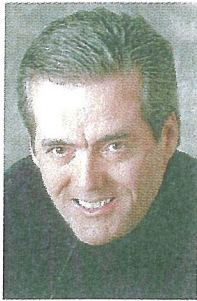


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Broadcasters' profit is good news for entire industry

by Glenn O'Farrell

ACTRA, the national union of English-language performers, has recently decried the fact that this year, overall, Canadian broadcasters are profitable.



ACTRA's criticism is quite puzzling given that private broadcasters' profits speak to the health of the entire system.

Indeed, private broadcasters' performance should be lauded because profitable and strong private broadcasters are better positioned to partner with Canadian producers to focus on developing and airing Canadian drama that Canadians want to watch.

A critical fact that seems to have been omitted from ACTRA's analysis is the reality that as private broadcasters' profits have gone up, so too have expenditures on Canadian drama. Private broadcasters spent \$117.9 million in 2003 on the Canadian dramatic genre alone, a 20% increase from 2002.

Going back to basics, it's important to understand the nature of the broadcasting business: broadcasters live and die by their audiences. Profitability means that Canadians are watching Canadian television. And with advertising as the primary revenue generator for private broadcasters, Canadians watching Canadian television is good business.

Canadian private broadcasters are, without a doubt, the most popular window for Canadian programming and the primary vehicle for telling Canadian stories.

The CAB's recent submission to the CRTC's drama proceeding confirms that private broadcasters want to focus their efforts and energies on building Canadian audiences for homegrown dramatic programming. An audience-focused approach, as outlined in the CAB's submission, is the best way to ensure continued growth. It will encourage Canadian drama where it is needed, in areas like development, promotion and exhibition.

Given the right conditions, namely long-term renewal of the CTF coupled with stable funding and an action plan for continued public support, private broadcasters have commit-

ted to raising the audience share for Canadian English-language drama from 11% today to 15% in five years. This would be a huge win for Canadian drama programming and a huge win for audiences. Canadians expect this kind of accountability in a commitment to public investment in collaboration with the broadcasting and production industries.

Private broadcasters hope that the following view is shared: Canadian drama cannot win if the various parties in the system are engaged in a turf war with one another. We need to focus on solutions that put Canadians first and take audiences into account. An incentive-based approach works best when private broadcasters and the creative community partner together.

Given the size of the Canadian marketplace, it is almost impossible to turn a profit on Canadian drama. Simply put, English-language Canadian drama is not market sustainable. In the CAB's submission to the CRTC on dramatic programming, it was pointed out that Canadian broadcasters can expect to lose upwards of \$100,000 per hour on Canadian English-language drama compared to an average \$275,000 per hour gain on a U.S. drama series. Even in French-Canada, where Canadian drama is the overwhelming choice among its audiences, market sustainability remains a concern.

To close the gap between the profitability of Canadian drama and foreign programming, an audience building strategy, along with an

action plan from the government to reduce the funding gap, is urgently needed.

It is shortsighted to blame the CRTC's 1999 Television policy for the lack of market sustainability of Canadian drama. The 1999 policy provides flexibility to air various genres of Canadian content, which can build audiences and therefore allow for cross-promotion of the less sustainable dramatic genre.

The CAB has maintained that solutions are attainable and within our reach. A first step is to bring broadcasters, producers, actors and the government together to work on building audiences.

A second step is for the government to ensure long-term, stable funding to mechanisms such as the CTF. The government needs to address the disconnect between government's cultural objectives, the regulatory requirements imposed by the CRTC and the resources available to develop Canadian programming.

The final step is the adoption of an incentive-based approach to regulation by the CRTC, one that focuses on audiences.

A strong private broadcasting industry is the way to provide Canadians with the best programming. Putting Canadians first must be our shared objective. Private broadcasters are committed to attaining this goal.

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