

# International Comparison of Public Funding for Public Service Broadcasting, 2016

## Final Report

Prepared for:

CBC/Radio-Canada

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# 1. Introduction

# Introduction

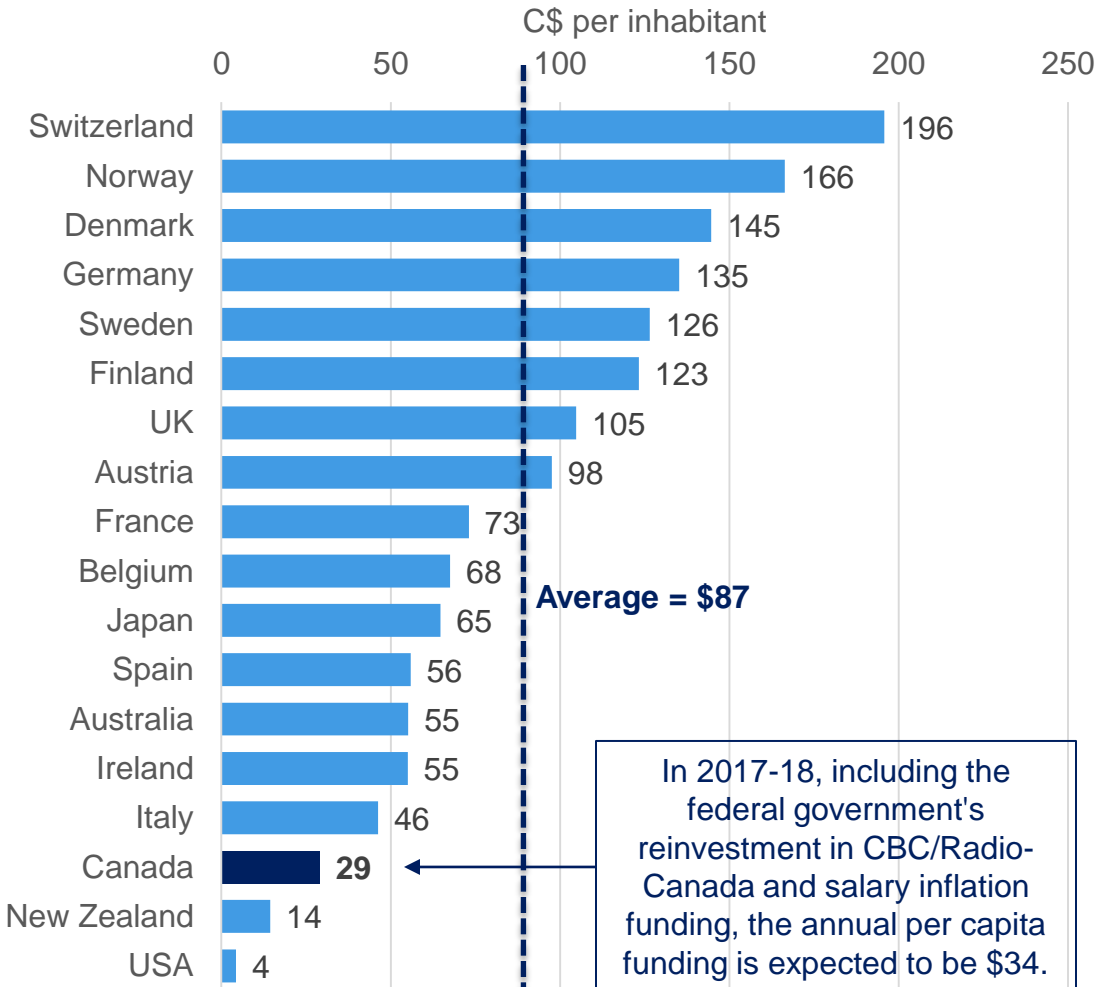
- The following study provides an analysis of the public funding for public service broadcasters (PSBs) in 18 Western countries. In particular, this study:
  - Updates the per capita public funding data for all countries.
  - Compares countries on the basis of public funding of PSBs as a **percentage of total government expenditures** (for all government services and programs).
  - Compares countries on the basis of government expenditures on **all culture**, including any expenditures on PSBs.
  - Examines what, if any, relationships exist between per capita PSB funding, PSB funding as a share of total government spending, and government spending on all culture.
  - Provides a **time-series** of the relative trends in the **Canadian federal government's economic support of culture** – through direct funding and industry regulation (which grants market protection).
- The study is largely based on data for either the 2016 calendar year or the fiscal year ending in 2016.

## 2. Country comparison and analysis

# Per capita public funding of PSBs

## Per capita public funding for public broadcasters, 2016 (C\$)†

- At \$29 per capita, Canada ranked 16<sup>th</sup> out of 18 Western countries in terms of per capita public funding for PSBs.



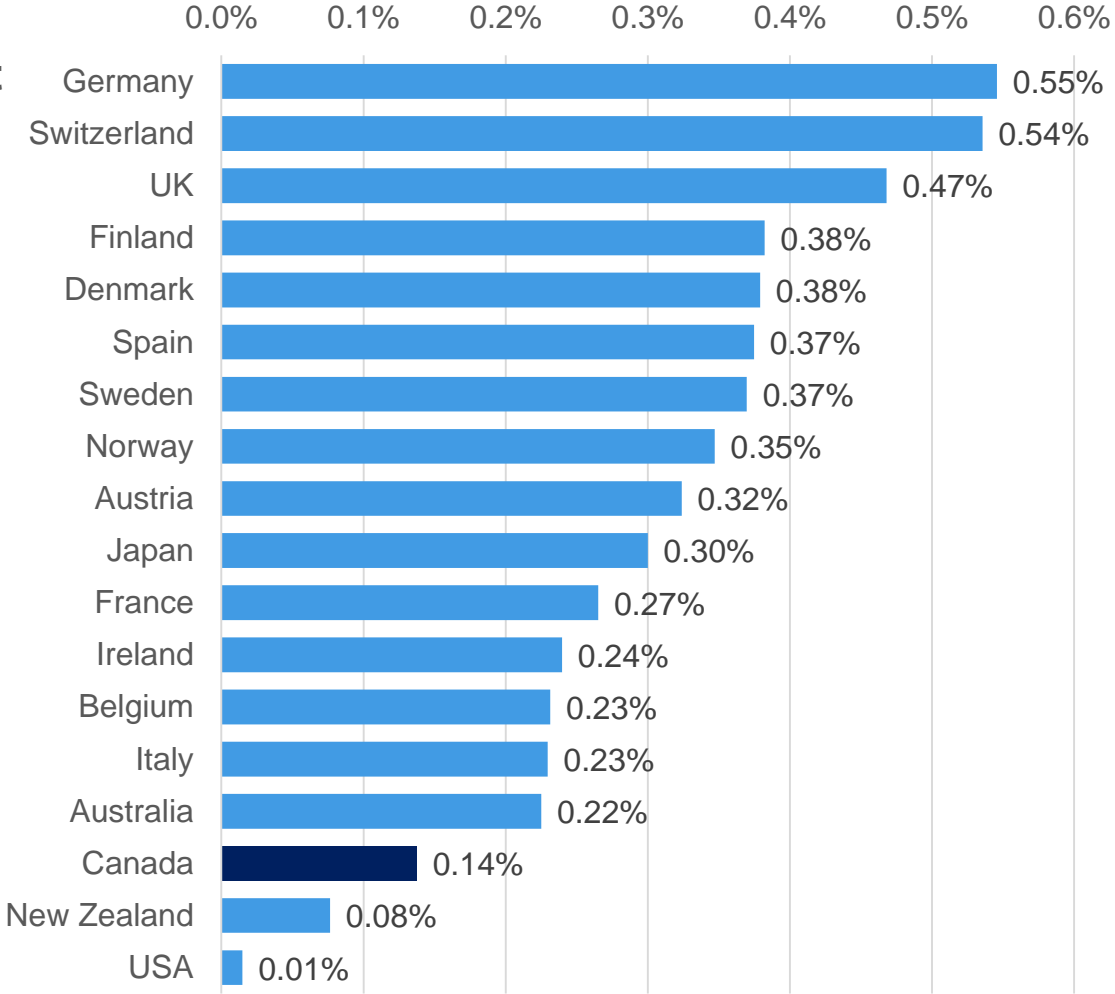
Source: Nordicity analysis of annual reports of public broadcasters; see Appendix for list of references additional detail.

† Excludes any commercial revenue earned by public broadcasters

# Public funding of PSBs in relation to total government spending

## Public funding of PSBs as a percentage of total government expenditures, 2016†

- PSB funding in Canada was equivalent to 0.14% of total government spending (including all levels of government – federal, provincial and local).
- Canada ranked 16<sup>th</sup> out of 18 countries.

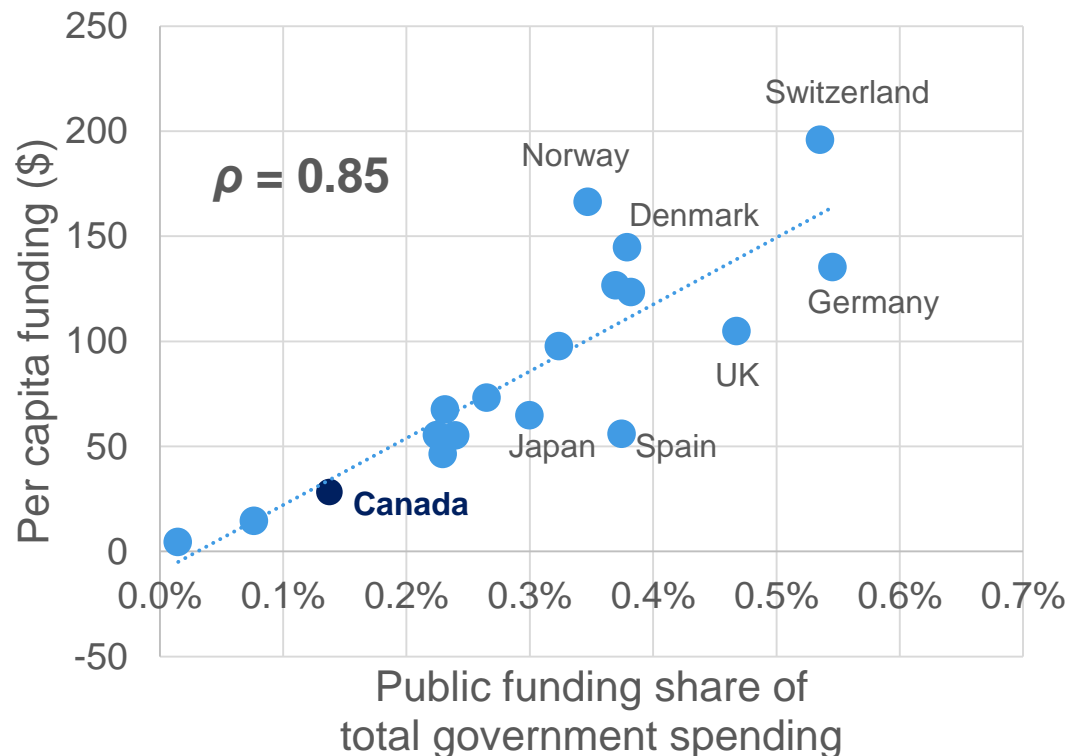


Source: Nordicity analysis of annual reports of public broadcasters, Eurostat, OECD and national statistical agencies; see Appendix for list of references additional detail.  
† Includes all levels of government

# Per capita vs. share of total government spending 2016

## Per capita vs. share of total government spending, 2016

- There is a strong correlation ( $\rho = 0.85$ ) between PSB public funding on per-capita and on a share-of-total-government-spending basis



Source: Nordicity analysis of annual reports of public broadcasters, Eurostat, OECD and national statistical agencies; see Appendix for list of references additional detail.

$\rho$  - Pearson correlation coefficient



# Per capita government spending on culture

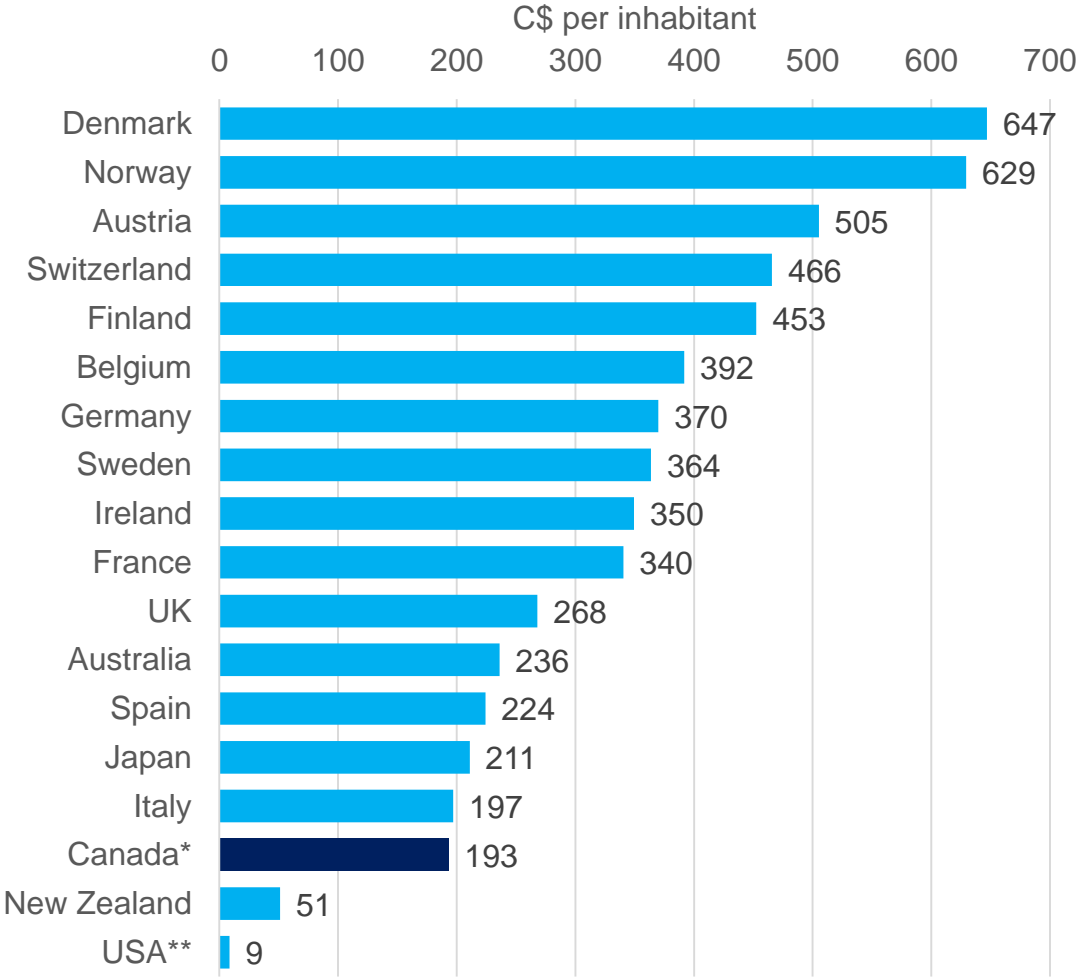
## Per capita government expenditure on culture (all programs), 2016 (C\$)

- Per capita government spending on all culture ranges from \$647 in Denmark to \$9\*\* in the USA.
- At \$193 per capita, Canada ranks 16<sup>th</sup> out of 18 countries.

Source: Nordicity analysis based on data from Eurostat OECD, national statistical agencies, public accounts (federal and provincial governments). See Appendix for list of references additional detail.

\* Includes expenditures of federal and provincial/territorial governments; excludes local governments

\*\* Federal government only



# Government spending on culture

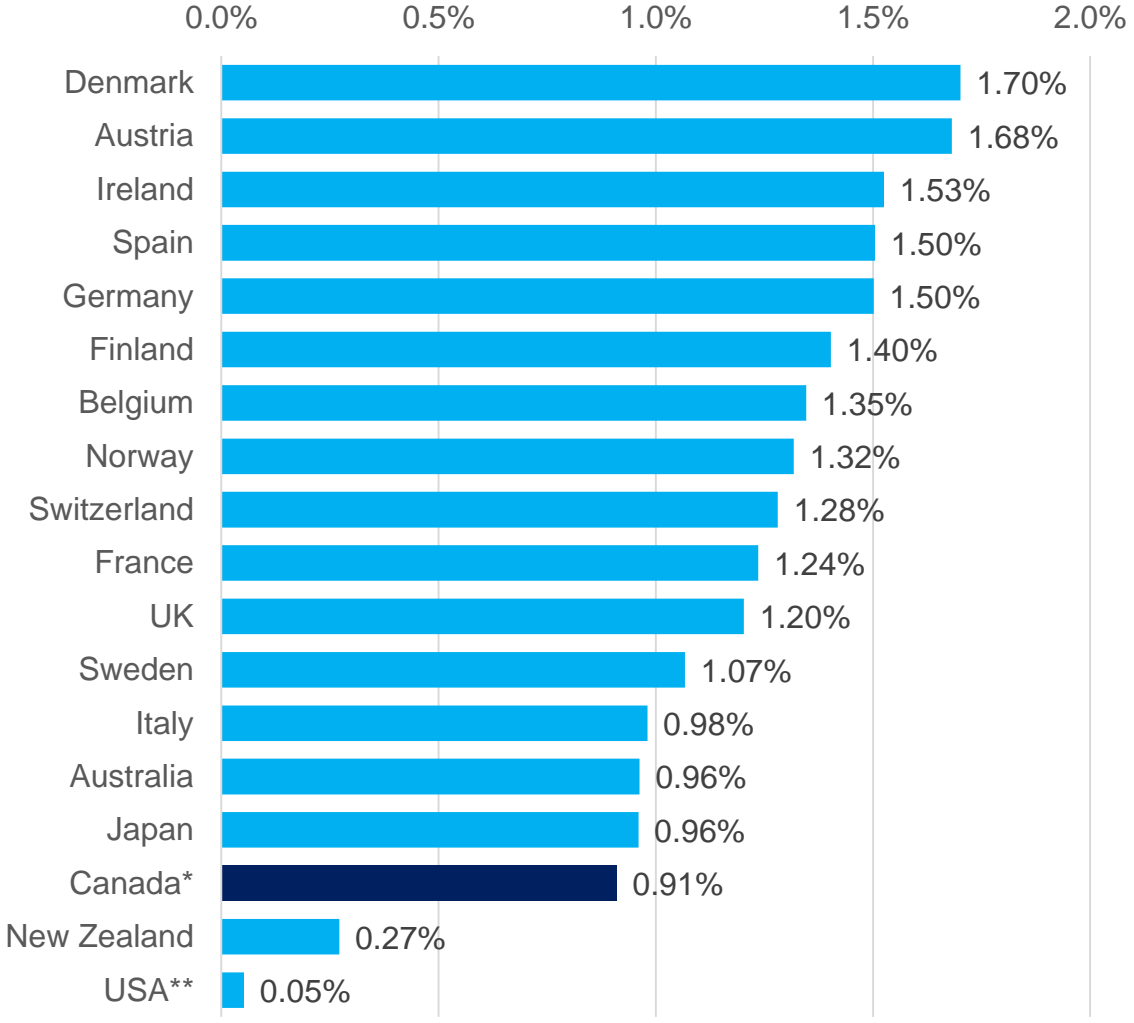
## Government expenditures on culture (all programs) as share of total government expenditures, 2016

- Total government spending on culture ranges from a high of 1.70% in Denmark to 0.05% in the USA.
- Canada's federal and provincial governments spend 0.91% of their total expenditures on culture.

Source: Nordicity analysis of data from Eurostat, OECD, national statistical agencies, and Public Accounts of Canada. See Appendix for list of references additional detail.

\* Includes expenditures of federal and provincial/territorial governments; excludes local governments

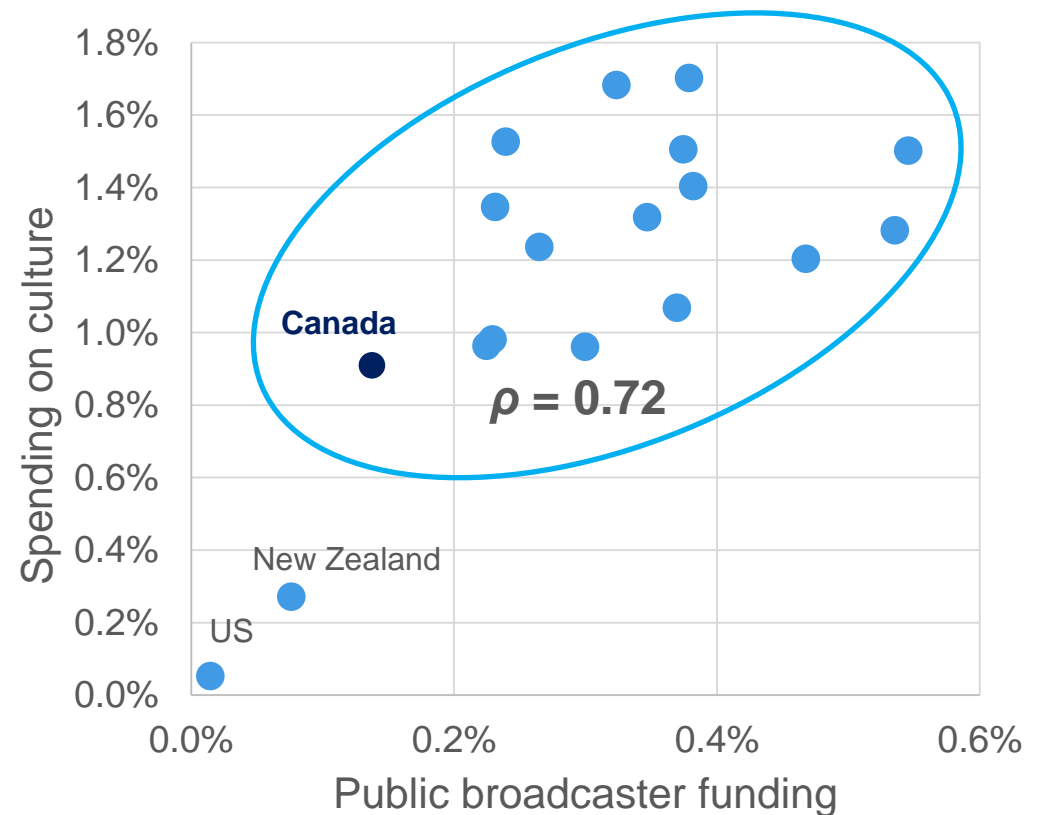
\*\* Federal government only



# Spending on culture vs. PSB funding

## Government spending on all culture vs. PSB funding, 2016

- Excluding New Zealand, the USA and Japan, there is a relatively moderate correlation ( $\rho = 0.72$ ) between spending on all culture and PSB funding (as a percentage of total government expenditures).

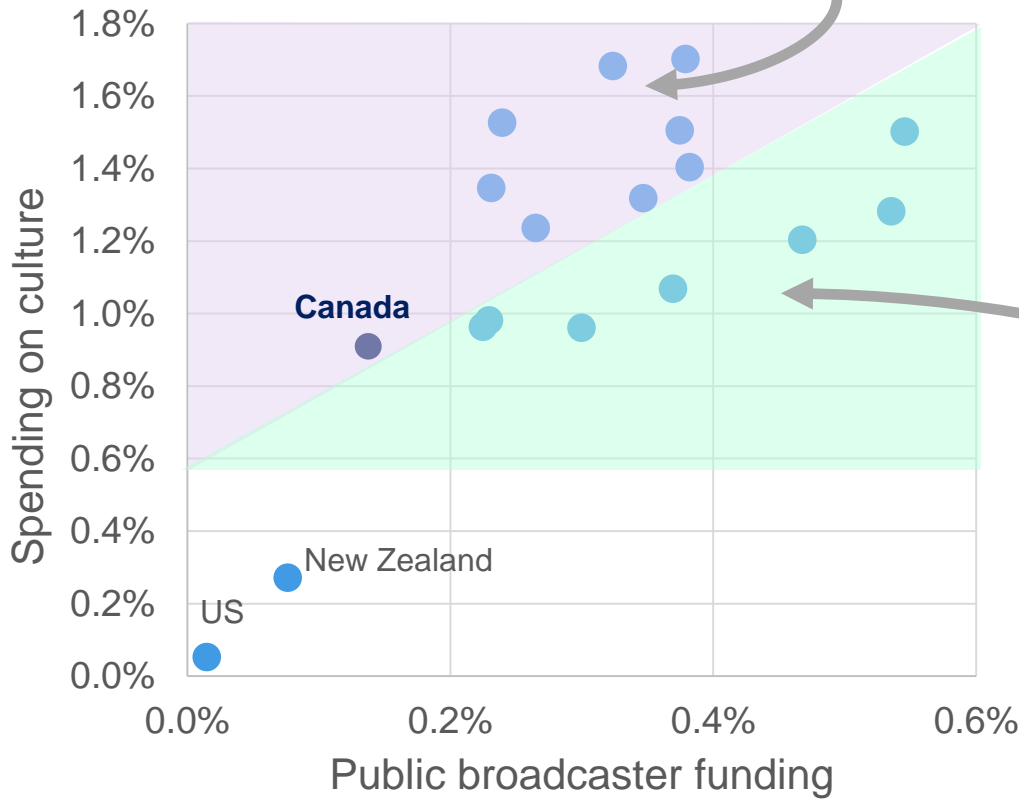


Source: Nordicity analysis of data from Eurostat, OECD, national statistical agencies, and Public Accounts of Canada. See Appendix for list of references additional detail.

$\rho$  - Pearson correlation coefficient

# Spending on culture vs. PSB funding

Government spending on all culture vs. PSB funding, 2016



Higher priority to funding of culture

- Canada
- Norway
- Germany
- Ireland
- Austria
- Finland
- Belgium
- Denmark
- France

Higher priority to funding of PSBs

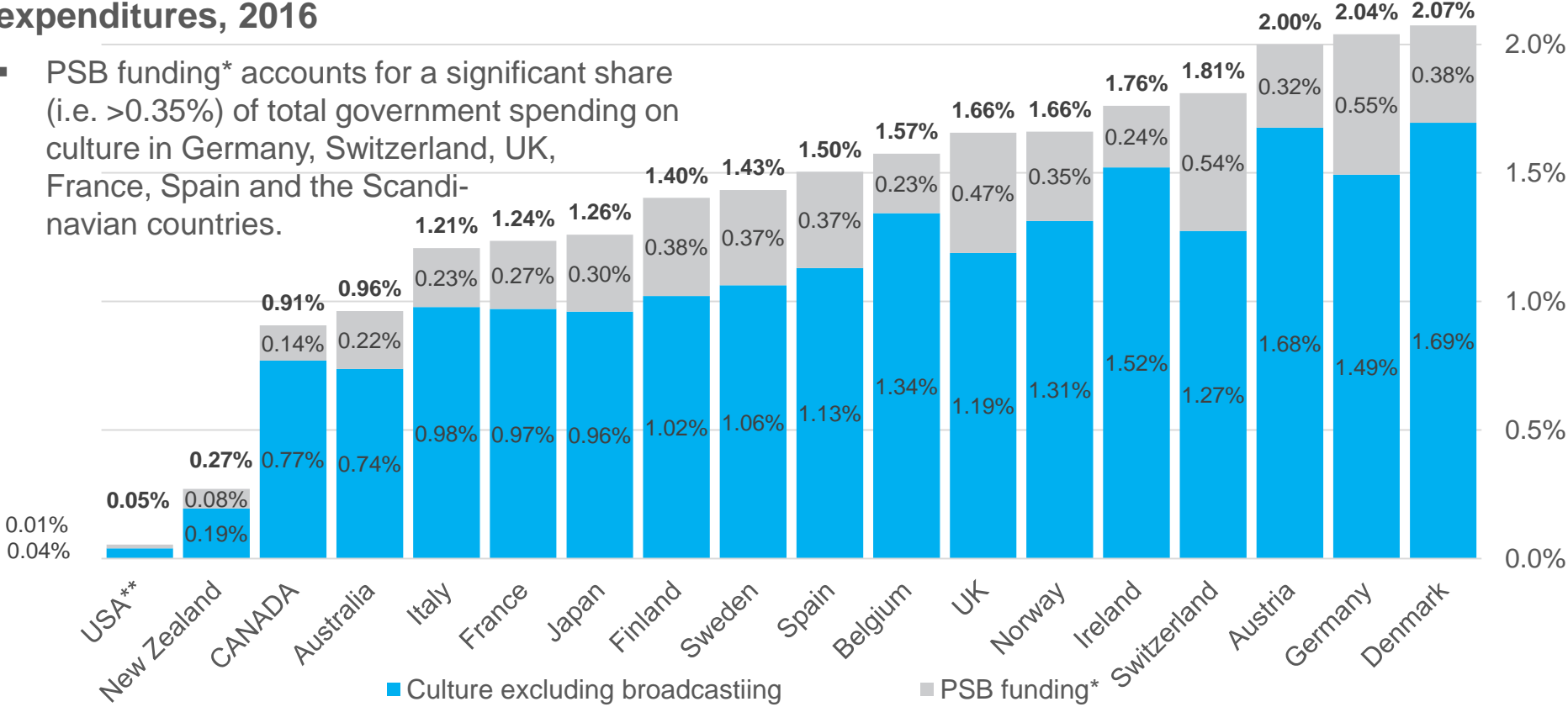
- Japan
- Australia
- Spain
- United Kingdom
- Italy
- Sweden
- Switzerland

Source: Nordicity analysis of data from Eurostat, OECD, national statistical agencies, and Public Accounts of Canada. See Appendix for list of references additional detail.

# PSB funding share of government spending on culture

Government expenditures on culture and PSB funding\* as a percentage of total government expenditures, 2016

- PSB funding\* accounts for a significant share (i.e. >0.35%) of total government spending on culture in Germany, Switzerland, UK, France, Spain and the Scandinavian countries.



Source: Nordicity analysis based on data from annual reports of public broadcasters, Eurostat, OECD, and national statistical agencies. See Appendix for list of references additional detail.

Notes:  
 \* Includes direct funding by governments, household licence fees and industry levies collected in accordance with government regulation.  
 \*\* Federal government only \*

# Comparison of country rankings

- There is a very strong relationship between country rankings in terms of PSB funding per capita and PSB funding as a share of total government expenditure ( $\rho_s = 0.86$ ).
- The relationship between PSB funding per capita and government spending on culture is more moderate ( $\rho_s = 0.56$ ).

Per capita public broadcaster funding
Switzerland
Norway
Denmark
Germany
Sweden
Finland
UK
Austria
France
Belgium
Japan
Spain
Australia
Ireland
Italy
<b>Canada</b>
New Zealand
USA

Public broadcaster funding as a share of government expenditures
Germany
Switzerland
UK
Finland
Denmark
Spain
Sweden
Norway
Austria
Japan
France
Ireland
Belgium
Italy
Australia
<b>Canada</b>
New Zealand
USA

Government spending on culture as a share of total government expenditures
Denmark
Austria
Ireland
Spain
Germany
Finland
Belgium
Norway
Switzerland
France
UK
Sweden
Italy
Australia
Japan
<b>Canada</b>
New Zealand
USA



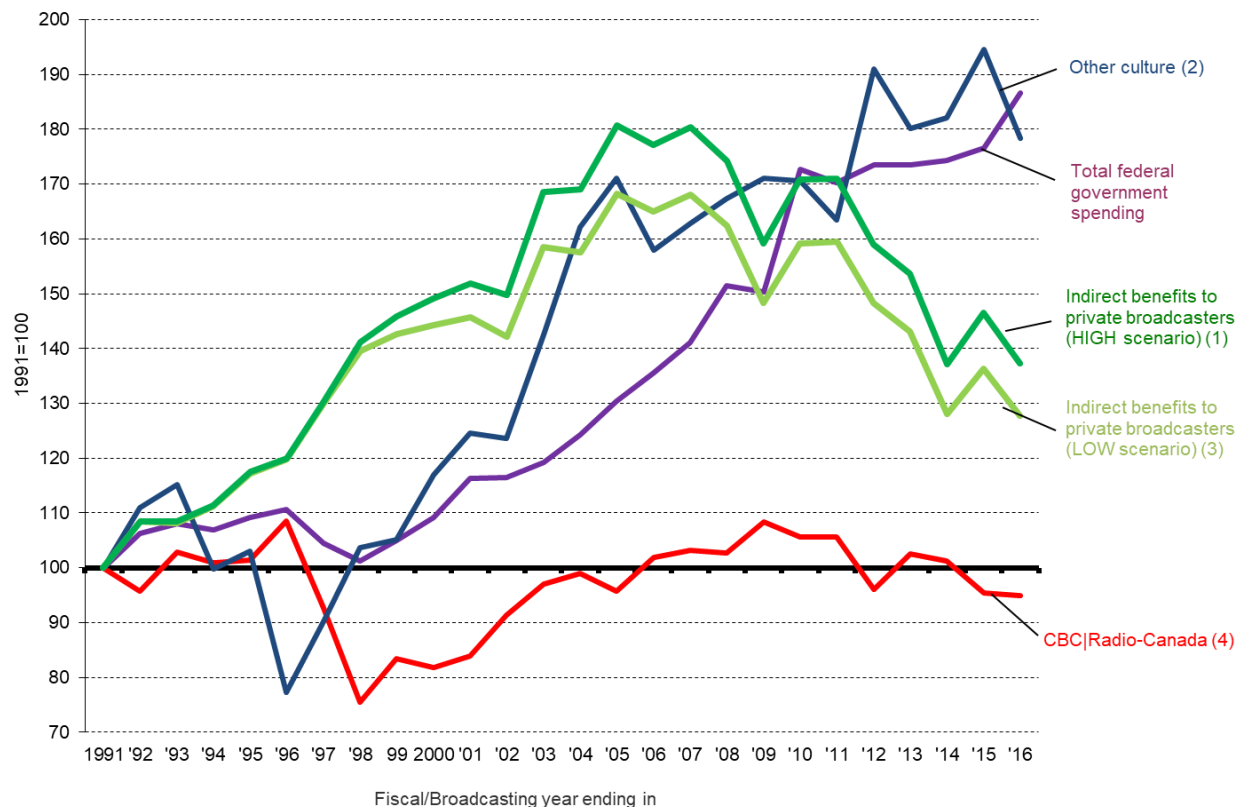
Source: Nordicity analysis based on data from annual reports of public broadcasters, Eurostat, OECD, and national statistical agencies. See Appendix for list of references additional detail. See Appendix for list of references.

$\rho_s$  - Spearman correlation coefficient

### **3. Canadian federal government's economic support of culture**

# Federal government economic support of culture - current dollars

Federal government expenditures and economic support of culture, current dollars, 1991 = 100



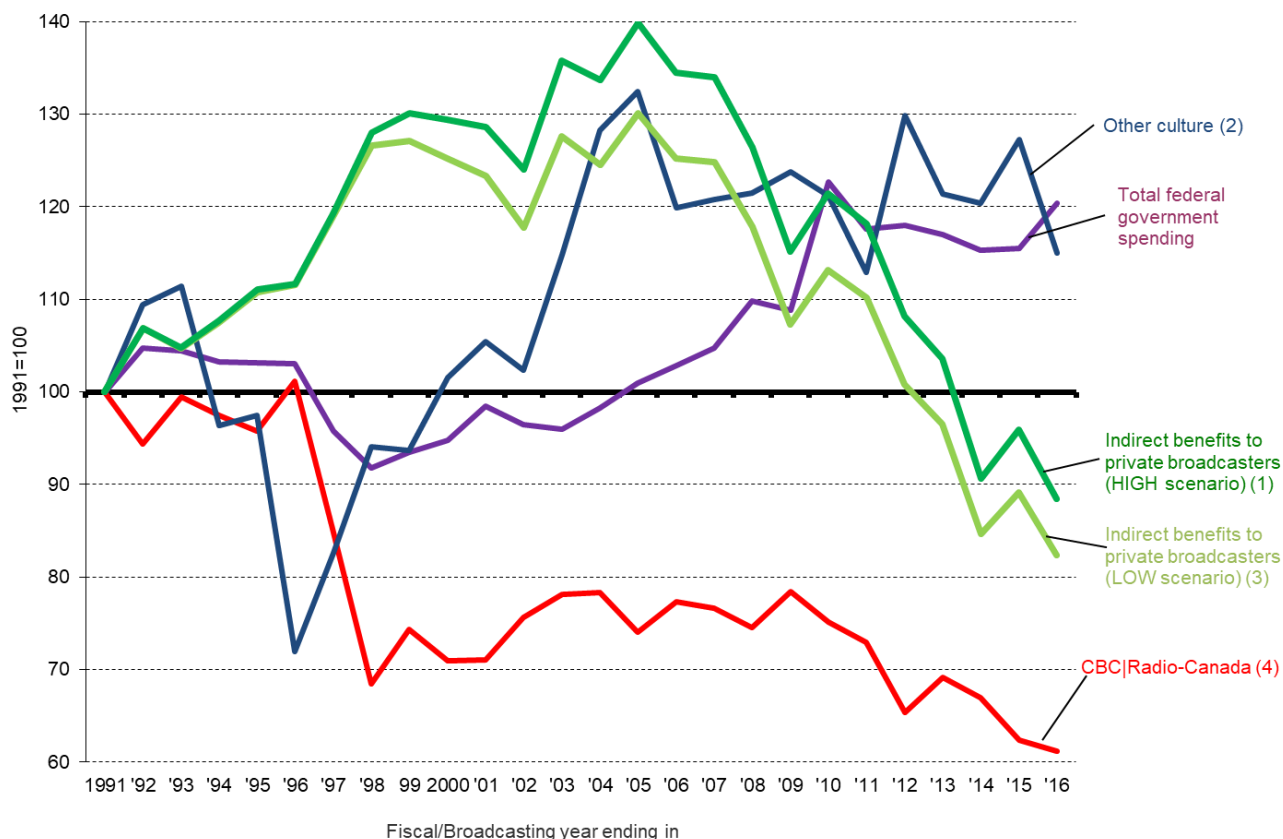
Source: Nordicity calculations based on data from Statistics Canada, CANSIM, matrix 325-0002; Public Accounts for Canada; CRTC; Donner and Lazar; and CBC|Radio-Canada.

- (1) Indirect benefits to private broadcasters (HIGH scenario) are the sums of estimates for simultaneous substitution and section 19.1.
- (2) Other culture includes all federal government expenditures on culture and broadcasting, excluding payments to CBC|Radio-Canada.
- (3) Indirect benefits to private broadcasters (LOW scenario) are the sums of estimates for simultaneous substitution and section 19.1.
- (4) CBC|Radio-Canada includes annual parliamentary appropriation and estimate of indirect benefit of section 19.1.



# Federal government economic support of culture - real dollars

Federal government expenditures and economic support of culture, real dollars, 1991 = 100



Source: Nordicity calculations based on data from Statistics Canada, CANSIM, matrix 325-0002; Public Accounts for Canada; CRTC; Donner and Lazar; and CBC|Radio-Canada.

- (1) Indirect benefits to private broadcasters (HIGH scenario) are the sums of estimates for simultaneous substitution and section 19.1.
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- (4) CBC|Radio-Canada includes annual parliamentary appropriation and estimate of indirect benefit of section 19.1.

## 4. Key findings

# Key findings

- Among 18 Western countries, Canada had one of the lowest levels of per capita public funding for its PSB (\$29) in 2016.
- In relation to other Western countries, it would appear that Canadian governments put a relatively low priority on public broadcasting. PSB funding represented 0.14% of total government expenditures (all levels of government) in 2016 – placing Canada 16<sup>th</sup> out of 18 countries.
- In fact, among the 18 comparison countries, there is a strong correlation between per capita PSB funding and PSB funding as a share of total government expenditures.
- Canadian governments (federal and provincial) spent an estimated \$193 per capita on all forms of culture in 2016. With this rate of spending, Canada ranked 16<sup>th</sup> out of 18 countries.
- Canadian governments (federal and provincial) spent 0.91% of their total expenditures on all forms of culture in 2016. Canada ranked 16<sup>th</sup> out of 18 countries.
- There was a moderate correlation between overall spending on culture and PSB funding in Western countries in 2016. This would suggest that some governments do prioritise public broadcasting over other forms of culture or vice-versa.
- In real-dollar terms, the Canadian federal government's economic support for culture (through direct expenditures or market protection granted by regulation) and funding of CBC/Radio-Canada decreased in 2016, even though total federal government spending increased in real terms.

## 5. Appendix and data sources

# Appendix: Data

Country	Population	Total gov't expenditure (home currency M) <sup>†</sup>	Exchange rate	G C\$ (M)	Public funding for PSB (2016)	Total public funding in C\$	Per capita public funding (C\$)	Licence fee ratio <sup>††</sup>	Adjusted gov't expenditure (C\$ M)	Public funding share
Australia	24,127,160	600,814	0.985	591,802	A\$1,351,783,000	1,331,506,255	55.19	1	591,802	0.225%
Austria	8,747,360	179,133	1.467	262,806	€ 581,900,000	853,705,490	97.60	0	263,660	0.324%
Belgium	11,348,160	225,101	1.467	330,246	€ 522,140,000	766,031,594	67.50	0	331,012	0.231%
Canada	35,151,728	746,726	1.000	746,726	\$1,026,929,000	1,026,929,000	29.21	1	746,726	0.138%
Denmark	5,731,120	1,107,267	0.197	217,910	DKK 4,212,500,000	829,020,000	144.65	0	218,739	0.379%
Finland	5,495,100	120,805	1.467	177,233	€ 461,800,000	677,506,780	123.29	1	177,233	0.382%
France	66,896,110	1,256,458	1.467	1,843,350	€ 3,331,500,000	4,887,643,650	73.06	1	1,843,350	0.265%
Germany	82,667,680	1,388,557	1.467	2,037,152	€ 7,619,276,208	11,178,240,125	135.22	0	2,048,330	0.546%
Ireland	4,773,100	74,553	1.467	109,377	€ 179,081,000	262,729,735	55.04	0	109,639	0.240%
Italy	60,600,590	830,111	1.467	1,217,856	€ 1,909,700,000	2,801,720,870	46.23	0	1,220,658	0.230%
Japan	126,994,510	227,823,067	0.01219	2,776,313	¥673,970,706,000	8,213,189,276	64.67	0	2,784,527	0.295%
New Zealand	4,692,700	95,900	0.922	88,420	NZ\$73,289,000	67,572,458	14.40	1	88,420	0.076%
Norway	5,232,930	1,584,227	0.158	249,921	5,517,557,000	870,424,915	166.34	0	250,791	0.347%
Spain	46,443,960	472,033	1.467	692,520	€ 1,768,550,000	2,594,639,705	55.87	1	692,520	0.375%
Sweden	9,903,120	2,177,578	0.155	337,525	SEK 8,079,962,000	1,252,394,110	126.46	0	338,777	0.370%
Switzerland	8,372,100	226,203	1.346	304,409	1,217,900,000 CHF	1,638,964,475	195.77	0	306,048	0.536%
UK	65,637,240	814,546	1.795	1,462,110	£3,829,097,000	6,873,229,115	104.72	0.02	1,468,846	0.468%
USA	323,127,510	7,089,279	1.325	9,395,834	US\$1,053,644,000	1,396,455,657	4.32	0.78	9,396,141	0.015%

Source: Nordicity analysis of data from CBC/Radio-Canada annual report, Statistics Canada Census 2016, annual reports of public broadcasters, Eurostat, OECD and national statistical agencies. See Appendix for list of references additional detail.

† Includes all levels of government

†† The percentage of the public funding (i.e. licence fee, grants, industry levies) that flow through government accounts before being disbursed to PSBs.

# Appendix: Data

Country	Currency	Government expenditure on culture (M)			Total expenditure on culture	Total gov't expenditure (all sectors) (M)	Gov't expenditure on culture as a share of total gov't expenditure
		Cultural services and facilities	Broadcasting and publishing	Broadcasting and film production			
Australia	A\$	4,281	--	1,503	5,784	591,802	<b>0.96%</b>
Austria	€	1,866	1,146	--	3,012	262,806	<b>1.68%</b>
Belgium	€	2,131	899	--	3,030	330,246	<b>1.35%</b>
Canada	C\$	--	--	--	6,787	746,726	<b>0.91%</b>
Denmark	DKK	13,901	4,937	--	18,838	217,910	<b>1.70%</b>
Finland	€	1,112	583	--	1,695	177,233	<b>1.40%</b>
France	€	15,230	295	--	15,525	1,843,350	<b>1.24%</b>
Germany	€	11,741	9,107	--	20,848	2,037,152	<b>1.50%</b>
Ireland	€	577	560	--	1,137	109,377	<b>1.53%</b>
Italy	€	5,240	2,900	--	8,140	1,217,856	<b>0.98%</b>
Japan	¥	--	--	--	2,197,797	227,823,067	<b>0.96%</b>
New Zealand	NZ\$	--	--	--	260	95,900	<b>0.64%</b>
Norway	NOK	20,498	377	--	20,875	249,921	<b>1.32%</b>
Spain	€	4,868	2,234	--	7,102	692,520	<b>1.50%</b>
Sweden	SEK	22,664	578	--	23,242	337,525	<b>1.07%</b>
Switzerland	CHF	2,755	143	--	2,898	304,409	<b>1.28%</b>
UK	£	5,228	4,571	--	9,799	1,462,110	<b>1.20%</b>
USA <sup>1</sup>	US\$	--	--	--	2,081	9,395,834	<b>0.05%</b>

Source: Nordicity analysis of data from CBC/Radio-Canada annual report, Statistics Canada Census 2016, annual reports of public broadcasters, Eurostat, OECD and national statistical agencies. See Appendix for list of references additional detail.

Notes:

1. Federal government only

# Appendix: Federal government funding of culture in Canada

Department or program	Amount, 2016 (\$ M)
Department of Canadian Heritage - grants and contributions	1,240.9
Canada Council	182.2
CBC/Radio-Canada	1,026.9
Museum of Human Rights	21.7
Museum of History	83.6
Museum of Immigration	7.7
Museum of Nature	26.5
Canadian Radio-television and Telecommunications Commission	11.0
Library and Archives	91.5
National Arts Centre	54.9
NCC	38.9
National Film Board	60
National Gallery	45.8
Museum of Science and Technology	59.6
Telefilm Canada	95.5
The National Battlefields Commission	13.5
<b>Total federal government expenditure on culture</b>	<b>3,060.2</b>
<b>Total federal government expenditure all sectors</b>	<b>296,439</b>
<b>Culture share</b>	<b>1.0%</b>

Source: Nordicity tabulations based on data from CBC/Radio-Canada Annual Report 2015-16 and *Public Accounts of Canada 2015-16*.

# Appendix: Federal government funding of culture in the United States

<b>Department or program</b>	<b>Amount, 2016 (US\$ M)</b>
National Endowment for the Arts	116.6
National Endowment for the Humanities	146.0
Institute for Museum and Library Services	230.0
Corporation for Public Broadcasting	444.8
Federal grants and contracts for public television and radio	35.1
Smithsonian Institution	893.8
Holocaust Museum	51.4
National Gallery	117.2
<b>Total federal government expenditure on arts and culture</b>	<b>2,034.9</b>
<b>Total federal government expenditure – all sectors</b>	<b>3,759,000</b>
<b>Culture share</b>	<b>0.05%</b>

Source: Nordicity analysis based on data from Americans for the Arts; annual reports of listed agencies/institutions; and Office of Management and Budget (2015), *Fiscal Year 2016 Budget of the U.S. Government*, p. 91.



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