



PROPOSAL FOR
**COMMUNITY RADIO
INITIATIVE**

THE COMMUNITY RADIO
FUND OF CANADA

Overview

We are at a crisis point in broadcasting, and in society. Canadians are increasingly losing access to local media.

This is happening at a time when we need local connection more than ever. Local news is trusted because the stations, hosts, and journalists are part of the community.

Since 2008, more than 511 news outlets have closed in more than 342 communities.

Meta and Google have launched an attack against local media while others are actively spreading disinformation. Canadian stories are being lost because in many places there are no local media outlets left. The impact is that Canadians are left without access to reliable local news.

Canadians living outside major centres have fewer *local* media to turn to so they have nowhere to go but social media. Community broadcasters are a critical, inexpensive, and effective solution and with reliable and stable support they will be able to thrive.

Community Radio

There are more than **235** CRTC-licensed community and campus radio stations including **54** licensed Indigenous stations in Canada. They are all incorporated as not-for-profit organizations and are each guided by a locally elected community board of directors.

The limited data we can access shows more than **2.4 million** Canadians tune in regularly.

30% of our population or **10.3 million** Canadians live outside a major centre and, for many, their only source of trustworthy news and information is community and Indigenous radio.

At a time when private broadcasters are lobbying to play fewer Canadian artists and less Canadian content, community radio stations regularly exceed the required 35% Canadian content requirements, in many cases exceeding 50%. Emerging Canadian artists continue to get their first spins almost exclusively on community radio.

While many stations operate in English there are 71 stations who operate in French, 30 of them serving Official Language Minority Communities (OLMC) across Canada. Local stations also broadcast programming in more than 65 languages, including more than 15 Indigenous languages. Canadians who speak languages other than English and French hear their language and connect with their communities via these broadcasts.

During times of emergency such as a pandemic, flooding, or wildfires, community radio stations are often the only ones providing locally relevant survival information in real-time.

Community, Indigenous, and campus stations are at the heart of their communities.



Current Funding Model

Unlike private broadcasters who receive millions of dollars in tax breaks (community stations are all not for profit and thus cannot benefit from tax exemption), or CBC Radio which receives more than \$450M in Federal operating funding, community, campus, and indigenous (South of the Hamelin line) broadcasters get no consistent financial support from the Government of Canada.

Community and campus broadcasters are able to access project-based funding from the CRFC through licensing fees paid by commercial broadcasters through **Canadian Content Development (CCD)**. The CRFC is only able to fund up to 25% (between 35-45) of these stations for 12-month projects with a maximum budget of **\$35,000**. otherwise they are left to sell advertising in a world where Google and Meta are devouring local media advertising revenues. They also rely on fundraising but that too has been hampered by meta blocking our stations social media accounts, the pandemic and the current economic conditions that leave fewer disposable household dollars.

The Australian model.

- For the last 20 years, the government of Australia has provided stable operational funding for the community broadcasting sector. Last year more than **\$21 million** was allocated to community radio.
- This funding has served to support stations in governance and labour costs. It has provided support for local programming and news, and has had a material impact.
- Canada often looks to Australia as a leader in broadcasting legislation as we did with C-18.
- As a result of stable operational funding, there are more than twice as many community, Indigenous and campus stations in a country with 2/3 the population.

CCD funding was designed to be both predictable and stable, however as we see fewer transactions and reduced revenue, Tangible benefits are declining at an alarming rate. Based on our projections, the CRFC will need to use our reserve funds within the coming years and if nothing changes will cease to exist by the end of the decade.

Last year FACTOR and Musicaction, who rely heavily on community, Indigenous, and campus stations to launch up and coming artists, received **\$16.3 million** from CCD while community radio stations received **\$2.8 million**.

It should also be noted that only community and campus stations are eligible for CCD funding while Indigenous stations cannot access it through the CRFC. In the early stages of the CRTC's Indigenous broadcasting review a "What we Heard" report was completed. It was clear that Indigenous radio needs operational support.

As we attempt to balance the playing field in terms of those who contribute, we should also ensure recipients benefit in equal measure. As CCD swiftly disappears, it will need to be replaced by a new initiative funded by traditional and internet-based commercial broadcasters and tech giants that benefit from the services we provide.

Community Radio Initiative

The Community Radio Initiative (CRI) would distribute **\$24.2 million** annually which will provide critical support to all **235** licensed community, Indigenous, and campus radio stations.

With stable and consistent funding that can be directed towards staffing and skills development as well as content production and distribution, community broadcasters will be able to have an even greater impact on Canadians from coast to coast to coast. Due to their not-for-profit structure, every dollar they receive is reinvested in the community and their commitment to promoting local voices.

It will provide resources to develop the skills of staff and volunteer participants so that they are able to participate fully in community media. This funding will support the production and creation of musical as well local news and information content by and for diverse communities including Indigenous, Francophone, OLMC, racialized, immigrant, and rural communities.

It will, for the first time in Canadian history, ensure that all parts of our broadcasting system are adequately supported, that all radio stations are treated equally, and ensure that ALL Canadians benefit from trustworthy and consistent local news and information.

The *Community Radio Initiative* Addresses 3 Key Issues...

1 Staffing and Skills Development & Content Production and Distribution

2 Innovation

3 Data Collection

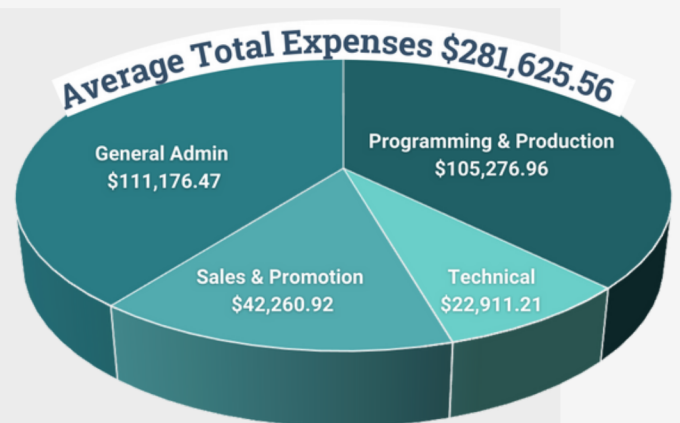
The support will be distributed by the Community Radio Fund of Canada which has a proven track record of successful funding programs, dealing with multi million dollar budgets, and successful collaborations with government departments.

Staffing and Skills Development & Content Production and Distribution

There is no operational (core) funding for these stations and this represents the single largest barrier to continued success and growth for **ALL** of the stations within our network.

The following data is an average derived from the applications of more than 100 stations who received federal COVID-19 relief funding.

This *Community Radio Initiative* would allocate an average of **\$90,000** per station to as many as **235 stations**. This includes the **180** licensed community and campus stations and the **55** Indigenous "Type B" stations across the country.





As part of the CRTC review of Indigenous broadcasters, respondents were asked about their biggest impediment to success and here is one example of what they heard:

“The importance of additional and sustainable funding was consistently identified as a key element to help remedy many of the issues mentioned throughout engagement sessions.”

Eligibility for this initiative would dictate that stations meet targets in line with the objectives as established in the definition of community radio broadcasting as set out in CRTC Campus and Community Radio Policy 2010-499 and the Native Broadcasting Policy 1990-89 / CRTC 2001-70. As well as the objectives as established in Bill C-11.

Under the COVID-19 distribution program, the CRFC scaled the amounts granted based on a number of factors including size and scope of operations. This program would be similarly structured so the **\$90,000** represents an average number and while this would not fully fund operations for any station, it would go a very long way towards creating stability and providing meaningful support for staff and skills development as well as content production and distribution.

This would amount to **\$21,150,000** annually.

Innovation Funding

The second element would be support to replace the declining CCD funding. We are asking for a total of **\$1.5 million** to ensure we are still able to provide project-specific annual grants for initiatives which go above and beyond daily operations. This is what our CCD funding does currently and it has enabled the creation of 463 significant initiatives. We recommend that this allocation either replace all CCD contributions as soon as the Community Radio Initiative is approved or the funding grows proportionally to supplement the forecasted decline in CCD contributions over time.

Data Collection

Our sector is notoriously light on quantitative data which puts all our stations at a disadvantage. Due to the prohibitive cost of audience measurement tools and a lack of a central data repository, much of what we know about the performance metrics for community stations is gathered through a limited number of stations who can afford audience measurement.

This funding would allow the CRFC to produce an annual report on the state of community broadcasting. It would provide sectoral data to interested parties such as our stations, Heritage Canada, and the CRTC. It would also help stations harmonize the data they are reporting to the CRTC so your data would be as accurate as possible.

This project would involve funding for an annual survey focussing on content, development, and diversity. It would involve the development of a database to record and track the evolution of these answers, and it would provide access to audience measurement through StatsRadio which measures digital and broadcast listeners at the same time.

We have an estimate of **\$525,000** to provide audience measurements for all 235 stations. Including administrative and operational costs, the project would cost approximately **\$625,000 annually**.





Conclusion

If we as a society are committed to Canadian programming and Canadian voices, there has never been a greater need for community and Indigenous broadcasters. At the same time, these stations have traditionally been underfunded and if nothing changes, the situation will get steadily worse.

The *Community Radio Initiative* will address that discrepancy for years to come.

If passed, Bill C-11 offers a unique opportunity to provide the necessary funding. Every penny invested in the *Community Radio Initiative* will go towards amplifying Canadian voices and promoting Canadian artists.

It will support the growth of Indigenous broadcasters.

It will support Francophone and minority language broadcasters.

It will connect immigrants to their communities and their voices.

It will train the next generation of Canadian Broadcasters.

It will make sure Canadians have access to reliable local news and information.

We have proposed a comprehensive funding structure which is in line with other sectors in the Canadian arts and broadcasting environment.

It is time to provide community broadcasters with the support they need to continue providing a critical service by protecting the Canadian voice.

Thank you for your consideration,



Alex Freedman

Executive Director, Community Radio Fund of Canada
