



### **Broadcaster Bailout? WGC urges “Just say no.”**

**Toronto – April 14, 2009.** Canadian private broadcasters are currently bending the ears of government in hope for a bailout package of taxpayer dollars. With the recent release of figures from Canwest Global's last quarter, the Writers Guild of Canada urges the government of Canada to approach any talk of broadcaster bailout with extreme skepticism. These are still profitable businesses.

The broadcasting arm of Canwest Global turned in an operating profit of \$32 million (a 60 percent increase from a year earlier). In fact, the broadcasting operations' most recent revenue of \$234 million matched the same quarter a year earlier. Canwest's conventional TV ad revenue was down 4%, but this was offset with 4% growth in specialty-channel advertising and a 5% increase in subscriber revenue. It seems when Canwest reports to its shareholders, it's an integrated business – but when they talk to government it's all about the hardships of over-the-air.

Though comparable figures for CTV are unavailable, its dominance of the Canadian market would suggest that things should be even brighter on their side of the industry.

“How can the broadcasters ask for a taxpayer bailout when broadcasting remains profitable?” asks Maureen Parker, Executive Director, Writers Guild of Canada. “The creative community has been living in a recessionary economy for the last ten years as broadcasters have year by year spent less on quality Canadian programming and more and more to buy U.S. shows. There was no bailout for screenwriters, actors, producers and directors.”

Parker added, “Broadcasters also have the audacity to request relief in the form of reductions in Canadian content expenditure and exhibition requirements. So after many years of enjoying stable profits and the support of public policy, these newly integrated businesses are petitioning for relief from the very thing that should give them purpose: providing Canadian programming to Canadian audiences. The answer should be a resounding ‘NO.’”

With Canwest's recent quarter as an example, we have clear evidence that the Canadian broadcasting business remains profitable. Canwest's problems relate to debt (about \$4.1 billion) from business decisions made in recent years, including the \$3.2 billion newspaper acquisition which still accounts for a large share of its debt burden. The company reported a net loss of \$1.44 billion in its latest quarter, including a \$1.19 billion writedown of assets, mostly in its newspaper operations. Do broadcasters deserve ‘relief’ for failures in other areas of their businesses? Should Canadian taxpayers and television viewers be asked to pay the price for this?

The WGC says ‘no’ to a broadcaster bailout, and ‘no’ to asking Canadians to give up Canadian programming.

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The Writers Guild of Canada (WGC) represents 2,000 professional English-language screenwriters across Canada. These are the talented people who create the distinctly Canadian entertainment we enjoy on our televisions, movie screens, radios and computers.