



Canadian Radio-television and
Telecommunications Commission

Conseil de la radiodiffusion et des
télécommunications canadiennes

Canada

Canada's
Communication
System:
An Overview
for Canadians

SECTION 2.0

CRTC.GC.CA

2.0 Canada's Communication System: An Overview for Canadians

The CRTC continues to strengthen its efforts to place Canadians at the centre of the communication system, whether as consumers of communications products and services, creators and distributors of content, or citizens who need access to information, products and services to fully engage in a democratic society. This section focuses on Canadians' use of communication services, competition, household expenditures, and access to communications services.¹

More Canadian households subscribe exclusively to mobile wireless services (23.7%) than exclusively to wireline telephone services (13.6%). Subscriptions to wireline telephone services continue to decrease each year, while mobile wireless service subscriptions are increasing.

While the majority of Canadians still own and use wireline phones, the data confirms the slow and steady shift away from this technology in favour of wireless services. Indeed, more Canadian households have mobile phones (85.6%) than landlines (75.5 %) – a big change from only ten years ago, when just over half of Canadian households subscribed to mobile phones (62.9%) and almost all subscribed to landlines (94.0%).

Canadians embrace mobile wireless services, a more precise picture emerges when examining this trend across income quintiles. For instance, wireless-only households are most prominent among the two lowest income quintiles (see Table 2.0.7). This suggests that the rise of mobile-only households does not solely reflect changing preferences but may also be driven by affordability.

In 2014, Canadian households paid an average of \$214.75 per month for their communications services, an increase of \$3.00 (or 1.4%) from 2013.

Canadian households currently spend more per month on wireless services (\$82.67) and BDU services (\$56.33) compared to Internet services (\$42.42) and wireline telephone services (\$33.33).

There are clear differences across household income quintiles. Households in the two highest income quintiles spend more than twice as much on mobile wireless services than those in the lowest income quintile – a pattern that roughly holds for cable and DTH satellite television and Internet services. In the case of landlines, spending remains relatively evenly distributed across income quintiles.

¹ Data sources: Both CRTC and Statistics Canada data are presented in this section. CRTC information presents 2015 data, while Statistics Canada's Survey of Household Spending reflects most recently available data from 2014.

i Industry landscape and competition

Canada's communication system is composed of two broad sectors: broadcasting and telecommunications. Total communications revenues increased by 2.5% since 2014. However, this overall growth masks important divergences across individual types of services. While detailed financial information can be found in separate sections of this report, this section offers a high-level overview of industry revenues and the competitive landscape in the broadcasting and telecommunications industries.

Table 2.0.1 Annual communications service industry revenues (\$ billions)

Categories	2013	2014	2015	Growth 2014-2015 (%)
Communications	62.8	64.1	65.7	2.5
Broadcasting	18.0	18.2	17.9	-1.6
Radio	1.9	1.9	1.9	-1.2
TV	7.3	7.4	7.1	-3.4
BDU	8.8	8.9	8.9	-0.1
Telecommunications (retail and wholesale)	44.8	45.9	47.8	4.1
Wireline voice (local and long distance)	10.6	10.1	9.7	-4.0
Internet	8.2	8.9	9.8	10.3
Data and private line	4.8	4.8	4.6	-2.8
Wireless (local and long distance)	21.2	22.0	23.6	7.6

Source: CRTC data collection

What are BDUs? Broadcasting distribution undertakings (BDUs) provide subscription television services to Canadians. They redistribute programming from conventional over-the-air television and radio stations. They also distribute pay audio and discretionary services (i.e. pay, specialty, pay-per-view (PPV) and video-on-demand (VOD)). Most BDUs are cable, national DTH satellite, or Internet protocol television (IPTV) service providers.

Telecommunications services remain dominant

In 2015, revenues from telecommunications services continued to capture approximately 73% of all communications service revenues, with broadcasting service revenues representing the remaining 27%. This speaks in part to the scale of revenues from mobile wireless services, which accounted for nearly half of all telecommunications service revenues. Indeed, mobile wireless services alone generated more revenues than the entire broadcasting sector.

As noted above, more Canadians now subscribe exclusively to mobile wireless services than to wireline telephone services. This reflects financial data trends that demonstrate relatively consistent mobile service revenue growth.

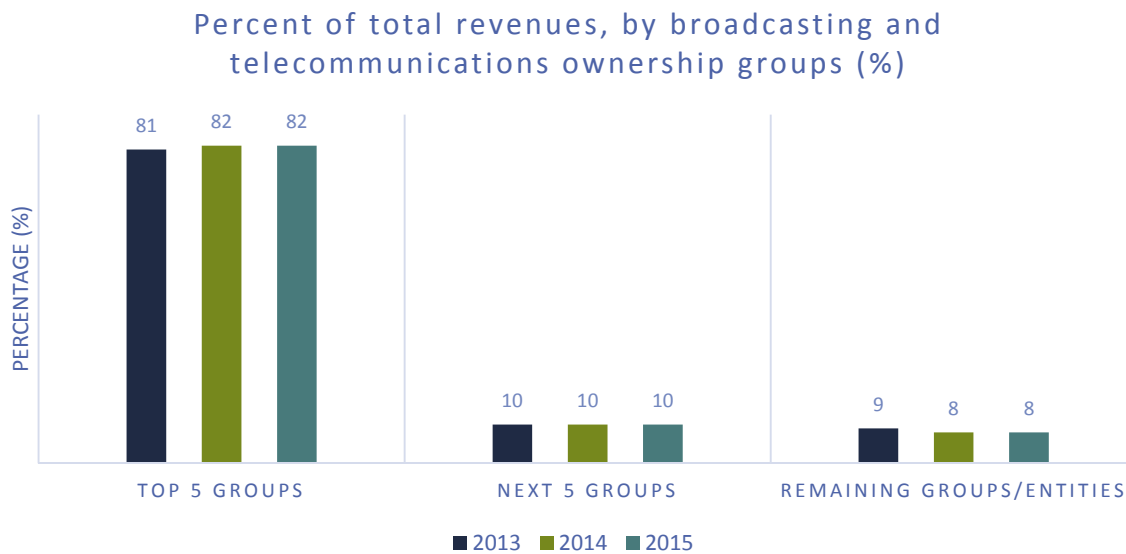
A similar phenomenon – one in which certain services drive overall sector growth while other services remain flat or shrink – has emerged across multiple subsectors of the communication system. Services introduced in the early-to-mid-20th century, including wireline voice services, conventional television services, and radio

services continue to be widely used by many Canadians. However, these services' revenues have not grown at the same pace as those of newer services; in many cases, they have even declined.

A concentrated market

The competitive landscape in the communication system as a whole remains mostly unchanged from last year. Large vertically and horizontally integrated entities hold dominant market positions. As Figure 2.0.1 indicates, the top five broadcasting and telecommunications groups/entities (Bell Canada, Québecor, Rogers, TELUS, and Shaw) together accounted for approximately 82% of total industry revenues, consistent with 2014.

Figure 2.0.1 Percentage of total combined revenues, by broadcasting and telecommunications ownership groups



Source: CRTC data collection

Bundling

This market concentration plays a role in the rise of bundling, since the largest entities are well positioned to offer their customers discounts in exchange for subscribing to a range of services. The table below shows the number of subscriptions to two or more services with one company. From 2011 to 2013, the number of subscriptions to bundled services increased from 9.4 million to 10.4 million. Following a stagnation of the number of bundled subscriptions from 2013 to 2014, a slight -1.9% decrease in the number of bundled service subscriptions occurred in 2015, showing that the market might have reached its saturation point in 2014.

Table 2.0.2 Number of subscriptions with bundled services (millions)

	2011	2012	2013	2014	2015	2011-2015 CAGR ² (%)
Number of subscriptions with bundles	9.4	10.0	10.4	10.4	10.2	2.1
Growth (%)	6.4	6.3	4.1	0.0	-2.2	n/a

Source: CRTC data collection

ii Communications service expenditures and prices

The amounts that Canadian households spend on communications services provide an important perspective on how communications services impact the household budget. These data also point, to a certain extent, to national shifts in demand and the competitive landscape.

However, it is important to recognize the limitations of expenditure data. First, it may overlook the fact that certain free services, such as over-the-air television and radio services, remain valuable to Canadians. Second, the average expenditure amount takes into account all households, including those that do not subscribe to one or more services. As a result, expenditures for households that purchase services may appear lower or higher than they actually are.

Spending on communications services continues to rise³

Throughout 2014, the average Canadian household spent \$214.75 per month on communications services, an increase of \$3.00 (1.4%) over 2013. Table 2.0.3 demonstrates that much like it is the case for telecom industry revenues, mobile and internet services are driving household expenditures growth.

The increase in overall communications spending was led by spending on wireless and Internet services which increased 4.8% and 4.3%, respectively. These increases reflect the observed trends in subscriptions to higher internet speeds and mobile plans with more data.

Canadians continued to allocate the smallest proportion of their household communications service expenditures to landline telephony service, which fell from \$35.58 per month in 2013 to \$33.33 per month in 2014, a reduction of 6.3%. Overall, cellphone ownership rates rose from a total of 84.7% in 2013 to 85.6% in 2014, compared to only 75.5% of Canadians who owned a landline in 2014, down from 79.1% in 2013 (see Figure 2.0.7).

While there is considerable variance between the average amounts spent by Canadians in each income quintile, households tended to devote more of their communications budget to either mobile wireless services or cable IPTV and DTH satellite services. In 2014, spending was greatest on mobile wireless services across all income quintiles.

² Compound annual growth rate

³ The information presented on household communications expenditures comes from Statistics Canada's Survey of Household Spending and does not include any projections or CRTC data.

Although spending on communications services by lower-income households was less than that by higher-income households, as shown in Table 2.0.3, expenditures on communications services take up a significantly larger percentage of their annual incomes – as Table 2.0.4 shows.

Table 2.0.3 Monthly household spending on communication services, by service and by income quintile (\$/month/household)

Service	Year	First quintile	Second quintile	Third quintile	Fourth quintile	Fifth quintile	Average of all quintiles	CAGR of average of all quintiles 2010-2014
Wireline telephone	2012	31.75	34.83	35.67	39.33	44.83	37.33	-5.98%
	2013	29.08	33.50	36.08	38.17	41.00	35.58	
	2014	26.58	31.08	32.50	36.17	40.33	33.33	
	Growth 2013-2014 (%)	-8.60	-7.21	-9.93	-5.24	-1.63	-6.32	
Mobile wireless	2012	34.58	50.00	68.75	83.67	110.17	69.42	7.93%
	2013	42.42	55.92	77.25	91.75	127.00	78.92	
	2014	43.92	60.42	80.83	100.42	127.83	82.67	
	Growth 2013-2014 (%)	3.54	8.05	4.64	9.45	0.66	4.75	
Internet	2012	22.00	31.50	40.67	42.17	46.25	36.50	7.02%
	2013	25.58	35.25	42.08	48.00	52.42	40.67	
	2014	29.50	37.17	44.17	48.75	52.67	42.42	
	Growth 2013-2014 (%)	15.31	5.44	4.95	1.56	0.48	4.30	
Cable, IPTV and DTH	2012	39.50	49.50	54.67	63.58	75.75	56.58	2.14%
	2013	37.00	49.33	57.67	64.58	74.50	56.58	
	2014	38.92	49.42	56.92	62.25	74.17	56.33	
	Growth 2013-2014 (%)	5.18	0.17	-1.30	-3.61	-0.45	-0.44	
Total	2012	127.83	165.83	199.75	228.75	277.00	199.83	3.43%
	2013	134.08	174.00	213.08	242.50	294.92	211.75	
	2014	138.92	178.08	214.42	247.58	295.00	214.75	
	Growth 2013-2014 (%)	3.60	2.35	0.63	2.10	0.03	1.42	
	CAGR 2010-2014	3.04%	3.53%	3.58%	3.41%	3.44%	3.43%	

Sources: Statistics Canada's Survey of Household Spending

All data in Table 2.0.3 was collected and analyzed to show the growth percentages between 2013 and 2014. The expenditure data presents per household expenditure average and excludes sales tax.

On average, for all income quintiles, spending on wireline services have continuously declined from 2010 to 2014, at a compound annual growth rate (CAGR) of -5.98%. In opposition, average wireless service expenditures for all income quintiles grew by 4.75% between 2013 and 2014 and have a 2010 to 2014 CAGR

of 7.93%. Although household spending on communications services increased across all income quintiles, households in the highest quintiles are spending more on communications services compared to those in the lower quintiles. Nevertheless, the growth rate is generally higher in the lower income quintiles. For example, Internet service spending in the first income quintile grew 15.31% since 2013.

Table 2.0.3 also shows a declining growth rate for cable and DTH service expenditures in the higher income quintiles, more specifically, in the third, fourth, and fifth quintiles. Overall, total spending grew 1.42% between 2013 and 2014, and the overall CAGR between 2010 and 2014 was 3.43%.

Table 2.0.4 Household spending on communication services, by income quintile, 2014

Characteristics	Household income less than \$30,519 (First quintile)	Household income from \$30,520 to \$53,274 (Second quintile)	Household income from \$53,275 to \$81,294 (Third quintile)	Household income from \$81,295 to \$124,838 (Fourth quintile)	Household income over \$124,839 (Fifth quintile)	Average of all quintiles
Average annual income	\$19,664	\$42,122	\$67,083	\$101,177	\$201,752	\$86,360
Members per household	1.50	2.05	2.51	2.91	3.40	2.47
Communications expenditures as a percentage of annual income	6.6%	4.1%	3.1%	2.4%	1.5%	2.4%

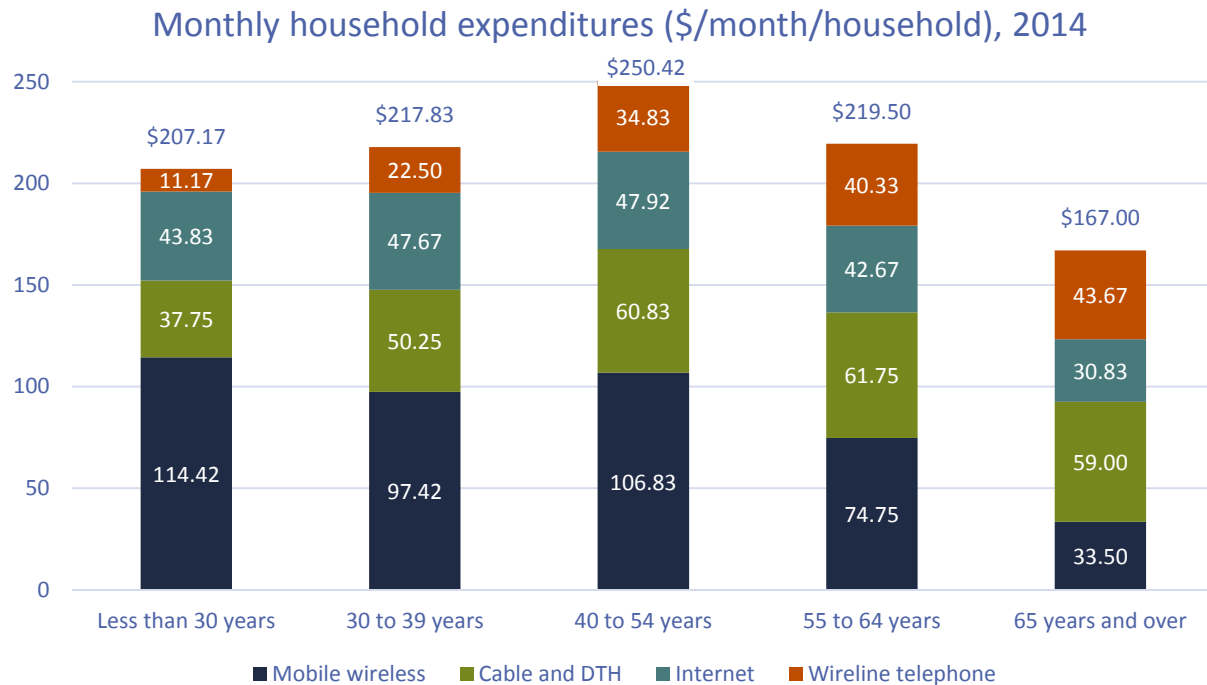
Source: Statistics Canada's Survey of Household spending

Based on Statistics Canada's Survey of Household Spending (data for 2014), the average household annual income before taxes in Canada was \$86,360. The Canadian provincial average household annual income before taxes ranged from \$71,164 to \$118,680. Alberta had the highest average household income before taxes followed by Ontario at \$89,217.

From the perspective of per-household income quintiles (each 20% of households by average annual income), the first income quintile has an average annual income of \$19,664. This quintile had an average of 1.50 members per household. The highest income in this quintile was \$30,519. The third income quintile had an average annual income of \$67,083 and an average of 2.51 members per household. The highest income in this quintile was \$81,294, an increase since last year's highest income of \$79,722. The top 20% of households had annual incomes over \$124,839. This income quintile had an average annual income of \$201,752 and an average of 3.40 members per household.

Compared to data from 2013, the average number of members per household decreased by 0.01. However, there was a significant increase in incomes per quintile. The first quintile range was the only one to decrease from \$30,668 to \$30,519. The second, third, and fourth quintile ranges increased by \$1,470, \$1,572, and \$3,541, respectively.

Figure 2.0.2 Monthly household expenditures, by service and by age of reference person (\$/month/household), 2014



Source: Statistics Canada's Survey of Household Spending

In 2014, all age groups except persons 65 years and over spent the least on wireline telephone services. All age groups, excluding persons 65 years and over, also spent the most on mobile wireless services. Persons under 30 years spent the most on mobile wireless services (\$114.42 per month), which is more than ten times the amount they spent, on average, on landline telephone services (\$11.17 per month). Persons in the 40 to 54 age group spent the most on total communications services (\$250.42 per month), while persons 65 years and over spent the least (\$167.00 per month).

The relationship between age group and the amount spent on communications services is seen between households with persons aged less than 30 years, and households with persons aged 65 years and over. A true generation gap is demonstrated through their monthly communications expenditures, since the youngest generation tends to spend more on communications services, specifically on mobile wireless services (\$114.42 per month). However, the oldest generation spends the least in total for communications services, while the service it spends the most for is cable and DTH (\$59.00 per month). Figure 2.0.2 demonstrates the difference in importance of service through the amount spent per service. For example, persons under 30 years spent the least on wireline telephone services (\$11.17), whereas persons 65 years and over spent almost four times that amount. Even though persons aged less than 30 spent the most on mobile wireless services, they spent the least on communications services overall, within persons aged 64 years and under.

Communications service price levels

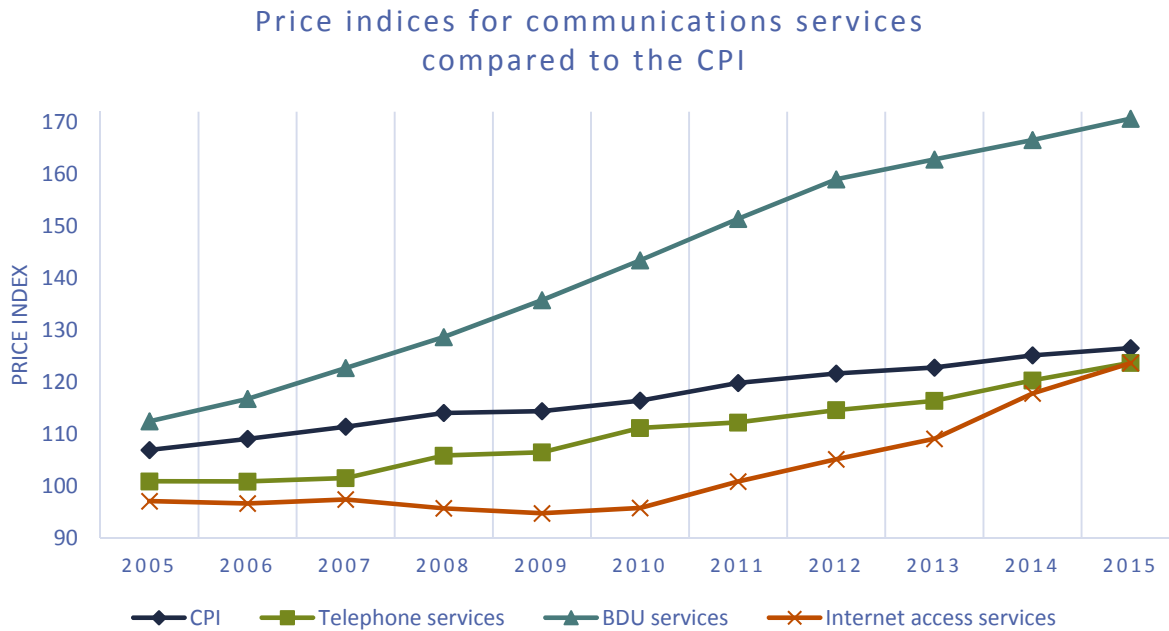
Price indices offer a perspective on the extent to which prices for a basket of goods and services change over time. Figure 2.0.3 shows the price changes for fixed baskets of telecommunications services (telephone services, Internet services, and BDU services (cable, DTH satellite, and IPTV services)), as well as overall price changes as measured by the Consumer Price Index (CPI). By maintaining a consistent basket of goods and services and comparing prices in the current year to the index reference period (2002), these indices measure price changes accurately.

Telephone services index: The telephone services index reflects the price changes experienced over time by a household for a fixed basket of telephone services, including both landline and mobile wireless services. This type of basket reflects a weighted average of consumer expenditures on basic local services, as well as other local telephone services, such as options and features, long distance services, installation, and repair services. This index does not include Internet service expenditures.

BDU services index: The BDU services index includes cable, DTH satellite, and IPTV (including pay television) services and reflects the price changes experienced over time by a household for a basket of subscription based television services. This basket includes both “basic” and “extended” television distribution services. Basic service is the minimum service to which all customers must subscribe. Extended service is the most popular package of additional channels. This index does not account for bundling discounts.

Internet services index: The internet services index reflects the price changes experienced over time by a household for a constant quantity and quality of internet services. This basket includes monthly internet access services subscription through a wired line to the household’s residence. This index does not include access to the internet bundled with voice calls over a cellular network.

Figure 2.0.3 Price indices for telephone services, BDU services and Internet services compared to the CPI

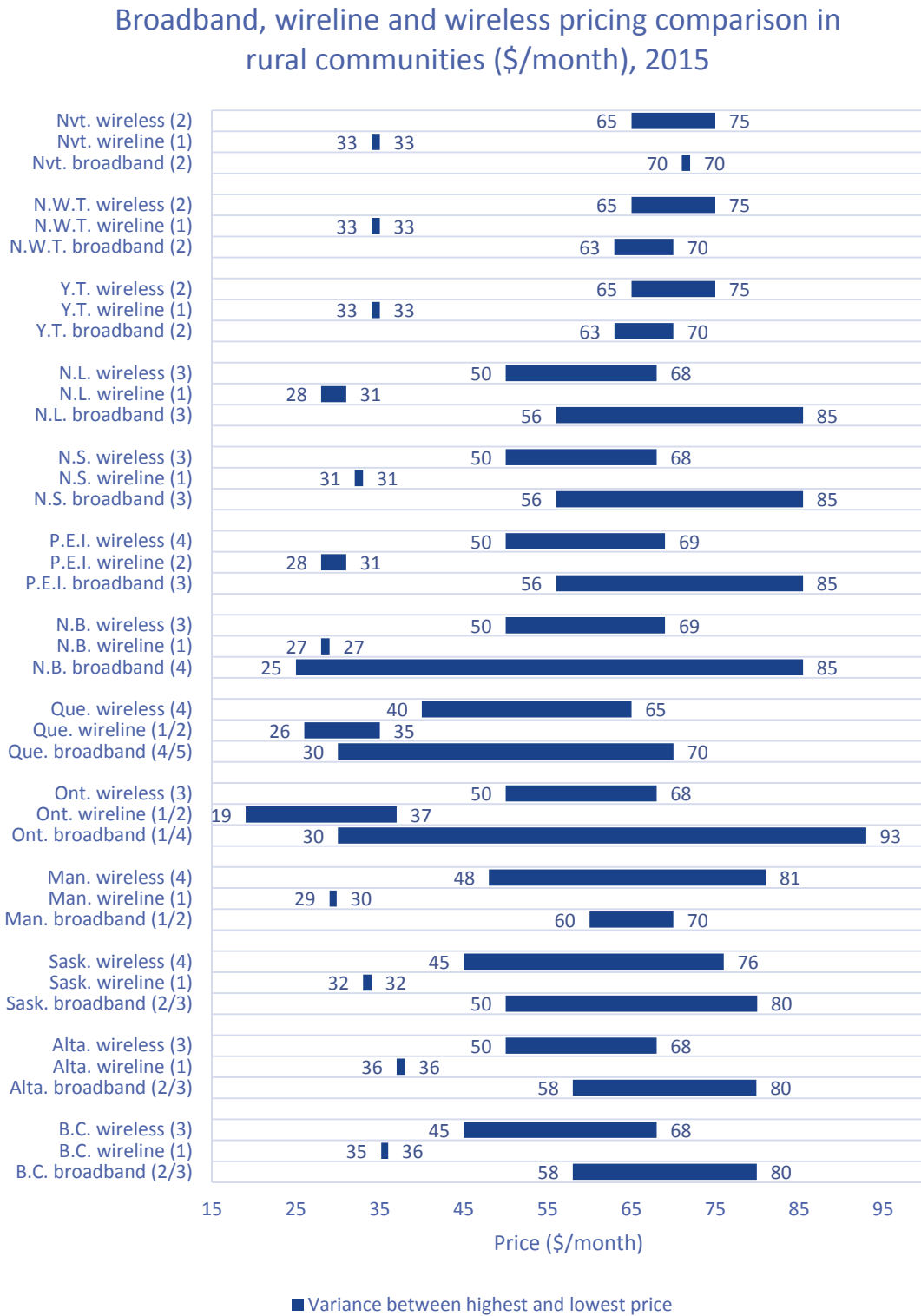


Source: Statistics Canada

As measured by the CPI, average annual inflation in Canada was 1.1% in 2015. In comparison, from 2014 to 2015, the prices of key communication services increased by 2.8% (telephone), 2.5% (cable, DTH satellite and IPTV) and 5.0% (Internet).

Prices for BDU services have increased each year, over the past decade. Similar to previous years, consumers spent on BDU services almost double the amount they spent on telephone services. Internet access service prices continued to rise since 2010. Overall, the CPI steadily increased over the 2005–2015 period.

Figure 2.0.4 Broadband, wireline and wireless pricing comparison in rural communities, per province/territory, 2015



Source: CRTC data collection

The number at the end of each bar is the highest price. The number of service providers in each province (rural areas surveyed) is indicated in parentheses. For example, "B.C. Broadband (2/3)" means the number of service providers among the rural communities in British Columbia included in the survey varied between 2 and 3.

Pricing for broadband, basic local wireline, and wireless services were compared in rural communities. Depicted broadband service prices are based on the most inexpensive service with a 5 Mbps download speed or greater offered by the provider. Basic local wireline services include unlimited calling within a specified geographic area, 9-1-1 services, message relay services, and access to long distance services. Figure 2.0.4 displays the price of basic local telephone services on a stand-alone basis in a number of rural communities. Wireless mobile services include 1,200 minutes or greater of voice service, at least 300 SMS, and over 1 GB of data per month, since nearly 50% of subscribers subscribe to a plan that includes at least 1 GB of data per month.

Broadband in rural communities

The average minimum price is \$51.92 per month for broadband services. New Brunswick has the lowest price for broadband services in rural communities (\$25.00 per month) compared to the other provinces/territories. Ontario has the highest price for broadband services in rural communities (\$93.00 per month). The variance data were calculated by finding the difference between the minimums and maximums of each province/territory. The widest spread of prices are in Ontario, where prices range from a minimum of \$30.00 to a maximum of \$93.00 per month, a variance of \$63.00.

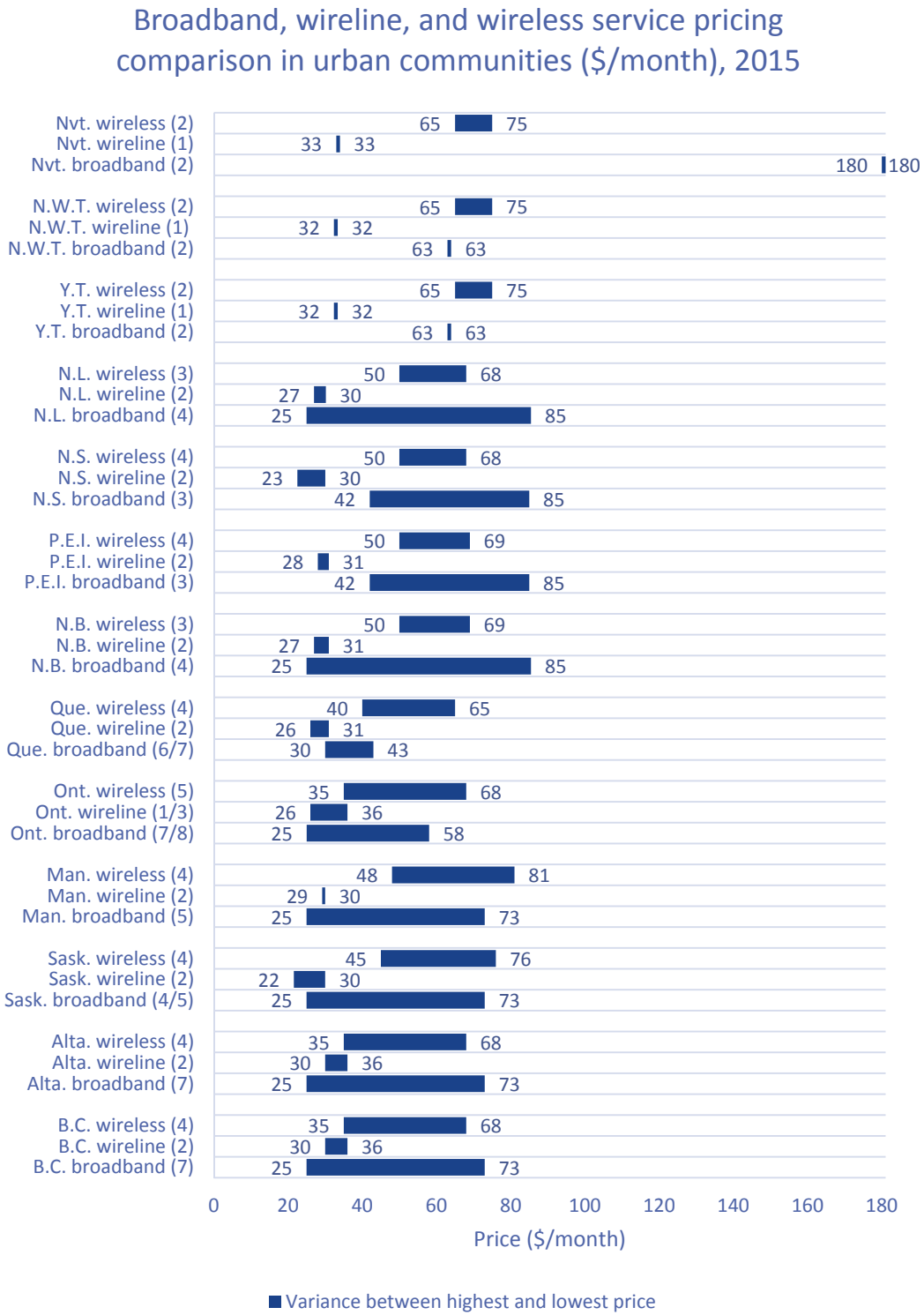
Basic local wireline in rural communities

The minimum prices are relatively the same among provinces/territories, with an average of \$29.98 per month. The lowest price, \$19.00 per month, is found in Ontario. Ontario also has the highest price of \$37.00 per month. A similar pattern is seen in the pricing data for broadband services in rural communities.

Wireless in rural communities

The minimum price for wireless services in rural communities is approximately \$51.77 per month on average, which is similar to the minimum average price for broadband services. Quebec has the lowest price at \$40.00 per month, and Manitoba has the highest price at \$81.00 per month. Manitoba has the highest variance of \$33.00 per month. Overall, pricing in rural communities is highest for broadband services, with wireless service pricing not too far behind.

Figure 2.0.5 Broadband, wireline, and wireless service pricing comparison in urban communities, per province/territory, 2015



Source: CRTC data collection

The number at the end of each bar is the highest price. The number of service providers in each province (urban areas surveyed) is indicated in parentheses. For example, "Sask. Broadband (4/5)" means the number of service providers among the urban communities in Saskatchewan included in the survey varied between 4 and 5.

Depicted broadband service prices are based on the most inexpensive service with a 5 Mbps download speed or greater offered by the provider. Basic local wireline services include unlimited calling within a geographic area, 9-1-1 services, message relay services, and access to long distance services. Figure 2.0.5 displays the price of basic local telephone services on a stand-alone basis in a number of urban centres. Mobile wireless services include 1,200 minutes or greater of voice service, at least 300 SMS, and over 1 GB of data per month.

Broadband in urban communities

Consumers in all provinces/territories, excluding Nunavut, pay a maximum of \$85.00 per month for their broadband services. Nunavut's maximum price (\$180.00 per month) is more than double the maximum price in the rest of the provinces/territories. In most provinces the minimum price for broadband services is \$25.00, as seen in Figure 2.0.5. The widest spread can be observed in Newfoundland and Labrador and New-Brunswick, where prices range from a minimum of \$25.00 to a maximum of \$85.00 per month.

Basic local wireline in urban communities

There is little to no variance in wireline service prices in urban areas. The average maximum price for these services in urban centres is \$32.23 per month. The highest price is \$36.00 per month in British Columbia, Ontario and Alberta, and the lowest price is \$21.54 per month in Saskatchewan. The highest variance is in Ontario (\$10.00), which demonstrates that most wireline service users in urban centres across the country pay approximately the same amount each month (Figure 2.0.5).

Wireless in urban communities

The average maximum wireless service price in urban centres is \$71.15 per month. British Columbia, Alberta, and Ontario all have the lowest price of \$35.00 per month. Urban centres in Manitoba have wireless services at a maximum of \$81.00 per month, the highest price in Canada, and the same price can be found in this province's rural communities (see Figure 2.0.4). Manitoba also has the highest variance (\$33.00).

Overall, compared to pricing patterns in rural communities, pricing in urban centres follows the same trend throughout most provinces/territories. However, the variance in prices is much higher in urban centres due to lower minimums.

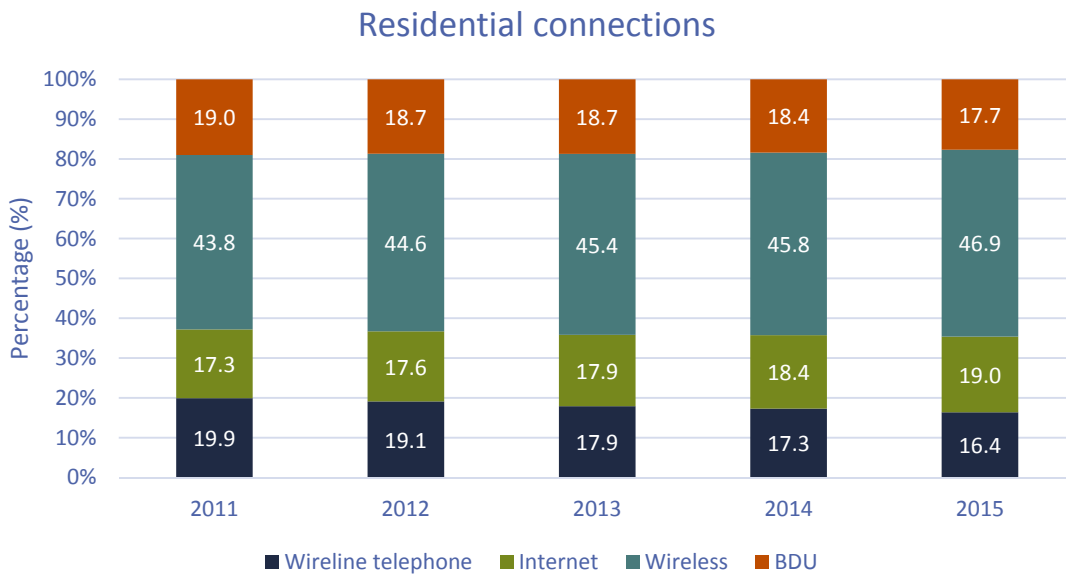
iii Access and service availability

One of the CRTC’s key goals is to ensure that Canadians have access to a world-class communication system. Achieving this objective requires quality information about the diverse challenges faced by communities across the country. To better understand how the communication system is evolving to help Canadians connect with one another and the world, the rest of this section focuses on the availability of communications services in Canada, with particular regard to official language minority communities and access to communications services in minority official languages.

Canadians are communicating through many different platforms

As Figure 2.0.6 shows, connections to mobile wireless services represent nearly half of all household connections, and Internet connections continue to expand. Landline (i.e. wireline telephone service) and BDU (e.g. cable, DTH satellite, and IPTV) connections, despite their relative declines, still comprise over one third of all subscriptions. As a whole, the average household features 4.4 connections. While mobile wireless service connections are the most widespread, Canadians clearly use a variety of ways to communicate.

Figure 2.0.6 Total residential connections distribution by service type (%)



Source: CRTC data collection

Multiple cellphone households behind the rise of wireless service subscriptions

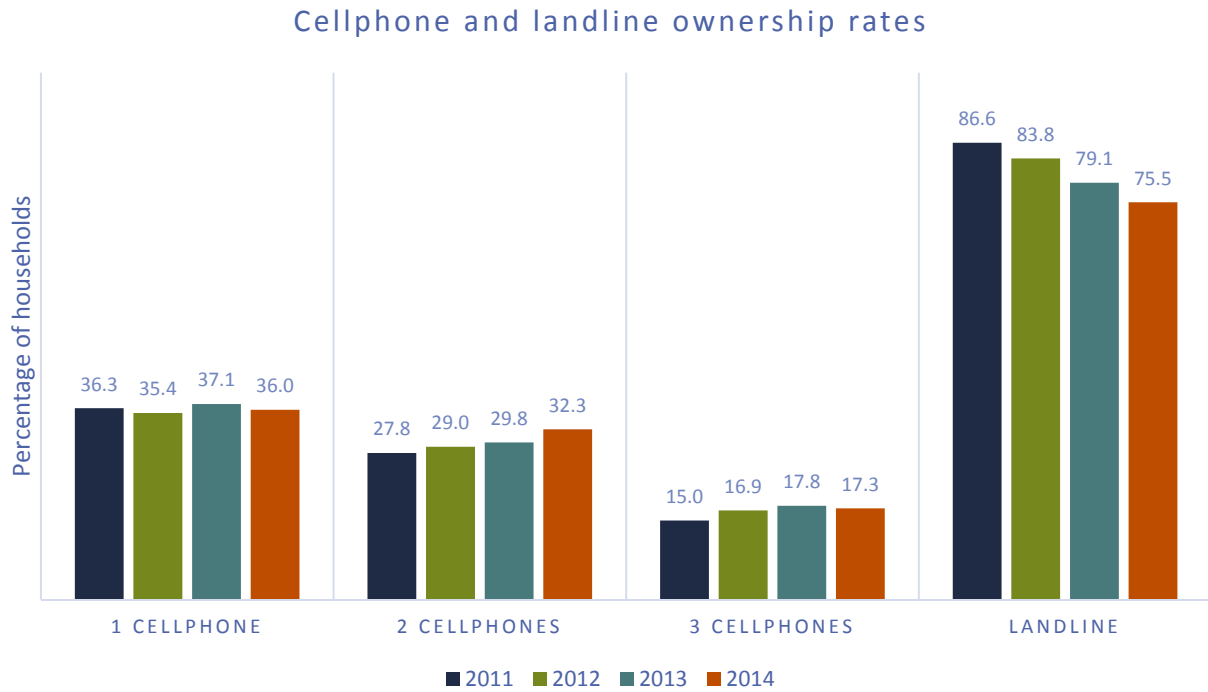
Another way of approaching the issue of availability is to consider the extent to which Canadian households subscribe to key communications services. As Table 2.0.5 shows, nearly all Canadians (99.2%) subscribed to either mobile wireless or landline telephone services in 2014. Yet, rather than stacking telephone services (i.e. subscribing to both landline and wireless mobile services), some Canadians are choosing only one service – and for the most part, this appears to be mobile wireless service. As noted in Table 2.0.5, the percentage of mobile-only households (23.7%) currently exceeds the percentage of wireline-only households (13.6%). Over the last decade, the wireline-only household percentage continuously decreased while the mobile-only household percentage steadily increased.

While the transition to widespread mobile wireless service use – partly at the expense of wireline telephone services – is a long-term process, the historical data in Table 2.0.5 shows how rapidly Canadian households have embraced this newer technology. In 2005, wireline-only households (36.0%) far outpaced their mobile-only counterparts (4.8%).

By organizing this information by province (see Table 2.0.6) and income quintile (see Table 2.0.7), it is more apparent which groups of Canadians are driving this year-over-year shift. For instance, consumers in the four western provinces (Alberta, Saskatchewan, Manitoba, and British Columbia) and Ontario have played a key role in the rise of mobile-only households. In contrast, both Quebec and the Eastern provinces continue to feature a larger percentage of landline-only households. Nevertheless, all provinces have decreasing wireline-only percentages, except Newfoundland and Labrador, whose wireline-only households increased from 13.2% in 2013 to 14.0% in 2014 (Figure 2.0.6). This may be the reason why their mobile-only households decreased to 10.2% in 2014 from 12.0% in 2013 (Figure 2.0.6). Finally, New Brunswick and Newfoundland and Labrador are the only provinces in which a decrease in mobile-only households was observed.

Figure 2.0.7 shows the rate of cellphones and landlines owned by Canadians. 99.2% of Canadian households own either a cellphone or a landline. While 85.6% of households have cellphones in 2014, from 2011 to 2014, the percentage of household owning more than one cellphone increased from 42.8% to 49.6%. During the same period, Landline ownership decreased gradually from 86.6% in 2011 to 75.5% in 2014, as seen in Figure 2.0.7.

Figure 2.0.7 Cellphone and landline ownership rates



Source: Statistics Canada’s Survey of Household Spending

This table provides the percentage of Canadian households by the number of cellphone and landline ownership between 2011 and 2014, using the most recent data available through the Survey of Household Spending.

The link between income and telephone service subscriptions

The data on telephone ownership rates by income quintile (see Table 2.0.7) illustrate the transition to mobile phones. As opposed to 2013, when the percentage of wireless only households surpassed the percentage of wireline only households in the first quintile, the percentage of mobile only and wireline only households remained relatively stable in 2014 for this quintile.

A greater change is seen within the second, third, and fourth quintiles. The exclusive use of cellphones has increased significantly (42.3% growth in the third income quintile). The overall steady decline in wireline service subscriptions shows that households are choosing to forgo wireline services in favour of mobile wireless services.

Contrary to the trend seen throughout income quintiles one to four, the exclusive subscription to wireline services has increased from 3.6% of these households to 4.8%, while the use of only mobile wireless services has decreased (8.0%) in the fifth income quintile.

Financial resources appear to play a role in whether households subscribe to wireless and wireline services, or only one of the two. While only 16.3% of households in the highest income quintile subscribe to only wireline or only wireless services, there is a significant difference in the percentage of households in lower income quintiles that subscribe to only wireline or only wireless services (62.9% in the first quintile). Indeed, the data suggest that the higher a household's income, the more likely it is that the household subscribes to both types of telephone services.

Table 2.0.5 Canadian wireline and mobile wireless service subscribers per 100 households

Year	Wireline	Mobile wireless	Wireline and/or mobile wireless	Wireline only	Mobile wireless only	Only wireline or only wireless
2003	96.3	53.9	98.8	44.9	2.5	47.4
2004	96.2	58.9	98.9	40.0	2.7	42.7
2005	94.0	62.9	98.8	36.0	4.8	40.8
2006	93.6	66.8	98.6	31.8	5.0	36.8
2007	92.5	71.9	98.8	26.9	6.3	33.2
2008	91.1	74.3	99.1	24.8	8.0	32.8
2009	89.3	77.2	99.3	22.1	10.0	32.1
2010	89.3	78.1	99.4	21.3	10.1	31.4
2011	86.6	79.1	99.3	20.2	12.7	32.9
2012	83.8	81.3	99.2	17.9	15.4	33.3
2013	79.1	84.7	99.3	14.6	20.2	34.8
2014	75.5	85.6	99.2	13.6	23.7	37.3

Source: Statistics Canada's Survey of Household Spending

Table 2.0.6 Wireline and mobile wireless telephone service subscribers per 100 households, by province, 2014

Province	Wireline	Mobile wireless	Wireline and/or mobile wireless	Wireline only	Mobile wireless only	Only wireline or wireless
British Columbia	72.5	87.7	99.4	11.7	26.9	38.6
Alberta	71.8	91.4	99.0	7.6	27.2	34.8
Saskatchewan	73.6	90.5	99.4	8.9	25.8	34.7
Manitoba	78.5	87.0	99.3	12.3	20.8	33.1
Ontario	72.9	87.6	99.4	11.8	26.5	38.3
Quebec	79.8	79.1	98.7	19.6	18.9	38.5
New Brunswick	86.2	81.1	99.0	17.9	12.8	30.7
Nova Scotia	79.5	84.1	98.7	14.6	19.2	33.8
Prince Edward Island	82.9	82.7	99.9	17.2	17.0	34.2
Newfoundland and Labrador	89.3	85.5	99.5	14.0	10.2	24.2
All of Canada	75.5	85.6	99.2	13.6	23.7	37.3

Source: Statistics Canada's Survey of Household Spending

Table 2.0.7 Canadian wireline and mobile wireless service subscribers per 100 households, by income quintile

Service	Year	First quintile	Second quintile	Third quintile	Fourth quintile	Fifth quintile
Wireline	2012	74.6	80.3	82.8	87.4	92.4
	2013	65.2	75.0	82.2	84.7	87.5
	2014	65.3	69.1	74.3	80.2	88.3
	Growth 2013-2014 (%)	0.2	-7.9	-9.6	-5.3	0.9
Mobile wireless	2012	61.7	75.1	85.9	91.0	93.4
	2013	66.8	79.7	88.5	92.9	96.4
	2014	67.4	83.2	89.4	93.2	95.0
	Growth 2013-2014 (%)	0.9	4.4	1.0	0.3	-1.5
Wireline and/or mobile wireless	2012	97.4	99.5	99.7	99.8	99.7
	2013	97.5	99.7	99.7	99.6	100.0
	2014	97.8	99.4	99.2	99.5	99.8
	Growth 2013-2014 (%)	0.3	-0.3	-0.5	-0.1	-0.2
Wireline only	2012	35.7	24.4	13.8	8.8	6.3
	2013	30.7	20.0	11.2	6.7	3.6
	2014	30.4	16.2	9.8	6.3	4.8
	Growth 2013-2014 (%)	-1.0	-19.0	-12.5	-6.0	33.3
Mobile wireless only	2012	22.8	19.2	16.9	12.4	7.3
	2013	32.3	24.7	17.5	14.9	12.5
	2014	32.5	30.3	24.9	19.3	11.5
	Growth 2013-2014 (%)	0.6	22.7	42.3	29.5	-8.0

Source: Statistics Canada's Survey of Household Spending

The results of Statistics Canada's Survey of Household Spending are released approximately two years after the data is collected. Consequently, the most recently available data is from 2014.

The link between income and Internet subscriptions

Mobile wireless devices (such as smartphones and tablets) and technologies (HSPA and LTE) enable Canadians to access the Internet from nearly any location. However, home computers still play an important role. As Table 2.0.8 shows, most Canadian households have home computers. Households in the lower income quintiles (first, second, and third) have more cellphones than home computers. For example, 67.4% of Canadian households in the lowest income quintile own cellphones (see Table 2.0.7), compared to 64.3% of those households that own home computers and 63.5% that have Internet access at home (see Table 2.0.8).

While this may be due to a number of factors, one important factor could be that low-income households are choosing to devote their resources to a technology that can provide multiple communications services (voice and Internet), rather than subscribing to each service individually. It is worth noting that the use of home computers, for the first time, has declined across all income quintiles, with the largest decrease of 3.1% in the second quintile.

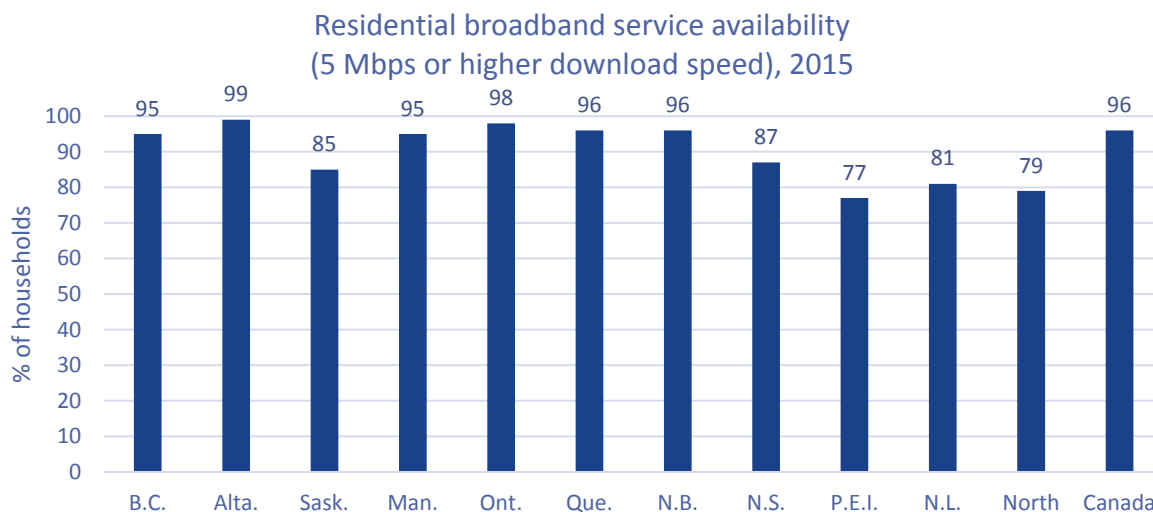
Table 2.0.8 Home computers and Internet use from home per 100 households, by income quintile

Technology	Year	First quintile	Second quintile	Third quintile	Fourth quintile	Fifth quintile	Average for all quintiles
Home computer	2013	64.4	80.6	89.8	95.4	97.9	85.6
	2014	64.3	78.1	87.7	94.0	97.4	84.3
	Growth (%)	-0.2	-3.1	-2.3	-1.5	-0.5	-1.5
Internet use from home	2013	59.7	77.6	89.0	94.9	98.4	83.9
	2014	63.5	78.5	88.7	95.5	98.3	84.9
	Growth (%)	6.4	1.2	-0.3	0.6	-0.1	1.2

Source: Statistics Canada

The rise in Internet service use across income quintiles is also reflected in overall residential Internet service availability and subscription rates. The percentage of households with access to broadband services with a download speed of at least 5 Mbps is 96% (see Figure 2.0.8). Similarly, although the CRTC's target service speeds are linked to the *availability* of 5 Mbps (download) and 1 Mbps (upload) service and not subscriptions to these service speeds, the data indicates that Canadians are clearly embracing faster connections, which are becoming more widely available: the majority of households now subscribe to Internet service packages with download speeds at or above 10 Mbps, while packages with slower service speeds have been declining in popularity.

Figure 2.0.8 Residential broadband service availability (5 Mbps or higher download speed), by province/territory (% of households), 2015



Source: INNOVATION, SCIENCE AND ECONOMIC DEVELOPMENT CANADA (ISED) and CRTC data collection

DTH satellite services are excluded as they have a national footprint. They would add approximately 1.5% to the availability of 5 Mbps broadband services.

Table 2.0.9 Residential Internet subscriptions by advertised download speed per 100 households

Advertised download speed	2011	2012	2013	2014	2015
256 kbps and higher	76	78	79	81	83
1.5 Mbps and higher	72	75	77	80	82
5 Mbps and higher	54	62	71	77	80
10 Mbps and higher	19	29	45	55	61
16 Mbps and higher	7	21	25	34	41
50 Mbps and higher	0	3	4	8	16
All speeds (including dial-up)	78	79	80	82	84

Source: CRTC data collection