DEPARTMENT OF COMMUNICATIONS
BROADCASTING POLICY DIVISION
BROADCASTING AND CONTENT SERVICES POLICY BRANCH

RADIO AND TELEVISION INDUSTRY OVERVIEW

APRIL 1986

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Broadcasting Policy Division
Broadcasting and Content Services Policy Branch
Department of Communications

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INTRODUCTION

This handbook is intended to serve as a quick reference source for some of the major statistical indicators on the private radio and television broadcasters in Canada. Included in this group are the recently licensed discretionary television services as well as the "conventional" private radio and television broadcasting stations. All of these services are licensed and regulated by the Canadian Radio-Television and Telecommunications Commission (CRTC).

This report is divided into four parts: the industries' financial state of health; employment characteristics; the public's consumption of radio and television; and the discretionary television services.

The data are derived from several sources. The financial statistics are largely drawn from the database used by Statistics Canada for its annual publication on the radio and television industry (Cat. No. 56-204) which in turn is based on the financial information all broadcasting licensees are required to complete. The statistics on television viewing and program availability are derived mostly from the Radio and Television Project of the Cultural Statistics Program sponsored by the Department of Communications, the CRTC and Statistics Canada. Additional data have been obtained from the Canadian Media Directors' Council, the Bureau of Broadcast Measurement (BBM) and Mediastats.

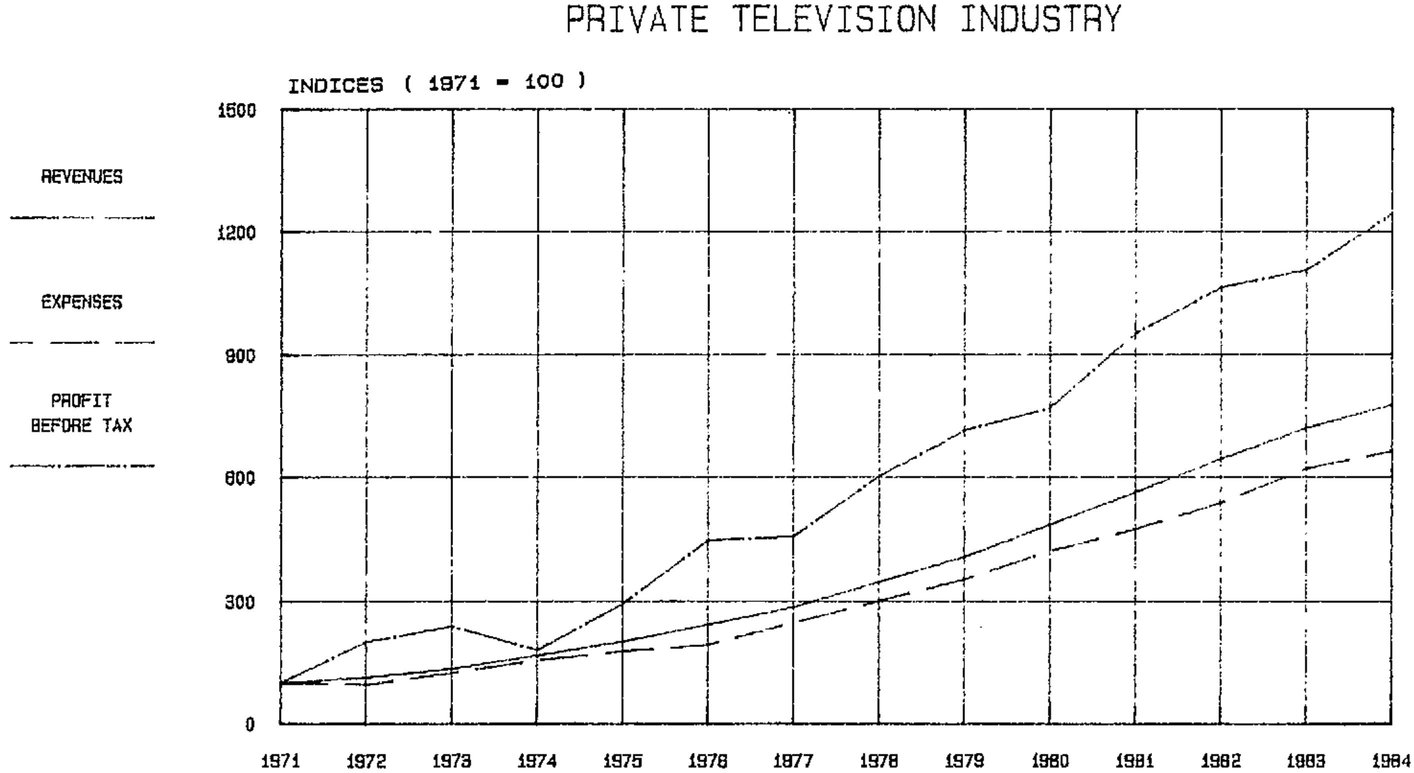
I. FINANCIAL CHARACTERISTICS

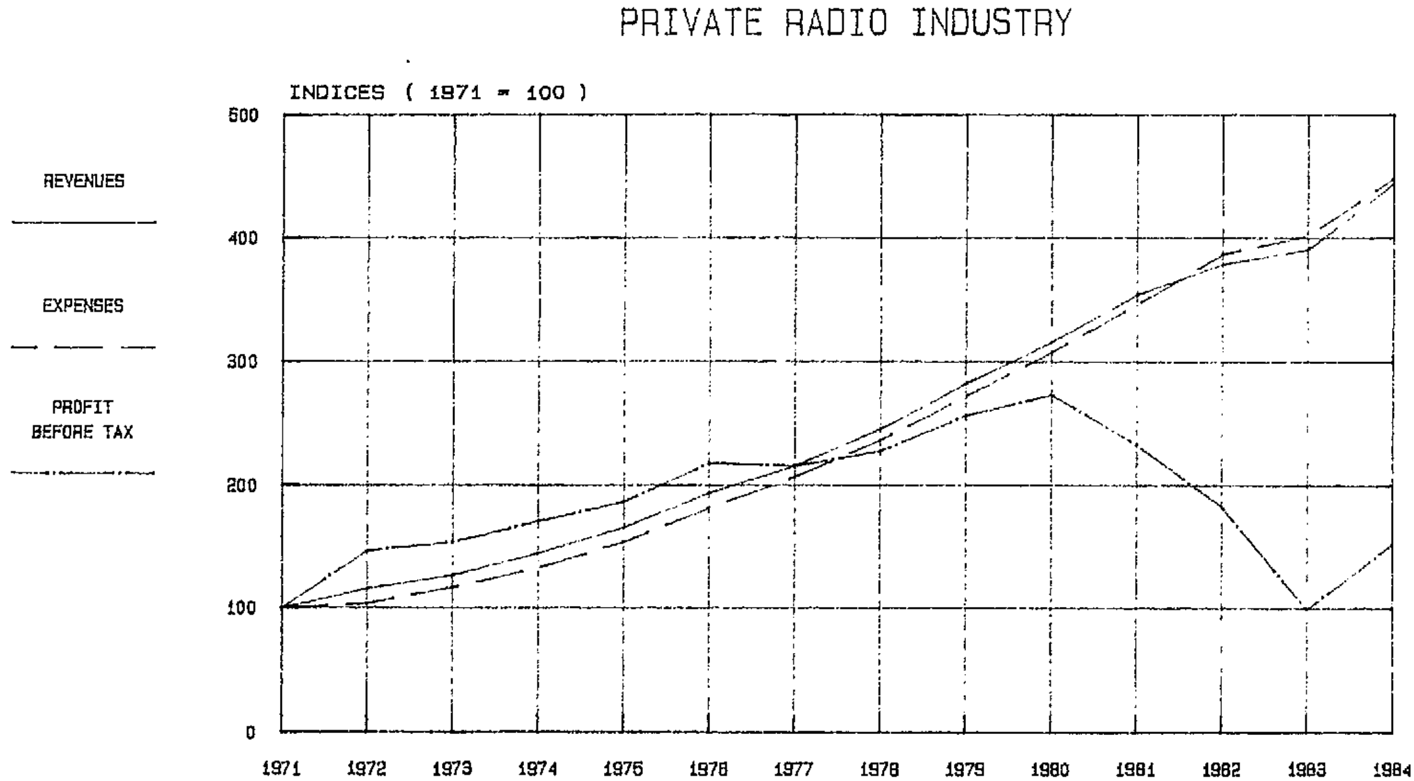
In the private television industry, the growth of revenue (in real terms) has been at least as great as that of the expenses so that a relatively high ratio of profits to revenue has been maintained. The private television industry attained a profit:revenue ratio of 18.5% in 1984.

Over the period from 1971 to 1984, the private radio industry has exhibited a comparatively lower profitability. More significantly, a dramatic drop in the pre-tax profit index occurred after 1980. The ratio of profits to revenue has decreased sharply from 11.5% in 1980 to only 3.4% in 1983. The private radio industry has since recovered slightly: the ratio stood at 4.6% in 1984.

Figure 1 illustrates the trends since 1971 in revenues, expenses and pre-tax profits for the private radio and private television industries. The figures are indexed for ease of comparison. Figure 2 provides the corresponding statistics in dollar terms. Depreciation and interest expenses have been accounted for in the derivation of the pre-tax profits.

Figure 1





Source: Statistics Canada Annual Radio and Television Survey Database

Figure 2

REVENUES, EXPENSES & PROFITS

PRIVATE TELEVISION

YEAR	REVENUE	EXPENSES	PROFIT BEFORE TAX	PROF/REV
	MILLION $			%
1971	115.8	102.4	13.4	11.6
1972	132.1	98.3	27.1	20.5
1973	155.8	129.2	32.1	20.6
1974	194.0	161.2	24.3	12.5
1975	233.6	183.4	39.6	17.0
1976	282.2	209.0	60.0	21.3
1977	331.0	254.5	61.2	18.5
1978	403.5	309.3	80.7	20.0
1979	472.5	364.0	95.8	20.3
1980	562.0	433.5	103.0	18.3
1981	652.4	486.1	127.7	19.6
1982	746.0	550.6	142.9	19.2
1983	833.2	635.5	148.5	17.8
1984	899.6	679.6	166.7	18.5

PRIVATE RADIO

YEAR	REVENUE	EXPENSES	PROFIT BEFORE TAX	PROF/REV
	MILLION $			%
1971	125.7	109.0	16.6	13.2
1972	145.4	113.8	24.4	16.8
1973	159.9	127.9	25.5	15.9
1974	182.5	145.5	28.4	15.6
1975	208.2	168.3	31.0	14.9
1976	244.3	198.2	36.2	14.8
1977	271.8	226.0	35.8	13.2
1978	308.9	257.9	37.9	12.3
1979	356.2	297.3	42.7	12.0
1980	397.2	335.7	45.5	11.5
1981	444.9	376.9	38.6	8.7
1982	475.8	421.7	30.4	6.4
1983	492.1	438.2	16.5	3.4
1984	558.7	489.6	25.4	4.6

Source: Statistics Canada Radio and Television Annual Survey Database

The broadcasting industry is comprised of firms ranging from stations in small towns to those in major markets. By segregating the profits by revenue group, the relative profitability by station size can be seen. For television, the profit level is significantly higher for those companies earning between $4 million and $30 million in revenues. In radio, companies reporting less than average industry profitability constitute a majority. In 1984, only 66 out of 244 companies with radio operations had a profit revenue ratio higher than 10%. Figure 3 illustrates.

Figure 3

REVENUES, EXPENSES & PROFITS FOR PRIVATE BROADCASTING COMPANIES BY REVENUE GROUP - 1984

TELEVISION

REVENUE GROUP	NUMBER OF COMPANIES	REVENUE	EXPENSES	PROFIT BEFORE TAX	PROF/REV
		----------	MILLION $	----------	%
85K-2M	7	6.8	5.3	1.05	15.44
2M-3M	7	16.5	13.0	1.88	11.37
3M-4M	6	20.5	16.5	3.44	16.75
4M-10M	14	76.7	54.1	17.15	22.35
10M-20M	8	108.0	76.6	23.00	21.29
20M-30M	6	147.2	102.5	40.56	27.56
GT 30M	9	523.9	411.7	79.66	15.21
CANADA*	57	899.6	679.6	166.74	18.53

RADIO

REVENUE GROUP	NUMBER OF COMPANIES	REVENUE	EXPENSES	PROFIT BEFORE TAX	PROF/REV
		----------	MILLION $	----------	%
LT 85K	5	0.3	0.9	-0.67	-209.38
85K-2M	182	159.5	142.3	5.64	3.54
2M-3M	22	49.8	48.7	-1.02	-2.05
3M-4M	11	37.9	35.4	0.32	0.84
4M-10M	15	94.3	86.2	2.02	2.14
10M-20M	3	44.2	32.0	6.20	14.02
GT 20M	6	172.6	144.2	12.92	7.49
CANADA*	244	558.7	489.7	25.41	4.55

K = Thousand $; M = Million $
LT = Less Than; GT = Greater Than
* : Some companies operate both television and radio systems
The total number of broadcasting companies in Canada was 278

Source: Statistics Canada Radio and Television Annual Survey Database

Provincial breakdowns for the revenue and profit statistics are shown in Figure 4. Ontario accounts for the largest share of revenue by far, with 33% of radio revenues and 39% of television revenues.

Figure 4

REVENUES, EXPENSES & PROFITS FOR PRIVATE BROADCASTING COMPANIES BY PROVINCE - 1984

TELEVISION

PROVINCE	NUMBER OF COMPANIES	REVENUE	EXPENSES	PROFIT BEFORE TAX	PROF/REV
		----------	MILLION $	----------	%
Maritimes	5	47.1	36.2	8.66	18.39
Quebec	13	207.9	155.5	34.12	16.41
Ontario	18	353.5	268.3	60.98	17.25
Manitoba	5	34.2	24.8	5.76	16.82
Saskatchewan	6	38.4	26.1	10.14	26.39
Alberta	9	125.7	92.6	34.08	27.11
B.C.	9	92.7	76.1	12.99	14.01
Canada*	57	899.6	679.5	166.73	18.53

RADIO

PROVINCE	NUMBER OF COMPANIES	REVENUE	EXPENSES	PROFIT BEFORE TAX	PROF/REV
		----------	MILLION $	----------	%
Newfoundland	5	9.8	9.4	-0.15	-1.53
P.E.I.	4	3.4	3.2	-0.02	-0.47
Nova Scotia	14	18.7	16.1	1.79	9.58
New Brunswick	13	15.7	14.1	0.75	4.78
Quebec	58	125.5	114.6	3.90	3.11
Ontario	71	183.2	159.2	5.41	2.95
Manitoba	13	24.9	21.4	0.92	3.70
Saskatchewan	15	27.3	23.6	1.76	6.45
Alberta	28	75.8	65.7	5.07	6.69
BC, NWT & YK	43	74.6	62.4	5.96	7.99
Canada*	265	558.7	489.6	25.39	4.55

* Some companies may have operations in more than one province
The total number of companies is not the sum of provincial figures

Source: Statistics Canada Radio and Television Annual Survey Database

While the foregoing observations on profit levels (using profit as a percentage of revenues) are satisfactory for discerning trends over time and making inter-industry comparisons, it is the return to the investor which, in the longer run, must be adequate to ensure a flow of capital into the industry.

Measurement of this concept however is not so straight-forward, particularly when most firms are not publicly held. In this situation, the market constantly places a value on the equity in the company. Figure 5 includes one method of calculating an indicator of return on investment (ROI). The variables in the equation are balance sheet data supplied by radio and television licensees in their annual returns. As the balance sheet form does not distinguish between the assets and liabilities of companies which own both radio and television stations, the statistics are presented in a three-part table: one for companies with radio operations only, one for companies with television operations only and one for companies with both types of operations. Since 1978, companies which have radio operations only have the lowest ROI indicator amongst the three groups.

Figure 6 illustrates a second method used to determine the indicator ROI. Instead of after tax profit, pre-tax profit enters in the equation and a finer definition of assets to liabilities is also used.

By either measure, the return on investment has been generally higher for the television-only group and for the television and radio combined group since 1975; and the return on investment for the radio-only group has experienced a significant decline in recent years.

Figure 5

$$\text{RETURN ON INVESTMENT} = \frac{(\text{PROFIT AFTER TAX + INTEREST EXPENSE})}{(\text{TOTAL ASSETS - CURRENT LIABILITIES})}$$

YEAR	PROFIT AFTER TAX	INTEREST EXPENSE	TOTAL ASSETS	CURRENT LIABILITIES	RETURN ON INVESTMENT
	MILLION $				%
	PRIVATE COMPANIES WITH TELEVISION STATIONS ONLY				
1975	12.3	3.1	177.4	45.1	11.6
1976	21.0	4.8	189.6	51.9	18.7
1977	19.8	7.0	235.0	66.0	15.9
1978	27.6	6.8	257.7	85.2	19.9
1979	32.6	8.0	304.3	94.2	19.3
1980	35.2	11.3	362.9	114.0	18.7
1981	44.7	16.9	431.6	145.2	21.5
1982	48.1	21.3	428.8	144.5	24.4
1983	51.8	18.1	503.1	132.8	18.9
1984	46.2	18.7	561.2	161.1	16.2
	PRIVATE COMPANIES WITH BOTH TV & RADIO STATIONS				
1975	8.2	1.9	98.9	19.9	12.8
1976	13.5	2.7	115.8	23.3	17.5
1977	12.5	2.2	127.3	23.4	14.1
1978	18.5	2.9	152.1	32.3	17.9
1979	23.5	3.9	188.9	44.6	19.0
1980	24.5	6.6	209.3	48.9	19.4
1981	27.4	8.4	246.5	51.5	18.4
1982	35.3	11.0	294.1	50.5	19.0
1983	24.3	18.6	348.0	59.6	14.9
1984	45.0	18.6	462.3	90.4	17.1
	PRIVATE COMPANIES WITH RADIO STATIONS ONLY				
1975	13.8	4.4	159.3	38.5	15.1
1976	18.0	4.7	175.6	47.5	17.7
1977	18.4	4.8	212.6	64.9	15.7
1978	17.2	5.2	243.9	65.0	12.5
1979	18.7	10.2	283.6	75.6	13.9
1980	19.9	14.4	315.6	92.3	15.4
1981	13.4	20.0	421.5	136.8	11.7
1982	3.2	26.2	442.0	141.5	9.8
1983	6.5	20.2	486.5	107.0	7.0
1984	10.4	21.0	442.3	113.9	9.6

Source: Statistics Canada Radio and Television Annual Survey Database

Figure 6

$$\text{RETURN ON INVESTMENT} = \frac{\text{(PROFIT BEFORE TAX + INTEREST EXPENSE)}}{\text{(NET FIXED + CURRENT ASSETS - CURRENT LIABILITIES)}}$$

YEAR	PROFIT AFTER TAX	INCOME TAX	INTEREST EXPENSE	NET FIXED	CURRENT ASSETS	CURRENT LIABILITIES	RETURN ON INVESTMENT
	MILLION $						%
		PRIVATE COMPANIES WITH TELEVISION STATIONS ONLY					
1975	12.3	16.3	3.1	66.3	65.0	45.1	36.8
1976	21.0	18.1	4.8	72.1	75.0	51.9	46.1
1977	19.8	18.9	7.0	90.4	95.5	66.0	38.1
1978	27.6	23.7	6.8	94.1	117.7	85.2	45.9
1979	32.6	26.4	8.0	106.6	139.9	94.2	44.0
1980	35.2	29.8	11.3	113.3	168.7	114.0	45.4
1981	44.7	36.2	16.9	128.7	217.9	145.2	48.6
1982	48.1	41.1	21.3	135.3	210.5	144.5	54.9
1983	51.8	48.0	18.1	136.7	252.2	132.8	46.0
1984	46.2	39.2	18.7	146.2	281.4	161.1	39.1
		PRIVATE COMPANIES WITH BOTH TV & RADIO STATIONS					
1975	8.2	6.5	1.9	36.3	28.9	19.9	36.6
1976	13.5	10.4	2.7	40.7	40.5	23.3	45.9
1977	12.5	11.4	2.2	39.9	44.6	23.4	39.1
1978	18.5	16.3	2.9	49.7	54.7	32.3	52.3
1979	23.5	19.7	3.9	54.5	80.3	44.6	52.2
1980	24.5	21.8	6.6	68.4	74.7	48.9	56.2
1981	27.4	28.2	8.4	76.4	80.8	51.5	60.5
1982	35.3	31.9	11.0	84.6	75.3	50.5	71.5
1983	24.3	24.6	18.6	88.5	76.4	59.6	64.1
1984	45.0	41.7	18.6	122.3	114.6	90.4	71.9
		PRIVATE COMPANIES WITH RADIO STATIONS ONLY					
1975	13.8	13.7	4.4	39.6	52.6	38.5	59.4
1976	18.0	15.2	4.7	44.1	62.2	47.5	64.5
1977	18.4	16.1	4.8	55.9	84.2	64.9	52.3
1978	17.2	15.4	5.2	61.9	78.7	65.0	50.0
1979	18.7	17.6	10.2	71.0	91.0	75.6	53.8
1980	19.9	17.2	14.4	88.7	98.7	92.3	54.2
1981	13.4	16.3	20.0	107.1	116.5	136.8	57.3
1982	3.2	13.7	26.2	120.5	103.7	141.5	52.1
1983	6.5	9.9	20.2	135.0	111.6	107.1	26.2
1984	10.4	9.5	21.0	140.7	116.3	113.9	28.6

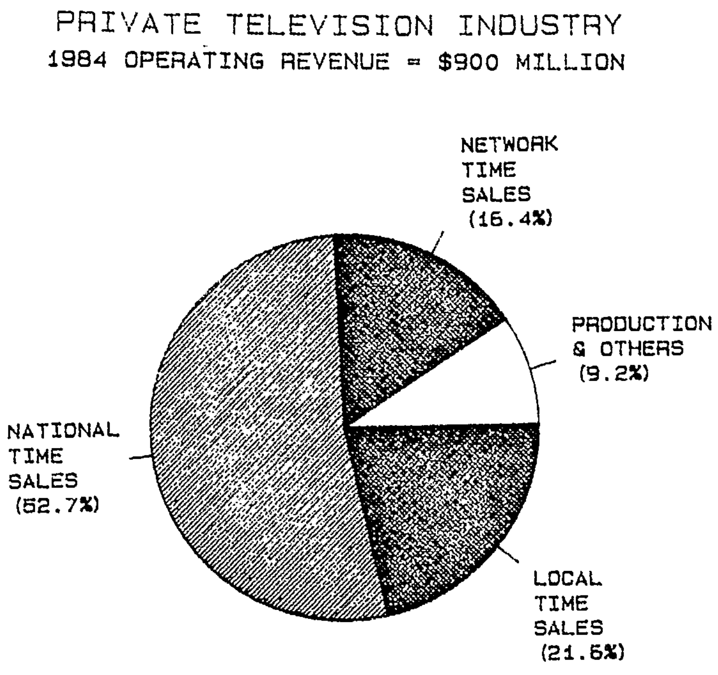
Source: Statistics Canada Radio and Television Annual Survey Database

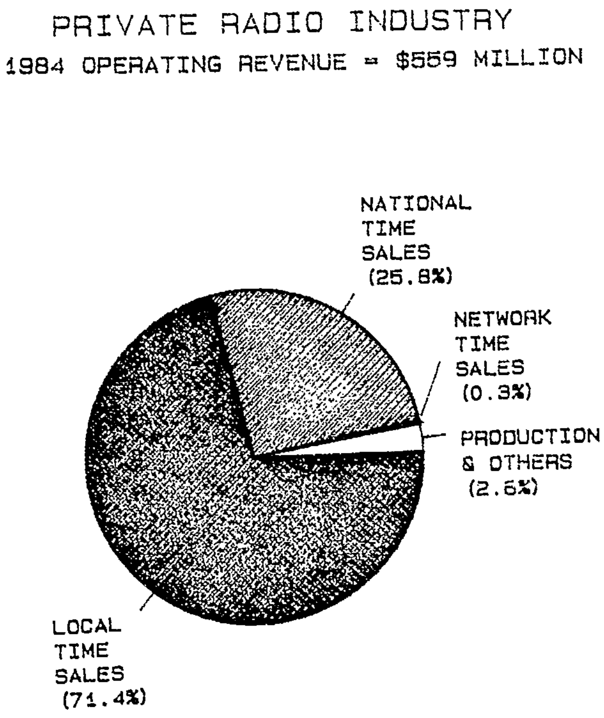
There are several components to the revenue of the private broadcasting industry as illustrated in Figure 7. In the private television industry, 91% of total revenues were from the sale of advertising time while only nine percent came from production and other sources. National time sales comprised the largest component of total time sales. In radio, local time sales account for the dominant share of total revenues, with 71% coming from this category.

Figure 8 depicts the allocation of revenues to operating expenses, interest expenses, depreciation and income tax; with the remainder as profits. Program expenses are the largest component, particularly in television which in 1984 spent 46% of its earnings on programming. Radio spent 31% on programming and proportionately incurred much higher administrative, sales and promotional and technical expenses, which together accounted for 57% of revenues compared to 30% for television.

Figure 9 gives the breakdowns of revenues and expenses, depreciation, interest expense, income tax and profit after tax for both the television and the radio industries.

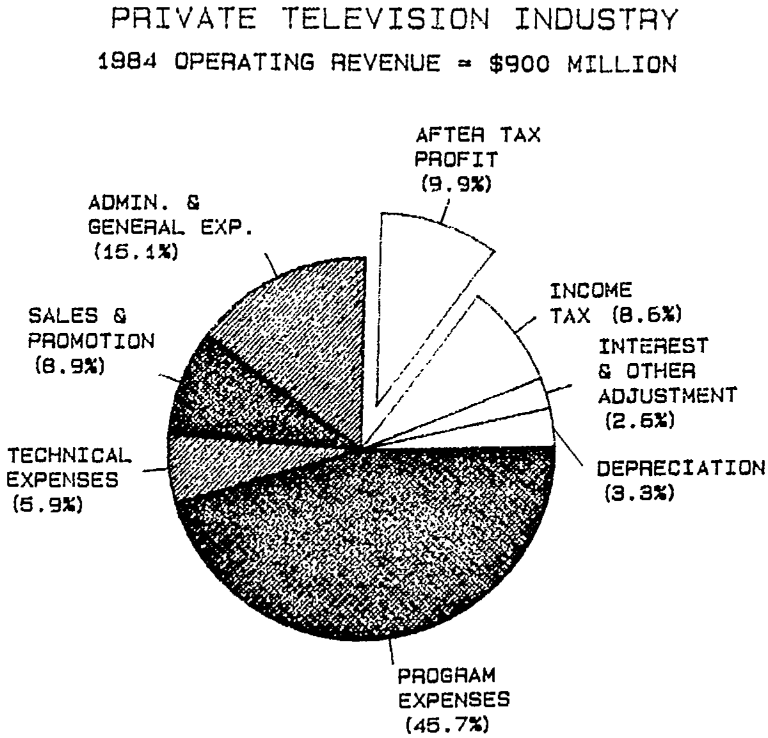
Figure 7

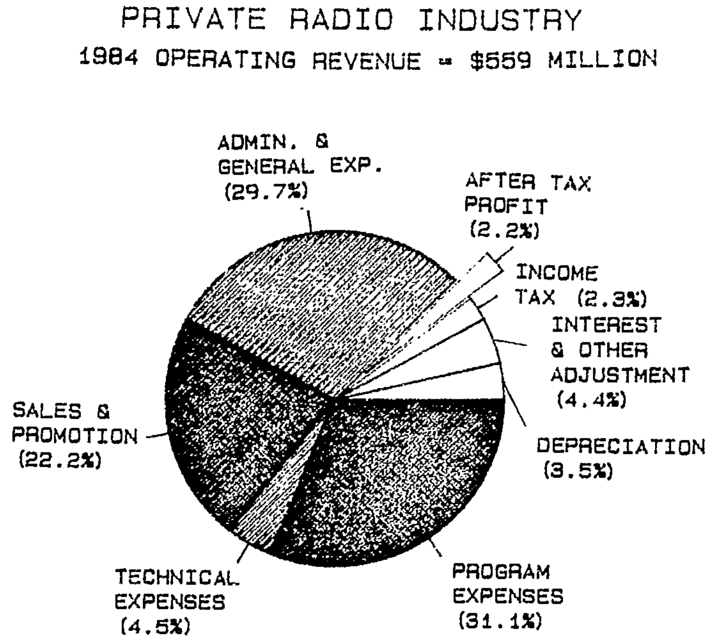




Source: Statistics Canada Annual Radio and Television Survey Database

Figure 8





Source: Statistics Canada Annual Radio and Television Survey Database

Figure 9

1984 REVENUES, EXPENSES & PROFITS

	TELEVISION		RADIO	
	MILLION $			
Revenue:				
Local Time Sales	194.3		398.7	
National Time Sales	474.5		144.1	
Network Time Sales	147.8		1.5	
Production & Other Revenue	83.0	899.6	14.4	558.7
Expenses:				
Programming	411.1		174.0	
Technical	53.0		25.2	
Sales & Promotion	79.7		124.2	
Administration & General	135.8	679.6	166.2	489.6
Depreciation		30.0		19.3
Interest Expense		34.4		23.9
Other Adjustments		-11.1		0.5
Income Tax		77.4		13.0
Profit After Tax		89.3		12.4

Source: Statistics Canada Radio and Television Annual Survey Database

Advertising Costs

Advertising revenues can grow as a result of more commercial minutes sold and/or increased rates per unit of commercial time. The latter can occur if advertisers are willing to bear a higher cost per listener/viewer reached, or if there is an expansion in audiences.

While television advertising rates nearly doubled between 1973 and 1983 in unadjusted dollar terms, and radio rates more than doubled, audiences (AUD, expressed in thousands) also grew. The true measure of advertising costs is the Cost Per Thousand (CPM) persons reached. In this ten-year period, the CPM rose approximately the same amount as the consumer price index, thereby only adjusting for the rate of inflation. Figure 10 provides a number of media price indices.

Figure 10

MEDIA COST INDICES

	1979 - 1983 (1979 = 100)			1973 - 1983 (1973 = 100)		
	RATE	AUD	CPM	RATE	AUD	CPM
Television (Prime Time, 30")	179	117	152	293	120	244
Radio (AAA Time, 60")	166	106	156	336	151	209
Magazines (1PG, 4 Colour, Bleed)	144	105	136	217	109	200
Newspaper (Open Line Rate)	157	104	152	278	114	246
Interior Transit (Full Showing or 100 GRP Week)	163	150	109	331	178	188
Outdoor (50 GRP/Day Showing)	175	115	152	363	124	292
Consumer Price Index	150			251		

Source: The Canadian Media Directors Council, "Media Digest - 1983/84", Published by Marketing

II. EMPLOYMENT

Employment in the private radio industry has grown from 7,530 in 1975 to 10,025 in 1984, or at an average annual growth rate of 3.1%. Private television industry has experienced a slightly higher annual growth rate of 3.5% in its labour force, and employed 7,215 in 1984.

Employment varies according to the size of the broadcasting company, as Figures 11 and 12 illustrate. The average number of employees per company increases as the size of the operation measured in revenues increases.

In the television industry the bulk of the employment is with the large companies. In fact, companies with revenues exceeding $20 million in 1984 (26%) accounted for 64% of the total employement in the private television industry. This is not true for radio, where a very large number of operations (86%) are found at the middle and lower range of the revenue spectrum. Radio companies earning less than $3 million annually accounted for 52% of the industry's employment.

Figure 11

PERSONS EMPLOYED BY PRIVATE TELEVISION COMPANIES BY REVENUE GROUP

YEAR	LT 85K	85K- 2M	2M- 3M	3M- 4M	4M- 10M	10M- 20M	20M- 30M	GT 30M	TOTAL
1975		1287	503	455	1506	402	1243		5396
1976		1128	378	553	1099	924	1256		5338
1977		864	465	466	1590	617	1024	656	5682
1978		575	801	74	1616	1056	139	1683	5944
1979		548	793	249	1344	1073	488	1870	6365
1980		403	467	511	1203	1403	788	1910	6685
1981		260	463	682	1068	1186	1200	1982	6841
1982		177	444	489	1110	912	1454	2254	6840
1983	18	175	358	489	1080	1190	1231	2364	6905
1984		101	286	309	992	944	1081	3502	7215

K = Thousand $; M = Million $
LT = Less Than; GT = Greater Than

Continued on next page

Figure 11 continued

PERSONS EMPLOYED BY PRIVATE RADIO COMPANIES
BY REVENUE GROUP

YEAR	LT 85K	85K-2M	2M-3M	3M-4M	4M-10M	10M-20M	20M-30M	GT 30M	TOTAL
1975	21	5404	633	474	868	130			7530
1976	28	5425	813	449	1051	134			7900
1977	38	5577	905	474	1153	139			8286
1978	18	5623	620	722	1048	643			8674
1979	29	5633	686	790	1256	675			9069
1980	29	5733	781	522	1658	824			9547
1981	4	5170	817	392	2165	855	290		9693
1982	37	4866	727	406	1979	1089	633		9737
1983	9	4682	746	675	1375	461	1259	459	9666
1984	49	4074	1070	700	1356	446	1258	1072	10025

K = Thousand $; M = Million $
LT = Less Than; GT = Greater Than

Source: Statistics Canada Radio and Television Annual Survey Database

Figure 12

AVERAGE NUMBER OF EMPLOYEES FOR PRIVATE BROADCASTING COMPANIES
BY REVENUE GROUP - 1984

	LT 85K	85K-2M	2M-3M	3M-4M	4M-10M	10M-20M	20M-30M	GT 30M	TOTAL
TV	0	17	41	52	71	118	180	389	127
RADIO	10	22	49	64	90	149	315	536	41

K = Thousand $; M = Million $
LT = Less Than; GT = Greater Than

Source: Statistics Canada Radio and Television Annual Survey Database

III. PROGRAMMING AND AUDIENCE CHARACTERISTICS

A. Television

1. General Television Viewing Patterns

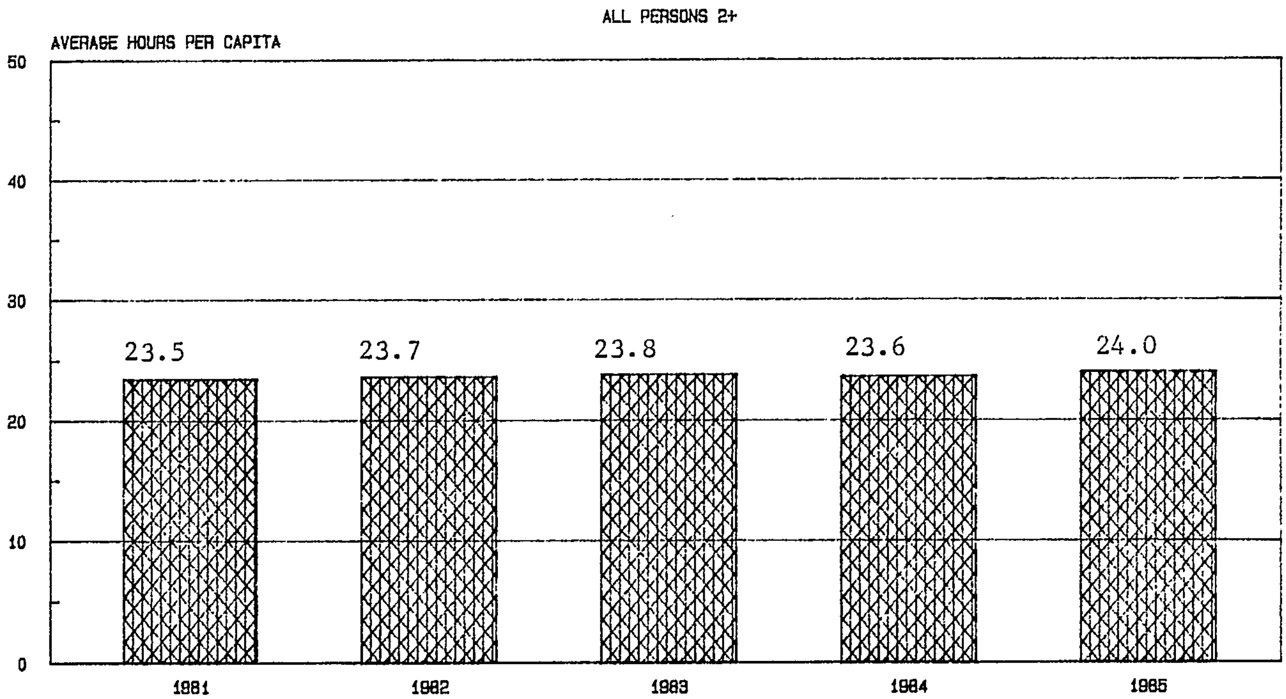
Watching television is the most popular leisure time activity of Canadians. In the spring of 1985, 99% of the population aged two or over watched television for an average of 25.3 hours per week (Figure 13).

Television viewing exhibits a seasonal variation. Viewing usually declines in the summer months. Women 18+ view more television than other demographic groups, except for teens in the summer months.

Most of the television viewing takes place in the evening hours when the majority of the population has time and access to the television set. The proportion of the population watching television increases rapidly after 4:00 p.m. through the early evening hours and reaches a peak between 8:00 p.m. and 10:00 p.m. Thereafter it declines rapidly (Figure 14).

Figure 13

WEEKLY TELEVISION VIEWING

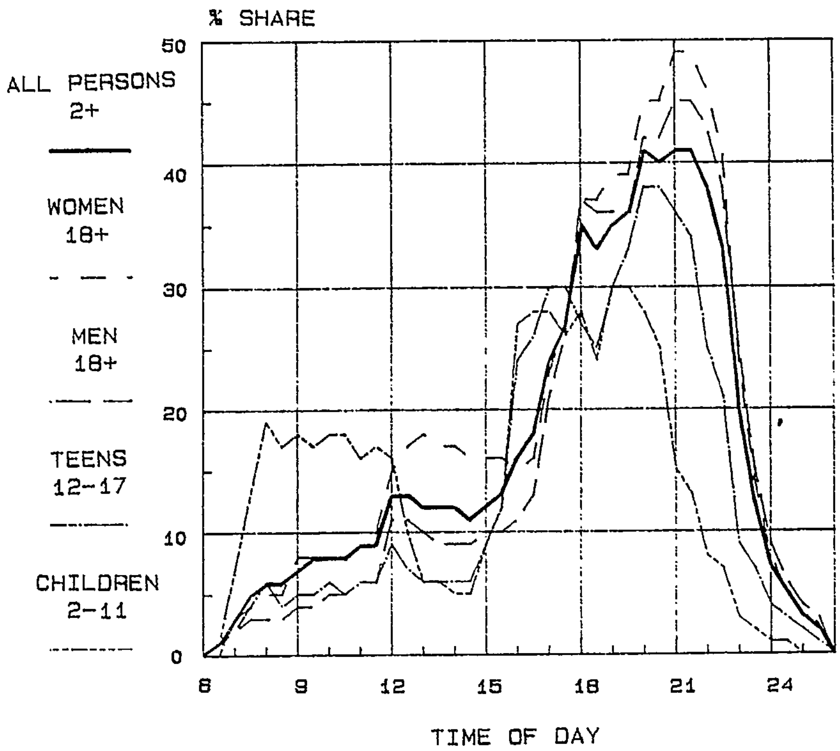


Weekly Reach	99%	98%	98%	98%	97%
Av. Daily Reach	84%	84%	84%	81%	79%

Source: BBM

Figure 14

DAILY TELEVISION VIEWING PATTERNS



Source:
1984 BBM
Fall TV
Survey

2. Viewing by Type of Station

In terms of the total share of television viewing, Canadian stations dominated the American stations delivered off-air or by cable during the 1984 Fall BBM television survey period.

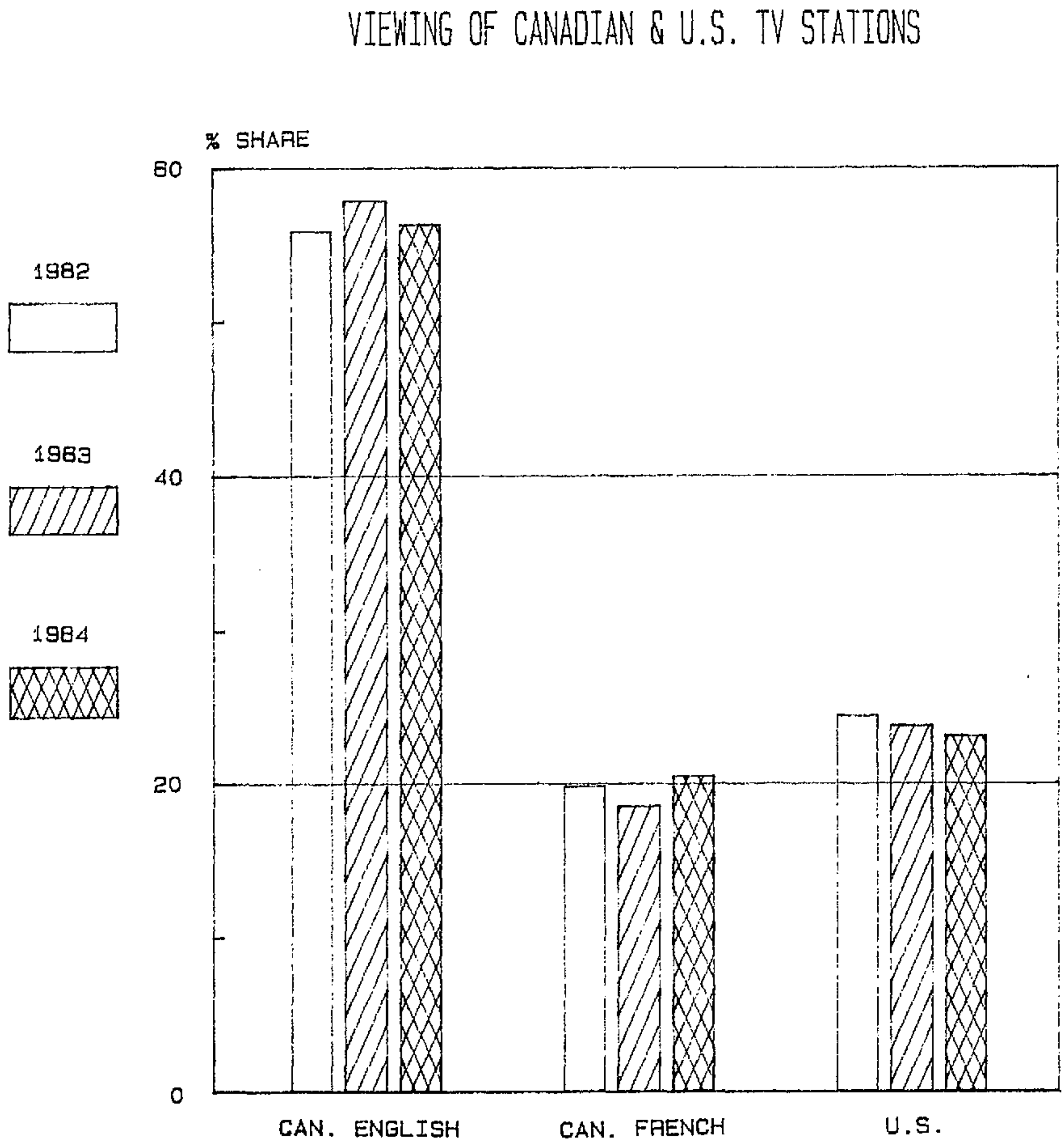
As Figures 15 and 16 illustrate, 56.4% of all television viewing in the Fall of 1984 was to Canadian English-language stations while 20.5% was to Canadian French-language stations and 23.1% was to U.S. stations.

Within the group of Canadian English-language stations, CTV had the largest share with 22.4% of viewing followed by the independent stations (including Global) with 12.2%. The publicly owned and operated CBC stations attracted 10.6% of the total viewing, and its affiliates accounted for another 6.4% of the total viewing.

Among the French-language television stations the largest share, 10.1%, was achieved by the TVA group of stations followed by the publicly owned Radio-Canada group at 6.1%.

Each commercial American station received in Canada accounts for about 6% of all viewing.

Figure 15



Source: BBM Fall TV Survey

Figure 16

TELEVISION VIEWING HOURS BY STATION GROUP

STATION GROUP	1982	1983	1984
	------- %	SHARE	--------
English Stations			
CBC Owned	10.89%	11.16%	10.64%
CBC Affiliated	6.35	6.23	6.40
CTV	25.61	25.00	22.35
TVO	0.85	0.92	0.81
Independent	11.29	12.04	12.21
Pay TV		0.80	1.16
Others	0.81	1.69	2.84
Sub-Total	55.80%	57.84%	56.41%
French Stations			
CBC Owned	5.55%	5.84%	6.10%
CBC Affiliated	3.17	3.13	2.83
TVA	10.46	8.21	10.12
Radio Quebec	0.68	1.14	1.20
Pay TV	0.00	0.14	0.24
Sub-Total	19.86%	18.46%	20.49%
U.S. Stations			
ABC	6.57%	6.44%	5.23%
NBC	6.96	6.41	6.51
CBS	5.93	6.03	6.21
Independent	2.41	2.25	2.31
Multi-Affiliated	0.69	0.63	0.64
PBS	1.67	1.73	1.97
Others	0.11	0.21	0.23
Sub-Total	24.34%	23.70%	23.10%
Total	100.00%	100.00%	100.00%

Source: 1982, 1983 & 1984 BBM Fall TV Surveys

3. Programming : Viewing and Availability

3.1 English-language Television

The preceding figures demonstrate that Canadian stations fare well in competition with American stations. Canadian produced programs however, do not achieve a high viewing share on English-language television.

According to the Cultural Statistics Program's Fall data, Canadian- produced programs shown in prime-time accounted for 45.1% of the English-language programs available and 30.2% of the total viewing hours (Figure 17). Canadian English-language news is doing well representing 17.8 % of the programming available and 17.3% of the viewing. It is Canadian entertainment programming, particularly drama, which performs poorly. Canadian drama accounts for only 4.0% of the programming available and 1.6% of the total viewing. American drama, in contrast, represents 39.5% of the programming available but captures 55.2% of the viewing time.

In general, one can trace a relationship between the quantity of programming available in a given category and the viewing share it attracts, but other factors should not be disregarded. Big budget entertainment programming scheduled in the peak viewing period, when most people are watching, will likely attract a larger viewing share than will a lower budget production or a day-time television program of the same length of air-time.

In July, 1983, the Canadian Broadcast Program Development Fund commenced operation, with a mandate to increase the availability of high quality, Canadian independent productions in the drama, variety and children's categories -- categories which figures such as these had identified as being particularly deficient in terms of both availability and viewing. The 1983 figures do not reflect any influence of the Fund, but a limited amount of programming produced with the assistance of the Fund was being broadcast in 1984. Figure 18 compares the availability and the viewing of various categories of programming over time. In English television, availability of prime-time Canadian programs rose from 37.2% to 45.1% between 1982 and 1984; viewing to Canadian programming increased at an even faster rate, rising from 27.3% in 1982 to 30.2% two years later.

3.2 French-language Television

In French-language television, the situation is better insofar as Canadian prime-time programming represents 59.3% of the programming available and attracts 65.8% of the total viewing (Figure 17). In the category of entertainment programming, the situation is not as serious as it is with Canadian English-language television although there is still a shortfall in Canadian drama, which represents only 7.4% of the programming available versus 37.7% for foreign drama (mostly dubbed American series programs). The Canadian drama schedule however, attracts proportionately more, in viewing share, achieving a 16.2% share.

Figure 18 also compares the availability and the viewing of various categories of French-language prime-time programming over time. The amount of Canadian-produced prime-time programming dropped between 1982 and 1984 from 69.5% to 59.3% (due in part to the Télé-Metropole strike); however, although there was a drop in quantity, there was not any loss of viewers. The viewing of French-language prime-time programming actually increased, rising from 55.7% in 1982 to 65.8% in 1984. In short, the smaller quantity of Canadian productions attracted significantly larger audiences.

Figure 17

AVAILABILITY VS VIEWING OF CANADIAN & FOREIGN PRODUCED TV PROGRAMS - FALL 1984
7:00 PM - 11:00 PM

AVAILABLE PROGRAMS

CATEGORY	ENGLISH CAN %	ENGLISH NON-CAN %	ENGLISH TOTAL %	FRENCH CAN %	FRENCH NON-CAN %	FRENCH TOTAL %
News	17.80	4.07	21.87	22.45	0.61	23.06
Variety	5.17	4.05	9.22	10.54	1.84	12.38
Drama	4.02	39.48	43.50	7.37	37.73	45.10
Sports	6.03	1.11	7.14	8.79	0.00	8.79
Other	12.13	6.14	18.27	10.11	0.56	10.67
Total	45.15	54.85	100.00	59.26	40.74	100.00

VIEWING OF PROGRAMS

CATEGORY	ENGLISH CAN %	ENGLISH NON-CAN %	ENGLISH TOTAL %	FRENCH CAN %	FRENCH NON-CAN %	FRENCH TOTAL %
News	17.33	3.80	21.13	14.66	0.33	14.99
Variety	3.77	9.61	13.38	22.35	0.00	22.35
Drama	1.57	55.22	56.79	16.21	33.66	49.87
Sports	6.01	0.58	6.59	9.49	0.05	9.54
Other	1.54	0.57	2.11	3.10	0.15	3.25
Total	30.22	69.78	100.00	65.81	34.19	100.00

CAN = Canadian NON-CAN = Non-Canadian

Source: Cultural Statistics Program,
Prime-Time (7-11 PM) Fall 1984 Data

Figure 18

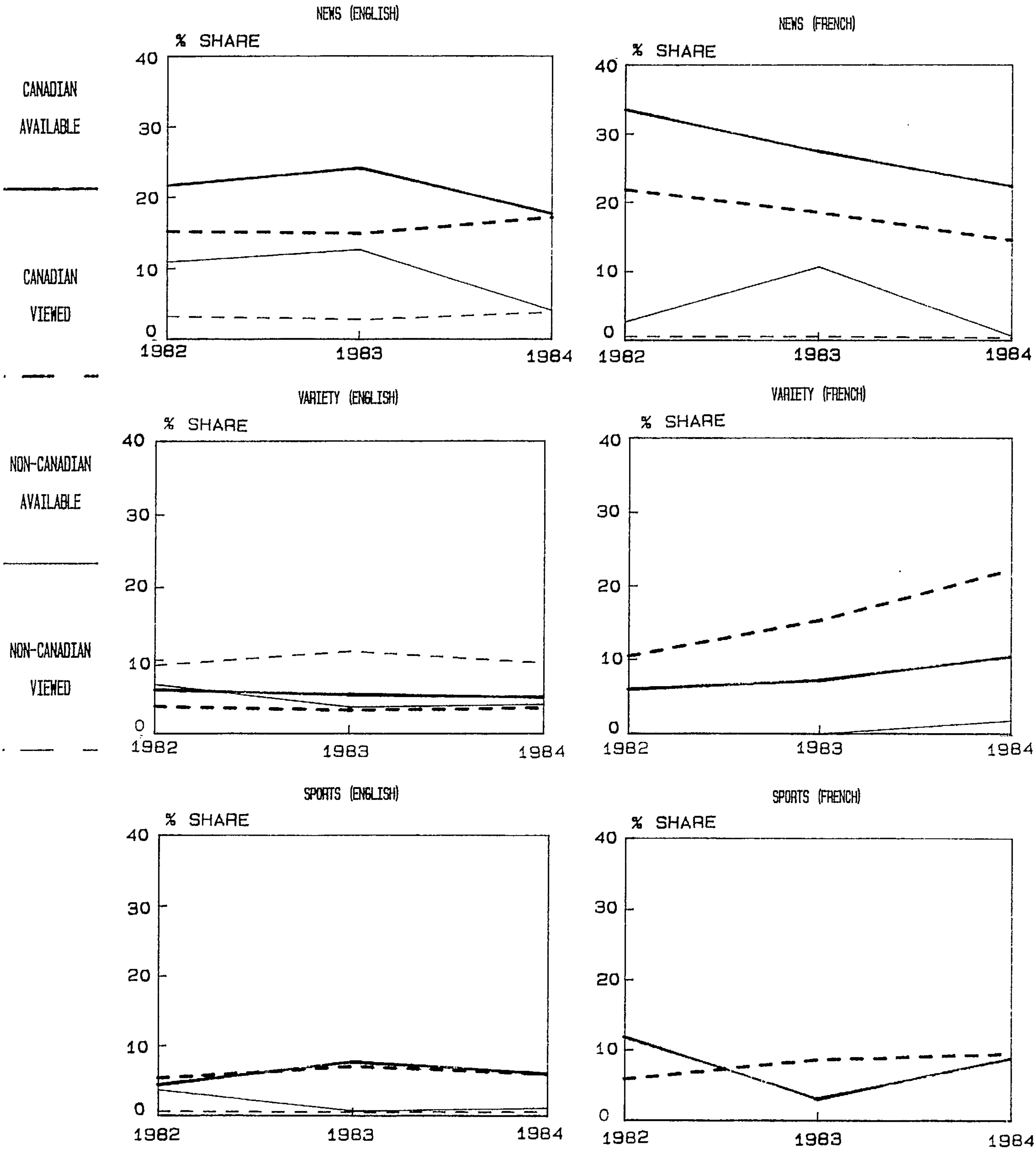
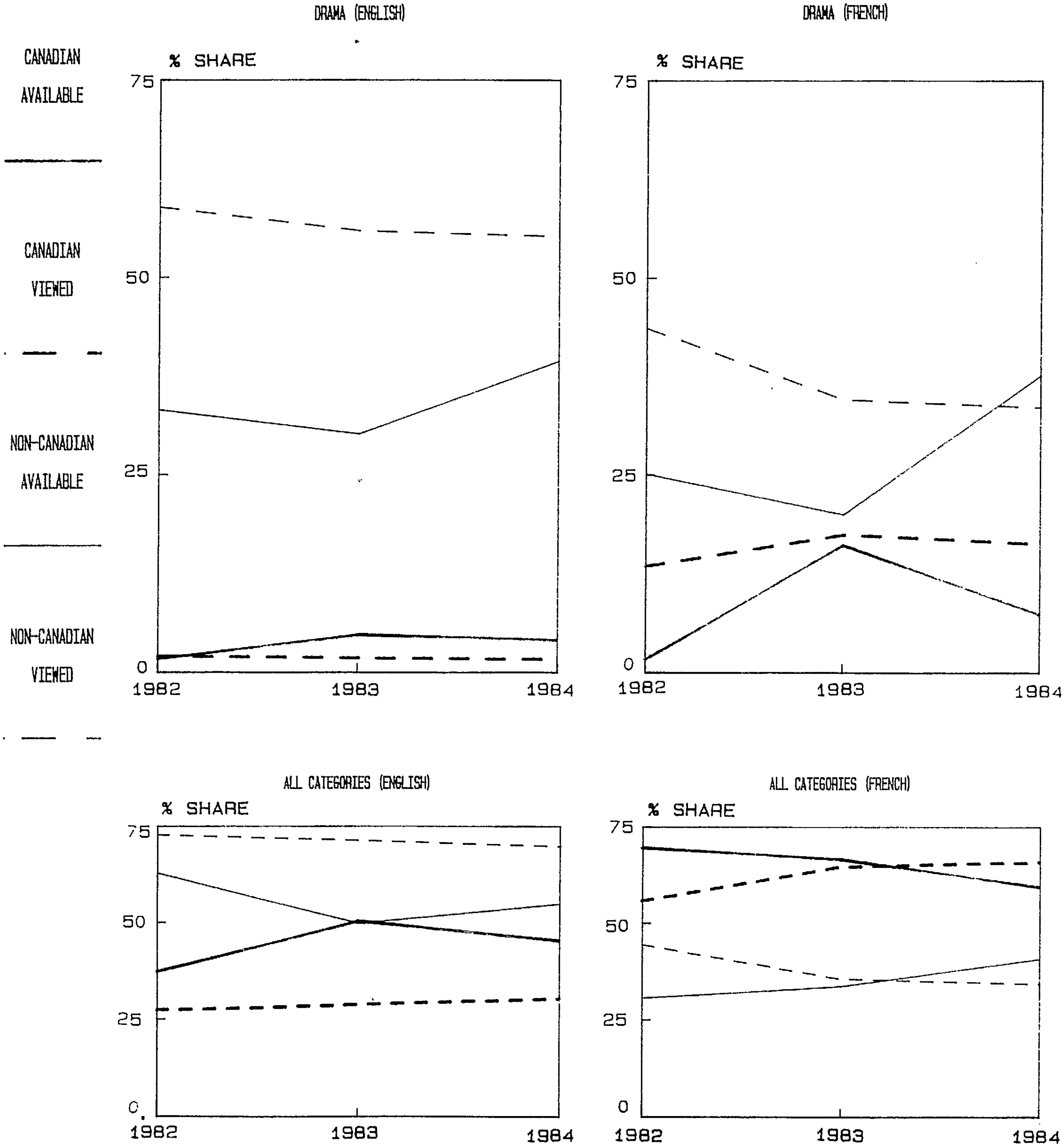

NEWS (ENGLISH)
NEWS (FRENCH)
VARIETY (ENGLISH)
VARIETY (FRENCH)
SPORTS (ENGLISH)
SPORTS (FRENCH)
% SHARE
40
30
20
10
0
1982
1983
1984
CANADIAN AVAILABLE
CANADIAN VIEWED
NON-CANADIAN AVAILABLE
NON-CANADIAN VIEWED

Figure 18 (continued)



Source: Cultural Statistics Program, Prime-Time (7-11PM) Data

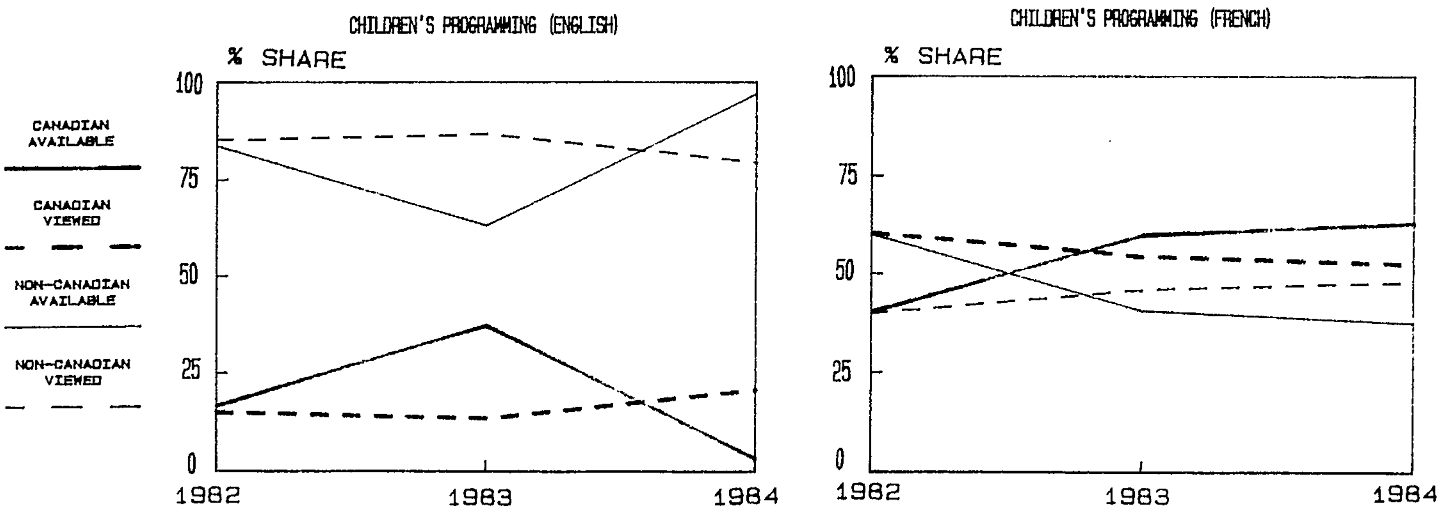
3.3 Children's Programming

The identification of the availability of programming for children and the viewing of programming by children requires a different statistical approach. (It will be recalled that children's programs is one of the categories eligible for assistance by the Canadian Broadcast Program Development Fund.)

Like the population as a whole, children view a wide range of program types, including news, drama, variety and sports. Therefore, in order to capture all viewing by children, age of the viewer becomes the sole factor. Within the available data, we have identified viewing by children aged two to eleven. As a definition, if viewers aged 2-11 comprise 50% or more of the total audience, then the program is deemed to be a children's program.

The Cultural Statistics Program's 1984 full day data reveal that in English Canada, Canadian-produced children's programming represents 2.9% of the available children's programing but captures 20.5% of the viewing. In French Canada, Canadian-produced programming represents 62.6% of the available children's programming, but attracts only 52.1% of the viewing. Figure 19 illustrates the three-year trend.

Figure 19



Source: Cultural Statistics Program, Full Day Data

3.4 Language of Broadcast

It is of cultural importance to distinguish viewing according to the language spoken in the home as well as the language in which the program is broadcast. The statistics in Figure 20 demonstrate that, in general, anglophones do not watch French-language television. Francophones residing in Quebec however, watch English-language programming 12.4% of the time and French-language programming 84.1% of the time. For Francophones residing in other provinces, the proportion of time spent watching French-language programming falls to 28.4%.

Figure 20

BROADCASTING LANGUAGE VS. HOME LANGUAGE - 1984 TELEVISION VIEWING

NATIONAL DISTRIBUTION

LANGUAGE SPOKEN IN HOME	LANGUAGE OF BROADCAST ENGLISH %	FRENCH %	OTHER %	TOTAL %
Unknown	2.29	0.37	0.21	2.87
English	63.80	0.49	5.47	69.76
French	4.21	19.23	0.99	24.43
Other	2.60	0.10	0.24	2.94
Total	72.90	20.19	6.91	100.00

QUEBEC

LANGUAGE SPOKEN IN HOME	LANGUAGE OF BROADCAST ENGLISH %	FRENCH %	OTHER %	TOTAL %
Unknown	0.35	1.30	0.06	1.71
English	11.03	0.61	1.04	12.68
French	10.35	70.24	2.98	83.57
Other	1.62	0.32	0.10	2.04
Total	23.35	72.47	4.18	100.00

OTHER PROVINCES

LANGUAGE SPOKEN IN HOME	LANGUAGE OF BROADCAST ENGLISH %	FRENCH %	OTHER %	TOTAL %
Unknown	2.99	0.04	0.27	3.30
English	82.78	0.44	7.05	90.27
French	2.00	0.90	0.27	3.17
Other	2.95	0.02	0.29	3.26
Total	90.72	1.40	7.88	100.00

Source: Cultural Statistics Program, Fall 1984 Full Day Data

B. Radio

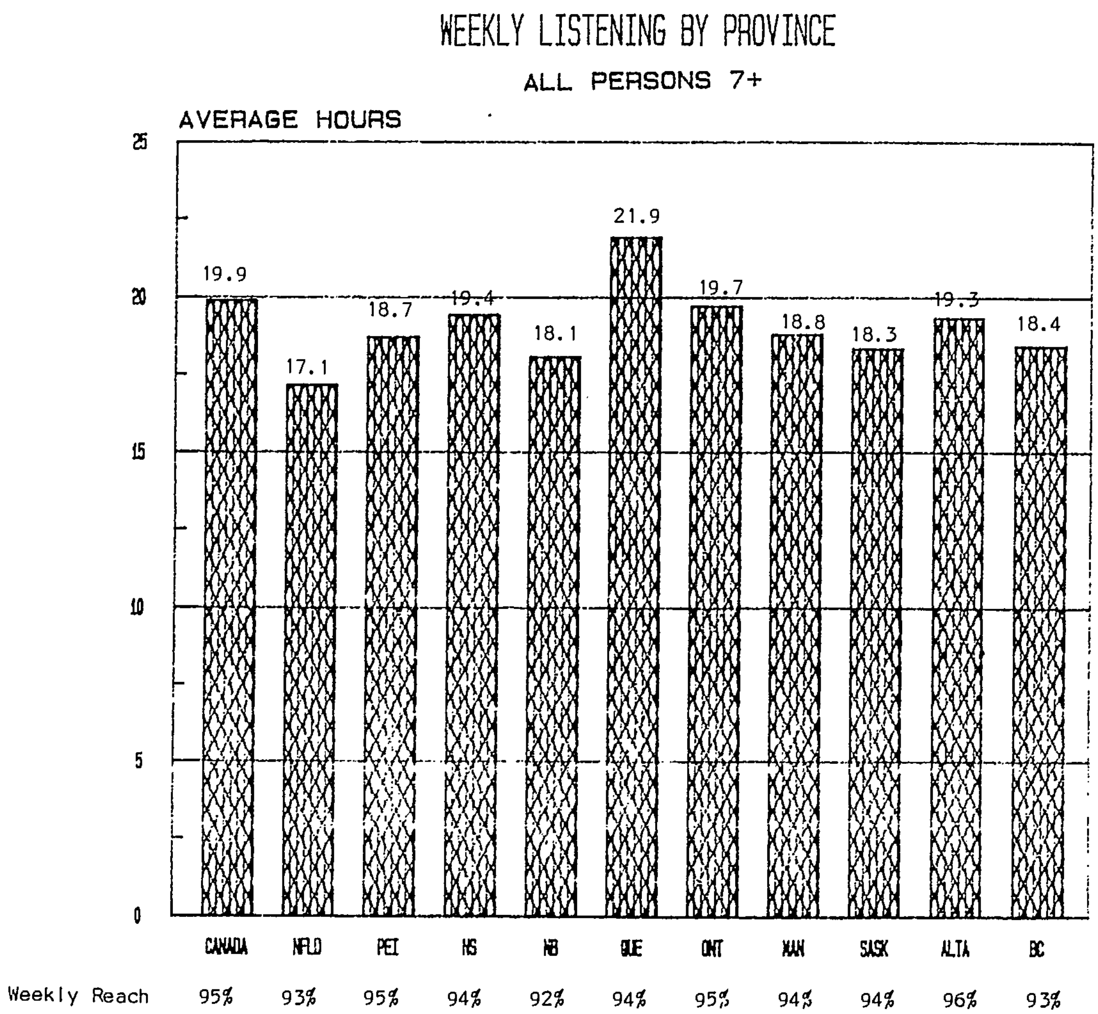
1. General Radio Listening Patterns

During the Fall 1984 BBM radio survey, 95% of Canadians reported listening to radio for a minimum of one quarter hour per week. In terms of hours, Canadians listen to radio for an average of 19.9 hours per capita per week (Figure 21).

The time spent listening to the radio varies by age group and sex. Women 50-59 spend more time with radio than any other demographic group.

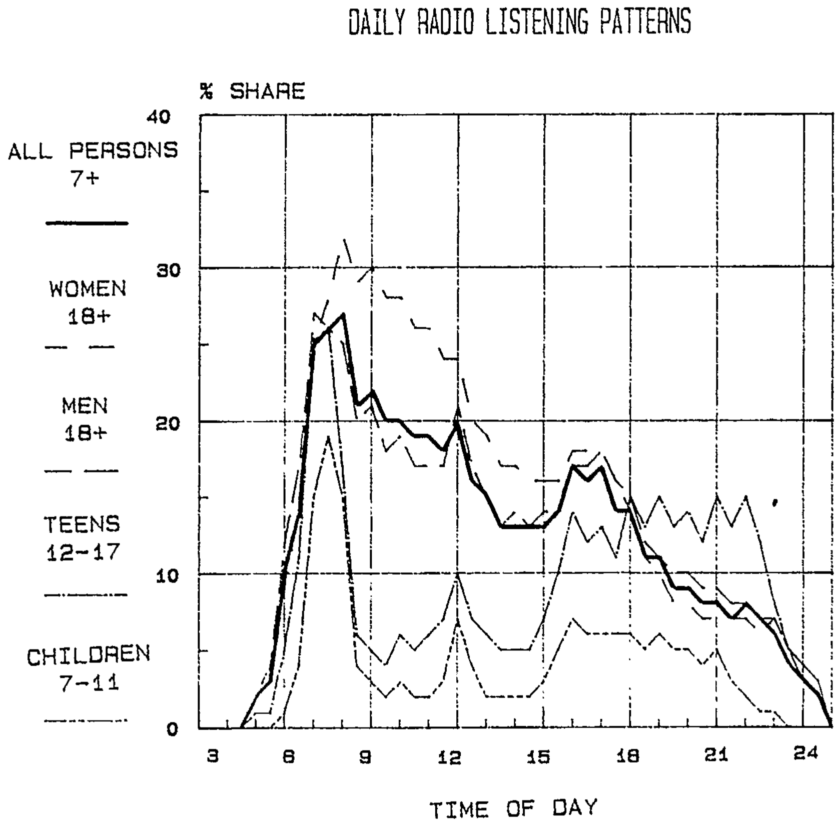
Figure 22 illustrates the fluctuations in listening levels over the course of a day, based on the Fall 1984 BBM survey. The morning drive period (7:00am to 9:00am) is the prime time for radio.

Figure 21



Source: 1984 BBM Fall Radio Survey

Figure 22



Source:
1984 BBM
Fall Radio
Survey

2. AM/FM Share of Total Listening Hours

FM's share of listening hours has been increasing. Since 1977, FM stations have more than doubled their listening share, at the expense of AM stations (Figure 24). Figure 23 gives the share of the total listening hours by age group.

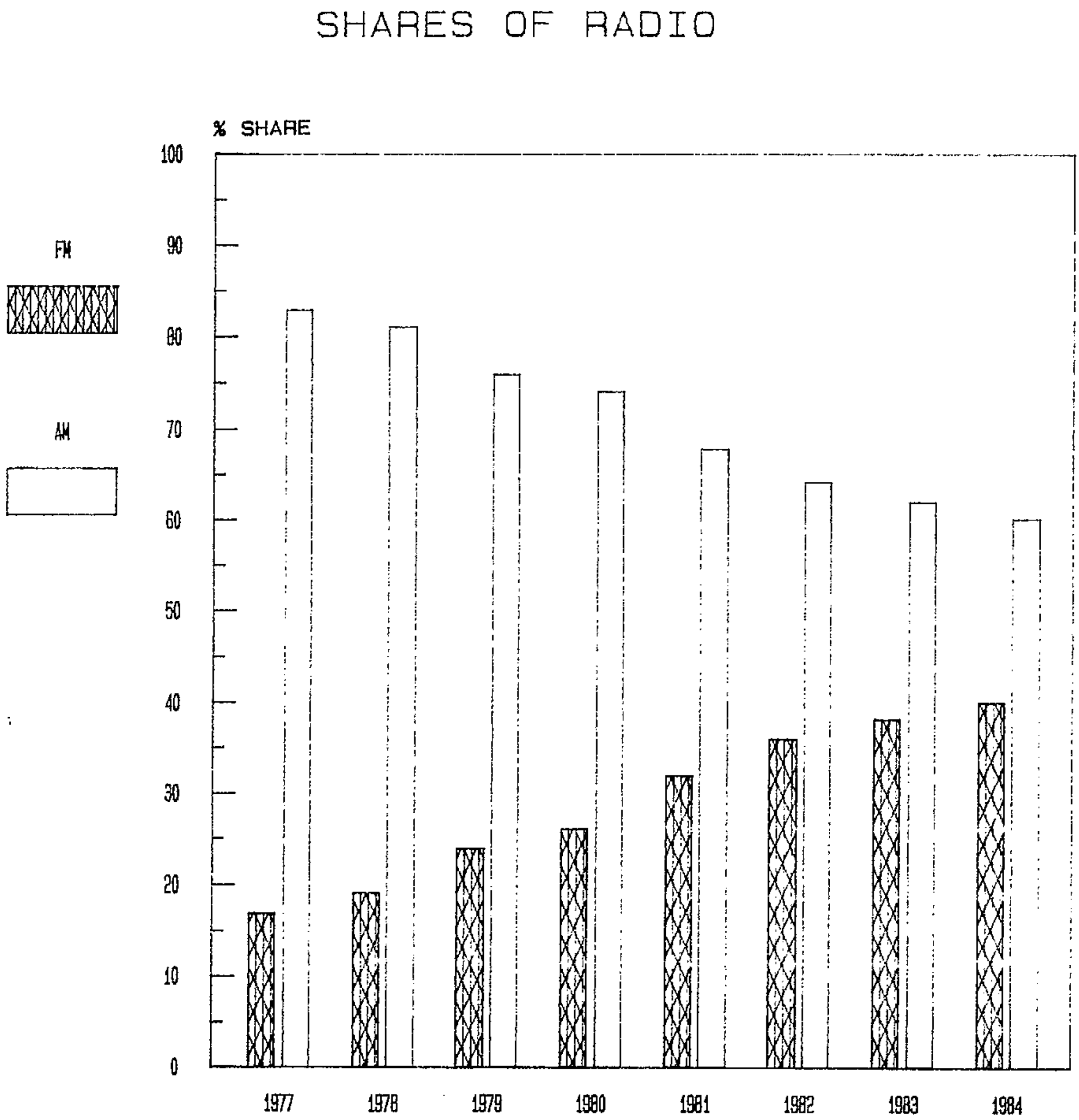
Figure 23

AM/FM SHARE OF TOTAL LISTENING HOURS

	FM	AM
All Persons 2+	40%	60%
Men 18+	42%	58%
Women 18+	37%	63%
Teens 12-17	42%	58%
Children 7-11	32%	68%

Source: 1984 BBM Fall Radio Survey

Figure 24



Source: BBM Fall Radio Survey

IV. DISCRETIONARY TELEVISION SERVICES

Discretionary television services were first offered to the Canadian public via cable television in February, 1983. In the spring of 1985, the following discretionary services were available:

Canadian Services	U.S. Services
First Choice*Superchannel	Arts and Entertainment
Super Ecran	Nashville Network
MuchMusic	Cable News Network
The Sports Network	Financial News Network
World View	Country Music
Telelatino	The Learning Channel
Chinavision	The Weather Channel

Discretionary television services are retailed by cable television operators under various packages. Most cable companies have offered a combination of services at reduced rates compared to that for a single service. The most popular has been the "three-pack" consisting of a movie channel and two Canadian specialty services at approximately $16 a month. The next most popular is one single service, which is usually a movie channel.

A separate report titled "The Discretionary Services" is regularly produced by this division and gives more detailed information regarding the subscriptions to these services.

Compared to regular television, the viewing levels of the discretionary services remain very low. In the spring of 1985, 6.5% of all Canadians tuned in to one or more of these services, compared to 4.4% reported a year earlier. The viewer of these services watched an average of 5.7 hours a week. The total viewing share of discretionary services compared to the viewing of all available channels was 1.4% in the 1985 Spring BBM Survey (Figure 25.)

Figure 25

VIEWING OF DISCRETIONARY TELEVISION SERVICES

	% REACH	% SHARE	AVERAGE HRS/WK
Fall/83	4.6	0.9	4.9
Winter/84	4.9	1.0	4.8
Spring/84	4.4	0.9	4.6
Summer/84	3.6	1.1	4.9
Fall/84	5.6	1.4	5.8
Winter/85	6.0	1.1	4.8
Spring/85	6.5	1.4	5.7

Source: 1985 BBM Spring Survey

Canadian discretionary services were watched by 5.6% of Canadians 2+ for at least one quarter hour or longer during the weeks of the BBM 1984 Fall survey. The figure for U.S. services stood at 1.8%. The provincial reach and shares are shown in Figure 26.

Figure 26

PROVINCIAL REACH AND SHARES OF DISCRETIONARY SERVICES

	CANADIAN SERVICES		U.S. SERVICES	
PROVINCE	REACH %	% SHARE OF HOURS	REACH %	% SHARE OF HOURS
Newfoundland	4.2	1.0	0.2	-
Prince Edward Island	1.6	0.2	1.2	1.3
Nova Scotia	2.9	0.7	0.8	0.2
New Brunswick	3.1	0.9	0.9	0.4
Quebec	4.0	1.2	0.1	-
Ontario	6.9	1.7	1.3	0.2
Manitoba	1.4	0.3	1.9	1.2
Saskatchewan	5.4	1.0	4.1	1.9
Alberta	8.1	1.4	3.1	0.7
British Columbia	7.0	1.9	6.1	1.9

Source: 1984 BBM Fall TV Survey

Financial data for discretionary services are not available, in that neither Statistics Canada nor the CRTC require it to be filed.