

#### Channel 4

Channel 4 is a publisher broadcaster which was launched in 1982. After a lengthy debate about what kind of service the fourth channel should provide, it was given a specific remit to be innovative, and to cater for audiences not catered for elsewhere - youth programming such as *Network 7* (which used similar techniques and style to Toronto's City-tv), new music shows such as *The Tube*, multi-cultural strands, and quality, low budget film drama flourished.

Channel 4 was also to encourage the independent production sector, and as a result has always commissioned a substantial proportion of its programmes from independents, with the remainder coming from either ITV companies, or from acquisitions. Over the years, Channel 4 has bought many US sitcom and dramas - such as *Hill Street Blues*, *Northern Exposure*, *Dream On*, *Cheers*, and *Golden Girls* and made them cult hits in the UK.

Until 1993 the channel was funded by a subscription for ITV which sold airtime on its behalf. From 1993, however, Channel 4 became independent of ITV, competing directly with other broadcasters to sell its own air time.

Whether this will place the channel's remit in jeopardy remains to be seen (and there is an argument that since BBC2 has copied many of C4's success, particularly in the areas of youth, music and arts, the channel's remit should adapt to find new areas). The budget for 1993 was frozen for the third year running at £184 million (US\$325 million). In real terms this represented a drop of £30 million (US\$53 million) since 1991. However, there is to be an increase in programming budgets for 1994.

In 1991 the channel's audience share grew from 8.9 per cent to 9.6 per cent. In terms of commercial television viewing the channel accounted for 17.4 per cent of the audience, but took only 14.8 per cent of net advertising revenue, supporting the view that its airtime has been under-sold. In the past its success at selling its own airtime in the first few months of 1993 also lends weight to this view.

In 1991, C4 commissioned 1,671 hours of first run programming (52 per cent of output) from independent producers. The ITV companies and ITN provided a further 1,551 hours of commissioned programmes while new acquisitions made up 1,844 hours of programming.

#### Channel 5

The ITC decided at the end of 1992 not to award the licence for the fifth national terrestrial channel. Although there were several groups which expressed interest in applying for the licence, only one consortium, Five TV - comprising ousted ITV licensee Thames Television and Moses Znaimer of Toronto's City-tv - put in a bid. The ITC did not award the licence on the basis that Five TV was not fully funded and that the business plan was not supportable.