

# Campus and Community Radio in the Communications Monitoring Report 2016

## INTRODUCTION

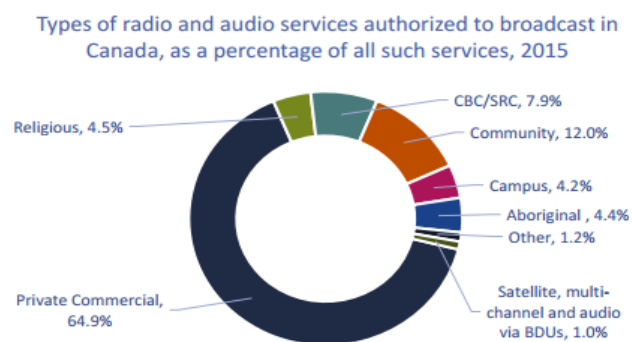
The CRTC's 2016 Communications Monitoring Report<sup>1</sup> revealed some key information about subjects that are relevant to the campus and community radio sector. One element highlighted is the increasing number of stations. The report says, “*Private commercial radio stations account for almost two thirds of all the audio services in Canada, while community stations, the second most numerous type of audio service, represented 12% of all audio services in 2015.*”<sup>2</sup>

## SECTOR GROWTH

In 2015, community radio stations were the second most numerous type of audio service in Canada after private commercial stations and represented 12% of the broadcasting sector. There are around 1/3 as many campus stations: about the same proportion as Aboriginal and religious stations<sup>3</sup>. Figure 4.1.3 illustrates the relative percentage of each kind of broadcasting service in Canada. Last year, the number of community radio broadcasters increased by 9.4%, compared to a 0.69% increase of commercial radio broadcasters (AM+FM). This reflects a 5 year trend. Since 2011, there has been a 31% increase in the number of community radio broadcasters, with only an 8.8% increase of commercial radio broadcasters. The annual growth rate of community stations was also between 4% – 9% over the past five years, with the commercial stations only growing between 0.69% and 2.8%.

This trend shows that communities are pressing for more representation of local voices and creating outlets in their areas to address that need<sup>4</sup>.

Figure 4.1.13 Types of radio and audio services authorized to broadcast in Canada, as a percentage of all such services, 2015



Source: CRTC data collection

*In 2015, private commercial radio stations accounted for almost two-thirds of the total number of stations licensed for broadcast in Canada.*

<sup>1</sup> Compiled annually based on data from annual returns submitted by licensed stations.

<sup>2</sup> Pg 105. Canada. Canadian Radio-television and Telecommunications Commission (CRTC). Communications Monitoring Report CMR, 2016. <http://www.crtc.gc.ca/eng/publications/reports/PolicyMonitoring/2016/cmr.pdf>

<sup>3</sup> Figure 4.1.3. *ibid*

<sup>4</sup> Pg 106 *ibid*

Table 4.1.7<sup>5</sup> compares the number of licenses issued by the Commission in 2014 and 2015. Across the entire broadcasting sector, here we can see the increase in licenses for the community broadcasters compared to all other broadcasters.

Table 4.1.7 Number and type of radio and audio services authorized to broadcast in Canada, by language of broadcast

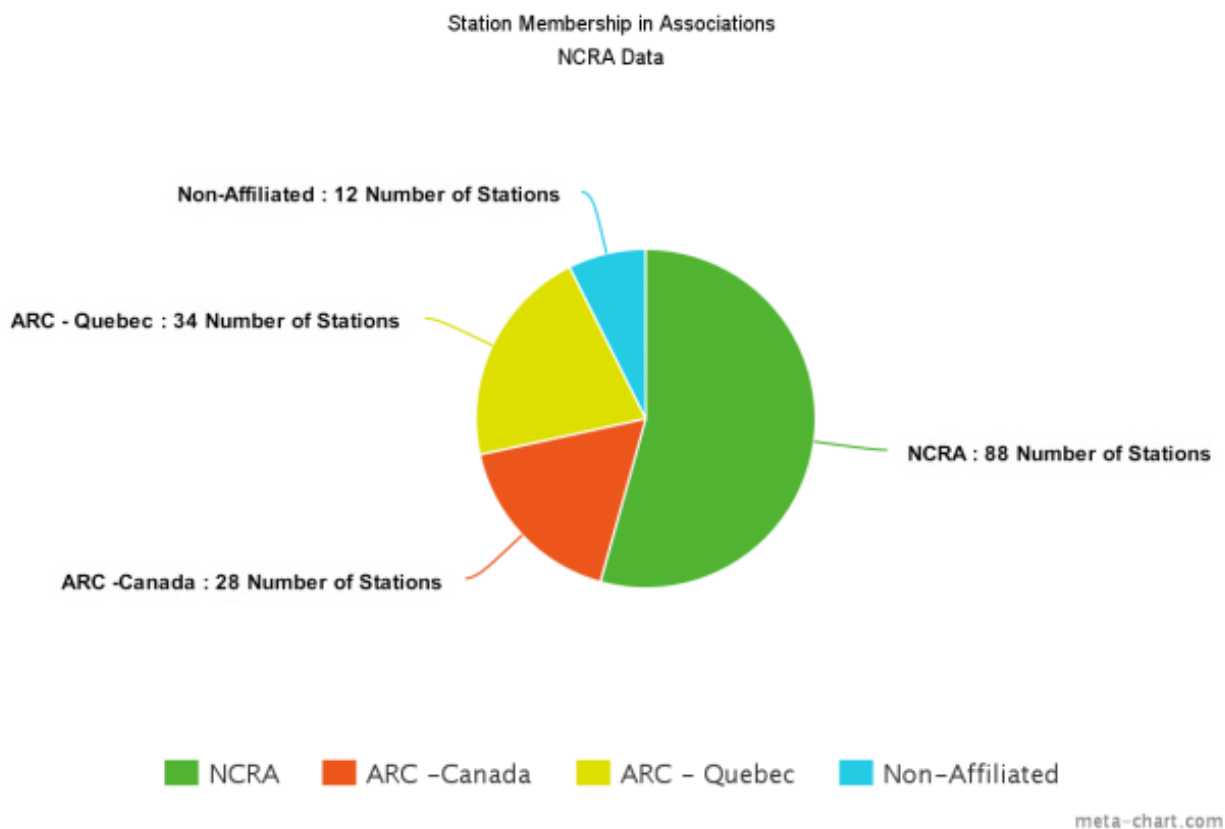
Type of station	English-language		French-language		Third-language		All languages	
	2014	2015	2014	2015	2014	2015	2014	2015
<b>CBC Radio One / ICI Radio-Canada Première</b>	39	39	21	21	0	0	60	60
<b>CBC Radio 2 / ICI Musique</b>	14	14	14	14	0	0	28	28
<b>CBC Radio network licences</b>	2	2	2	2	0	0	4	4
<b>Private commercial AM stations</b>	107	106	9	9	12	14	128	129
<b>Private commercial FM stations</b>	482	482	92	93	16	19	590	594
<b>Private commercial AM and FM network licences</b>	0	0	1	1	0	0	1	1
<b>Religious (music and spoken word)</b>	39	44	5	5	1	1	45	50
<b>Community</b>	51	58	65	67	1	3	117	128
<b>Community Developmental</b>	6	5	1	1	0	0	7	6
<b>Campus Community-based</b>	42	42	6	5	0	0	48	47
<b>Campus Instructional</b>	8	0	0	0	0	0	8	0
<b>Aboriginal stations</b>	41	41	5	5	3	3	49	49
<b>Other (tourist/traffic, etc.)</b>	9	11	1	2	0	0	10	13
<b>Total number of over-the-air Canadian radio services</b>	840	844	222	225	33	40	1,095	1,109
<b>Satellite subscription radio service</b>	2	2	0	0	0	0	2	2
<b>Specialty audio (commercial / non-profit, regional/national)</b>	4	2	0	0	5	5	9	7
<b>Pay audio</b>	0	0	0	0	1	2	1	2
<b>Total number of Canadian radio and audio services</b>	846	848	222	225	39	47	1,107	1,120

Source: CRTC internal database

<sup>5</sup> Pg 105 ibid

From the information in The Communications Monitoring report, and the NCRA’s internal data we can calculate that’s that 88 licensed campus and community radio stations that are NCRA/ANREC members filed annual returns, representing around 54% of all stations in the sector. When combined with the ARCs (the two associations representing French licensed stations), the number of licensed stations in Canada represented by an association is roughly 92.5% of stations filling annual returns. Table 1<sup>6</sup> represents the relative proportions of c/c stations belonging to each association and those not affiliated with an association based on stations that filed annual returns.

**NCRA/ANREC Members** - Campus and community radio is increasingly being recognized as an essential service for communities that are isolated and are losing other forms of media and news coverage. Often a community radio station is the only locally-based station serving a specific area, and is therefore able to fill a void when commercial stations and the CBC do not provide broadcast content relevant to the community.



<sup>6</sup> NCRA Internal Data on membership & Sector research notes.

## ADVERTISING TREND

The CRTC also examined the breakdown of revenues in the sector in their report. Their findings are illustrated in Table 4.1.6.<sup>7</sup> Although community advertising appears to have recovered from a two year dip, it is still below the 5 year average of sales by 1.6%. What is also concerning is that advertising, which has decreased, has also become an increasing share of the revenues generated for community stations, growing from 49.3% to 53.6%. This highlights the increasing importance of advertising to stations' viability.

Table 4.1.6 Financial summary (\$ thousands) of native, community, and campus radio stations

Type of station	Metric	2011	2012	2013	2014	2015
Native stations <sup>5</sup>	Number of stations reporting	34	33	35	30	25
	Advertising revenues	5,820	5,397	4,429	3,984	4,308
	Other revenues	12,450	10,772	10,859	8,731	8,850
	<b>Total revenues</b>	<b>18,270</b>	<b>16,168</b>	<b>15,289</b>	<b>12,715</b>	<b>13,157</b>
	Advertising as a percent of total revenues (%)	68.1	66.6	71.0	68.7	67.3
	PBIT margin (%)	0.5	-4.7	-16.1	11.2	1.1
Community radio stations	Number of stations reporting	107	108	112	112	114
	Advertising revenues	14,662	14,079	13,861	13,596	14,420
	Other revenues	14,273	13,337	15,356	14,781	16,652
	<b>Total revenues</b>	<b>28,935</b>	<b>27,416</b>	<b>29,217</b>	<b>28,377</b>	<b>31,072</b>
	Advertising as a percent of total revenues (%)	49.3	48.6	52.6	52.1	53.6
	PBIT margin (%)	10.7	3.1	8.0	4.6	6.1
Campus radio stations	Number of stations reporting	40	42	43	46	48
	Advertising revenues	1,464	2,348	2,106	2,604	2,238
	Other revenues	7,689	9,050	9,870	10,085	10,383
	<b>Total revenues</b>	<b>9,153</b>	<b>11,398</b>	<b>11,976</b>	<b>12,689</b>	<b>12,621</b>
	Advertising as a percent of total revenues (%)	84.0	79.4	82.4	79.5	82.3
	PBIT margin (%)	22.4	11.9	8.9	8.5	5.1

Source: CRTC data collection

*This table shows the number of stations reporting revenues and PBIT margins (PBIT divided by total revenues) for radio stations operating in the context of the Native Broadcasting Policy, as well as community and campus stations from 2011 to 2015.*

**NCRA/ANREC Advertising** – The developments within our association reflect the increased emphasis on advertising seen across the broadcasting sector last year. In 2015, the NCRA/ANREC launched its National Advertising Program and hired National Coordinator Francella Fiallos to develop the project from August 2015 to March 2016. The project does not currently have the capacity to support an ongoing dedicated staff member, but it has nonetheless seen some success. It has generated approximately \$20,000 in advertising to date and there are about 45 members currently registered to receive advertising opportunities.

<sup>7</sup> pg 99. Canada. Canadian Radio-television and Telecommunications Commission (CRTC). Communications Monitoring Report CMR, 2016. <http://www.crtc.gc.ca/eng/publications/reports/PolicyMonitoring/2016/cmr.pdf>

## CCD CONTRIBUTIONS & COMMUNITY RADIO FUND OF CANADA

Unlike most organizations receiving Canadian Content Development (CCD) contributions, the Community Radio Fund of Canada (CRFC) was one of only two to not see a decrease in contributions, showing instead a 1.1% increase, in the following paragraph we explore why. Table 4.1.19<sup>8</sup> illustrates the point above.

Table 4.1.19 Summary of annual CCD contributions reported by radio station licensees (\$ thousands)

CCD category	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	Growth (%) 2013-14 to 2014-15	CAGR (%) 2010-11 to 2014-15
<b>FACTOR</b>	10,755	10,545	12,022	13,982	10,090	-27.8	-1.6
<b>MUSICACTION</b>	1,930	2,538	2,426	3,596	3,461	-3.7	15.7
<b>CRFC</b>	346	1,509	1,722	2,922	2,954	1.1	71.0
<b>Music Industry Association</b>	4,360	3,754	4,334	3,168	3,591	13.4	-4.7
<b>Local music initiatives</b>	10,833	13,777	10,538	10,731	10,552	-1.7	-0.7
<b>New spoken word content</b>	1,340	943	253	292	75	-74.3	-51.3
<b>Audio content initiatives</b>	135	135	531	968	638	-34.1	47.5
<b>Schools and educational institutions</b>	2,700	2,383	1,430	1,818	1,405	-22.7	-15.1
<b>Radio Starmaker Fund/Fonds   RadioStar</b>	10,783	11,783	10,985	15,902	9,479	-40.4	-3.2
<b>Other eligible CCD initiatives</b>	10,815	7,713	8,114	6,190	5,507	-11.0	-15.5
<b>Total</b>	<b>53,996</b>	<b>55,080</b>	<b>52,356</b>	<b>59,567</b>	<b>47,753</b>	<b>-19.8</b>	<b>-3.0</b>

Source: CRTC data collection

*Contributions are based on annual payments reported by licensees for the broadcast year (i.e., 1 September to 31 August). Contributions include those made under both the CCD and the former Canadian talent development regimes. Figures for the 2012-2013 broadcast year include contributions made by pay audio undertakings. The contributions made by satellite radio services have been split between the first licence term and the licence renewal sections (25% and 75%, respectively), based on a licence renewal date of 1 December.*

Additional information explaining CCD is quoted below:

*“In the 2014-2015 broadcast year, commercial radio operators contributed 3 cents per revenue dollar to support Canadian Content Development (CCD). Collectively, they contributed nearly \$48 million to the development of Canadian content, a decrease of 28% over the previous period.”<sup>9</sup>*

**NCRA/ANREC and CCD** – The NCRA/ANREC receives funding from the Community Radio Fund of Canada (CRFC), but does not receive any additional CCD funding. This is an area we look to grow. The percentage of CRFC grant recipients that are NCRA/ANREC members is around 40%, which is lower than the percentage of NCRA/ANREC member stations in the sector (54%). This means that either some NCRA/ANREC member stations’ applications are not being approved for funding, or that fewer NCRA/ANREC member stations are applying for CRFC funding than non-NCRA/ANREC members.

<sup>8</sup> Pg 120 ibid.

<sup>9</sup> Pg 117 ibid

## ONLINE RADIO

In regard to online radio streaming the report notes: “*Canadians are increasingly using a range of audio content services in addition to over-the-air radio. According to the Media Technology Monitor (MTM), 23% of Canadians (18+) stream AM/FM radio online..., an increase of 3% over 2014...*”<sup>10</sup> This demonstrates to the NCRA the increasing importance of online radio, and online streams of AM/FM broadcasters.<sup>11</sup>

**NCRA/ANREC Streaming** – More and more of our members are using podcasts and on-demand archives, and connecting with various mobile and internet-friendly services to provide programming outside of AM/FM. More listeners prefer this format to listen to content, as listeners have reduced their real-time listening hours.

## CONCLUSION

The Communications Monitoring Report provides the NCRA/ANREC and its members with information about our sector, and which we hope will assist in our ongoing work, regulatory compliance and in our lobbying to support our sector. Having more information about our sector is valuable because it can contribute to Canadian Heritage’s review of Canadian culture and can be used to support future changes in broadcast policies and the broadcasting sector that the NCRA/ANREC may wish to propose.

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<sup>10</sup> Pg 92 ibid

<sup>11</sup> ibid