difference between the lowest and highest price was about $10.

Figure 2.16 Prices for a level 2 basket wireless service ($/month) and number of companies providing the service in major urban centres, 2018



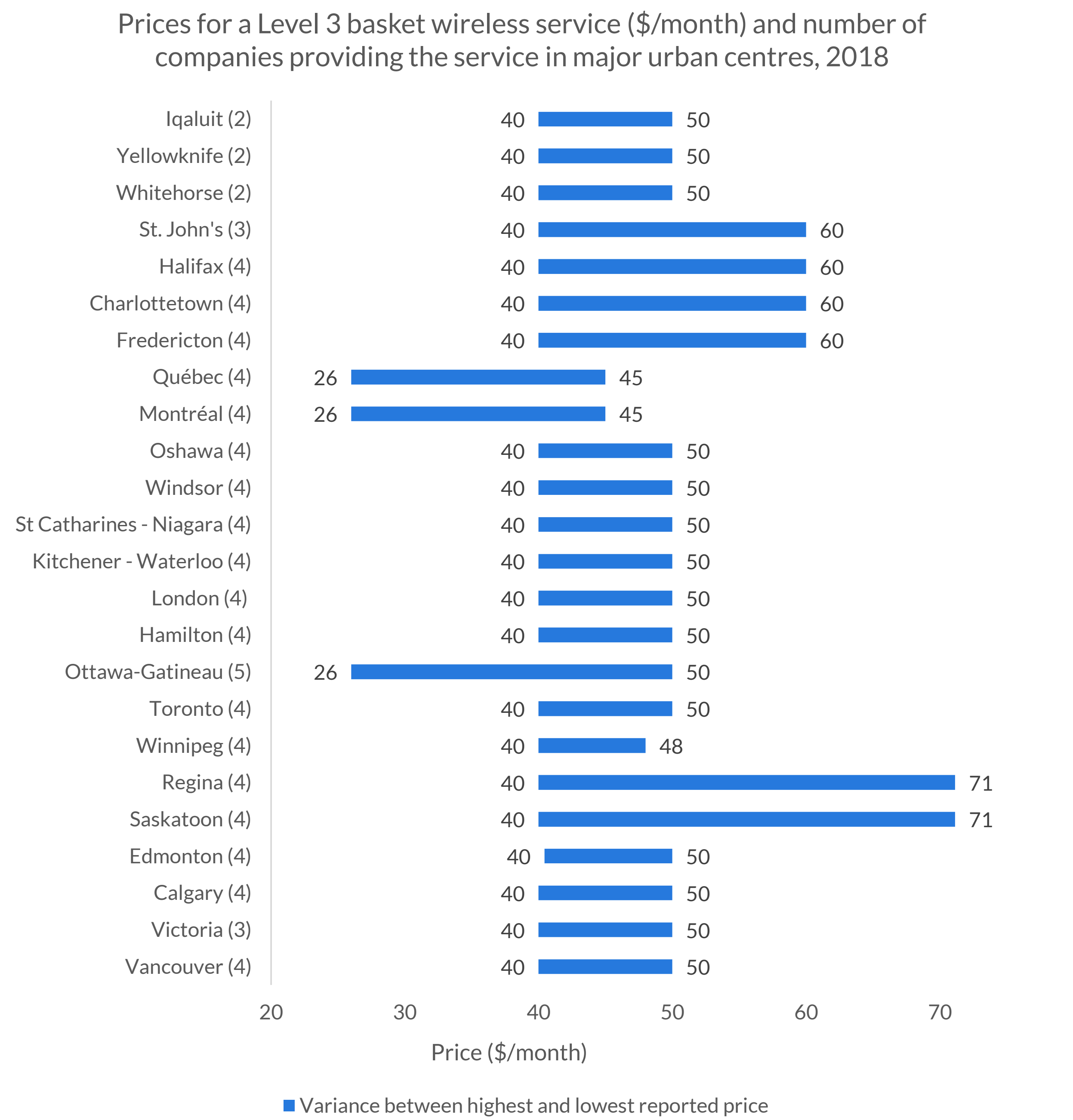
Source: CRTC data collection

Level 3 services – 1,200 minutes of voice, 300 SMS, 2 GB of Internet data

In urban centres, level 3 services were mostly available for $40 or less. The lowest price was $26, found in cities in Quebec.

Prices ranged from $26 to $71, and three or more service providers reported offerings in each urban centre, except in the North.

Figure 2.17 Prices for a Level 3 basket wireless service ($/month) and number of companies providing the service in major urban centres, 2018



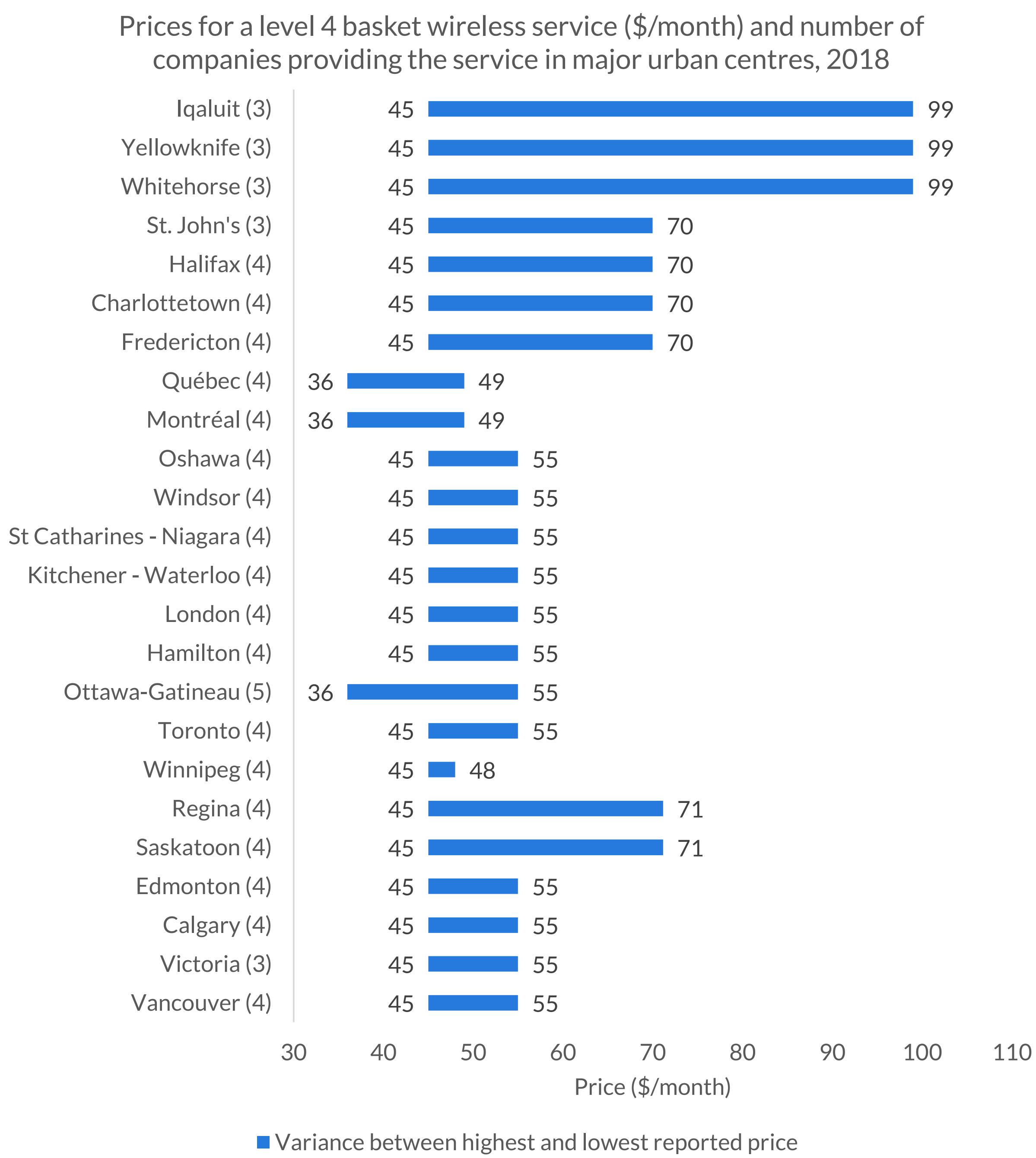
Source: CRTC data collection

Level 4 services – unlimited voice and SMS, 5 GB of Internet data

The lowest price in urban centres ranged from $36 in Ontario and Quebec to $99 in the North.

Overall, prices for level 4 services ranged from $36 to $99, with the largest difference observed in the North, where prices ranged from $45 to $99, a difference of $54.

Figure 2.18 Prices for a level 4 basket wireless service ($/month) and number of companies providing the service in major urban centres, 2018



Source: CRTC data collection

Rural communities versus urban centres

The prices for mobile wireless services in rural communities, across all service baskets, were generally equal to or higher than those in urban centres, with the exception of the level 3 and 4 service baskets, for which the average highest prices were slightly lower in rural communities. Within the level 4 service basket, rural communities in several Atlantic provinces and the three territories had access to reported lower prices compared to urban centres.

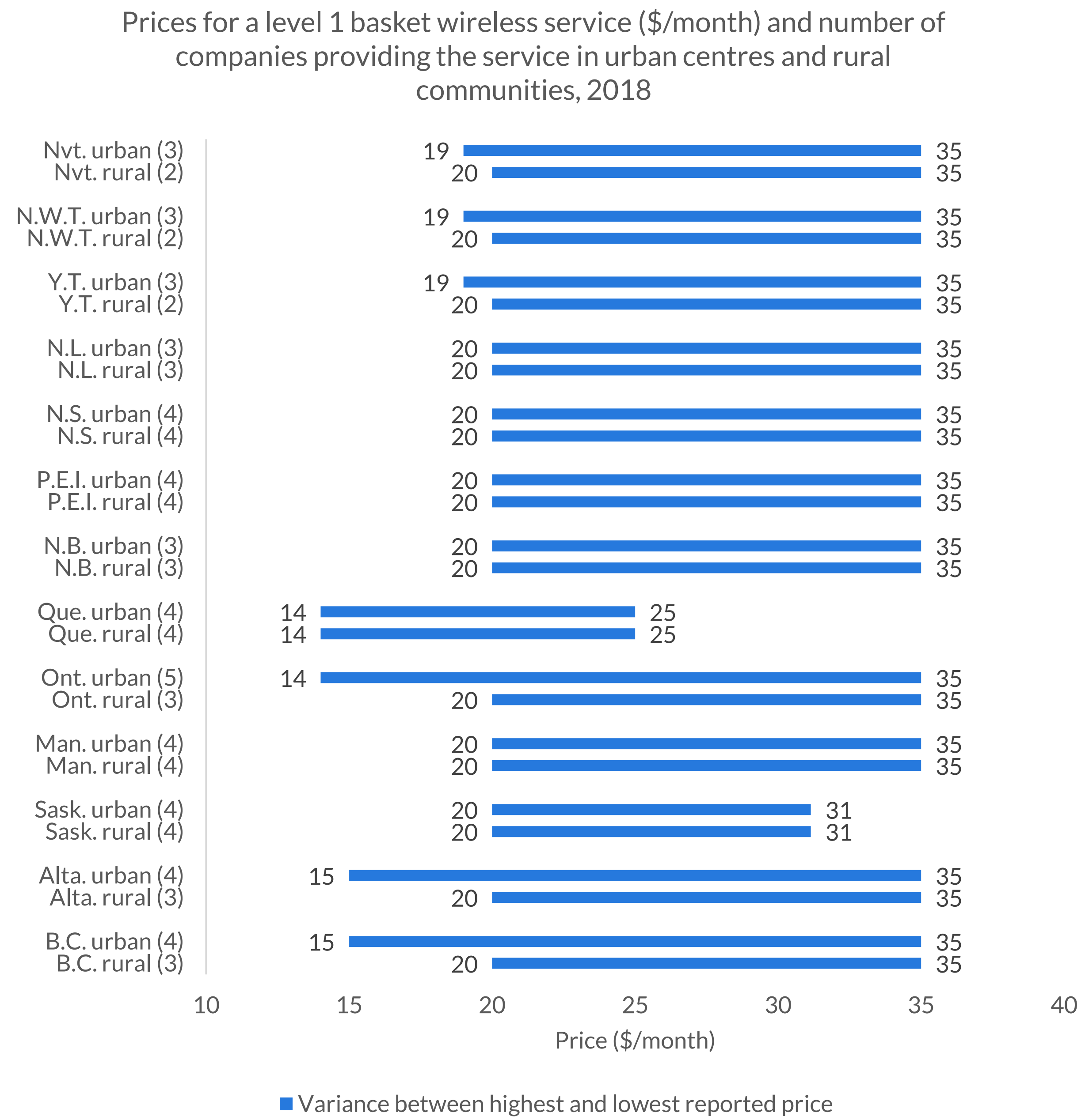
The average differences between the lowest and highest prices were slightly lower in rural communities than in urban centres for the level 1, 3 and 4 service baskets, while the level 2 service basket reported a small variance in the average price differences. The average differences between the lowest and highest prices for level 1, 2, 3 and 4 service baskets in rural communities were $13, $15, $15 and $15, respectively.

Level 1 services – 150 minutes of voice, no SMS, no Internet data

The lowest prices for level 1 services were consistent between urban centres and rural communities throughout Canada, except in British Columbia, Alberta and Ontario, where prices were approximately $6 higher in rural communities, at $20-$25.

The lowest price for level 1 service in rural communities was $20, offered in all provinces, while the lowest price for level 1 service in urban centres was $14, offered in Ontario and Quebec.

Figure 2.19 Prices for a level 1 basket wireless service ($/month) and number of companies providing the service in urban centres and rural communities, 2018



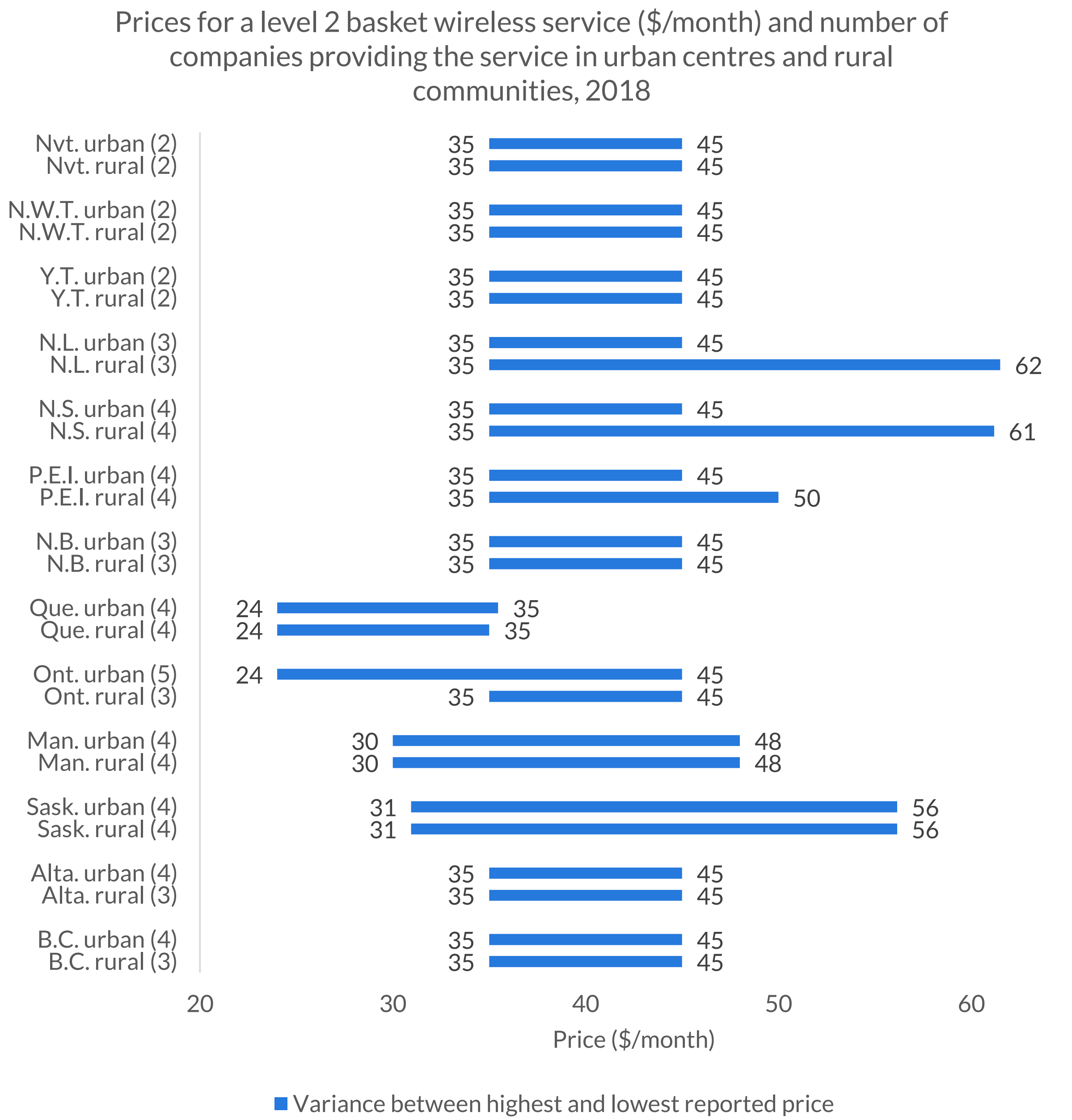
Source: CRTC data collection

Level 2 services – 450 minutes of voice, 300 SMS, 1 GB of Internet data

Prices for level 2 services were consistent between rural communities and urban centres throughout Canada, except in the Ottawa-Gatineau region, where prices were approximately $11 higher in rural communities, at $35.

The lowest price for a level 2 service was in Quebec, at $24, followed by all the other provinces and the North, where prices ranged from $30 to $35.

Figure 2.20 Prices for a level 2 basket wireless service ($/month) and number of companies providing the service in urban centres and rural communities, 2018



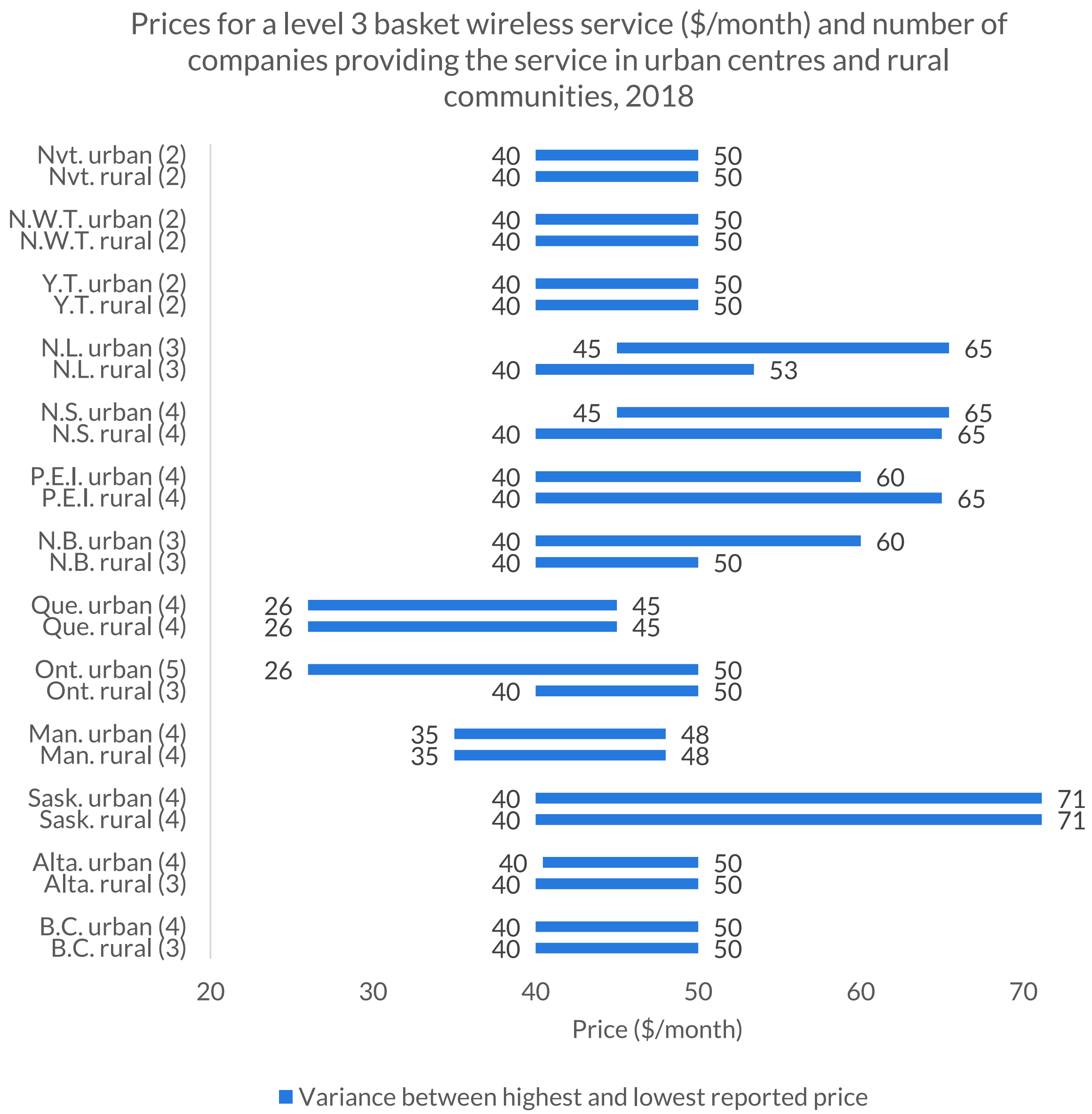
Source: CRTC data collection

Level 3 services – 1,200 minutes of voice, 300 SMS, 2 GB of Internet data

Prices for level 3 services were mostly consistent between urban centres and rural communities, with the exception of Ontario and Quebec where the lowest prices in some urban centres and rural communities were $26 – the lowest price compared to all other provinces and territories. In the other provinces, the differences between the lowest prices in urban centres and those in rural communities ranged from $0 (in all provinces and territories except Ontario, Newfoundland and Labrador, and Nova Scotia) to $14 (Ontario).

In rural communities, the lowest price for level 3 services ranged from $26 in Quebec to $40 in all other provinces and territories.

Figure 2.21 Prices for a level 3 basket wireless service ($/month) and number of companies providing the service in urban centres and rural communities, 2018



Source: CRTC data collection

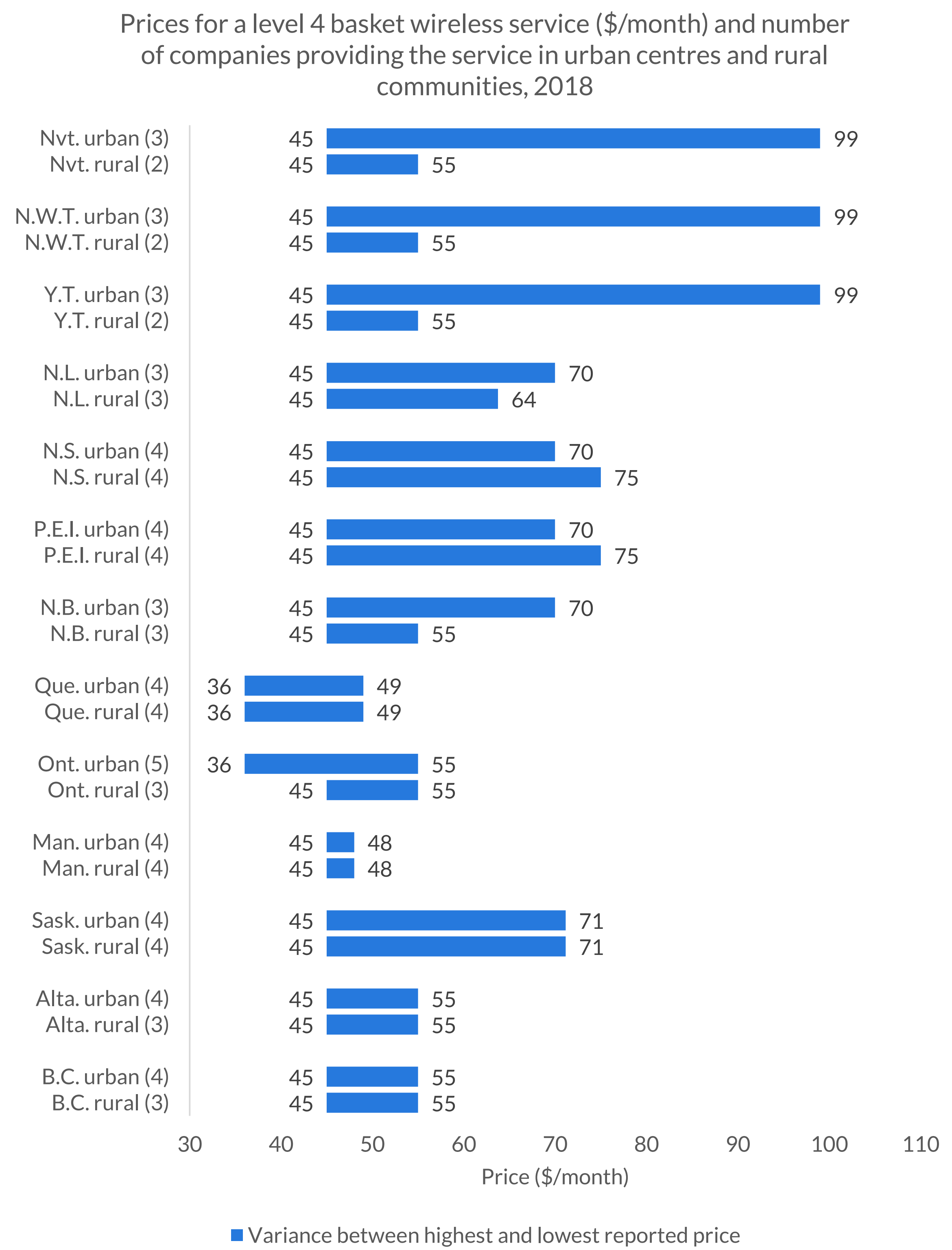
Level 4 services – unlimited voice and SMS, 5 GB of Internet data

The differences in the lowest price for level 4 services between urban centres and rural communities were the most consistent across all provinces and territories. Ontario was the only province to have an urban-rural difference in the lowest price for level 4 services, at $9.

While services are generally more expensive in rural communities, the opposite was the case in the North, Newfoundland and Labrador, and New Brunswick, where lower prices for level 4 services were available in rural communities than in urban centres.

The lowest prices for level 4 services in rural communities ranged from $36 in Quebec to $45 in all other provinces and territories.

Figure 2.22 Prices for a level 4 basket wireless service ($/month) and number of companies providing the service in urban centres and rural communities, 2018



Source: CRTC data collection

vi. Methodology

Basic television

A basic television package includes local and regional TV stations, channels with mandatory distribution, community and provincial legislature channels (where available), and provincial/territorial educational channels.

Basic wireline phone service

Basic wireline phone service refers to single-line, local telephone service operating over a managed network (i.e. circuit-switched or IP-based), including dial-tone, touchtone, message relay and 9-1-1 service. Access independent voice over Internet Protocol (VoIP) telephony and mobile are not considered basic wireline phone services for the purposes of this report.

Internet services

Internet services are represented by residential fixed Internet for the following services:

- 5 Mbps download and 1 Mbps upload (5/1 Mbps) (the former basic service objective target speeds)
- 25 Mbps download and 3 Mbps upload (25/3 Mbps) with at least 100 GB of monthly data transfer
- 50 Mbps download and 10 Mbps upload (50/10 Mbps) with unlimited monthly data transfer (the new universal service objective target speeds).

Services include packages that meet or exceed one of the three specifications above.

Prices for Internet services using satellite technology are included for rural locations but not for urban locations, except for Iqaluit.

Mobile services

The price structure of mobile services is based on usage. To assess the prices for these services in urban centres and rural communities, four service baskets were used, and both flanker and primary service brands were considered. These baskets were modified in 2016 to increase the amount of Internet data included per month in the level 2, 3 and 4 baskets.

- The **level 1** service basket comprises introductory or low-usage types of plans that offer 150 minutes of voice service per month, with no SMS or Internet data.
- The **level 2** mobile service basket comprises low- to mid-tier types of plans that offer at least 450 minutes of voice service, 300 SMS and 1 GB of Internet data per month.
- The **level 3** service basket comprises plans geared towards the typical smartphone user, offering at least 1200 minutes of voice service, 300 SMS and 2 GB of Internet data per month.
- The **level 4** service basket is geared towards smartphone users who want access to unlimited minutes of voice service and SMS, along with 5 GB of Internet data per month.

Prices

Prices in this section refer to monthly prices as reported through CRTC data collection representing the price of each provider's offering the defined services: basic television, basic wireline telephone, Internet (3 levels of service) and mobile (4 levels of service).

Service providers identify and report the price of the offering, including those of their flanker brands, which best matches the service identified while meeting all of the criteria such as usage allowances and speed. Reported prices exclude charges such as activation fees device subsidies and roaming charges. Reported prices also exclude discounts such as customer retention discounts and bundling discounts.

Two different pricing metrics are used. Average reported prices are used for multi-year, urban versus rural and multiple service analysis: basic television, basic wireline telephone, Internet (25/3) and mobile (unlimited voice & SMS and 5GB of data). Highest and lowest reported prices are used to describe price variances in urban centres and rural communities for the services listed above.

Average reported prices

Average prices are used in Figure 2.1 through Figure 2.3, as well as in the infographics.

The averages are based on the reported service offerings and may not be reflective of the actual consumer expenditures. Data on household expenditures on communication services can be found in the Household Subscriptions and Expenditures section of the report.

Urban Centres and Rural Communities

The average price for an urban centre/rural community is calculated as the average of the reported prices submitted by entities for each respective urban centre/rural community.

Prices are calculated by service: basic television, basic wireline telephone, Internet (3 individual services) and mobile (4 individual tiers).

Provinces and Regions

Average urban and rural prices

The average price of a service for a province/territory is calculated as the average for each urban centre and rural communities sampled in the respective province/territory.

If there is no service (e.g. 50/10 Internet) offered in a particular rural community, the provincial or territorial average excludes this location.

Average provincial/territorial price

For the purpose of calculating an average price for a service in each province or territory, the average urban and rural prices for that province or territory are combined and weighted equally. When a price for a service is not available in the rural areas of a province or territory, only the urban price is used.

National prices

The average price for a service in urban centres and rural communities in Canada is the average of the respective urban and rural provincial and territorial prices.

For the purpose of calculating an average national price of a service, the national urban and rural prices are combined and weighted equally.

Overall

The average overall price is the average of urban and rural prices.

Due to availability issues for certain services, prices for the Yukon, Northwest Territories and Nunavut may be represented as "the North".

CMR 2019 prices may not match previously published data, due largely to data revisions and late submissions.

Combined prices

The average combined price is the sum of basic television, basic wireline telephone, Internet (25/3) and mobile (unlimited voice & SMS and 5GB of data) prices.

Highest and lowest reported prices

Highest and lowest prices are used in Figure 2.5 through Figure 2.22.

The highest/lowest reported price for an urban centre or rural community is displayed as the highest/lowest reported price as submitted by entities for each particular urban location, by service.

Variance

The price variance is defined as the difference between the highest and lowest reported prices.

Urban Centres and Rural Communities

Rural communities were selected based on the following criteria:

- the community was not part of one of the census metropolitan areas of the 24 urban centres listed in Table 2.1 below;
- the community had a population density of fewer than 400 people per square kilometre, or its population centres had fewer than 1,000 people per centre;
- the number of communities selected in each province or territory reflected that province's or territory's proportion of the total population of Canada; and
- the communities were not geographically clustered.

Table 2.1 List of urban centres

Province/territory	Urban centre
British Columbia	Vancouver
	Victoria
Alberta	Calgary
	Edmonton
Saskatchewan	Saskatoon
	Regina
Manitoba	Winnipeg
Ontario	Toronto
	Ottawa - Gatineau
	Hamilton
	London
	Kitchener-Waterloo
	St. Catherines-Niagara
	Windsor
	Oshawa
Quebec	Montréal
	Québec
New Brunswick	Fredericton
Prince Edward Island	Charlottetown
Nova Scotia	Halifax
Newfoundland and Labrador	St. John's
Yukon	Whitehorse
Northwest Territories	Yellowknife
Nunavut	Iqaluit

Major centre boundaries are defined using Statistics Canada's census metropolitan area and census agglomeration definitions.

Table 2.2 List of rural communities

Province/territory	Community	Province/territory	Community
British Columbia	Barriere	**Ontario**	Ingleside
	Bowser		Lion's Head
	Cobble Hill	**Quebec**	L'Islet
	Hazelton		La Guadeloupe
	Kaslo		Lac-Des-Écorces
	Keremeos		New Carlisle
	Thrums		Laterrière
Alberta	Cremona		Rock Island
	Evansburg		St-Honoré (Témiscouata Co.)
	Glendon	**New Brunswick**	Cap-Pelé
	Hythe		Florenceville
	Wabasca		Lamèque
Saskatchewan	Broadview	**Prince Edward Island**	Crapaud
	Gull Lake		Hunter River
	Naicam		Morell-St. Peters
	Redvers	**Nova Scotia**	Bear River
	Spiritwood		Mahone Bay
Manitoba	Ashern		Wedgeport
	La Broquerie	**Newfoundland and Labrador**	Burin
	Norway House		Harbour Main
	Pine Falls		New Harbour
	Southport	**Yukon**	Dawson City
Ontario	Bayfield		Mayo
	Ripley	**Northwest Territories**	Fort Simpson
	Bancroft		Fort Smith
	Echo Bay	**Nunavut**	Cape Dorset
	Emsdale		Igloolik