



CORPORATE PLAN  
SUMMARY  
2015-2016 TO 2019-2020

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### Note Regarding Forward-Looking Statements

The Corporate Plan Summary contains forward-looking statements regarding objectives, strategic initiatives and expected financial and operational results. Forward-looking statements are based on the following broad assumptions: CBC/Radio-Canada’s parliamentary appropriations remain consistent with amounts announced in the federal budget, and the broadcasting regulatory environment will not change significantly. Key risks and uncertainties are described in the *Risk Management* section of this report. However, some risks and uncertainties are by definition difficult to predict and beyond our control. They include, but are not limited to, economic, financial, advertising market, technical and regulatory conditions. These and other factors may cause actual results to differ substantially from the expectations stated or implied in forward-looking statements.

# 1 Message from the President and CEO

We are entering the era beyond traditional broadcasting; an era defined by borderless interconnectivity, dominated by global players the likes of which the world has never seen. Change is everywhere. With new devices, new services, and new ways of creating and sharing content, audiences have ever-increasing choice. As the public broadcaster, we are – and want to remain – part of that choice.



We're experiencing technological and social change at a pace few of us have ever seen. And, as we navigate this change, the public broadcaster is facing some of the toughest financial challenges in our history. The conventional television model – which generates the largest part of CBC/Radio-Canada's commercial revenue – is broken. Lured by opportunities to target their messages, advertisers are shifting their spending from traditional television to digital media. No conventional television broadcaster, private or public, is immune. In the year since we launched our new strategic plan, *A space for us all*, in June 2014, all of Canada's major media players have announced changes and workforce adjustments aimed at adjusting to the new reality. From Rogers to Bell Media to Quebecor – no one is immune. Though this is a trend common to all broadcasters around the world, what's at stake here at home is the availability of Canadian programming, particularly local content. To ensure the services and community presence that reflect our country's wants and needs, nothing short of a transformation of the entire industry is required.

We first took action more than five years ago when we began transforming ourselves with strategy *2015: Everyone, Every way*. This five-year plan committed CBC/Radio-Canada to becoming more Canadian, more regional and more digital, principles that still drive us today and inspired our new strategy.

Despite financial setbacks, since 2011 we have improved service in 18 markets, and maintained a strong local presence in each of the 54 communities we serve, through our 88 radio stations and 27 television stations. We are also more digital, reaching nearly twice as many Canadians – from 7 million in 2011<sup>1</sup> to over 12 million today – with our websites and ground-breaking online offerings like CBC Music, ICI Musique and ICI Tou.tv.<sup>2</sup> By this fall we will have completely transformed our local offer in regions across the country, ensuring that our services are not only financially sustainable for the long term, but also aligned with the way people are choosing to engage with our content.

## Where We're Going

We are now in a world where we can reach tens of millions globally through a single Facebook post!

Today, more than half our digital audience on CBCNews.ca comes to us on a mobile device, with social media driving a significant portion of that traffic. ICI Radio-Canada.ca alone reaches, on average, 2.8 million unique users every month – nearly 1 million of which are mobile.<sup>3</sup> Our “mobile first” approach in the regions calls for news on demand, more raw video, more live streaming, more social, more breaking news, and more columns with voice and personality – more content our audiences want to share. This had led to the need to generate original programming designed for many screens and many platforms. Digital is not an afterthought; it's baked into the way we think about content.

Thanks in part to this approach, more Canadians watched the Sochi Olympic Games than any other Olympics in history – 33 million, with 11 million using mobile platforms<sup>4</sup> – an achievement recognized by the International Olympic Committee (IOC) with two Golden Ring awards for Best Digital Offering and Best Olympic Program.

To reach as many Canadians as possible, our large-scale event coverage is driven by broadcast partnerships and new digital offerings. We are controlling costs through close cooperation across our networks – sharing resources, content and expertise – as well as through innovative methods of digital transmission. With more than 1,600 hours of television and online coverage from Sochi, our networks delivered far more coverage with far fewer people on the ground, and at far less cost, than we did in the past. And we will have a chance to innovate even further with this summer’s Toronto 2015 Pan American / Parapan American Games, and the upcoming Olympic Games in Rio de Janeiro 2016, PyeongChang 2018 and Tokyo 2020.

## The Next Steps

Our strategic plan puts forward a clear vision for the future. It was designed in-house following months of input and consultation with CBC/Radio-Canada employees from all services and at all levels of the organization.

*A space for us all* will create a public broadcaster that’s more relevant, agile and financially viable. We will increasingly use cutting-edge media technologies to identify the stories that are of interest to individuals, tailoring our content so that it is more relevant and delivering it in more ways, to more devices. We are moving towards a multiscreen, multiplatform content strategy.

### *A space for us all* Key Objectives

By 2020, CBC/Radio-Canada will have doubled its digital reach. 18 million Canadians, one out of two, will use CBC/Radio-Canada’s digital services each month.<sup>5</sup>

By 2020, three out of four Canadians will answer that they have a strong attachment to their public broadcaster.<sup>6</sup>

As previously mentioned, we are reinventing our presence in the regions by putting more emphasis on digital and mobile, increasing local touch points, and offering a comprehensive local news and information service across the day on all platforms. We know this is where Canadians are going. For example, the number of four-screen Canadians (computer, tablet, smartphone and Internet-connected TV) has grown nearly five-fold in just the last three years.<sup>7</sup>

Across all our platforms and genres, we’re adapting to the digital shift. Starting in fall 2015, CBC/Radio-Canada will introduce new services specifically for mobile users and strengthen existing desktop and web services. We will deliver more content on the platforms the audience is using more often, with the vision to provide continuously refreshed local digital content.

At the same time, we recognize that our traditional platforms – television and radio – continue to deliver our biggest audiences. Although more and more Canadians are watching video on the web and mobile phones, 86% of us still watch TV live, sitting in our living room.<sup>8</sup> In fact, we spend on average 28 hours a week watching TV, and 92% of that time is dedicated to live programming.<sup>9</sup>

That's why, for the first time since 2009, we will be making significant reinvestments in the programming schedules for French and English, television, radio and digital. And it couldn't come at a more exciting time. CBC's prime time schedule is having a banner year with three new shows – *The Book of Negroes*, *Schitt's Creek* and *X Company* – all breaking the one million viewer mark. ICI Radio-Canada Télé has seen continued success with original dramas like *Nouvelle adresse* and *Unité 9*, which sustains ratings of 2.1 million viewers on average. On New Year's Eve, *Bye bye 2014* broke records with over 3.9 million viewers.

#### Our Vision

In 2020, CBC/Radio-Canada will be at the heart of our conversations and experiences as Canadians.

For the 2015-2016 season, ICI Radio-Canada Télé's programming highlights include a mix of popular favourites and new programs, including a remake of the much loved *les Belles histoires des pays d'en haut*, as well as original digital series like *Quart de vie* and *7\$ par jour* – exclusive to ICI Tou.tv.

CBC Television will also present a must-see line up, including *This Life*, an adaptation of the hit ICI Radio-Canada Télé series *Nouvelle adresse*, and *Keeping Canada Alive*, a six-part series profiling Canada's health care system.

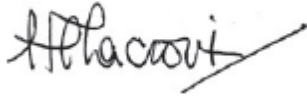
Our radio services, too, remain strong and continue to obtain record-high shares. ICI Radio-Canada Première and ICI Musique have a combined audience share of 21.7% among Francophones,<sup>10</sup> and CBC Radio One and CBC Radio 2 captured a combined share of 18.1% among Anglophones.<sup>11</sup>

So while we aren't leaving television and radio behind, we need to reduce our fixed costs and shift investments from support services, real estate and traditional broadcast infrastructure to delivering high-impact Canadian content, including news and current affairs on multiple platforms.

In a world where our permanent base budget, beyond partial inflation funding, has not increased since 1973, and advertising dollars are down, our current financial model is not sustainable over the longer term. We believe Canada needs a sustainable financial model for conventional television as a whole, and made that clear during the Canadian Radio-television and Telecommunications Commission's (CRTC) *Let's Talk TV* process, which recently came to a close, and in various appearances before parliamentary committees. We cannot be condemned to shrinking into mediocrity. Faster, more flexible financial tools and processes, such as a line of credit, would provide us with the agility to adapt as fast as the industry requires us to do. As things stand, we are allocating the resources available to make the shift to digital, while not alienating users of our traditional platforms. We will continue down this path, making difficult choices as we go – but unless the model is revisited, our financial stability will face ongoing challenges.

Make no mistake, we want to play as big a role in our country's future as we've played in its past – but that will require even more change. That change will be challenging internally and unsettling for some of our audience. The next few years will be turbulent. Jobs will, unfortunately, be affected and we will continue to face resistance. However, by 2020 we'll be a different kind of public broadcaster; one that is more dynamic, more relevant and, above all else, brings Canadians together.

The evidence suggests that a strong public broadcaster benefits the industry as a whole. The country is changing and so must we. I hope you'll join us in making public broadcasting everything it can be for this country in the era beyond traditional broadcasting.



Hubert T. Lacroix

*President and CEO*

<sup>1</sup> Source: comScore, Monthly Average Unique Visitors (PC only), fiscal year 2010-2011, persons aged two years and older.

<sup>2</sup> Source: comScore, Monthly Average Unique Visitors (Multi-Platform) (July 2014 to April 2015), persons aged two years and older.

<sup>3</sup> Source: comScore, Monthly Average Unique Visitors/Viewers (November 2014 to April 2015), persons aged two years and older.

<sup>4</sup> Source: Numeris (BBM Canada), Personal People Meter (PPM), persons aged two years and older, all day, February 6-23 2014.

<sup>5</sup> In 2013-2014, all of CBC/Radio-Canada's services together reached 87% of Canadians monthly. However, the number of unique visitors to its digital offering in the same year was 8.7 million – 7.1 million for CBC and 2.0 million for Radio-Canada. Source: Mission Metrics Survey, TNS Canadian Facts, 2013-2014 and comScore, Monthly Average Unique Visitors, 2013-2014.

<sup>6</sup> In a national survey with a representative sample, 75% of respondents will reply 8, 9 or 10 on a 10-point scale to the question, "Is CBC or Radio-Canada important to you personally?" In 2013-2014, the total positive score (6 to 10 on a 10-point scale) was 76%; however, 57% replied 8, 9 or 10. Source: Mission Metrics Survey, TNS Canadian Facts, 2013-2014.

<sup>7</sup> Source: Media Technology Monitor (spring 2015).

<sup>8</sup> *Ibid.*

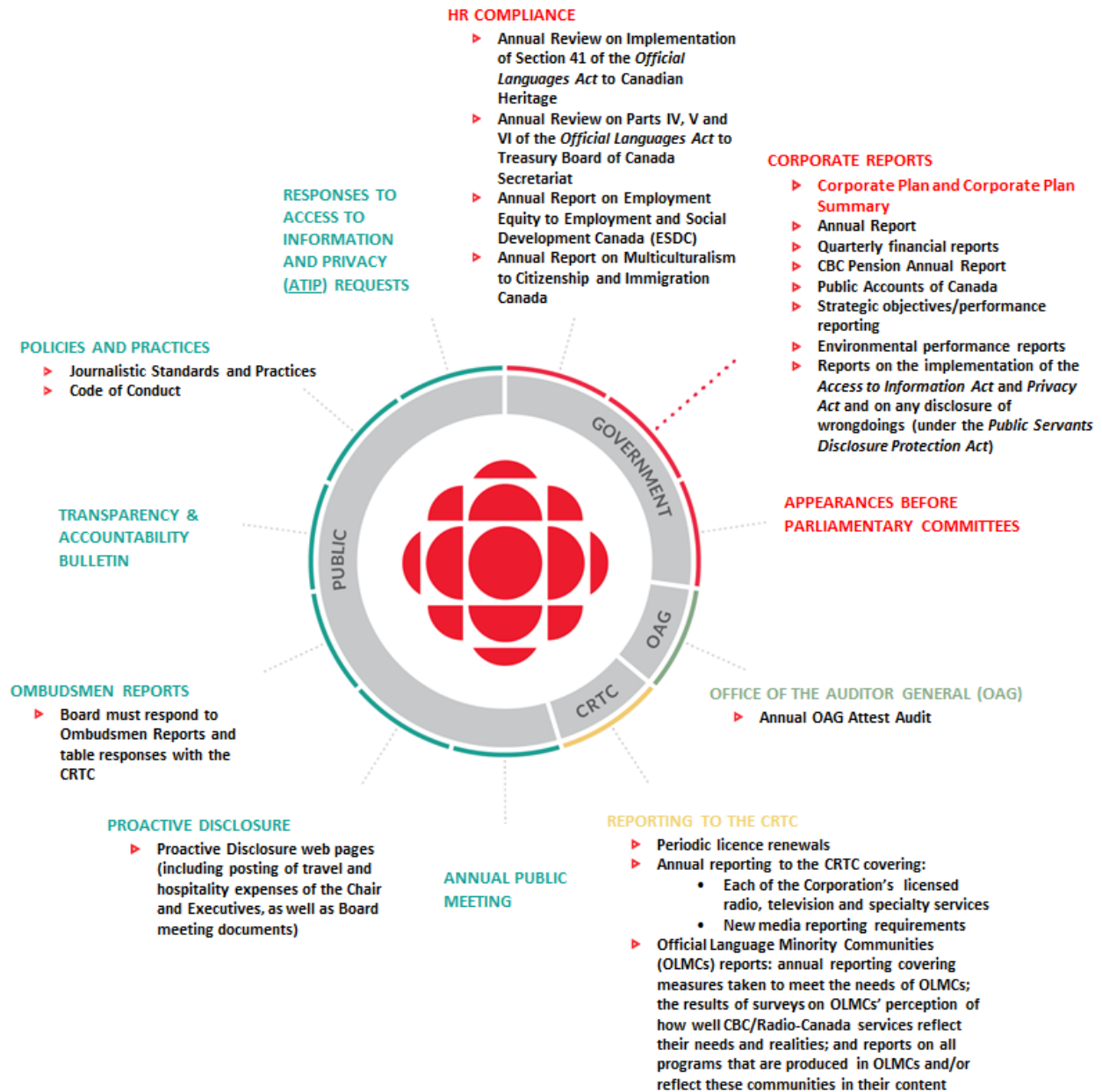
<sup>9</sup> Source: Numeris (BBM Canada), Personal People Meter (PPM), persons aged two years and older, all day, 2014-2015 broadcast year-to-date (September 1, 2014 to April 12, 2014).

<sup>10</sup> Source: Numeris (BBM Canada), diary (fall 2014), persons aged 12 years and older. Areas in which a Radio-Canada-owned station is located.

<sup>11</sup> Source: Numeris (BBM Canada), diary (fall 2014), persons aged 12 years and older. Areas in which a CBC-owned station is located.

# 2 CBC/Radio-Canada's Commitment to Transparency and Accountability

As the national public broadcaster, we take very seriously our obligation to be transparent and accountable to Canadians. To meet our responsibilities, we provide access on our corporate website to information about our activities and the way we manage our public resources.



# 3 CBC/Radio-Canada Services

CBC/Radio-Canada delivers a comprehensive range of television, radio, digital and other services, and is focused on developing and growing new platforms to give Canadians better access to our content. Deeply rooted in the regions, we are the only national broadcaster to offer diverse regional and cultural content in English, French and eight Aboriginal languages (*Chipewyan, Cree, Dogrib, Gwich'in, Inuktitut, Inuvialuktun, North Slavey and South Slavey*) via CBC North, as well as five languages (*French, English, Arabic, Mandarin and Spanish*) for international audiences. The Corporation's broadcasting reach extends across Canada and around the world, offering high-quality, distinctive content by, for and about Canadians, wherever and however they want it. We have 30 services, as follows:

## Television

### ICI RADIO-CANADA TÈLÈ

From news, entertainment and drama series, to galas and current affairs programs, ICI Radio-Canada Télé delivers high-quality, distinctive programming. Through its ongoing commitment to innovation and creativity, the network's reach extends to all regions of Quebec and across Canada.

### ICI RDI

ICI RDI is French Canada's top continuous news source. Viewers turn to ICI RDI to see, hear and understand the latest news stories happening at home and abroad.

### ICI artv

ICI ARTV offers a broad range of high-quality cultural content. Our viewers include arts enthusiasts, as well as fans of popular television programs.

### ICI EXPLORA

ICI EXPLORA, Radio-Canada's new French-language specialty channel, brings together the best content on science, the environment, nature and health.

### CBC

Canada's leading 24-hour English-language television network of ground-breaking news, information, sports, and entertainment programming; produced by, for and about Canadians, for more than 60 years.

### CBCnews network

CBC News Network is Canada's number one news network, anchored by leading Canadian journalists. It is the destination for breaking news, live event coverage, in-depth news and current affairs programming, 24 hours a day, seven days a week.

### | documentary

Provocative and compelling, *documentary* delivers the best in Canadian and international docs, films and series – 24 hours a day. Available by subscription.

### CBC Radio-Canada

A bilingual news and information service that is available in five large Canadian airports, to serve over 62 million travellers annually.

### TV5MONDE

The premier worldwide French-language television network, TV5MONDE encompasses 10 broadcast partners across the globe and creates a space dedicated to public expression. It airs programming that increases awareness of the diversity of cultures and points of view.



# Radio

## ICI RADIO-CANADA PREMIÈRE

From coast to coast to coast, ICI Radio-Canada Première is Canada's commercial-free French-language talk radio network, providing a wide range of programming with a focus on news and current affairs, the arts, and social issues. Engaged in the community and open to the world, ICI Radio-Canada Première strives to be bold, inquisitive, people-oriented, and always close to its listeners. Also available on SiriusXM Channel 170.

## ICI MUSIQUE

ICI Musique airs a predominantly Canadian lineup of music and cultural programming that aims to connect with listeners, to be a musical companion in tune with their daily lives. Dynamic hosts present a variety of musical genres, from classical, jazz and vocal, to world and new music.

## ICI MUSIQUE CHANSONS

100 per cent French-language vocal music channel, playing the top Quebec and Francophone artists from around the world via SiriusXM Channel 163.

## ICI MUSIQUE FRANCO COUNTRY

100 percent Canadian French-language country/folk music. Listen to the biggest country hits, plus emerging artists from the new country/folk scene via SiriusXM Channel 166.

## radio one

Canada's English-language information service offering local, national and international news, documentaries and current affairs and arts programming on radio and SiriusXM Channel 169. Commercial-free and reflecting a uniquely Canadian perspective on the world.

## radio 2

Music, music, music – a music mix you won't hear anywhere else! Listen to classical, jazz, world beat, pop and more. It's an English-language network, with music that speaks to all.

## radio 3

If it's new, you'll find it here. Catch "the next big thing" on this English-language showcase of emerging, commercial-free Canadian music, available online, via podcast, and on SiriusXM Channel 162.

## CBC music sonica

CBC Music Sonica features non-stop adult alternative bands from Canada and beyond, combining new rock sounds of today with a sprinkling of Canadian heritage artists; available via SiriusXM Channel 171.

# Digital



Canada's leading French-language on-demand web television site, featuring content from leading national and international producers and broadcasters. ICI Tou.tv offers a wide selection of TV series, variety shows, documentaries and newsmagazines – wherever and whenever viewers want them. Available via subscription (free of charge to Telus and Rogers customers), the Extra experience gives users access to an even richer and more diverse selection of content, all in HD quality.



From constantly updated news and information, to unique digital media and in-depth reports, ICI Radio-Canada.ca offers an unparalleled wealth and variety of content in French. As one of the country's most popular French-language media sites, ICI Radio-Canada.ca is also the go-to place for live and catch-up streaming of Radio-Canada TV and radio content.



ICI Musique, Radio-Canada's music destination, delivers a diverse, dynamic range of musical and editorial content. On the web at ICI Musique.ca, and on mobile, users can enjoy the artists, heard-it-here-firsts, and new experiences that have become the hallmarks of ICI Musique.



One of Canada's most popular and comprehensive English-language media websites, with up-to-the-minute news and information; streaming audio and video; sports highlights; web-only interactive features; multimedia archives, and much more.



CBCNews.ca is Canada's home for breaking and in-depth reporting of local, national and international news, offering streaming audio and video, web-only interactive features, and more. It's Canada's meeting place to discuss the stories that matter, wherever you are.



CBCSports.ca provides the latest in Canadian and international breaking news and special reports from the world of sports, as well as access to live streaming of major events, including CBC's *Hockey Night in Canada*.



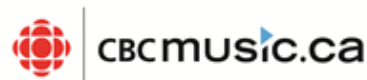
Canadian voices have been extending across the planet since 1945 with this commercial-free international radio service, now broadcasting information and cultural programs in five languages via the Internet.



CBCBooks.ca features all of CBC's rich literary content across all platforms. It's an online meeting place where literary enthusiasts can find the books they want to read, connect with other readers, and keep up on all of CBC's major literary programs such as Canada Reads.



Curio.ca gives teachers and students streaming access to the best in educational content from CBC and Radio-Canada. The site features TV and radio documentaries, news reports, archival material, stock shots and more. Over 3,000 programs and resources that you can access with a single subscription!



CBC Music is Canada's free digital music service. Simple and easy to navigate, CBC Music gives Canadians access to 50 web radio stations; 12 genre-based music communities plus CBC Radio 2 and CBC Radio 3; the most up-to-date music news by Canada's top music journalists; plus hundreds of concerts, playlists and more.

# Others

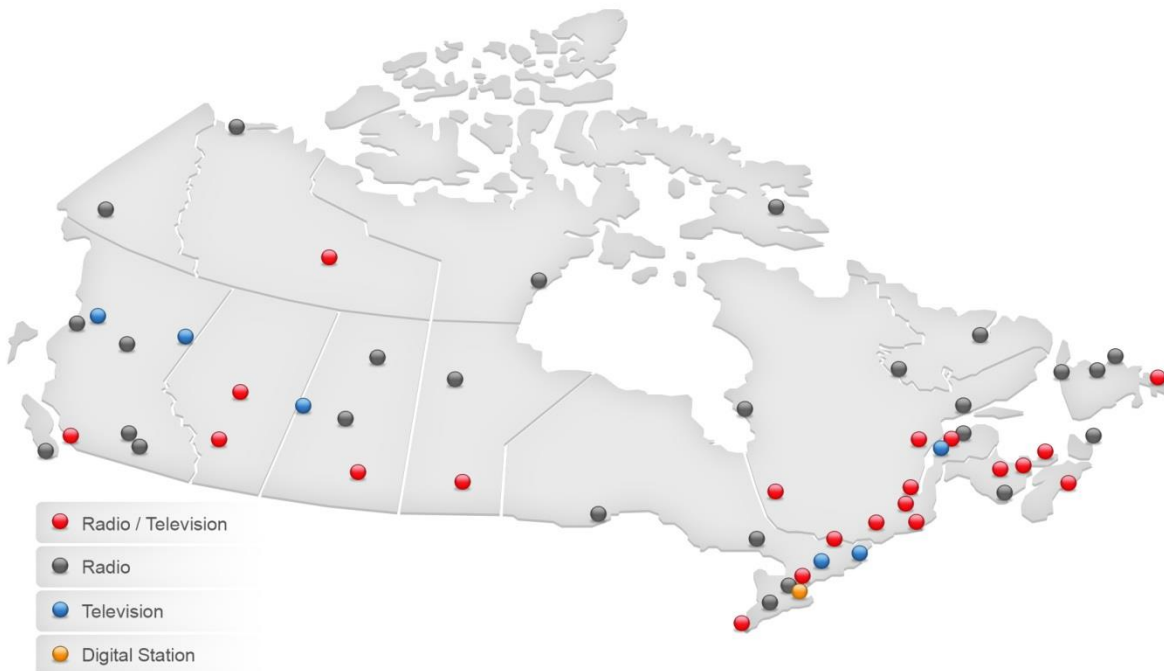


100 per cent commercial-free, safe and entertaining content for children and youth.

CBC/Radio-Canada is proud to be Canada’s official Olympic broadcaster for the Rio 2016 Olympic Games, PyeongChang 2018 Olympic Winter Games and Tokyo 2020 Olympic Games.

Bringing together the diverse communities that make up Canada’s vast North, CBC North broadcasts award-winning radio and television services in English, French and eight Aboriginal languages.

## We Serve Canadians from Coast, to Coast, to Coast<sup>1</sup>



This map denotes the locations of our CRTC-licensed and affiliated radio and television stations across Canada, as well as our designated digital station. Note that digital services are also offered in the other stations, as a matter of course. The map does not include our various news bureaus and newsgathering locations.

<sup>1</sup> Source: Map of CBC/Radio Canada Stations (including affiliates) (October 2014).

# 4 Our Strategic Context: The Environment in Which We Operate

CBC/Radio-Canada launched *A space for us all*, our new five-year strategic plan, to address the challenges and opportunities for the public broadcaster in a shifting media environment.

## Our Financial Outlook

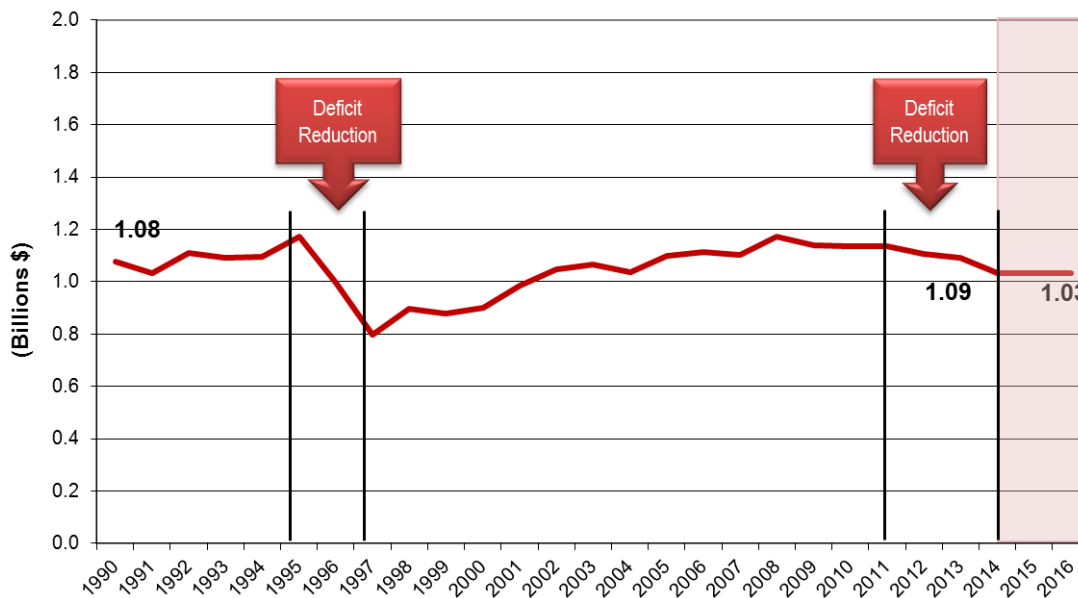
At the core of our plan is a realistic assessment of our financial outlook. We have three principal sources of revenue: advertising, subscriptions and public funding.

### Public Funding

Parliamentary appropriations are by far CBC/Radio-Canada’s largest source of funding. In fiscal year 2014-2015, government funding equalled \$1.036 billion (of which the operating parliamentary appropriation represented \$929 million), representing 63% of the Corporation’s total revenue and sources of funds.<sup>1</sup>

Aside from periodic salary funding increases, our parliamentary appropriations have been relatively flat since 1990. Two significant changes in our parliamentary appropriations occurred during the federal deficit reduction programs between 1995 and 1997, and between 2011 and 2014.

**History of CBC/Radio-Canada’s Parliamentary Appropriations<sup>2</sup>**



**Outlook:** Our new five-year plan assumes our parliamentary appropriation will remain flat.

<sup>1</sup> Source: CBC/Radio-Canada Annual Report 2014-2015.

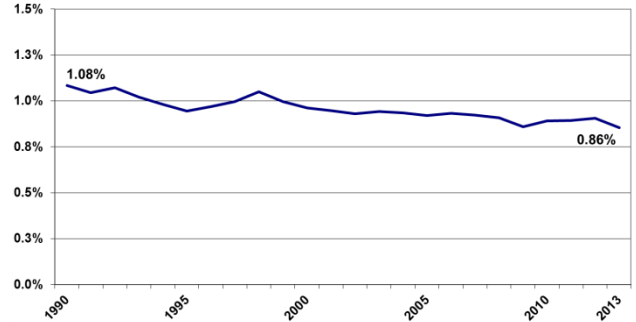
<sup>2</sup> Source: CBC/Radio-Canada Finance.

## Advertising

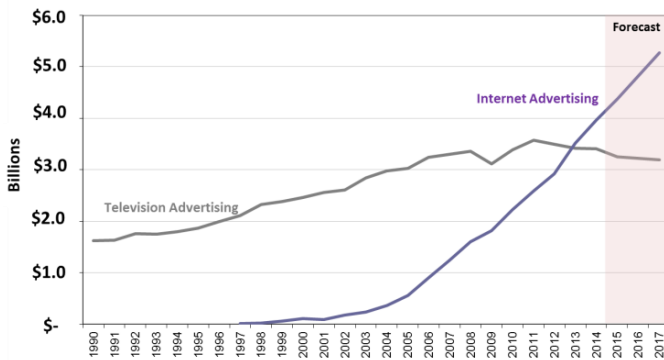
Advertising is CBC/Radio-Canada’s second largest source of revenue. In fiscal year 2014-2015, it generated \$333.4 million, or 20% of total revenue and sources of funds.<sup>1</sup> We are witnessing some profound shifts in the advertising market that are negatively impacting the outlook for traditional media companies like CBC/Radio-Canada.

Advertising is critical to marketing products and services in the economy. Before digital media, advertising was the predominant means for companies to market their products and services. The digital era has expanded companies’ direct marketing possibilities to include both owned (e.g., websites, apps) and earned media (e.g., social media). The increase in marketing options has contributed to a decline in advertising as a share of the economy.

Advertising Volumes as a Share of the Economy is in Decline <sup>2</sup>



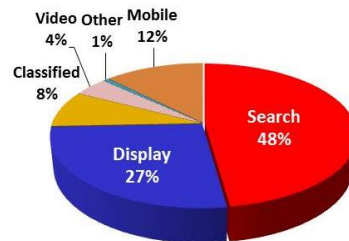
TV and Internet Advertising Revenues <sup>3</sup>



In addition, the Internet is significantly redistributing the available revenues. Internet advertising has grown from virtually nothing, at the beginning of the century, to eclipsing TV, in 2013, as the largest advertising medium in Canada at \$3.525 billion. And the growth is not expected to cease. Zenith Optimedia forecasts Internet advertising revenues to grow by more than one third over the next three years, while TV advertising revenues will decline over the same period.

Traditional media companies like CBC/Radio-Canada have limited access to Internet advertising, since nearly three fifths of Internet advertising is in categories in which we do not compete (i.e., search, classified). CBC/Radio-Canada has popular news, video and audio online services that compete for display, video and mobile advertising, however giants like Google and Facebook dominate the industry. In addition, there is virtually unlimited advertising inventory online, and advertisers are driving rates down since they increasingly prefer purchasing banner ads in bulk on RTB (real-time bidding) platforms. This trend of lower rates is growing, and is having a negative impact on CBC/Radio-Canada’s Internet advertising revenues.

Internet Advertising Revenue by Category <sup>4</sup>



**Outlook:** The advertising market is expected to become more competitive due to profound shifts in how advertisers market to consumers.

<sup>1</sup> Source: CBC/Radio-Canada Annual Report 2014-2015.

<sup>2</sup> Source: Television Bureau of Canada and Statistics Canada.

<sup>3</sup> Source: Statistics Canada, Interactive Advertising Bureau and Zenith Optimedia.

<sup>4</sup> Source: Interactive Advertising Bureau (September 2014).

## Subscription Revenue

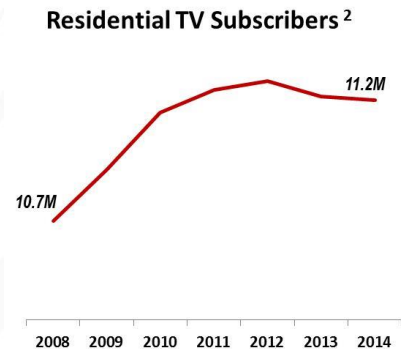
CBC/Radio-Canada generated \$132.8 million in subscription revenues in 2014-2015, or 8% of our total revenue and sources of funds.<sup>1</sup>

The traditional subscription TV market (e.g., cable TV, satellite TV) is mature. The number of TV subscribers is starting to see declines as light TV viewers, particularly younger Canadians, increasingly choose online TV sources.

Following the recent CRTC *Let's Talk TV* decisions, the subscription TV market will also face additional changes. The CRTC announced consumer-centric changes, such as a small basic and pick-and-pay packages, as well as the removal of specialty services' genre protections, which will likely bring additional financial pressure to some specialty services.

Successive waves of consolidation in the distribution market have created a handful of large, vertically integrated communications and media providers. Bell, Rogers, Shaw and Quebecor capture nearly 80% of total TV subscribers in Canada.<sup>3</sup> These same companies are also the dominant specialty TV broadcasters, controlling over two thirds of subscription fee revenues.<sup>4</sup>

CBC/Radio-Canada is a small player in the specialty TV market. We have two specialty TV channels in the English-language market – CBC News Network and *documentary* – and three in the French-language market: ICI RDI, ICI ARTV and ICI EXPLORA. Our news specialty TV channels (CBC News Network and ICI RDI) generate most of our subscription revenue. Both have wide distribution across the country. ICI ARTV, ICI EXPLORA and *documentary* have fewer subscribers and less broad distribution.



**Outlook:** The subscription TV market is expected to become more competitive as pick-and-pay is introduced and as consumers increasingly move to online viewing.

## Media Habits are Changing

Much of the change in the broadcasting industry is coming from advances in technology and resulting shifts in consumer behaviour and expectations. *A space for us all* recognizes that we, like all broadcasters, must change to meet the needs of Canadians.

### Technology is Enabling New Behaviour

The Internet has had a profound impact on consumer behaviour in Canada. A few examples:

- Canadians spend on average about 20 hours a week on the Internet. Almost 70% of that time is spent with audio or video content, rather than with text and still images.<sup>5</sup>

<sup>1</sup> Source: CBC/Radio-Canada Annual Report 2014-2015.

<sup>2</sup> Source: Mediastats.

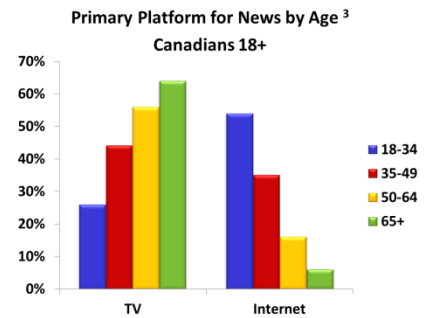
<sup>3</sup> Source: CRTC 2013.

<sup>4</sup> *Ibid.*

<sup>5</sup> Source: Media Technology Monitor (spring 2015).

## Corporate Plan Summary 2015-2016 to 2019-2020

- Not only are we spending more time on the Internet, we are doing more of it on mobile devices. 70% of Canadians have a smartphone and half (51%) have a tablet.<sup>1</sup> By comScore's estimates, over half of all Canadian Internet traffic is from a mobile device.<sup>2</sup>
- The shift to the Internet has had a profound impact on how we consume news. TV is still considered the primary source of news by Canadians, but there is a major difference by age: the Internet surpasses TV in importance by two-to-one for younger Canadians.
- The Internet has given Canadians new ways to communicate with each other. A majority of Canadians (66%) are now social networking. 41% are doing it daily, and they are doing it increasingly on their mobile devices (54%).<sup>4</sup>
- Internet TV services have changed viewer expectations. In little over four years, 44% of Canadians in the English market have become Netflix subscribers: regular viewers spend some eight hours a week using the service.<sup>5</sup> Many subscribers to Netflix and similar services don't want to wait until next week – they want the next episode now. Half of Canadians are now binge viewing (watching three or more episodes of the same show in one sitting).<sup>6</sup>



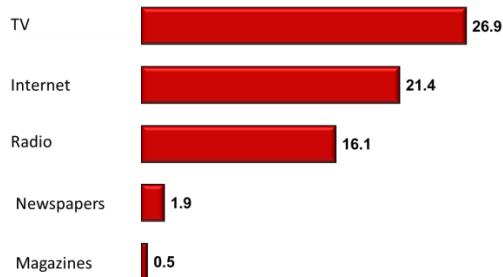
### But We Need to Be Grounded in Facts

Not all consumer behaviour changes as fast as technology advances. This fact requires media companies to continue to meet the needs of audiences for traditional platforms as they introduce services for new platforms.

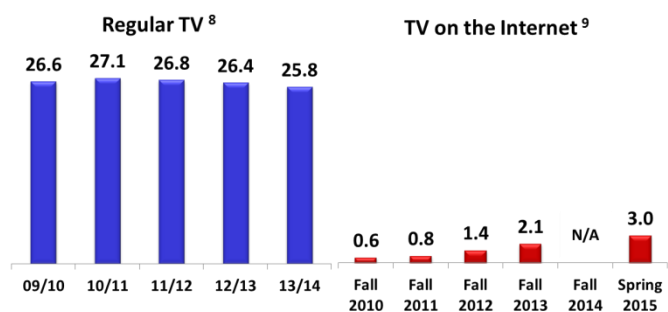
### TV is Still Alive

TV is unquestionably still the king of media – time spent with it far surpasses time spent with all other media. Some viewers are now watching TV on the Internet, which is particularly becoming evident in the English market.

Weekly Time Spent by Canadians by Media per Capita<sup>7</sup>



Per Capita Viewing Hours in the English Market



<sup>1</sup> Source: Media Technology Monitor (spring 2015).

<sup>2</sup> Source: comScore, Multi-Platform Measurement (August 2014 to April 2015).

<sup>3</sup> Source: Media Technology Monitor (spring 2014).

<sup>4</sup> Source: Media Technology Monitor (spring 2015).

<sup>5</sup> *Ibid.*

<sup>6</sup> Source: Media Technology Monitor (spring 2014).

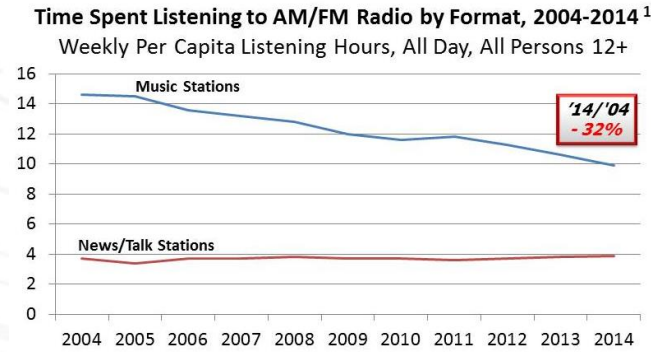
<sup>7</sup> Source: BBM Analytics, RTS (fall 2014), Canada, 18 years and older [Internet, Newspapers, Magazines]; Numeris (BBM Canada), broadcast year 2013-2014, Canada two years and older [Television]; Numeris (BBM Canada), fall 2014, Canada, persons aged 12 years and older [Radio].

<sup>8</sup> Source: Numeris (BBM Canada), Personal People Meter (PPM), Anglophone Canadians aged two years and older.

<sup>9</sup> Source: Media Technology Monitor, Anglophone Canadians aged 18 years and older.

## Radio's Audience Decline is Not Equally Distributed

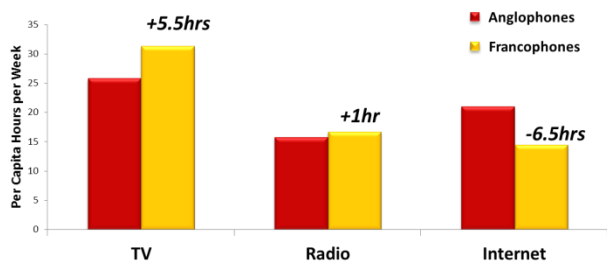
As with TV, Canadians still spend significant time with radio, although audiences are slowly but steadily declining for music stations. Radio is losing its music audience to other platforms, but remains a strong news/talk platform.



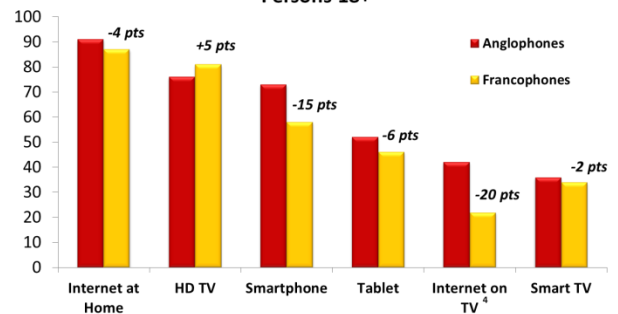
## All Markets Are Not the Same

Canada's English and French media markets have distinct differences. Francophones watch considerably more TV, while Anglophones spend more time on the Internet and adopt new technology more quickly.

**Time Spent with TV, Radio and the Internet in Canada by Language<sup>2</sup>**  
Weekly Per Capita Listening Hours



**Penetration (%) of Select Technologies in Canada by Language<sup>3</sup>**  
Persons 18+



The Internet has certainly changed consumer expectations forever. Conventional TV is still critical, but non-linear forms of delivery are increasingly popular. Radio isn't going away, but its role in music delivery is diminishing.

## CBC/Radio-Canada's Strengths Going Forward

CBC/Radio-Canada faces many challenges in a complex, rapidly evolving environment, but it has key strengths to draw from as it faces the future media environment.

<sup>1</sup> Source: Numeris (BBM Canada) (fall diary). This chart should be used only to illustrate the longitudinal trend of radio use, since Numeris' diary is consumer recall research. It significantly overestimates radio use as measured electronically and passively by Numeris' PPM.

<sup>2</sup> Source: TV (Numeris (BBM Canada), broadcast year 2013-2014); Radio (Numeris (BBM Canada), fall 2014 diary), Internet (Media Technology Monitor (spring 2015)).

<sup>3</sup> Source: Media Technology Monitor (spring 2015).

<sup>4</sup> Accessed the Internet on a TV set in the past month.



## Strong Brand

As well as being Canada’s largest cultural institution, CBC/Radio-Canada is one of the most identifiable brands in Canada across all industries, and is the most identifiable media brand.<sup>1</sup>

A recent tracking survey shows that 59% of Canadians consider one or more of CBC/Radio-Canada’s services to be very personally important to them. And 74% of Canadians strongly agree that there is a clear need and role for CBC/Radio-Canada in the future.

**Strong Public Support For CBC/Radio-Canada<sup>2</sup>**

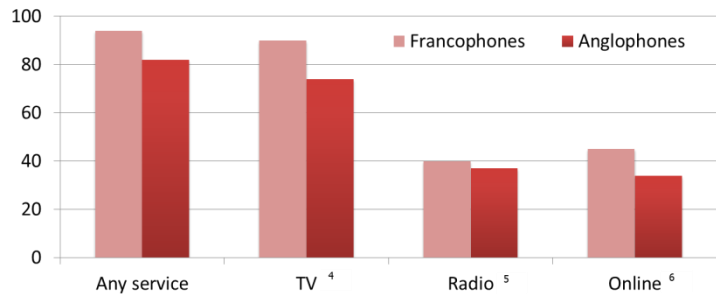
**59%** CBC/Radio-Canada is **very personally important** to Canadians.

**74%** Canadians **strongly agree** that there is a clear need and role for CBC/Radio-Canada into the future.

## Canadians Embrace Our Services

These positive views are not surprising since the vast majority of Canadians use our services. In fact, our tracking survey shows that virtually all Canadians use one or more of our TV, radio or online services on a monthly basis.

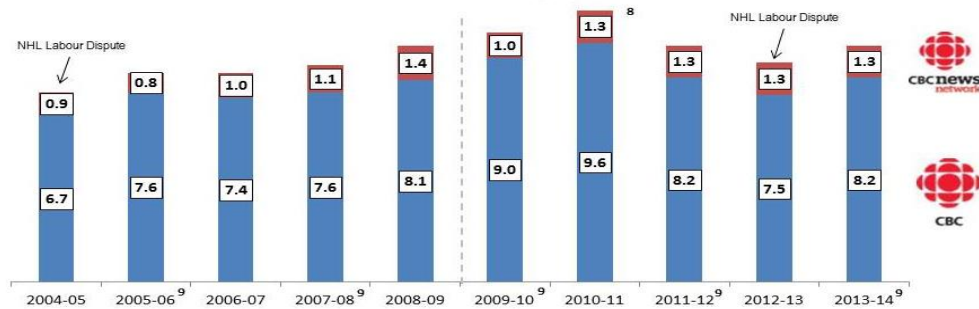
**Unduplicated Monthly Reach of CBC/Radio-Canada’s Services<sup>3</sup>**



## Television

TV is a business driven by hit shows, so audience shares for television services may fluctuate from season to season. Despite the hit-driven nature of TV, and exploding consumer choice, we have maintained our audience shares over the past decade. This is a testament to the value Canadians place on our TV services.

**Performance of CBC Television and CBC News Network in Prime Time<sup>7</sup> Share (%)**



<sup>1</sup> Source: Ipsos Reid. (2014). The Most Influential Brands.

<sup>2</sup> Source: Mission Metrics Survey, TNS Canadian Facts, 2014-2015.

<sup>3</sup> *Ibid.*

<sup>4</sup> Television Services include CBC Television, CBC News Network, *documentary*, ICI Radio-Canada Télé, ICI RDI, ICI ARTV and ICI EXPLORA.

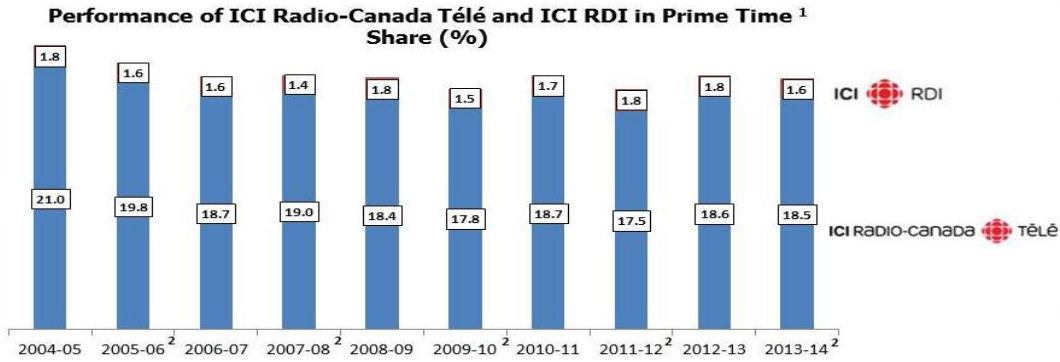
<sup>5</sup> Radio Services include CBC Radio One, CBC Radio 2, ICI Radio-Canada Première and ICI Musique.

<sup>6</sup> Web Services include CBC.ca, CBC Music, ICI Radio-Canada.ca, ICI Musique.ca and ICI Tou.tv.

<sup>7</sup> Source: Numeris (BBM Canada), broadcast year 2004-2005 to 2013-2014 (Total English TV - Total Canada, persons aged two years and older) (PPM). Note: The line indicates a methodological change.

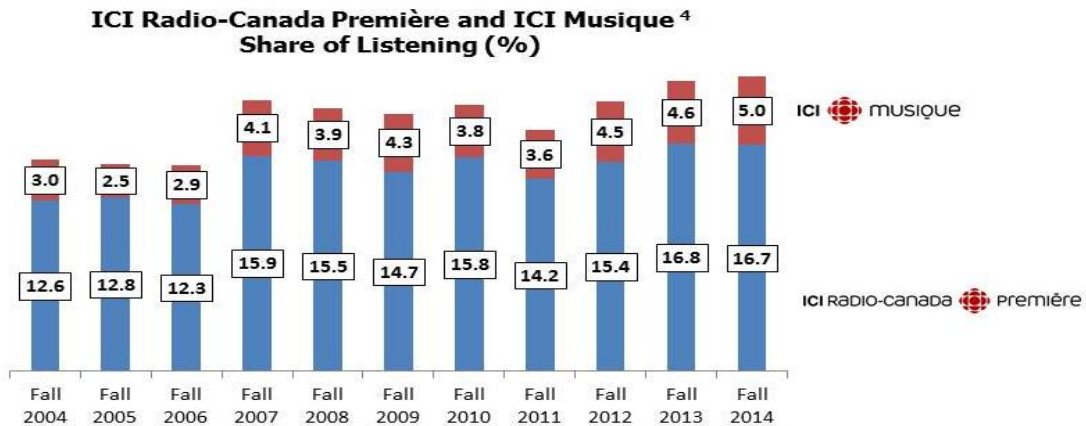
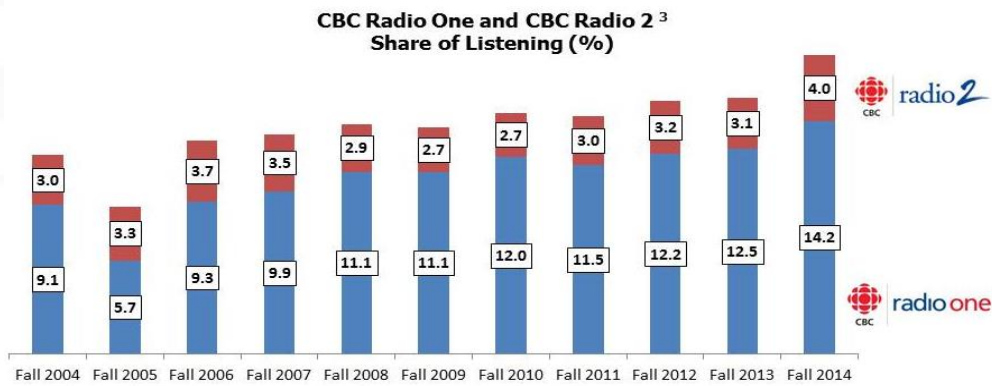
<sup>8</sup> Vancouver Canucks’ appearance in the Stanley Cup finals.

<sup>9</sup> Excluding Olympic weeks.



**Radio**

Listeners may be slowly transitioning from radio to new platforms, but that is not the case for our radio services, which have record audience shares. Clearly, Canadians have a strong connection to our radio services.



<sup>1</sup> Source: Numeris (BBM Canada), broadcast year 2004-2005 to 2013-2014 (Total TV – Québec Franco, aged two years and older) (PPM).

<sup>2</sup> Excluding Olympic weeks.

<sup>3</sup> Source: Numeris (BBM Canada) diary, Anglophones aged 12 years and older in CBC Areas in which a CBC-owned station is located.

<sup>4</sup> Source: Numeris (BBM Canada) diary, Francophones aged 12 years and older in Radio-Canada Areas in which a Radio-Canada-owned station is located.

## Digital

We are also successful on digital platforms. Both CBC.ca and ICI Radio-Canada.ca were pioneers in the online world and have built large followings. CBC/Radio-Canada’s Internet services reach, on average, some 12 million Canadians each month with attractive and innovative digital offerings:<sup>1</sup>

- CBC is a top-ten brand on smartphones in Canada, across all types of services, and is number one in headline news on smartphones in Canada.

### Top Ten Brands Among Smartphone Users<sup>2</sup>

Number	Brands	Smartphone Users (000)
1	Google	14,185
2	Facebook	11,824
3	YouTube	8,993
4	Outlook.com	7,306
5	The Weather Network	7,199
6	Yahoo	6,203
7	Apple	4,745
8	Wikipedia	4,237
9	Cineplex	4,190
10	CBC	3,930

### The Most Popular Headline News Brands<sup>3</sup>

Number	Brands	Q4 2014 Audience (000)
1	CBC	2,501
2	CNN	1,394
3	CTV News	1,209
4	Globe and Mail	1,204
5	HuffingtonPost.com	1,073
6	BBC	1,049
7	Yahoo	981
8	Global	961
9	Google	925
10	CP 24	739

- ICI Radio-Canada's popular ICI Tou.tv is a world-class over-the-top TV service used monthly by one in five Francophones across Canada.<sup>4</sup>
- The Sochi Olympics was a resounding multiplatform success that attracted more Canadians than any previous Olympics, with nearly 11 million Canadians watching online.<sup>5</sup>



<sup>1</sup> Source: comScore, Monthly Average Unique Visitors (Multi-Platform) (July 2014 to April 2015).

<sup>2</sup> Source: comScore MobiLens (Q4 2014), Smartphone Users 13 years and older.

<sup>3</sup> Ibid.

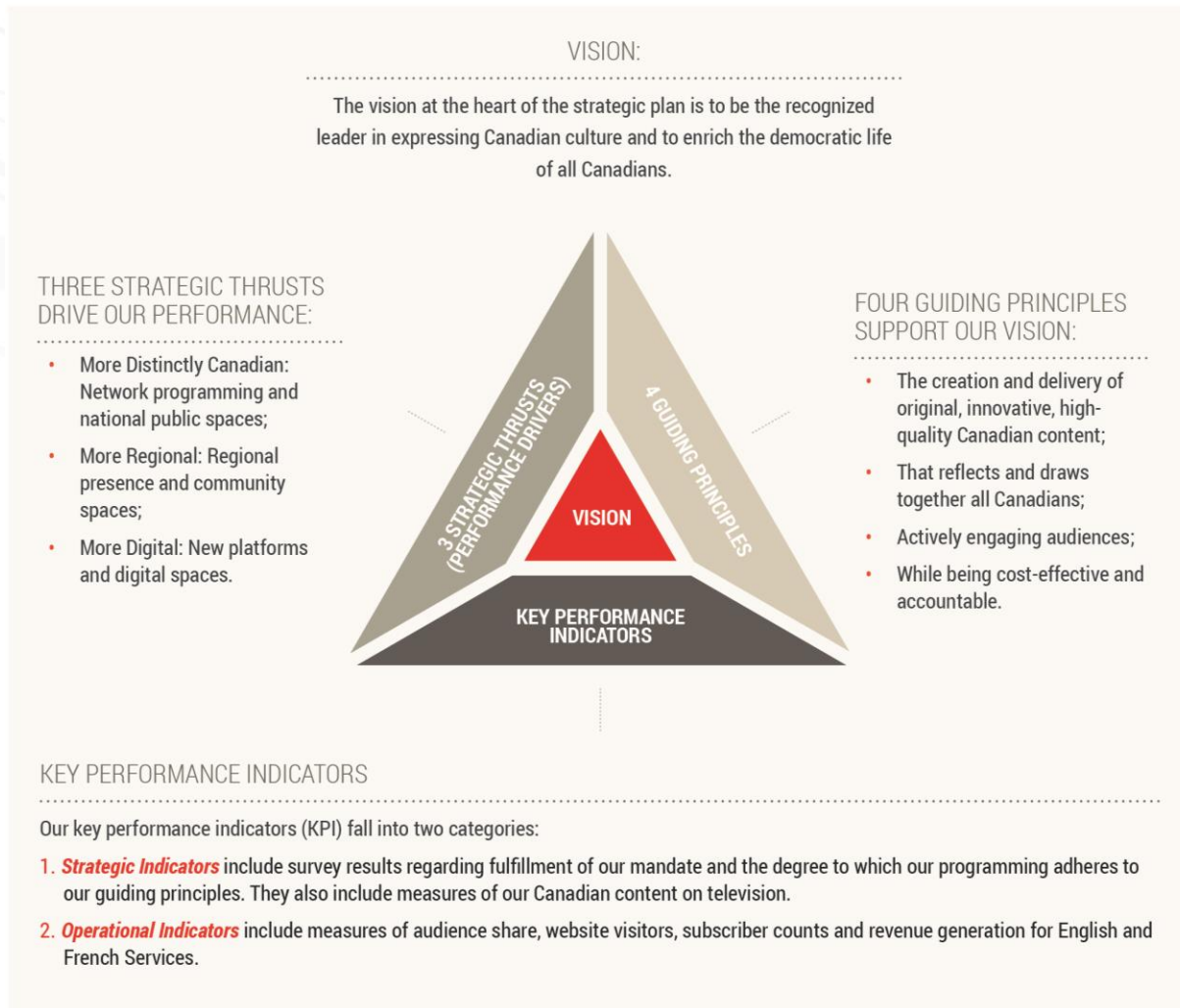
<sup>4</sup> Source: Media Technology Monitor (spring 2015).

<sup>5</sup> Source: Numeris (BBM Canada), Personal People Meter (PPM), persons aged two years and older, all day, February 6-23 2014.

# 5 Strategy 2015: Everyone, Every way

## Introduction

Following the announcement of our new strategy in June 2014, this year's Corporate Plan Summary serves as a transition from *Strategy 2015* to our new strategic plan, *A space for us all*. Launched in 2010-2011, *strategy 2015: Everyone, Every way* committed the Corporation to become more distinctly Canadian, more regional and more digital.



The following pages present CBC/Radio-Canada's progress in implementing the 2014-2015 initiatives of *Strategy 2015*. In most cases, these initiatives correspond to fundamental principles that are core elements of our next strategic plan, *A space for us all*.

## Progress on the Implementation of *Strategy 2015* Initiatives in 2014-2015

Despite our financial pressures, CBC/Radio-Canada implemented its 2015 objectives of providing all Canadians with more distinctly Canadian programming, more regional programming and access to content on new platforms.

### Transformation Strategies – French Services

Transformation Strategies	2014-2015 Initiatives	Status		
		Completed	In Progress	Postponed
Brand Positioning	Complete the new branding roll-out to reflect the positioning, while ensuring consistency and flow among the strategy's three pillars: programs, regions and platforms.	✓		
	Continue building on the flexibility of our programming schedules, as well as on the ability of our linear schedules to be dynamic and responsive to events, while encouraging audiences to explore our non-linear offering.	✓		
	Reflect the country's regional and cultural diversity on our platforms, in our content and in our narratives.	✓		
	Implementation of the Aboriginal programming/digital strategy in collaboration with CBC.	✓		
Creativity, Collaboration and Agility	Tailor the television, radio, web and mobile offering to users' media consumption habits on the various platforms.	✓		
	Building on collaborative relations between Radio-Canada and CBC, maximize opportunities to share best practices, create efficiency, and enrich content of national resonance.	✓		
	In collaboration with CBC, further develop and build Curio.ca, a portal that allows teachers and students to stream the best educational content of CBC and Radio-Canada.	✓		
	Accelerate the transformation of our production methods and associated business models/structures, based on multiplatform delivery of our content, as well as efficiency and revenue imperatives.	✓		
	Following the Canada Industrial Relations Board's (CIRB) decision, reshape Radio-Canada's bargaining structure to help establish an industrial relations environment that is modern, agile and suited to the public broadcaster's challenges in the 21st century.	✓		
	Promote our employees' engagement in pursuing the transformation.	✓		
Financial Dynamics	Stay on track to balance the budget by implementing the predetermined actions and adopting agile, tailored strategies if circumstances warrant.	✓		
	Pursue the Maison de Radio-Canada (MRC) redevelopment project with a visionary approach to Radio-Canada's needs and stringent criteria of financial accountability at each step of this long-term project.	✓		
	Optimize performance measurements by promoting timely collaboration within the organization, in particular to capture impacts of transformation initiatives.	✓		

## Programming Strategies – French Services

Providing original, predominantly Canadian content and programs that stand out for their quality, innovativeness and relevance for target audiences is the cornerstone of Radio-Canada's multiplatform programming strategy.

Programming Strategies	2014-2015 Initiatives	Status		
		Completed	In Progress	Postponed
National and International News	Accelerate the transformation of the multiplatform offering and continuous news through the improvement of processes and production technology.	✓		
	Evolve ICI RDI's offering to capitalize on most-recent successes and maximize audiences' loyalty.	✓		
	With the intent to "Tell the country," present a diversity of voices in our news programs.	✓		
	Promote RCInet.ca so as to develop its usage and influence.	✓		
Drama and Entertainment	Maintain balanced, high-quality and strategic daytime and evening schedules.	✓		
	Explore new interactive formats, on both television and emerging platforms.	✓		
Music	In partnership with CBC, evolve the multiplatform music strategy, in keeping with the unique character of platforms, brands and markets.	✓		
	Optimize advertising on the ICI Musique network.	✓		
Talk Radio	Revisit program formats.	✓		
	Continue harmonizing on-air sound and messaging.	✓		
Signature Events	Continue our commitment to providing audiences with Signature Events that offer some legacy impact, cultural significance, nation building or nation sharing for CBC/Radio-Canada on a multiplatform basis, while adjusting our offering in light of budget impacts.	✓		
Children and Youth	Adjust how we develop, produce and acquire children's and youth programs for the two to eight age group, based on redefined financial frameworks.	✓		
Sports	Work closely with CBC on the FIFA World Cup in 2014-2015, and prepare for future Olympics (Rio 2016 Olympic Games) and other major events coverage (e.g., the Toronto 2015 Pan American Games) across all platforms, with the twofold objective of optimizing production costs and maximizing revenues.	✓		
	Continue developing multiplatform news and in-depth reporting.	✓		

## Regional Strategies – French Services

Giving priority to local programming and innovation, Radio-Canada is continuing to forge close ties with communities across the country.

Regional Strategies	2014-2015 Initiatives	Status		
		Completed	In Progress	Postponed
Regional Radio	Consolidate the changes to weekday morning shows aimed at putting greater focus on news.	√		
	Keep the needs of the various regional audiences central to the mission of programs, with a focus on weekend programming.	√		
Local Programming	Improve the nimbleness, frequency and relevance of the offering on all platforms, seven days a week, to build a compelling and relevant presence with audiences, from "Hello to Good night."	√		
	Make programming choices that increase the overall audience impact of regional content across all platforms.	√		
Value-Added Programming	Give priority to low-cost, high-impact, one-off program production opportunities. Maintain or develop relationships with producers and stakeholders.	√		
	Increase regional contributions to ICI RDI, ICI ARTV and other specialty services. Enhance the flow of content between the network and the regions.	√		
	Integrate the Rive Sud / Rive Nord experiment into the overall multiplatform news offering to leverage journalism practices and methods, and enhance Radio-Canada's connectivity with communities, including that of the Greater Montreal area.	√		

## Digital Strategies – French Services

Radio-Canada is developing and adapting its digital offering so that all Canadians can experience content in a way that is enriching, innovative, interactive and personalized.

Digital Strategies	2014-2015 Initiatives	Status		
		Completed	In Progress	Postponed
Web, Social Networks, Mobility	Keep users central to the ICI Radio-Canada.ca experience.	√		
	Launch renewed ICI Tou.tv and premium service EXTRA against the backdrop of an exploding catch-up offering and the development of complementary business models.	√		
	Encourage the development of new forms of digital drama and documentary production.	√		
	Design solutions for social television and radio.	√		
	Consolidate the app and mobile site portfolios, ensuring that they are aligned and consistent while staying responsive to audiences' changing consumption habits and financial challenges.	√		
Specialty Channels	Adapt the regional strategy for specialty channels, given the impact of CRTC decisions on production and access to markets.	√		
	Enhance the digital experience for specialty channels.	√		
	Build economies of scale for specialty channels.	√		

## Programming Strategies – English Services

Differentiation from what other broadcasters offer, with a continued focus on uniquely Canadian stories, is at the core of English Services’ programming strategies.

Programming Strategies	2014-2015 Initiatives	Status		
		Completed	In Progress	Postponed
News	Enhance audience experience through better story selection, original journalism and stronger breaking-news coverage.	✓		
	Extend on-air personalities across properties/platforms to increase visibility and productivity.	✓		
	Emphasize digital, mobile and social media.	✓		
Television Entertainment – Scripted (Drama, Comedy, Children, Documentary) and Unscripted (Factual Entertainment)	Continue to evolve drama, comedy and factual entertainment programming to be distinctly and uniquely Canadian.	✓		
	Continue to make and commission compelling documentaries of the highest quality for use across all CBC services.	✓		
	Design and implement a comprehensive multiplatform strategy for kids, including consideration of digital components.	✓		
Sports	Celebrate major sports events in 2014-2015, such as the FIFA World Cup, and engage in long-term preparations for the Toronto 2015 Pan American and Rio 2016 Olympic games.	✓		
	Concentrate on great storytelling with an emphasis on “Stars & Stories.”	✓		
	Adapt and adjust the Sports strategy and operations following the NHL media rights decision of November 2013.	✓		
	Work closely with Radio-Canada on the FIFA World Cup in 2014-2015, and prepare for future Olympics (Rio 2016 Olympic Games) and other major events coverage (e.g., the Toronto 2015 Pan American Games) across all platforms, with the twofold objective of optimizing production costs and maximizing revenues.	✓		
Audio and Radio: Talk	Maintain record audiences on terrestrial radio, while serving new audiences on digital platforms.	✓		
	Targeted development of select programs – local and network – to share best practices, increase performance, and increase relevance.	✓		
	Evolve current studio facilities and studio production workflow.	✓		
Audio and Radio: Music	Re-sign or renegotiate key music rights and talent agreements to support programming needs.	✓		
	Ongoing development of CBC Radio 2 programming and schedule to increase audience share and integrate advertising effectively.	✓		
	In partnership with Radio-Canada, evolve the multiplatform music strategy, in keeping with the unique character of platforms, brands and markets.	✓		
Signature Events	Continue our commitment to providing audiences with Signature Events that offer some legacy impact, cultural significance, nation building or nation sharing for CBC/Radio-Canada on a multiplatform basis, while adjusting our offering in light of budget impacts.	✓		
Diversity and Inclusion	Continue to measure our on-air reflection of diversity.	✓		
	Implementation of the Aboriginal Programming / Digital strategy in collaboration with Radio-Canada.	✓		



## Regional Strategies – English Services

CBC is building upon the initiatives implemented and announced to better meet the regional needs of Canadians. This includes ensuring regional reflection on our networks and strengthening regional connection in the communities we serve.

Regional Strategies	2014-2015 Initiatives	Status		
		Completed	In Progress	Postponed
Strengthening our Connections	Continue to strengthen our commitment to offer the best mix of local, regionally representative and cross-regional expression on both our local and network programming.	√		
Expansion in Current Locations	No new initiatives were planned in 2014-2015.			
Expansion in New Locations	No new initiatives were planned in 2014-2015.			

## Digital Strategies – English Services

To reach our goal of ensuring that our content is available whenever and wherever Canadians want it, we are investing in new technologies, ensuring an appropriate level of support for the programming offered on all platforms. We are increasing digital audience use, reach, our digital distribution and monetization of CBC content through strategic alliances and partnerships.

Digital Strategies	2014-2015 Initiatives	Status		
		Completed	In Progress	Postponed
Entertainment	Utilize digital platforms to attract and retain audiences to CBC content.	√		
	Explore digital role for kids programming.	√		
	Further develop and build Curio.ca, a portal that allows teachers and students to stream the best educational content of CBC and Radio-Canada.	√		
News	Invest in high priority areas (investigative, social, etc.).	√		
	Create a tiered regional structure.	√		
Talk	Further develop and expand CBC Books' digital offer.	√		
	Implement a digital strategy for talk content.	√		
Music	Focus on CBC Music for mobile and connected devices.	√		
	Explore non-advertising based revenue streams for music content (content distribution, licensing, merchandising, etc.).	√		

# Measuring Our Performance

## Strategic Indicators

### Measuring our Success

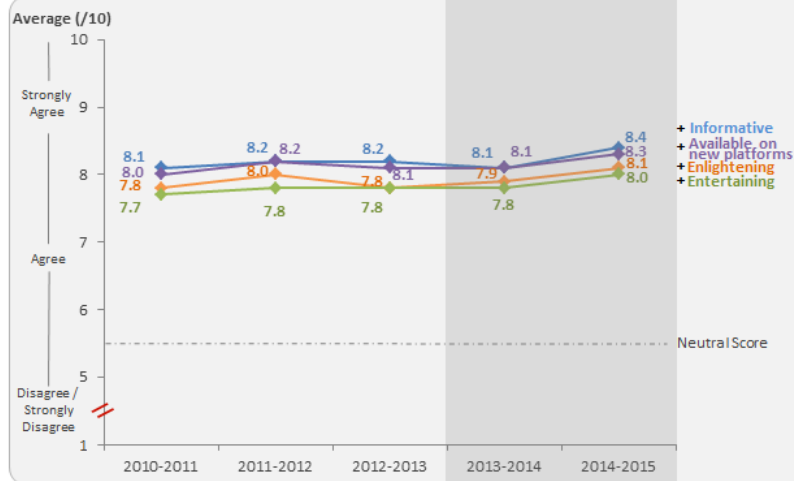
The establishment of metrics to track and assess our performance is essential to demonstrate our accountability to Canadians. For *Strategy 2015*, we developed a report card that allows us to monitor how well our services fulfill the Corporation's mandate under the 1991 *Broadcasting Act*, as well as to measure the performance of our programming with respect to quality, distinctiveness, and its ability to reflect and draw Canadians together. In November 2012, we began measuring the extent to which our information programming reflects a diversity of opinions and covers major issues in a fair and balanced way. This information is obtained from surveys conducted among representative samples of Canadians.

The following pages contain both English and French report cards for the 2014-2015 fiscal year. Management's comments focus on the significant variances between the most recent years' results (i.e., scores recorded in 2014-2015 compared to the ones obtained in 2013-2014). For comparison purposes, note that only differences of 0.2 points or greater between 2014-2015 and 2013-2014 results are statistically significant.

## Report on French Services

### How does French Services' fulfill the Corporation's mandate under the Act?<sup>1</sup>

#### Radio-Canada's French-language Radio and Television Programming is ...



#### Management's Comments

**More Francophones now believe that CBC/Radio-Canada's French Services is fulfilling the Corporation's mandate under the 1991 Broadcasting Act.**

Compared to 2013-2014, each dimension measuring how well French Services performed in the delivery of the Corporation's mandate showed significant improvement (0.2 points and more). Radio-Canada's high scores of over 8 points confirm that Francophones support the Corporation.

Also of note, these are the best results Radio-Canada has achieved since 2010-2011.

**Metric Definition:** Average score refers to the average of the scores given by all respondents on a 10-point scale.

Differences between 2014-2015 and 2013-2014 results are statistically significant if equal to or greater than 0.2 points.

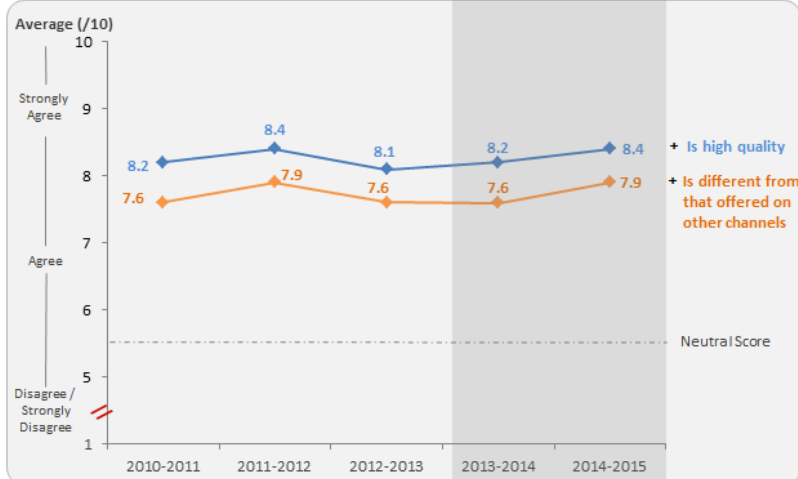
They are presented as follows: Decrease Stable Increase

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### How does French Services' programming fare against delivering high quality and distinctive Canadian content?<sup>1</sup>

#### Radio-Canada's Programming ...

Original, Innovative, Quality Canadian Content



#### Management's Comments

**Francophones continue to respond positively to initiatives French Services has announced and/or introduced.**

Both indicators measuring the "original, innovative and quality" aspects of Radio-Canada's programming rose compared to 2013-2014. The distinctiveness indicator increased by 0.3 points (from 7.6 to 7.9) while the quality indicator gained 0.2 points to reach a high score of 8.4.

**Metric Definition:** Weighted averages of the perception scores obtained by each individual service on a 10-point scale.

Programming and content offered on any of our services, i.e., ICI Radio-Canada Télé, ICI RDI, ICI ARTV, ICI Radio-Canada Première, ICI Musique, ICI Radio-Canada.ca and ICI Tou.tv.

Differences between 2014-2015 and 2013-2014 results are statistically significant if equal to or greater than 0.2 points.

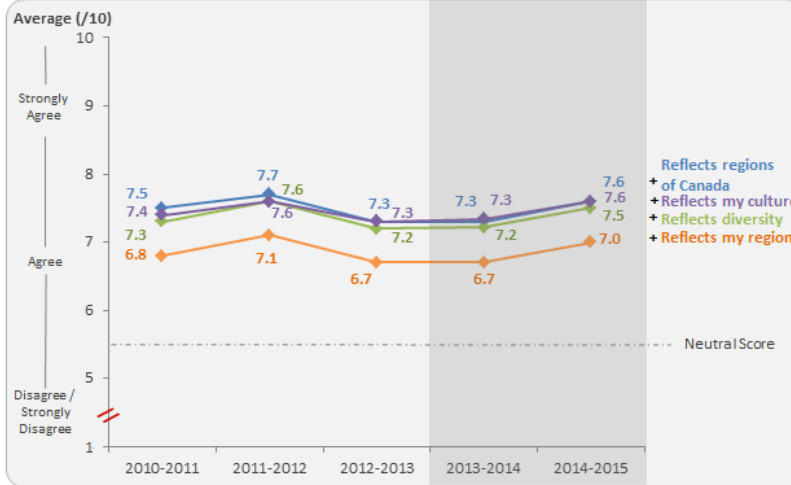
They are presented as follows: Decrease Stable Increase

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<sup>1</sup> Source: Mission Metrics Survey, TNS Canadian Facts (1,200 Francophones per survey). Telephone surveys are conducted in November and March of each year.

### How does French Services' programming fare against reflecting and drawing Canadians together?<sup>1</sup>

#### Radio-Canada's Programming ... Reflects and Draws Canadians Together



#### Management's Comments

Compared to 2013-2014, Francophones gave significantly higher scores to the four dimensions measuring Radio-Canada's ability to reflect and draw Canadians together (+0.3 points).

**Metric Definition:** Weighted averages of the perception scores obtained by each individual service on a 10-point scale.

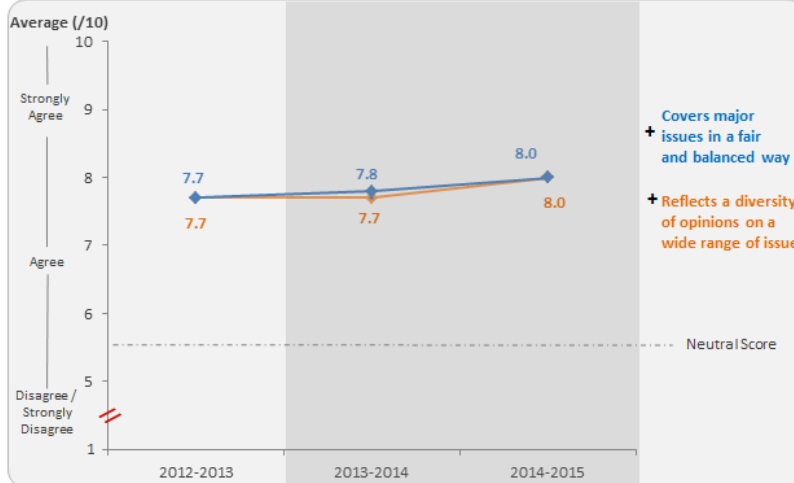
Programming and content offered on any of our services, i.e., ICI Radio-Canada Télé, ICI RDI, ICI ARTV, ICI Radio-Canada Première, ICI Musique, ICI Radio-Canada.ca and ICI Tou.tv.

Differences between 2014-2015 and 2013-2014 results are statistically significant if equal to or greater than 0.2 points.

They are presented as follows: Decrease Stable Increase  
- +

### Does French Services' information programming reflect a diversity of opinions and cover major issues in a fair and balanced way?<sup>1</sup>

#### Radio-Canada's Information Programming ...



#### Management's Comments

Information programming produced by French Services continues to be perceived favourably.

Compared to 2013-2014, the average score of the information programming's ability to "reflect a diversity of opinions on a wide range of issues" and "cover major issues in a fair and balanced way" gained 0.3 points and 0.2 points respectively, both reaching a high score of 8.0.

**Metric Definition:** Average score refers to the average of the scores given by all respondents on a 10-point scale.

Radio, television or online information programming and content.

Differences between 2014-2015 and 2013-2014 results are statistically significant if equal to or greater than 0.2 points.

They are presented as follows: Decrease Stable Increase  
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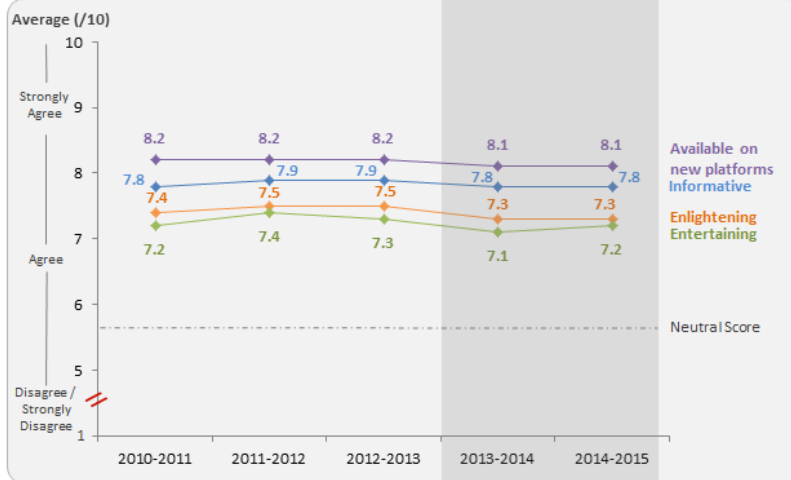
<sup>1</sup> Source: Mission Metrics Survey, TNS Canadian Facts (1,200 Francophones per survey). Telephone surveys are conducted in November and March of each year.

## Report on English Services

How does English Services fulfill the Corporation's mandate under the Act?<sup>1</sup>

### CBC's English-language Radio and Television Programming is ...

### Management's Comments



Anglophones continue to agree that CBC/Radio-Canada's English Services is meeting the Corporation's mandate under the 1991 *Broadcasting Act*.

Compared to 2013-2014, all of the average perception scores measuring English Services' performance under its mandate remained stable.

Since 2010-2011, Anglophones consistently hold the highest perception of English Services' Radio and Television programming for being "Available on New Platforms" (8.1) and "Informative" (7.8).

**Metric Definition:** Average score refers to the average of the scores given by all respondents on a 10-point scale.

Differences between 2014-2015 and 2013-2014 results are statistically significant if equal to or greater than 0.2 points.

They are presented as follows: Decrease Stable Increase

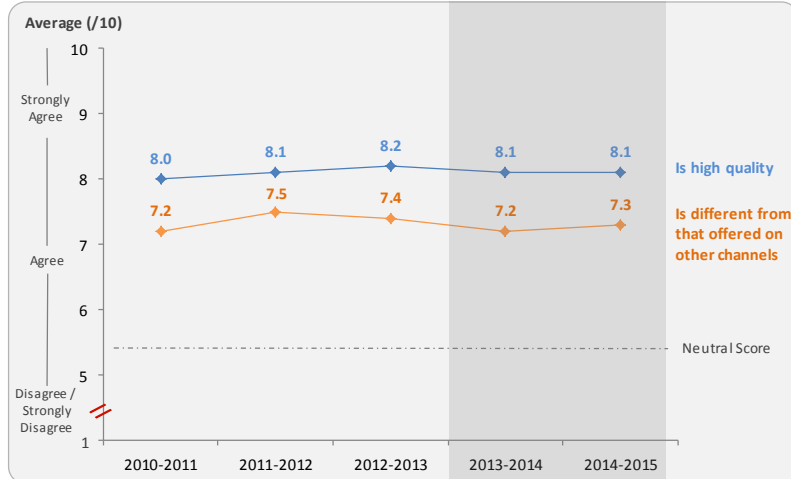
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How does English Services' programming fare against delivering high quality and distinctive Canadian content?<sup>1</sup>

### CBC's Programming ...

Original, Innovative, Quality Canadian Content

### Management's Comments



English Services has maintained its positive perception among Anglophones for offering programming that is both of high quality and different from that offered by others.

As in the past, English Services' programming and content continues to receive its highest score for being of "High Quality" (8.1).

**Metric Definition:** Weighted averages of the perception scores obtained by each individual service on a 10-point scale.

Programming and content offered on any of our services, i.e., CBC Television, CBC News Network, **bold** (2010-2011 and 2011-2012 only), documentary, CBC Radio One, CBC Radio 2 and CBC.ca.

Differences between 2014-2015 and 2013-2014 results are statistically significant if equal to or greater than 0.2 points.

They are presented as follows: Decrease Stable Increase

- +

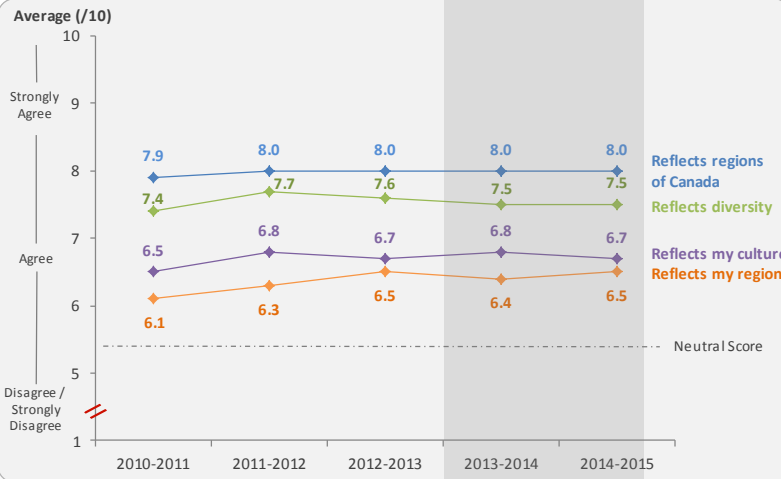
<sup>1</sup> Source: Mission Metrics Survey, TNS Canadian Facts (1,200 Anglophones per survey). Telephone surveys are conducted in November and March of each year.

How does English Services' programming fare against reflecting and drawing Canadians together?<sup>1</sup>

**CBC's Programming ...**

*Reflects and Draws Canadians Together*

**Management's Comments**



Anglophones continue to agree that English Services' programming "Reflects and Draws Canadians Together" with all results from 2013-2014 being maintained in 2014-2015.

Overall, English Services continues to receive the highest scores for its programming's ability to "Reflect Regions of Canada" (8.0) and "Reflect Diversity" (7.5).

**Metric Definition:** Weighted averages of the perception scores obtained by each individual service on a 10-point scale.

Programming and content offered on any of our services, i.e., CBC Television, CBC News Network, **bold** (2010-2011 and 2011-2012 only), documentary, CBC Radio One, CBC Radio 2 and CBC.ca.

Differences between 2014-2015 and 2013-2014 results are statistically significant if equal to or greater than 0.2 points.

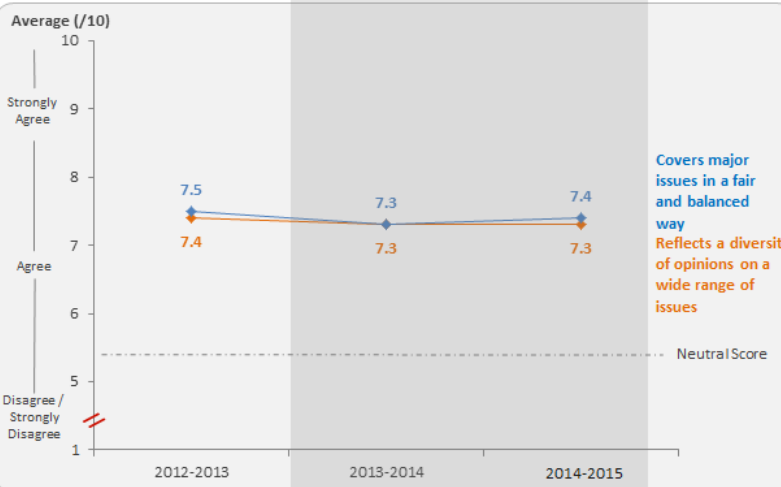
They are presented as follows: **Decrease** **Stable** **Increase**

- +

Does English Services' information programming reflect a diversity of opinions and cover major issues in a fair and balanced way?<sup>1</sup>

**CBC's Information Programming ...**

**Management's Comments**



Anglophones' positive perception towards English Services' Information Programming has been maintained compared to the previous year.

English Services' Information Programming consistently receives high scores for "Covering major issues in a fair and balanced way" (7.4) and "Reflecting a diversity of opinions on a wide range of issues" (7.3).

**Metric Definition:** Average score refers to the average of the scores given by all respondents on a 10-point scale.

Radio, television or online information programming and content.

Differences between 2014-2015 and 2013-2014 results are statistically significant if equal to or greater than 0.2 points.

They are presented as follows: **Decrease** **Stable** **Increase**

- +

<sup>1</sup> Source: Mission Metrics Survey, TNS Canadian Facts (1,200 Anglophones per survey). Telephone surveys are conducted in November and March of each year.

## English and French Services' Performance

In addition to monitoring our overall performance, key performance indicators have been developed for CBC/Radio-Canada's English and French Services.

These indicators are essential to measuring our progress towards achieving our strategic business objectives and operational plans. They relate directly to our strategic priorities and are formulated each year as part of the media lines' business plans. Operational indicators include measures of audience share, website visits, subscriber counts and revenue generation. A number of factors, including specific programming offers, sources of funding, broadcast industry trends, consumer behaviour patterns and past performance results are taken into account in setting targets each year.

### French Services

As shown by its overall performance, Radio-Canada continued to engage Canadians with a high-quality lineup and distinctive homegrown programming in 2014-2015. However, some indicators, in particular those revenue-related, fell short of the levels projected at the start of the year.

ICI Radio-Canada Première and ICI Musique recorded a combined share of 21.4%, peaking at an all-time high of 21.7% in fall 2014. The result for the year is above target and consistent with 2013-2014's record performance at 21.5%. At 19.2%, the annual audience share for ICI Radio-Canada Première's morning shows was almost on target.<sup>1</sup>

ICI Radio-Canada Télé's prime-time audience share of 19.8% is in line with the annual target, despite fierce competition in the French-language market throughout the year. The network capitalized on a high-quality program schedule, featuring returning favourites that regularly drew over one million viewers each week (*19-2*, *Les enfants de la télé*, *Les pêcheurs*, *Mémoires vives*, *Tout le monde en parle* and *Unité 9*), new shows that were well received by audiences (*La théorie du K.O.*, *Le Ti-mé show* and *Nouvelle adresse*) and signature events that brought Canadians together, such as the comedic year-end review *Bye Bye 2014*, which broke its own historic mark with a viewership of 3.94 million on December 31, 2014.<sup>2</sup>

In the specialty channel market, the combined audience share for the year came in at 4.8%,<sup>3</sup> slightly below target. This result can be attributed to a combination of factors such as the drop-off in ICI RDI viewership during summer 2014.

In news and current affairs, the average weekly minute audience for the 6 p.m. regional newscasts was under target. In winter 2015, consumption of supper-hour newscasts was lower than in previous years – such as winter 2014, which had been affected by the Charbonneau Commission and the Quebec provincial election.

Yet, for their part, Radio-Canada's digital platforms continued to benefit from changes in news consumption habits. The average number of unique monthly visitors to all Radio-Canada sites and to ICI Radio-Canada.ca regional web pages exceeded the annual target. The content developed for the following events drew especially large audiences: the Quebec election, the 2014 FIFA World Cup Brazil, the tragedies in Moncton, Saint-Jean-sur-Richelieu and Ottawa, the crash landing in Halifax, and the student protests.

<sup>1</sup> Source: Numeris (BBM Canada), diaries, average of spring and fall 2014 surveys, Francophones, 12 years and older.

<sup>2</sup> Source: Numeris (BBM Canada), Portable People Meter (PPM), Quebec Franco (specialty channels: Quebec Francophones who subscribe to a television distribution service), two years and older.

<sup>3</sup> *Ibid.*

For the second year in a row, ICI EXPLORA subscriber totals exceeded the established target. The channel continued to grow, boosted by an enhanced lineup, various profile-raising initiatives and wider distribution. As for ICI RDI and ICI ARTV, both services performed below expectations. ICI RDI suffered the impact of dwindling subscriptions to conventional television services (cable and satellite), while ICI ARTV's performance was impacted by the downward adjustment of data provided by a third party, the growing popularity of custom cable packages and the emerging cord-cutting trend.

Lastly, self-generated revenue fell short of its annual target as a result of the persistent decline in the Francophone advertising market, particularly for conventional television. Digital advertising revenue generation also continues to pose a number of business challenges for the industry as a whole. Meanwhile, Radio-Canada continued to pursue its revenue diversification strategy. In 2014-2015, our overall advertising revenue decrease was partly offset by higher revenue from content licensing activities and services to independent producers.

French Services		Past Performance				Actual Performance		Future
		Annual Results 2010-2011	Annual Results 2011-2012	Annual Results 2012-2013	Annual Results 2013-2014	Annual Targets 2014-2015	Annual Results 2014-2015	Annual Targets 2015-2016
<b>Radio Networks</b>								
ICI Radio-Canada Première and ICI Musique	All-Day Audience Share <sup>4</sup>	19.5%	17.8%	18.5%	21.5%	20.6%	21.4%	21.2%
<b>Web<sup>3,3</sup></b>								
ICI Radio-Canada.ca, ICI Tou.tv, ICI Musique.ca, RCinet.ca, ICI ARTV.ca, ICI EXPLORA.tv.ca	Monthly Average Unique Visitors April-March <sup>4</sup>	2.0 million	2.1 million	2.2 million	2.0 million	1.8 million	1.9 million	2.8 million
<b>Television</b>								
ICI Radio-Canada Télé	Prime-Time Audience Share fall/winter season <sup>5</sup>	19.9%	18.7%	20.3%	20.6%	20.0%	19.8%	19.7%
ICI RDI, ICI ARTV and ICI EXPLORA <sup>3,6</sup>	All-Day Audience Share, April-March <sup>5</sup>	4.5%	4.6%	5.4%	5.0%	5.0% <sup>7</sup>	4.8%	4.7%
<b>Regional</b>								
ICI Radio-Canada Première	Morning Show Audience Share Mon-Fri, 6-9 a.m. <sup>2</sup>	19.0%	17.0%	17.7%	20.9%	19.5%	19.2%	18.1%
Téléjournal 18 h	Average Minute Audience, Weekly Average, Mon-Fri, 6-6:30 p.m., fall/winter season <sup>2</sup>	0.317 million	0.291 million	0.347 million	0.355 million	0.350 million	0.325 million	0.310 million
Regional web pages <sup>3</sup>	Monthly Average Unique Visitors April-March <sup>4</sup>	0.447 million	0.476 million	0.646 million	0.660 million	0.592 million	0.722 million	0.758 million
<b>Specialty Television Channels<sup>8</sup></b>								
ICI RDI	Subscribers	11.0 million	11.1 million <sup>9</sup>	11.2 million	11.1 million	11.1 million	10.8 million	11.1 million
ICI ARTV	Subscribers	2.1 million	2.1 million	2.0 million	2.0 million	2.0 million	1.8 million	1.8 million
ICI EXPLORA	Subscribers	n/a <sup>6</sup>	n/a <sup>6</sup>	0.3 million	0.5 million	0.5 million	0.6 million	0.8 million
<b>Revenue<sup>8,10</sup></b>								
Conventional, Specialty, Online		\$224.9 million	\$228.6 million <sup>11</sup>	\$252.8 million	\$243.3 million	\$246.1 million	\$233.8 million	\$227.1 million

<sup>1</sup> Source: Numeris (BBM Canada), diary, Francophones aged 12 years and older. The 2010-2011 and 2011-2012 amounts include the fall survey only and 2012-2013, 2013-2014 and 2014-2015 include an average of spring and fall. All-day audience share: Results for Francophone radio stations in markets served by a Radio-Canada base station. Morning show audience share: Results for Francophones in markets served by a Radio-Canada base station. Starting in 2015-2016, the metric will only include the fall survey's results.

<sup>2</sup> Source: ICI Musique.ca was introduced on June 13, 2011. RCI Vision was introduced on June 20, 2011, and results are included with RCinet.ca.

<sup>3</sup> In 2010-2011 and 2011-2012, measurement was based on the television season (i.e., September-March), in 2012-2013, 2013-2014 and 2014-2015, measurement is based on the fiscal year (April-March).

<sup>4</sup> Source: comScore Media Metrix, unique visitors using a computer, persons aged two years and older. Starting in 2015-2016, the measure for all Radio-Canada websites will also include unique visitors using mobile devices (excluding regional web pages).

<sup>5</sup> Source: Numeris (BBM Canada), Portable People Meter (PPM), Francophones in Quebec (specialty channels: Francophones in Quebec that subscribe to a television distribution service), aged two years and older. Starting in 2015-2016, the specialty channels' audience share will include all Francophones, aged two years and older.

<sup>6</sup> ICI EXPLORA was launched at the end of March 2012 and, as such, is not included in the 2010-2011 and 2011-2012 results.

<sup>7</sup> Changed following the publication of the Corporate Plan Summary.

<sup>8</sup> As at March 31, 2015.

<sup>9</sup> In 2012-2013, we discovered an ICI RDI subscriber calculation error impacting annual targets, results-to-date and annual results. We have revised the figures in this table to reflect the corrected calculation for all related figures and periods presented.

<sup>10</sup> Includes advertising revenue, subscription revenue, other revenue (e.g., content distribution) and revenue from Local Programming Improvement Fund (LPIF). Revenue for ICI ARTV is reported at 100% although Radio-Canada owned only an 85% share prior to March 31, 2015. Since that date, Radio-Canada is the sole owner of ICI ARTV. Revenue from LPIF, a fund created by the CRTC to support local programming that ended on August 31, 2014, reflects residual amounts for 2014-2015.

<sup>11</sup> In 2011-2012, measurement excluded ICI ARTV and merchandising/licensing revenue, which are included in targets for 2012-2013, 2013-2014, 2014-2015 and 2015-2016.



## English Services

English Services exceeded or met the majority of the targets set for its 2014-2015 key performance indicators.

For CBC Radio, the 2014 fall diary survey continued its recent trend of increasingly positive results. CBC Radio One and CBC Radio 2 combined to achieve a total audience share of 18.1%. CBC Radio One results are the highest fall share ever, while CBC Radio 2 results are the highest since the programming format change in 2008. These combined results significantly exceeded both the target and the prior year's performance.

CBC Television's six-day regular season prime-time audience share ended the year below target. Initial performance during the fall was consistently below the annual target, as a result of a decline in viewership of some returning programs and below-anticipated performance on new programs introduced during that time. However, during the winter season, audiences were consistently higher than those for the fall schedule, with popular new programs, such as *Schitt's Creek*, *The Book of Negroes* and *X Company*, garnering notably high audience numbers. As a result of this mixed performance, actual results over the full year were below target.

CBC News Network's audience share remained largely consistent throughout the entire year, ending the year within one-tenth of a percentage point of its target.

Our radio regional performance indicator ended the year just below target (5.1 million average weekly hours tuned compared to the target of 5.2 million). For local television, performance ended the year below target (although performance did improve as the year progressed), with year-over-year audience declines with the 5:00 p.m. and 5:30 p.m. telecasts being the most significant. These declines were not fully mitigated by increases experienced with the late-night telecasts.

Average monthly unique visitors to regional content pages exceeded expectations, driven by stories such as the Ontario and Quebec provincial elections, the Moncton and Parliament Hill shootings, and other regional content.

Similarly, CBC.ca's number of monthly average unique visitors exceeded both target and the prior year actual results, driven by events of major international, national and local interest.

Subscriber levels on our specialty television channels ended the year with both CBC News Network and *documentary* achieving expectations.

Revenue for the year performed well and ended the year over target by more than 5%, driven in part by the success of events such as the 2014 FIFA World Cup Brazil, as well as a variety of miscellaneous non-advertising-related revenue items.

English Services			Past Performance				Actual Performance		Future
			Annual Results 2010-2011	Annual Results 2011-2012	Annual Results 2012-2013	Annual Results 2013-2014	Annual Targets 2014-2015	Annual Results 2014-2015	Annual Targets 2015-2016
<b>Radio Networks</b>									
CBC Radio One and CBC Radio 2	All-Day Audience Share <sup>1</sup>	14.7%	14.5%	15.3%	15.5%	15.6%	18.1%	17.5%	
<b>Web</b>									
CBC.ca <sup>2</sup>	Monthly Average Unique Visitors, April-March <sup>3</sup>	5.8 million	6.2 million	6.3 million	7.1 million	7.0 million	7.3 million	N/A	
	Monthly Average Unique Visitors, April-March <sup>4</sup>	N/A	N/A	N/A	N/A	N/A	10.6 million	11.2 million	
<b>Television</b>									
CBC Television	Prime-Time Audience Share Regular Season (Mon-Sun) <sup>5</sup>	9.3%	8.6%	6.8%	8.3%	N/A	N/A	N/A	
	Prime-Time Audience Share Regular Season, (Mon-Fri and Sun) <sup>5</sup>	N/A	N/A	N/A	N/A	6.4%	6.0%	6.2%	
CBC News Network <sup>6</sup>	All-Day Audience Share, April-March <sup>7</sup>	1.4%	1.4%	1.3%	1.6%	1.6%	1.5%	1.4%	
<b>Regional</b>									
CBC Radio One Morning Shows	Average Weekly Hours Tuned (Mon-Fri) Regular Season <sup>7</sup>	4.8 million	6.0 million	5.5 million	5.2 million	5.2 million	5.1 million	N/A	
	Audience Share (Mon-Fri), Regular Season <sup>8</sup>	N/A	N/A	N/A	17.2%	N/A	19.5%	19.6%	
Television Supper and Late-Night News	Average Weekly Hours Tuned (Mon-Fri) Regular Season <sup>7</sup>	3.1 million	3.3 million	3.7 million	3.7 million	3.7 million	3.4 million	N/A	
Television Supper News	Average Minute Audience (Mon-Fri) Regular Season <sup>9</sup>	N/A	N/A	N/A	0.396 million	N/A	0.375 million	0.360 million	
Regional Web Home Pages <sup>2</sup>	Monthly Average Unique Visitors, April-March <sup>3</sup>	0.90 million	0.94 million	0.97 million	0.94 million	N/A	N/A	N/A	
Regional Content <sup>10</sup>	Monthly Average Unique Visitors, April-March <sup>3</sup>	N/A	N/A	N/A	N/A	3.7 million	4.0 million	4.2 million	
<b>Specialty Television Channels</b>									
CBC News Network	Subscribers	11.0 million	11.3 million	11.3 million	11.3 million	11.2 million	11.2 million	11.2 million	
documentary	Subscribers	2.4 million	2.6 million	2.7 million	2.7 million	2.7 million	2.7 million	2.7 million	
<b>Revenue<sup>11</sup></b>									
Conventional, Specialty, Online			\$384 million <sup>12</sup>	\$399 million	\$362 million	\$390 million	\$298 million	\$321 million	\$246 million

N/A: Not available or not applicable.

<sup>1</sup> Source: Numeris (BBM Canada), fall survey (diary), persons aged 12 years and older. Areas in which a CBC Radio-owned station is located.

<sup>2</sup> In 2010-2011 and 2011-2012, measurement was based on a September-March basis; in 2012-2013 and 2013-2014, measurement is based on the fiscal year.

<sup>3</sup> Source: comScore, desktop measure, persons aged two years and older. In 2013-2014, note that for an 11-month average excluding February 2014 (the month of the Olympics), the monthly average was 6.9 million unique visitors.

<sup>4</sup> Source: comScore, persons aged two years and older. During 2014-2015, the measurement of the metric for the web was changed to reflect the new Multi-Platform measure, which only became available in August 2014. Therefore the target established for 2014-2015 under the previous metric is not applicable.

<sup>5</sup> Source: Numeris (BBM Canada), Portable People Meter (PPM), persons aged two years and older. Starting in 2014-2015, CBC's broadcasts of Hockey Night in Canada on Saturday evenings are not included in our performance targets because we no longer control the editorial content. This change follows the acquisition of Canadian NHL broadcasting rights by Rogers Communications Inc. In 2013-2014, and in prior years, when the programming was either produced or acquired by CBC, this time period was included in performance evaluation.

<sup>6</sup> In 2010-2011 and 2011-2012, measurement was based on the regular programming season; in 2012-2013 and 2013-2014, measurement is based on the fiscal year.

<sup>7</sup> Source: Numeris (BBM Canada), Portable People Meter (PPM), persons aged two years and older. CBC News Network 2013-2014 data were calculated on the fiscal year (i.e., weeks 32+ for broadcast year 2012-2013 and weeks 1-31 for broadcast year 2013-2014).

<sup>8</sup> Source: Numeris (BBM Canada), fall survey (diary), persons aged 12 years and older. Starting in 2015-2016, the metric for local radio was changed to the share of CBC Radio One morning shows.

<sup>9</sup> Source: Numeris (BBM Canada), fall survey (diary), persons aged 12 years and older. During 2014-2015, the measurement of local television was changed to average minute audience for the first half hour (for 60 minute-programs) or for the entire program (for 30 minute-programs). Therefore the target established for 2014-2015 under the previous metric is not applicable.

<sup>10</sup> In 2014-2015, this metric was measured by monthly average unique visitors to any/all regional content, rather than being limited to regional home pages (i.e., landing pages). Changing audience behaviour, such as the trend to accessing content directly by searches or through social media referrals, has taken away the meaningfulness of the landing page concept as a metric in this context. Therefore, the new measurement accommodates this audience trend.

<sup>11</sup> Includes advertising revenue, subscription revenue, other revenue (e.g., content distribution) and revenue from the Local Programming Improvement Fund (LPIF). Revenue for *documentary* is reported at 100%, although CBC/Radio-Canada owns 82% of this channel. In 2011-2012, the measurement excluded merchandising/licensing revenue, which is included in 2012-2013 and 2013-2014. Revenue from LPIF, a fund created by the CRTC to support local programming, which ended on August 31, 2014, reflects residual amounts for 2014-2015. This excludes revenue from the arrangement with Rogers Communications Inc. for the continued airing of Hockey Night in Canada for Saturday night and playoff hockey.

<sup>12</sup> Includes one-time FIFA World Cup Soccer revenues.

## Canadian Content and Results<sup>1</sup>

Providing Canadian programming is key for the public broadcaster. Regulatory requirements for Canadian content on television are specified by the CRTC, which sets conditions of licence for ICI Radio-Canada Télé and CBC Television. For the broadcast day between 6:00 a.m. and 12:00 a.m., a minimum of 75 per cent of Canadian content is expected. For the peak period of 7:00 p.m. to 11:00 p.m., a minimum of 80 per cent Canadian content is expected. Both measures are averaged over the entire broadcast year from September 1 to August 31. As shown in the table below, over the past five broadcast years, ICI Radio-Canada Télé and CBC Television have exceeded the CRTC's Canadian content conditions of licence/expectations, both over the whole day and in prime time.

During the 2013-2014 broadcast year, CBC Television maintained its high percentage of Canadian programming during the broadcast day (94%) and increased its results by five percentage points during the prime-time period (91%). For the same period, ICI Radio-Canada Télé increased its percentage of Canadian programming over the broadcast day by five points (89%) while maintaining its high percentage (90%) during the prime time.

Canadian Content	Yearly Conditions of Licence	Results Sept. 1, 2009 to Aug 31 2010	Results Sept. 1, 2010 to Aug 31 2011	Results Sept. 1, 2011 to Aug 31 2012	Results Sept. 1, 2012 to Aug 31 2013	Results Sept. 1, 2013 to Aug 31 2014
<b>ICI Radio-Canada Télé</b>						
Broadcast day (Mon-Sun, 6:00 a.m.—12:00 a.m.)	<b>75%</b>	82%	86%	86%	84%	89%
Prime time (Mon-Sun, 7:00 p.m.—11:00 p.m.)	<b>80%</b>	88%	93%	93%	91%	90%
<b>CBC Television</b>						
Broadcast day (Mon-Sun, 6:00 a.m.—12:00 a.m.)	<b>75%</b>	85%	84%	85%	93%	94%
Prime time (Mon-Sun, 7:00 p.m.—11:00 p.m.)	<b>80%</b>	82%	82%	81%	86%	91%

<sup>1</sup> As defined in CBC/Radio-Canada's new licences, effective since September 1, 2013, Canadian content levels are conditions of licence. In the previous regulatory framework, Canadian content levels were expectations.

# 6 *A space for us all*

CBC/Radio-Canada’s strategy, *A space for us all*, will give us the agility and financial stability needed to navigate a rapidly evolving media environment. By ensuring our relevance in the digital sphere, the plan aims to put the public broadcaster at the heart of our conversations and experiences as Canadians, while continuing to deliver for our biggest audiences: those who use traditional platforms. The strategy will position CBC/Radio-Canada to thrive now, as well as in an age beyond traditional broadcasting.

## Strategic Framework

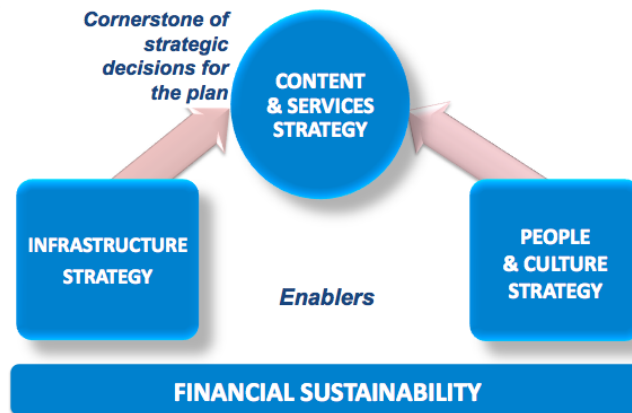
The new plan is built on the successes of our previous strategy – *2015: Everyone, Every way* – through which we committed to becoming more Canadian, more regional and more digital by 2015. Having largely achieved those goals, we now need to move faster and further, to ensure the public broadcaster’s relevance in an environment where digital is changing everything about broadcasting. These changes range from how content is delivered and consumed, to rethinking how Canadian broadcasters earn revenue and ensuring the continued investment in Canadian programming.

We are in the midst of a very challenging and always complex transition to the future. To guide our way, we have set out the following mission and vision statements, rooted in the *Broadcasting Act* that enshrines our mandate:

**Mission:** *CBC/Radio-Canada expresses Canadian culture and enriches the life of all Canadians, through a wide range of content that informs, enlightens and entertains.*

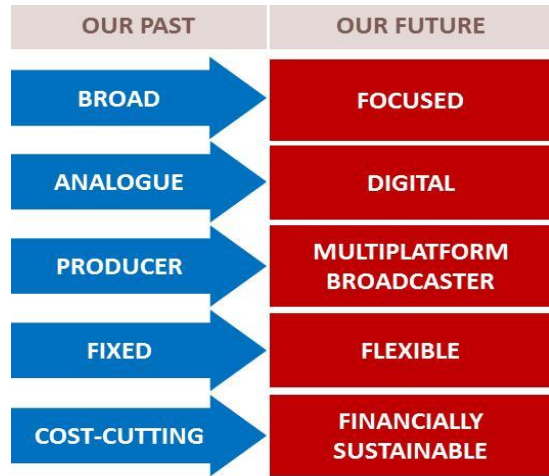
**Vision:** *In 2020, CBC/Radio-Canada will be the public space at the heart of our conversations and experiences as Canadians.*

Our mission and vision will be achieved through a relentless focus on great, distinctive content and services that mirror Canadians’ changing media consumption. That laser focus will be enabled by strategies to reduce infrastructure, transform our people and culture, and increase our financial stability.



The strategic plan sets out four objectives to position us for the future:

1. Through our distinctive content, increase and deepen our engagement with Canadians; inspire them to participate in the public space.
2. Change our infrastructure to allow increased simplicity, flexibility/scalability and collaboration.
3. Build a culture of collaboration, accountability, boldness, action and agility, with a workforce that reflects the country.
4. Achieve sustainable financial health, including the ability to invest in the future.



The success of the strategy will be measured against key strategic and operational indicators. Further details on how performance and progress will be measured can be found in the sub-section, *Measuring our Performance*, on page 45.

In the future, we will be leaner, more flexible and financially sustainable. But getting there will not be easy. *A space for us all* calls for tough decisions and restructuring early in the implementation period, in order to allow the financial flexibility needed to achieve our goals by 2020. The following section shows the initiatives to be implemented in 2015-2016; initiatives that will kick-start the transformation and ensure our relevance, now and for future generations.

## Implementation

2015-2016 marks the first year of the Corporation’s new strategic plan, *A space for us all*. Initiatives planned this year fall into both the Content and Services strategy and the enabler categories.

## 1. Content and Services: The Cornerstone of *A space for us all*

### 1.1 Engaging Canadians in the Public Space

#### Programming

Smart, unique, and distinctly Canadian programming is at the core of our plan to increase and deepen our engagement with individual Canadians. We must create the conditions necessary to be creatively ambitious, and sometimes risky, in order to provide our audience with a wide range of high-quality and impactful content that informs, enlightens and entertains on all platforms.

News			
English Services		French Services	
<p><b>Key 2015-2016 Initiatives</b></p> <ol style="list-style-type: none"> <li>1. Continue to focus on investigative and original journalism.</li> <li>2. Adapt network programs to mobile / digital-first priorities.</li> <li>3. Design and launch more mobile-friendly offer (e.g., more stable, more customizable).</li> <li>4. Extend News service through greater newsgathering capacity and content distribution.</li> <li>5. Engage in program renewal and development.</li> <li>6. Pursue and deepen collaboration with Radio-Canada on investigative journalism and foreign reporting.</li> </ol>	<p><b>Expected Outcomes for 2015-2016</b></p> <p>Offer quality journalistic coverage that is credible and balanced.</p> <p>Offer programming and coverage that reflect and represent the cultural and regional diversity of modern Canadian society.</p> <p>Greater focus on digital offer.</p>	<p><b>Key 2015-2016 Initiatives</b></p> <ol style="list-style-type: none"> <li>1. Complete the automated control room project.</li> <li>2. Optimize radio news production resources.</li> <li>3. Pursue and deepen collaboration with CBC on investigative journalism and foreign reporting.</li> <li>4. Continue and increase production of digital news, with priority on mobile content for smartphones.</li> <li>5. Draft a plan for developing magazine-style digital destinations.</li> </ol>	<p><b>Expected Outcomes for 2015-2016</b></p> <p>Secure the resources and conditions needed to produce impact journalism as part of a multiplatform/multiscreen strategy.</p> <p>Continue to expand the digital news offering.</p>
<p><b>Long-Term Excepted Outcomes/Targets</b></p> <p>- Intensify CBC/Radio-Canada's relationship with Canadians through the delivery of relevant, distinctly Canadian content and services, offered through modern distribution methods, with an emphasis on digital and mobile services.</p>			

**Corporate Plan Summary 2015-2016 to 2019-2020**

<b>Local</b>			
<b>English Services</b>		<b>French Services</b>	
<b>Key 2015-2016 Initiatives</b>	<b>Expected Outcomes for 2015-2016</b>	<b>Key 2015-2016 Initiatives</b>	<b>Expected Outcomes for 2015-2016</b>
<ol style="list-style-type: none"> <li>1. Maintain existing geographic footprint and evolve services by offering content specific to the needs of each region.</li> <li>2. Ensure baseline local TV service, including morning, supper, late night, frequent updates on weekdays and weekend service.</li> <li>3. Launch local branding.</li> </ol>	<p>Baseline service levels achieved.</p> <p>Greater connection with audiences on mobile and digital platforms throughout the day.</p> <p>Implemented “Mobile-First” offer on an “18 x 7” basis (i.e., 18 hours/day; seven days/week).</p>	<ol style="list-style-type: none"> <li>1. Maintain the thrust of local radio programming.</li> <li>2. Continue to operationalize the “Telling the Country’s Stories” strategy.</li> <li>3. Complete the Moncton and Sudbury moves.</li> <li>4. Continue developing and testing innovative production methods and our use of space in order to meet specific regional production challenges.</li> <li>5. Promote audience outreach initiatives, such as public meetings or innovation workshops, likely to engage the community.</li> </ol>	<p>Produce even more impact journalism in regional centres.</p> <p>Reconfigure the infrastructure to allow increased simplicity and collaboration.</p> <p>Strengthen our roots in communities.</p>
<p><b>Long-Term Excepted Outcomes/Targets</b></p> <ul style="list-style-type: none"> <li>- Preserve CBC/Radio-Canada's geographic presence, to be even more local, but at a reduced cost.</li> <li>- Lighten CBC/Radio-Canada's technology and real estate footprint across the country, focusing efforts and resources on content rather than infrastructure.</li> </ul>			

Entertainment (English Services) / Arts and Entertainment (French Services)			
English Services		French Services	
<p><b>Key 2015-2016 Initiatives</b></p> <ol style="list-style-type: none"> <li>1. Invest in the prime-time schedule pursuant to <i>Strategy 2020</i>.</li> <li>2. Modernize existing documentary brands: <i>The Passionate Eye</i>, <i>The Nature of Things</i> and the <i>documentary</i> channel.</li> <li>3. Create and define a new CBC Arts Brand.</li> <li>4. Refresh and renew our children’s offering, including the digital experience.</li> <li>5. Continue to work with Radio-Canada to develop Signature Events.</li> <li>6. Use digital platforms and social media to attract and retain audiences to CBC programs.</li> </ol>	<p><b>Expected Outcomes for 2015-2016</b></p> <p>Offer programming that is contemporary and distinctively Canadian, smart, unique, distinctive from the private broadcasters, ambitious, and risky.</p> <p>Share national consciousness and identity through Canadian storytelling and Canadian experience.</p>	<p><b>Key 2015-2016 Initiatives</b></p> <ol style="list-style-type: none"> <li>1. Invest strategically in drama series.</li> <li>2. Develop new “event-making” programming, with television as the main driver.</li> <li>3. Establish ICI ARTV as a dominant “arts and variety” partner within Radio-Canada group’s multiscreen strategy.</li> <li>4. Support and drive ICI EXPLORA’s performance, with a focus on multiplatform integration and compelling content acquisitions.</li> <li>5. Explore new youth-programming partnerships.</li> <li>6. Offer a strong, compelling lineup on ICI Tou.tv’s free and subscription (EXTRA) services.</li> <li>7. Implement initiatives that support the multiplatform literary strategy.</li> </ol>	<p><b>Expected Outcomes for 2015-2016</b></p> <p>Expand the reach and impact of schedules and services.</p> <p>Fast-track the French Services’ multiplatform/multiscreen strategy to keep pace with audiences’ changing consumption habits.</p> <p>Develop a balanced, multi-genre TV schedule that gives priority to original Canadian programming, especially during prime time.</p>
<p><b>Long-Term Excepted Outcomes/Targets</b></p> <p>- Intensify relationship with Canadians through the delivery of relevant, distinctly Canadian content and services, offered through modern distribution methods, with an emphasis on digital and mobile services.</p>			



**Corporate Plan Summary 2015-2016 to 2019-2020**

<b>Sports</b>			
<b>English Services</b>		<b>French Services</b>	
<b>Key 2015-2016 Initiatives</b>	<b>Expected Outcomes for 2015-2016</b>	<b>Key 2015-2016 Initiatives</b>	<b>Expected Outcomes for 2015-2016</b>
<ol style="list-style-type: none"> <li>In tandem with Radio-Canada, execute the coverage plan for the Toronto 2015 Pan American Games and prepare for the 2016 Olympics.</li> <li>Showcase Olympic and Olympic-related amateur sports, in support of the Games.</li> <li>Create a dynamic digital experience that is video-rich, social and sharable.</li> </ol>	<p>Promote relevant, nation-building experiences to the Canadian public and showcase Canadian talent.</p> <p>Lead Canada's sports conversation with trusted sports journalism.</p> <p>Maintain Sports and Olympic financial position.</p>	<ol style="list-style-type: none"> <li>In tandem with CBC, execute the coverage plan for the Toronto 2015 Pan American Games and prepare for the 2016 Olympics.</li> <li>Provide relevant, distinctive sports journalism, integrated with the multiplatform/multiscreen offering.</li> </ol>	<p>Expand sports news coverage.</p> <p>Guarantee a sound financial position for Olympic initiatives.</p>
<p><b>Long-Term Excepted Outcomes/Targets</b></p> <ul style="list-style-type: none"> <li>- Make CBC/Radio-Canada the recognized home of Olympic sport.</li> <li>- Become scalable, adaptable and flexible with the appropriate tools, resources and people to deliver the strategy.</li> </ul>			

<b>Talk Radio</b>			
<b>English Services</b>		<b>French Services</b>	
<b>Key 2015-2016 Initiatives</b>	<b>Expected Outcomes for 2015-2016</b>	<b>Key 2015-2016 Initiatives</b>	<b>Expected Outcomes for 2015-2016</b>
<ol style="list-style-type: none"> <li>Reduce repeats on the schedule.</li> <li>Targeted program development to implement best practices across the service.</li> <li>Invest in an audio programming designed for online/mobile.</li> </ol>	<p>Maintain our leadership position and record audiences.</p> <p>Increase awareness of our programming and brand.</p> <p>Increase reach and engagement, particularly with new and younger audiences.</p>	<ol style="list-style-type: none"> <li>Continue developing the daytime radio schedule.</li> <li>Initiate new one-off radio productions.</li> </ol>	<p>Expand the reach and impact of schedules and services to keep pace with audiences' changing consumption habits.</p>
<p><b>Long-Term Excepted Outcomes/Targets</b></p> <ul style="list-style-type: none"> <li>- Intensify relationship with Canadians through the delivery of relevant, distinctly Canadian content and services, offered through modern distribution methods, with an emphasis on digital and mobile services.</li> </ul>			

Music			
English Services		French Services	
<b>Key 2015-2016 Initiatives</b>	<b>Expected Outcomes for 2015-2016</b>	<b>Key 2015-2016 Initiatives</b>	<b>Expected Outcomes for 2015-2016</b>
<ol style="list-style-type: none"> <li>1. Re-position CBC Radio 2 as a more inexpensive service, more tightly integrated with our digital offer.</li> <li>2. Align service to audience consumption habits.</li> </ol>	<p>Continue to connect Canadian artists with Canadian audiences.</p> <p>Position CBC Music as a leader in Canadian music across platforms.</p>	<ol style="list-style-type: none"> <li>1. Design a radio and digital music offering, focused on fun, content discovery and easy access.</li> <li>2. Continue to develop new multiplatform and efficient methods for recording live music events, extended to various musical genres.</li> </ol>	<p>Establish ICI Musique as a “talent promoter and event creator.”</p>
<b>Long-Term Expected Outcomes/Targets</b>			
<ul style="list-style-type: none"> <li>- Intensify relationship with Canadians through the delivery of relevant, distinctly Canadian content and services, offered through modern distribution methods, with an emphasis on digital and mobile services.</li> </ul>			

## 1.2 Content Support Strategy

### Production

CBC/Radio-Canada’s production infrastructure was established at a time when only broadcasters had the financial means to both produce and distribute content. For the last twenty plus years, public policy and public funding has encouraged the development of a vast number of independent producers. As such, CBC/Radio-Canada plans to significantly reduce in-house production across the organization, excluding news, current affairs and radio.

Reduce In-House Production	
Project Objective: The Corporation will focus on content commissioning and significantly reduce internal production, excluding news, current affairs and radio.	
English and French Services	
<b>Key 2015-2016 Initiatives</b>	<b>Expected Outcomes for 2015-2016</b>
<ol style="list-style-type: none"> <li>1. Develop and refine the plan for reducing television studio production capacity, in close consultation with programming departments and the Revenue Group.</li> </ol>	<p>Move ahead with the real estate footprint reduction plan.</p> <p>Optimize production resources and workflows.</p> <p>Maximize return on investment.</p> <p>Protect business relationships, programming and revenue streams.</p>
<b>Long-Term Expected Outcomes/Targets</b>	
<ul style="list-style-type: none"> <li>- Significantly reduce in-house production, while continuing to promote acquired or commissioned entertainment content from Canada’s independent creative sector.</li> <li>- Lighten the technology and real estate footprint across the country, focusing efforts and resources on content rather than infrastructure.</li> <li>- Become scalable, adaptable and flexible with the appropriate tools, resources and people to deliver the strategy.</li> <li>- Develop long-term, sustainable ways to manage financial health, and the ability to invest in the future, as market conditions and audience habits evolve.</li> </ul>	

### 1.3 Music Digital Infrastructure Consolidation

English Services and French Services are collaborating to build a joint digital platform. The focus will be on creating a strong digital future.

<b>Music Digital Infrastructure Consolidation</b>	
Project Objective: Develop a consolidated infrastructure for CBC Music.ca and ICI Musique.ca.	
English and French Services	
Key 2015-2016 Initiatives	Expected Outcomes for 2015-2016
1. Complete required upgrades to supporting systems and coding when required.	Define a plan and initiate first steps towards the development of a consolidated infrastructure.
Long-Term Expected Outcomes/Targets	
<ul style="list-style-type: none"> <li>- Lighten the technology and real estate footprint across the country, focusing efforts and resources on content rather than infrastructure.</li> <li>- Become scalable, adaptable and flexible with the appropriate tools, resources and people to deliver the strategy.</li> </ul>	

## 2. The Strategy Enablers

### 2.1 Infrastructure Strategy: Modernize, Optimize and Scale

CBC/Radio-Canada’s current infrastructure was established at a different time, with different market factors and with a different view of service offerings. As part of *A space for us all*, the Corporation will reimagine how it works, as well as the tools and infrastructure required to build flexibility, transfer risk and leverage technology to reduce costs.

#### Infrastructure

As the Corporation shifts from public producer to public media company – and focuses on partnering to develop content – there are opportunities to reduce, rethink or eliminate aspects of its current infrastructure, such as reducing its technology footprint and in-house production, and rethinking bricks-and-mortar locations.

<b>IT Data Centres</b>	
Project Objective: Identify potential cost savings within the Corporation’s two main IT data centres in Montreal and Toronto.	
Key 2015-2016 Initiatives	Expected Outcomes for 2015-2016
1. Define the current service catalogue provided by the Corporation’s IT data centres.	Produce a report on the Corporation’s IT data centre inventory, services and future requirements.
2. Conduct a detailed assessment of data centre inventory, both physical and virtual.	Prepare a business case and roadmap for the Corporation’s IT data centres.
3. Evaluate options for reducing costs in our IT data centres.	
Long-Term Expected Outcomes/Targets	
<ul style="list-style-type: none"> <li>- Generate potential savings of up to one million dollars annually.</li> <li>- Modernize and make the Corporation’s IT infrastructure more scalable.</li> </ul>	

**Real Estate**

CBC/Radio-Canada’s real estate portfolio includes approximately four million square feet. The Corporation owns approximately 90% of this footprint (21 buildings). The average age of the portfolio exceeds 35 years, and most buildings are in need of major repairs now or will in the near future. The Corporation is already operating its buildings very efficiently: its cost per square foot compares with the lowest benchmarks in the industry.

CBC/Radio-Canada’s strategic real estate plan aims at reducing cost (footprint), transferring risk (leasing as procurement method) and maximizing proceeds from its existing assets (sale or sale-leaseback of buildings).

Consequently, based on the reduced footprint requirements related to technology, as well as CBC/Radio-Canada’s latest workplace solution standard (open plan and collaborative), CBC/Radio-Canada will reduce its real estate portfolio by 50 per cent (two million square feet).

Projects are already completed or underway: Halifax, Moncton, Corner Brook, Sydney, Gander/Grand Falls and Sudbury are all examples of successful modernization initiatives that reduced CBC/Radio-Canada’s footprint.

<b>Real Estate Footprint Reduction</b>	
Project Objective: Reduce real estate portfolio.	
<p><b>Key 2015-2016 Initiatives</b></p> <ol style="list-style-type: none"> <li>1. Select a proponent for the new Maison de Radio-Canada (MRC) project or analyze alternatives in the case of a rejected proposal.</li> <li>2. Review available options for the Canadian Broadcast Centre (TBC) in Toronto.</li> <li>3. Initiate regional projects (business case).</li> </ol>	<p><b>Expected Outcomes for 2015-2016</b></p> <ul style="list-style-type: none"> <li>Receive the approval of CBC/Radio-Canada’s Board of Directors:                             <ul style="list-style-type: none"> <li>- If and as required, discuss with the City of Montreal the potential rezoning of existing site.</li> </ul> </li> <li>Establish the programming and production needs of the TBC.</li> <li>Conduct an analysis of Toronto’s market.</li> <li>Initiate regional projects for: Charlottetown, Iqaluit, Calgary and Winnipeg.</li> </ul>
<p><b>Long-Term Expected Outcomes/Targets</b></p> <ul style="list-style-type: none"> <li>- Implement a reduction of two million square feet of space by 2020.</li> <li>- Implement a new workplace solution standard (open plan and collaborative).</li> <li>- Transfer risk (all leased solutions).</li> </ul>	

## 2.2 People and Culture Strategy

The strategy aims to simplify every part of CBC/Radio-Canada to increase responsiveness, alignment and empowerment.

To continue delivering the programs and services Canadians expect, the public broadcaster will open itself to increased collaboration and partnerships. As *A space for us all* aims to develop the internal culture, skills and structure needed to continue to be successful, the focus will be on continuing to break down silos and enhancing collaboration; being more efficient and simplifying processes; being clear on expectations of leaders and holding them accountable; and having the right talent in the right roles, whether it is internal teams or external partners.

Workforce Planning and Sourcing Strategy		Change Management	
Project Objective: Ensure that people resources are available to deliver the strategy and better reflect Canada in our workforce. An improved sourcing strategy that utilizes predictive workforce planning to provide workforce analytics, forecast resources, identify future talent and key roles, and identify gaps and risks.		Project Objective: Provide effective change programs to help leaders and individuals manage the significant change that <i>A space for us all</i> will bring.	
<b>Key 2015-2016 Initiatives</b> <ol style="list-style-type: none"> <li>1. Launch of the Organizational Chart tool and a Skills Inventory Database.</li> <li>2. Identify critical workforce segments and pilot predictive model approach.</li> <li>3. Improve our recruitment and sourcing strategy.</li> <li>4. Release new Inclusion and Diversity Corporate Plan (three-year plan).</li> </ol>	<b>Expected Outcomes for 2015-2016</b> <p>Better position management and increased internal recruiting.</p> <p>Better understanding of our workforce, which will allow for better planning to address resource needs of the <i>A space for us all</i> strategy.</p> <p>Better understanding of the needs of the business and reduce the time to hire and provide candidates a better and simpler experience.</p> <p>Better reflect the Canadian landscape in our workforce.</p>	<b>Key 2015-2016 Initiatives</b> <ol style="list-style-type: none"> <li>1. Deliver programs to equip leaders to manage more effectively in the face of change.</li> <li>2. Drive strategic priorities by directly intervening with leaders and their teams on high-priority projects to deliver change tools and expertise to support desired business outcomes.</li> <li>3. Support roll out of organization design through application of change-management practices and expertise.</li> </ol>	<b>Expected Outcomes for 2015-2016</b> <p>More effective management of the people side of change; help to overcome resistance and inspire employee engagement in the change.</p>
<b>Long-Term Expected Outcomes/Targets</b> <ul style="list-style-type: none"> <li>- Ensure the right skills are at the right place at the right time to implement the <i>A space for us all</i> strategy as it is executed.</li> <li>- Provide growth opportunities to the current workforce.</li> <li>- Reduce our cost to hire.</li> </ul>		<b>Long-Term Expected Outcomes/Targets</b> <ul style="list-style-type: none"> <li>- Employees understand and engage with the strategy to support successful execution and benefit realization.</li> </ul>	

## 2.3 Financial Sustainability

CBC/Radio-Canada’s future success is tied to our financial sustainability. And to be financially sustainable, we must create a viable financial model with a manageable cost structure, adequate and reliable income stream, and enough free-cash flow to invest in the future. *A space for us all*’s strategies, listed above, lay out the direction CBC/Radio-Canada needs to take in order to be financially sustainable in the long term.

## Measuring our Performance

A central feature of *A space for us all* is the establishment of metrics to track and assess our performance. Building on the existing tools used to measure the progress of *Strategy 2015*, CBC/Radio-Canada has developed a streamlined performance measurement framework to assess its new strategy.

The *Strategy 2020* Report Card, shown below, is a reporting tool that will demonstrate how we are meeting the corporate-wide objectives of *A space for us all*. A set of indicators have been developed to specifically measure each key aspect of the new strategy. They include survey results, audience data (e.g., digital reach, time spent), financial data (e.g., cost reductions, investment funding) and internal output data (real estate footprint).

Progress towards the implementation of *Strategy 2020* will be measured against annual and 2020 targets. These targets will be defined at the same time as the Corporation's Business Plans are approved by CBC/Radio-Canada's Board of Directors at its March meeting each year. The *Strategy 2020* Report Card information will also be used in our key corporate documents (Annual Report and Corporate Plan Summary).<sup>1</sup>

INDICATOR	TYPE OF DATA	SOURCE OF DATA
<b>Audience/Market</b>		
1. CBC/Radio-Canada is very important to me personally	Perception	Independent Survey
2. CBC/Radio-Canada's programming reflects diversity of opinions and objectivity	Perception	Independent Survey
3. Digital reach of CBC/Radio-Canada	Ratings	comScore
4. Monthly digital interactions with CBC/Radio-Canada	Ratings	comScore
5. Overall time spent with CBC/Radio-Canada	Ratings	Numeris and Internal Server Data
<b>Infrastructure</b>		
6. Reduced real estate footprint	Output	Internal Data
<b>People</b>		
7. Employee engagement	Perception	Independent Survey
8. Employee diversity	Output	Internal Data
<b>Finance</b>		
9. Achieve cost-reduction target	Financial	Internal Data
10. Achieve investment fund target	Financial	Internal Data

Also of note, CBC/Radio-Canada will continue to monitor how well our services fulfill the Corporation's mandate under the 1991 *Broadcasting Act*, based on the perceptions of Canadians. The data will be collected via high-quality surveys conducted among representative samples of Anglophones and Francophones.

<sup>1</sup> Operational indicators have also been developed for CBC/Radio-Canada's Media lines. They will be used to demonstrate the audience and the financial performance of English and French Services. These operational indicators include measures of audience share, website visits, subscriber counts and revenue generation. They will be presented to our Board of Directors and published in our Quarterly Financial Reports and Annual Report.

# 7 People and Culture: Aligning Our People and Culture Strategy with Our Business Strategy

People remain a priority of the Corporation as we build on the successes of *Strategy 2015*. Following the unveiling of our new strategy, *A space for us all*, it is the talent, passion and commitment of our people that continue to drive our success. People and Culture works to ensure that CBC/Radio-Canada is a rewarding, progressive and diverse workplace, enabling a high-performance culture of dedicated, innovative and highly skilled professionals.

In 2014-2015, our three-year People and Culture strategy was further improved to align with our new strategy, *A space for us all*, so that its key drivers enable change and promote a vibrant, agile workforce as we look towards 2020.

## Aligning Our Strategy With *A space for us all*

Our People priorities support the achievement of the Corporation's strategy:

### Enable

- Enable the transformation of the business. Support staff and management through significant change.
- Build and sustain a high-performance and safe workforce where people can perform at their best.

### Engage

- Fuel a healthy, winning culture that drives and recognizes performance.
- Ensure our people resources and their working conditions are in place to support the strategy.

### Enhance

- Continue to evolve and support processes, structures and approaches to improve workforce flexibility and help shape the culture. Focus programs to support the new strategy direction and execution.

By focusing on these people priorities, People and Culture will guide and support the business as the workforce evolves. We will focus on organizational design and change management, simplification, and tools that support the achievement of transformation into an agile, flexible and collaborative organization.

## Our Compensation Program

CBC/Radio-Canada faces the challenge of competing for talent within a vibrant competitive private sector, while also operating as a federal Crown corporation.

Our compensation philosophy is to provide a total compensation package that supports our ability to attract, develop, motivate and retain the talent required to enable the Corporation to deliver on its strategic objectives. We position our total compensation offering at the median of a group of external peer companies, while taking into account our need for internal equity and long-term affordability. Our program includes a base salary, benefits and a defined-benefit pension plan. Members of senior management (about seven per cent of our workforce) are also eligible to participate in performance-based programs. Such plans align all parts of the business around organizational objectives, and drive desired behaviours and superior business performance. Payout opportunities are based on the achievement of Corporate, Component and Individual performance, supported by metrics and thresholds approved through the Human Resources and Governance Committee (HRGC) of our Board of Directors.

To ensure that our compensation programs remain fair, we regularly benchmark both executive and non-executive positions with the market using a third-party consultant. This enables us to compare our offering to that of a group of peer companies from the Canadian entertainment, publishing and telecommunications industry, as well as a selection of Crown corporations and federally-regulated transportation companies, such as Bell Canada, Rogers Communications Inc., Shaw Communications Inc., Canada Post, Export Development Canada, Atomic Energy of Canada Limited, Treasury Board of Canada Secretariat, Air Canada and Canadian Pacific, among others. We have an established governance structure in place, through the Human Resources and Governance Committee, to approve policies and adjustments to compensation strategies.

Over the past five years, CBC/Radio-Canada has continued to look for ways to increase our accountability and transparency with Canadians, including through proactive disclosure. In September 2014, the Corporation provided a summary that outlined the compensation for senior management, as well as our on-air talent, keeping in mind the requirement to respect existing federal privacy law pertaining to individual specific salaries.

### **Our Pension Plan**

CBC/Radio-Canada's defined benefit pension plan continues to be among the best funded plans in the country. Guided by the overall objective of meeting the pension obligations and reflecting the level of maturity of the Plan, it follows a liability-driven investment strategy that results in a lower-risk Plan for CBC/Radio-Canada as compared to peers. The CBC Pension Plan's lower-risk investment strategy provides a more stable funding ratio and reduces the likelihood of CBC/Radio-Canada having to make additional contributions. This provides more stability to CBC/Radio-Canada and helps make the Plan more sustainable over the longer term. The Plan's investment strategy has worked very successfully, such that on December 31, 2014, the Plan was fully funded on a going-concern basis and 92 per cent funded on a solvency basis. For the fourth consecutive year, as allowed under the legislation governing our Plan, CBC/Radio-Canada has elected not to make any additional special contribution to the Pension Plan. The actuarial valuation is conducted annually as at December 31 and filed with government authorities no later than June 30 of the following year.

Three years ago, we began increasing the employee share of pension contribution to its current level of 40 per cent. Subsequent increases are set to gradually bring the employee share to 50 per cent by July 1, 2017. Accordingly, the employee share of pension contribution increases to 43.33% on July 1, 2015. We will continue to work to manage costs and reduce risks, so that the Plan remains financially viable and sustainable well into the future.

### **Our Learning Commitment**

As CBC/Radio-Canada transforms towards *A space for us all*, our leaders and managers face new challenges. We are committed to ensuring our employees develop the skills and behaviours necessary to successfully navigate the changing work environment, and we have renewed our focus on ensuring that training is in place to enable a respectful work culture. The realignment of all learning services across the organization allows for the development of service offerings that are more integrated and targeted to the needs and priorities of the business and its leaders. We will deliver the smart, effective learning solutions needed to enable employees to quickly adapt to the changing technology and business landscape (e.g., Digital Fundamentals). We will continue to evolve and roll out a robust leadership offering for leaders at all levels (e.g., Evolving Leadership Development System). Change and organization development offerings will support the organization to deliver on the intent of the transformation. And, more than ever, we will focus on developing and retaining our key talent, who will be critical



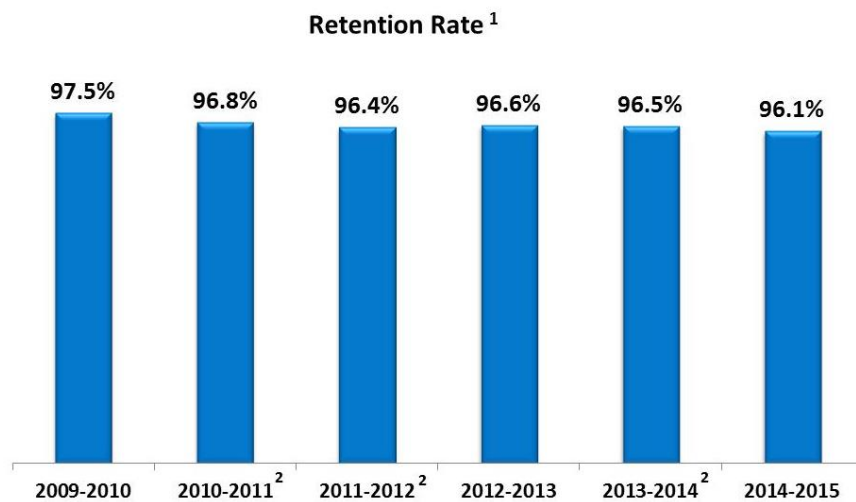
to the overall success of *Strategy 2020*, through a strengthened approach to talent management (i.e., performance, succession, engagement).

### Measuring Our Success

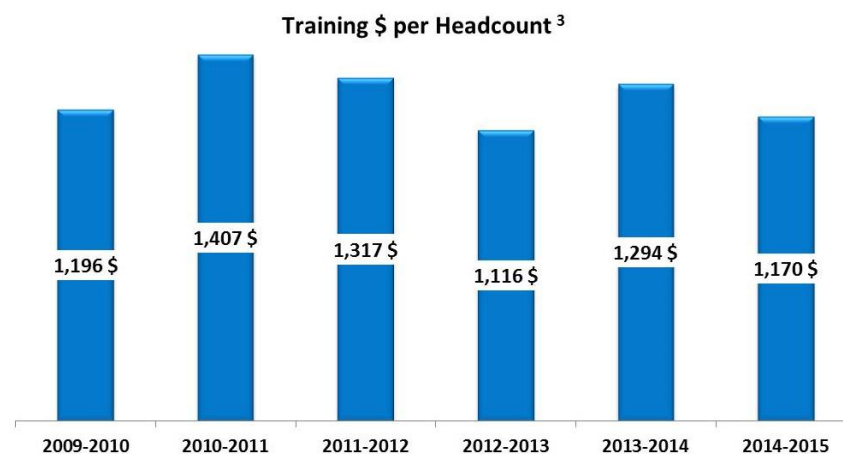
We continue our commitment to accountability and execution of key objectives. To this end, and as recommended by the Office of the Auditor General, we have added two people management measures to our corporate reporting framework. Retention Rate and Training Dollars per Full-Time Equivalent (FTE) are reported in both our Corporate Plan and our Annual Report.

The targets set take into consideration the impact on the organization outlined in the strategy, *A space for us all*, the business priorities and the financial pressures.

In addition, we monitor the turnover of new hires, absenteeism, overtime costs and employment equity internally, on a quarterly basis.



While the Corporation continued its downsizing exercise following the announcement of reductions in 2014, the overall retention rate of permanent employees remains above 96%.



<sup>1</sup> (Permanent Headcount less Departures) / Permanent Headcount (excludes retirements and Workforce Adjustment (WFA) cuts).

<sup>2</sup> Slight variance following the publication of the 2014-2015 Corporate Plan Summary due to change in type of departure.

<sup>3</sup> (Total spend training funds + Operational training costs charged to Operational Budgets) / Headcount.

## Our Labour Environment

Our workforce is comprised of approximately 87 per cent unionized employees, who are represented by the six bargaining units identified below. We also work with an additional seven talent unions, which represent independent contractors and artists within the media and entertainment industry.<sup>1</sup>

The broadcasting landscape is no longer what it was. Technological advances – particularly in our content production and delivery – fiercer competition and growing budget constraints force us to rethink the way we do business, and highlight the need to streamline our union structure to make us more agile in a rapidly-changing environment.

CBC/Radio-Canada filed an application with the Canada Industrial Relations Board (CIRB) on May 31, 2012 to review our bargaining structure for employees (currently covered by SCRC, STARF, SCFP and AR) working in the province of Quebec and in Moncton, New Brunswick (French File). In the first phase of hearings, which began in November 2012 and concluded in April 2014 (a total of 36 hearing dates), the CIRB was asked to determine whether the current structure of the four bargaining units remains appropriate for collective bargaining. CIRB's decision, rendered on September 19, 2014, granted CBC/Radio-Canada's motion declaring that the current union structure no longer met our collective bargaining needs. The second phase of determining the future structure was undertaken immediately thereafter, and a decision was rendered on May 15, 2015 establishing that the bargaining structure would be comprised of two units: one representing the producers and the second representing all other unionized employees. Considering that the reasons were not provided by the CIRB at the time of rendering the decision, CBC/Radio-Canada filed a motion for judicial review on June 15, 2015 to preserve its rights with respect to the reasons to be provided by the CIRB. Pursuant to the decision of May 15, 2015, a vote was held June 15-26, 2015 to determine who will be the bargaining agent that will be representing all employees (with the exception of producers) for purposes of collective bargaining. At the time of printing, the results were still unknown. This application is part of a natural evolution in labour relations and the broadcasting industry. The Corporation's English-language network, CBC, applied for and obtained permission to review its structure in 2003, which resulted in consolidation under one bargaining unit.

CBC/Radio-Canada is committed to maintaining productive relations with our bargaining units, which provide an environment adaptable to evolving priorities, and stimulating development and career opportunities.

\*Note: Number of members shown below at March 22, 2015.

## National Union



### APS

#### **Association of Professionals and Supervisors**

Represents supervisory and professional employees, and those who perform similar or comparable functions  
July 1, 2013 – June 30, 2016

\* 681 members

<sup>1</sup> The seven talent unions include ACTRA (Alliance of Canadian Cinema, Television and Radio Artists (Performers) Television Radio Agreement), CFM (Canadian Federation of Musicians), IATSE (International Alliance of Theatrical, Stage Employees and Moving Picture Machine Operators of the United States and Canada (Stagehands)), WGC (Writers Guild of Canada, Television and Radio Agreement), SPACQ (Société professionnelle des auteurs et des compositeurs du Québec), UDA (Union des artistes), and SARTeC (Société des auteurs de radio, de la télévision et du cinéma).

## CBC – English File



### **CMG**

#### **Canadian Media Guild**

Represents all administrative, journalistic, production and technical employees outside the province of Quebec and the city of Moncton, N.B.

April 1, 2014 – March 31, 2019

\* **4,122 members**

## Radio-Canada – French File



### **AR**

#### **Association des réalisateurs**

Represents all producers in the province of Quebec and the city of Moncton, N.B.

December 16, 2013 – December 15, 2014

\* **260 members**



### **SCFP**

#### **Syndicat canadien de la fonction publique**

Represents all administrative staff and administrative support, excluding supervisory staff, in the province of Quebec and the city of Moncton, N.B.

September 26, 2010 – September 20, 2015

\* **503 members**



### **SCRC**

#### **Syndicat des communications de Radio-Canada**

Represents all journalistic employees and functions in the province of Quebec and the city of Moncton, N.B.

October 1, 2012 – February 28, 2015

\* **1,347 members**



### **STARF**

#### **Syndicat des technicien(ne)s et des artisan(e)s du réseau français de Radio-Canada**

Represents all technical employees in the province of Quebec and the city of Moncton, N.B.

April 1, 2013 – March 31, 2014

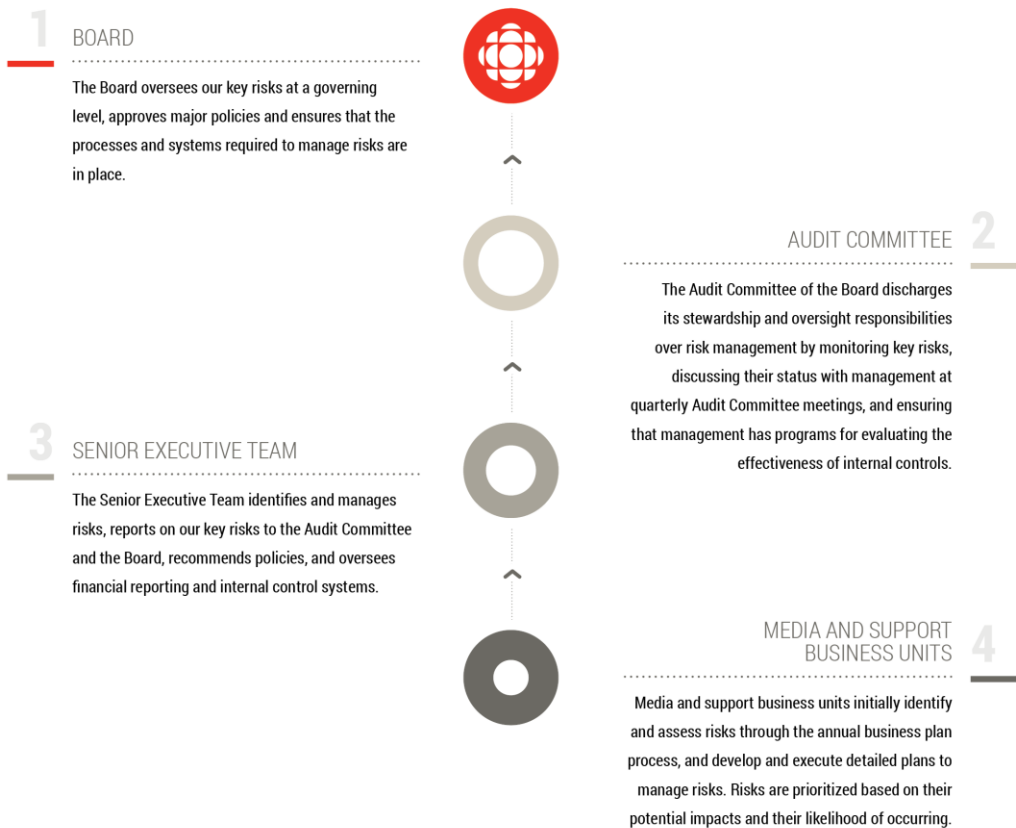
\* **989 members**

# 8 Risk Management

As Canada’s national public broadcaster, CBC/Radio-Canada occupies an important place in the Canadian broadcasting system and faces a unique set of risks to its plans and operations. Like all broadcasters, the Corporation must adapt to technological changes, shifts in demographics and evolving consumer demands, as well as structural changes in the industry. Given our statutory mandate to serve all Canadians, CBC/Radio-Canada also faces unique public expectations and financial challenges.

It is CBC/Radio-Canada policy to develop, implement and practice effective risk management to ensure risks and opportunities that impact the Corporation’s strategies, objectives and operations are identified, assessed and managed appropriately.

CBC/Radio-Canada’s Risk Management Program is part of an enterprise-wide approach integrated into business processes. Responsibility for risk management is shared among CBC/Radio-Canada’s Board of Directors, the Board’s Audit Committee, the Senior Executive Team and operational units.



Internal Audit plans its audits in accordance with the results of the risk assessment process, and provides assurance that major risks are covered on a rotational basis by the annual audit plan.

The following table discusses the key risks faced by CBC/Radio-Canada during fiscal year 2014-2015 and the ongoing impact into 2015-2016.

KEY RISKS	RISK MITIGATION	FUTURE IMPACT
<b>1. A space for us all Strategy Implementation</b>		
<p>The public broadcaster's ability to deliver its mandate is challenged by a shift from traditional television to specialty television and digital platforms, rapid technology evolution, changing media consumption habits, and industry fragmentation.</p> <p>The new strategic plan, <i>A space for us all</i>, is a framework within which the Corporation can make strategic choices, even as market conditions and audience habits evolve. The ability to execute the strategy will determine achievement of plan objectives.</p>	<p>Take leadership in initiating a conversation amongst key players to reshape ecosystem and industry funding requirements.</p> <p>Continue to promote and share strategic plan information with stakeholders both internally and externally. Emphasize context and shifts in the media landscape that demonstrate a need for our plan. Continue to reaffirm that changes associated with the strategy are needed, to ensure that CBC/Radio-Canada is better positioned to meet the evolving needs of Canadians and the fundamental shifts transforming the media landscape.</p> <p>Take leadership in bringing together international public broadcasters to reflect on strategic challenges.</p> <p>Review and adjust the organizational structure to ensure it is optimally aligned with the strategic plan.</p> <p>Develop and implement change management strategies.</p> <p>Monitor implementation closely to ensure adherence to plan.</p>	<p>The new strategic framework will position the Corporation to succeed now, as well as in an age beyond traditional broadcasting. It will ensure that the services we provide, and the operating model that supports those services, evolve in tandem with the changing expectations of Canadians and the movements of our industry.</p>
<b>2. Budget Concerns</b>		
<p>CBC/Radio-Canada is faced with financial challenges ranging from an industry-wide softening of the advertising market, shift of advertising dollars from traditional television to digital platforms and the NHL's decision to move to a single, exclusive broadcaster. These reductions are in addition to significant pressures already managed by the Corporation since 2008-2009, including Federal Budget 2012 (\$115 million), the elimination of the Local Programming Improvement Fund (LPIF) (\$47 million) and the salary inflation funding freeze for five of the last six fiscal years (\$65 million).</p> <p>Due to limited financial flexibility, initiatives under the <i>A space for us all</i> strategic plan must be funded by reductions to other services.</p>	<p>The implementation of the <i>A space for us all</i> strategy will result in the reduction of up to 1,500 positions by 2020. Two thirds of the reductions are expected to be announced by March 31, 2016.</p> <p>Reductions required to finance <i>A space for us all</i> have been identified and incorporated into the five-year financial plan developed to support the new strategy. Detailed monitoring to ensure expected outcomes are achieved.</p>	<p>Underachievement of reduction targets, further advertising weakening and/or further government funding reductions may require changes to implementation plans.</p>

### 3. Workforce Challenges – Recruiting, Training, Retaining and Empowering a Skilled Workforce

<p>The degree to which staff is aligned with the Corporation’s new strategic plan will have an impact on engagement, retention and our ability to achieve objectives. Managers and employees require the necessary skill set to adapt to an accelerated pace of change and the transformation needs of <i>A space for us all</i>.</p>	<p>Develop and implement an enterprise change management plan, including change management support activities linked to major projects that enable <i>A space for us all</i>.</p>	<p>The retention and engagement of a strong workforce is essential to achieve strategic objectives.</p>
<p>Staff reductions create a climate of uncertainty and stress that may lead to reduced morale, lower productivity and increased turnover.</p>	<p>Change management activities will include the following: transparent communication to employees and unions; involvement of employees in change; continued investment in learning and development; and increased efforts to recognize employee contributions.</p>	
	<p>Implement action plans to address recommendations of the Rubin Report on the internal review of allegations of improprieties in the workplace by former radio host Jian Ghomeshi.</p>	

### 4. Reputation and Brand Management

<p>CBC and Radio-Canada are among the most prominent and most discussed brands in the country. In addition, they are brands that every Canadian feels rightly justified in having and expressing an opinion on. At any time, an event or an incident, large or small, can touch a nerve and instigate a controversy of national proportions.</p>	<p>Use of a comprehensive issue management system that:</p>	<p>Clean and transparent action plans to deal with critical issues will improve credibility and stakeholder support.</p>
	<ul style="list-style-type: none"> <li>▶ monitors the environment;</li> <li>▶ identifies potential issues and the stakeholder groups they could affect;</li> <li>▶ prepares for them; and</li> <li>▶ provides messaging and guidance to senior leaders, line managers and communications staff across the system.</li> </ul>	
<p>There is a risk that negative perceptions of CBC/Radio-Canada may undermine credibility and stakeholder support.</p>	<p>Strong crisis management response that stresses transparency and decisive action is implemented to address critical issues.</p>	

### 5. Section 18.1 Radio-Canada Union Structure Review

<p>On September 19, 2014, the Canada Industrial Relations Board (CIRB) ruled in favour of our position that the four Radio-Canada existing bargaining units should be consolidated to improve collective bargaining.</p>	<p>Continue transparent communications to employees and unions, and involvement of employees in development of strategic initiatives.</p>	<p>Commence negotiation with the new bargaining unit and Association des Réalisateurs (AR) members.</p>
<p>On May 15, 2015, the CIRB ruled that the new French Services union structure will comprise two bargaining units.</p>		
<p>There is a risk that prolonged CIRB proceedings will make the negotiation of the first collective agreement long and difficult. This could negatively affect the working relationship between management and employees, and negatively affect implementation plans of <i>A space for us all</i> and the attainment of plan objectives.</p>		

**6. Real Estate Replacement and Optimization**

<p>There are risks that infrastructure replacement and optimization projects may be delayed or are unsuccessful, leading to:</p> <ul style="list-style-type: none"> <li>▶ continued risk of ownership (capital and operating costs and management of excess space); and</li> <li>▶ inability to achieve stated real estate footprint reduction target of approximately two million square feet by 2020.</li> </ul>	<p>Sell or reduce space in non-functional or under-utilized buildings when positive business case exists. Continue competitive leasing strategy for surplus facilities.</p>	<p>Continue with initiatives to sell or rent excess capacity in CBC/Radio-Canada facilities.</p> <p>In light of the termination of the Montreal Maison de Radio-Canada Redevelopment Project process on May 7, 2015, we are reviewing our alternatives.</p> <p>A project is underway to consider our options with respect to the Canadian Broadcast Centre in Toronto.</p>
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**7. Regulatory Issues**

**A. CRTC Television Policy**

<p>There is a risk regulatory decisions will negatively affect the carriage of CBC/Radio-Canada’s specialty television channels.</p>	<p>Assess potential ramifications of CRTC decisions to CBC/Radio-Canada revenues and operations, and develop, implement or modify strategies as required.</p>	<p>Monitor and participate in CRTC follow-up proceedings.</p> <p>The implementation of the <i>Let’s Talk TV</i> decisions, such as small basic packages and discretionary services being offered on a stand-alone basis or in small packages, may negatively impact subscriber and advertising revenue. The potential impact of such decisions will become clearer in the coming months as Broadcast Distribution Undertaking (BDU) strategies become more defined.</p>
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**B. Music Rights, Royalties and Tariffs**

<p>Canada Media Fund (CMF) rule changes, or changes to how the CMF allocates funds to broadcaster performance envelopes, could result in narrower program rights and/or higher contributions required from CBC/Radio-Canada.</p>	<p>Proactively advance our position with the CMF, including participation in the CMF National Focus Group.</p>	<p>The CMF released the 2015-2016 Performance Envelope results to broadcasters in April 2015. CBC and Radio-Canada’s Performance Envelopes increased overall by \$1.1 million (\$2.4 million increase for Radio-Canada offset by a \$1.3 million decrease for CBC).</p>
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# 9 FINANCIAL PLAN

## Financial Overview

The Financial Overview in Appendix A presents the Corporation's financial picture for 2014-2015 through 2019-2020.

The balanced position presented for 2015-2016 to 2019-2020 in Appendix A is achieved by matching expenditures to expected resources.

On April 10, 2014, CBC/Radio-Canada announced its 2014-2015 budget which included budget reductions of \$130 million and the equivalent of 657 full-time positions. Most of these positions have now been eliminated.

In June 2014, we unveiled our new strategy, *A space for us all*, which will allow us to continue to adapt and keep pace in a volatile environment. It is a framework within which the Corporation can make strategic choices, even as market conditions and audience habits evolve. The three priority areas are relevance, organizational agility and financial sustainability.

The financial plan supports *A space for us all* through four objectives:

- Reduce the fixed cost base to balance the budget for the foreseeable future;
- Create a reserve to help manage financial risk or to invest in strategic initiatives;
- Reinvest in line with strategic priorities; and
- Diversify revenues and share risks through partnerships.

It is expected that the workforce will be reduced by 1,000 to 1,500 employees by 2020. It is also expected that, by 2020, CBC/Radio-Canada will have reduced its real estate presence by half.

In October 2013, the CRTC initiated *Let's Talk TV*, a discussion about the future of Canada's television system. In November 2014, the CRTC began releasing a series of decisions as a result of *Let's Talk TV*, the last of which was announced on March 26, 2015. These regulatory changes could have an adverse effect on our business, the extent to which is unclear at this time.

On August 1, 2012, the International Olympic Committee (IOC) announced that we had been awarded the Canadian broadcast rights for the Rio 2016 Olympic Games and, on October 28, 2014, the rights for the PyeongChang 2018 Olympic Winter Games and the Tokyo 2020 Olympic Games as the lead broadcaster, along with our broadcast partners Bell Media and Rogers Media. This will significantly increase both revenue and expenses in 2016-2017, 2017-2018 and 2020-2021; we expect to at least break even on this premier international sporting property.

### Material Risks to Financial Plan and Outlook

The plan to meet CBC/Radio-Canada's financial challenges will be closely monitored, and adjusted as required, as it is being implemented. Its success will heavily depend on the strength of the advertising market and on our overall revenue performance.



The plan assumes that salary inflation funding from the government will resume in 2016-2017 following the two-year funding freeze.

## Looking Forward

To continue fulfilling our mandate, we need to be a scalable and more focused public media company, one that is more adaptable to changes in audience behaviour, and in a more competitive and complex environment, supported by a financially sustainable business model. Creating a viable financial model with a manageable cost structure, an adequate and reliable income stream, and enough free cash flow to invest in the future is a key element of the new strategy, *A space for us all*.

Building on the announcement of the new strategy, following a detailed review of the proposed savings, a financial five-year plan was presented to the Board of Directors in November 2014. The financial overview in Appendix A reflects the five-year plan approved by the Board.

## Borrowing Plan

The *Broadcasting Act*, Section 46.1, confers on CBC/Radio-Canada the authority to borrow up to \$220 million by any means, or such greater amount as may be authorized by Parliament, subject to the approval of the Minister of Finance; Section 54(3.1) of the *Act* requires that the Corporation's borrowing plan be included in its corporate plan for the approval of the Minister of Finance.

When the Corporation sold long-term receivables as reported in the 2010-2011 Corporate Plan, it provided a guarantee to the investors in order to obtain the best possible value for the sale. This guarantee was deemed to be borrowing.

In accordance with the terms of the approval from the Minister of Finance for this borrowing authority, CBC/Radio-Canada hereby provides a status report showing the outstanding amounts against the borrowing authority:

Total borrowing authority	\$220,000,000
Authority used as at March 31, 2015	
Guarantee on long-term receivables	<u>\$(141,343,000)</u>
Remaining authority	\$78,657,000

Pursuant to the provisions of sections 46.1(1) and 54(3.1) of the *Broadcasting Act*, the Corporation seeks the approval in principle of the Minister of Finance to borrow money not exceeding the remaining borrowing authority. CBC/Radio-Canada will submit specific borrowing proposals as required by the Minister of Finance for approval.

## APPENDIX A

# Financial Overview<sup>1</sup>

	2014-2015	Projection 2015-2016	Projection 2016-2017	Projection 2017-2018	Projection 2018-2019	Projection 2019-2020
<b>SOURCES OF INCOME</b>						
Parliamentary appropriation for operating expenditures	929,284 <sup>8</sup>	928,332 <sup>8</sup>	927,307 <sup>9</sup>	926,203 <sup>9</sup>	925,015 <sup>9</sup>	923,735 <sup>9</sup>
Amortization of deferred capital funding and working capital funding <sup>2</sup>	106,812	110,000	110,000	110,000	110,000	110,000
Advertising <sup>3</sup>	333,420	260,365	339,307	357,434	261,729	267,541
Financing and other income <sup>4</sup>	257,824	275,214	253,993	254,586	248,045	239,733
Local Programming Improvement Fund (LPIF) <sup>5</sup>	8,891	-	-	-	-	-
<b>TOTAL SOURCES OF INCOME</b>	<b>1,636,231</b>	<b>1,573,911</b>	<b>1,630,607</b>	<b>1,648,223</b>	<b>1,544,789</b>	<b>1,541,009</b>
<b>EXPENDITURES:</b>						
Television, radio and digital services costs <sup>6</sup>	1,607,751	1,459,487	1,516,218	1,533,791	1,430,238	1,426,266
Transmission, distribution and collection	74,144	75,256	76,385	77,531	78,694	79,874
Corporate management	9,823	9,970	10,120	10,272	10,426	10,582
Finance costs	30,574	29,198	27,884	26,629	25,431	24,287
<b>TOTAL EXPENDITURES</b>	<b>1,722,292</b>	<b>1,573,911</b>	<b>1,630,607</b>	<b>1,648,223</b>	<b>1,544,789</b>	<b>1,541,009</b>
<b>NON-OPERATING ITEMS:</b>						
Net gain/(loss) on disposal of assets	38,670	-	-	-	-	-
<b>TOTAL NON-OPERATING ITEMS</b>	<b>38,670</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET POSITION<sup>7</sup></b>	<b>(47,391)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(1) Results are based on International Financial Reporting Standard (IFRS) and exclude Other Comprehensive Income items such as non-cash actuarial pension adjustments.

(2) Parliamentary appropriations received for capital expenditures are recognised on the same basis and over the same period as the amortization of the capital assets purchased with the funds. The capital budget is discussed in more detail in Appendix B.

(3) Reflects advertising revenues from television, digital and radio services and includes revenues from FIFA in 2014-2015 and those anticipated from the Pan American Games in 2015-2016, and from the August 2016 Summer and the February 2018 Winter Olympic Games. Includes advertising revenue from Specialty Services (CBC News Network, ICI RDI, *documentary*, ICI ARTV and ICI EXPLORA).

(4) Includes subscriber revenues from Specialty Services, miscellaneous revenues, financing income and revenues from Pan American host broadcasting activities in 2015-2016.

(5) The Local Programming Improvement Fund (LPIF) was eliminated on September 1, 2014.

(6) Expenditures (including amortization of property, equipment and intangibles) related to CBC/Radio-Canada's main services and specialty services. Reflects expenditures related to FIFA in 2014-2015, to the Pan American Games in 2015-2016, and to the August 2016 Summer and the February 2018 Winter Olympic Games.

(7) Reflects the net results before Other Comprehensive Income or Loss. In 2014-2015, the net loss position reflects workforce restructuring costs and non-cash future employee expense accruals. A balanced net position is assumed for future years.

(8) Reflects the salary inflation funding freeze announced by the federal government in the November 2013 Economic Update.

(9) Salary inflation funding increases from Treasury Board have not yet been announced for fiscal years 2016-2017 to 2019-2020. It is assumed that salary inflation funding received will match the actual increase in salary expenditures. The small reductions in Operating Appropriations in future years reflect the annual transfer to the Capital Appropriation for bond payments and do not represent a further reduction in government funding.

## APPENDIX B

### Capital Budget

CBC/Radio-Canada is highly dependent on technology, and technology-based assets, in the production and delivery of its various services. In addition, the Corporation operates one of the world's largest broadcast transmission and distribution systems with 539 active transmission sites located throughout Canada (200 of these sites are owned, with the remaining 339 sites leased). The Corporation also manages a real estate portfolio of more than 4.3 million square feet, including 21 owned buildings and 55 leased properties in locations across Canada. In total, the Corporation employs \$1.0 billion of net assets for its operations.

Capital assets are essential to the production and delivery of CBC/Radio-Canada services. The Corporation is committed to ensuring that these assets are acquired, managed and eventually disposed of in the most strategic and cost-effective manner possible. Achieving this goal in today's world of rapid technological change, shifting demographics and fast-evolving economic realities calls for new ideas and approaches. The capital budget investment plan is consistent with the Corporation's new strategic plan, *A space for us all*.

### Capital Governance and Process

To ensure that capital investments are implemented strategically and within available resource constraints, the Corporation maintains detailed project planning over a five-year planning horizon. Consequently, from one year to the next, most changes in the capital plan typically represent refinements to project estimates or shifts in the timing for project implementation between fiscal periods.

The governance framework around capital investments is tightly integrated among three management committees:

- **Capital Executive Team** – Responsible for strategic planning and governance of the overall capital process.
- **Technology Strategy Executive Team** – In collaboration with the Technology Roundtable, responsible for establishing clarity, common purpose and alignment at all levels and across all components of the Corporation with respect to technological planning and decision making.
- **Capital Round Table** – Responsible for the development, execution and management of an integrated corporation-wide project plan that responds to priorities within available resources.

CBC/Radio-Canada's capital process is based on industry best practices for project management and project portfolio management. As part of this process, all projects are rationalized and approved based on submission of a business case, which includes an in-depth financial analysis and detailed cost estimate. Tools and templates employed in the Capital process follow industry best practices.

The volume and size of individual projects can vary from year-to-year. On average, there are some 300 projects in any single year with nearly half of the projects running over two or more years. For projects where there is return on investment, net present value or payback analysis is required; these calculations are part of the justification and included in the business case. For other types of projects, the justification for investment is based on legal and regulatory requirements, or mission-critical investments to maintain operations where assets have reached end-of-life and are at risk of failure. Benefit tracking on Board-approved projects was introduced in 2013-2014 as a standard practice, and was extended to payback initiatives in 2015-2016.

## Context for the Capital Investment Plan

Several of the Corporation's larger capital challenges are highlighted below:

### Methods of Production and Delivery of Service

The broadcast industry assets employed in the production chain for radio, television, Internet streaming and mobile devices are increasingly moving towards integrated solutions and computer- and software-based tools. These tools demand much faster refresh rates than traditional assets of less than a decade ago. At the same time, high definition television production technology will be implemented in the regions as related assets come up for normal refresh in the production chain.

### Real Estate Strategy

Representing 54 per cent of the \$1.0 billion in net assets, the Corporation has developed a strategy to optimize management of its real estate facilities. The real estate asset base is aging and has a growing maintenance deficit. The key goals of the strategy are to reduce operational costs, transfer real estate risk and maximize proceeds from the portfolio. The target, under the Corporation's new strategic plan, *A space for us all*, is to reduce the real estate footprint by 2,000,000 square feet by 2020. Further details on CBC/Radio-Canada's real estate objectives for *Strategy 2020* are discussed on page 43.

The Corporation will also vacate and sell owned facilities and move into leased facilities where appropriate.

In July 2013, the Corporation's Board of Directors approved a relocation of its Moncton, New Brunswick operations (sale of existing building and move to a leased facility).

Following a competitive process (Request for Proposal), CBC/Radio-Canada rejected the proposal submitted for the redevelopment project of the Maison de Radio-Canada (MRC) on May 7, 2015, as it did not meet the Corporation's requirements. As a result, the Corporation will evaluate new scenarios for the MRC redevelopment project. The Corporation will also be exploring options to make better use of the Canadian Broadcast Centre in Toronto.

## Capital Plan Overview

With a base capital budget that has remained unchanged since the 1990s, innovative solutions have necessarily been employed to address funding challenges for priority capital investments.

The Corporation's capital budget investment plan is an integral part of the long-term strategy. Planned projects support the strategy by ensuring that our production, distribution and other facilities are able to meet our operational requirements. Annual updates will be made to accommodate new investments and unforeseen priorities that will be defined as the strategy is implemented.

## Capital Investment Plan

Subsection 54(4) of the *Broadcasting Act* requires that CBC/Radio-Canada submit its capital budget to the Minister of Canadian Heritage in its Corporate Plan, and that the Capital Budget for the upcoming year be submitted to the Treasury Board for approval. As such, the Corporation's 2015-2016 Capital Budget was approved by the Treasury Board on April 23, 2015, for \$129.3 million. A summary of the 2015-2016 five-year Capital Investment Plan follows.

## Sources and Use of Funds (\$000s)

AVAILABLE CAPITAL FUNDING	Budget	Forecast			
	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Base Capital Appropriation	92,331	92,331	92,331	92,331	92,331
Capital Leases	26,380	26,730	26,544	17,882	19,203
Carryover	0	0	0	0	0
Funding from self-generated revenue	583	0	0	0	0
Funding from sales of fixed assets	10,000	7,382	10,009	0	13,685
<b>TOTAL AVAILABLE CAPITAL FUNDING</b>	<b>129,294</b>	<b>126,443</b>	<b>128,884</b>	<b>110,213</b>	<b>125,219</b>

CAPITAL INVESTMENT PLAN	Budget	Forecast			
	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
Production Infrastructure					
Television Services	40,266	45,550	47,550	41,459	66,710
Radio Services	4,977	5,498	4,091	7,630	10,014
Enterprise Systems and Technology Infrastructure	23,818	15,152	15,494	10,450	6,200
Presentation, Collection, Distribution and Delivery	25,066	20,249	19,651	12,708	8,294
Property Management	31,432	36,259	37,063	32,931	28,966
Fleet and Minor Capital Purchases	3,735	3,735	5,035	5,035	5,035
<b>TOTAL CAPITAL INVESTMENT PLAN</b>	<b>129,294</b>	<b>126,443</b>	<b>128,884</b>	<b>110,213</b>	<b>125,219</b>

Following are highlights of the larger and more strategic initiatives in 2015-2016. Some of these initiatives are currently underway following previous years' approvals.

**Production Infrastructure**

Project Description	2015-2016 Expenditure
- Media Asset Management system to be a central control point for managing all content assets from production to archiving – including audio, video, still photos, graphics and text files. It will manage the collections and productions of both French and English Services. The project will be delivered over two years for a total cost of \$12 million.	\$4.0 million
- Continued replacement of obsolete mission-critical television equipment with new digital standards (regional investments).	\$30.7 million
- Investments in infrastructure and systems for improving program production workflow and content collaboration across all platforms.	\$5.5 million
- Investments to improve our local services in radio through service extension and production facility improvements.	\$5.0 million
<b>TOTAL</b>	<b>\$45.2 million</b>

**Enterprise Systems and Technology Infrastructure**

Project Description	2015-2016 Expenditure
- Updates to major systems, including migration of aging phone system to less costly Internet protocol-based telephony solution and the Broadcast Management Systems.	\$11.3 million
- Critical infrastructure and network upgrades.	\$6.5 million
- Update various business applications and server storage.	\$3.3 million
- Enterprise Resource Planning and Management system upgrades and enhancements.	\$2.7 million
<b>TOTAL</b>	<b>\$23.8 million</b>

### Presentation, Collection, Distribution and Delivery

Project Description	2015-2016 Expenditure
- Current portion of the long-term Telesat lease for transponders (required to be reported as capital under International Financial Reporting Standards).	\$10.2 million
- Projects related to centralized presentation and distribution, and improving English and French radio coverage.	\$4.9 million
- Various projects related to transmitter and tower investments needed to maintain the coverage of our radio services, maintain infrastructure, and comply with codes and regulations.	\$10.0 million
<b>TOTAL</b>	<b>\$25.1 million</b>

### Property Management

Project Description	2015-2016 Expenditure
- Current portion of Canadian Broadcast Centre long-term lease payments.	\$13.4 million
- Consolidation projects in Moncton and Halifax and relocation projects in Iqaluit, Sudbury and Charlottetown.	\$9.9 million
- In addition, there are more than 23 building-maintenance projects and changes required to comply with building codes, regulations, health and safety, and replacement of obsolete and failing assets.	\$8.1 million
<b>TOTAL</b>	<b>\$31.4 million</b>

### Fleet and Minor Capital Purchases

Project Description	2015-2016 Expenditure
- Annual refresh of the Corporation's vehicle fleet.	\$1.5 million
- Minor capital purchases to address unforeseen and urgent operational equipment.	\$2.2 million
<b>TOTAL</b>	<b>\$3.7 million</b>

## APPENDIX C

# CBC/Radio-Canada's Mandate Requirements of the 1991 *Broadcasting Act*

### Corporate Mandate

The Canadian Broadcasting Corporation/Société Radio-Canada ("CBC/Radio-Canada" or the "Corporation") was established by an Act of Parliament in 1936. The Corporation's current legislative mandate, corporate powers and governance mechanisms are set out in the 1991 *Broadcasting Act* (the Act). Each year, pursuant to section 54 of the Act, the Corporation must submit to the Minister of Canadian Heritage a Corporate Plan regarding the businesses and activities, including investments, of the Corporation and its subsidiaries, if any.

### The Role of the Corporation in the Canadian Broadcasting System

Section 3 of the *Broadcasting Act* sets out the broadcasting policy for Canada, and includes provisions specifically addressing the role of the Corporation in the Canadian broadcasting system. In particular, paragraphs 3(1)(l) and (m) state that:

- (l) The Canadian Broadcasting Corporation, as the national public broadcaster, should provide radio and television services incorporating a wide range of programming that informs, enlightens and entertains;
- (m) The programming provided by the Corporation should:
  - i. Be predominantly and distinctively Canadian;
  - ii. Reflect Canada and its regions to national and regional audiences, while serving the special needs of those regions;
  - iii. Actively contribute to the flow and exchange of cultural expression;
  - iv. Be in English and in French, reflecting the different needs and circumstances of each official language community, including the particular needs and circumstances of English and French linguistic minorities;
  - v. Strive to be of equivalent quality in English and in French;
  - vi. Contribute to shared national consciousness and identity;
  - vii. Be made available throughout Canada by the most appropriate and efficient means and as resources become available for the purpose; and,
  - viii. Reflect the multicultural and multiracial nature of Canada.

In addition to this domestic mandate, CBC/Radio-Canada is also required by section 46(2) of the Act to provide an international service that must comply with licence conditions and regulations issued by the Canadian Radio-television and Telecommunications Commission (CRTC), as well as any directions issued by the Governor in Council.

No other Canadian broadcaster – commercial or public – has the same breadth of mandate or the same scale or scope of operations as CBC/Radio-Canada.

## Corporate Powers

Part III of the *Act* sets out the basic powers of the Corporation.

A central feature of the regime established by Part III is the arm’s-length relationship between CBC/Radio-Canada and the government with respect to the Corporation’s broadcasting activities. Section 35(2) specifically states that Part III “shall be interpreted and applied so as to protect and enhance the freedom of expression and the journalistic, creative and programming independence enjoyed by the Corporation in the pursuit of its objects and in the exercise of its powers.” This requirement is repeated in section 46(5) (in the context of the Corporation’s objects and powers), and again in section 52(1) (in the context of certain financial reporting provisions).

The head office of the Corporation is required by section 50(1) of the *Act* to be located in the National Capital Region. The powers of the Corporation are spelled out in section 46(1). Section 46(1) reiterates that CBC/Radio-Canada’s mandate is to provide the programming contemplated by paragraphs 3(1)(l) and (m), and then identifies a list of powers, such as the ability to originate or purchase programs, enter into associated contracts, and acquire copyright and trademarks that have been granted to the Corporation so that it may achieve this purpose.

The Corporation is an agent of Her Majesty, except in respect to the Corporation’s international service and the Corporation’s employees (section 47(1) of the *Act*). As such, the Corporation may enter into contracts (47(2)) and acquire property (47(3)) in the name of Her Majesty (48(2)(a)), subject to a \$4,000,000 limit with regard to the acquisition of real property or the disposition of real or personal property (other than program material or rights), as well as a \$15,000,000 (modified by Governor in Council approval) (48(2)(b)) limit for the lease of real property. Transactions involving greater amounts require the approval of the Governor in Council.

Pursuant to section 46.1 of the *Act*, CBC/Radio-Canada may borrow money, with the approval of the Minister of Finance, up to a limit of \$220,000,000, or any greater amount authorized by Parliament.

## Regulatory Requirements

In the establishment and operation of its broadcasting activities, CBC/Radio-Canada must comply with the licensing and other regulatory requirements established by the CRTC under the *Act*, as well as any requirements under the *Radiocommunication Act* that apply to the Corporation’s use of radiocommunication spectrum.

Given the special role of CBC/Radio-Canada in the Canadian broadcasting system, the *Broadcasting Act* limits the CRTC’s regulatory authority over the Corporation.

Section 23(1) of the *Act* requires the CRTC to consult with CBC/Radio-Canada, if CBC/Radio-Canada requests this, about proposed licence conditions for the Corporation. If the Corporation believes these licence conditions will unreasonably impede its ability to fulfill its mandate under the *Act*, it can refer the matter to the Minister of Canadian Heritage (23(2)). The Minister may then issue a directive to the CRTC regarding the disputed licence condition.

Pursuant to section 24(2) of the *Act*, none of CBC/Radio-Canada’s “core” licences (i.e., conventional television and radio station licences) may be revoked or suspended without CBC/Radio-Canada’s consent. If the CRTC determines that the Corporation has breached a condition of licence, the CRTC must forward a report to the Minister of Canadian Heritage and the Minister must present the report to Parliament (paragraph 25).



## Corporate Plan Summary 2015-2016 to 2019-2020

The Corporation's other broadcasting activities (e.g., specialty television and pay audio services) are subject to the same regulatory regime as other industry participants. However, pursuant to section 26(1)(b) of the *Act*, the Governor in Council may direct the CRTC to reserve channels or frequencies for CBC/Radio-Canada.

The CRTC has renewed the licences for CBC/Radio-Canada's conventional television, radio and specialty services. The five-year licence term will run from September 1, 2013 until August 31, 2018. This decision provides revenue opportunities on our music radio services, maintains CBC News Network's and ICI RDI's mandatory distribution orders, and grants the public broadcaster programming flexibility across all its regulated platforms to evolve to meet Canadians' needs. The decision endorses the Corporation's digital media strategy and supports the ongoing implementation of our long-term strategic plan. It also strongly recognizes the financial challenges facing the Corporation.

### Governance

As indicated above, Part III of the *Act* establishes the governance mechanisms for the Corporation. Pursuant to section 36 of the *Act*, CBC/Radio-Canada has a Board of Directors comprising 12 Directors, including the Chairperson and the President and CEO, all of whom are appointed by the Governor in Council. Directors are appointed for a term of up to five years. The Chairperson and the President and CEO may be re-appointed any number of times, but all other Directors are limited to two consecutive terms, unless the third term is as Chair or President and CEO.

The Board of Directors is responsible for the management of the businesses, activities and other affairs of the Corporation and, pursuant to section 40 of the *Act*, is accountable to Parliament through the Minister of Canadian Heritage.

Pursuant to section 45 of the *Act*, the Board is required by statute to establish two standing committees, one in regards to English-language broadcasting and the other to French-language broadcasting. Section 148.1 of the *Financial Administration Act (FAA)* requires the Board to establish an audit committee of not less than three Directors.

The Corporate Plan, which the Corporation is required to file with the Minister pursuant to section 54 of the *Act*, must include a statement of the Corporation's objectives for the next five years, and its strategy for achieving those objectives; the Capital Budget; and the operating budget for the next financial year, including any borrowing plans for that year. The Capital Budget is subject to the approval of the Treasury Board, and borrowing plans are subject to the approval of the Minister of Finance.

Pursuant to section 55 of the *Act*, the Corporation must also submit to the Minister of Canadian Heritage a summary of the Corporate Plan modified to reflect the financial resources proposed to be allocated to CBC/Radio-Canada by Parliament. The Minister must table this summary before Parliament.

Section 131 of the *FAA* requires the Corporation to maintain satisfactory books of accounts, while section 132 requires that the Corporation have internal audits conducted. The Corporation must provide the Minister of Canadian Heritage with such reports of its financial affairs as the Minister may require. The *Act* at section 52(2) states that the Corporation is not required to provide to the Treasury Board, or the Ministers of Canadian Heritage or Finance, information that could compromise or limit the journalistic, creative or programming independence of the Corporation.

The Auditor General of Canada is the auditor of the Corporation (section 61 of the *Act*). Pursuant to section 132 of the *FAA*, the Corporation must have an annual auditor's report prepared, addressed to the Minister of Canadian Heritage. Sections 138 to 142 of the *FAA* require the Corporation to have a special examination of its systems and practices at least once every 10 years. The auditor's report of this special examination must be submitted to the Board of Directors. If considered necessary by the auditor, after consultation with the Board, the auditor shall bring any relevant information to the attention of the Minister of Canadian Heritage.

Pursuant to section 71 of the *Act*, the Corporation must, within three months after the end of its financial year, provide an Annual Report to the Minister of Canadian Heritage and to the President of the Treasury Board. The Minister must present the Annual Report to Parliament within 15 sitting days.

Finally, in addition to those governance mechanisms set out in the *Act*, CBC/Radio-Canada established a Corporate Policy on Disclosure of Wrongdoings (the "Whistleblower Policy") in 2004, and amended it in 2007 to comply with the requirements of the *Public Servants Disclosure Protection Act* (proclaimed in force April 15, 2007).

The Corporation also has an extensive code of Journalistic Standards and Practices. Complaints from the public that are not resolved at the program level are referred to one of the Corporation's two independent Ombudsmen.

With the passage of the *Federal Accountability Act*, CBC/Radio-Canada became subject (on September 1, 2007) to the provisions of the *Access to Information Act* and the *Privacy Act*.

The *Access to Information Act (ATIA)* gives the public a right of access to all records held by the federal government, Crown corporations and other government institutions subject to the *Act*; it also sets out exceptions to that right. In the case of CBC/Radio-Canada, the *ATIA* provides specifically that it does not apply to information that relates to CBC/Radio-Canada's journalistic, creative or programming activities.

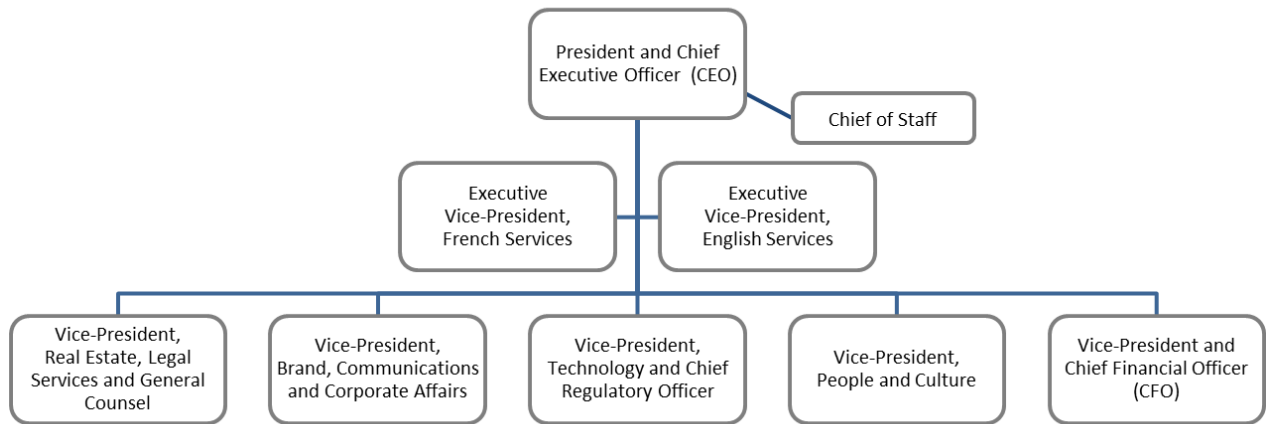
## Managerial and Organizational Structure

CBC/Radio-Canada's head office is located in Ottawa, with two main network offices in Toronto and Montreal and regional offices across the country in major cities such as Halifax, Quebec City, Calgary and Vancouver.

The Corporation's current organizational structure reflects its broadcasting and related activities, as well as its infrastructure and administrative requirements. There are seven components within the Corporation:

1. French Services (ICI Radio-Canada Télé, Radio-Canada's Radio Services and New Media)
2. English Services (CBC Television, CBC Radio and New Media)
3. Real Estate, Legal Services and General Counsel
4. Brand, Communications and Corporate Affairs
5. Technology and Regulatory Affairs
6. People and Culture
7. Finance and Administration

## Senior Executive Team



These seven components report to the President and CEO through their respective component heads. The first two components (French Services and English Services) are responsible for the programming activities of the Corporation. The remaining components assist the main broadcasting activities through management of support functions. All components continually assess best practices to ensure that the maximum amount of the Corporation's overall funding is available for broadcasting activities.

The Senior Executive Team (SET) of the Corporation includes the President and CEO, his Chief of Staff, and the seven component heads.

As CBC/Radio-Canada moves toward implementing its new strategic plan, *A space for us all*, the organizational structure needs to better align with the new strategic objectives. CBC/Radio-Canada is currently undergoing an organizational review to restructure the Corporation to meet its goal of agility, efficiency and financial accountability, with an absolute focus on its core business of content creation. Therefore, the seven components identified above may change.