

CURRENT COMMITTEE MEMBERSHIP
MEMBERS ACTUELS DES COMITÉS**Audit Committee**
Comité de vérification

Hélène Fortin	Chair / Présidente
Johanne Brunet	
Bernd Christmas	
K. (Rai) Sahi	
Edna Turpin	

Standing Committees on English and French Language Broadcasting
Comités permanents sur la radiodiffusion de langue française et de langue anglaise

Timothy Casgrain	Chair / Président
Robert Rabinovitch	President & CEO / Président-directeur général
Johanne Brunet	
Bernd Christmas	
Hélène Fortin	
Peter Herrndorf	
Yasmin Jivraj	
Nezhat Khosrowshahi	
Trina McQueen	
K. (Rai) Sahi	
Edna Turpin	



CURRENT COMMITTEE MEMBERSHIP
MEMBERS ACTUELS DES COMITÉS

Human Resources and Compensation Committee
Comité des ressources humaines et de la rémunération

Edna Turpin	Chair / Présidente
Timothy Casgrain	
Robert Rabinovitch	
Nezhat Khosrowshahi	
Trina McQueen	

Nominating and Governance Committee
Comité des nominations et de la gouvernance

Peter Herrndorf	Chair / Président
Yasmin Jivraj	
Nezhat Khosrowshahi	
K. (Rai) Sahi	

Special Committee on Public Support
Comité spécial sur l'appui du public

Johanne Brunet	Chair / Présidente
Peter Herrndorf	
Trina McQueen	



CURRENT COMMITTEE MEMBERSHIP
MEMBERS ACTUELS DES COMITÉS

Pension Board of Trustees
Conseil de fiducie de la Caisse de retraite

Hélène Fortin	Chair / Présidente
Bernd Christmas	

**351st MEETING OF THE BOARD OF DIRECTORS
CANADIAN BROADCASTING CORPORATION
Saint John, New Brunswick – May 10, 2006**

Wednesday, May 10, 2006

ITEM	START TIME	REPORT BY	MOTION REQUIRED	DOCUMENT
1. Approval of minutes of the March 15, 2006 meeting	09:00	Guy Fournier	YES	YES
2. Matters arising from previous meetings		Guy Fournier		
3. Chairman's Report		Guy Fournier		
4. President's Report		Robert Rabinovitch		
5. Audit Committee Report <ul style="list-style-type: none"> Report on Pension Plan 		Hélène Fortin		
6. Nominating and Governance Committee Report <ul style="list-style-type: none"> Chairperson and President & CEO's Terms of Reference Committee Terms of Reference Board manual review 		Peter Herndorf	YES YES YES	YES YES
7. Special Committee on Public Support Report		Johanne Brunet		
8. Standing Committees on English and French Language Broadcasting Report <ul style="list-style-type: none"> Committee Terms of Reference 		Guy Fournier	YES	YES
LUNCH				
9. Human Resources and Compensation Committee Report <ul style="list-style-type: none"> Assessment of President and CEO's performance Approve overall compensation and results of incentive plan for Corporate Executives Committee Terms of Reference 	(in camera)	Howard McNutt	YES YES YES	YES
10. Human Resources Committee Membership		Guy Fournier	YES	
11. In-Camera <ul style="list-style-type: none"> 		George Smith		YES
Next meeting – June 19 - 20, 2006 Yellowknife, Northwest Territories				
Adjournment	16:00			

s.20(1)(b)

**351st MEETING OF THE BOARD OF DIRECTORS
CANADIAN BROADCASTING CORPORATION
Saint John, New Brunswick – May 10, 2006**

UPDATES/INFORMATION

- a) Summary of Government Funding (10 year operating & capital) – Johanne Charbonneau
- b) Certificate of payment of taxes and hiring practices – Johanne Charbonneau
- c) Labour Relations Update - George Smith
- d) Workforce Distribution – George Smith
- e) Annual Report 2005-06 – Design concept and overall approach – Bill Chambers
- f) President's Signing Resolution – Pierre Nollet

**Pages 6 to / à 15
are withheld pursuant to section
sont retenues en vertu de l'article**

68(a)

**of the Access to Information Act
de la Loi de l'accès à l'information**

**356th MEETING OF THE BOARD OF DIRECTORS
CANADIAN BROADCASTING CORPORATION
Toronto, Ontario - March 21, 2007**

Wednesday, March 21, 2007

ITEM	START TIME	REPORT BY	MOTION REQUIRED	DOCUMENT
1. Approval of the minutes of the January 24, 2007 meeting		Robert Rabinovitch	YES	YES
s.21(1)(b) 2. Matters arising from previous meetings		Robert Rabinovitch		
3. A/Chair's Report		Robert Rabinovitch		
4. President's Report		Robert Rabinovitch		
5. Presentation and Approval of the 2007-2008 Operating, Working Capital and Capital Budget		Johanne Charbonneau	YES	YES
6. NHL contract		Richard Stursberg		
7. Presentation from the Special Committee on Public Support		Johanne Brunet Bill Chambers		YES
LUNCH				
8. Annual Report presentation		Bill Chambers		YES
9. Report of the Audit Committee		Hélène Fortin		
10. Report of the Human Resources and Compensation Committee <ul style="list-style-type: none"> • Approval of Management & APS and Confidential Employees Compensation for 2007-2008 • Approval of Executive Management Compensation and Incentive Plans for 2007-2008 • Approval of President and CEO's performance evaluation • Approval of President and CEO's Objectives 		Edna Turpin	YES	
11. In Camera				
Next meeting – May 8 – 9, 2007 in Vancouver, B.C.				
Conclude	16:00			

**356th MEETING OF THE BOARD OF DIRECTORS
CANADIAN BROADCASTING CORPORATION
Toronto, Ontario - March 21, 2007**

UPDATES/INFORMATION

- a) Summary of Government Funding (10 year operating & capital) – Johanne Charbonneau
- b) Labour Relations Update - George Smith
- c) Workforce Distribution – George Smith
- d) Quarterly Financial Management Report as of December 31, 2006, Forecast to Year-end – Johanne Charbonneau
- e) President's Signing Resolution – Pierre Nollet
- f) Local Radio Plan – Jane Chalmers & Sylvain Lafrance

**354th MEETING OF THE BOARD OF DIRECTORS
CANADIAN BROADCASTING CORPORATION
Halifax, November 22- 23, 2006**

Wednesday, November 22, 2006

ITEM	START TIME	REPORT BY	MOTION REQUIRED	DOCUMENT
1. Approval of the minutes of the September 7, 2006 and September 20 th , 2006 meetings	13:15	Robert Rabinovitch	YES	YES
2. Matters arising from previous meetings				
3. Acting Chair's Report		Robert Rabinovitch		
4. President's Report		Robert Rabinovitch		
5. CBC's Strategy - Presentation and Discussion <ul style="list-style-type: none"> • Public Broadcaster Values • ETV Strategy • CBC English News 		Bill Chambers Richard Stursberg Jane Chalmers		YES YES YES
Adjournment	16:35			

Thursday, November 23, 2006

ITEM	START TIME	REPORT BY	MOTION REQUIRED	DOCUMENT
CBC's Strategy - Presentation and Discussion (continued) <ul style="list-style-type: none"> • French Media • Political and regulatory environment • Key risks and opportunities • Financial outlook • Corporate Priorities 	08:30	Sylvain Lafrance Michel Tremblay Johanne Charbonneau		YES YES
LUNCH	12:00			
6. CBC's Strategic and Corporate Plans - structure and strategy		Michel Tremblay		YES
7. Review of progress against Strategic, Corporate and Business plans		Michel Tremblay		YES
8. Annual Report – Strategic approach		Bill Chambers		YES
9. Audit Committee Report <ul style="list-style-type: none"> • Nomination to Pension Board of Trustees 		Hélène Fortin	YES	YES
10. Human Resources and Compensation Committee Report <ul style="list-style-type: none"> • Human Resources Policies 		Howard McNutt	YES	YES

**354th MEETING OF THE BOARD OF DIRECTORS
CANADIAN BROADCASTING CORPORATION
Halifax, November 22- 23, 2006**

11. Governance Committee Report • Calendar of meetings		Peter Herrndorf	YES	YES
12. In Camera with and without CEO				
Adjournment	16:00			

UPDATES / INFORMATION

- a) Summary of Government Funding (10 years and capital) – Johanne Charbonneau
- b) Labour Relations Update – George Smith
- c) Workforce Report – George Smith
- d) President's Signing Resolution – Pierre Nollet

**355th MEETING OF THE BOARD OF DIRECTORS
CANADIAN BROADCASTING CORPORATION
Montreal, Quebec – January 23-24, 2007**

Wednesday, January 24, 2007

ITEM	START TIME	REPORT BY	MOTION REQUIRED	DOCUMENT
1. Approval of the minutes of the November 22 - 23, 2006		Robert Rabinovitch	YES	YES
2. Matters arising from previous meetings				
3. A/Chair's report Committee Membership		Robert Rabinovitch	YES	YES
4. President's report		Robert Rabinovitch		
5. Approval of Corporate Plan		Michel Tremblay	YES	YES
6. s.21(1)(d)		Michel Tremblay Bill Atkinson Eva Czigler	YES	YES
7. Program Policy 1.1.11 – Programming not eligible for Commercial content		Richard Stursberg	YES	YES
8. Environment Report		George Smith		YES
9. Leveraging our Assets		Michel Tremblay Bill Atkinson		YES
10. Report from the Nominating and Governance Committee		Peter Herrndorf		
11. Report from the Audit Committee <ul style="list-style-type: none"> • Revisions to Policy 2.3.17 – Management of Foreign Currency Risk 		Hélène Fortin	YES	YES
12. Report from the Special Committee on Public Support		Johanne Brunet		
13. In Camera Session				
Next meeting – March 20 – 21, 2007 - Toronto				
Conclude	16:00			

UPDATES / INFORMATION

- a) Summary of Government Funding (10 years operating & capital) – Johanne Charbonneau
- b) Labour Relations Update – George Smith
- c) Workforce Distribution – George Smith
- d) Strategic Negotiations: Perspectives from a Road Well-Travelled – George Smith
- e) Litigation Report – Pierre Nollet
- f) President's Signing Resolution – Pierre Nollet
- g) Privacy Report – Pierre Nollet

**352nd MEETING OF THE BOARD OF DIRECTORS
CANADIAN BROADCASTING CORPORATION
Yellowknife, N.W.T. - June 20, 2006**

Tuesday, June 20, 2006

ITEM	START TIME	REPORT BY	MOTION REQUIRED	DOCUMENT
1. Approval of the minutes of the May 10, 2006 meeting	11:30	Guy Fournier	YES	YES
2. Matters arising from previous meetings				
3. Chairman's Report		Guy Fournier		
4. President's Report		Robert Rabinovitch		
LUNCH				
5. Olympic Post-Mortem		Richard Stursberg		YES
6. Audit Committee Report <ul style="list-style-type: none"> Approval of the Financial Statements Committee Terms of Reference 		Hélène Fortin	YES YES	YES At meeting
7. Standing Committees on English and French Language Broadcasting Report <ul style="list-style-type: none"> Advertising Standards Policies Committee Terms of Reference 		Guy Fournier Robert Rabinovitch	YES YES	Standing Committee - Tabs 2 and 3
8. Annual Report Presentation		Bill Chambers	YES	YES
9. Special Committee on Public Support Report		Johanne Brunet		
IN CAMERA				
10. Nominating and Governance Committee Report <ul style="list-style-type: none"> [REDACTED] [REDACTED] Chairperson and President and CEO's Terms of Reference Updated Director Skills Matrix & Board Profile 	s.21(1)(d)	Peter Herrndorf	YES YES YES YES	YES YES YES YES
11. Human Resources and Compensation Committee Report		Howard McNutt		
12. Approval of Committee Membership		Guy Fournier	YES	YES
In Camera				
Next meeting – September 20 - 21, 2006 – Halifax, Nova Scotia				
Adjournment	16:45			

**352nd MEETING OF THE BOARD OF DIRECTORS
CANADIAN BROADCASTING CORPORATION
Yellowknife, N.W.T. - June 20, 2006**

UPDATES/INFORMATION

- a) Summary of Government Funding (10 years and capital) – Johanne Charbonneau
- b) Labour Relations – George Smith
- c) Workforce Report – George Smith
- d) 2005-2006 Quarterly Management Financial Report – 4th Quarter - Johanne Charbonneau
- e) President's Signing Resolution – Pierre Nollet

**352nd MEETING OF THE BOARD OF DIRECTORS
CANADIAN BROADCASTING CORPORATION
Yellowknife, N.W.T. - June 20, 2006**

Tuesday, June 20, 2006

ITEM	START TIME	REPORT BY	MOTION REQUIRED	DOCUMENT
1. Approval of the minutes of the May 10, 2006 meeting		Guy Fournier	YES	YES
2. Matters arising from previous meetings				
3. Chairman's Report		Guy Fournier		
4. President's Report		Robert Rabinovitch		
LUNCH				
5. Olympic Post-Mortem		Richard Stursberg		YES
6. Audit Committee Report <ul style="list-style-type: none"> • Approval of the Financial Statements • Committee Terms of Reference 		Hélène Fortin	YES YES	YES At meeting
7. Standing Committees on English and French Language Broadcasting Report <ul style="list-style-type: none"> • Advertising Standards Policies • Committee Terms of Reference 		Guy Fournier Robert Rabinovitch	YES YES	Standing Committee - Tabs 2 and 3
8. Annual Report Presentation		Bill Chambers	YES	YES
9. Special Committee on Public Support Report		Johanne Brunet		
IN CAMERA				
10. Nominating and Governance Committee Report <ul style="list-style-type: none"> • Report on Board and Committee Evaluation • • Chairperson and President and CEO's Terms of Reference • Updated Director Skills Matrix & Board Profile 	s.21(1)(d)	Peter Herrndorf Patrick O'Callaghan	YES YES YES	YES YES YES
11. Human Resources and Compensation Committee Report		Howard McNutt		
12. Approval of Committee Membership		Guy Fournier	YES	YES
In Camera				
Next meeting – September 20 - 21, 2006 – Halifax, Nova Scotia				
Adjournment	16:45			

**352nd MEETING OF THE BOARD OF DIRECTORS
CANADIAN BROADCASTING CORPORATION
Yellowknife, N.W.T. - June 20, 2006**

UPDATES/INFORMATION

- a) Summary of Government Funding (10 years and capital) – Johanne Charbonneau
- b) Labour Relations – George Smith
- c) Workforce Report – George Smith
- d) 2005-2006 Quarterly Management Financial Report – 4th Quarter - Johanne Charbonneau
- e) President's Signing Resolution – Pierre Nollet

**353rd MEETING OF THE BOARD OF DIRECTORS
CANADIAN BROADCASTING CORPORATION
Ottawa, Ontario – Thursday, September 7, 2006**

Thursday, September 7, 2006

ITEM	START TIME	REPORT BY	MOTION REQUIRED	DOCUMENT
1. Policy Review <ul style="list-style-type: none"> • CRTC • Other 		Michel Tremblay		YES
2. In camera				
LUNCH				
3. Approval of the minutes of the June 20, 2006 meeting		Guy Fournier	YES	YES
4. Matters arising from previous meetings				
5. Chairman's Report		Guy Fournier		
6. President's Report		Robert Rabinovitch		
7. Audit Committee Report <ul style="list-style-type: none"> • HD/DTV French Television Acceleration Plan • Buy-back of ACTRA service under 12(1)(c) 		Hélène Fortin	YES YES	YES YES
8. Standing Committees on English and French Language Broadcasting Report		Guy Fournier		
9. Special Committee on Public Support Report (meeting of September 1, 2006)		Johanne Brunet		
10. In Camera without CEO				
11. In Camera with CEO				
Next Meeting – November 22-23, 2006 – Halifax				
Adjournment	16:00			

UPDATES/INFORMATION

- a) Summary of Government Funding (10 years and capital) – Johanne Charbonneau
- b) Labour Relations Update – George Smith
- c) Workforce Report – George Smith
- d) President's Signing Resolution – Pierre Nollet
- e) Quarterly Financial Management Report for the first quarter ended June 30, 2006 – Johanne Charbonneau

**A PROPOSAL TO PURCHASE
THE DOCUMENTARY CHANNEL**

**Presentation to the
CBC Board of Directors**

May 10, 2006

Confidential

**Pages 27 to / à 43
are withheld pursuant to section
sont retenues en vertu de l'article**

68.1

**of the Access to Information Act
de la Loi de l'accès à l'information**

Board of Directors

May 10, 2006

Subject matter

Summary of Government Funding (10 years – operating and capital).

Background

The attached provides a 10-year historical overview of the Corporation's parliamentary appropriations as at April 21, 2006. The approved reference levels for 2006/07 and beyond are also provided.

Information on the matter

See attached.

For information



Prepared by

Name: Johanne Charbonneau

Date: April 21, 2006

Management recommendation

Not required.

Last discussed at the Board

Date: March 15, 2006

Decision made: N/A

Next steps

Not required.

Anticipated project completion date: _____

(If contract, indicate date of expiry): _____

s.18(a)

s.68.1

s.18(b)

CBC'S PARLIAMENTARY APPROPRIATIONS
(\$ Thousands)

1997/98 (Note 2)	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	Current	Projected	
									2006/07	2007/08	2008/09

Operating Appropriation

One-time funding adjustments:

- Retroactive salary/wage funding
- Salary/wage funding (Note 1)
- Transfer from Capital appropriation
- Transfer to Capital appropriation
- Downsizing assistance/loan repayment
- Funding for PILT increases
- Program Integrity Funding - Asbestos
- Funding to strengthen & revitalize programs
- Transfers from Cdn. Heritage (CCOL) (Note 3)
- Reprofiling
- Cost increases for 2002 Canada Day
- Funding for RCI (Note 4)
- Government Re-allocation (Note 5)
- Unavoidable new costs (Note 6)

Total Operating Appropriation

Capital Appropriation

One-time funding adjustments:

- Transfer to Operating appropriation
- Transfer from Operating appropriation
- Reprofiling of vote from 96/97 to 97/98
- Reprofiling of vote from 97/98 to 98/99
- Reprofiling of vote from 98/99 to 99/00
- Reprofiling of vote from 99/00 to 00/01
- Reprofiling of vote from 00/01 to 01/02
- Reprofiling of vote from 04/05 to 05/06
- Reprofiling of vote from 05/06 to 06/07
- Nunavut funding

Total Capital Appropriation

Working Capital Appropriation

TOTAL APPROPRIATION

Less Reprofiting Decision (Capital)

Less Reprofiting Decision (Operating)

Less Loan repayment (Operating)

Less Downsizing Funding (Operating)

TOTAL APPROPRIATION AVAILABLE
FOR REGULAR OPERATIONS

Note 1 Reflects Treasury Board salary funding confirmed (2.5% for 2003-04; 2.25% for 2004-05; 2.4% for 2005-06 and 2.5% for 2006-07).

Note 2

Note 3

Note 4

Note 5 CBC/Radio-Canada's budget allocation target from Budget 2003 confirmed permanent as part of the Government's Expenditure Review.

Note 6 Permanent funding adjustments for unavoidable new costs, merit and salary increases are reflected in the base operating appropriation.

A0016082_2-000045

Board of Directors
(May 10, 2006)

Subject matter

Certificate of payments of taxes and hiring practices

Background

The purpose of this document is to provide an overview of controls in place with respect to payroll withholdings and hirings.

The document is twofold. First, for regular payroll withholdings, you will find attached a certificate from the Vice-President and CFO and the Senior Vice-President, Human Resources & Organization attesting to the controls currently in place for payroll in the fourth quarter of 2005/2006.

Secondly, attached is an example of notes sent by each of the Corporation's Media Vice-Presidents and Head of support areas confirming that appropriate controls have been exercised regarding hiring in their area in the fourth quarter of 2005/2006.

Information on the matter

Quarterly overview of controls which are in place with respect to payroll.

For information

Prepared by

Name: Johanne Charbonneau
Date: April 19, 2006

Management recommendation

N/A

Last discussed at the Board

Date: January 26, 2006
Decision made: N/A

Next steps

N/A

Date ► March 31, 2006
From / De ► Vice-President and Chief Financial officer
Subject / Objet ► **Payroll Withholdings**


R. Rabinovitch
President and CEO

The following representations are made in connection with procedural controls relating to payroll withholdings.

Controls are in place to provide reasonable assurance that employer and employee payments and deductions related to salary, wages and remuneration to employees, such as income taxes, EI and CPP payments, are made as they fall due. As part of their ongoing audit activities, the auditors review these controls on a cyclical basis to obtain reasonable assurance they are adequate and functioning properly. Canada Revenue Agency auditors also review the income tax deductions when they audit this area.

The Corporation has a history of withholding the appropriate amount and making payments on a timely basis and there have been no material irregularities in this regard.

I confirm that, to the best of my knowledge and belief, payroll withholding procedures were applied effectively during the fourth quarter of 2005/06 for Local/Performers Payroll and that related payments were made when due.



Johanne Charbonneau

March 31, 2006

Senior Vice-President, Human Resources & Organization

Payroll Withholdings

R. Rabinovitch
President and CEO

The following representations are made in connection with procedural controls relating to payroll withholdings.

Controls are in place to provide reasonable assurance that employer and employee payments and deductions related to salary, wages and remuneration to employees, such as income taxes, EI and CPP payments, are made as they fall due. As part of their ongoing audit activities, the auditors review these controls on a cyclical basis to obtain reasonable assurance they are adequate and functioning properly. Canada Revenue Agency auditors also review the income tax deductions when they audit this area.

The Corporation has a history of withholding the appropriate amount and making payments on a timely basis and there have been no material irregularities in this regard.

I confirm that, to the best of my knowledge and belief, payroll withholding procedures were applied effectively during the fourth quarter of 2005/06 for Corporate Payroll and that related payments were made when due.



George C.B. Smith

CBC  Radio-Canada

March 31, 2006

Vice-President, English Radio

Hiring

J. Charbonneau
Vice-President and
Chief Financial Officer

The following representations are made in connection with procedural controls relating to hiring.

Controls are in place to ensure that when English Radio has need of services, the resulting hiring is evaluated in line with established criteria and tax policy to determine the appropriate status of the hiree - be that employee contractee, company, or any other form that may be valid.

From time to time, Canada Revenue Agency may include this area in their review when they conduct their audits.

I confirm that, to the best of my knowledge and belief, no significant irregularities have resulted from hirings in the fourth quarter of 2005/06.



Jane Chalmers

April 4/06
Date:

Date ► March 31, 2006
From / De ► Vice-President, Communications
Subject / Objet ► **Hiring**

J. Charbonneau
Vice-President and
Chief Financial Officer

The following representations are made in connection with procedural controls relating to hiring.

Controls are in place to ensure that when the office of the Vice-President of Communications has need of services, the resulting hiring is evaluated in line with established criteria and tax policy to determine the appropriate status of the hiree - be that employee contractee, company, or any other form that may be valid.

From time to time, Canada Revenue Agency may include this area in their review when they conduct their audits.

I confirm that, to the best of my knowledge and belief, no significant irregularities have resulted from hirings in the fourth quarter of 2005/06.


William Chambers

April 18, 2006
Date:

Conseil d'administration
(le 10 mai 2006)

Sujet

Certificat de versement d'impôt et pratiques d'embauche.

Contexte

Le document ci-joint contient un survol des méthodes de contrôle visant les pratiques d'embauche et les retenues d'impôt sur la paie.

Le document se divise en deux volets. Le premier traite des retenues d'impôt sur la paie régulière. À cet effet, vous trouverez ci-joint un certificat émis conjointement par la vice-présidente et chef de la direction financière et par le premier vice-président des Ressources humaines et organisation, attestant que la paie a effectivement été soumise aux contrôles appropriés au cours du quatrième trimestre de l'exercice 2005-2006.

Vous trouverez également ci-joint un exemple des notes envoyées par les vice-présidents médias et les chefs des secteurs de soutien pour confirmer que les contrôles appropriés ont été effectués sur les pratiques d'embauche dans leur secteurs respectifs au cours du quatrième trimestre de l'exercice 2005-2006.

Renseignements connexes

Survol trimestriel des contrôles effectués sur la paie.

À titre d'information:

Préparé par

Nom : Johanne Charbonneau
Date : le 19 avril 2006

Recommandation de la direction

Aucune.

Dernière discussion au Conseil

Date: le 26 janvier 2006
Décision : s. o.

Suivi

s. o.

Date ► le 31 mars 2006
From / De ► Vice-présidente et chef de la direction financière
Subject / Objet ► **Retenues à la source**

R. Rabinovitch
Président –directeur
général

Les déclarations suivantes portent sur les procédures de contrôle appliquées aux retenues à la source.

Des procédures de contrôle sont mises en place afin de garantir de manière raisonnable que les cotisations de l'employeur et les retenues à la source effectuées relativement à la rémunération des employés, notamment les retenues d'impôt sur le revenu, les cotisations à l'assurance-emploi et au Régime de pensions du Canada, respectent les échéances. Dans le cadre de leurs activités courantes de vérification, les vérificateurs font des examens cycliques de ces procédures de contrôle afin de s'assurer qu'elles sont adéquates et efficaces. Les vérificateurs de l'Agence du revenu du Canada analysent aussi les retenues d'impôt lorsqu'ils examinent ce secteur.

La Société a démontré que ses calculs en matière de retenues à la source étaient justes et qu'elle a versé ses cotisations à temps. Aucune irrégularité importante n'a été constatée à cet égard.

Je confirme que, à ma connaissance, le Service de la paie nationale a appliqué de manière efficace les procédures de retenues à la source au cours du quatrième trimestre de l'exercice 2005-2006 et que les cotisations de l'employeur ont été versées à temps.



Johanne Charbonneau

Date ► Le 31 mars 2006
From / De ► Premier Vice-président, Ressources humaines &
organisation
Subject / Objet ►

Retenues à la source

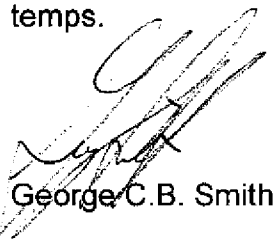
R. Rabinovitch
Président-directeur
général

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La Société a démontré que ses calculs en matière de retenues à la source étaient justes et qu'elle a versé ses cotisations à temps. Aucune irrégularité importante n'a été constatée à cet égard.

Je confirme que, à ma connaissance, le Service de la paie nationale a appliqué de manière efficace les procédures de retenues à la source au cours du quatrième trimestre de l'exercice 2005-2006 et que les cotisations de l'employeur ont été versées à temps.


George C.B. Smith



Date ▶ Le 31 mars 2006
From / De ▶ Président, Division immobilière
Subject / Objet ▶ **Embauche**

J. Charbonneau
Vice-présidente et
Chef de la direction
financière

Les commentaires suivants portent sur les systèmes de contrôle en matière d'embauche. Ils ne concernent cependant pas les secteurs des médias, pour lesquels des attestations distinctes ont été fournies.

Les systèmes de contrôle existent pour permettre que, dans les cas où la division immobilière requière les services d'une personne ou d'une société, l'évaluation de l'embauche de l'une ou de l'autre soit faite selon les critères reconnus et conformément aux règlements sur l'impôt afin d'établir le statut exact de l'employé ou de la société, dont les services sont retenus.

De temps en temps, les vérificateurs de l'Agence du revenu du Canada peuvent inclure ces domaines dans leur examen.

Je peux confirmer que, à ma connaissance, il n'y a eu aucune irrégularité notable en matière d'embauche pour le quatrième semestre de 2005/06.

Michel Saint-Cyr

2006-04-04

Date ► Le 31 mars 2006
From / De ► Ombudsman
Subject / Objet ► **Embauche**

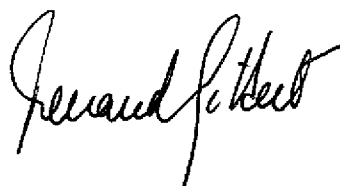
J. Charbonneau
Vice-présidente et
Chef de la direction
financière

Les commentaires suivants portent sur les systèmes de contrôle en matière d'embauche.

Les systèmes de contrôle existent pour permettre que, dans les cas où mon bureau requière les services d'une personne ou d'une société, l'évaluation de l'embauche de l'une ou de l'autre soit faite selon les critères reconnus et conformément aux règlements sur l'impôt afin d'établir le statut exact de l'employé ou de la société, dont les services sont retenus.

De temps en temps, les vérificateurs de l'Agence du revenu du Canada peuvent inclure ces domaines dans leur examen.

Je peux confirmer que, à ma connaissance, il n'y a eu aucune irrégularité notable en matière d'embauche pour le quatrième semestre de 2005-06.



Renaud Gilbert
Ombudsman des Services français
RG/mm

Date : 6 avril 2006

Board of Directors
(May 9 - 10, 2006)

Subject matter

Workforce Information

Background

The attached documents present the total workforce in terms of full time equivalent (FTE) broken down by media component with a comparison to beginning fiscal year

Information on the matter

Attached

For decision

For information

Prepared by

Name: G.C.B. Smith

Date: May 2006

Management recommendation

N/A

Last discussed at the Board

Date:

Decision made:

Next steps

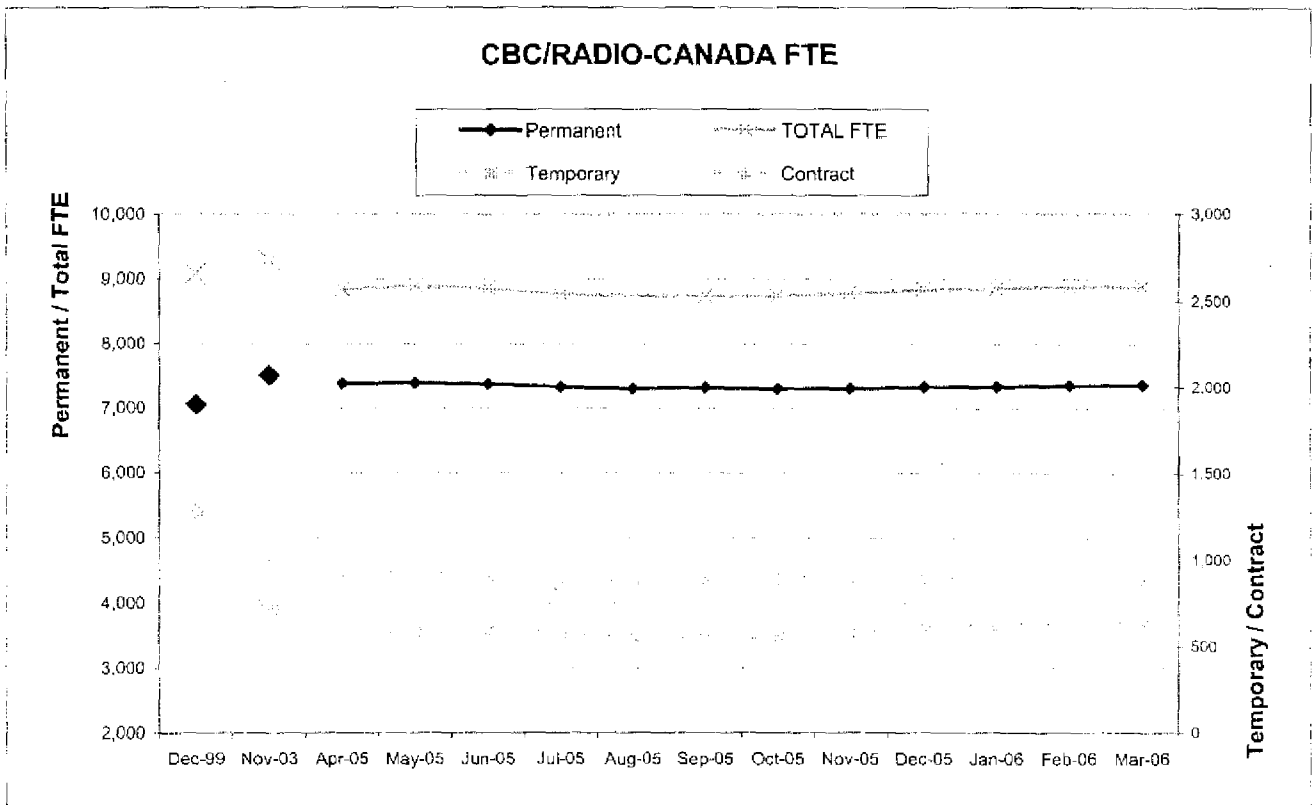
Anticipated project completion date: _____

(If contract, indicate date of expiry): _____

FULL-TIME EQUIVALENT 12 MONTH TREND

CBC / RADIO-CANADA					
	Period	Permanent	Temporary	Contract	TOTAL FTE
BASE	Dec-99	7,053	732	1,297	9,082
CBC/RADIO-CANADA PEAK SINCE DEC 1999	Nov-03	7,506	722	1,052	9,280
	Apr-05	7,383	550	918	8,850
	May-05	7,393	580	926	8,900
	Jun-05	7,374	598	893	8,865
	Jul-05	7,328	578	860	8,765
	Aug-05	7,303	553	888	8,744
	Sep-05	7,321	538	876	8,735
	Oct-05	7,298	552	892	8,741
	Nov-05	7,302	581	902	8,785
	Dec-05	7,328	614	898	8,839
	Jan-06	7,335	630	887	8,852
	Feb-06	7,354	638	892	8,885
	Mar-06	7,363	644	878	8,885
Current month from 12-month high		-30	6	-48	-15
% Change		-0.4%	0.9%	-5.5%	-0.2%
Current month from Nov-03 peak		-143	-78	-174	-395
% Change		-1.9%	-12.1%	-19.8%	-4.4%

Note: Prior to April 2004, LTD absences were excluded from the counts (now all absences are excluded).



Board of Directors

May 10, 2006

Subject matter

President and CEO's Signing Authority

Background

In 2004, the Board approved the attached signing authority.

Information on the matter

At the request of new Board members, we are attaching, as a standing item, the actual signing resolution for reference purposes.

For decision

For information

Prepared by

Name: Pierre Nollet

Date: May 1, 2006

Management recommendation

Last discussed at the Board

Next steps

PRESIDENT'S SIGNING AUTHORITY RESOLUTION

On a motion duly moved and seconded

WHEREAS the President and CEO requires sufficient authority to carry out his/her functions; and

WHEREAS the Board reviews and approves the Capital and Operating budgets each and every year; and

WHEREAS the authority granted to the President and CEO shall be carried out within the limits of the approved budgets, the Corporation's By-laws and the Broadcasting Act;

IT IS THEREFORE RESOLVED THAT the President and CEO directly or through his/her delegate be and is hereby authorized to decide, enter into or commit on behalf of the Corporation for:

1. *(acquisition or disposition of real property)* any matters which have a financial value or consideration to the Corporation of less than \$4 million, when covered by Section 48(2) of the Broadcasting Act;
2. *(leasing of real property)* any matters which have a financial value or consideration to the Corporation of up to \$15 million, when covered by Section 48(2) (b) of the Broadcasting Act and Order in Council number P.C. 2002-1582 and dated September 24, 2002;
3. *(programming)* any matter relating to the acquisition, production co-production of financing of programs and has a financial value or consideration to the Corporation of up to \$10 million and commits the Corporation to a period of 4 years or less;
4. *(revenue generating)* any matter where the main objective is to generate revenues which has a financial value or consideration to the Corporation of up to \$15 million and commits the Corporation to a period of 4 years or less; provided that advertising contracts shall follow the general rules below;
5. *(general)* any other matters which have a financial value or consideration to the Corporation of up to \$5 million save and except when Governor in Council approval or Minister of Finance approval is required, pursuant to Section 46 and 46.1 of the Broadcasting Act.

The above authority does not include the power to agree to or enter into new business ventures on behalf of the Corporation

PRESIDENT'S SIGNING AUTHORITY RESOLUTION

IT IS FURTHER RESOLVED THAT the President directly or through his/her delegate be and is empowered and directed, in the name and on behalf of the CBC, to make, execute and deliver and to do all such acts and things as are necessary or appropriate to effect the foregoing resolution and to execute all agreements, undertakings, documents, instruments or certificates in the name and on behalf of the CBC in connection with the authority contemplated in the foregoing resolution and any acts or things heretofore done or made or documents heretofore executed and delivered which effect the foregoing resolution are in all respect approved, ratified and confirmed.

Board of Directors

May 9-10, 2006

Subject matter

Board Manual Review

Background

All Directors are provided with a Board Manual upon joining the Board of CBC/Radio-Canada. It is intended to serve as a useful reference tool and contains much of the information relevant to a director in the exercise of his/her duties. Each year, the Governance Committee is asked to review the Board Manual to ensure its relevance.

Information on the matter

A number of the sections in the manual are separately reviewed by the Governance Committee and in addition, each individual Committee reviews its own Terms of Reference. A revised Table of Contents is proposed to reorganize the material and allow for the addition of new sections without requiring a complete reprinting of the entire manual. A copy of both the current and proposed Table of Contents is attached.

For decision**For information****Prepared by**

Name: Pierre Nollet

Date: April 20, 2006

Management recommendation

IT IS RESOLVED THAT on the recommendation of the Nominating and Governance Committee, the Board of Directors hereby approves the Table of Contents of the Board Manual, as amended.

Last discussed at the Board

Date: May 5, 2005

Decision made: Approved changes to Board Manual

Next steps

New edition of Board Manual to be produced in the summer of 2006

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Previous Revision: December 2002

Recent Revision: June 2004

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Previous Revision: December 2002
Recent Revision: June 2004
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Previous Revision: June 2004
Recent Revision: March 2006
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Previous Revision: June 2004
Recent Revision: March 2006
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Previous Revision: June 2004

Recent Revision: March 2006

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Previous Revision: June 2004

Recent Revision: March 2006

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Previous Revision: June 2004

Recent Revision: March 2006

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Board of Directors

May 10,2006

Subject matter**REVIEW TERMS OF REFERENCE OF THE NOMINATING AND GOVERNANCE COMMITTEE****Background**

An annual review of the Terms of Reference is mandated. The committee is at liberty to propose changes to the Terms of Reference based on its experience with the current ones. (There are no changes proposed to the Checklist at this time.)

Information on the matter

See attached documentation.

For decision**For information****Prepared by**Name: **Pierre** Nollet
Date: April 20,2006**Management recommendation**

IT IS RESOLVED THAT on the recommendation of the Nominating and Governance Committee, the Board of Directors hereby approves the Terms of Reference for the Nominating and Governance Committee as submitted

Last discussed at the BoardDate: June 14-15,2005
Decision made: Terms of Reference of the Nominating and Governance Committee were approved**Next steps**

**TERMS OF REFERENCE FOR THE NOMINATING AND
GOVERNANCE COMMITTEE**

I. PURPOSE

s.21(1)(b)

The purpose of the Nominating and Governance Committee (the "Committee") is to assist the Board to

II. COMPOSITION AND TERMS OF OFFICE

A.

B. _____

C.

D.

E.

Previous Revision: March 15, 2006

Page 1

Current Revision: April 19, 2006

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**TERMS OF REFERENCE FOR THE NOMINATING AND
GOVERNANCE COMMITTEE**

s.21(1)(b)

F.

G.

H.

III. DUTIES AND RESPONSIBILITIES

Subject to the powers and duties of the Board, the Board delegates to the Committee the following duties and responsibilities to be performed by the Committee on behalf of the Board:

A

B

C

D

D

E

Previous Revision: March 15, 2006

Current Revision: April 19, 2006

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TERMS OF REFERENCE FOR THE NOMINATING AND GOVERNANCE COMMITTEE

F.

s.21(1)(b)

G.

H.

I.

J.

K.

L.

M.

M.N

**TERMS OF REFERENCE FOR THE NOMINATING AND
GOVERNANCE COMMITTEE**

s.21(1)(b)

N.O.

IV. ACCOUNTABILITY

- A.** The Committee shall report to the Board on a regular basis all such action it has taken since the previous report.
- B.** Minutes for Committee meetings are available through the Corporate Secretary.

V. COMMITTEE CHECKLIST

The major annual activities of the Committee are outlined in the timetable on the following pages.

Previous Revision: ~~March 15, 2006~~

Current Revision: April 19, 2006

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To:R Gov Committee__Draft April_19_06_ver 4 For Committee.doc

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Board of Directors

May 10, 2006

Subject matter**REVIEW TERMS OF REFERENCE OF THE STANDING COMMITTEES ON ENGLISH AND FRENCH LANGUAGE BROADCASTING****Background**

An annual review of the Terms of Reference is mandated. The committee is at liberty to propose changes to the Terms of Reference based on its experience with the current ones. (There are no changes proposed to the Checklist at this time.)

Information on the matter

See attached documents

For decision**For information****Prepared by**

Name: Pierre Nollet
Date: April 20, 2006

Management recommendation

IT IS RESOLVED THAT on the recommendation of the Standing Committees on English and French Language Broadcasting, the Board of Directors hereby approves the Terms of Reference for the Standing Committees on English and French Language Broadcasting as submitted.

Last discussed at the Board

Date: May 5, 2004
Decision made: Approved

Next steps

**TERMS OF REFERENCE FOR THE STANDING COMMITTEES
ON ENGLISH AND FRENCH LANGUAGE BROADCASTING****I. PURPOSE**

The *Broadcasting Act* requires the existence of two committees (the Committees), one on English Language Broadcasting and one on French Language Broadcasting.

The purpose of the Committees is to ensure that the Board monitors fulfillment by the Corporation of its French and English language broadcasting responsibilities and its overall mandate and to recommend policies that will be conducive to the attainment of appropriate French and English language program objectives.

II. COMPOSITION AND TERMS OF OFFICE

- A. Each Broadcasting Committee shall consist of all members of the Board. The Board Chair and the President and CEO shall be members of the Committees. Members shall hold office from the date of their appointment by the Board until the next annual meeting of the Corporation.
- B. The Board Chair, or in the absence of the Board Chair, the President and CEO, shall be the Chair of the Committees. The Board Chair may designate one of the Directors to preside at Committee meetings in the event that both the Board Chair and the President and CEO are absent.
- C. The Committees shall meet at such times as may be requested by the Committee Chair, but at least twice a year and unless otherwise indicated, these Committees shall sit together.
- D. A majority of members of each Committee shall constitute a quorum.
- E. The Chair of the Committees, in consultation with the President and CEO or his/her delegate, shall set the agenda and the annual timetable which shall then be circulated among the Committee members.
- F. The Committees shall periodically review their terms of reference to ensure they continue to be appropriate, and make recommendations to the Board for improvements.
- G. The Corporate Secretary, or his or her delegate, shall act as the secretary to the Committees.

**TERMS OF REFERENCE FOR THE STANDING COMMITTEES
ON ENGLISH AND FRENCH LANGUAGE BROADCASTING**

III. DUTIES AND RESPONSIBILITIES

The Broadcasting Committees shall:

- A.** Review the various components of the CBC including:
 - a) English radio
 - b) English television and specialty channels
 - c) French radio
 - d) French television and specialty channels
 - e) Internet, RCI, Galaxie and other businesses
- B.** Review and ensure the appropriateness of the journalistic and program policies, and consider and recommend to the Board any proposed changes to these policies.
- C.** Review the appointment process of the Ombudsmen.
- D.** With respect to the Ombudsmen:
 - i) review their annual and five year plan and the implementation of these plans;
 - ii) review the Ombudsmen's annual reports regarding compliance with journalistic policies;
 - iii) review management's response to recommendations by the Ombudsmen; and
 - iv) ensure the Ombudsmen maintain an appropriate level of independence.
- E.** Perform such other functions as may be assigned from time to time by the Board.
- F.** Periodically review compliance with CRTC licenses.

IV. ACCOUNTABILITY

- A.** The Committees shall report to the Board on a regular basis all such action they have taken since the previous report.
- B.** Minutes for Committee meetings are available through the Corporate Secretary.

TERMS OF REFERENCE FOR THE STANDING COMMITTEES
ON ENGLISH AND FRENCH LANGUAGE BROADCASTING

V. COMMITTEE CHECKLIST

The major annual activities of the Committees are outlined in the timetable on the following pages.

Board of Directors
May 10, 2006

Subject matter

REVIEW OF THE TERMS OF REFERENCE OF THE HUMAN RESOURCES AND COMPENSATION COMMITTEE

Background

An annual review of the Terms of Reference is mandated. The Committee is at liberty to propose changes to the Terms of Reference based on its experience with the current ones. (There are no changes proposed to the Checklist at this time.)

Information on the matter

See attached documentation

For decision

For information

Prepared by

Name: Pierre Nollet
Date: April 20, 2006

Management recommendation

IT IS RESOLVED THAT on the recommendation of the Human Resources and Compensation Committee, the Board of Directors hereby approves the Terms of Reference for the Human Resources and Compensation Committee as submitted.

Last discussed at the Board

Date: May 5, 2005
Decision made: Approved

Next steps

**TERMS OF REFERENCE FOR THE
HUMAN RESOURCES AND COMPENSATION COMMITTEE**

I. PURPOSE

The purpose of the Human Resources and Compensation Committee (the 'Committee') is to review, report and, when appropriate, provide recommendations to the Board of Directors regarding human resource strategies including but not limited to significant human resource policies, industrial relations issues, and executive management compensation programs, succession planning, recruitment and development.

For the purposes hereof, 'Executive Management' means all members of the Executive of the Corporation and Officers of subsidiaries of the Corporation.

II. COMPOSITION AND TERMS OF OFFICE

A. The Committee shall consist of the Board Chair and at least three and not more than four members of the Board. Members shall hold office from the date of their appointment by the Board until the next annual meeting of the Corporation.

B.

C.

D. A majority of the Committee shall constitute a quorum.

E. The Committee Chair, in consultation with the President and CEO or his delegate, the Vice-President, Human Resources, shall set the agenda and the annual timetable, which shall then be circulated among the members.

F.

G. The Corporate Secretary, or his/her delegate, shall be the Secretary to the Committee.

s.21(1)(b)

**TERMS OF REFERENCE FOR THE
HUMAN RESOURCES AND COMPENSATION COMMITTEE**

III. DUTIES AND RESPONSIBILITIES

Subject to the powers and duties of the Board, the Board delegates to the Committee the following duties and responsibilities to be performed by the Committee on behalf of the Board:

s.21(1)(b)

A.

B.

C.

D.

E.

F.

G.

H.

I.

J. Review annually the corporate report regarding Health, Safety and the Environment.

Previous Revision: May 5, 2005

Current Revision: April 19, 2006

KACORP_SECRETARIA.T\Board_Manual\Manual_approved_Board_March_2002\Tab-11 Human Resources Committee Terms of Reference\In force
Terms of Ref\HR Committee_ToR_Draft April 19 2006_ENG For Committee.doc

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**TERMS OF REFERENCE FOR THE
HUMAN RESOURCES AND COMPENSATION COMMITTEE**

K. Perform such other functions as may be assigned from time to time by the Board.

IV. ACCOUNTABILITY

A. The Committee shall report to the Board on a regular basis all such action it has taken since the previous reports.

B. Minutes for Committee meetings are available through the Corporate Secretary.

V. COMMITTEE CHECKLIST

The major annual activities of the Committee are outlined in the timetable on the following pages.

**Pages 84 to / à 87
are withheld pursuant to sections
sont retenues en vertu des articles**

21(1)(b), 21(1)(c)

**of the Access to Information Act
de la Loi de l'accès à l'information**

**Pages 88 to / à 102
are withheld pursuant to section
sont retenues en vertu de l'article**

68.1

**of the Access to Information Act
de la Loi de l'accès à l'information**

**Pages 103 to / à 108
are withheld pursuant to section
sont retenues en vertu de l'article**

68.1

**of the Access to Information Act
de la Loi de l'accès à l'information**

Board of Directors

June 20, 2006

Subject matter

Summary of Government Funding (10 years – operating and capital).

Background

The attached provides a 10-year historical overview of the Corporation's parliamentary appropriations as at May 29, 2006. The approved reference levels for 2006/07 and beyond are also provided.

Information on the matter

See attached.

For information



Prepared by

Name: Johanne Charbonneau

Date: May 29, 2006

Management recommendation

Not required.

Last discussed at the Board

Date: May 10, 2006

Decision made: N/A

Next steps

Not required.

Anticipated project completion date: _____

(If contract, indicate date of expiry): _____

CBC'S PARLIAMENTARY APPROPRIATIONS
(\$ Thousands)

									Current	Projected			
	1997/98 <i>(Note 2)</i>	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10
Operating Appropriation	747,079	728,551	750,067	789,666	834,129	860,380	862,460	877,980	896,083	955,708	955,708	955,708	955,708
One-time funding adjustments:													
Retroactive salary/wage funding					16,909			36,217	39,777				
Salary/wage funding (Note 1)					1,783	1,364			19,550				
Transfer from Capital appropriation	5,000	15,000	8,000	13,090			3,636	1,112	9,277	9,277	9,277	9,276	9,276
Transfer to Capital appropriation		(78,451)		(13,298)	(15,170)	(7,459)	(40,921)	(10,538)	(8,456)	(8,946)	(8,578)	(7,964)	(7,964)
Downsizing assistance/loan repayment	(56,669)	88,401											
Funding for PILT increases			306	300									
Program Integrity Funding - Asbestos				4,000									
Funding to strengthen & revitalize programs													
Transfers from Cdn. Heritage (CCOL) (Note 3)					2,500	2,120	2,000	2,000	0				
Reprofiling					(60,000)	20,000	40,000	(20,000)	0			20,000	
Cost increases for 2002 Canada Day						1,027							
Funding for RCI (Note 4)													
Government Re-allocation (Note 5)							(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
Unavoidable new costs (Note 6)	7,575	5,980	6,342	300	253								
Total Operating Appropriation	702,985	759,481	764,715	794,058	840,404	937,432	932,695	936,771	1,006,231	1,006,039	946,407	967,020	947,020
Capital Appropriation	102,504	95,663	101,364	101,809	100,311	97,631	92,331	92,331	92,331	92,331	92,331	92,331	92,331
One-time funding adjustments:													
Transfer to Operating appropriation	(5,000)	(15,000)	(8,000)	(13,090)			(3,636)	(1,112)	(9,277)	(9,277)	(9,277)	(9,276)	(9,276)
Transfer from Operating appropriation		78,451		13,298	15,170	7,459	40,921	10,538	8,456	8,946	8,578	7,964	7,964
Reprofiling of vote from 96/97 to 97/98	8,000												
Reprofiling of vote from 97/98 to 98/99	(15,600)	15,600											
Reprofiling of vote from 98/99 to 99/00		(41,966)	41,966										
Reprofiling of vote from 99/00 to 00/01			(25,000)	25,000									
Reprofiling of vote from 00/01 to 01/02				(23,000)	23,000								
Reprofiling of vote from 04/05 to 05/06								(6,000)	6,000				
Reprofiling of vote from 05/06 to 06/07									(10,000)	10,000			
Nunavut funding	236	206	142										
Total Capital Appropriation	90,140	132,954	110,472	104,017	138,481	105,090	129,616	95,757	87,510	102,000	91,632	91,019	91,019
Working Capital Appropriation	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
TOTAL APPROPRIATION	797,125	896,435	879,187	902,075	982,885	1,046,522	1,066,311	1,036,528	1,097,741	1,112,039	1,042,039	1,062,039	1,042,039
Less Reprofiling Decision (Capital)	7,600	26,366	(16,966)	(2,000)	(23,000)	60,000	(40,000)	6,000	4,000	(10,000)			
Less Reprofiling Decision (Operating)												(20,000)	
Less Loan repayment (Operating)	56,669												
Less Downsizing Funding (Operating)		(88,401)											
TOTAL APPROPRIATION AVAILABLE FOR REGULAR OPERATIONS	861,394	834,400	862,221	900,075	1,019,885	1,026,522	1,026,311	1,062,528	1,101,741	1,102,039	1,042,039	1,042,039	1,042,039

Note 1 Reflects Treasury Board salary funding confirmed (2.5% for 2003-04; 2.25% for 2004-05; 2.4% for 2005-06 and 2.5% for 2006-07).

Note 2 Excludes \$9,360K funding for RCI which was received as an appropriation in 1997/98 on an exceptional basis. In the 1997/98 Annual Report, this appropriation is not included in the total.

Note 3 Expected funding not transferred from Canadian Heritage in 2005-06.

Note 4 Funding for RCI was previously provided through a contribution agreement with Canadian Heritage. Starting in 2003-04, funding forms part of CBC's appropriation and is shown in the base appropriation in 2004-05 and future years.

Note 5 CBC/Radio-Canada's budget allocation target from Budget 2003 confirmed permanent as part of the Government's Expenditure Review.

Note 6 Permanent funding adjustments for unavoidable new costs, merit and salary increases are reflected in the base operating appropriation.

A0016093_2-000110

Board of Directors
(June 2006)

Subject matter

Labour Relations Update

Background

This is a standing item on the Board of Directors' agenda which provides the status of CBC's collective agreements.

Information on the matter

Not applicable.

For decision:

For information:

Prepared by

Name: George C.B. Smith
Senior Vice-President, Human Resources and Organization
Date: June 1, 2006

Management recommendation

Not applicable.

Last discussed at the Board

Date: May 2006
Decision made:

Anticipated project completion date: _____ N/A _____
(If contract, indicate date of expiry): _____

Labour Relations Update for the Board of Directors' meeting of June 20, 2006

s.21(1)(b)

s.21(1)(c)

AGREEMENTS PRESENTLY BEING NEGOTIATED

UNION	Effective Date	# of Members	Central Issues
NATIONAL FILE			
AfofM (American Federation of Musicians)	April 1, 2003 - March 31, 2006	N/A	
ENGLISH FILE			
ACTRA (Alliance of Canadian Cinema, Television and Radio Artists) (Performers)	July 1, 2003 - June 30, 2005	N/A	
WGC (Writers Guild of Canada)	Sept. 1, 1998 - August 31, 2000	N/A	
IATSE (International Alliance of Theatrical, Stage Employees and Moving Picture Machine Operators of the United States and Canada) (Stagehands)	No agreement since 1994	3	
FRENCH FILE			
AR (Association des réalisateurs)	Dec. 13, 2003 – Dec. 11, 2005	380	
SARTEC (Société des auteurs de la radio, de la télévision et du cinéma)	July 4, 2002 - July 3, 2005	N/A	
SPACQ (Société professionnelle des auteurs-compositeurs du Québec)	March 25, 2004 - March 24, 2005	N/A	

NEGOTIATED AGREEMENTS

UNION		Effective Dates of Collective Agreement	# of Members
NATIONAL FILE			
APS	Association of Professionals and Supervisors	July 1, 2005 – June 30, 2008	646
ENGLISH FILE			
CMG	Canadian Media Guild	April 1, 2004 – March 31, 2009	5,141
FRENCH FILE			
SCRC (Unit 1)	Syndicat des communications de Radio-Canada	March 27, 2006 – March 29, 2009	1,390
STARF (Unit 2)	Syndicat des technicien(ne)s et artisan(e)s du réseau français de Radio-Canada	April 13, 2006 – March 31, 2009	1,336
SCFP (Unit 3)	Syndicat Canadien de la Fonction Publique (Groupe des employé(e)s de bureau et professionnel(le)s	September 26, 2005 – September 27, 2007	636
UDA	Union des artistes	November 14, 2005 – November 13, 2009	N/A

Board of Directors

(June 20, 2006)

Subject matter

Workforce Information

Background

The attached documents present the total workforce in terms of full time equivalent (FTE) broken down by media component with a comparison to beginning fiscal year

Information on the matter

Attached

For decision

For information

Prepared by

Name: G.C.B. Smith

Date: June 2006

Management recommendation

N/A

Last discussed at the Board

Date:

Decision made:

Next steps

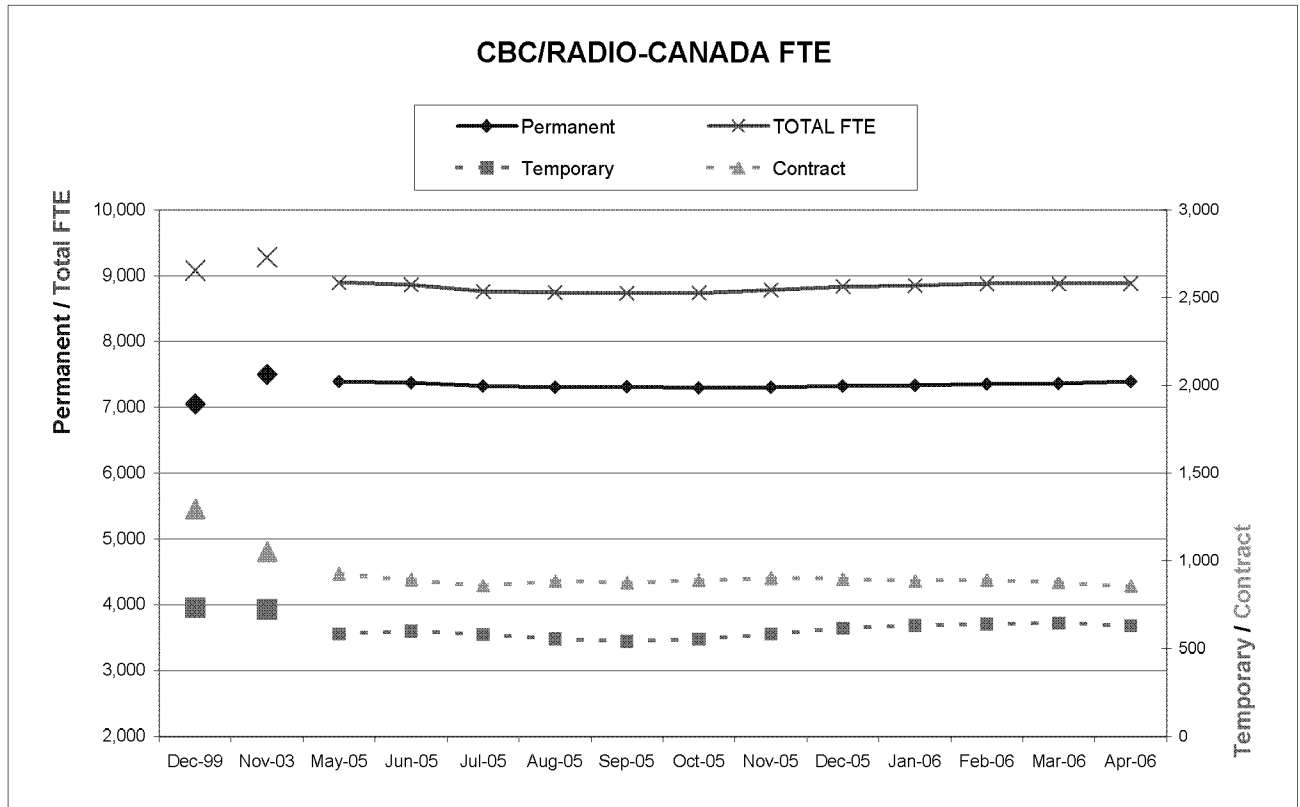
Anticipated project completion date: _____

(If contract, indicate date of expiry): _____

FULL-TIME EQUIVALENT 12 MONTH TREND

		CBC / RADIO-CANADA				
		Period	Permanent	Temporary	Contract	TOTAL FTE
BASE	Dec-99		7,053	732	1,297	9,082
CBC/RADIO-CANADA PEAK SINCE DEC 1999	Nov-03		7,506	722	1,052	9,280
	May-05		7,393	580	926	8,900
	Jun-05		7,374	598	893	8,865
	Jul-05		7,328	578	860	8,765
	Aug-05		7,303	553	888	8,744
	Sep-05		7,321	538	876	8,735
	Oct-05		7,298	552	892	8,741
	Nov-05		7,302	581	902	8,785
	Dec-05		7,328	614	898	8,839
	Jan-06		7,335	630	887	8,852
	Feb-06		7,354	638	892	8,885
	Mar-06		7,363	644	878	8,885
	Apr-06		7,394	629	857	8,880
Current month from 12-month high			1	-15	-69	-20
% Change			0.0%	-2.4%	-8.1%	-0.2%
Current month from Nov-03 peak			-112	-93	-195	-400
% Change			-1.5%	-14.8%	-22.8%	-4.5%

Note: Prior to April 2004, LTD absences were excluded from the counts (now all absences are excluded).



Board of Directors

(June 15, 2006)

Subject matter

2005/2006 Quarterly Financial Management Report (Unaudited) – Fourth quarter results.

Background

N/A

Information on the matter

See attached.

For decision

For information X

Prepared by

Name: J. Charbonneau

Date: May 31, 2006

Management recommendation

N/A

Last discussed at the Board

Date: March 8, 2006

Decision made: Reviewed 2005/2006 Quarterly financial Management Report – Third quarter results

Next steps

N/A

2005/2006
QUARTERLY FINANCIAL MANAGEMENT REPORT

4th QUARTER, ended March 31, 2006
(Unaudited)

To be presented to
The Audit Committee

June 15, 2006

Confidential

A0016096_2-000117

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Capital	
2005/2006 Capital Budget Overview	Pages 32 - 35
2005/2006 to 2007/2008 Capital Investment Plan – Projects over \$5 million	Pages 36 - 37

s.18(a)

Financial Highlights

For the quarter ended March 31st

(in millions of dollars)

	ACTUALS		BUDGET
	2006	2005	2006
<hr/>			
Operating (see Operations section for details)			
Parliamentary appropriation for operating expenditures (page 5)			
Advertising revenues (page 5)			
Specialty Services - sources of funds (page 5)			
Miscellaneous revenues (page 5)			
Expenditures - regular operations (page 10)			
Specialty Services - expenditures (page 10)			
Net position, end of the fiscal year quarter* (page 4)			
<hr/>			
Capital (see Capital section for details)			
Parliamentary appropriation for capital expenditures (page 32)			
Capital expenditures, end of the year (page 32)			
Net position, end of the fiscal year (page 32)			

* excluding proceeds and interest generated from the disposal of NATV.

Parliamentary Appropriations
Operating funds
for the years ended March 31

s.68.1 Advertising revenues
for the years ended March 31

s.18(a)
s.18(b)

OVERVIEW OF FINANCIAL RESULTS FOR THE 4TH QUARTER ENDED MARCH 31, 2006

OPERATIONS (REFER TO PAGE 4)

This report presents the results of operations for the Corporation for the twelve months ended March 31, 2006, compared to the year-to-date budget, and the year-to-date results for the same period in 2004/2005.

Overall, the financial results of CBC/Radio Canada operations to the end of the fiscal year reflect

CAPITAL (REFER TO PAGE 32)

The March 31st year-end capital expenditures indicate a () on total available capital of () after a planned reprofiling of () of the capital budget from 2005/2006 to 2006/2007.

This is made up of a () mainly due to the following factors:

However, as a result of the January 2006 elections and the recent change in government, the vote transfer process did not take place in 2005/2006. This is a parliamentary process over which we have no control. Consequently, net vote transfers from operating to capital () were deferred to 2006/2007. This decreases the year-end net capital position from an () surplus to a () deficit; however, the

s.18(a)
s.18(b)

Total available capital in 2005/2006 has decreased from the _____ shown in the March 15, 2005
Recommended Capital Budget presentation to the Board of Directors to the current value of
largely due to:

-
-
-

Offset by:

-
-
-
-
-
-

OPERATIONS

A0016096_7-000122

s.18(a)
s.18(b)
s.68.1

**Financial Management Report
Corporate Summary
for the fiscal year ended March 31
(\$000's)**

	2005/2006			2004/2005	
	Annual Budget	Actuals	Variance	Actuals	Variance in Actuals
SOURCES OF FUNDS					
Total government funding and carryovers					
Commercial revenues - regular operations					
Commercial revenues - Olympics					
Total commercial revenues					
Miscellaneous revenues - regular operations					
Miscellaneous revenues - Olympics					
Total miscellaneous revenues					
Total commercial and miscellaneous revenues					
TOTAL SOURCES OF FUNDS - MAIN SERVICE					
TOTAL SOURCES OF FUNDS - SPECIALTY SERVICES					
APPLICATION OF FUNDS					
Expenditures - regular operations					
Expenditures - Olympics					
TOTAL APPLICATION OF FUNDS - MAIN SERVICE					
TOTAL APPLICATION OF FUNDS - SPECIALTY SERVICES					
NET POSITION ON CBC'S OPERATIONS					
Prior year carryover NATV					
NATV funds transferred to regular operations					
Unused proceeds of sales and interest income from sale NATV					
Current interest income on proceeds from sale of NATV					
Net position for NATV					
NET POSITION - INCLUDING EXTRAORDINARY INCOME					

A summary of the results at March 31, 2006, by component, is provided on Appendix A.
Note - negative variances are indicated by brackets

Does not include multi-platform revenues and expenses

s.18(a)
s.18(b)
s.68.1

Financial Management Report
Sources of funds
for the fiscal year ended March 31
(\$000's)

	2005/2006			2004/2005	
	Annual Budget	Actuals	Variance	Actuals	Variance in Actuals
SOURCES OF FUNDS					
Parliamentary appropriation					
Frozen allotment					
TBC land transactions					
Prior year carryover					
Prior year carryover - TBC land					
Prior year carryover - NATV					
Total government funding and carryovers					
Commercial revenues					
Commercial revenues - regular operations:					
English Television					
French Television					
Total for regular operations					
Commercial revenues - Olympics					
Torino Olympics *					
Athens Olympics *					
Total Olympics revenues					
Total commercial revenues					
Miscellaneous revenues					
Miscellaneous revenues - regular operations:					
English Television - Business Development					
English Television - Other miscellaneous					
French Television					
English Radio					
French Radio					
Sirius					
Mobile Division					
Merchandising Division					
Corporate Activities					
CBC Technologies					
Property Management Division					
Galaxie					
Radio Canada International					
Total for regular operations					
Miscellaneous revenues - Olympics					
Torino Olympics *					
Athens Olympics *					
Total for Olympics					
Total miscellaneous revenues					
Total commercial and miscellaneous revenues					
TOTAL SOURCES OF FUNDS - MAIN SERVICE					
Specialty service revenues:					
Newsworld					
Réseau de l'information					
Prior year carryover					
TOTAL SOURCES OF FUNDS - SPECIALTY SERVICES					
TOTAL SOURCES OF FUNDS FOR CBC					

A summary of the net results at March 31, 2006, by component, is provided on Appendix A.

Notes are explained on pages 6 to 9
Note - negative variances are indicated by brackets

* Does not include multi-platform revenues

A0016096_9-000124

s.18(b)

s.18(a)

s.68.1

Revenues - Main Service and Specialty Services: 4th quarter -

Note 1

Note 2

Note 3

Note 4

Note 5

Note 6

Note 7

s.18(b)

s.18(a)

s.68.1

Note 8

Note 9

Note 10

Note 11

Note 12

Note 13

Note 14

Total Sources of Funds – Year over Year comparison:

Note 1

Note 2

Note 3

Note 4

Note 5

Note 6

Note 7

s.18(a)
s.18(b)
s.68.1

Note 8

Note 9

Note 10

Note 11

Note 12

s.18(a)
s.18(b)
s.68.1

**Financial Management Report
Application (use) of funds
for the fiscal year ended March 31
(\$000's)**

	2005/2006			2004/2005	
	Annual Budget	Actuals	Variance	Actuals	Variance in Actuals
APPLICATION OF FUNDS					
Expenditures - regular operations:					
English Television					
French Television					
English Radio					
French Radio					
Mobile Division					
Ottawa Production Centre					
Merchandising Division					
Corporate Activities					
CBC Technologies					
Property Management					
Galaxie					
Radio Canada International					
Corporate Reserve					
Total expenditures - regular operations					
Expenditures - Olympics:					
Torino Olympics					
Athens Olympics					
Total expenditures - Olympics					
TOTAL APPLICATION OF FUNDS - MAIN SERVICE					
Specialty Services - expenditures:					
Newsworld					
Réseau de l'information					
TOTAL APPLICATION OF FUNDS - SPECIALTY SERVICES					
TOTAL APPLICATION OF FUNDS ON CBC'S OPERATIONS					

A summary of the results at March 31, 2006 by component, is provided on Appendix A.

Notes are explained on pages 11 to 17

Note - negative variances are indicated by brackets

Does not include multi-platform expenses

Expenditures - Main Service and Specialty Services: 4th quarter – Favorable variance of _____

Note 1 The English Television has managed through a very challenging year with the NHL and the CMG lockouts. The total under-expenditure for this fiscal year is _____ which can mainly be explained by:

s.18(a)
s.18(b)
s.68.1

•

•

Partly offset by:

Note 2

Note 3

•
•
•

Note 4

Note 5

•
•
•
•

s.18(a)
s.18(b)
s.68.1

Note 6

-
-
-

Note 7

Note 8

s.18(a)
s.18(b)
s.68.1

Note 9

Total Application of Funds – Year over Year comparison: Net Increase of :

Page 134

**is withheld pursuant to section
est retenue en vertu de l'article**

68.1

**of the Access to Information Act
de la Loi de l'accès à l'information**

Note 3

Note 4

•
•
•

Note 5

s.18(a)
s.18(b)
s.68.1

Note 6

Note 7

Note 8

CORPORATE SUMMARY - VARIANCE OVERVIEW

	(\$000's)		
	For the fiscal year ended March 31		
	2005/2006		
	Revenue Variance	Expenditure Variance	Net variance
s.18(a)			
s.18(b)			
s.68.1			
<u>Main Service:</u>			
English Television			
French Television			
English Radio			
French Radio			
Torino Olympics			
Mobile Division			
Ottawa Production Center			
Merchandising Division			
Corporate Activities			
CBC Technologies			
Property Management			
Galaxie			
RCI			
Total - Components			
Corporate Reserve			
<u>Specialty Services:</u>			
Newsworld			
RDI			
Net Position			

Note - negative variances are indicated by brackets

Does not include multi-platform revenues and costs

s.18(a)
s.18(b)
s.68.1

FINANCIAL MANAGEMENT REPORT
English Television
For the fiscal year ended March 31
(\$000's)

	2005/2006			2004/2005	
	Annual Budget	Actuals	Variance	Actuals	Variance In Actuals
SOURCES OF FUNDS					
Net Parliamentary Subsidy					
Surplus Carryover					
Commercial Revenue					
Business Development Revenue					
Country Canada					
Miscellaneous Revenue					
TOTAL SOURCES OF FUNDS					
APPLICATION OF FUNDS					
<u>Costs related to Revenue-generating Services *</u>					
Marketing and Sales					
Sale of Programs to Other Broadcasters					
Business Development					
Country Canada					
Subtotal - Revenue-generating Services					
<u>Programming and Administration</u>					
Sports					
Arts & Entertainment					
News and Current Affairs					
Network Programming					
Production and Resources					
New Media					
Production Services					
Communications					
Regional Operations					
Network Reserve					
Subtotal - Programming and Administration					
<u>Support and Others</u>					
Management					
Affiliates					
Plant - Broadcast Services - Master Control					
Support Services (Network and Regional)					
Subtotal - Support and Others					
TOTAL APPLICATION OF FUNDS					
NET POSITION					

*Please note that other areas may also generate revenues. These are only the services whose main function is revenue-generation.

s.18(a)
s.18(b)
s.68.1

FINANCIAL MANAGEMENT REPORT
French Television
for the fiscal year ended March 31
(\$000's)

	2005/2006			2004/2005	
	Budget	Actuals	Variance	Actuals	Variance in Actuals
SOURCES OF FUNDS					
Net Parliamentary Subsidy					
Surplus (Deficit) Carryover					
Commercial Revenue					
Host Broadcaster - Revenue					
Miscellaneous Revenue					
TOTAL SOURCES OF FUNDS					
APPLICATION OF FUNDS					
<u>Costs related to Revenue-generating Services</u>					
Sales and Marketing (incl. Internet)					
Commercial Production					
Program Sales to Other Broadcasters					
Host Broadcaster					
Production Services and Others					
Costs - Contra Agreements					
Subtotal - Revenue-generating Services					
<u>Programming and Administration</u>					
Sports					
Arts & Entertainment					
News and Current Affairs					
Network Programming					
Media Operations					
New Media					
Plant - Production Services					
Communications					
Regional Operations					
Network Reserve					
Subtotal - Programming and Administration					
<u>Support and Others</u>					
Management					
Affiliates					
Plant - Broadcast Services - Master Control					
Support Services (Network and Regional)					
Subtotal - Support and Others					
TOTAL APPLICATION OF FUNDS					
NET POSITION					

s.18(a)
s.18(b)
s.68.1

FINANCIAL MANAGEMENT REPORT
English Radio
for the fiscal year ended March 31
(\$000's)

	2005/2006			2004/2005	
	Budget	Actuals	Variance	Actual	Variance
SOURCES OF FUNDS					
Net Parliamentary Subsidy					
Surplus Carryover					
Miscellaneous Revenue					
TOTAL SOURCES OF FUNDS					
APPLICATION OF FUNDS					
News					
Current Affairs					
Network Music Department					
Network Arts & Entertainment					
New Media					
Toronto Radio Production Centre					
Program Services					
Network Services					
Distribution					
Administration					
Entrepreneurial Activities					
Network Reserves					
<u>Regional operations:</u>					
Newfoundland					
Maritimes					
Quebec					
Ontario					
Toronto - CBL					
CBC North					
Manitoba					
Saskatchewan					
Alberta					
British Columbia					
Regional reserves					
Subtotal - Regional operations					
TOTAL APPLICATION OF FUNDS					
NET POSITION					

s.18(a)
s.18(b)
s.68.1

Monthly Report for Fiscal 2005/2006
French Radio
for the fiscal year ended March 31
(\$000's)

	2005/2006			2004/2005	
	Budget	Actuals	Variance	Actuals	Variance
SOURCES OF FUNDS					
Net Parliamentary Subsidy					
Miscellaneous Revenue					
Surplus Carryover					
TOTAL SOURCES OF FUNDS					
APPLICATION OF FUNDS					
Administration					
Programming Development					
Information Programming					
Musical and Cultural Programs					
<i>Chaîne Espace musique</i>					
<i>Première Chaîne</i> Programs					
Media Operations and Administration					
Distribution					
Promotion, Analysis and Broadcast					
New Media					
Network Reserves					
<u>Regional operations:</u>					
Atlantic					
Quebec					
Ontario/ Outaouais					
Manitoba					
Saskatchewan					
Alberta					
British Columbia					
Subtotal - Regional operations					
TOTAL APPLICATION OF FUNDS					
NET POSITION					

s.18(a)
s.18(b)
s.68.1

Merchandising Division
Schedule of Incremental Revenues and Costs
for the fiscal year ended March 31
(\$000's)

	2005/2006			2004/2005	
	Budget	Actuals	Variance to Budget	Actuals	Variance in Actuals
SOURCES OF FUNDS					
Sales of products:					
Retail operations					
Distribution					
Educational					
Licensing					
Total Sources of funds					
APPLICATION OF FUNDS					
Administration					
Sales of products:					
Retail operations					
Distribution					
Educational					
Licensing					
Total Application of funds					
NET POSITION					

s.18(a)
s.18(b)
s.68.1

Galaxie
Schedule of Incremental Revenues and Costs
for the fiscal year ended March 31
(\$000's)

	2005/2006			2004/2005	
	Budget	Actuals	Variance	Actuals	Variance in Actuals
Incremental Revenues					
Satellite					
Cable					
Music for Business					
Miscellaneous revenues					
Total Incremental Revenues					
Incremental Expenditures					
Programming					
Rights					
Distribution					
Administration					
Business					
Marketing					
Rising Star Program					
Total Incremental Expenditures					
Capital expenditures					
Total Incremental Expenditures					
Excess Revenues/(Costs)					

s.18(a)
s.18(b)
s.68.1

CBC Newsworld
Schedule of Incremental Revenues and Costs
for the fiscal year ended March 31
(\$000's)

	2005/2006			2004/2005	
	Budget	Actuals	Variance	Actuals	Variance in Actuals
Incremental Revenues					
Commercial Revenue					
Cable Subscriptions					
Program Sales					
Surplus Carryover					
Total Incremental Revenues					
Incremental Costs					
Programming					
Distribution					
Management and Services					
Selling					
Promotion/Marketing					
Total Incremental Costs					
Excess of Revenues over Costs					
Repayments to the Main Service					
Capital expenditures					
Total repayments to the Main Service					
Excess Revenues/(Costs)					

s.18(a)
s.18(b)
s.68.1

Le Réseau de l'information
Schedule of Incremental Revenues and Costs
for the fiscal year ended March 31
(\$000's)

	2005/2006			2004/2005	
	Budget	Actuals	Variance	Actuals	Variance in Actuals
Incremental Revenues					
Commercial Revenue					
Cable Subscriptions					
Program Sales					
Miscellaneous					
Surplus Carryover					
Total Incremental Revenues					
Incremental Costs					
Programming					
Technical Services					
Sales & Marketing/Promotion					
Management and Services					
Total Incremental Costs					
Excess of Revenues over Costs					
Repayments to the Main Service					
Capital expenditures					
Total repayments to the Main Service					
Excess Revenues/(Costs)					

s.18(a)

s.18(b)

s.19(1)

GAINS THROUGH EFFICIENCIES
 UPDATED - MARCH 2006

Appendix J

s.66.1

	Permanent	One-time	Total Annual	Total One-time	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	Future years
					(\$000'S)							
ENGLISH TELEVISION												
Departmental cost reductions:												
i) News and Current Affairs - 19 positions eliminated												
ii) General reductions												
iii) Remaining departments												
Negotiated savings with CEP union (elimination of penalties, turnarounds, etc)												
Management & Admin Review (34 positions eliminated)												
Overtime												
Presentation Optimization (English Television):												
Net staff reductions of 42 FTE in regional locations from centralizing presentation activities												
Capital expenses												
Disaffiliations:												
Savings from reduced affiliate fees												
Additional operating costs												
<i>Cost avoidance from reduced NHL fees (for information only - not included in totals below)</i>												
<i>Cost avoidance from reduced Olympic fees (for information only - not included in totals below)</i>												
Capital expenses												
DROP:												
Cost savings												
Capital expenses												
TOTAL - ENGLISH TELEVISION												
ENGLISH RADIO												
Productivity Improvements - 2000/2001 Technical & Admin Review												
Resource Review:												
British Columbia - 2004/05												
Network Programming - 2004/05												
Radio 3												
Olympic coverage for 2006 and 2008												
Toronto Production Centre - Technical & Admin Review - 2003/04												
Drag & Drop Implementation												
Overtime reductions												
Departmental reductions												
Elimination of secondment program												
TOTAL - ENGLISH RADIO												
FRENCH RADIO												
Convert the national radio distribution from Ku-band to C-band:												
Decrease in cost of lines												
Capital expenses												
Consolidation of radio master controls (RCI & 1ere Chaîne)												
Technical team reduced by												
Capital expenses												
TOTAL - FRENCH RADIO												

	Permanent	One-time	Total Annual (\$000'S)	Total One-time (\$000'S)	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	Future years
					(Incremental basis)							
FRENCH TELEVISION												
Replace leased Telesat facilities- Montréal TV Uplink:												
Cost savings												
Capital expenses												
Centre de l'information (CDI):												
Cost savings												
Capital expenses												
Modernization of Studio 42:												
Cost savings												
Capital expenses												
Revenue increase												
ARTV:												
Cost of putting ARTV on air												
Revenues ARTV												
Upgrade special event pool equipment(joint ETV & FTV):												
Cost savings - rental of equipment no longer required												
Capital expenses												
FTN SX conversion Toronto National and Regional News:												
Cost savings												
Capital expenses												
Mobile-7:												
Reduction of maintenance costs Mobile-7												
Capital expenses - Replacement of audio console audio (mobile-7)												
Revenue increase - Rental Mobile-7												
Replacement of lighting in various studios:												
Cost savings												
Capital expenses												
Inews service:												
Reduction in FTE's												
Capital expenses												
Presentation Optimization:												
Cost reductions - East Phase (2 positions)												
Cost reductions - West Phase (2 positions)												
Capital expenses - East Phase												
Capital expenses - West Phase												
Disaffiliation (Cogeco):												
Acquisitions Cogeco archives												
Disaffiliation (Cogeco)												
Capital expenses - Acquisitions of microwave trucks (Cogeco)												
Revenue increase - Disaffiliation (Cogeco)												
DROP - French Television:												
Cost savings												
Capital expenses												
Centre de production des dramatiques:												
Cost reductions												
Capital expenses												
Proceeds of sales - various												
TOTAL - FRENCH TELEVISION												

s.18(a)

s.18(b)

s.68.1

GAINS THROUGH EFFICIENCIES
 UPDATED - MARCH 2006

Appendix J

	Permanent	One-time	Total Annual (\$000'S)	Total One-time (\$000'S)	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	Future years
					(Incremental basis)							
CHIEF TECHNOLOGY OFFICER												
Broadcast/network telecom RFP:												
Additional operating expenses												
Annual operating savings												
Operating savings - Bell Mobility migration												
Proceeds of sale - old WAN												
Capital expenses												
Peering project:												
One-time costs												
Annual savings												
Capital expenses												
Upgrade SAP software - Infos Shuttle:												
Operating savings												
Maintenance costs												
Capital expenses												
Remote Event Multiview System:												
Capital expenses												
Recurring savings												
One-time savings												
Rogers Atlantic Installations :												
Capital expenses												
One-time savings												
Recurring savings												
Olympics Remote Production:												
Capital expenses												
One-time savings												
Weather Centre:												
Capital expenses												
One-time operating costs												
Recurring operating expenses (not of annual savings)												
Incremental revenues												
Touch Radio installation - Edmonton:												
Capital expenses												
Third party payment												
Net revenue increase												
Increase in site rental revenues:												
Increase in site rental revenues - permanent												
Increase in site rental revenues - one-time												
Master FM Installation (North Bay, ON):												
Increase in site rental revenues - permanent												
Capital expenses												
Saving of operating expenses												
Transmission Division re-engineering												
SAP support costs												
Change to VPN technology (London & Paris)												
Prepayment discount - common carriers												
DROP - Phase 3												
Savings on teleconferencing costs based on new Bell rate												
Savings from Cisco contract switched from HP to Bell												
Cancellation of CDTV membership												
International agreements with short-wave facilities at Sackville												
NABA revenues												
CBC / CANCOM aggregated agreement (Specialty Services)												
TOTAL - CHIEF TECHNOLOGY OFFICER												

	Permanent	One-time	Total Annual (\$000'S)	Total One-time (\$000'S)	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	Future years
					(Incremental basis)							
REAL ESTATE DIVISION												
Net staff reduction (succession plan excluded)												
Energy savings project (Toronto, Montreal, Vancouver and Moncton):												
Energy savings												
One-time costs												
Academy of Design:												
Tenant improvement												
Tax reduction - Taxes paid directly to city by tenant												
Rental revenues												
Edmonton Consolidation:												
Capital expenses												
Proceeds from sale of Edmonton buildings												
Saving of operating expenses - Edmonton												
<i>Avoided estimated future capital costs (for information only - not included in totals below)</i>												
Québec Consolidation:												
Capital expenses												
Proceeds from sale of Québec building												
Additional operating savings												
<i>Avoided estimated future capital costs (for information only - not included in totals below)</i>												
Ottawa Consolidation:												
Capital expenses												
Proceeds from sale of Lanark building												
Sublease - Ottawa (Queen St)												
Additional operating expenses												
Additional operating expenses												
<i>Avoided estimated future capital costs (for information only - not included in totals below)</i>												
Profac contract:												
<i>Avoided costs - Renegotiation of Profac contract (for information only - not included in totals below)</i>												
Review - Profac contract												
Review - Profac contract												
Savings - Satisfaction survey												
Sale of Burnaby Warehouse:												
Proceeds from sale of warehouse												
Saving of operating expenses												
Revenue reduction												
Sale of Winnipeg building:												
Saving of operating expenses												
Proceeds from sale of building												
Other Property Sales:												
Toronto land												
St-Boniface land												
Saskatchewan Property Management Corporation:												
Tenant improvement												
Saskatchewan Property Mgt - new lease												
Saskatchewan Property Mgt - renewal												
Other revenue generating activities:												
New price parking policies												
Regina - Cafeteria lease												
Calgary - Cafeteria lease												
Various increases related to lease renewals												
Various increases related to lease renewals												

	Permanent	One-time	Total Annual (\$000'S)	Total One-time (\$000'S)	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	Future years
					(Incremental basis)							
Tax savings:												
Water tax - Montreal												
<i>Avoided costs - Tax negotiation - Toronto (for information only - not included in totals below)</i>												
Various tax savings												
Renegotiation of service contracts for Montreal and Moncton												
Reduction of additional security (put in place after 9/11)												
Savings on 80 Commissioner St. Toronto												
Saving of operating expenses - CIR (Montreal)												
Saving of operating expenses - Pumping station (Montreal)												
Elevator maintenance contract												
Various other savings												
TOTAL - REAL ESTATE DIVISION												
SHARED SERVICES ORGANISATION												
One-time operating costs												
One-time capital costs												
Ongoing savings/(costs)												
TOTAL - SHARED SERVICES ORGANISATION												
STRATEGIC SOURCING												
Additional Operating Costs												
Ongoing savings												
TOTAL - STRATEGIC SOURCING												
ENTERPRISE-WIDE PROJECTS												
Vision Project:												
Cost savings												
One-time charges including training, computers, conversion costs												
Capital expenses												
TOTAL - ENTERPRISE-WIDE PROJECTS												
CORPORATE INITIATIVES												
<i>Cost avoidance - Revised departure policy (for information only - not included in totals below)</i>												
<i>Cost avoidance - Foreign exchange transactions for future Olympic rights (for information only - not included in totals below)</i>												
New travel agency contract												
Increased revenues from Canadian Retransmission Rights Association												
10% reduction of travel budgets												
TOTAL - CORPORATE INITIATIVES												
GRAND TOTAL (excluding avoided costs)												

CAPITAL

2005/2006 Capital Budget Overview as at March 31, 2006

<u>Component</u>	s.18(a) s.18(b) s.68.1	<u>Capital Plan</u>	<u>Actual Expenditures</u>	<u>Surplus/ (Deficit)</u>	<u>As % of Capital Plan</u>
English Television (ETN)					
French Television (FTN)					
English Radio (ERN)					
French Radio (FRN)					
New Media (NM)					
Information Technology (IT)					
Real Estate (RE)					
Transmission Division (T&D)					
Human Resources (HR)					
Finance & Administration (F&A)					
Fleet Management					
Mobile Division					
Minor Capital					
Enterprise Wide (EW) - details on the next page					
Corporate Contingency					
Committed Corporate Contingency					
Reprofiling of capital funds to 2005/2006					
Impact of approved plan being higher than available capital (1)					
Subtotal Surplus/(Deficit) Forecast					
Vote transfers deferred from 2005/2006 to 2006/2007					
Loans from NATV deferred from 2005/2006 to 2006/2007					
Total Surplus/(Deficit) Forecast					
<i>% of Available Capital</i>					
TOTAL AVAILABLE CAPITAL					
Capital Appropriation					
Reprofiling of Capital Funds from 2004/2005 to 2005/2006					
Reprofiling of Capital Funds from 2005/2006 to 2006/2007					
Planned operating to capital vote transfers					
Vote transfers deferred from 2005/2006 to 2006/2007					
2004/2005 Carryover					
3rd Party Payments					
Repayments to NATV					
Proceeds of Sale/Trade-ins					
Insurance Proceeds					
Total Available Capital in 2005/2006					
TOTAL SURPLUS/(DEFICIT) FORECAST					

2005/2006 Capital Budget Overview - Enterprise Wide Projects
as at March 31, 2006

	<u>Capital Plan</u>	<u>Actual Expenditures</u>	<u>Surplus/ (Deficit)</u>	<u>As % of Capital Plan</u>
Enterprise Wide (EW)				
Ottawa Content Management				
Capital plan as approved				
Other sources of funds committed to this project				
Net results for the project				
Quebec Consolidation				
Capital plan as approved				
Other sources of funds committed to this project				
Net results for the project				
Shared Services Organization				
Capital plan as approved				
Other sources of funds committed to this project				
Net results for the project				
Edmonton Consolidation				
Vision/Sintec				
Newsroom System Project - iNews				
Desktop Radio				
Desktop Radio - Permanent Solution				
Merchandising Division Infrastructure				
Digital Transmitters				
DROP				
Digital Radio Broadcasting				
Public Alert Field Trial				
Washington Bureau				
Olympic Production				
HD Presentation Vancouver				
HD Hockey History				
Virtual Music Library System				
TV Affiliate Replacement Projects				
Disaster Recovery Solution - Toronto & Montreal				
Upgrade Engineering Map Software Tool				
DTV / HDTV Test Equipment				
Pool Equipment - SEG				
Intranet Search Engine				
Sirius Radio Uplink Facilities				
HD Olympic Production				
ScheduLINK				
Vancouver Redevelopment				
Replace FSV and Equipment - Montreal				
St-John's Radio and Television Consolidation				
Total Surplus/(Deficit) Forecast				

s.18(a)
s.18(b)
s.68.1

2005/2006 Capital Budget Overview as at March 31, 2006 - Notes

s.18(a)
s.18(b)
s.68.1

Note 1

Note 2

Note 3

Note 4

Note 5

Note 6

Note 7

Note 8

Note 9

Note 10

Note 11

s.18(a)
s.18(b)
s.68.1

Note 12

Note 13

Note 14

Note 15

Note 16

Note 17

Note 18

2005/2006 to 2007/2008 CAPITAL INVESTMENT PLAN
Projects over _____, as at March 31, 2006 - Notes

s.18(a)
s.18(b)
s.68.1

Note 1

Note 2

Note 3

Note 4

Note 5

Note 6

Note 7

Note 8

Conseil d'administration

(Le 15 juin 2006)

Sujet

État trimestriel des résultats financiers 2005-2006 (non vérifiés) – rapport du quatrième trimestre.

Contexte

S/O

Renseignements connexes

Voir le document ci-joint.

Décision à prendre

À titre d'information X

Préparé par

Nom : J. Charbonneau
Date : Le 31 mai 2006

Recommandation de la direction

S/O

Dernière discussion au Conseil

Date : Le 8 mars 2006
Décision prise à cette occasion : Révision des résultats du troisième trimestre de l'année 2005-2006.

Suivi

S/O

2005-2006
ÉTAT TRIMESTRIEL DES RÉSULTATS FINANCIERS

4^e TRIMESTRE terminé le 31 mars 2006
(non vérifiés)

Présentation au
Comité de vérification

15 juin 2006

Confidentiel

A0016096_44-000159

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s.18(a)
s.18(b)
s.68.1

Points saillants financiers
Pour le trimestre terminé le 31 mars
(en millions de dollars)

	RÉELS		BUDGET
	2006	2005	2006
Exploitation (voir la section Exploitation pour plus de détails)			
Crédits parlementaires pour les dépenses d'exploitation (page 5)			
Recettes publicitaires (page 5)			
Services spécialisés - provenance de fonds (page 5)			
Recettes diverses (page 5)			
Dépenses - activités normales (page 11)			
Services spécialisés - dépenses (page 11)			
Position nette, fin du quatrième trimestre* (page 4)			
Immobilisations (voir la section Immobilisations pour plus de détails)			
Crédits parlementaires pour les dépenses en immobilisations (page 35)			
Dépenses en immobilisations, fin de l'exercice (page 35)			
Position nette, fin de l'exercice financier (page 35)			

* exclut les produits et les intérêts provenant de la vente de l'investissement en coentreprise

Crédits parlementaires
Fonds d'exploitation
pour l'exercice financier terminé le 31 mars

Recettes publicitaires
pour l'exercice financier terminé le 31 mars

APERÇU DES RÉSULTATS FINANCIERS POUR LE 4^E TRIMESTRE TERMINÉ LE 31 MARS 2006

EXPLOITATION (SE REPORTER À LA PAGE 4)

Le présent rapport présente les résultats d'exploitation de la Société pour la période de douze mois terminée le 31 mars 2006, comparés au budget cumulatif et aux résultats depuis le début de l'année pendant la même période en 2004-2005.

Dans l'ensemble, les résultats financiers de l'exploitation de CBC/Radio-Canada, jusqu'à la fin de l'exercice, présentent un écart favorable de : (Note A) par rapport aux dépenses et aux revenus prévus au budget. Cela comprend un écart défavorable des revenus de (Note B) et un écart favorable des dépenses de (Note C).

L'excédent net prévu de comprend un montant de qui devait être viré aux immobilisations. Cependant, ces virements nécessitent un vote du gouvernement, et ce vote ne pourra pas être tenu avant 2006-2007. La position nette prévue 2005-2006, déduction faite de ce montant, est de

IMMOBILISATIONS (SE REPORTER À LA PAGE 35)

Les dépenses en immobilisation à la fin de l'exercice, le 31 mars, indiquent un déficit de sur un budget d'immobilisation total de **de dollars**, après un report planifié de **de** du budget d'immobilisation de l'exercice 2005-2006 à l'exercice 2006-2007.

Ce montant comprend un excédent de **de dollars** principalement attribuable aux facteurs suivants :

Cependant, à la suite des élections de janvier 2006 et du changement récent de gouvernement, le vote pour le virement des immobilisations n'a pas eu lieu pendant l'exercice 2005-2006. Ce processus parlementaire est hors de notre contrôle. Par conséquent, les virements de crédits nets de l'exploitation aux immobilisations ont été reportés à 2006-2007. Cela ramène la situation nette à la fin de l'exercice d'un

excédent de ' à un déficit de cependant, l'augmentation du déficit que cela cause est compensée par un excédent du budget d'exploitation et des fonds de NATV.

L'enveloppe totale des immobilisations pour 2005-2006 a diminué par rapport aux ' indiqués dans le budget d'immobilisations présenté et recommandé au Conseil d'administration le 15 mars 2005 pour se situer à la valeur actuelle de Cette diminution est essentiellement attribuable aux facteurs suivants :

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La diminution est contrebalancée par les facteurs suivants :

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EXPLOITATION

s.18(a)

s.18(b)

s.68.1

État des résultats financiers
Sommaire
pour l'exercice financier se terminant le 31 mars
(en milliers de \$)

	2005-2006			2004-2005	
	Budget Annuel	Réels	Écart par rapport au budget	Réels	Écart par rapport aux réels
PROVENANCE DES FONDS					
Total des crédits parlementaires et des reports d'excédents					
Recettes publicitaires - activités normales					
Recettes publicitaires - Jeux Olympiques					
Total recettes publicitaires					
Recettes diverses - activités normales					
Recettes diverses - Jeux Olympiques					
Total recettes diverses					
Total recettes publicitaires et diverses					
TOTAL PROVENANCE DES FONDS - SERVICE PRINCIPAL					
TOTAL PROVENANCE DES FONDS - SERVICES SPÉCIALISÉS					
AFFECTATION DES FONDS					
Dépenses - activités normales					
Dépenses - Jeux Olympiques					
TOTAL AFFECTATION DES FONDS - SERVICE PRINCIPAL					
TOTAL AFFECTATION DES FONDS - SERVICES SPÉCIALISÉS					
POSITION NETTE - EXPLOITATION RADIO-CANADA					
Report de l'excédent provenant de la vente de NATV					
Portion des fonds NATV transférée aux opérations régulières					
Portion non utilisée des produits de la vente et revenus d'intérêts					
Intérêts provenant de la vente de NATV					
Position nette NATV					
POSITION NETTE - INCLUANT PRODUIT EXCEPTIONNEL					

Un résumé complet des résultats au 31 mars 2006, par composante, se trouve à l'Annexe A.

Note - les écarts négatifs sont entre parenthèses

Ne comprend pas les revenus et les coûts des activités multiplateformes

A0016096_50-000165

s.18(a)
s.18(b)
s.68.1

État des résultats financiers
Provenance des fonds
pour l'exercice financier se terminant le 31 mars
(en milliers de \$)

	2005-2006			2004-2005	
	Budget Annuel	Réels	Écart par rapport au budget	Réels	Écart par rapport aux réels
PROVENANCE DES FONDS					
Crédits parlementaires					
Fonds gelés					
Transactions reliées à la disposition de terrain à Toronto					
Report de l'excédent de l'année précédente					
Report de l'excédent de l'année - Terrain Toronto					
Report de l'excédent de l'année - NATV					
Total des crédits parlementaires et des reports d'excédents					
Recettes publicitaires:					
Recettes publicitaires - activités normales:					
Télévision anglaise					
Télévision française					
Total pour activités normales					
Recettes publicitaires - Olympiques:					
Jeux Olympiques de Turin *					
Jeux Olympiques d'Athènes *					
Total pour Olympiques					
Total recettes publicitaires					
Recettes diverses:					
Recettes diverses - activités normales					
Télévision anglaise - Développement commercial					
Télévision anglaise - Autres recettes diverses					
Télévision française					
Radio anglaise					
Radio française					
Sinus					
Division des cars de reportage					
Division de merchandisage					
Activités nationales					
Technologies de CBC/Radio-Canada					
Division immobilière					
Galaxie					
Radio Canada International					
Total recettes diverses - activités normales					
Recettes diverses - Olympiques:					
Jeux Olympiques de Turin *					
Jeux Olympiques d'Athènes *					
Total recettes diverses - Olympiques					
Total recettes diverses					
Total recettes publicitaires et diverses					
TOTAL PROVENANCE DES FONDS - SERVICE PRINCIPAL					
Recettes - services spécialisés:					
Newsworld					
Réseau de l'information					
Report de l'excédent de l'année précédente					
TOTAL PROVENANCE DES FONDS - SERVICES SPÉCIALISÉS					
TOTAL PROVENANCE DES FONDS POUR RADIO-CANADA					

Un résumé complet des résultats au 31 mars 2006, par composante, se trouve à l'Annexe A.

Les notes sont expliquées aux pages 6 à 10
Note - les écarts négatifs sont entre parenthèses

* Ne comprend pas les revenus et les coûts des activités multiplateformes

Revenus – Service principal et services spécialisés : 4^e trimestre –

de dollars

Note 1

L'insuffisance est essentiellement attribuable à une perte découlant du lock-out des employés membres de la GCM, en partie contrebalancée par de solides revenus provenant de la programmation régulière pendant le premier semestre de 2005-2006.

Note 2

Note 3

Note 4

Note 5

Note 6

Note 7

L'insuffisance est attribuable à de multiples circonstances, le motif le plus important étant l'incidence du lock-out des employés membres de la GCM sur les activités de la Division des cars de reportage. Le lock-out dans la LNH pendant la première partie de l'exercice,

s.18(a)

s.18(b)

s.68.1

Note 8

Note 9

Note 10

Note 11

Note 12

Note 13

Page 169

**is withheld pursuant to section
est retenue en vertu de l'article**

68.1

**of the Access to Information Act
de la Loi de l'accès à l'information**

s.18(a)
s.18(b)
s.68.1

Note 5

Note 6

Note 7

Note 8

Note 9

Note 10

Page 171

**is withheld pursuant to section
est retenue en vertu de l'article**

68.1

**of the Access to Information Act
de la Loi de l'accès à l'information**

**État des résultats financiers
Affectation (utilisation) des fonds
pour l'exercice financier se terminant le 31 mars
(en milliers de \$)**

	2005-2006			2004-2005	
	Budget annuel	Réels	Écart par rapport au budget	Réels	Écart par rapport aux réels
s.18(a)					
s.18(b)					
s.68.1					
AFFECTATION DES FONDS					
Dépenses - activités normales:					
Télévision anglaise					
Télévision française					
Radio anglaise					
Radio française					
Division des cars de reportage					
Centre de production Ottawa					
Division de merchandising					
Activités nationales					
Technologies de CBC/Radio-Canada					
Division immobilière					
Galaxie					
Radio Canada international					
Réserve corporative					
Total des dépenses - activités normales					
Dépenses - Olympiques:					
Jeux Olympiques de Turin					
Jeux Olympiques d'Athènes					
Total des dépenses - Olympiques					
TOTAL AFFECTATION DES FONDS - SERVICE PRINCIPAL					
Dépenses - services spécialisés:					
Newsworld					
Réseau de l'information					
TOTAL AFFECTATION DES FONDS - SERVICES SPÉCIALISÉS					
TOTAL AFFECTATION DES FONDS POUR RADIO-CANADA					

Un résumé complet des résultats au 31 mars 2006, par composante, se trouve à l'Annexe A.

Les notes sont expliquées aux pages 12 à 20.

Note - les écarts négatifs sont entre parenthèses

Ne comprend pas les revenus et les coûts des activités multiplateformes

Dépenses – Service principal et services spécialisés : 4^e trimestre – _____ de
dollars

Note 1

-
-
-
-
-
-
-

s.18(a)
s.18(b)
s.68.1

Note 2

Note 3

Note 4

s.18(a)
s.18(b)
s.68.1

Note 5

Note 6

s.18(a)
s.18(b)
s.68.1

Note 7

Note 8

Note 9

**Pages 177 to / à 178
are withheld pursuant to section
sont retenues en vertu de l'article**

68.1

**of the Access to Information Act
de la Loi de l'accès à l'information**

Note 3

Note 4

Note 5

Page 180

**is withheld pursuant to sections
est retenue en vertu des articles**

18(a), 18(b)

**of the Access to Information Act
de la Loi de l'accès à l'information**

Note 8

s.18(a)

s.18(b)

s.68.1

s.18(a)
s.18(b)
s.68.1

SOMMAIRE - VUE D'ENSEMBLE

	(en milliers de \$)		
	pour l'exercice financier se terminant le 31 mars		
	2005-2006		
	Écart sur les revenus	Écart sur les dépenses	Écart net
Service principal:			
Télévision anglaise			
Télévision française			
Radio anglaise			
Radio française			
Jeux Olympiques de Turin -			
Division des cars de reportage			
Centre de production Ottawa			
Division merchandisage			
Activités nationales			
Technologies de CBC/Radio-Canada			
Gestion de l'immobilier			
Galaxie			
RCI			
Total - Composantes			
Réserve corporative			
Services spécialisés:			
Newsworld			
RDI			
Position nette			

Note - les écarts négatifs sont entre parenthèses

Ne comprend pas les revenus et les coûts des activités multiplateformes

ÉTAT DES RÉSULTATS FINANCIERS
Télévision anglaise
Pour l'exercice financier se terminant le 31 mars
(en milliers de \$)

s.18(a)
s.18(b)
s.68.1

	2005-2006			2004-2005	
	Budget Annuel	Réels	Écart par rapport au budget	Réels	Écart par rapport aux réels
PROVENANCE DES FONDS					
Crédits parlementaires					
Report de surplus					
Recettes publicitaires					
Recettes développement commercial					
Country Canada					
Recettes diverses					
TOTAL PROVENANCE DES FONDS					
AFFECTATION DES FONDS					
<u>Coûts reliés aux services générateurs de revenus</u>					
Ventes & marketing					
Ventes d'émissions à d'autres diffuseurs					
Développement commercial					
Country Canada					
Sous-total - services générateurs de revenus					
<u>Programmation et administration</u>					
Sports					
Arts et divertissement					
Nouvelles et actualités					
Programmation réseau					
Production et ressources					
Nouveaux médias					
Services de production					
Communications					
Exploitation régionale					
Réserve - Réseau					
Sous-total - programmation et administration					
<u>Services de soutien et autres</u>					
Administration					
Stations affiliées					
PTI - Service de diffusion - Régie centrale					
Service de support					
Sous-total - services de soutien et autres					
TOTAL - AFFECTATION DES FONDS					
POSITION NETTE					

* Veuillez noter que certains autres services peuvent aussi générer des revenus. Ceux-ci sont les services dont la fonction principale est la génération de revenus.

s.18(a)
s.18(b)
s.68.1

ÉTAT DES RÉSULTATS FINANCIERS
Télévision française
pour l'exercice financier se terminant le 31 mars
(en milliers de \$)

	2005-2006			2004-2005	
	Budget Annuel	Réels	Écart par rapport au budget	Réels	Écart par rapport aux réels
PROVENANCE DES FONDS					
Crédits parlementaires					
Report de surplus (déficit)					
Recettes publicitaires					
Diffuseur hôte - recettes					
Recettes diverses					
TOTAL PROVENANCE DES FONDS					
AFFECTATION DES FONDS					
<u>Coûts reliés aux services générateurs de revenus</u>					
Ventes & marketing (incl. Internet)					
Production commerciale					
Ventes d'émissions à d'autres diffuseurs					
Diffuseur hôte					
Services de production et autres					
Coûts - contrat échange inclus aux revenus					
Sous-total - services générateurs de revenus					
<u>Programmation et administration</u>					
Sports					
Arts et divertissement					
Nouvelles et actualités					
Programmation réseau					
Exploitation média					
Nouveaux médias					
PTI - Services de production					
Communications					
Exploitation régionale					
Réserve - réseau					
Sous-total - programmation et administration					
<u>Services de soutien et autres</u>					
Administration					
Stations affiliées					
PTI-Service de diffusion - régie centrale					
Services de support					
Sous-total - service de soutien et autres					
TOTAL - AFFECTATION DES FONDS					
POSITION NETTE					

s.18(a)
s.18(b)
s.68.1

Annexe D

ÉTAT DES RÉSULTATS FINANCIERS
Radio anglaise
pour l'exercice financier se terminant le 31 mars
(en milliers de \$)

	2005-2006			2004-2005	
	Budget Annuel	Réels	Écart par rapport au budget	Réels	Écart par rapport aux réels
PROVENANCE DES FONDS					
Crédits parlementaires					
Report de surplus					
Recettes diverses					
TOTAL PROVENANCE DES FONDS					
AFFECTATION DES FONDS					
Information					
Actualités					
Programmation musicale					
Arts et divertissement					
Nouveaux médias					
Production radio Toronto					
Service à la programmation					
Services réseau					
Distribution					
Administration					
Activités commerciales					
Réserve réseau					
<u>Services régionaux</u>					
Terre-Neuve					
Maritimes					
Quebec					
Ontario					
Toronto					
Services du Nord					
Manitoba					
Saskatchewan					
Alberta					
Colombie-Britannique					
Réserve régionale					
Sous-total - services régionaux					
TOTAL AFFECTATION DES FONDS					
POSITION NETTE					

s.18(a)

s.18(b)

s.68.1

Annexé E

ÉTAT DES RÉSULTATS FINANCIERS
Radio française
pour l'exercice financier se terminant le 31 mars
(en milliers de \$)

	2005-2006			2004-2005	
	Budget Annuel	Réels	Écart par rapport au budget	Réels	Écart par rapport aux réels
PROVENANCE DES FONDS					
Crédits parlementaires					
Recettes diverses					
Report de surplus					
TOTAL - PROVENANCE DES FONDS					
AFFECTATION DES FONDS					
Administration					
Développement de la programmation					
Information					
Émissions musicales et culturelles					
Chaîne espace musique					
Émissions Première Chaîne					
Exploitation et administration					
Distribution					
Promotion, analyse et diffusion					
Nouveaux médias					
Réserve réseau					
<u>Services régionaux:</u>					
Atlantique					
Québec					
Ontario/ Outaouais					
Manitoba					
Saskatchewan					
Alberta					
Colombie-Britannique					
Sous-total - Services régionaux					
TOTAL AFFECTATION DES FONDS					
POSITION NETTE					

s.18(a)

Annexe F

Division du merchandising
Tableau des recettes et des coûts supplémentaires
pour l'exercice financier se terminant le 31 mars
(en milliers de \$)

	2005-2006			2004-2005	
	Budget Annuel	Réels	Écart par rapport au budget	Réels	Écart par rapport aux réels
PROVENANCE DES FONDS					
Ventes de produits					
Ventes au détail					
Distribution					
Education					
Droits					
Total provenance des fonds					
AFFECTATION DES FONDS					
Administration					
Ventes de produits					
Ventes au détail					
Distribution					
Education					
Droits					
Total affectation des fonds					
POSITION NETTE					

Galaxie
Tableau des recettes et des coûts supplémentaires
pour l'exercice financier se terminant le 31 mars
(en milliers de \$)

s.18(a) s.18(b) s.68.1	2005-2006			2004-2005	
	Budget	Réels	Écart par rapport au budget	Réels	Écart par rapport aux réels
Recettes supplémentaires					
Satellite					
Câble					
Musique pour les entreprises					
Recettes diverses					
Total - Recettes supplémentaires					
Coûts supplémentaires					
Programmation					
Droits					
Distribution					
Administration					
Entreprises					
Marketing					
Prix étoile					
Total - Coûts supplémentaires					
Transfert de l'exploitation à l'immobilisation					
Total - Coûts supplémentaires incluant les coûts d'immobilisation					
Excédent des recettes sur les coûts					

s.18(a)
 s.18(b) **Newsworld**
 s.68.1 **Tableau des recettes et des coûts supplémentaires**
pour l'exercice financier se terminant le 31 mars
(en milliers de \$)

	2005-2006			2004-2005	
	Budget	Réels	Écart par rapport au budget	Réels	Écart par rapport aux réels
Recettes supplémentaires					
Recettes publicitaires					
Services aux abonnés					
Ventes d'émission					
Report de surplus					
Total - Recettes supplémentaires					
Coûts supplémentaires					
Programmation					
Distribution					
Gestion et services					
Ventes					
Promotion/Marketing					
Total - Coûts supplémentaires					
Excédent des recettes sur les coûts					
Remboursements au service principal					
Immobilisations					
Total - Remboursements au service principal					
Excédent des recettes sur les coûts après remboursements au service principal					

s.18(a)

s.18(b)

s.68.1

Le Réseau de l'information
Tableau des recettes et des coûts supplémentaires
pour l'exercice financier se terminant le 31 mars
(en milliers de \$)

	2005-2006			2004-2005	
	Budget	Réels	Écart par rapport au budget	Réels	Écart par rapport aux réels
Recettes supplémentaires					
Recettes publicitaires					
Services aux abonnés					
Ventes d'émission					
Divers					
Report de surplus					
Total - Recettes supplémentaires					
Coûts supplémentaires					
Programmation et production					
Services techniques					
Ventes et promotion					
Gestion divers					
Total - Coûts supplémentaires					
Excédent des recettes sur les coûts					
Remboursements au service principal					
Immobilisations					
Total - Remboursements au service principal					
Excédent des recettes sur les coûts après remboursements au service principal					

	Période	Ponctuel	Total annuel (en milliers de dollars)	Total ponctuel (en milliers de dollars)	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	Années futures
					(base différentielle)							
TÉLÉVISION ANGLAISE												
Réduction des dépenses par service												
i) Nouvelles et Actualités - abolition de 19 postes												
ii) Réductions générales												
iii) Autres services												
Économies négociées avec le SCEP (élimination des indemnités pour heures supplémentaires, des périodes de repos quotidien, etc.)												
Examen de la gestion et de l'administration (abolition de 34 postes)												
Heures supplémentaires												
Centralisation de la mise en ondes (Télévision anglaise)												
Réduction de l'effectif net : 42 ETP dans les établissements régionaux en centralisant la mise en ondes à Toronto												
Dépenses en immobilisations												
Désaffiliations												
Économies relatives à la réduction des droits d'affiliation												
Frais d'exploitation additionnels												
Coûts évités - réduction des droits pour le LNH (à titre d'info - non inclus dans le total)												
Coûts évités - réduction des droits pour les Jeux olympiques (à titre d'info - non inclus dans le total)												
Dépenses en immobilisations												
PORD												
Économies												
Dépenses en immobilisations												
TOTAL - TÉLÉVISION ANGLAISE												
RADIO ANGLAISE												
Accroissement de la productivité - Examen de la technique et de l'admin. 2000-2001												
Examen des ressources												
Colombie-Britannique 2004-2005												
Programmation réseau 2004-2005												
Radio 3												
Couverture des Jeux olympiques de 2006 et de 2008												
Centre de production de Toronto - Examen de la technique et de l'administration 2003-2004												
Mise en œuvre de la fonction glisser-déplacer												
Diminution des heures supplémentaires												
Économies des services												
Élimination du programme de détachement												
TOTAL - RADIO ANGLAISE												
RADIO FRANÇAISE												
Conversion du système de distribution national de la radio de la bande KU à la bande C												
Diminution du coût des lignes												
Dépenses en immobilisations												
Consolidation des régies de la radio (RCI et Première Chaîne)												
Réduction de l'équipe technique de												
Dépenses en immobilisations												
TOTAL - RADIO FRANÇAISE												

	Permanent	Ponctuel	Total annuel (en milliers de dollars)	Total ponctuel (en milliers de dollars)	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	Années futures
					(base différentielle)							
					(en milliers de dollars)	(en milliers de dollars)	(en milliers de dollars)	(en milliers de dollars)	(en milliers de dollars)	(en milliers de dollars)	(en milliers de dollars)	(en milliers de dollars)
TÉLÉVISION FRANÇAISE												
Remplacement des installations louées de Telesat - Montréal liaison montante TV												
Économies												
Dépenses en immobilisations												
Centre de l'information (CDI)												
Économies												
Dépenses en immobilisations												
Modernisation du studio 42												
Économies												
Dépenses en immobilisations												
Augmentation du revenu												
ARTV												
Coûts liés à la mise en ondes d'ARTV												
Revenus de ARTV												
Mise à niveau de l'équipement commun pour les événements spéciaux (TA et TF)												
Économies - la location d'équipement n'est plus nécessaire												
Dépenses en immobilisations												
TF - conversion à l'équipement SX - Nouvelles nationales et régionales à Toronto												
Économies												
Dépenses en immobilisations												
Car de reportage 7												
Réduction des frais de maintenance du car de reportage 7												
Dépenses en immobilisations - remplacement du pupitre son dans le car de reportage 7												
Augmentation des revenus - location du car de reportage 7												
Remplacement de l'éclairage dans divers studios												
Économies												
Dépenses en immobilisations												
Service Inews												
Réduction du nombre d'ETP												
Dépenses en immobilisations												
Centralisation de la mise en ondes												
Économies - phase Est (2 postes)												
Économies - phase Ouest (2 postes)												
Dépenses en immobilisations - phase Est												
Dépenses en immobilisations - phase Ouest												
Désaffiliation (Cogeco)												
Acquisition d'archives de Cogeco												
Désaffiliation (Cogeco)												
Dépenses en immobilisations - acquisition de cars herziens (Cogeco)												
Augmentation des revenus - désaffiliation (Cogeco)												
PORD - Télévision française												
Économies												
Dépenses en immobilisations												
Centre de production des dramatiques												
Économies												
Dépenses en immobilisations												
Produit de la vente - divers												
TOTAL - TÉLÉVISION FRANÇAISE												

s.18(a)
s.18(b)
s.68.1

	Permanent	Ponctuel	Total annuel (en milliers de dollars)	Total ponctuel (en milliers de dollars)	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	Années futures
					Base différentielle)							
TECHNOLOGIES DE RADIO-CANADA												
Demande de propositions pour les réseaux et les services de diffusion et de télécommunications												
Frais d'exploitation additionnels												
Économies annuelles sur les frais d'exploitation												
Économies - migration Bell Mobilité												
Produit de la vente - ancien réseau étendu												
Dépenses en immobilisations												
Projet d'échange de trafic												
Frais ponctuels												
Économies annuelles												
Dépenses en immobilisations												
Mise à niveau des logiciels SAP - InfoShuttle												
Économies sur les frais d'exploitation												
Frais de maintenance												
Dépenses en immobilisations												
Système de multivision des événements à distance												
Dépenses en immobilisations												
Économies périodiques												
Économies ponctuelles												
Installations de Rogers Atlantic												
Dépenses en immobilisations												
Économies ponctuelles												
Économies périodiques												
Production à distance des Jeux olympiques												
Dépenses en immobilisations												
Économies ponctuelles												
Centre météorologique												
Dépenses en immobilisations												
Coûts d'exploitation ponctuels												
Frais d'exploitation périodiques (après déduction des économies annuelles)												
Recettes supplémentaires												
Immeuble de Touch Radio à Edmonton												
Dépenses en immobilisations												
Paiement à des tiers												
Augmentation nette des revenus												
Augmentation des revenus de location du site												
Location permanente												
Location ponctuelle												
Installation Master FM (North Bay, ON)												
Augmentation des revenus de location du site - permanent												
Dépenses en immobilisations												
Économies sur les frais d'exploitation												
Restructuration de la Transmission												
Coûts de soutien SAP												
Passage à la technologie VPN (Londres et Paris)												
Abattement pour charges payées d'avance - entreprises de télécommunications												
PORD - Phase 3												
Économies sur les conférences téléphoniques grâce au nouveau taux consenti par Bell												
Économies liées au changement de fournisseur de HP à Bell en ce qui concerne Cisco												
Annulation de l'adhésion à TVNC												
Ententes internationales avec les installations à ondes courtes à Sackville												
Revenus de la NABA												
Entente globale CBC/CANCOM (Services spécialisés)												
TOTAL - TECHNOLOGIES DE RADIO-CANADA												

s.18(a)

s.18(b)

GAINS D'EFFICIENCE
MISE À JOUR - MARS 2006

Annexe J

	Permanent	Ponctuel	Total annuel (en milliers de dollars)	Total ponctuel (en milliers de dollars)	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	Années futures
					(base différentielle)							
DIVISION IMMOBILIÈRE												
Réduction de l'effectif netta (à l'exclusion du plan de relève)												
Projet d'économie d'énergie (Toronto, Montréal, Vancouver et Moncton)												
Économies d'énergie												
Frais ponctuels												
Academy of Design												
Améliorations locatives												
Réduction de taxes - Taxes payées directement par le locataire à la municipalité												
Revenus de location												
Consolidation à Edmonton												
Dépenses en immobilisations												
Produit de la vente d'immeubles à Edmonton												
Economies sur les frais d'exploitation - Edmonton												
Coûts futurs évités estimés sur les dépenses en immobilisations (à titre d'info - non inclus dans les totaux)												
Consolidation à Québec												
Dépenses en immobilisations												
Produit de la vente de l'immeuble à Québec												
Frais d'exploitation additionnels												
Coûts futurs évités estimés sur les dépenses en immobilisations (à titre d'info - non inclus dans les totaux)												
Consolidation à Ottawa												
Dépenses en immobilisations												
Produit de la vente de l'immeuble de l'avenue Tanark												
Sous-location - Ottawa (rue Queen)												
Frais d'exploitation additionnels												
Frais d'exploitation additionnels												
Coûts futurs évités estimés sur les dépenses en immobilisations (à titre d'info - non inclus dans les totaux)												
Contrat avec ProFac												
Coûts évités - Renégociation du contrat avec ProFac (à titre d'info - non inclus dans les totaux)												
Révision du contrat avec ProFac												
Révision du contrat avec ProFac												
Economies - sondage sur la satisfaction												
Vente de l'entrepôt de Burnaby												
Produit de la vente de l'entrepôt												
Economies sur les frais d'exploitation												
Diminution des revenus												
Vente de l'immeuble de Winnipeg												
Economies sur les frais d'exploitation												
Produit de la vente de l'immeuble												
Autres ventes de propriétés												
Terrain à Toronto												
Terrain à Saint-Boniface												
Saskatchewan Property Management Corporation (SPMC)												
Améliorations locatives												
SPMC - nouveau bail												
SPMC - renouvellement												
Autres activités générant des revenus												
Nouveaux tarifs - politiques de stationnement												
Regina - location de la cafétéria												
Calgary - location de la cafétéria												
Diverses augmentations liées au renouvellement des baux												
Diverses augmentations liées au renouvellement des baux												

A0016096_79-000194

s.18(a)

s.18(b)

Annexe J

GAINS D'EFFICACITÉ
MISE À JOUR - MARS 2005

	Permanent	Ponctuel	Total annuel (en milliers de dollars)	Total ponctuel (en milliers de dollars)	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	Années futures
					(Base différentielle)							
Taxes foncières économisées												
Taxe d'eau												
Coûts évités - Négociation des taxes - Toronto (à titre d'info - non inclus dans les totaux)												
Diverses taxes économisées												
Renégociation des contrats de service de Montréal et de Moncton												
Réduction de la sécurité additionnelle (mise en place après le 11 sept.)												
Économies pour le 80, rue Commissionner à Toronto												
Économies sur les frais d'exploitation - CIR (Montréal)												
Économies sur les frais d'exploitation - Poste de pompage (Montréal)												
Contrat d'entretien des ascenseurs												
Autres économies diverses												
TOTAL - DIVISION IMMOBILIÈRE												
ORGANISATION DE SERVICES PARTAGÉS												
Coûts d'exploitation ponctuels												
Dépenses ponctuelles en immobilisations												
Économies permanentes / (coûts)												
TOTAL - ORGANISATION DE SERVICES PARTAGÉS												
APPROVISIONNEMENT STRATÉGIQUE												
Coûts d'exploitation additionnels												
Économies permanentes												
TOTAL - APPROVISIONNEMENT STRATÉGIQUE												
PROJETS À L'ÉCHELLE DE L'ENTREPRISE												
Projet Vision												
Économies												
Dépenses ponctuelles telles que la formation, l'équipement informatique, les coûts de transformation												
Dépenses en immobilisations												
TOTAL - PROJETS À L'ÉCHELLE DE L'ENTREPRISE												
INITIATIVES NATIONALES												
Coûts évités - Révision de la politique relative aux départs (à titre d'info - non inclus dans les totaux)												
Coûts évités - Opérations de change pour les droits futurs liés aux Jeux olympiques (à titre d'info - non inclus dans les totaux)												
Nouveau contrat - agence de voyages												
Augmentation des revenus provenant de l'Association du droit de retransmission canadien												
Réduction de 10 % des budgets pour les déplacements												
TOTAL - INITIATIVES NATIONALES												
TOTAL GLOBAL (excluant les coûts évités)												

A0016096_80-000195

Aperçu du budget d'immobilisations 2005-2006 au 31 mars 2006

<u>Composante</u>	<u>Plan</u> <u>d'immobilisations</u>	<u>Dépenses</u> <u>réelles</u>	<u>Excédent/</u> <u>(Déficit)</u>	<u>En % du Plan</u> <u>d'immobilisations</u>
Télévision anglaise (TA)				
Télévision française (TF)				
Radio anglaise (RA)				
Radio française (RF)				
Nouveaux médias (NM)				
Technologies de l'information (TI)				
Division immobilière (Div Immo)				
Division de la transmission (T&D)				
Ressources humaines (RH)				
Finances et Administration (F&A)				
Gestion du parc automobile				
Division des cars de reportage				
Capital ordinaire				
Projets à l'échelle de l'entreprise (La Société) - détails à la prochaine page				
Réserve nationale				
Réserve nationale engagée				
Virement ponctuel de fonds d'immobilisations à 2005-2006				
Impact du plan d'immobilisations dépassant les ressources disponibles (1)				
Sous-total - Excédent/(déficit) prévu				
Virements de l'exploitation aux immobilisations reportés de 2005-2006 à 2006-2007				
Prêts de NATV reportés de 2005-2006 à 2006-2007				
Excédent/(déficit) total prévu				
<i>% des ressources en immobilisations disponibles</i>				
TOTAL - RESSOURCES EN IMMOBILISATIONS DISPONIBLES				
Financement des immobilisations				
Virement ponctuel de fonds d'immobilisations de 2004-2005 à 2005-2006				
Virement ponctuel de fonds d'immobilisations de 2005-2006 à 2006-2007				
Virements prévus de l'exploitation aux immobilisations				
Virements de l'exploitation aux immobilisations reportés de 2005-2006 à 2006-2007				
Report de 2004-2005				
Paiements provenant d'organismes externes				
Remboursements à NATV				
Produits de vente/échange de biens				
Remboursements d'assurance				
Total - Ressources en immobilisations disponibles en 2005-2006				
EXCÉDENT/(DÉFICIT) TOTAL PRÉVU				

s.18(a)

s.18(b)

**Aperçu du budget d'immobilisations 2005-2006 - Projets à l'échelle de l'entreprise
au 31 mars 2006**

	<u>Plan</u> <u>d'immobilisations</u>	<u>Dépenses</u> <u>réelles</u>	<u>Excédent/</u> <u>(Déficit)</u>	<u>En % du Plan</u> <u>d'immobilisations</u>
Projets à l'échelle de l'entreprise (La Société)				
Gestion du contenu - Projet Ottawa				
Plan d'immobilisations approuvé				
Autres sources de fonds réservées pour ce projet				
Résultat net pour ce projet	---			
Consolidation à Québec				
Plan d'immobilisations approuvé				
Autres sources de fonds réservées pour ce projet				
Résultat net pour ce projet	---			
Organisation de services partagés				
Plan d'immobilisations approuvé				
Autres sources de fonds réservées pour ce projet				
Résultat net pour ce projet	---			
Consolidation à Edmonton				
Vision/Sintec				
Système de gestion des nouvelles (iNews)				
Radiotique				
Radiotique - solution définitive				
Infrastructure pour la Division du marchandisage				
Émetteurs numériques				
PORD				
Diffusion radio numérique				
Essai en condition réelle de système d'alerte au public				
Bureau de Washington				
Production des Jeux olympiques				
Présentation HD - Vancouver				
Histoire du hockey en haute définition				
Système de discothèque virtuelle				
Remplacement des affiliés de télévision				
Solutions de reprise après sinistre - Toronto et Montréal				
Mise à niveau de l'utilitaire de cartes de rayonnement				
Équipement d'essai TVN / TVHD				
Réserve d'équipement - SEG				
Moteur de recherche Intranet				
Installations de liaison montante de Sirius Radio				
Production Olympique HD				
ScheduLINK				
Réaménagement de Vancouver				
Remplacement FSV et d'équipement - Montréal				
Consolidation Télévision et Radio à St-John's				
Excédent/(déficit) total prévu	---			

A0016096_83-000198

s.18(a)
s.18(b)

Aperçu du budget d'immobilisations 2005-2006 au 31 mars 2006 - Notes

Note 1

Note 2

Note 3

Note 4

Note 5

Note 6

Note 7

s.18(a)
s.18(b)

Note 8

Note 9

Note 10

Note 11

Note 12

Note 13

s.18(a)
s.18(b)

Note 14

Note 15

Note 16

Note 17

Note 18

Plan d'investissement en immobilisations 2005-2006 à 2007-2008
Projets supérieurs à 5 millions, au 31 mars 2006 - Notes

s.18(a)
s.18(b)

Note 1

Note 2

Note 3

Note 4

Note 5

Note 6

Note 7

Note 8

Board of Directors

June 20, 2006

Subject matter

President and CEO's Signing Authority

Background

In 2004, the Board approved the attached signing authority.

Information on the matter

At the request of new Board members, we are attaching, as a standing item, the actual signing resolution for reference purposes.

For decision

For information

Prepared by

Name: Pierre Nollet

Date: June 1, 2006

Management recommendation

Last discussed at the Board

Next steps

PRESIDENT'S SIGNING AUTHORITY RESOLUTION

On a motion duly moved and seconded

WHEREAS the President and CEO requires sufficient authority to carry out his/her functions; and

WHEREAS the Board reviews and approves the Capital and Operating budgets each and every year; and

WHEREAS the authority granted to the President and CEO shall be carried out within the limits of the approved budgets, the Corporation's By-laws and the Broadcasting Act;

IT IS THEREFORE RESOLVED THAT the President and CEO directly or through his/her delegate be and is hereby authorized to decide, enter into or commit on behalf of the Corporation for:

1. *(acquisition or disposition of real property)* any matters which have a financial value or consideration to the Corporation of less than \$4 million, when covered by Section 48(2) of the Broadcasting Act;
2. *(leasing of real property)* any matters which have a financial value or consideration to the Corporation of up to \$15 million, when covered by Section 48(2) (b) of the Broadcasting Act and Order in Council number P.C. 2002-1582 and dated September 24, 2002;
3. *(programming)* any matter relating to the acquisition, production co-production of financing of programs and has a financial value or consideration to the Corporation of up to \$10 million and commits the Corporation to a period of 4 years or less;
4. *(revenue generating)* any matter where the main objective is to generate revenues which has a financial value or consideration to the Corporation of up to \$15 million and commits the Corporation to a period of 4 years or less; provided that advertising contracts shall follow the general rules below;
5. *(general)* any other matters which have a financial value or consideration to the Corporation of up to \$5 million save and except when Governor in Council approval or Minister of Finance approval is required, pursuant to Section 46 and 46.1 of the Broadcasting Act.

The above authority does not include the power to agree to or enter into new business ventures on behalf of the Corporation

PRESIDENT'S SIGNING AUTHORITY RESOLUTION

IT IS FURTHER RESOLVED THAT the President directly or through his/her delegate be and is empowered and directed, in the name and on behalf of the CBC, to make, execute and deliver and to do all such acts and things as are necessary or appropriate to effect the foregoing resolution and to execute all agreements, undertakings, documents, instruments or certificates in the name and on behalf of the CBC in connection with the authority contemplated in the foregoing resolution and any acts or things heretofore done or made or documents heretofore executed and delivered which effect the foregoing resolution are in all respect approved, ratified and confirmed.

Board of Directors

June 19-20, 2006

Subject matter

Torino Olympics 2006 – Update and Status Report

Background

Provide Board members with a review of the Torino Olympics performance and to provide an update on the 10-year business plan. The document provides an overview of CBC/Radio-Canada's programming highlights and financial results for the Olympic Games in Torino.

Information on the matter

For decision

For information

Prepared by

Name: Richard Stursberg , Nancy Lee and Neil McEneaney

Date: June 2, 2006

Management recommendation

Last discussed at the Board

Date: N/A

Decision made:

Next steps

Anticipated project completion date: _____

(If contract, indicate date of expiry): _____

**Pages 208 to / à 224
are withheld pursuant to section
sont retenues en vertu de l'article**

68.1

**of the Access to Information Act
de la Loi de l'accès à l'information**

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements and all other information presented in this Annual Report are the responsibility of management and have been reviewed and approved by the Board of Directors of the Corporation. These consolidated financial statements, which include amounts based on management's best estimates as determined through experience and judgement, have been properly prepared within reasonable limits of materiality and are in accordance with Canadian generally accepted accounting principles.

Management of the Corporation maintains books of account, records, financial and management controls, and information systems, which are designed to provide reliable and accurate financial information on a timely basis. These controls provide reasonable assurance that assets are safeguarded, that resources are managed economically and efficiently in the attainment of corporate objectives, that the operations of the Corporation are carried out effectively and that transactions are in accordance with the applicable provisions of part X of the *Financial Administration Act*, part III of the *Broadcasting Act* and the by-laws of the Corporation.

The Corporation's Internal Auditor has the responsibility for assessing the Corporation's systems, procedures and practices. The Auditor General of Canada conducts an independent audit of the annual consolidated financial statements and reports on her audit to the Minister of Canadian Heritage and Status of Women.

The Board of Directors' Audit Committee, which consists of five members, none of whom is an officer of the Corporation, reviews and advises the Board on the financial statements and the Auditor General's report thereto. The Audit Committee oversees the activities of Internal Audit and meets with management, the Internal Auditor and the Auditor General on a regular basis to discuss the financial reporting process as well as auditing, accounting and reporting issues.

Ottawa, Canada
June 7, 2006

President and Chief Executive Officer

Vice-President and Chief Financial Officer

CONSOLIDATED BALANCE SHEET

As at March 31

	2006	2005
		<i>(restated, note 3)</i>
	<i>(thousands of dollars)</i>	
ASSETS		
Current		
Cash and cash equivalents	-	20,487
Short-term investments (Note 4)	93,658	82,794
Accounts receivable	181,048	128,318
Inventory (Note 5)	145,584	124,951
Prepaid expenses	56,795	56,300
Net investment in sales-type leases (Note 6)	1,771	1,685
	478,856	414,535
Property and equipment (Note 7)	971,649	983,036
Long-term receivables (Note 8)	72,016	73,963
Net investment in sales-type leases (Note 6)	65,551	66,929
Deferred charges	12,908	13,464
Long-term investments (Note 9)	3,924	38,393
	1,604,904	1,590,320
LIABILITIES		
Current		
Bank overdraft	2,556	-
Accounts payable and accrued liabilities	142,231	112,934
Employee-related liabilities (Note 10)	167,247	174,943
Bonds payable, including accrued interest (Note 12)	17,766	17,462
	329,800	305,339
Long-term		
Employee-related liabilities (Note 10)	298,230	230,606
Bonds payable (Note 12)	342,348	349,216
Deferred capital funding (Note 13)	599,541	629,987
	1,240,119	1,209,809
EQUITY		
Equity	34,985	75,172
	1,604,904	1,590,320

Commitments and contingencies (Notes 14 and 15)

The accompanying notes form an integral part of the consolidated financial statements.

Approved by the Board of Directors:

Director

Director

CONSOLIDATED STATEMENT OF OPERATIONS AND EQUITY

For the year ended March 31

	2006	2005
	<i>(thousands of dollars)</i>	
Revenues		
Advertising and program sales	314,708	321,670
Specialty Services (Note 16)	144,265	138,288
Other income	62,598	73,049
Financing income	14,737	13,699
	536,308	546,706
Expenses		
Television and Radio service costs	1,366,659	1,383,164
Specialty Services (Note 16)	126,348	120,662
Transmission, distribution and collection	63,023	63,748
Payments to private stations	7,997	8,058
Corporate management	16,542	16,525
Amortisation of property and equipment	123,841	122,675
	1,704,410	1,714,832
Operating loss before Government funding and taxes	(1,168,102)	(1,168,126)
Government funding		
Parliamentary appropriation for operating expenditures (Note 17)	1,006,231	936,771
Amortisation of deferred capital funding (Note 13)	117,956	116,729
	1,124,187	1,053,500
Net results before taxes	(43,915)	(114,626)
(Provision) Recovery of income and large corporations taxes (Note 18)	(272)	974
Net results for the year	(44,187)	(113,652)
Equity, beginning of year	75,172	184,824
Working capital funding (Note 17)	4,000	4,000
Equity, end of year	34,985	75,172

The accompanying notes form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOW

For the year ended March 31

	2006	2005 <i>(restated, note 3)</i>
	<i>(thousands of dollars)</i>	
Cash flows from (used in)		
Operating Activities		
Net results for the period	(44,187)	(113,652)
Items not involving cash:		
Loss (gain) on disposal of property and equipment	434	(7,293)
Amortisation of property and equipment	123,841	122,675
Loss (income) from investments in companies subject to significant influence	7,109	(137)
Change in long-term receivable	-	(4,224)
Amortisation of deferred charges	556	472
Amortisation of deferred capital funding	(117,956)	(116,729)
Change in employee-related liabilities [current]	(384)	(1,628)
Change in employee-related liabilities [long-term]	67,624	75,592
Net change in non-cash working capital balances (Note 19)	(61,860)	(27,704)
	(24,823)	(72,628)
Financing Activities		
Parliamentary appropriations (Note 17):		
Capital funding	87,510	95,757
Working capital funding	4,000	4,000
Repayment of bonds payable	(6,378)	(5,927)
	85,132	93,830
Investing Activities		
Acquisition of property and equipment	(116,067)	(118,404)
Purchase of long-term investments	(7,000)	(34,360)
Maturity of long-term investments	34,360	-
Recovery from salary advances	647	534
Capital recovery from notes receivable	1,575	5,329
Capital recovery from net investment in sales-type leases	1,285	1,198
Proceeds from disposal of property and equipment	1,848	12,298
	(83,352)	(133,405)
Decrease in cash and cash equivalents	(23,043)	(112,203)
Cash and cash equivalents, beginning of year	20,487	132,690
(Bank overdraft) Cash and cash equivalents, end of year	(2,556)	20,487
Consist of:		
Bank overdraft	2,556	-
Cash	-	158
Cash equivalents	-	20,329
Supplementary information:		
Interest paid	26,659	27,113
Income tax paid (recovered)	362	(809)

The accompanying notes form an integral part of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2006

1. AUTHORITY AND OBJECTIVE

CBC/Radio-Canada (the Corporation) was first established by the 1936 *Canadian Broadcasting Act* and continued by the 1958, 1968 and 1991 Broadcasting Acts. The Corporation is an agent of Her Majesty and all property acquired by the Corporation is the property of Her Majesty.

As the national public broadcaster, CBC/Radio-Canada provides radio and television services in both official languages incorporating predominantly and distinctively Canadian programs to reflect Canada and its regions to national and regional audiences.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Corporation have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies.

A. Basis of Consolidation

The consolidated financial statements include the accounts of the Corporation and the Broadcast Centre Trust, a variable interest entity (VIE) for which the Corporation is the primary beneficiary.

B. Parliamentary Appropriations and Deferred Capital Funding

The Corporation receives a substantial portion of its funding from the Government of Canada. Parliamentary appropriations for operating expenditures are recorded in the Statement of Operations and Equity. Parliamentary appropriations for property and equipment subject to amortisation are recorded as deferred capital funding on the Balance Sheet, and are amortised on the same basis and over the same periods as the related property and equipment. Parliamentary appropriations for working capital and purchase of lands are recorded in Equity.

C. Cash Equivalents

Cash equivalents, which are carried at cost as they are intended to be held to maturity, are comprised of marketable securities with original maturity dates of less than 90 days.

D. Short-term Investments

Short-term investments, which are carried at cost as they are intended to be held to maturity, consist of marketable securities with original maturity dates in excess of three months and current maturities of less than 12 months from the balance sheet date.

E. Foreign Currency Translation

Monetary assets and liabilities denominated in foreign currencies are translated to Canadian dollars at the exchange rates in effect at the balance sheet date and non-monetary items are translated at rates in effect when the assets were acquired or obligations incurred. Revenues and expenses are translated at average exchange rates during the year. All exchange gains or losses are included in determining net results for the year.

2. SIGNIFICANT ACCOUNTING POLICIES continued...

F. Derivative Financial Instruments

The Corporation uses derivative financial instruments such as forward contracts to manage the risk of loss due to adverse movements in foreign exchange. Foreign exchange forwards are contractual obligations in which two counterparties agree to exchange one currency for another at a specified price for settlement at a predetermined future date. The Corporation's policy is not to utilise derivative financial instruments for trading or speculative purposes.

A derivative must be designated and effective to be accounted for as a hedge. Effectiveness is achieved if the cash flows or fair values of the derivative substantially offset changes in cash flow or fair value of the hedged position and the timing is similar.

The Corporation formally documents all relationships between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. This process includes linking all derivatives to specific firm commitments. The Corporation also formally assesses, both at the hedge's inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

Foreign exchange gains or losses related to derivatives that are hedged are recognised at the same time as the related hedged financial instruments are settled. The forward contracts are accounted for as off-balance sheet items and are only recognised when one of the following events occurs: the anticipated transaction is realised; the hedged item is settled; the hedging relationship ceases to be effective; or, the hedging relationship designation is terminated. Any derivative financial instrument held by the Corporation that is not or no longer designated as an eligible hedge is carried at fair value on the balance sheet, and any change in the fair value is charged or credited to the statement of operations and equity.

G. Inventory

(i) Program Inventory

Programs completed and in process of production are stated at cost. Cost includes the cost of materials and services, and labour and overhead expenses applicable to programs. Program costs are charged to operations as the programs are broadcast, deemed unusable, or sold.

The Corporation enters into contracts for independent productions, film and script rights. The payments made under the terms of each contract are recorded as prepaid expenses and recorded as program inventory when the following criteria are met: cost is determined, material is accepted and program is available for broadcast. Cost is charged to operations in accordance with the approved program schedule, when deemed unusable or sold.

(ii) Other Inventory

Independent productions for which a payment is due and which do not meet the program inventory criteria, and various inventory from the Merchandising Division stated at the lower of cost and the net realisable value, are presented as other inventory.

2. SIGNIFICANT ACCOUNTING POLICIES continued...

H. Property and Equipment

Property and equipment are recorded at cost. The cost of assets constructed by the Corporation includes material, direct labour and related overhead. Amounts included in uncompleted capital projects are transferred to the appropriate property and equipment classification upon completion, and are then amortised. Amortisation is calculated on the straight-line method using rates based on the estimated useful life of the property and equipment as follows:

• Buildings	33 years
• Technical equipment	
Transmitters and towers	20 years
Other	5 years
• Furnishings and office equipment	10 years
• Computers	
Mainframe computers (hardware and software)	5 years
Microcomputers (hardware and software)	3 years
• Automotive	
Automobiles, cars and minivans	5 years
Utility vehicles, vans	8 years
Snowmobiles, all-terrain vehicles	10 years
TV and radio news trucks, 5-ton and 10-ton heavy trucks	12 years
Specialised vehicles	20 years

Leasehold improvements are capitalised and amortised over the terms of the respective leases.

I. Net Investment in Sales-type Leases

Assets leased under terms that transfer substantially all of the benefits and risks of ownership to the lessee are accounted for as sales-type leases.

Finance income from sales-type leases is recognised in a manner that produces a constant rate of return on the investment in the leases. The investment in the leases for purposes of income recognition is composed of net minimum lease payments and unearned finance income.

J. Deferred Charges

Initial costs incurred as a result of an operating lease are amortised over the period of the lease. Other deferred charges are amortised over the period of the respective agreements.

K. Long-term Investments

Investments in entities over which the Corporation does not exercise significant influence are recorded using the cost method. Investments in entities over which the Corporation exercises significant influence are accounted for using the equity method. Under this method, the Corporation's investment is initially recorded at cost and adjusted thereafter to include the Corporation's pro rata share of earnings of the investee. The amount of the adjustment is included in other income.

Long-term investments also include marketable securities and bonds with original maturity dates in excess of 12 months from the balance sheet date.

2. SIGNIFICANT ACCOUNTING POLICIES continued...

L. Pension Cost and Obligation

The Corporation provides pensions based on length of service and final average earnings as classified under defined benefit retirement pension arrangements.

The cost of pension benefits earned by employees is determined on an actuarial basis using the projected benefit method pro-rated on service and management's best assumptions such as the expected long-term rate of return on plan assets, rate of compensation, inflation, retirement ages of employees and mortality of members.

The pension costs are determined using the cost of employee pension benefits for the current year's service, the interest cost on the accrued benefit obligation, the expected investment return on the actuarial value of plan assets, the amortisation of the transitional asset, the amortisation of net actuarial gains and losses and the amortisation of past service costs. The market-related value of plan assets is used for the purpose of calculating the expected return on plan assets. The method used to determine the market-related value consists of spreading a given year's realised and unrealised capital gains and losses uniformly over that year and the three subsequent years.

Actuarial gains (losses) on plan assets arise from the difference between the actual return on plan assets for a period and the expected return on plan assets for that period. Actuarial gains (losses) on the accrued benefit obligation arise from differences between actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation. The net accumulated actuarial gains (losses) are amortised over the average remaining service period of active employees. The average remaining service period of the active employees covered by the pension plans is between 9.3 and 13.5 years (2005 – between 9 and 13.5 years).

On April 1, 2000, the Corporation adopted the new accounting standard on employee future benefits using the prospective application method. The Corporation is amortising the transitional pension asset on a straight-line basis over 13.5 years, which was the average remaining service period of the active employees expected to receive benefits under the pension plan as of April 1, 2000.

Past service costs arising from plan amendments are deferred and amortised on a straight-line basis over the average remaining service period of employees active at the date of amendment.

M. Employee Future Benefits Other than Pensions

The Corporation provides employee future benefits such as termination and other benefits including continuation of benefits coverage for employees on long-term disability, post-retirement life insurance and workers' compensation.

The cost of these benefits is determined on an actuarial basis using the projected benefit method pro-rated on service and management's best assumptions such as salary increases, inflation, retirement ages of employees, mortality of members and expected health care costs.

For employee termination benefits and post-retirement life insurance, the transitional obligation and the net actuarial gains or losses are amortised over the average remaining service period of the employee group. The transitional obligation and the net actuarial gains or losses for continuation of benefits for employees on long-term disability and workers' compensation are amortised over the expected average remaining duration of payments. The amortisation periods used for these plans are between 7.6 and 13.5 years (2005 – between 4 and 13 years).

Since a major portion of the liabilities for these items represents costs, which will be funded mainly from appropriations received from the Government of Canada in the future, these items do not have an impact on the Corporation's current net results of operations on a government funding basis.

N. Income Taxes

The Corporation follows the asset and liability method of accounting for income taxes. Future income tax assets and liabilities are recognised for the estimated future tax consequences attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases. The rates used to calculate the future income tax assets and liabilities are the enacted or substantively enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. If realisation of future income tax assets is considered more unlikely than likely, a valuation allowance is provided.

2. SIGNIFICANT ACCOUNTING POLICIES continued...

O. Revenue Recognition

(i) Advertising and Program Sales

Revenues from the sale of advertising airtime are recognised when the advertisement has been broadcast. Revenues from the sale of programs by the Main Channels to third-party broadcasters are recognised when the sale of goods or the rendering of services is completed.

(ii) Specialty Services

Revenues from specialty services include the sale of advertising airtime, subscriber revenues, and the sale of programs by the Specialty channels to third-party broadcasters. Revenues from the sale of advertising airtime are recognised when the advertisement has been broadcast. Revenues from program sales and subscriber fees are recognised when the sale of goods or the rendering of services is completed.

(iii) Other Income

Other income includes revenues from the leasing of space, facilities and services; activities such as host broadcaster; commercial productions sales; and gains from disposal of property and equipment. These are recognised when the sale of goods or the rendering of services is completed. Other income also includes changes in equity from investments in companies subject to significant influence.

(iv) Financing Income

Financing income includes interest revenues from bank accounts, short-term investments, investments in sales-type leases and notes receivables.

P. Measurement Uncertainty

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the year. Employee-related liabilities, estimated useful lives of property and equipment and contingent liabilities are the most significant items where estimates are used. Actual results could significantly differ from those estimated.

Q. Future Accounting Changes

In January 2005, the Canadian Institute of Chartered Accountants issued the following three accounting standards, which will become effective in 2007-2008:

Section 3855: Financial Instruments – Recognition and Measurement - This standard sets out criteria for the recognition, derecognition, measurement and classification of financial instruments. The Corporation will be required to categorise its financial assets as held for trading, held to maturity, available for sale, or as loans and receivables. The related accounting treatment will be dependent on the classification. Financial assets categorised as held for trading or available for sale are to be measured at fair value while financial assets held to maturity, loans and receivables are measured at amortised cost.

Section 3865: Hedges- Derivatives will be classified as held for trading unless designated as hedging instruments. All derivatives, including embedded derivatives that are not closely related to the host contract, will be measured at fair value. For derivatives that hedge the changes in fair value of an asset or liability, changes in the derivatives' fair value will be reported in the net results and offset by changes in the fair value of the hedged asset or liability. For derivatives that hedge variability in cash flows, the effective portion of changes in the derivatives' fair value will be initially recognised in the new category, other comprehensive income, and will subsequently be reclassified to net results in the periods affected by the variability in the cash flows of the hedged item.

Section 1530: Comprehensive Income - This standard requires certain gains and losses, that would otherwise be recorded as part of net results, to be presented in other comprehensive income until it is considered appropriate to be recognised in net results. The Corporation may be required to present a new financial statement titled *Comprehensive Income* to record such amounts until they are realised.

The Corporation is in the process of determining the impact these standards will have on its financial reporting.

3. CHANGE IN ACCOUNTING POLICY

On April 1, 2005, the Corporation adopted the Accounting Guideline 15, Consolidation of variable interest entities. This guideline requires the application of consolidation principles to certain entities that are subject to control on a basis other than ownership of voting interests (Note 11).

This change in accounting policy has been applied retroactively but did not result in any adjustment to the opening equity. The impacts are as follows:

	<u>2006</u>	<u>2005</u> <u>restated</u>	<u>2005</u> <u>as previously</u> <u>stated</u>
	<i>(thousands of dollars)</i>		
Consolidated Balance Sheet			
Current Liabilities:			
Accounts payable and accrued liabilities	142,231	112,934	124,016
Obligation under capital lease	-	-	6,380
Bonds payable, including accrued interest	17,766	17,462	-
Long-Term Liabilities:			
Obligation under capital lease	-	-	349,216
Bonds payable	342,348	349,216	-
Consolidated Statement of Cash Flow:			
Repayment of capital lease obligation	-	-	(5,927)
Repayment of bonds payable	(6,378)	(5,927)	-
Note 7: Property and Equipment :			
Property under capital lease	-	-	327,656
Buildings	459,089	481,841	154,185

4. SHORT-TERM INVESTMENTS

The average yield to maturity of the portfolio held as at March 31, 2006 is 3.18 per cent (2005 – 2.56 per cent). The average term to maturity is 158 days (2005 – 227 days).

The Corporation invests in the short-term money market and securities. These investments are limited to securities that are 100 per cent guaranteed by the Government of Canada.

5. INVENTORY

	<u>2006</u>	<u>2005</u>
	<i>(thousands of dollars)</i>	
Program inventory	141,505	120,709
Other inventory	4,079	4,242
	<u>145,584</u>	<u>124,951</u>

6. NET INVESTMENT IN SALES-TYPE LEASES

The Corporation's net investment in sales-type leases, includes the following:

	<i>(thousands of dollars)</i>
Total minimum lease payments receivable	130,154
Unearned income	(62,832)
	67,322
Current portion	(1,771)
Long-term portion	65,551

Future minimum lease payments receivable under the sales-type leases are as follows:

	<i>(thousands of dollars)</i>
2007	6,050
2008	6,050
2009	6,050
2010	6,050
2011	6,050
2012 to 2027	99,904
Total future minimum lease payments receivable	130,154

These sales-type leases bear a fixed interest rate of 7.15 per cent annually. The interest revenues generated from these sales-type leases represent \$4.8 million in 2006 (2005 - \$4.8 million).

7. PROPERTY AND EQUIPMENT

	<u>2006</u>		<u>2005</u>	
			<i>(restated, note 3)</i>	
	Cost	Accumulated amortisation	Net book value	
	<i>(thousands of dollars)</i>			
Land	21,727	-	21,727	21,006
Buildings	888,995	(429,906)	459,089	481,841
Technical equipment	1,293,932	(972,624)	321,308	328,805
Furnishings, office equipment and computers	137,354	(91,354)	46,000	41,320
Automotive	50,294	(36,477)	13,817	13,721
Leasehold improvements	44,231	(9,958)	34,273	34,998
Uncompleted capital projects	75,435	-	75,435	61,345
	2,511,968	(1,540,319)	971,649	983,036¹

¹ Cost and accumulated amortisation of property and equipment as at March 31, 2005 amounted to \$2,430.3 million and \$1,447.3 million respectively.

8. LONG-TERM RECEIVABLES

A. Notes Receivable

The Corporation has two long-term notes receivable following the sales of lands. These notes bear a fixed interest rate of 7.15 per cent annually.

Future minimum payments receivable under the term of the notes are as follows:

	<i>(thousands of dollars)</i>
2007	5,567
2008	5,567
2009	5,567
2010	5,567
2011	5,567
2012 to 2027	90,007
Total future minimum payments - notes receivable	117,842
Deduct: imputed interest	(56,328)
Notes Receivable	61,514
Less: current portion (included in accounts receivable)	(1,659)
Notes Receivable long-term	59,855

B. Salary Advances – Change in Payroll

The implementation of a new payroll system in fiscal year 1998-1999 required a change in the payroll schedule of the Corporation. To adjust to this schedule without compromising the bi-weekly payments to employees, the Corporation issued a salary advance to be recovered upon termination of employment. This salary advance represents \$12.2 million in 2006 (2005 – \$12.8 million).

9. LONG-TERM INVESTMENTS

During the 2006 fiscal year, the Corporation acquired ownership interests in Sirius Canada Inc., an investment in two types of shares: class A shares, an investment over which the Corporation exercises significant influence and is accounted for using the equity method; and class C shares, an investment presented at cost.

	<u>2006</u>			<u>2005</u>		
	Significant influence	Other	Total	Significant influence	Other	Total
	<i>(thousands of dollars)</i>					
ARTV – participation at 37%	3,753	-	3,753	4,016	-	4,016
The Documentary Channel – participation at 29% ¹	-	-	-	-	-	-
Sirius Canada Inc. ²⁻³	(6,846)	7,000	154	-	-	-
Marketable securities and bonds ⁴	-	-	-	-	34,360	34,360
Portfolio investments	-	17	17	-	17	17
Total	(3,093)	7,017	3,924	4,016	34,377	38,393

¹ The Corporation has not recorded a portion of The Documentary Channel's losses since the Corporation does not assume any financial risk relating to The Documentary Channel.

² The Corporation has invested \$25.05 in class A shares which represents a 25.05% participation. Those shares are entitled to receive dividends in equal amounts per share.

³ The Corporation invested \$ 7 million in class C shares which are entitled to a preferential cumulative dividend of 8% per annum on the redemption price. These shares may be redeemed at any time by Sirius Canada Inc.

⁴ This year there is no investment of this type. The Corporation could invest in the long-term money market and securities. These investments would be limited to securities and bonds that are 100 per cent guaranteed by the Government of Canada.

10. PENSION PLANS AND EMPLOYEE-RELATED LIABILITIES

Employee-related liabilities are as follows:

	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
	Current		Long-term	
	<i>(thousands of dollars)</i>			
Accrued pension benefit liability (Note A)	-	-	154,836	97,321
Employee future benefits other than pensions (Note A)	-	-	143,140	133,007
Vacation pay	56,634	51,708	-	-
Workforce reduction (Note B)	23,536	16,232	-	-
Salary-related liabilities	87,077	107,003	254	278
	167,247	174,943	298,230	230,606

A. CBC/Radio-Canada Pension Plans and Other Employee Future Benefits

The Corporation maintains a contributory defined benefit pension plan, the CBC/Radio-Canada Pension Plan, covering substantially all employees of the Corporation. Retirement benefits are based on the length of pensionable service and on the average of the best five consecutive years of pensionable salary in the last ten years of employment. Employees are required to contribute a percentage of their pensionable salary to the plan, with the Corporation providing the balance of the funding, as required, based on actuarial valuations, which are made at least on a triennial basis (latest evaluation made in December 2005) and the next required valuation will be as of December 2006. The Corporation also maintains unfunded non-contributory defined benefit pension arrangements. The measurement date for the pension plan assets and the accrued benefit obligation is March 31.

Assumptions – annual rates:

	<u>2006</u>	<u>2005</u>
Expected long-term rate of return on plan assets	6.75%	6.75%
Discount rate – beginning of year	5.00%	4.75%
Discount rate – end of year	5.00%	5.00%
Long-term rate of compensation increase, excluding merit and promotion	3.45%	4.00%
Health care cost trend rate	8.5% for 5 years; 4.5% thereafter	8.5% for 5 years; 4.5% thereafter
Indexation of pensions in payment	2.7%	2.7%

Annual amount:

	<u>2006</u>	<u>2005</u>
	<i>(thousands of dollars)</i>	
Employee contributions	36,689	37,517
Benefit payments for the year – pension plans	181,649	175,718
Benefit payments for the year – other employee future benefits	12,007	9,172

10. PENSION PLANS AND EMPLOYEE-RELATED LIABILITIES continued...

	2006		2005	
	CBC/Radio-Canada pension plans	Other Employee future benefits	CBC/Radio-Canada pension plans	Other Employee future benefits
	<i>(thousands of dollars)</i>			
Fair value of plan assets, end of year	4,154,560	-	3,753,550	-
Accrued benefit obligation, end of year	(4,138,509)	(161,626)	(4,250,824)	(174,141)
Surplus (deficit), end of year	16,051	(161,626)	(497,274)	(174,141)
Unamortised past service costs	71,978	(4,187)	81,575	(4,606)
Unamortised net actuarial losses	455,400	933	1,109,639	20,377
Unamortised transitional (asset) obligation	(698,265)	21,740	(791,261)	25,363
Accrued benefit liability, end of year	(154,836)	(143,140)	(97,321)	(133,007)
Accrued benefit liability, beginning of year	(97,321)	(133,007)	(35,367)	(118,423)
Employee future benefits revenues (costs):				
Current service cost	(82,185)	(8,314)	(93,680)	(8,969)
Interest on accrued benefit obligation	(210,972)	(8,450)	(200,870)	(8,558)
Expected return on actuarial value of assets	236,162	-	236,538	-
Amortisation of past service costs	(9,597)	419	(9,597)	-
Amortisation of transitional asset (obligation)	92,996	(3,607)	92,996	(3,618)
Amortisation of actuarial losses	(134,473)	(2,188)	(135,293)	(2,611)
Employee future benefits costs for the year	(108,069)	(22,140)	(109,906)	(23,756)
Corporation pension plan contributions	49,638	-	47,060	-
Benefit payments for unfunded plans	916	12,007	892	9,172
Total cash payments	50,554	12,007	47,952	9,172
Accrued benefit liability, end of year	(154,836)	(143,140)	(97,321)	(133,007)

As at March 31, 2006, the accrued benefit obligation for the CBC/Radio-Canada Pension Plan and for the unfunded benefit pension arrangements represented respectively \$4,089.1 million (2005 - \$4,204.6 million) and \$49.5 million (2005 - \$46.2 million).

Asset category	Percentage of plan assets (based on fair values)	
	2006	2005
Fixed income	51%	34%
Canadian equities	15%	29%
Global equities	21%	26%
Strategic	13%	11%
	100%	100%

B. Workforce Reduction

The Corporation decided to cease most of its design operations in the Toronto Production Centre. These staff reductions represent a liability of \$8 million. The balance of the liability is for various reductions throughout the Corporation.

11. VARIABLE INTEREST ENTITIES

Under the Canadian Institute of Chartered Accountants, Accounting Guideline 15, variable interest entities (VIE) are defined as entities that do not have sufficient equity at risk to finance their activities without additional subordinated financial support, or where the equity holders lack the overall characteristics of a controlling financial interest. The guideline requires that a VIE be consolidated with the financial results of the entity deemed to be the primary beneficiary of the majority of the VIEs expected losses and its expected residual returns, or both.

The Corporation is deemed to be the primary beneficiary of the Broadcast Centre Trust (the Trust) and has implemented AcG-15 retroactively with restatement of the prior period. The Trust is a charitable trust that is a lessee under a long-term lease with the Corporation for the land on which the Canadian Broadcasting Centre (the building) is located. The rent during the term is the sum of one dollar, paid on October 1, 1988. The Trust is also a lessor under a long-term sublease with the Corporation for the Canadian Broadcasting Centre in Toronto. In order to finance the construction of the building, the Trust issued \$400 million of bonds on January 30, 1997. The rent payable by the Corporation to the Trust covers all interest and principal on the bonds, all other payments on the bonds and all operating expenses and liabilities of the Trust. The impact of consolidating the Trust in the Corporation's financial statements is on the presentation of Property and equipment (Note 7), where the costs related to the Canadian Broadcasting Centre are shown under the Buildings category rather than Property under capital lease. There is also an impact on the balance sheet where the Obligation under capital lease is replaced by Bonds payable (Note 12).

The Corporation holds a variable interest in Sirius Canada Inc., also a VIE, but the Corporation is not deemed to be the primary beneficiary. The Corporation's maximum exposure to losses includes its initial investment of \$7 million plus a commitment to invest an additional \$6.4 million; and an amount of \$2.1 million of licensing revenues annually. This investment is accounted for using the equity method for class A shares and the cost method for class C shares (Note 9).

The investment the Corporation holds in The Documentary Channel also qualifies as a variable interest in a VIE, but the Corporation is not the primary beneficiary. The Corporation's maximum exposure to losses is \$644 thousand in amounts receivable. This investment is accounted for using the equity method (Note 9).

12. BONDS PAYABLE

The Corporation through its relationship with the Broadcast Centre Trust (Note 11), guarantees the bonds payable with its rent payments for the premises occupied by the Corporation in Toronto. The Trust issued \$400 million secured bonds on January 30, 1997. These bonds bear a fixed interest rate of 7.53 per cent annually and require blended semi-annual payments of \$16,519,398 which will retire the following principal amounts:

	<i>(thousands of dollars)</i>
2007	(including accrued interest of \$ 10,896) 17,766
2008	7,397
2009	7,964
2010	8,575
2011 to 2027	<u>318,412</u>
	360,114
Less: current portion	<u>17,766</u>
	<u>342,348</u>

The fair value of the bonds (Note 21) approximates \$459 million (2005 - \$454 million). Interest expense included in current year's expense is \$26.6 million (2005 - \$27 million).

13. DEFERRED CAPITAL FUNDING

	2006	2005
	<i>(thousands of dollars)</i>	
Balance, beginning of year	629,987	650,959
Government funding for capital expenditures (Note 17C)	87,510	95,757
Amortisation of deferred capital funding	(117,956)	(116,729)
Balance, end of year	599,541	629,987

14. COMMITMENTS

A. Program-related and Other

As at March 31, 2006, commitments for sports rights amounted to \$202.6 million (2005 - \$267.9 million); procured programs, film rights and co-productions amounted to \$61.5 million (2005 - \$71.0 million) and property and equipment amounted to \$13.4 million (2005 - \$14.1 million) for total commitments of \$277.5 million (2005 - \$353.0 million). Substantially, payments under these contracts are expected to be made over the next five years.

B. Operating Leases

The operating leases consist mainly of property leases, network distribution leases and equipment leases. Future annual payments related to operating leases as of March 31, 2006 are as follows:

	<i>(thousands of dollars)</i>
2007	108,917
2008	77,971
2009	47,677
2010	41,595
2011	39,279
2012 to 2027	207,353
Total future payments	522,792

15. CONTINGENCIES

Various claims and legal proceedings have been asserted or instituted against the Corporation. Some demand large monetary damages or other relief and they could result in significant expenditures. Litigation is subject to many uncertainties and the outcome of individual matters is not predictable. A provision for these expenditures has been recorded based on management's best estimate. It is reasonably possible that the Corporation may have to settle some of these claims for amounts in excess of established provisions in the near term. Any such costs will be expensed when known.

16. SPECIALTY SERVICES

The Corporation operates CBC Newsworld, the Réseau de l'information (RDI), Galaxie and CBC Country Canada under license conditions that require the reporting of incremental costs and revenues. Subscriber revenues generated by the specialty services are subject to the subscriber rate regulation established by the Canadian Radio-television and Telecommunications Commission (CRTC).

	<u>2006</u>				<u>2005</u>			
	Revenues	Expenses	Repayments to Main service ¹	Net	Revenues	Expenses	Repayments to Main service ¹	Net
	<i>(thousands of dollars)</i>							
CBC Newsworld ²	76,139	(72,982)	(3,262)	(105)	74,281	(67,261)	(1,665)	5,355
RDI ²	44,907	(44,000)	(1,591)	(684)	44,271	(43,550)	(2,143)	(1,422)
Galaxie	20,235	(6,717)	(64)	13,454	17,217	(6,644)	-	10,573
CBC Country Canada	2,984	(2,649)	-	335	2,519	(3,207)	-	(688)
	144,265	(126,348)	(4,917)	13,000	138,288	(120,662)	(3,808)	13,818

¹ Capital expenditures for the acquisition of equipment to introduce, maintain and expand the Specialty Services are made by the Corporation from its capital appropriation with an approved corporate repayment plan for recovery from the Specialty Services' revenues. Those repayments are funded from the accumulated excess revenues over expenses.

² CBC Newsworld and RDI use previous years' accumulated excess revenues over expenses to fund current activities.

17. PARLIAMENTARY APPROPRIATIONS

A. Parliamentary Appropriations Approved and Received

Parliamentary appropriations approved and the amounts received by the Corporation during the year are as follows:

	<u>2006</u>	<u>2005</u>
	<i>(thousands of dollars)</i>	
Operating Funding		
- Approved annual funding	946,231	895,659
- Additional non-recurring funding for programming initiatives (Note 17D)	60,000	60,000
- Transfer from capital funding – Supplementary Estimates B ¹	-	1,112
- Frozen allotment reprofiled to future years	(20,000)	(20,000)
- Frozen allotment used	20,000	-
	1,006,231	936,771
Operating funding received		
Capital Funding		
- Approved annual funding	91,510	102,869
- Transfer to operating funding – Supplementary Estimates B ¹	-	(1,112)
- Frozen allotment reprofiled to future years	(10,000)	(6,000)
- Frozen allotment used	6,000	-
	87,510	95,757
Capital funding received		
Working Capital Funding	4,000	4,000

¹ In the event that significant changes in current year requirements occur, appropriations are transferred from one vote to another or reprofiled from one fiscal year to another through Appropriation Acts approved by Parliament.

17. PARLIAMENTARY APPROPRIATIONS continued...

B. Reconciliation of Net Results of Operations to Government Funding Basis

The Corporation receives a significant portion of its funding through Parliamentary appropriations, based primarily on cash flow requirements. Expenses recognised in the Statement of Operations and Equity in one year may be funded through Parliamentary appropriations in other years. Accordingly, the Corporation's net results of operations for the year on a government funding basis differ from those on a Canadian generally accepted accounting principles basis. The differences are outlined below:

	<u>2006</u>	<u>2005</u>
	<i>(thousands of dollars)</i>	
Net results for the year	(44,187)	(113,652)
Items not generating operating funds:		
- Amortisation of deferred capital funding	(117,956)	(116,729)
- Loss/(Gain) on disposal of property and equipment	434	(7,293)
- Other	177	(3,631)
	<u>(117,345)</u>	<u>(127,653)</u>
Items not requiring operating funds:		
- Amortisation of property and equipment	123,841	122,675
- CBC/Radio-Canada pension plans and other employee future benefits	67,648	75,592
- Vacation pay	(253)	(1,760)
- Program inventory costs	(8,301)	(5,852)
- Loss (income) from investments in companies subject to significant influence	7,109	(137)
- Other	(567)	668
	<u>189,477</u>	<u>191,186</u>
Results of operations on a government funding basis	27,945	(50,119)
Less: Interest generated from the disposal of joint business ventures	(890)	(1,012)
Add: Use of proceeds, generated in a previous fiscal year, from the sale of lands	-	5,194
Add: Use of proceeds, generated in a previous fiscal year, from the sale of joint business venture	546	42,718
Net results of operations on a government funding basis	27,601	(3,219)
Government funding surplus, beginning of year	32,033	35,252
Government funding surplus, end of year	59,634	32,033

17. PARLIAMENTARY APPROPRIATIONS continued...

C. Net Results for Capital Funding

The purchase of property and equipment is financed by Parliamentary appropriations and proceeds from the disposal of property and equipment. Additions and proceeds, relating to property and equipment, recorded in the current year under Canadian generally accepted accounting principles may be funded/recognised on a government funding basis in different years. The differences are outlined below:

	<u>2006</u>	<u>2005</u>
	<i>(thousands of dollars)</i>	
Capital funding received (Note 17A)	87,510	95,757
Capital recovery from notes receivable	1,575	5,329
Capital recovery from net investment in sales-type leases	1,285	1,198
Proceeds from the disposal of property and equipment	1,848	12,298
Total capital funding for the year	92,218	114,582
Acquisition of property and equipment	(116,067)	(118,404)
Capital portion of bond payments	(6,378)	(5,927)
Capital deficit before adjustments for considerations affecting capital funds	(30,227)	(9,749)
Add (Deduct): Considerations affecting capital funds	196	(1,707)
Capital funding deficit for the year	(30,031)	(11,456)
Capital funding surplus, beginning of year, government funding basis	10,187	21,643
Capital funding (deficit) surplus, end of year, government funding basis ¹	(19,844)	10,187

¹ Transfers between operating and capital are accomplished through Supplementary Estimates B in the fiscal year to which they relate. Due to the fact that Parliament was dissolved on November 29, 2005 for a general election, planned transfers in the amount of \$31.1 million in fiscal year 2005-2006 did not take place.

D. Additional Non-Recurring Funding for Programming Initiatives

On April 3, 2003, the Government of Canada approved additional non-recurring funding of \$60 million for the Corporation for the 2004-2005 fiscal year. This funding was again approved in February 2005 for the 2005-2006 fiscal year. These funds are being used across all media for the enhancement of programming initiatives in particular.

18. INCOME AND LARGE CORPORATIONS TAXES

The Corporation is a prescribed Federal Crown Corporation under Part LXXI of the Income Tax Regulations and is subject to the provisions of the *Income Tax Act* (Canada). The Corporation's activities are not subject to provincial taxes. The (provision for) recovery of income and large corporations taxes is comprised of:

	<u>2006</u>	<u>2005</u>
	<i>(thousands of dollars)</i>	
Current income tax (provision) recovery	(272)	974

The provision for (recovery of) income and large corporations taxes differs from the amount that would be computed by applying the Federal statutory income tax rate of 32.5 per cent (2005 – 32.5 per cent) to net results before taxes. The reasons for the differences are as follows:

	<u>2006</u>	<u>2005</u>
	<i>(thousands of dollars)</i>	
Income tax recovery at Federal statutory rate	(14,281)	(37,276)
Increase (decrease) resulting from:		
(Non-taxable) non-deductible portion of capital (gains) losses	1,025	(1,422)
Other net amounts	423	385
Change in valuation allowance	12,833	38,313
Large corporations tax recovery	(272)	974
	<u>(272)</u>	<u>974</u>

The tax effects of temporary differences that gave rise to significant portions of the future tax assets and future liabilities as at March 31, 2006 and 2005 are presented below:

	<u>2006</u>	<u>2005</u>
	<i>(thousands of dollars)</i>	
Future tax assets:		
Accrued liabilities	6,010	9,312
Pension plan asset	50,353	31,649
Employee-related liabilities	46,632	43,344
Loss carry-forward	6,995	16,421
Long-term investments	1,163	8
	111,153	100,734
Less : valuation allowance	(66,205)	(53,372)
	<u>44,948</u>	<u>47,362</u>
Future tax liabilities:		
Program inventory	1,499	1,066
Net investment in sales-type leases	18,513	18,868
Property and equipment	21,248	21,896
Notes receivable	3,688	5,532
	<u>44,948</u>	<u>47,362</u>
Net future tax liabilities (assets)	<u>-</u>	<u>-</u>

As at March 31, 2006, the Corporation had a loss carry-forward for tax purposes of \$21.5 million (2005 - \$42.3 million), which expires as follows: 2010 - \$3.1 million, 2014 - \$5.6 million, 2015 - \$12.8 million.

19. NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES

	<u>2006</u>	<u>2005</u>
Cash flows provided by (used for):	<i>(thousands of dollars)</i>	
Short-term investments	(10,864)	(26,470)
Accounts receivable ¹	(53,005)	1,953
Inventory ²	(19,302)	(14,758)
Prepaid expenses	(495)	10,518
Net investment in sales-type leases ³	7	7
Accounts payable and accrued liabilities	29,297	(9,923)
Employee-related liabilities ⁴	(7,312)	11,180
Bonds payable, including accrued interest ⁵	(186)	(211)
	<u>(61,860)</u>	<u>(27,704)</u>

¹ Excluding \$ 0.3 million (2005 – 3.8 million) of notes receivable from the sale of lands.

² Excluding \$ 1.3 million (2005 – 2.0 million) of amortisation of property and equipment.

³ Excluding capital recovery of \$ 0.09 million (2005 – 0.09 million).

⁴ Excluding items not involving cash of \$ 0.4 million (2005 – 1.6 million).

⁵ Excluding repayment of bonds payable of \$ 0.5 million (2005 – 0.5 million).

20. RELATED PARTY TRANSACTIONS

The Corporation is related in terms of common ownership to other government departments, agencies and Crown corporations and to private companies over which the Corporation has significant influence (Note 9). The Corporation enters into transactions with these related parties in the normal course of business, on normal trade terms applicable to all individuals and enterprises and measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The Corporation recorded the following amounts in the financial statements for transactions with related parties:

	<u>Government</u>	<u>Private Companies</u>
	<i>(thousands of dollars)</i>	
Revenues	6,331	4,652
Receivables	1,091	1,838
Expenses	11,679	101
Payables	130	-

During the year, the Corporation also received funding from the Government of Canada as described in note 17.

21. FINANCIAL INSTRUMENTS

The carrying amounts for the bank overdraft, short-term investments, accounts receivable, current portion of net investment in sales-type leases, accounts payable and accrued liabilities, and accrued bonds payable interest, approximate fair value due to the short-term nature of these instruments. The fair values of the long-term portion of net investment in sales-type leases and long-term portion of notes receivable, and the bonds payable are listed below.

<u>Instrument</u>	<u>Fair values</u>		<u>Method</u>
	<u>2006</u>	<u>2005</u>	
	<i>(millions of dollars)</i>		
Long-term portion of net investment in sales-type leases	70.3	70.1	valuation technique
Long-term portion of notes receivable	64.1	63.9	valuation technique
Bonds payable	459.0	454.0	quoted market prices for Government of Canada bonds maturing at approximately May 1, 2027 and adjusted by a spread based on the credit rating for the bonds

The Corporation uses derivative financial instruments such as forward contracts to manage the risk of loss due to adverse movements in foreign exchange. Foreign exchange forward contracts with a notional principal amount of \$55.9 million (2005 - \$81.8 million) were outstanding at the end of the year. The fair value, based upon market quotations, represents \$60.2 million (2005- \$87.4 million) at March 31, 2006. The remaining term to maturity of these contracts is under three years.

If the daily bank balance is in an overdraft position, interest charges are accumulated at prime less 0.25%.

22. COMPARATIVE FIGURES

Some of the 2005 comparative figures have been reclassified to conform to the current year's presentation.

MANAGEMENT DISCUSSION AND ANALYSIS

2005-2006 – THE YEAR IN REVIEW

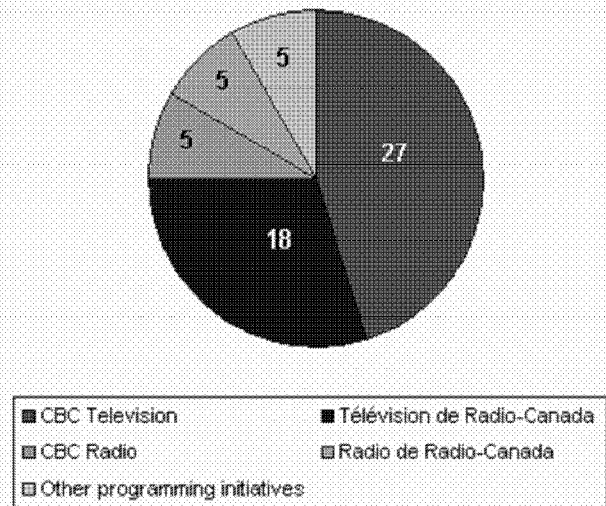
The 2005-2006 year proved to be an active and challenging one for CBC/Radio-Canada. Several significant financial transactions and issues were completed or resolved during the year.

Among the most significant, in June 2005 the **CRTC approved Sirius Canada's application** for a subscription satellite radio license to broadcast in Canada. The CBC partnered with two major broadcasters, Sirius Satellite Radio Inc. (U.S.A) and Standard Radio Inc., to bring Canadians an unparalleled music selection and an unmatched lineup of sports, news, talk and entertainment via satellite. Listeners throughout North America are able to enjoy six channels produced by CBC/Radio-Canada; *CBC Radio One*, *CBC Radio 3*, *Première plus*, *Info plus* and *Bande à part*; and the best of Radio Canada International on the new multilingual station, *RCI plus*.

During the month of February, CBC/Radio-Canada broadcast the **Torino 2006 Olympic Winter Games** and millions of Canadians watched or listened to medal-winning moments on more platforms than ever before. From a financial perspective, the Games produced excellent results, as expected.

The Government of Canada once again renewed the \$60 million in one-time funding for 2005-2006. This funding, which we have received for five consecutive years, allowed the Corporation to further strengthen and revitalize English and French television and radio programming, and to reflect the ever-increasing diversity of Canadian society. Examples of programs produced and aired thanks to this funding include: *Grande Ourse*, *Les Bougons*, *Trudeau*, *China Rises*, *Lévesque*, *Random Passage* and the development of unique bilingual programs and events like the highly acclaimed *Breaking Point*.

Distribution of the 2005-2006 non-recurring funding of \$60 million



In November 2005, the **Office of the Auditor General released its Special Examination Report** to CBC/Radio-Canada. The opinion concluded that during the period under examination, except for performance measurement and reporting, the systems and practices of the CBC/Radio-Canada were designed and operated in a way that provided reasonable assurance that assets were safeguarded and controlled, resources were managed economically and efficiently, and operations were carried out effectively. The entire report can be found at *cbc.ca* or *radio-canada.ca* (<http://cbc.radio-canada.ca/docs/auditor/index.shtml>).

Furthermore, the project to evaluate the **effectiveness of CBC/Radio-Canada's internal controls** continued. The ultimate goal of the project is to provide Senior Management with adequate tools in order to attest to the effectiveness of internal control over financial reporting. This is in line with the recent announcement by The Canadian Securities Administrators (CSA) that they will propose amendments to Multilateral Instrument 52-109, Certification of Disclosure in Issuer's Annual and Interim Filings, to be issued in 2006. The amendments would expand the CEO/CFO certification to require certification with respect to the effectiveness of the internal controls over financial reporting. The internal controls project includes the documentation and evaluation of internal controls over financial statements for 19 financial processes and the documentation and evaluation of financial processes and internal controls over financial statements impacted by a project which will provide a single, integrated way to manage contracts & content, program inventory and schedules, broadcast and media management, revenue management, marketing and sales, promotions, and air time analysis for both English and French Television. The scope of this system implementation involves replacing 45 legacy systems with 3 new systems: *OnAir* (broadcast management), *Liveline* (contracts) and *RMS* (revenue management). The project team is also documenting and evaluating the Information Technology (IT) general controls. A team of external experts has been assisting the CBC/Radio-Canada team in the different phases of the project. The project is scheduled for completion by March 2007.

As part of the annual business planning process for 2005-2006, media lines and corporate components identified and ranked their most significant risks to achieving business objectives. Standard risk definitions and evaluation criteria were used to prioritize risks on the basis of inherent risk scores, which are a function of impact and likelihood. In addition action plans were developed and responsibility assigned for managing key risks. The top risks and associated action plans were presented to the Board of Directors. Some of the more significant risks included uncertainty regarding CBC/Radio-Canada's future government funding levels, distribution technology changes, programming issues, erosion of audience share and decreased revenues.

The **CBC Pension Plan is healthy** and, in fact, as of December 31, 2005 was in a significant surplus position on a going-concern basis. However, under federal regulations, if a federal corporation's (including Crown Corporations) pension plan is in a deficit position on a "solvency" basis or on a "going-concern" basis, that corporation is required to make up that deficit through additional contributions to the plan. Like some estimated 80 per cent of Canadian pension plans, as of December 31, 2005 - the valuation date - the CBC Pension Plan had a solvency deficit. This deficit was caused largely by historically low long-term interest rates at that moment of valuation. The deficit was evaluated at \$89.1 million. Under federal regulations, corporations in a deficit position are required to repay that deficit with interest over five years. However the Federal Budget released in May 2006 proposed important measures that will provide temporary relief to corporations like CBC/Radio-Canada by extending, under certain conditions, the timeframe during which solvency payments must be made. When adopted, these measures could reduce the amount (currently estimated at \$20.1 million) for the 2006 calendar year by half. For 2005-2006, the cost of the special contribution to the CBC Pension Plan was \$5.025 million. The Plan's position will automatically be re-evaluated at the end of calendar year 2006 and if, at that time, the financial position of the Plan has improved to the point where the deficit has been eliminated, the special contributions will be suspended.

ANALYSIS OF 2005-2006 FINANCIAL STATEMENTS

Balance Sheet

In 2005, the Corporation adopted Accounting Guideline 15, *Consolidation of Variable Interest Entities*. This adoption resulted in a restatement of some balance sheet elements. More information is provided in the Financial Statements and in Note 3.

The level of cash, cash equivalents and short-term investments decreased from last year mainly due to the \$7 million investment in Sirius Canada Inc., a decreased requirement for cash to pay Olympic rights (\$34 million paid in 2004-2005 versus \$10 million paid in 2005-2006), a \$20 million payment for the cost of the results of job evaluation, and the cost of disaffiliation (\$9 million).

The increase in accounts receivable is the result of outstanding invoices for the Torino Winter Olympic Games held in February 2006.

The item "Inventory" increased due to the production of such programs as *Hockey: A People's History*, scheduled to be broadcast in the Fall of 2006 and *Street Cents* which was broadcast in the Spring of 2006.

Long-term investments decreased because the Corporation did not invest in marketable securities with a maturity term longer than one year from the balance sheet date.

Accounts payable and accrued liabilities increased mainly as a result of a rise in municipal taxes and an increase in the level of accruals (or outstanding invoices) related to the purchase of capital equipment for high-definition television.

The increase in the item "Employee-related liabilities (long-term)" reflects the impact of the application of rules respecting employee future benefits. Under these rules, actuarial accounting must be used to determine liabilities relative to the Pension Fund and to other employee future benefits.

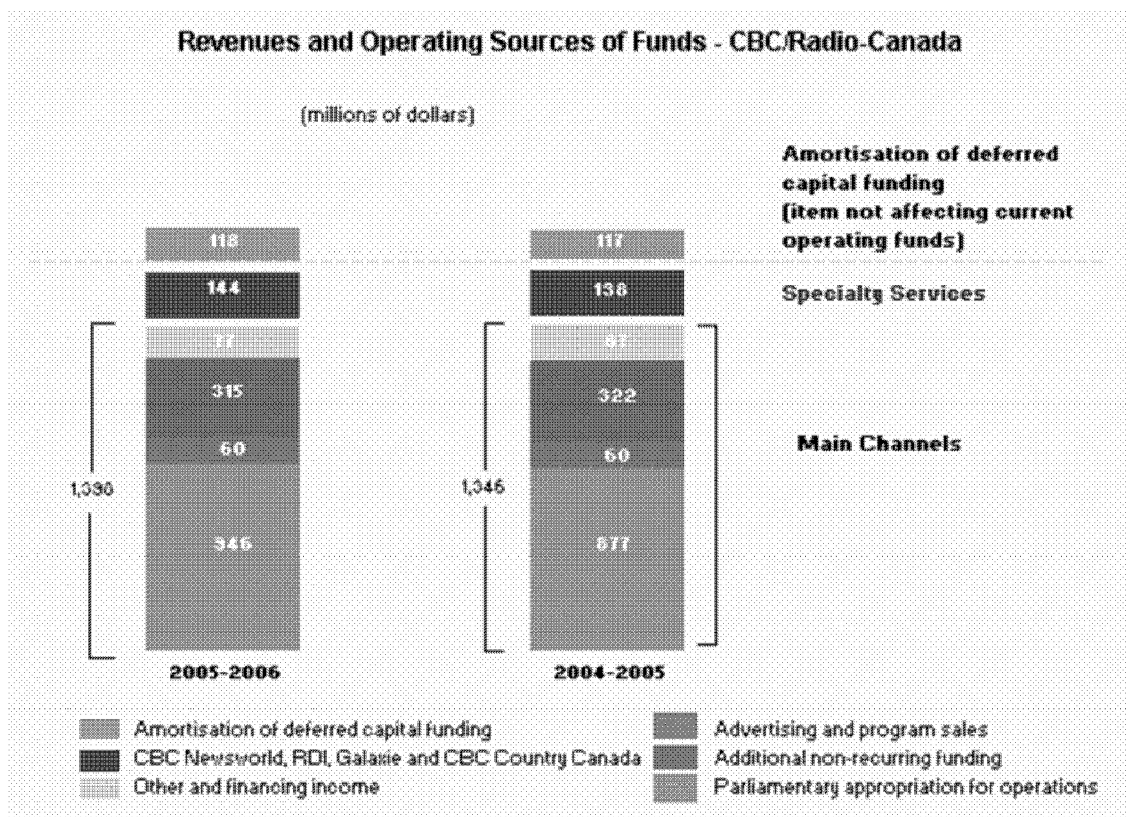
Revenues – 2005-2006

The slight decrease in advertising revenues and program sales is due to a substantial loss of revenue by CBC Television during the NHL lockout and its own labour disruption in the late summer/early fall 2005. This loss was offset by advertising revenues on replacement programming such as *Movie Night in Canada*. Advertising revenue losses in English Television were partially offset by increased revenues generated by La Télévision de Radio-Canada due to the remarkable performance of its programming. Revenue generated from the

Torino Olympic Winter Games also offset the loss of revenues. In spite of all these events, advertising revenues only reached 85% of the original target set for various media lines in 2005-2006.

The increase in revenues for Specialty Services is mostly attributable to a greater number of subscribers for CBC Newsworld, le Réseau de l'information de Radio-Canada (RDI) and Galaxie. Overall, Specialty Services revenues represent 106% of the targets set at the beginning of the year.

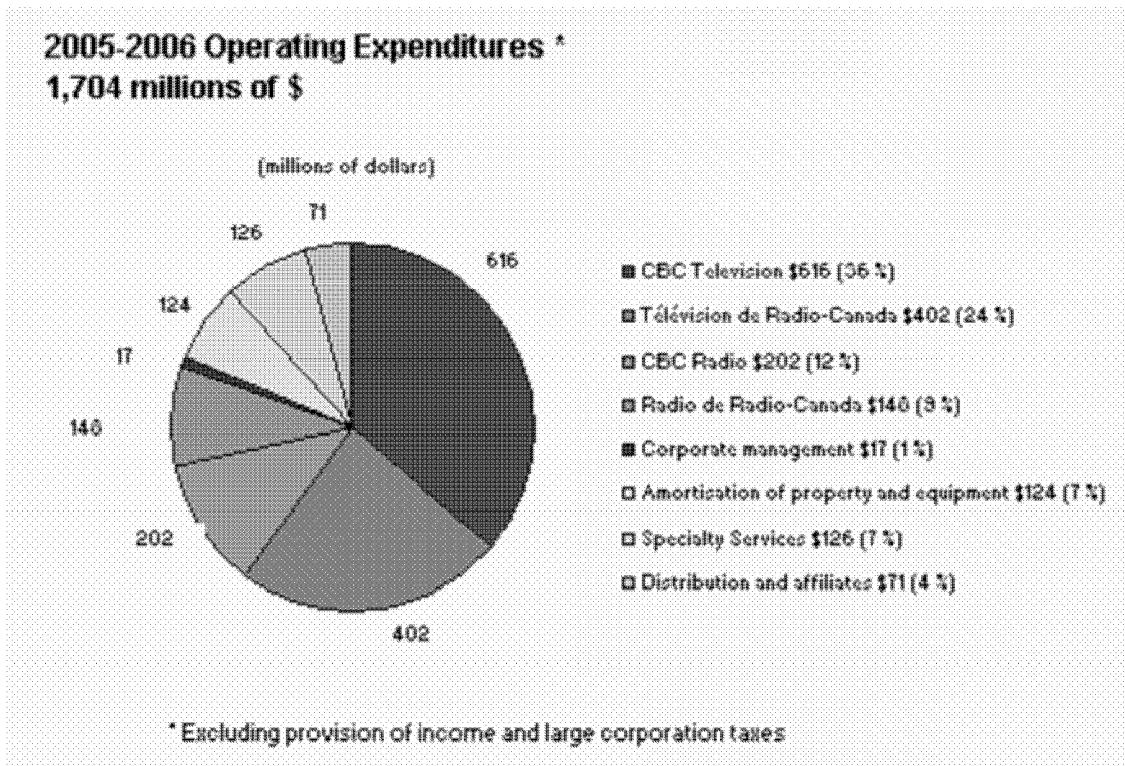
Other income, which surpassed expectations by 11% for 2005-2006, include revenues generated from the host broadcasting activities during the World Aquatics Championships in Montreal. Increased revenues were also generated by Radio-Canada from agreements with independent producers, namely *Véro* and *Le Match des étoiles*. On a year-to-year basis, other income was affected negatively by the expiry of the contract to provide programming and services to Newsworld International USA.



Expenses – 2005-2006

On a year to year basis, the expenditure reduction reflects the decrease in the cost of the Torino Olympic Winter Games compared to the cost of the Athens Olympic Summer Games and a reduced level of activity during the CMG lock-out. Also in 2005, the expenditures included the cost of broadcasting the World Cup Hockey. Actual expenses for Television and Radio services represent approximately 95% of budgets set at the beginning of the year.

The increase in Specialty Services expenditures represents an investment in new programming initiatives that were in line with budgets for 2005/2006.



2006-2007 AND SUBSEQUENT YEARS

In May 2006, the Government of Canada included **one-time funding of \$60 million** in the Main Estimates tabled for 2006-2007.

Also in May 2006, **CBC/Radio-Canada and Corus Entertainment Inc.** reached an agreement that sees the Corporation purchase Corus Entertainment's 53 per cent ownership stake in **The Documentary Channel**. Along with the 29 per cent CBC/Radio-Canada currently owns, this will give the Corporation

majority ownership and control of the channel. As of the date of this report the agreement was subject to the approval of the CRTC.

In 2006-2007, the risk management process will be further enhanced to include a detailed presentation of key risks, action plans and mitigation strategies to the Audit Committee of the Board of Directors. In addition, an update to the Audit Committee on the key risks will be discussed at each of its meetings throughout the year. Furthermore, starting in 2006-2007, management will be required, as part of the business planning process to report on the success of their action plans with respect to managing the key risks identified the previous year. CBC/Radio-Canada has adopted an enterprise-wide approach to risk management.

CBC/Radio-Canada operates in one of the world's most competitive broadcasting environments and, despite swelling financial pressures like rising production costs, rising health care costs, aging transmission and production assets, we continue to deliver great value to Canadians. Going forward, the onus remains on us to persevere in advancing our strategic priorities and continue to provide Canadians with the range and quality of services that they have come to expect from their public broadcaster.

Having said that, there is no question that the Corporation ultimately requires stable, multi-year government funding to surmount the many challenges it faces and truly fulfill its mandate. We will continue to voice this need on behalf of Canadians.

FINANCIAL HIGHLIGHTS FROM THE PAST FIVE YEARS					
For the year ended March 31	2006	2005	2004	2003	2002
	(millions of dollars)				
Government Funding					
Parliamentary appropriations	946	877	873	877	780
Non-recurring funding for programming initiatives	60	60	60	60	60
Revenue					
Advertising and program sales	315	322	283	284	319
Other income	63	73	79	73	82
Specialty Services	144	138	132	123	118
Expenses					
Television and Radio services costs	1,367	1,383	1,330	1,198	1,151
Specialty Services	126	121	116	117	104

FINANCIAL RATIOS

Liquidity Ratios

For the year ended March 31

	2006	2005	2004	2003	2002
(1) Current ratio	1.45	1.36	1.64	1.55	1.61
(2) Quick ratio	1.01	0.92	1.25	1.24	1.27

(1) Current assets / current liabilities

(2) (Current assets-inventory) / current liabilities

Audit Committee

June 15, 2006

Subject matter

Annual Report - Review financial disclosures and reporting in the Annual Report

Background

Each year, at the June meeting of the Audit Committee, the financial disclosures and reporting of the Annual Report are reviewed.

Information on the matter

N/A

For decision

For information

Prepared by

Name: Johanne Charbonneau
Date: June 12, 2006

Management recommendation

N/A

Last discussed at the Board

Date:
Decision made:

Next steps

Board of Directors

June 20, 2006

Subject matter**2005-2006 Financial Statements****Background**

Each year, at the June meeting of the Board of Directors, the financial statements of the Corporation are provided for approval.

Information on the matter**For decision****For information****Prepared by**

Name: Johanne Charbonneau
Date: June 12, 2006

Management recommendation

IT IS RESOLVED THAT on the recommendation of the Audit Committee, the Board of Directors hereby approves the Financial Statements of the Corporation comprised of the Statement of Operations and Equity, the Balance Sheet, the Statement of Cash Flow and the notes to the financial statements as presented by management for the year ended March 31st 2006; and

IT IS FURTHER RESOLVED THAT the Chair of the Audit Committee and the Chair of the Board of Directors of the Corporation be and are hereby authorized to sign the Financial Statements of the Corporation.

Last discussed at the Board

Date:
Decision made:

Next steps

Standing Committees on English and French Language Broadcasting
(June 20, 2006)

Subject matter

Approval of Revised Advertising Standards Policies

Background

Advertising Standards Policies govern the content, placement and scheduling of advertising messages on CBC/Radio-Canada services. Policies determine the type of programs or content that may be sponsored or interrupted for commercial messages.

All policies were re-structured and updated such that they conform to new Board requirements, comply with recent legislative and regulatory changes and include application to New Media services.

Information on the matter

This comprehensive review has been conducted in collaboration with a cross-component working group and with the support of the Legal Department. As confirmed by the Legal Department, these revisions do not result in any substantive change in policy.

For decision

For information

Prepared by

Name: Steven Guiton, Executive Director Strategy and Government Relations / Sandra Wheaton, Office of Programming Policies

Date: June 20, 2006

Management recommendation

Last discussed at the Board

Date:

Decision made:

Next steps

Distribute same and brief CBC/Radio-Canada personnel responsible for application of policies.

Anticipated project completion date: _____

(If contract, indicate date of expiry): _____

CBC  Radio-Canada

ADVERTISING STANDARDS

REVISED POLICIES
FOR BOARD APPROVAL

June 20, 2006

1.3 ADVERTISING STANDARDS

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1.3 ADVERTISING STANDARDS

1.3.01 Objectives and Values

Policy

Effective date: TBA

The Canadian Broadcasting Corporation is responsible for all that it carries on its broadcast, specialty and New Media services. Everything carried on these services is subject to the provisions of CBC Programming Policies which include the Advertising Standards described in this text.

As Canada's national public broadcaster, the CBC adheres to a set of core values, ethics and standards that govern the operation of all its services.

As the CBC broadcasts in the public interest, it is essential that it maintain a proper perspective concerning its commercial activities. The CBC recognizes the effectiveness of Television and New Media as sales vehicles. The CBC also recognizes that the sale of commercial time or space on its television and New Media services provides an important source of revenue. However, CBC's first priority is to deliver distinctive high quality programs to its citizens and not consumers to advertisers.

CBC Advertising Standards are a set of policies, procedures and guidelines that determine the optimal conditions under which commercial messages are accepted for broadcast on CBC services. They govern the content, placement and scheduling of these messages.

All policies are interpreted in relation one to another. The objective is to ensure that advertising messages are presented with integrity and good taste and are not misleading.

Advertising Standards policies determine the types of programs or content that may be sponsored or interrupted for commercial messages, as well as the restrictions applied to

1.3.01 Objectives and values

Policy (cont.)

the broadcast or placement of some kinds of advertisements and sponsorship messages.

All commercial messages carried on CBC services must be approved by appropriate Ad Standards personnel prior to broadcast or placement. Advertising Standards policies guide Advertising Standards personnel in evaluating commercial messages for approval. They are not intended to create contractual obligations towards any third party.

In order to obtain timely approval, clients wishing to purchase space or time on CBC services should submit pre-production scripts to Advertising Standards offices. Failure to comply delays the approval process.

CBC reserves the right to accept or refuse any commercial message, to limit the period of time for which a commercial message is approved and/or to withdraw its approval. CBC does not sell program time.

Responsibility: The Vice-President, Strategy and Business Development, is responsible for the application of this policy.

History

This policy replaces former Advertising Standards policies A-1, *Objectives*, and F-3, *Non-Sponsorable Programs*. The Procedures and Guidelines under this policy incorporate former policy B-1, *Administration - Function and Responsibilities*.

Most recent major revision in March 1985 integrated elements of five related policies into two main policies: *Objectives* and *Administration*. *Objectives* identified purpose of Advertising Standards policies: - to provide for sale of products & services while respecting public interest. Policy titled *Administration* outlined functions of corporate, network, regional & local offices.

In the proposed revision, the Policy *Administration* is placed into the Procedures and Guidelines. Proposed policy continues to reflect goals of previous policies.

1.3 ADVERTISING STANDARDS

1.3.02 Truth in Advertising

Policy

Effective date: TBA

Advertising that is considered by the CBC to be deceptive or misleading whether it is caused by the omission of relevant information or by the arrangement of accurate information in such a way as to lead to a wrong conclusion, will not be accepted on CBC services.

The general impression conveyed by an advertisement must be one of accuracy and truthfulness. All statements, claims and supers featured in an advertisement must be true and accurate in themselves; audio or video elements must not contradict or negate other elements.

In order to ensure continued public confidence in the integrity of its programming, the CBC reserves the right to reject commercials that could adversely affect the value of the CBC brand.

Comparison advertising should be fair and meaningful in terms of benefits to the consumer, and should avoid images or references derogatory to other products, services or industries.

Responsibility: The Vice-President, Strategy and Business Development, is responsible for the application of this policy.

History

This policy replaces former Advertising Standards policies C-1, *Truth in Advertising*, and D-2, *Comparison Advertising*. The Procedures and Guidelines under this policy incorporate former policy C-4, *Reputation of Advertiser* and elements of former policy F-2, *News Broadcasts*.

Most recent major change occurred in 1985 when detailed sections re: accuracy of claims, price mentions and product availability were condensed, two detailed guidelines eliminated and info. deleted or incorporated into other policies - ex. *Commercial Contests*.

Proposed policy continues to reflect the principles of the 3 policies - *Truth in Advertising*, *Reputation of Advertiser* and *Comparison Advertising*.

1.3 ADVERTISING STANDARDS

1.3.03 Standards of Taste and Fair Representation

Policy

Effective date: TBA

Advertising material presented on CBC services must respect and reflect the generally accepted values and standards of contemporary Canadian society. All advertising is reviewed as to its suitability for introduction into the intimacy of the home.

The Corporation does not accept material promoting discrimination, stereotypes, socially unacceptable behaviour, gratuitous violence, obscene or profane language, or unfair representation.

However, this policy should not be taken as implying the rigid exclusion of anything that might give offence to one individual, since standards of taste and decency evolve over time and vary widely among individuals.

Advertising material presented on CBC services must satisfy the requirements of the *Television Broadcasting Regulations* pertaining to acceptable comment, language or pictorial representation. In determining the acceptability of a commercial message, the CBC will also be guided by the principles and standards it applies to its programs, including the *CBC Guidelines on Sex-Role Portrayal*.

Responsibility: The Vice-President, Strategy and Business Development, is responsible for the application of this policy.

History

This policy replaces former Advertising Standards policy C-2, *Standards of Taste*. The Procedures and Guidelines under this policy incorporate former policy F-4, *Repetition of Commercials*

Most recent major review occurred in March 20, 1985. All ads reviewed as to suitability for introduction into intimacy of home. Guideline prohibiting unfair representation of people was maintained. Policy language simplified and shortened. No significant change since.

Proposed revision retains same principles while outlining criteria of acceptability in the Procedures and Guidelines.

1.3 ADVERTISING STANDARDS

1.3.04 Advertiser Identification

Policy

Effective date: TBA

CBC audiences and website visitors must know on whose behalf a commercial message is being broadcast or posted. Advertisements which directly promote brand-name products or services of the advertiser normally satisfy that requirement. When that is not the case, the message must include video, audio or graphic identification of the advertiser responsible for the message. The CBC will consider limited exceptions to this principle, such as, for example, when the advertiser is prevented by law from disclosing its full identity.

Responsibility: The Vice-President, Strategy and Business Development, is responsible for the application of this policy.

History

This policy replaces former Advertising Standards policy D-1, *Advertiser Identification*. The Procedures and Guidelines under this policy incorporate former policy D-5, *Secondary Advertisers*.

Most recent major change in March 1985 when reference to Corporation's *Controversial & Opinion Advertising Policy* was deleted and policy shortened. No substantial change since. Proposed revision re-affirms principle- audiences must know on whose behalf a message is broadcast.

1.3 ADVERTISING STANDARDS

1.3.05 Endorsement

Policy

Effective date: TBA

The CBC does not endorse the products, services or points of view of any advertiser. No advertisements broadcast or posted on CBC services may imply an endorsement or give the appearance of an endorsement on the part of CBC. No advertisements may imply that CBC uses a product or service, or advocates a point of view or course of action.

CBC will not broadcast or post commercial messages in which CBC personalities endorse an advertiser's product, service or point of view when such endorsement, in CBC's opinion, compromises its independence, its integrity or the value of the CBC brand.

No person in a testimonial, endorsement or recommendation may be portrayed or referred to in a manner that is deceptive or misleading, or in a way that is injurious to the person or the person's profession (see also policy 1.3.02, *Truth in Advertising*).

Responsibility: The Vice-President, Strategy and Business Development, is responsible for the application of this policy.

History

This policy replaces former Advertising Standards policy D-3, *Testimonials, Endorsements or Recommendations*. The Procedures and Guidelines under this policy incorporate elements of former policy F-2, *News Broadcasts*.

Most recent major revision occurred in March 1985 when policy titled *Testimonials or Endorsements of Products & Services* was consolidated with *Personal Endorsements by CBC Employees, Implied Endorsement by the CBC*. The principle - CBC employees may not personally endorse an advertiser's product or service - was retained.

Proposed revision re-affirms same principles.

1.3 ADVERTISING STANDARDS

1.3.06 Program Integrity

Policy

Effective date: TBA

Advertising on CBC services must not create the perception that CBC programs and web services are being influenced by advertising or sponsorship messages scheduled in or adjacent to them. It must always be clear to audiences when products, services or points of view are being advertised.

CBC newscasts may not be sponsored. Advertising messages scheduled in news programs must be separate and distinct from the news components, and may not give the impression of news sponsorship or be mistaken as news items or bulletins.

Responsibility: The Vice-President, Strategy and Business Development, is responsible for the application of this policy.

History

This policy replaces former Advertising Standards policies F-1, *Program Integrity*, and F-2, *News Broadcasts*.

Major review of 1985 shortened policy language of policy titled *Commercial Impact*, renaming same *Program Integrity*. No change since.

Proposed revision retains principle - advertising must not create perception that CBC programs are being influenced by advertising in or adjacent to them.

1.3 ADVERTISING STANDARDS

1.3.07 Language of Broadcast

Policy

Effective date: TBA

Only advertisements designed for anglophone or francophone audiences or website visitors may be carried by CBC English or French services respectively.

A language other than that of the station's may be used, however, as a device to attract attention or create an artistic effect. In such cases, the advertisement must remain intelligible to the audience and website visitors and the advertiser must use appropriate means to adapt its message to the media's majority audience.

Responsibility: The Vice-President, Strategy and Business Development, is responsible for the application of this policy.

History

This policy replaces former Advertising Standards policy D-4, *Advertising in Broadcasting Language of Station*.

Major policy review of 1985 considerably shortened policy language while retaining basic principle - only commercials specifically created for French or English-speaking audiences are permitted for broadcast on respective French or English services. No change since.

Revised policy retains the same principle.

1.3 ADVERTISING STANDARDS

1.3.08 Advertising Directed to Children Under 12 Years of Age

Policy

Effective date: TBA

The CBC does not accept advertising of any kind in programming and websites designated by the CBC as directed to children under 12 years of age. Products that appeal to children and in their normal use require adult supervision may not be advertised in station breaks adjacent to children's programs.

The CBC may accept advertising directed to children under 12 years of age in other CBC programming and websites subject to restrictions.

Responsibility: The Vice-President, Strategy and Business Development, is responsible for the application of this policy.

History

This policy replaces former Advertising Standards policy C-5, *Advertising Directed to Children Under 12 Years of Age*, dated 9 May 1990.

Minor revision of 1986 & May 1990 modified scheduling restrictions for certain products and reduced products for which advertising was considered unacceptable. No change since.

Proposed revision re-affirms principle - CBC does not accept advertising in programming designated as directed to children under 12 years of age. Details provided in Procedures and Guidelines.

1.3 ADVERTISING STANDARDS

1.3.09 Advocacy Advertising

Policy

Effective date: TBA

CBC carries advocacy advertising to allow the open exchange of ideas on issues of public interest or concern.

In this policy, the term 'advocacy advertising' refers to commercial messages that advocate a point of view or a particular course of action on issues of public interest or concern.

Advocacy advertisements are subject to scheduling restrictions to ensure the integrity of CBC programs and their environment. Approval may carry a time limit.

Messages reviewed under this policy must not imply an endorsement on the part of the CBC.

Responsibility: The Vice-President, Strategy and Business Development, is responsible for the application of this policy.

History

This policy replaces former Advertising Standards policy C-3, *Advocacy Advertising*.

Policy review of 1985 re-affirmed CBC refusal to accept ads promoting views re controversial issues. Paid political ads, other than those permitted under Canada Elections Act remained unacceptable.

Major change occurred in 1992 when CBC chose to permit the broadcast of ads advocating a point of view or course of action on subjects of public debate. Modifications in 1993 permitted broadcast of political & advocacy ads during provincial & territorial election campaigns. A revision of May 1998 further restricted the scheduling of advocacy advertising prohibiting its broadcast on CBC's all-news specialty networks. No major change since.

Proposed revision re-affirms importance of scheduling restrictions & the principle - CBC carries advocacy advertising to allow open exchange of ideas on issues of public interest or concern.

1.3 ADVERTISING STANDARDS

1.3.11 Unacceptable Advertising

Policy

Effective date: TBA

Some advertising is not accepted on CBC services, either for reasons of principle or commercial interest. This includes:

- the promotion of tobacco products and tobacco company sponsorships;
- advertisements for services considered competitive with CBC services;
- advertisements promoting religious beliefs or convictions;
- any advertisement that could place the CBC at the centre of a controversy or public debate.

Responsibility: The Vice-President, Strategy and Business Development, is responsible for the application of this policy.

History

This policy replaces former Advertising Standards policy D-6, *Unacceptable Advertising* (June 1992), and incorporates elements of former policy C-3, *Advocacy Advertising* (May 1998). The Procedures and Guidelines under this policy replace the Interpretative Guideline to former policy D-6 dated September 21, 2005.

Last major review in June 1985 resulted in four related but separate policies being aggregated into one. Current policy reflects the same principles. Treatment of competitive services in Interpretative Guidelines has been modified from time-to-time to reflect the balancing of commercial interests vs. possible competitive harm.

1.3 ADVERTISING STANDARDS

1.3.12 Contests and Games of Chance

Policy

Effective date: TBA

Advertisements promoting contests and games of chance such as casinos, lotteries, etc., must comply with the applicable provisions of the *Criminal Code*, the *Competition Act* and any other applicable legislation.

CBC accepts such advertisements on its services only if the following requirements are satisfied:

Contests - Only contests which provide for free entry or require a test of skill may be advertised.

Lotteries -: Proof of a lottery licence or an authorization from an appropriate authority must accompany the submission. Lotteries may only be advertised in the provinces or territories where they are licensed unless there is an appropriate agreement with another province or territory permitting advertising in that jurisdiction.

Games of chance associated with casinos and other similar activities -: Advertisements for games of chance associated with casinos, and other similar activities can only be shown in the provincial or territorial jurisdiction where they have been licensed to operate unless there is an appropriate agreement with another province or territory permitting advertising in that jurisdiction. Outside its area of license, only the non-gaming aspects of the establishment (restaurants, entertainment, etc.) can be advertised on CBC services.

Responsibility: The Vice-President, Strategy and Business Development, is responsible for the application of this policy.

History

This policy replaces former Advertising Standards policy E-1, *Contests, Casinos and Other Games of Chance*.

Most recent major revision occurred in March 1985 when policy was shortened and simplified while retaining obligation to respect CRTC regulations and lottery provisions of the *Criminal Code*. Policy changes in 1997 clarified limitations re casino advertising & other games of chance & CBC/Radio-Canada law dept role in review of CBC sponsored contests.. Final approval of all messages reviewed under policy rests with Office of Programming Policies. Proposed revision re-affirms same principles.

1.3 ADVERTISING STANDARDS

1.3.13 Alcoholic Beverage Advertising

Policy

Effective date: TBA

Alcoholic beverage advertising is not accepted on CBC services where the programming or content is directed mainly at persons under the legal drinking age.

Advertising must not encourage the general consumption of alcohol but may promote brand preference.

Alcoholic beverage advertising must comply with the CRTC's *Code For Broadcast Advertising Of Alcoholic Beverages*.

Responsibility: The Vice-President, Strategy and Business Development, is responsible for the application of this policy.

History

This policy replaces former Advertising Standards policy E-2, *Alcoholic Beverage Advertising*.

Major review of 1985 shortened policy language and consolidated policy titled *Spirituos Liqueurs, beer, wine and cider* with policy titled *Advertising for Beverages used as Mixers*. Prohibition on ads for spirituous liquors remained as did obligation that all ads promoting beer, wine or cider be approved by CRTC. Most recent major change occurred in December 1997 when restrictions lifted and ads for all alcoholic beverages were permitted where allowed by the provinces. No change since.

Proposed revision re-affirms that Alcoholic beverage advertising must comply with CRTC's *Code for Broadcast Advertising of Alcoholic Beverages*.

1.3 ADVERTISING STANDARDS

1.3.15 Advertising Limits

Policy

Effective date: TBA

The CBC will not air more advertising on its broadcast services than permitted by CRTC Regulations and Conditions of Licence.

On television, the amount will not exceed the maximum number of minutes of advertising material permitted for broadcast by the CRTC. The CBC however may choose to further limit the amount of advertising that it will permit in any given program.

CBC Radio services are commercial-free. Exceptions are limited to those allowed under Conditions of Licence.

Responsibility: The Vice-President, Strategy and Business Development, is responsible for the application of this policy.

History

This policy replaces former Advertising Standards policies F-5, *Commercial Limits and Formats - Television*, and F-6, *Commercial Limits and Formats - Radio*.

Policy review of 1985 integrated four separate policies relating to tv into one titled- *Commercial Limits & Formats - Television*. 1985 policy re-affirmed CRTC regulation permitting a maximum of 12 minutes of advertising material in a clock hour while eliminating detailed scheduling limitations. Revision allowed greater flexibility in formats, station breaks and billboards.

Major policy review of 1985 integrated 3 policies relating to radio into one policy - *Commercial Limits & Formats - Radio*. Ads on CBC radio were only permitted where stations provide only outlet in a given community, in programs where rights only available on sponsored basis & when required under Canada Elections Act.

The proposed revision integrates above 2 policies - *Commercial Limits and Formats - TV* with *Commercial Limits and Formats - Radio*. Obligation to respect CRTC regulations & conditions of license is re-affirmed.

1.3 ADVERTISING STANDARDS

1.3.16 Provincial Regulations

Policy

Effective date: TBA

The CBC, as a Federal Crown agent and a federally regulated broadcaster, is subject to provincial legislation relating to advertising only to the extent provided for in the CRTC regulations.

The CBC may, as a courtesy, bring to the attention of advertisers provincial regulations that could affect them. However, the CBC assumes no responsibility for advertisements that may contravene provincial legislation.

Responsibility: The Vice-President, Strategy and Business Development, is responsible for the application of this policy.

History

This policy replaces former Advertising Standards policy E-5, *Provincial Regulations Affecting Broadcast Advertising*.

Major review of 1985 deleted detailed citations of CRTC regulations as well as references to provincial legislation re alcoholic beverage advertising. The principle - CBC is subject to provincial regulations only to extent provided for in CRTC regulations - was re-affirmed. No major change since. Proposed revision simplifies policy language while retaining same principle.

**Proposed Revisions to Advertising
Standards Policies**

**Standing Committees on English and French
Language Broadcasting**

Yellowknife

June 20, 2006

Prepared by: Strategy and Programming Policies

Table of Contents

1. Decision Required
 2. Advertising Standards – What’s covered
 3. Advertising Standards – What’s not covered
 4. Why the Need for Revisions
 5. The Process
 6. Next Steps
- Appendix A: Comparison of Current and Proposed Policies
- Appendix B: Proposed Policies - for Board Approval

1. Decision Required

- Seeking Board approval of revisions to Advertising Standards Policies
- As confirmed by the Legal Dept., these revisions do not result in any substantive change in policy
- A list of the current and proposed policies are attached in Appendix A

CBC  Radio-Canada / 3

2. Advertising Standards – What's covered

- Advertising Standards Policies govern the content, placement and scheduling of advertising messages on CBC/Radio-Canada services
- Policies determine the type of programs or content that may be sponsored or interrupted for commercial messages, and are brought to the Board from time-to-time for updating; (e.g. Political Advertising revisions approved by Board in May 2005)

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2. Advertising Standards – What’s covered (cont.)

- Procedures and Guidelines” are used by staff to help interpret and apply the Policies. These are updated from time-to-time by management. (e.g. Revisions to Competitive Advertising Procedures and Guidelines, approved by SMC in September 2005)
- The management of Advertising Standards is the responsibility of the Strategy and Business Development Department

CBC  Radio-Canada / 5

3. Advertising Standards - What’s not covered

- Programming Policies, such as “Product Placement” and “Violence in Children’s Programming” and the Corporation’s treatment of Infomercials, are not included in these Advertising Standards revisions
- Currently, CRTC prohibits the Corporation from broadcasting infomercials during the broadcast day. Outside the broadcast day, our treatment of infomercials is governed by our Programming Policies

CBC  Radio-Canada / 6

3. Advertising Standards - What's not covered (cont.)

- These Advertising Standard revisions incorporate the New Media and Internet environments, but they do not address specific formats for New Media services, such as "Pop-ups", etc.
- The acceptability of different formats is addressed and reviewed by staff on an on-going basis.

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4. Why the Need for Revisions?

- Two years ago, the Board called for all Corporate policies to be re-structured on a consistent basis, separating policies from implementation guidelines
- This revised package sets out our response
- During the restructuring process staff took the opportunity to update and simplify the language of the policies

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4. Why the Need for Revisions? (cont.)

- For example, a number of recent legislative and regulatory changes were incorporated into the revised policies (e.g.: Competition Act, Health regulations)
- In addition, the policies were updated to reflect the new advertising environment for New Media services

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5. The Process

- A working group from across the Corporation undertook to review and revise the policies
 - The original 24 policies have been simplified, updated and integrated into the proposed 16 policies ¹
 - Language of all policies has been clarified to ensure coherency and consistency of application on all CBC/Radio-Canada services
 - Policy statements are clearly separated from Procedures and Guidelines

¹ The process of updating and simplifying the policies has enabled management to reduce the number of policies. For example, the policies "Commercial Limits – Television" and "Commercial Limits – Radio" have been combined into one policy "Advertising Limits" without any change in substance.

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5. The Process (cont.)

- CBC/Radio-Canada's Law Department has reviewed the proposed policy changes and has confirmed that there are no substantive changes
- As confirmed by the Law Department's review:

"At a general level, the new policy entrenches the same guiding principles and norms as the existing one. Changes are for the most part limited to clarifications and reorganizing the structure of the policies and the guidelines and rules as a single coherent document"

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6. Next Steps

- Brief Advertising Standards Staff and Sales personnel – Summer 2006
- Publish new policies on Intranet – September 2006

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Appendix A: Comparison of Current and Proposed Policies

Current Policies	Proposed Policies
Objectives Administration Non-Sponsorable Programs	Objectives and Values
Truth in Advertising Reputation of Advertiser Comparison Advertising	Truth in Advertising
Standards of Taste Repetition of Commercials	Standards of Taste and Fair Representation
Advocacy Advertising	Advocacy Advertising
Advertising Directed to Children under 12 Years of Age	Advertising Directed to Children under 12 Years of Age
Advertiser Identification Secondary Advertisers	Advertiser Identification
Testimonials, Endorsements or Recommendations	Endorsement

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Appendix A: Comparison of Current and Proposed Policies (cont.)

Current Policies	Proposed Policies
Advertising in Broadcasting Language of Station	Language of Broadcast
Unacceptable Advertising	Unacceptable Advertising
Contests, Casinos and Other Games of Chance	Contests and Games of Chance
Alcoholic Beverage Advertising	Alcoholic Beverage Advertising
Outside Requests for Commercial Material and Information	Access to Advertiser Property
Provincial Regulations Affecting Broadcast Advertising	Provincial Regulations
Program Integrity News Broadcasts	Program Integrity
Commercial Limits and Formats Television Commercial Limits and Formats Radio	Advertising Limits
Political Advertising	Political Advertising (Approved May 2005)

CBC Radio-Canada / 14

Board of Directors

June 20, 2006

Subject matter

REVIEW TERMS OF REFERENCE OF THE STANDING COMMITTEES ON ENGLISH AND FRENCH LANGUAGE BROADCASTING

Background

An annual review of the Terms of Reference is mandated. The committee is at liberty to propose changes to the Terms of Reference based on its experience with the current ones.

Information on the matter

See attached documents

For decision

For information

Prepared by

Name: Pierre Nollet

Date: June 7, 2006

Management recommendation

IT IS RESOLVED THAT on the recommendation of the Standing Committees on English and French Language Broadcasting, the Board of Directors hereby approves the Terms of Reference for the Standing Committees on English and French Language Broadcasting as submitted.

Last discussed at the Board

Date: May 5, 2004

Decision made: Approved

Next steps

**TERMS OF REFERENCE FOR THE STANDING COMMITTEES
ON ENGLISH AND FRENCH LANGUAGE BROADCASTING**

I. PURPOSE

The *Broadcasting Act* requires the existence of two committees (the Committees), one on English Language Broadcasting and one on French Language Broadcasting.

The purpose of the Committees is to ensure that the Board monitors fulfillment by the Corporation of its French and English language broadcasting responsibilities and its overall mandate and to recommend policies that will be conducive to the attainment of appropriate French and English language program objectives.

II. COMPOSITION AND TERMS OF OFFICE

- A. Each Broadcasting Committee shall consist of all members of the Board. The Board Chair and the President and CEO shall be members of the Committees. Members shall hold office from the date of their appointment by the Board until the next annual meeting of the Corporation.
- B. The Board Chair, or in the absence of the Board Chair, the President and CEO, shall be the Chair of the Committees. The Board Chair may designate one of the Directors to preside at Committee meetings in the event that both the Board Chair and the President and CEO are absent.
- C. The Committees shall meet at such times as may be requested by the Committee Chair, but at least twice a year and unless otherwise indicated, these Committees shall sit together.
- D. A majority of members of each Committee shall constitute a quorum.
- E. The Chair of the Committees, in consultation with the President and CEO or his/her delegate, shall set the agenda and the annual timetable which shall then be circulated among the Committee members.
- F. The Committees shall periodically review their terms of reference to ensure they continue to be appropriate, and make recommendations to the Board for improvements.
- G. The Corporate Secretary, or his or her delegate, shall act as the secretary to the Committees.

**TERMS OF REFERENCE FOR THE STANDING COMMITTEES
ON ENGLISH AND FRENCH LANGUAGE BROADCASTING**

III. DUTIES AND RESPONSIBILITIES

The Broadcasting Committees shall:

- A.** Review the various components of the CBC including:
 - a) English radio
 - b) English television and specialty channels
 - c) French radio
 - d) French television and specialty channels
 - e) Internet, RCI, Galaxie and other businesses
- B.** Review and ensure the appropriateness of the journalistic and program policies, and consider and recommend to the Board any proposed changes to these policies.
- C.** Review the appointment process of the Ombudsmen.
- D.** With respect to the Ombudsmen:
 - i) review their annual and five year plan and the implementation of these plans;
 - ii) review the Ombudsmen's annual reports regarding compliance with journalistic policies;
 - iii) review management's response to recommendations by the Ombudsmen; and
 - iv) ensure the Ombudsmen maintain an appropriate level of independence.
- E.** Perform such other functions as may be assigned from time to time by the Board.
- F.** Periodically review compliance with CRTC licenses.

IV. ACCOUNTABILITY

- A.** The Committees shall report to the Board on a regular basis all such action they have taken since the previous report.
- B.** Minutes for Committee meetings are available through the Corporate Secretary.

**TERMS OF REFERENCE FOR THE STANDING COMMITTEES
ON ENGLISH AND FRENCH LANGUAGE BROADCASTING**

V. COMMITTEE CHECKLIST

The major annual activities of the Committees are outlined in the timetable on the following pages.

**CHECKLIST – STANDING COMMITTEES ON ENGLISH AND FRENCH LANGUAGE
BROADCASTING**

JANUARY

- Review of French television and its specialty channels

MARCH

- Review of English radio

MAY

- Review of English television and its specialty channels
- Review Committee Terms of Reference

SEPTEMBER

- Review of French radio
- Review Ombudsman annual report, annual and five year plan and the implementation of these plans
- Management's response to recommendations by the Ombudsmen
- Receive report on content analysis listenership and viewership

WHEN NEEDED

- Ensure the Ombudsmen maintain an appropriate level of independence
- Perform such other functions as may be assigned from time to time by the Board
- Review of on-line, international, Galaxie and Northern services
- Review and ensure appropriateness of journalistic and program policies
- Review appointment process of Ombudsmen
- Review compliance with CRTC licences

Board of Directors

June 19-20, 2006

Subject matter

Report on Board and Committee Evaluation

Background

The terms of reference of the Board provide for regular evaluation of the Chair, and of the Board and its Committees. The Board agreed that the Chairman's evaluation would be deferred for a year in recognition of his fairly recent appointment.

Information on the matter

Board members were asked to submit their responses to the evaluation questionnaire to Patrick O'Callaghan by May 1, 2006. The attached document summarizes the results of the questionnaire and provides recommendations for the Board's consideration.

For decision**For information****Prepared by**

Name: Pierre Nollet

Date: June 7, 2006

Last discussed at the Board

Date: May 10, 2006

Directors were reminded to submit their responses to the questionnaire as soon as possible

Next steps

Consider recommendations contained in report

Conseil d'administration

Les 19 et 20 juin 2006

Sujet

Rapport sur l'évaluation du Conseil et du Comité

Contexte

Le mandat du Conseil d'administration prévoit des évaluations régulières du président du Conseil, du Conseil d'administration et de ses comités. Les administrateurs ont convenu de reporter l'évaluation du président pour un an, étant donné que sa nomination est relativement récente.

Renseignements connexes

On a demandé aux administrateurs de soumettre leurs réponses au questionnaire d'évaluation à Patrick O'Callaghan pour le 1^{er} mai 2006. Le document ci-joint résume les résultats du questionnaire, et mentionne des recommandations pour examen par le Conseil.

Pour décision

Pour information

Préparé par

Nom : Pierre Nollet
Date : Le 7 juin 2006

Dernière discussion au Conseil

Date : le 10 mai 2006
On rappelle aux administrateurs de soumettre leurs réponses au questionnaire le plus tôt possible.

Prochaines étapes

Examiner les recommandations contenues dans le rapport.

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**is withheld pursuant to section
est retenue en vertu de l'article**

20(1)(d)

**of the Access to Information Act
de la Loi de l'accès à l'information**

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**of the Access to Information Act
de la Loi de l'accès à l'information**

**Pages 323 to / à 325
are withheld pursuant to section
sont retenues en vertu de l'article**

21(1)(d)

**of the Access to Information Act
de la Loi de l'accès à l'information**

Board of Directors

June 20, 2006

Subject matter**CHAIRPERSON AND PRESIDENT AND CEO'S TERMS OF REFERENCE****Background**

In March, management's report on the current state of governance at CBC/Radio-Canada highlighted the relationship between the roles of the Chairman of the Board and the President and CEO. The Committee discussed the importance of the two individuals sharing a common understanding of their respective roles. In furtherance of this goal, the President and CEO and the Chairman met in April to review together their respective terms of reference.

Information on the matter

The attached Terms of Reference for the Chairperson and the President and CEO reflect the consensus reached by the incumbents as to their respective roles.

For decision**For information****Prepared by**

Name: Pierre Nollet

Date: June 1, 2006

Management recommendation

IT IS RESOLVED THAT on the recommendation of the Nominating and Governance Committee, the Board of Directors hereby approves the Terms of Reference for the Board Chairperson and of the President & CEO, as submitted.

Last discussed at the Board

Date: May 5, 2004

Decision made: Terms of Reference for the Board Chairperson and President & CEO were approved as presented.

Next steps

TERMS OF REFERENCE FOR THE BOARD CHAIRPERSON

I. INTRODUCTION

A.

s.21(1)(b)

B.

C.

D.

II. WORKING WITH MANAGEMENT

- A. act in an advisory capacity to the President and CEO and as the principal, but not exclusive, liaison between the Board and the President and CEO, ensuring the President and CEO is aware of concerns of the Board and the Board is aware of the principal concerns of management;
- B. lead the Board in monitoring and evaluating the performance of the President and CEO and in ensuring his/her accountability;
- C. ensure that the Strategic, Corporate and Business Plans are presented to the Board;
- D. ensure that management succession and development plans are in place; and
- E. liaise with and provide direction to the Corporate Secretariat.

TERMS OF REFERENCE FOR THE BOARD CHAIRPERSON

III. MANAGING THE AFFAIRS OF THE BOARD

s.21(1)(b)

- A. ensure that the Board has full governance of the Corporation's business and affairs and that the Board is alert to its obligations under the law and to its public responsibilities;
- B. ensure the Board reviews and monitors the Corporation's progress towards the achievement of its strategies and plans;
- C.
- D. set the frequency of the Board meetings (minimum of six) and review such frequency from time to time as considered appropriate or as requested by the Board;
- E. establish the agenda, information packages and related events for Board meetings in close collaboration with the President and CEO and Corporate Secretary;
- F. chair Board meetings;
- G. recommend committee membership and leadership to the Board;
- H. in consultation with the Governance Committee:
 - i) annually evaluate each committee's appropriateness in the current environment and recommend such adjustments as are deemed necessary from time to time; and
 - ii) annually review committee performance.
- I. attend committee meetings where appropriate;

TERMS OF REFERENCE FOR THE BOARD CHAIRPERSON

- J. monitor and review the frequency, agenda and information packages for committee meetings, in conjunction with the committee Chairs;
- K. ensure that Board and committee meetings are conducted in an efficient, effective and focused manner; and
- L. annually lead the review and assessment of Director attendance, performance and compensation and composition of the Board, all in conjunction with any relevant committees of the Board.

s.21(1)(b)

IV. RELATIONS WITH PARLIAMENT, OTHER STAKEHOLDERS AND THE PUBLIC

- A. ensure the Corporation's management and, where appropriate, the Board are appropriately represented to Parliament and other stakeholders;
- B.
- C. represent the Corporation in its interface with Government, regulatory bodies and other stakeholders.
- D.
- E.

TERMS OF REFERENCE FOR THE BOARD CHAIRPERSON

F.

TERMS OF REFERENCE FOR THE PRESIDENT AND CEO

I. INTRODUCTION

- A. The President is appointed by the Governor in Council and is the Chief Executive Officer of the Corporation.
- B. The Broadcasting Act states the President and CEO "has supervision over the direction of the work and staff of the Corporation and may exercise such powers and shall perform such other duties and functions as are assigned to the President by the by laws of the Corporation." The Board also delegates to the President and CEO, its "responsibility for the management of the businesses, activities and other affairs of the Corporation", subject to the Board's direction and authority.
- C.
- D.

II. DUTIES AND RESPONSIBILITIES

- A. lead and manage the Corporation within the parameters established by the Board;
- B. report and be responsible in all matters to the Board of Directors;
- C. recommend to the Board, the Corporation's Strategic, Corporate and Business Plans and, when approved, implement the Plans;
- D. keep the Board informed of the Corporation's performance against its plans and all significant developments;

Previous Revision: January 23, 2002

Page 1

Current Revision: March 26, 2002

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TERMS OF REFERENCE FOR THE PRESIDENT AND CEO

- E. ensure the Board has sufficient information to permit it to fully review and monitor performance, potential issues and ultimately to make decisions;
- F. develop and implement operational policies to guide the Corporation within the limits prescribed by the Corporation's by-laws and the framework of the strategic directions and corporate policies adopted by the Board;
- G. actively engage in directing and monitoring the activities of the Corporation consistent with its strategies, plans and changes in the current environment;
- H. develop, and review with the Board the overall organization structure of the Corporation and the staffing of the corporate executive positions within the structure;
- I. develop and review with the Board, an annual plan for the development and succession of senior management;
- J. provide the Board, at Board and committee meetings, with exposure to the key management issues of the Corporation;
- K. foster a corporate culture that promotes ethical practices, encourages individual integrity, and fulfils social responsibility;
- L. be the primary spokesperson for the Corporation and oversee the Corporation's interfaces with Parliament and other stakeholders including:
 - i) developing and implementing a communications program for the Corporation; and
 - ii) representing the Corporation in its interface with Parliament, regulatory bodies and other stakeholders;
- M. meet regularly, and as required, with the Board to review material issues and to ensure that the Board is provided, in a timely manner, with all the information it requires to fulfil its statutory and other obligations; and

Previous Revision: January 23, 2002

Page 2

Current Revision: March 26, 2002

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TERMS OF REFERENCE FOR THE PRESIDENT AND CEO

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Current Revision: March 26, 2002

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Board of Directors

June 20, 2006

Subject matter

Updated Director Skills Matrix & Board Profile

Background

At its May meeting, the Governance Committee reviewed the current Board Profile and proposed adding the following to the requirements: (i) journalistic expertise and (ii) expertise in the creative development, innovation and use of technology in the broadcast/media/communications industry.

The Committee also reviewed a draft skills matrix of current Board skills and requested management to consult with individual Directors regarding their particular areas of expertise to ensure that the skills matrix was accurate and complete.

Information on the matter

A copy of the Director Expertise grid, updated by management based on Directors' indications of their current skills, will follow as soon as it is available. A revised copy of the Board of Directors Profile, which outlines the required qualifications for Directors, is attached.

For decision**For information****Prepared by**

Name: Meg Angevine

Date: May 31, 2006

Management recommendation

IT IS RESOLVED THAT, on the recommendation of the Nominating and Governance Committee, the Board of Directors hereby approves the changes to the Board Profile and Director Expertise grid as submitted.

Last discussed at the Board

Date: May 2006

For information: Board Succession Planning process outlined

Next steps

Proceed with Board Succession Planning process



BOARD OF DIRECTORS PROFILE

Education

- A degree from a recognised university, with acceptable specialization in any of the following disciplines – accounting, business administration, public administration, commerce, finance, economics, or some other specialty relevant to the position – or an acceptable combination of education, training and /or experience is required for all directors;
- At least one director must have an accounting designation;
- At least one director should have a degree in law and be a member in good standing of a law society in Canada;
- At least one director must have HR/IR and succession planning expertise.

Experience

- Experience on a board of directors or significant experience in a senior management occupation, a professional occupation in business and finance, or a professional occupation in art and culture is required for all directors;
- Relevant experience in the information and cultural industries sector or the public administration sector would be an asset for directors;
- Experience dealing with government, preferably with senior government officials, would be an asset for all directors.

Knowledge

All directors must have functional knowledge of:

- The role of a board of directors;
- The Canadian Broadcasting Corporation's mandate;
- The broadcasting subsector, the internet publishing and broadcasting subsector, and the motion picture and video industry group;
- Strategic corporate planning and monitoring and evaluation of corporate performance;
- Corporate reporting;

Previous Revision: December 2005

Current Revision: May 2006

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BOARD OF DIRECTORS PROFILE

- Financial management;¹ and
- The federal Government's values and ethics framework and policies.

The board of directors' complement must be such that one or more directors have functional knowledge in each of the following areas:

- Financial management;
- Strategic risk management;
- Human resources management² (Industrial Relations expertise with heavily unionized environment/Human Resources expertise with culture change management/Succession Planning expertise at the Board level with another major corporation);
- Information technology management;
- Information management and communications management;
- Risk management and legal issues; with a transactional background in a related field, and regulatory expertise; and
- Marketing/public relations/communications with another public organization/government relations management.
- Journalistic expertise
- Expertise in new and innovative technology

Abilities

All directors must have:

- Ability to develop effective working relationships with other directors and the Canadian Broadcasting Corporation's partners and stakeholders;
- Ability to recognise opportunities or identify solutions when emerging issues arise;
- Ability to contribute constructively to the debates and discussions among board members; and
- Exceptional communications skills, both written and oral.

¹ Includes: systems for financial information management; corporate finance controls and assets management; the relationship between financial and performance indicators and predictions, such as the

BOARD OF DIRECTORS PROFILE

return on investment, net income and debt/equity ratio; and internal audit and evaluation

² Includes: succession planning; pensions and benefits; performance management; labour relations; and continuous learning.

Personal Suitability

- Integrity, high ethical standards, and accountability
- Sound and informed judgment
- Maturity
- Courage
- Respect
- Initiative
- Tact and diplomacy
- Highly motivated
- Strong commitment to excellence
- Solid track record of relevant achievements
- A willingness to commit the time necessary to meet the requirements of attendance at Board meetings and Board Committee meetings including significant travel time
- Unique qualifications relating to regional representation, gender and ethnic representation
- Financial Literacy
One of the important roles of the Board is to monitor financial performance. CBC's Board should include directors who are financially literate. Directors should know how to read a balance sheet, income statement and a cash flow statement, and should understand the use of financial ratios and other indices for evaluating organizational performance.
- High Performance Standards
CBC directors should have a history of achievements that reflect high standards for themselves and others.

Linguistic Proficiency

- Proficiency in both official languages is an asset for all directors.

Previous Revision: December 2005

Current Revision: May 2006

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BOARD OF DIRECTORS PROFILE

Independence and Freedom from Conflicts

It is acknowledged that CBC/Radio-Canada will be best served by a Board of Directors whose members are (i) free of any significant conflicts of interest (whether potential, actual or apparent) and (ii) independent (with the exception of the President and CEO) of the Corporation. In this context, the term "independent" as applied to a Director means the Director has no direct or indirect material relationship with the Corporation.

To achieve this objective, prospective candidates for the Board of Directors should be reviewed to determine that they are both independent and free from significant conflicts of interest prior to their being recommended for appointment.

Eligibility Criteria for Board Members

- Canadian citizen ordinarily resident in Canada
- Background check

The following persons are ineligible to be a Director:

- A person who, directly or indirectly, as owner, shareholder, director, officer, partner or otherwise (a) is engaged in the operation of a broadcasting undertaking; (b) has any pecuniary or proprietary interest in a broadcasting undertaking; or (c) is principally engaged in the production or distribution of program material that is primarily intended for use by a broadcasting undertaking.

Previous Revision: December 2005

Current Revision: May 2006

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Board of Directors

June 20, 2006

Subject matter**APPOINTMENT OF CHAIRS AND MEMBERS OF BOARD COMMITTEES****Background**

Pursuant to the Board's current governance practices, the Chairs and members of Committees are appointed by the Board to hold office from the date of their appointment until the next annual meeting of the Corporation (held in June of each year). Accordingly, each year in June, the Chairs and members of Committees are appointed by the Board for the following year. Changes in the composition of Committees may also occur at other times during the year, depending upon various factors, including changes in the overall Board composition.

Information on the matter

No changes are proposed to the Chairs or Members of Committees at the present time. When new Board members are appointed, the composition of Board Committees will be reviewed to ensure that Board members are assigned to Committees for optimal results and appropriate balance, having regard to Board members' skills and experience.

For decision

For information

Name: Pierre Nollet
date: June 2, 2006

Recommendation

IT IS RESOLVED THAT the Nominating and Governance Committee recommends to the Board of Directors that the current Members and Chairs of Board Committees be approved as presented to serve until the next annual meeting of the Corporation (June 2007) or until a review of Committee membership is conducted, whichever is sooner.

Last discussed at the Board

Date: June 2005
Decision made: Approved as submitted.

Next steps

Circulate new Committee membership list

Conseil d'administration

20 juin 2006

Sujet**NOMINATION DES PRÉSIDENTS ET DES MEMBRES DES COMITÉS DU CONSEIL****Contexte**

Conformément aux pratiques actuelles du Conseil en matière de gouvernance, les présidents et les membres des comités sont nommés par le Conseil et leur mandat à ce titre s'étend de la date de leur nomination jusqu'à la prochaine assemblée annuelle de la Société (qui a lieu en juin de chaque année). C'est pourquoi, en juin de chaque année, les présidents et les membres des comités sont nommés par le Conseil pour l'année qui vient. Des modifications à la composition des comités peuvent aussi être apportées à d'autres moments dans le courant de l'année, en raison de divers facteurs, dont des changements dans la composition d'ensemble du Conseil.

Renseignements connexes

Aucun changement n'est proposé pour le moment pour ce qui est des présidents ou des membres des comités. Lorsque de nouveaux membres du Conseil seront nommés, on reverra la composition des comités du Conseil pour s'assurer que l'affectation des membres du Conseil aux divers comités favorise des résultats optimaux et un équilibre approprié, compte tenu de l'expérience et des compétences des membres du Conseil.

Décision à prendre

À titre d'information

Nom : Pierre Nollet

Date : 2 juin 2006

Recommandation

IL EST RÉSOLU QUE le Comité des nominations et de la gouvernance recommande au Conseil d'administration de maintenir dans leurs fonctions les membres et les présidents actuels des comités du Conseil, conformément au document présenté, leur mandat s'étendant jusqu'à la prochaine assemblée annuelle de la Société en juin 2007 ou jusqu'à ce que soit revue la composition du comité, selon la première éventualité.

Dernière discussion au Conseil

Date : Juin 2005

Décision prise : Approuvé conformément au document présenté.

Suivi

Faire circuler la nouvelle liste des membres des comités du Conseil.

**CURRENT COMMITTEE MEMBERSHIP
MEMBRES ACTUELS DES COMITÉS**

**Audit Committee
Comité de vérification**

Hélène Fortin	Chair / Présidente
Johanne Brunet	
Bernd Christmas	
Guy Fournier	
K. (Rai) Sahi	

**Standing Committees on English and French Language Broadcasting
Comités permanents sur la radiodiffusion de langue française et de langue anglaise**

Guy Fournier	Chairman of the Board / Président du Conseil
Robert Rabinovitch	
Johanne Brunet	
Bernd Christmas	
Hélène Fortin	
Yasmin Jivraj	
Peter Herrndorf	
Nezhat Khosrowshahi	
Howard McNutt	
Trina McQueen	
K. (Rai) Sahi	

Previous Revision: January 2006
Current Revision: May 2006

**CURRENT COMMITTEE MEMBERSHIP
MEMBRES ACTUELS DES COMITÉS**

**Human Resources and Compensation Committee
Comité des ressources humaines et de la rémunération**

Howard McNutt	Chair / Président
Guy Fournier	Chairman of the Board / Président du Conseil
Robert Rabinovitch	
Nezhat Khosrowshahi	
Trina McQueen	

**Nominating and Governance Committee
Comité des nominations et de la gouvernance**

Peter Herrndorf	Chair / Président
Yasmin Jivraj	
Nezhat Khosrowshahi	
Howard McNutt	
K. (Rai) Sahi	

**Special Committee on Public Support
Comité spécial sur l'appui du public**

Johanne Brunet	Chair / Présidente
Peter Herrndorf	
Trina McQueen	

**Pension Board of Trustees
Conseil de fiducie de la Caisse de retraite**

Hélène Fortin	Chair / Présidente
Bernd Christmas	

Previous Revision: January 2006
Current Revision: May 2006

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**Pages 344 to / à 355
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**of the Access to Information Act
de la Loi de l'accès à l'information**

Board of Directors

September 6, 2006

Subject matter

Summary of Government Funding (10 years – operating and capital).

Background

The attached provides a 10-year historical overview of the Corporation's parliamentary appropriations as at August 17, 2006. The approved reference levels for 2006/07 and beyond are also provided.

Information on the matter

See attached.

For information



Prepared by

Name: Johanne Charbonneau
Date: August 17, 2006

Management recommendation

Not required.

Last discussed at the Board

Date: June 20, 2006
Decision made: N/A

Next steps

Not required.

Anticipated project completion date: _____
(If contract, indicate date of expiry): _____

Conseil d'administration

Le 6 septembre 2006

Sujet

Résumé du financement public (10 ans – exploitation et immobilisations).

Contexte

Le document ci-joint présente un survol historique de dix ans des crédits parlementaires de la Société au 17 août 2006. Vous trouverez également les niveaux de référence approuvés pour les exercices 2006-2007 et au delà.

Renseignements connexes

Voir le document ci-joint.

À titre d'information

Préparé par

Nom : Johanne Charbonneau
Date : Le 17 août 2006

Recommandation de la direction

Aucune.

Dernière discussion au Conseil

Date : Le 20 juin 2006
Décision prise à cette occasion : S/O

Suivi

Aucun.

Date de prévue de la complétion du projet : _____
(Indiquer la date de fin du contrat) : _____

s.18(a)

CRÉDITS PARLEMENTAIRES DE LA SRC
(en milliers de dollars)

										Courants	Prévus		
1996-1997	1997-1998 (Note 2)	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
Crédit d'exploitation													
Rajustements ponctuels :													
Financement rétroactif de salaires													
Financement de salaires (Note 1)													
Virement ponctuel de l'immobilisation													
Virement ponctuel à l'immobilisation													
Financement des coûts de compression/remboursement d'emprunt													
Financement de la hausse des paiements tenant lieu de taxes													
Financement de l'intégrité des programmes - l'amiante													
Fonds supplémentaires pour améliorer et revitaliser les émissions (Note 3)													
Transferts du Patrimoine canadien (PCCL) (Note 4)													
Report													
Hausse des coûts pour les célébrations de la fête du Canada 2002													
Financement de RCI (Note 5)													
Examen des dépenses – Réduction (Budget 2003)													
Nouveaux coûts inévitables (Note 6)													
Total du crédit d'exploitation													
Crédit d'immobilisations													
Rajustements ponctuels :													
Virement ponctuel à l'exploitation													
Virement ponctuel de l'exploitation													
Report du crédit de 1996-1997 à 1997-1998													
Report du crédit de 1997-1998 à 1998-1999													
Report du crédit de 1998-1999 à 1999-2000													
Report du crédit de 1999-2000 à 2000-2001													
Report du crédit de 2000-2001 à 2001-2002													
Report du crédit de 2004-2005 à 2005-2006													
Report du crédit de 2005-2006 à 2006-2007													
Fonds pour le Nunavut													
Total du crédit d'immobilisations													
Crédit du fonds de roulement													
TOTAL DES CRÉDITS PARLEMENTAIRES													
Moins décision sur report (immobilisation)													
Moins décision sur report (exploitation)													
Moins remboursement d'emprunt (exploitation)													
Moins financement pour compression													
TOTAL DES CRÉDITS PARLEMENTAIRES													
POUR LES OPÉRATIONS RÉGULIÈRES													
963 158	861 394	834 400	862 221	900 075	1 019 885	1 026 522	1 026 311	1 062 528	1 101 741	1 102 039	1 042 039	1 042 039	1 042 039

Board of Directors
(September 6-7, 2006)**Subject matter****Labour Relations Update****Background**

This is a standing item on the Board of Directors' agenda which provides the status of CBC's collective agreements.

Information on the matter

Not applicable.

For decision:**For information:** **Prepared by**

Name: George C.B. Smith
Senior Vice-President, Human Resources and Organization

Date: September, 2006

Management recommendation

Not applicable.

Last discussed at the Board

Date: June 2006

Decision made:

Anticipated project completion date: ___N/A___
(If contract, indicate date of expiry): _____

AGREEMENTS PRESENTLY BEING NEGOTIATED

UNION	Effective Date	# of Members	Central Issues
NATIONAL FILE			
AfofM (American Federation of Musicians)	April 1, 2003– March 31, 2006	N/A	
ENGLISH FILE			
ACTRA (Alliance of Canadian Cinema, Television and Radio Artists) (Performers)	July 1, 2003– June 30, 2005	N/A	
WGC (Writers Guild of Canada)	Sept. 1, 1998– August 31, 2000	N/A	
IATSE (International Alliance of Theatrical, Stage Employees and Moving Picture Machine Operators of the United States and Canada) (Stagehands)	No agreement since 1994	3	
FRENCH FILE			
AR (Association des réalisateurs)	Dec. 13, 2003– Dec. 11, 2005	380	
SARTEC (Société des auteurs de la radio, de la télévision et du cinéma)	July 4, 2002– July 3, 2005	N/A	
SPACQ (Société professionnelle des auteurs-compositeurs du Québec)	March 25, 2004– March 24, 2005	N/A	

NEGOTIATED AGREEMENTS

UNION		Effective Dates of Collective Agreement	# of Members
NATIONAL FILE			
APS	Association of Professionals and Supervisors	July 1, 2005– June 30, 2008	646
ENGLISH FILE			
CMG	Canadian Media Guild	April 1, 2004– March 31, 2009	5,141
FRENCH FILE			
SCRC (Unit 1)	Syndicat des communications de Radio-Canada	March 27, 2006– March 29, 2009	1,390
STARF (Unit 2)	Syndicat des technicien(ne)s et artisan(e)s du réseau français de Radio-Canada	April 13, 2006– March 31, 2009	1,336
SCFP (Unit 3)	Syndicat Canadien de la Fonction Publique (Groupe des employé(e)s de bureau et professionnel(le)s)	September 26, 2005– September 27, 2007	636
UDA	Union des artistes	November 14, 2005– November 13, 2009	N/A

Board of Directors
(September 6-7, 2006)

Subject matter

Workforce Information

Background

The attached documents present the total workforce in terms of full time equivalent (FTE) broken down by:

- media component with a comparison to beginning fiscal year;
- geographic location (map of Canada)

Information on the matter

Attached

For decision

For information

Prepared by

Name: G.C.B. Smith
Date: August 24, 2006

Management recommendation

N/A

Last discussed at the Board

Date:
Decision made:

Next steps

Anticipated project completion date: _____
(If contract, indicate date of expiry): _____

Conseil d'administration

(6 et 7 septembre 2006)

Sujet

Information sur la main-d'oeuvre

Contexte

Les documents en annexe présentent la main-d'oeuvre totale exprimée en équivalent à temps plein (ETP) et ventilée par :

- composante média (avec une comparaison par rapport au début de l'exercice);
- lieu géographique (carte du Canada).

Renseignements connexes

Voir document joint

Décision à prendre

À titre d'information

Préparé par

Nom : G.C.B. Smith
Date : le 24 août 2006

Recommandation de la direction

N/A

Dernière discussion au Conseil

Date :
Décision prise à cette occasion :

Suivi

Date prévue de l'achèvement du projet : _____
(Indiquer la date de fin du contrat) : _____

TOTAL WORKFORCE / EFFECTIF TOTAL

Full Time Equivalent / Équivalent temps plein

Month: May / Mois : August 2006
(Aug 6, 2006 / Le 6 aout 2006)

	Permanent (a,b)	Temporary Temporaire (a,b)	Contract Contractuel (a,b)	Short term Court terme (d)	TOTAL	TOTAL Begin. FYR 2005/06 Début de l'exercice 2005/06	Variance Écart
Radio English/ Radio anglaise	951	86	68	202	1,306	1,293	14
Radio French/ Radio française	674	77	196	302	1,249	1,183	66
Television English/ Télévision anglaise	2,411	180	213	293	3,097	3,164	-66
Television French/ Télévision française	2,254	271	180	423	3,128	3,033	95
Corporate/ National	1,025	62	159	51	1,297	1,289	8
TOTAL	7,315	675	816	1,271	10,077 *	9,961 **	116

* 10,077 FTE/EPT = 10,784 head count / effectifs réels.

** 9,961 FTE/EPT = 10,940 head count / effectifs réels.

Notes:

(a) Employees on leave of absence are excluded. / Les employés en absence autorisée sont exclus.

(b) FTE is based on the full-time / part-time percentage of the employee's working schedule. /

L'EPT est basé sur le pourcentage temps plein / temps partiel de l'horaire de travail des employés.

(d) Includes casual + short term contract. FTE is based on the total days worked over a four week period. /

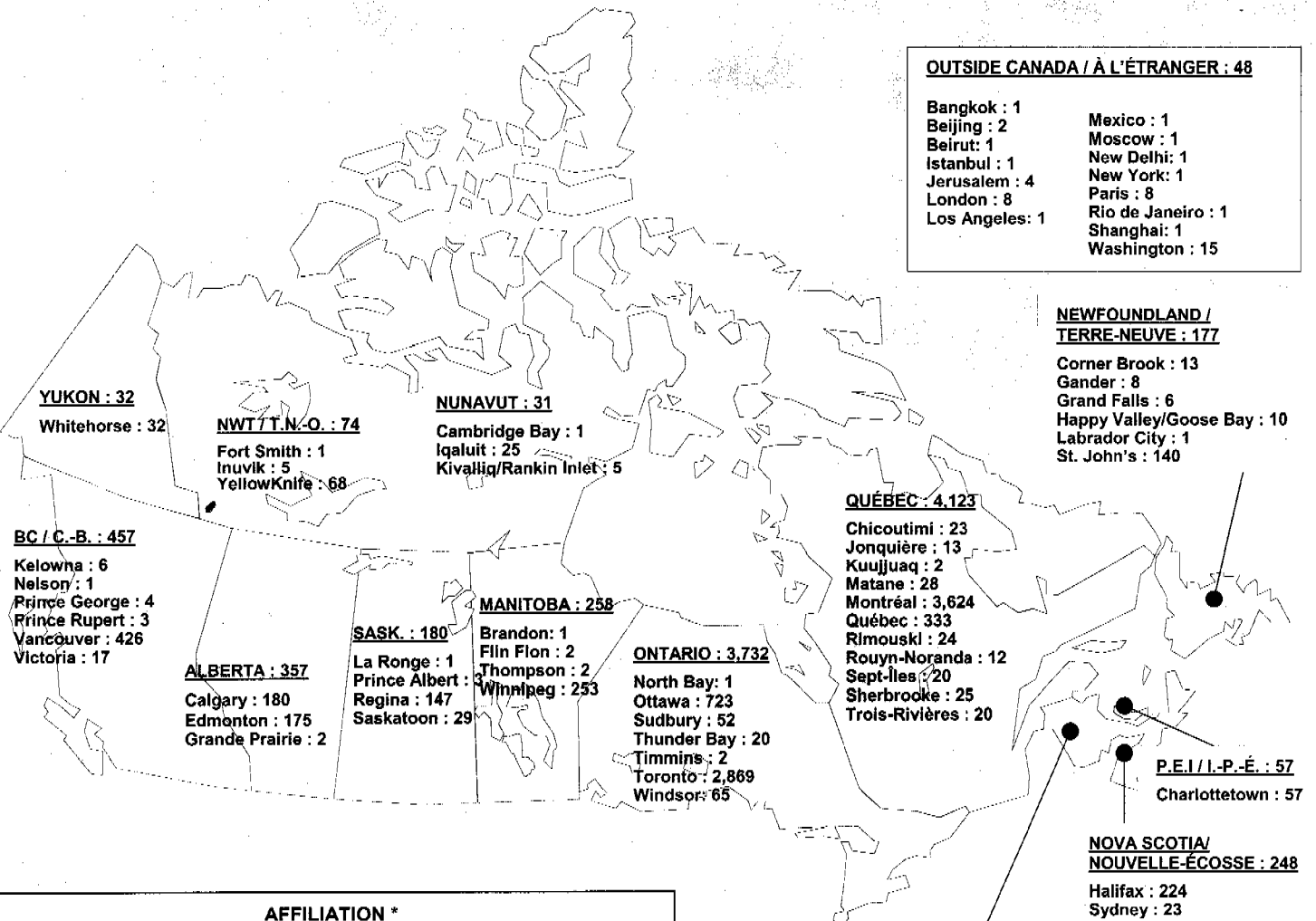
Comprend les occasionnels et les contractuels courte durée. L'EPT est basé sur le total des jours travaillés durant une période de quatre semaines.

The sum of the details may not balance with the totals due to rounding / La somme du détail peut différer des totaux en raison de l'arrondissement.

CBC Map / Carte de la SRC

Full Time Equivalent / Équivalent temps plein

August 2006 / août 2006



AFFILIATION *

Non-unionized/non-syndiqué:		Unionized/syndiqué:	
Unaffiliated:	49	APS:	682
Executives:	64	CMG:	4521
MS:	1003	SCRC:	1370
Confidential:	192	STARF:	1231
SUBTOTAL:	1,308 (13%)	SCFP:	596
		AR:	369
		SUBTOTAL:	8769 (87%)
GRAND TOTAL:	10,077		

Total FTE/ETP 10,077 = Head count / effectifs réels 10,784

* The sum of the details may not balance with the totals due to rounding / La somme du détail peut différer des totaux en raison de l'arrondissement.

Board of Directors

September 7, 2006

Subject matter

President and CEO's Signing Authority

Background

In 2004, the Board approved the attached signing authority.

Information on the matter

At the request of new Board members, we are attaching, as a standing item, the actual signing resolution for reference purposes.

For decision

For information

Prepared by

Name: Pierre Nollet

Date: August 21, 2006

Management recommendation

Last discussed at the Board

Next steps

PRESIDENT'S SIGNING AUTHORITY RESOLUTION

On a motion duly moved and seconded

WHEREAS the President and CEO requires sufficient authority to carry out his/her functions; and

WHEREAS the Board reviews and approves the Capital and Operating budgets each and every year; and

WHEREAS the authority granted to the President and CEO shall be carried out within the limits of the approved budgets, the Corporation's By-laws and the Broadcasting Act;

IT IS THEREFORE RESOLVED THAT the President and CEO directly or through his/her delegate be and is hereby authorized to decide, enter into or commit on behalf of the Corporation for:

1. *(acquisition or disposition of real property)* any matters which have a financial value or consideration to the Corporation of less than \$4 million, when covered by Section 48(2) of the Broadcasting Act;
2. *(leasing of real property)* any matters which have a financial value or consideration to the Corporation of up to \$15 million, when covered by Section 48(2) (b) of the Broadcasting Act and Order in Council number P.C. 2002-1582 and dated September 24, 2002;
3. *(programming)* any matter relating to the acquisition, production co-production of financing of programs and has a financial value or consideration to the Corporation of up to \$10 million and commits the Corporation to a period of 4 years or less;
4. *(revenue generating)* any matter where the main objective is to generate revenues which has a financial value or consideration to the Corporation of up to \$15 million and commits the Corporation to a period of 4 years or less; provided that advertising contracts shall follow the general rules below;
5. *(general)* any other matters which have a financial value or consideration to the Corporation of up to \$5 million save and except when Governor in Council approval or Minister of Finance approval is required, pursuant to Section 46 and 46.1 of the Broadcasting Act.

The above authority does not include the power to agree to or enter into new business ventures on behalf of the Corporation

PRESIDENT'S SIGNING AUTHORITY RESOLUTION

IT IS FURTHER RESOLVED THAT the President directly or through his/her delegate be and is empowered and directed, in the name and on behalf of the CBC, to make, execute and deliver and to do all such acts and things as are necessary or appropriate to effect the foregoing resolution and to execute all agreements, undertakings, documents, instruments or certificates in the name and on behalf of the CBC in connection with the authority contemplated in the foregoing resolution and any acts or things heretofore done or made or documents heretofore executed and delivered which effect the foregoing resolution are in all respect approved, ratified and confirmed.

Board of Directors
(September 5th, 2006)

Subject matter

2006/2007 Quarterly Financial Management Report – First quarter results.

Background

N/A

Information on the matter

See attached.

For decision

For information

Prepared by

Name: J. Charbonneau
Date: August 18, 2006

Management recommendation

N/A

Last discussed at the Board

Date: June 15, 2006
Decision made: Reviewed 2005/2006 Quarterly Financial Management Report – Fourth quarter results

Next steps

2nd quarter results will be presented in November.

2006/2007
QUARTERLY FINANCIAL MANAGEMENT REPORT

1st QUARTER, ended June 30, 2006

To be presented to
The Audit Committee

September 5, 2006

Confidential

A0016120_2-000370

Financial Highlights
For the quarter ended June 30th
(in millions of dollars)

s.18(a)
s.18(b)
s.68.1

ACTUALS		BUDGET
2006	2005	2006

s.68.1

s.18(b)

OPERATIONS

**Financial Management Report
Corporate Summary
for the first quarter ended June 30
(\$000's)**

s.18(a) s.18(b)	2006/2007 Year-to-date			2005/2006 Year-to-date	
	Budget	Actuals	Variance	Actuals	Variance in Actuals
SOURCES OF FUNDS					
Total government funding and carryovers					
Commercial revenues - regular operations					
Miscellaneous revenues - regular operations					
Total commercial and miscellaneous revenues					
TOTAL SOURCES OF FUNDS - MAIN SERVICE					
TOTAL SOURCES OF FUNDS - SPECIALTY SERVICES					
APPLICATION OF FUNDS					
Expenditures - regular operations					
TOTAL APPLICATION OF FUNDS - MAIN SERVICE					
TOTAL APPLICATION OF FUNDS - SPECIALTY SERVICES					
NET POSITION ON CBC'S OPERATIONS					
Current interest income on proceeds from sale of NATV					
Net position for NATV					
NET POSITION - INCLUDING EXTRAORDINARY INCOME					

A summary of the results at June 30, 2006, by component, is provided on Appendix A.
Note - negative variances are indicated by brackets

Revenues - Main Service and Specialty Services: 1st quarter -

Note 1

Note 2

Note 3

Note 4

Note 5

Total Sources of Funds – Year over Year comparison:

Note 6

Note 7

Note 8

s.18(a)
s.18(b)
s.68.1

**Financial Management Report
Application (use) of funds
for the first quarter ended June 30
(\$000's)**

	2006/2007 Year-to-date			2005/2006 Year-to-date	
	Budget	Actuals	Variance to Budget	Actuals	Variance in Actuals
APPLICATION OF FUNDS					
Expenditures - regular operations:					
English Television					
French Television					
English Radio					
French Radio					
Mobile Division					
Ottawa Production Centre					
Merchandising Division					
Corporate Activities					
CBC Technologies					
Property Management					
Galaxie					
Radio Canada International					
Corporate Reserve					
Total expenditures - regular operations					
TOTAL APPLICATION OF FUNDS - MAIN SERVICE					
Expenditures - specialty services:					
Newsworld					
Réseau de l'information					
TOTAL APPLICATION OF FUNDS - SPECIALTY SERVICES					
TOTAL APPLICATION OF FUNDS ON CBC'S OPERATIONS					

A summary of the results at June 30, 2006 by component, is provided on Appendix A.

Notes are explained on pages 9 to 12

Note - negative variances are indicated by brackets

s.18(a)
s.18(b)
s.68.1

Note 4

Note 5

Total Application of Funds – Year over Year comparison:

Note 6

Note 9

Note 10

s.18(a)
s.18(b)
s.68.1

Note 11

Note 12

Note 13

Note 14

s.18(a)
s.18(b)
s.68.1

FINANCIAL MANAGEMENT REPORT
English Television
For the first quarter ended June 30
(\$000's)

	2006/2007 Year-to-date			2005/2006 Year-to-date	
	Budget	Actuals	Variance to Budget	Actuals	Variance in Actuals
SOURCES OF FUNDS					
Net Parliamentary Subsidy					
Commercial Revenue					
Host Broadcaster					
Business Development Revenue					
Country Canada					
Miscellaneous Revenue					
TOTAL SOURCES OF FUNDS					
APPLICATION OF FUNDS					
<u>Costs related to Revenue-generating Services *</u>					
Marketing and Sales					
Sale of Programs to Other Broadcasters					
Business Development					
Host Broadcaster					
Country Canada					
Subtotal - Revenue-generating Services					
<u>Programming and Administration</u>					
Sports					
Arts & Entertainment					
News and Current Affairs					
Network Programming					
Production and Resources					
CBC.ca					
Production Services					
Communications					
Regional Operations					
Network Reserve					
Subtotal - Programming and Administration					
<u>Support and Others</u>					
Management					
Affiliates					
Plant - Broadcast Services - Master Control					
Support Services (Network and Regional)					
Subtotal - Support and Others					
TOTAL APPLICATION OF FUNDS					
NET POSITION					

*Please note that other areas may also generate revenues. These are only the services whose main function is revenue-generation.

s.18(a)
s.18(b)
s.68.1

FINANCIAL MANAGEMENT REPORT
English Radio
for the first quarter ended June 30
(\$000's)

Appendix D

	2006/2007 Year-to-date			2005/2006 Year-to-date	
	Budget	Actuals	Variance to Budget	Actual	Variance in Actuals
SOURCES OF FUNDS					
Net Parliamentary Subsidy					
Miscellaneous Revenue					
TOTAL SOURCES OF FUNDS					
APPLICATION OF FUNDS					
Information Programming					
Current Affairs					
Network Music Department					
Network Arts & Entertainment					
Radio 3					
Sirius Satellite Services					
Toronto Radio Production Centre					
Program Services					
Network Services					
Distribution					
Administration					
Entrepreneurial Activities					
Network Reserves					
<u>Regional operations:</u>					
Newfoundland					
Maritimes					
Quebec					
Ontario					
Toronto - CBL					
CBC North					
Manitoba					
Saskatchewan					
Alberta					
British Columbia					
Subtotal - Regional operations					
TOTAL APPLICATION OF FUNDS					
NET POSITION					

Merchandising Division
Schedule of Incremental Revenues and Costs
for the first quarter ended June 30
(\$000's)

s.18(a)
s.18(b)

	2006/2007 Year-to-date			2005/2006 Year-to-date	
	Budget	Actuals	Variance to Budget	Actuals	Variance in Actuals
SOURCES OF FUNDS					
Sales of products:					
Retail operations					
Distribution					
Educational					
Licensing					
Total Sources of funds					
APPLICATION OF FUNDS					
Administration					
In-House Merchandising					
Sales of products:					
Retail operations					
Distribution					
Educational					
Licensing					
Total Application of funds					
NET POSITION					

s.18(a)
 s.18(b)
 s.68.1

Galaxie
Schedule of Incremental Revenues and Costs
for the first quarter ended June 30
(\$000's)

	2006/2007 Year-to-date			2005/2006 Year-to-date	
	Budget	Actuals	Variance to Budget	Actuals	Variance in Actuals
Incremental Revenues					
Satellite					
Cable					
Music for Business					
Miscellaneous revenues					
Total Incremental Revenues					
Incremental Expenditures					
Programming					
Rights					
Distribution					
Administration					
Marketing					
Rising Star Program					
Total Incremental Expenditures					
Excess Revenues/(Costs)					

s.18(a)
s.18(b)
s.68.1

Le Réseau de l'information
Schedule of Incremental Revenues and Costs
for the first quarter ended June 30
(\$000's)

	2006/2007 Year-to-date			2005/2006 Year-to-date	
	Budget	Actuals	Variance to Budget	Actuals	Variance in Actuals
Incremental Revenues					
Commercial Revenue					
Cable Subscriptions					
Program Sales					
Miscellaneous					
Total Incremental Revenues					
Incremental Costs					
Programming					
Technical Services					
Sales & Marketing/Promotion					
Management and Services					
Total Incremental Costs					
Excess of Revenues over Costs					
Repayments to the Main Service					
Capital expenditures					
Total repayments to the Main Service					
Excess Revenues/(Costs)					

Page 384

**is withheld pursuant to section
est retenue en vertu de l'article**

68.1

**of the Access to Information Act
de la Loi de l'accès à l'information**

	Permanent	One-time	Total Annual (\$000'S)	Total One-time (\$000'S)	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	Future years
					(Incremental basis)							
DROP - Phase 3												
Savings on teleconferencing costs based on new Bell rate												
Savings from Cisco contract switched from HP to Bell												
Cancellation of CDTV membership												
International agreements with short-wave facilities at Sackville												
NABA revenues												
CBC / CANCOM aggregated agreement (Specialty Services)												
TOTAL - CHIEF TECHNOLOGY OFFICER												
REAL ESTATE DIVISION												
Net staff reduction (succession plan excluded)												
Energy savings project (Toronto, Montreal, Vancouver and Moncton):												
Energy savings												
One-time costs												
Academy of Design:												
Tenant improvement												
Tax reduction - Taxes paid directly to city by tenant												
Rental revenues												
Edmonton Consolidation:												
Capital expenses												
Proceeds from sale of Edmonton buildings												
Saving of operating expenses - Edmonton												
Avoided estimated future capital costs (for information only - not included in totals below)												
Québec Consolidation:												
Capital expenses												
Proceeds from sale of Québec building												
Additional operating savings												
Avoided estimated future capital costs (for information only - not included in totals below)												
Ottawa Consolidation:												
Capital expenses												
Proceeds from sale of Lanark building												
Sublease - Ottawa (Queen St)												
Sublease - Ottawa (Queen St) - tenant improvement												
Savings from Ottawa lease review												
Additional operating expenses												
Additional operating expenses												
Avoided estimated future capital costs (for information only - not included in totals below)												
Profac contract:												
Avoided costs - Renegotiation of Profac contrat (for information only - not included in totals below)												
Review - Profac contract												
Review - Profac contract												
Savings - Satisfaction survey												
Sale of Burnaby Warehouse:												
Proceeds from sale of warehouse												
Saving of operating expenses												
Revenue reduction												
Sale of Winnipeg building:												
Saving of operating expenses												
Proceeds from sale of building												
Other Property Sales:												
Toronto land												
St-Boniface land												
Saskatchewan Property Management Corporation:												
Tenant improvement												
Saskatchewan Property Mgt - new lease												
Saskatchewan Property Mgt - renewal												



CAPITAL

A0016120_18-000386

2006/07 Capital Budget Overview as at June 30, 2006

<u>Component</u>	<u>Capital Plan</u>	<u>Forecasted Expenditures</u>	<u>Surplus/ (Deficit)</u>	<u>Actual Expenditures to Date</u>	<u>As % of Forecast</u>
English Television (ETN)					
French Television (FTN)					
English Radio (ERN)					
French Radio (FRN)					
Information Technology (IT)					
Real Estate (RE)					
Broadcast & Telecom Networks (BTN)					
Transmission Division (T&D)					
Human Resources (HR)					
Corporate Components					
Galaxie					
Fleet Management					
Mobile Division					
Minor Capital					
Enterprise Wide (EW) - details on the next page					
Corporate Contingency					
Committed Corporate Contingency					
Impact of approved plan being higher than available capital (1)					
Total Surplus/(Deficit) Forecast					
<i>% of Available Capital.</i>					
TOTAL AVAILABLE CAPITAL					
Capital Appropriation					
Reprofiling of Capital Funds from 2005/06 to 2006/07					
Planned operating to capital vote transfers					
Vote transfers deferred from 2005/06 to 2006/07					
2005/06 Carryover					
3rd Party Payments					
Repayments to NATV					
Proceeds of Sale/Trade-ins					
Insurance Proceeds					
Total Available Capital in 2006/07					
TOTAL SURPLUS/(DEFICIT) FORECAST					

2006/2007 Capital Budget Overview as at June 30, 2006 - Notes

s.18(a)
s.18(b)
s.68.1

Note 1

Note 2

Note 3

Note 4

Note 5

Note 6

Note 7

Note 8

Note 9

s.18(a)
s.18(b)
s.68.1

2006/2007 to 2008/2009 CAPITAL INVESTMENT PLAN
Projects over \$5 million, as at June 30, 2006 - Notes

Note 1

Note 2

Note 3

A0016120_22-000390

FINANCIA

CONSOLIDATED BALANCE SHEET

s.18(a)
s.18(b)
s.68.1

As at June 30

(thousands of dollars)

2006 2005

ASSETS

Current

Cash and cash equivalents

Short-term investments

Accounts receivable

Inventory

Prepaid expenses

Net investment in sales-type leases

Property and equipment

Long-term receivables

Net investment in sales-type leases

Deferred charges

Long-term investments

LIABILITIES

Current

Accounts payable and accrued liabilities

Employee-related liabilities

Bonds payable, including accrued interest

Deferred operating and capital vote drawdown

Long-term

Employee-related liabilities

Bonds payable

Deferred capital funding

EQUITY

Equity

CASH, CASH EQUIVALENT AND SHORT TERM INVESTMENTS

As at June 30

(In thousands of dollars)

s.18(a)

s.18(b)

CASH, CASH EQUIVALENT AND SHORT TERM INVESTMENTS

	2006	2005	Inc. / (Dec.)	
			Amount	Percent
Bank balances				
Petty cash and production funds				
Cash equivalents				
Sub-total cash and cash equivalents				
Short-term investments				
Total cash, cash equivalents and short-term investments				

INTEREST REVENUES

	2006	2005	Inc. / (Dec.)	
			Amount	Percent
Corporate Bank, Other Invest, T-Bills				
NATV and Lanark Bldg. Fund Interest				
Unclaimed cheques				
General Ledger				

Conseil d'administration
(Le 5 septembre 2006)

Sujet

État trimestriel des résultats financiers 2006-2007 – rapport du premier trimestre.

Contexte

S/O

Renseignements connexes

Voir le document ci-joint.

Décision à prendre

À titre d'information X

Préparé par

Nom : J. Charbonneau
Date : Le 18 août 2006

Recommandation de la direction

S/O

Dernière discussion au Conseil

Date : Le 15 juin 2006
Décision prise à cette occasion : Révision de l'état des résultats financiers du quatrième trimestre de l'année 2005-2006.

Suivi

Les résultats du deuxième trimestre seront présentés au mois de novembre.

2006-2007
ÉTAT TRIMESTRIEL DES RÉSULTATS FINANCIERS

1^{er} TRIMESTRE terminé le 30 juin 2006

Présentation au
Comité de vérification

5 septembre 2006

Confidentiel

A0016120_26-000394

*Points saillants financiers**Pour le trimestre terminé le 30 juin*

(en millions de dollars)

	RÉELS		BUDGET
	2006	2005	2006
Exploitation (voir la section Exploitation pour plus de détails)			
Crédits parlementaires pour les dépenses d'exploitation (page 5)			
Recettes publicitaires (page 5)			
Services spécialisés - provenance de fonds (page 5)			
Recettes diverses (page 5)			
Dépenses - activités normales (page 8)			
Services spécialisés - dépenses (page 8)			
Position nette, fin du premier trimestre* (page 4)			
Immobilisations (voir la section Immobilisations pour plus de détails)			
Crédits parlementaires pour les dépenses en immobilisations (page 29)			
Dépenses en immobilisations, fin du premier trimestre (page 29)			
Position nette, fin du premier trimestre (page 29)			
Fonds de roulement (voir la section États financiers pour plus de détails)			
Encaisse, quasi-espèce et placements à court terme (page 36)			
Débiteurs (page 37)			
Stock d'émissions			
Créditeurs et charges à payer			

* exclut les produits et les intérêts provenant de la vente de l'investissement en coentreprise

Cependant, ces facteurs sont compensés par les suivants :

-
-
-
-
-

s.18(a)
s.18(b)

État des résultats financiers
Sommaire
pour le premier trimestre se terminant le 30 juin
(en milliers de \$)

	2006-2007			2005-2006	
	Budget	Réels	Écart par rapport au budget	Réels	Écart par rapport aux réels
PROVENANCE DES FONDS					
Total des crédits parlementaires et des reports d'excédents					
Recettes publicitaires - activités normales					
Recettes diverses - activités normales					
Total recettes publicitaires et diverses					
TOTAL PROVENANCE DES FONDS - SERVICE PRINCIPAL					
TOTAL PROVENANCE DES FONDS - SERVICES SPÉCIALISÉS					
AFFECTATION DES FONDS					
Dépenses - activités normales					
TOTAL AFFECTATION DES FONDS - SERVICE PRINCIPAL					
TOTAL AFFECTATION DES FONDS - SERVICES SPÉCIALISÉS					
POSITION NETTE - EXPLOITATION RADIO-CANADA					
Intérêts provenant de la vente de NATV					
Position nette NATV					
POSITION NETTE - INCLUANT PRODUIT EXCEPTIONNEL					

Un résumé complet des résultats au 30 juin 2006, par composante, se trouve à l'Annexe A.
Note - les écarts négatifs sont entre parenthèses

Revenus – Service principal et services spécialisés : 1^{er} trimestre – Écart défavorable de 6,9 millions de dollars

s.18(a) s.68.1
s.18(b)

Note 1

Note 2

Note 3

Note 4

Note 5

Total – Provenance des fonds – Comparaison d'un exercice à l'autre :

Note 6

Note 7

s.18(a)
s.18(b)
s.68.1

**État des résultats financiers
Affectation (utilisation) des fonds
pour le premier trimestre se terminant le 30 juin
(en milliers de \$)**

	2006-2007			2005-2006	
	Budget cumulatif	Résultats cumulatifs	Écart par rapport au budget	Réels	Écart par rapport aux réels
AFFECTATION DES FONDS					
Dépenses - activités normales:					
Télévision anglaise					
Télévision française					
Radio anglaise					
Radio française					
Division des cars de reportage					
Centre de production Ottawa					
Division de merchandisage					
Activités nationales					
Technologies de CBC/Radio-Canada					
Division immobilière					
Galaxie					
Radio Canada International					
Réserve corporative					
Total des dépenses - activités normales					
TOTAL AFFECTATION DES FONDS - SERVICE PRINCIPAL					
Dépenses - services spécialisés:					
Newsworld					
Réseau de l'information					
TOTAL AFFECTATION DES FONDS - SERVICES SPÉCIALISÉS					
TOTAL AFFECTATION DES FONDS POUR RADIO-CANADA					

Un résumé complet des résultats au 30 juin 2006, par composante, se trouve à l'Annexe A.

Les notes sont expliquées aux pages 9 à 13.

Note - les écarts négatifs sont entre parenthèses

s.18(a)
s.18(b)
s.68.1

Note 4

Note 5

Total – Application des fonds – Comparaison d’un exercice à l’autre :

Note 6

s.18(a)
s.18(b)
s.68.1

Note 8

Note 9

Note 10

SOMMAIRE - VUE D'ENSEMBLE

s.18(a)

s.18(b)

	(en milliers \$)		
	Résultats réels au 30 juin		
	2006-2007		
	Écarts sur le revenu	Écarts sur les dépenses	Écart net
<u>Service principal:</u>			
Télévision anglaise			
Télévision française			
Radio anglaise			
Radio française			
Division des cars de reportage			
Centre de production Ottawa			
Division merchandisage			
Activités nationales			
Technologies de CBC/Radio-Canada			
Division immobilière			
Galaxie			
RCI			
Total - Composantes	---		
Réserve corporative			

<u>Services spécialisés:</u>			
Newsworld			
RDI			

Position nette			

Note - les écarts négatifs sont entre parenthèses

s.18(a)

s.18(b)

s.68.1

Annexe C

ÉTAT DES RÉSULTATS FINANCIERS
Télévision française
pour le premier trimestre se terminant le 30 juin
(en milliers de \$)

	2006-2007			2005-2006	
	Budget	Réels	Écart par rapport au budget	Réels	Écart par rapport aux réels
PROVENANCE DES FONDS					
Crédits parlementaires					
Recettes publicitaires					
Recettes diverses					
TOTAL PROVENANCE DES FONDS	---	---			
AFFECTATION DES FONDS					
<u>Coûts reliés aux services générateurs de revenus</u>					
Ventes & marketing (incl. Internet)					
Production commerciale					
Ventes d'émissions à d'autres diffuseurs					
Diffuseur hôte					
Services de production et autres					
Coûts - contrat échange inclus aux revenus					
Sous-total - services générateurs de revenus	---	---			
<u>Programmation et administration</u>					
Sports					
Arts et divertissement					
Nouvelles et actualités					
Programmation réseau					
Exploitation média					
Nouveaux médias					
PTI - Services de production					
Communications					
Exploitation régionale					
Réserve - réseau					
Sous-total - programmation et administration	---	---			
<u>Services de soutien et autres</u>					
Administration					
Stations affiliées					
PTI-Service de diffusion - régie centrale					
Services de support (réseau et régions)					
Sous-total - service de soutien et autres	---	---			
TOTAL - AFFECTATION DES FONDS	---	---			
POSITION NETTE					

s.18(a)
s.18(b)
s.68.1

ÉTAT DES RÉSULTATS FINANCIERS
Radio française
pour le premier trimestre se terminant le 30 juin
(en milliers de \$)

	2006-2007 Résultats cumulatifs			2005-2006 Résultats cumulatifs	
	Budget	Réels	Écart par rapport au budget	Réels	Écart par rapport aux réels
PROVENANCE DES FONDS					
Crédits parlementaires					
Recettes diverses					
TOTAL - PROVENANCE DES FONDS	---	---			
AFFECTATION DES FONDS					
Administration					
Exploitation et administration					
Développement de la programmation					
Information					
Promotion, analyse et diffusion					
Nouveaux médias					
Émissions musicales et culturelles					
Émissions Première Chaîne					
Distribution					
Espace musique					
Projets Sirius					
<u>Services régionaux:</u>					
Atlantique					
Québec					
Ontario/ Outaouais					
Manitoba					
Saskatchewan					
Alberta					
Colombie-Britannique					
Sous-total - Services régionaux	---	---			
TOTAL AFFECTATION DES FONDS	---	---			
POSITION NETTE					

ÉTAT DES RÉSULTATS FINANCIERS
 Division des cars de reportage
 pour le premier trimestre se terminant le 30 juin
 (en milliers de \$)

s.18(a)

s.18(b)

	2006-2007			2005-2006	
	Résultats cumulatifs			Résultats cumulatifs	
	Budget	Réels	Écart par rapport au budget	Réels	Écart par rapport aux réels
PROVENANCE DES FONDS					
Crédits parlementaires					
Revenus divers					
TOTAL PROVENANCE DES FONDS	---	---			
AFFECTATION DES FONDS					
Gestion de l'administration					
Gestion des opérations					
Coûts reliés aux services générateurs de revenus					
Coûts reliés aux services internes					
TOTAL AFFECTATION DES FONDS	---	---			
POSITION NETTE					

s.18(a)

s.18(b)

s.68.1

Annexe I

Newsworld
Tableau des recettes et des coûts supplémentaires
pour le premier trimestre se terminant le 30 juin
(en milliers de \$)

	2006-2007			2005-2006	
	Résultats cumulatifs			Résultats cumulatifs	
	Budget	Réels	Écart par rapport au budget	Réels	Écart par rapport aux réels
Recettes supplémentaires					
Recettes publicitaires					
Services aux abonnés					
Ventes d'émission					
Total - Recettes supplémentaires	-	-			
Coûts supplémentaires					
Programmation					
Distribution					
Gestion et services					
Ventes					
Promotion/Marketing					
Total - Coûts supplémentaires	-	-			
Excédent des recettes sur les coûts					
Remboursements au service principal					
Immobilisations					
Total - Remboursements au service principal	-	-			
Excédent des recettes sur les coûts après remboursements au service principal					

	Partenaires	Partenaires	Total annuel (en millions de dollars)	Total ponctuel (en millions de dollars)	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	Années futures
					(base différentiel)							
TÉLÉVISION ANGLAISE												
Réduction des dépenses par service												
i) Nouvelles et Actualités : abolition de 19 postes												
ii) Réductions générales												
iii) Autres services												
Économies négociées avec le SCEP (élimination des indemnités pour heures supplémentaires, des périodes de repos quotidien, etc.)												
Examen de la gestion et de l'administration (abolition de 34 postes)												
Heures supplémentaires												
Centralisation de la mise en ondes (Télévision anglaise)												
Réduction de l'effectif net : 42 ETP dans les établissements régionaux en centralisant la mise en ondes à Toronto												
Dépenses en immobilisations												
Désamortissements												
Économies relatives à la réduction des droits d'affiliation												
Frais d'exploitation additionnels												
Coûts évités - réduction des droits pour la LNH (à titre d'info - non inclus dans le total)												
Coûts évités - réduction des droits pour les Jeux olympiques (à titre d'info - non inclus dans le total)												
Dépenses en immobilisations												
PORD												
Économies												
Dépenses en immobilisations												
TOTAL - TÉLÉVISION ANGLAISE												
RADIO ANGLAISE												
Accroissement de la productivité - Examen de la technique et de l'admin. 2000-2001												
Examen des ressources												
Colombie-Britannique 2004-2005												
Programmation réseau 2004-2005												
Radio 3												
Couverture des Jeux olympiques de 2006 et de 2008												
Centre de production de Toronto - Examen de la technique et de l'administration 2003-2004												
Mise en œuvre de la fonction glisser-déplacer												
Diminution des heures supplémentaires												
Économies des services												
Élimination du programme de détachement												
TOTAL - RADIO ANGLAISE												
RADIO FRANÇAISE												
Conversion du système de distribution national de la radio de la bande KU à la bande C												
Diminution du coût des lignes												
Dépenses en immobilisations												
Consolidation des régies de la radio (RCI et Première Chaîne)												
Réduction de l'équipe technique de 3 ETP												
Dépenses en immobilisations												
TOTAL - RADIO FRANÇAISE												

	Ponctuel	Ponctuel	Total annuel (en milliers de dollars)	Total ponctuel (en milliers de dollars)	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	Années futures
					(base différentielle)							
TECHNOLOGIES DE RADIO-CANADA												
Demande de propositions pour les réseaux et les services de diffusion et de télécommunications												
Frais d'exploitation additionnels			s.18(a)									
Économies annuelles sur les frais d'exploitation			s.18(b)									
Économies - migration Bell Mobilité												
Produit de la vente - ancien réseau étendu												
Dépenses en immobilisations												
Projet d'échange de trafic												
Frais ponctuels												
Économies annuelles												
Dépenses en immobilisations												
Mise à niveau des logiciels SAP - InfoShuttle												
Économies sur les frais d'exploitation												
Frais de maintenance												
Dépenses en immobilisations												
Système de multivision des événements à distance												
Dépenses en immobilisations												
Économies périodiques												
Économies ponctuelles												
Installations de Rogers Atlantic												
Dépenses en immobilisations												
Économies ponctuelles												
Économies périodiques												
Production à distance des Jeux olympiques												
Dépenses en immobilisations												
Économies ponctuelles												
Centre météorologique												
Dépenses en immobilisations												
Coûts d'exploitation ponctuels												
Frais d'exploitation périodiques (après déduction des économies annuelles)												
Recettes supplémentaires												
Immeuble de Touch Radio à Edmonton												
Dépenses en immobilisations												
Paiement reçu de tiers												
Augmentation nette des revenus												
Augmentation des revenus de location du site												
Location permanente												
Location ponctuelle												
Installation Newcap - Ile-du-Prince-Édouard												
Dépenses en immobilisations												
Paiement reçu de tiers												
Augmentation nette des revenus												
Installation MBS - Halifax et Charlottetown												
Dépenses en immobilisations												
Paiement reçu de tiers												
Augmentation nette des revenus												
Installation Master FM (North Bay, ON)												
Augmentation des revenus de location du site - permanent												
Dépenses en immobilisations												
Économies sur les frais d'exploitation												
Restructuration de la transmission												
Coûts de soutien SAP												
Passage à la technologie VPN (Londres et Paris)												
Abattement pour charges payées d'avance - entreprises de télécommunications												

s. 18(a) s. 18(b)	Financement à long terme	Total annuel (en milliers de dollars)	Total ponctuel (en milliers de dollars)	2001-2002	2002-2003	2003-2004	2004-2005	2006-2009	2006-2007	2007-2008	Années futures
				(base différentielle)							
(en milliers de dollars)											
Autres activités générant des revenus											
Nouveaux tarifs - politiques de stationnement											
Regina - location de la cafétéria											
Calgary - location de la cafétéria											
Diverses augmentations liées au renouvellement des baux											
Diverses augmentations liées au renouvellement des baux											
Taxes foncières économisées											
Taxe d'eau											
Coûts évités - <i>Négociation des taxes - Toronto (à titre d'info - non inclus dans les totaux)</i>											
Diverses taxes économisées											
Renégociation des contrats de service de Montréal et de Moncton											
Réduction de la sécurité additionnelle (mise en place après le 11 sept.)											
Economies pour le 80, rue Commissioners à Toronto											
Economies sur les frais d'exploitation - CIR (Montréal)											
Economies sur les frais d'exploitation - Poste de pompage (Montréal)											
Contrat d'entretien des ascenseurs											
Autres économies diverses											
TOTAL - DIVISION IMMOBILIÈRE											
ORGANISATION DE SERVICES PARTAGÉS											
Coûts d'exploitation ponctuels											
Dépenses ponctuelles en immobilisations											
Economies permanentes (coûts)											
TOTAL - ORGANISATION DE SERVICES PARTAGÉS											
APPROVISIONNEMENT STRATÉGIQUE											
Coûts d'exploitation additionnels											
Economies permanentes											
TOTAL - APPROVISIONNEMENT STRATÉGIQUE											
PROJETS À L'ÉCHELLE DE L'ENTREPRISE											
Projet Vision											
Economies											
Dépenses ponctuelles telles que la formation, l'équipement informatique, les coûts de transformation											
Dépenses en immobilisations											
TOTAL - PROJETS À L'ÉCHELLE DE L'ENTREPRISE											
INITIATIVES NATIONALES											
Coûts évités - Révision de la politique relative aux départs (à titre d'info - non inclus dans les totaux)											
Coûts évités - Opérations de change pour les droits futurs liés aux Jeux olympiques (à titre d'info - non inclus dans les totaux)											
Nouveau contrat - agence de voyages											
Augmentation des revenus provenant de l'Association du droit de retransmission canadien											
Réduction de 10 % des budgets pour les déplacements											
TOTAL - INITIATIVES NATIONALES											
TOTAL GLOBAL (excluant les coûts évités)											

IMMOBILISATIONS

A0016120_42-000410

s.18(a)
s.18(b) Aperçu du budget d'immobilisations 2006-2007 au 30 juin 2006

<u>Composante</u>	<u>Plan d'immobilisations</u>	<u>Dépenses prévues</u>	<u>Excédent/ (Déficit)</u>	<u>Dépenses réelles jusqu'à présent</u>	<u>En % des prévisions</u>
Télévision anglaise (TA)					
Télévision française (TF)					
Radio anglaise (RA)					
Radio française (RF)					
Technologies de l'information (TI)					
Division immobilière (Div Immo)					
Réseaux de diffusion et télécommunication					
Division de la transmission (T&D)					
Ressources humaines (RH)					
Composantes corporatives					
Galaxie					
Gestion du parc automobile					
Division des cars de reportage					
Capital ordinaire					
Projets à l'échelle de l'entreprise (La Société) - détails à la prochaine page					
Réserve nationale					
Réserve nationale engagée					
Impact du plan des d'immobilisations dépassant les ressources disponibles (1)					
Excédent/(déficit) total prévu					
<i>% des ressources en immobilisations disponibles</i>					
TOTAL - RESSOURCES EN IMMOBILISATIONS DISPONIBLES					
Financement des immobilisations					
Virement ponctuel de fonds d'immobilisations de 2005-2006 à 2006-2007					
Virements prévus de l'exploitation aux immobilisations					
Virements de l'exploitation aux immobilisations reportés de 2005-2006 à 2006-2007					
Report de 2005-2006					
Paiements provenant d'organismes externes					
Remboursements à NATV					
Produits de vente/échange de biens					
Remboursements d'assurance					
Total - Ressources en immobilisations disponibles en 2006-2007					
EXCÉDENT/(DÉFICIT) TOTAL PRÉVU					

Aperçu du budget d'immobilisations 2006-2007 au 30 juin 2006 - Notes

Note 1

Note 2

Note 3

Note 4

Note 5

Note 6

Note 7

Note 8

Note 9

s.18(a)
s.18(b)

Plan d'investissement en immobilisations 2006-2007 à 2008-2009
Projets supérieurs à 5 millions, au 30 juin 2006 - Notes

Note 1

Note 2

s

Note 3

A0016120_46-000414

ÉTATS FINI

BILAN CONSOLIDÉ

s.18(a)
s.18(b)
s.68.1

30 juin

(milliers de dollars)

	2006	2005
ACTIF		
À court terme		
Trésorerie et équivalents de trésorerie	↘	
Placements à court terme	/	
Débiteurs	↘	
Stocks	↘	
Frais payés d'avance	↘	
Investissement net dans des contrats de location-vente		
Immobilisations corporelles		
Créances à long terme		
Investissement net dans des contrats de location-vente	/	
Charges reportées		
Placements à long terme		
PASSIF		
À court terme		
Créditeurs et charges à payer]	→
Passifs reliés au personnel		
Dette obligataire, intérêts courus compris		
Fonds d'exploitation et d'immobilisations reportés		
À long terme		
Passifs reliés au personnel		→
Dette obligataire		
Fonds d'immobilisations corporelles reporté		
FONDS EFFECTIF		
Fonds effectif		

TRÉSORERIE, ÉQUIVALENTS DE TRÉSORERIE ET PLACEMENTS À COURT TERME
au 30 juin
 (milliers de dollars)

s.18(a)
 s.18(b)

TRÉSORERIE, ÉQUIVALENTS DE TRÉSORERIE ET PLACEMENTS À COURT TERME

	2006	2005	Aug./(Dim.) Différence	Aug./(Dim.) Pourcentage
Comptes bancaires				
Fonds de caisse				
Équivalents de trésorerie				
Trésorerie et équivalents de trésorerie				
Placements à court terme				
Trésorerie, équivalents de trésorerie et placements à court terme				

INTÉRÊTS CRÉDITEURS

	2006	2005	Aug./(Dim.) Différence	Aug./(Dim.) Pourcentage
Comptes principal, investissements et bons du trésor				
Intérêts - NATV et Lanark				
Chèques non réclamés				
Total intérêts créditeurs				

Board of Directors
(September 6, 2006)

Subject matter

CRTC Television Policy Submission

Background

On June 12, 2006, the CRTC issued a Public Notice initiating a review of its current TV Policy for conventional broadcasters. Submissions are due September 27, 2006, to be followed by a public hearing in Ottawa on November 27, 2006.

The CRTC has identified a number of key issues to be examined in this review including: the overall economic model for conventional television, the framework for obtaining the greatest amount of Canadian television, and the most effective means of delivering Canadian digital/HD programming.

Information on the matter

The attached document is a first draft of the proposed submission to be made by CBC/Radio-Canada.

For decision**For information****Prepared by**

Name: Steven Guiton – Strategy and Government Relations
date: August 28, 2006

Management recommendation

--

Last discussed at the Board

Date:
Decision made:

--

Next steps

Following receipt of the Board's endorsement of the approach identified in the attached draft, the document will be finalized for filing with the CRTC on September 27, 2006.

Anticipated project completion date:

(If contract, indicate date of expiry):

Conseil d'administration
(6 septembre 2006)

Sujet

Submission de la politique de télévision à la CRTC

Contexte

Le 12 juin 2006, le CRTC a émis un Avis public amorçant un examen de sa politique actuelle de télévision pour les télédiffuseurs conventionnels. Les commentaires doivent être déposés d'ici le 27 septembre 2006, suivis par la tenue d'une audience à Ottawa le 27 novembre 2006.

Le CRTC a identifié certains aspects principaux qui seront examinés dans le cadre de ce processus : l'ensemble des modèles économiques des entreprises de télévision en direct, le cadre de travail qui permettra d'obtenir le plus d'émissions canadiennes possible et les moyens les plus efficaces de distribuer des signaux canadiens de télévision numérique/HD.

Renseignements connexes

Le document ci-joint est la première ébauche de la submission proposée par CBC/Radio-Canada.

Décision à prendre **À titre d'information**

Préparé par

Nom : Steven Guiton – Stratégie et relations gouvernementales
Date : 28 août 2006

Recommandation de la direction

Dernière discussion au Conseil

Date :
Décision prise à cette occasion :

Suivi

Suivant la réception de l'approbation de l'approche identifiée dans l'ébauche ci-jointe par le Comité de direction, le document sera finalisé pour soumission auprès du CRTC le 27 septembre 2006.

Date de prévue de la complétion du projet : _____
(Indiquer la date de fin du contrat) : _____

**Pages 419 to / à 476
are withheld pursuant to section
sont retenues en vertu de l'article**

68.1

**of the Access to Information Act
de la Loi de l'accès à l'information**

Board of Directors

September 6-7, 2006

Subject matter

Section 15 Submission

Background

On June 12th 2006, the CRTC issued a Public Notice in response to a call for comments by the Governor in Council pursuant to section 15 of the *Broadcasting Act* to prepare a report examining the future environment facing the Canadian broadcasting system. Submissions are due September 1, 2006 with the CRTC expected to file a response with the Minister by the end of December 2006. The Government asked the CRTC a number of questions which focused on the growth and impact of new ways of accessing audio and video content on the Canadian broadcasting system.

Information on the matter

The attached is a penultimate draft of the submission which is to be filed on September 1, 2006. Please note that the English-language version of the document is in a more advanced state than the French-language version.. Part 2 of the document is available only in English.

For decision**For information****Prepared by**

Name: Michel Tremblay/Research & Strategic Analysis
date: August 28, 2006

Management recommendation**Last discussed at the Board**

Date:
Decision made:

Next steps

Filing with CRTC on September 1, 2006

Anticipated project completion date: September 1, 2006
(If contract, indicate date of expiry): _____

**Pages 478 to / à 540
are withheld pursuant to section
sont retenues en vertu de l'article**

68.1

**of the Access to Information Act
de la Loi de l'accès à l'information**

Board of Directors
(September 6-7, 2006)

Subject matter

Approval on the application of sub-section 1(c) of Section 12 of the CBC Pension Plan pertaining to elective service rendered under ACTRA contracts.

Background

The Board of Directors adopted at a meeting held on May 5, 2005 an amendment to Section 12 of the CBC Pension Plan pertaining to elective service (copy attached). A provision was added, at that time, to Section 12 and reads as follows:

“12(1)(c) at the sole discretion of the Corporation, any period of service in the employment of the Corporation that is not included as part of the employee’s current period of pensionable service.”

and

“12(6)(b) With respect to any other period of elective service, the employee shall make contributions equal to the actuarial value of the pension benefits with respect to the period of elective service, determined on the basis of the employee’s salary rate in effect at the time of the employee’s election.

The Corporation wishes to allow employees to buy back periods of service rendered under ACTRA contracts in accordance with the above-mentioned provision.

Information on the matter

See attached documents.

For decision

For information

Prepared by

Name: George C. B. Smith, Senior Vice-President, Human Resources

Date: September, 2006

Management recommendation

WHEREAS the Corporation wishes to allow employees to buy back periods of service rendered in the employment of the Corporation under ACTRA contracts.

THEREFOR BE IT RESOLVED

THAT effective October 1, 2006, employees become eligible to buy back periods of service rendered in the employment of the Corporation under ACTRA contracts in accordance with the Section 12(1)(c) and 12(6)(b) of the CBC Pension Plan.

Last discussed at the Board

Date: N/A

Decision made:

Next steps

Notification to employees affected

Anticipated project completion date: _____

(If contract, indicate date of expiry): _____

Canadian Broadcasting Corporation Pension Plan

Additional Elective Service effective September 1, 2006

The ACTRA (Alliance of Canadian Cinema, Television and Radio Artists) is a national organization of professional performers working in the English-language recorded media.

Prior to the early 1990's, the Corporation recognized ACTRA as the exclusive collective bargaining agent for employees engaged on contract by the Corporation in connection with the preparation and production for all its English language programming or programming destined for an English speaking audience. These employees were covered under the following collective agreements:

- TV Performers
- Radio Performers
- Broadcast Journalists TV
- Broadcast Journalists Radio
- TV Writers
- Radio Writers

When the Canadian Media Guild (Unit 1) was created in the early 1990's, in accordance with the Canadian Industrial Relations Board ruling, the employees covered by the Broadcast Journalists Radio and Broadcast Journalists TV agreements became members of the Canadian Media Guild (Unit 1) and were no longer part of ACTRA. These agreements were restricted to the following job categories:

- Writer / Broadcaster
- Researcher / Programmer
- Sportscaster
- Traffic Commentator
- Researcher
- Host
- Co-Host

The employees who converted from a contract to a permanent position under the 1996 and 1998 collective agreements between the Corporation and the Canadian Media Guild were allowed to buy back continuous periods of service rendered in the employment of the Corporation under ACTRA contracts.

The Canadian Media Guild is requesting, through the Consultative Committee on Staff Benefits, that the same opportunity be given to those employees who did not convert to a permanent position pursuant to the above-mentioned collective agreements.

The Corporation wishes to allow employees to buy back periods of service rendered in the employment of the Corporation under ACTRA contracts in accordance to Section 12(1)(c) of the CBC Pension Plan. The buy-back will be allowed pursuant to the following terms and conditions:

- **Eligible Employees:**
 - Employees with ACTRA service restricted to the Writer/Broadcaster, Researcher/Programmer, Sportscaster, Traffic Commentator, Researcher, Host and Co-Host job categories.
- **Elective Service:**
 - Service rendered in the above-mentioned job categories on a full-time basis (40hrs in a week or 160hrs in a four-week period) after May 31, 1980.
 - Excludes service rendered as freelancer (if the contract clearly specify the term “freelance” then that service will not be considered as eligible unless the employee can prove otherwise).
 - Excludes periods of less than a month.
- **Cost:**
 - Actuarial value.
- **Conditions:**
 - The onus will be on employees to provide appropriate documentation to support the validity of their requests should the Corporation be unable to track down the contracts.
 - Affidavits will not be accepted as evidence.

**Pages 544 to / à 569
are withheld pursuant to section
sont retenues en vertu de l'article**

68.1

**of the Access to Information Act
de la Loi de l'accès à l'information**

CBC Television AND THE MULTI-PLATFORM FUTURE

The media world is undergoing tremendous change and – at least in this country – no conventional broadcaster is subject to more scrutiny, discussion and debate as a result of that change than CBC Television. New technologies, new platforms, the erosion in value of our public subsidy, the softening of other revenue sources, an increasingly diverse population and evolving audience needs and interests together have created a context in which questions about the role and place of the public broadcaster are rightly being asked.

It is critical that CBC Television address its changing circumstances with a thorough understanding of the impact of various potential strategies. In this document and the accompanying presentation, we analyze the role of public broadcasting in the current and future media environment, and seek the input, recommendations and support of the Board in determining the best way forward.

WHAT IS THE ROLE OF THE PUBLIC BROADCASTER?

Some argue that in the 500-channel universe, where audiences can find programming to suit almost any interest at any time, there is no longer any need for a public broadcaster. We believe the opposite is true. In a sea of choice the need for a strong, distinct public broadcaster is greater than ever. Amidst the wealth of technologies and platforms, video remains the most powerful means through which culture and information are disseminated and shared in the Western world. Canadians must have access to a uniquely Canadian perspective.

Unlike conventional private broadcasters who must devote prime time to American simulcasts in order to provide acceptable shareholder returns, or private specialties, which are too “niche” and create very little original product, the CBC is the only broadcaster with the space in its prime time schedule to devote to telling Canadian stories for the broadest number of Canadians. Only the CBC can consistently provide this opportunity for shared national experience. Only the CBC can reflect Canada’s regions to one another. Only the CBC creates those common cultural icons that lead, ultimately, to a healthy sense of national identity. Only the CBC will continue to invest heavily in original Canadian programming.

But that is not enough to guarantee the CBC's survival. Our long-term success requires that we provide Canadians with programming that is relevant to them and their daily lives. Specifically, we must provide them with:

- The best, most engaging Canadian entertainment programming;
- The broadest, deepest and most trusted Canadian news and information;
- The most relevant sports coverage;
- A safe, educational place for children; and
- The most important and distinguished documentaries.

Providing a variety of high quality, enlightening, informative and entertaining Canadian programs that speak to the broadest range of citizens – from coast to coast to coast, from urban centers to the regions – will help to ensure our continuing relevance.

CBC is Canada's broadcaster and we are well positioned to thrive but we must address some significant challenges, not least of which are our unstable funding situation, increasing pressure from our competitors and the rapid, relentless pace of technological change.

s.68.1

**Pages 572 to / à 576
are withheld pursuant to section
sont retenues en vertu de l'article**

68.1

**of the Access to Information Act
de la Loi de l'accès à l'information**

**Pages 577 to / à 584
are withheld pursuant to section
sont retenues en vertu de l'article**

68.1

**of the Access to Information Act
de la Loi de l'accès à l'information**

Page 585

**is withheld pursuant to section
est retenue en vertu de l'article**

68.1

**of the Access to Information Act
de la Loi de l'accès à l'information**

Julie Bristow
Executive Director, Factual Entertainment Programming
for CBC Television

Biography

As Executive Director of Factual Entertainment, Julie Bristow is responsible for overseeing the development, production and commissioning activities in such fields as talk shows, game shows, lifestyle and reality programs, as well as our acquisition and adaptation of formats of this type.

She has been with CBC since 1988 in positions of ever-increasing responsibility. She is a highly respected journalist and leader, who worked on network shows like The Journal, Venture and The Health Show, as well as in local TV News. She was Executive Producer of Midday and Marketplace before becoming Director of Current Affairs and Weekly Programming for CBC News and Newsworld in 2002.

Julie has been active in developing properties that mix factual and entertainment programming in innovative and successful ways. She also has a lot of experience in extending television content onto digital platforms (including a stint in charge of CBC.ca).

Tony Burman
Editor in Chief, CBC English Services – CBC News, Current Affairs and
Newsworld

Biography

As Editor in Chief of CBC's English Services Division - CBC News, Current Affairs and Newsworld, Tony serves as CBC's chief journalist in implementing CBC journalistic policy across all English media platforms – radio, television and the Internet.

Tony has been leading all of CBC Television's news and current affairs programming since February 2000. He has led the successful reorganization of CBC Television's information services into a single, integrated CBC NEWS division that encompasses national, regional and Newsworld operations across Canada and abroad. That integration of news services now includes CBC Radio and CBC News Online (cbc.ca).

Tony has held a variety of senior roles at the CBC over the past 30 years, and produced many award-winning news and documentary programs for both CBC TV and Radio. He has also been head of CBC's all-news network, CBC Newsworld, since 1998 – renewing the program schedule and refocusing the network on its news roots.

From 1993-98, he served as Executive Producer of The National, CBC Television's nightly flagship news and current affairs hour. From 1990-93, he was Chief News Editor of CBC Television.

Tony was also a senior documentary producer for five years with The Journal (1985-90), where he produced many Gemini award-winning documentaries rebroadcast on the BBC, PBS and other foreign networks. These included 'Sudan: Children of Darkness' (1989); 'The Last Great Cause' (1986); and 'Mandela' (1986).

Prior to The Journal, he spent three years based in London (1982-85) as the European Bureau Producer for CBC Television News. Before being posted abroad, he was Executive Producer of The National (1980-82) and created the redesign of the newscast when it moved in 1982 to its new prime-time slot at 10 p.m.

Before 1975, Burman worked for CBC Television in Montreal as a current affairs story editor with the nightly regional supper-hour program City At Six. He also worked for CBC Network Radio in Montreal as a contributing producer to As It Happens and Executive Producer of Cross Country Checkup.

Fred Fuchs
Executive Director, Arts & Entertainment Programming
for CBC Television

Biography

As Executive Director, Arts & Entertainment Programming, Fred works closely with the A&E creative heads, with the Executive Director of Network Programming, and with Executive Vice-President to select, develop and produce Canadian entertainment programming of the highest quality in all genres.

Kirstine Layfield
Executive Director, Network Programming
for CBC Television

Biography

Kirstine Layfield joins CBC Television as executive director, network programming. She is responsible for the overall programming strategy for CBC Television.

Earlier in her career, Kirstine had a connection to CBC as general manager and vice-president, programming for Trio/Newsworld International, a CBC/Power Corporation joint venture

With experience in Canada, the United States and internationally, Kirstine brings first-hand knowledge of audience trends and preferences, and works closely with CBC's in-house creative and production as well as with independent producers in realizing CBC Television's mission as Canada's national public television broadcaster.

Nancy Lee
Executive Director, CBC Sports

Biography

When Nancy was appointed Executive Director, CBC Sports, in January 2000, she became the first woman to run Canada's most important sports production and broadcasting operation. In fact, this is a unique position internationally.

In 2003, Nancy's role at CBC expanded to include Chef de Mission for CBC/Radio-Canada at the Olympic Games and for other major international sporting events. In this capacity, she oversees all aspects of Olympic planning and coverage for CBC/Radio-Canada for both English and French services, in all media.

Nancy is known for her unmatched commitment to amateur sport and its coverage in the media. She is also considered a leader in promoting women in sport. Nancy Lee has also worked in CBC Radio News and Current Affairs in Toronto and Quebec City.

Fred Mattocks
Executive Director, Regional Programming and
and Executive Director, Production & Resources
for CBC Television

Biography

Fred Mattocks is Executive Director of Regional Programming and Executive Director of Production and Resources for the Canadian Broadcasting Corporation's English Television division. As such, he is responsible for ETV programming focused on the service of specific communities, as well as ETV production activity and its supporting infrastructure.

Fred plays an important role in strategic initiatives and has lead ETV's engagement in HDTV and developed and implemented ETV's HDTV strategy. He played a leadership role in developing CBC.ca's position as a program service in its own stead, and laid the foundation for our movement into digital platforms. He handles a number of Corporate files as well.

Fred has served Canadians through the CBC for many years, starting out as a technician in Rankin Inlet, Nunavut. Before coming to the network in 1999, Fred was for several years responsible for the success of our Maritime region, creating and sustaining a range of successful network and local programming, as well as creating ETV's Community Based Partnerships operation.

Mark Starowicz
Executive Director, Documentary Programming
for CBC Television

s.19(1)

Biography

As executive director of documentary programming for CBC Television Mark Starowicz has overall responsibility for the development, commissioning, production and co-production of documentary programming, including science programming.

As area executive producer of CBC Television's Documentary Unit, Mark was executive producer for such groundbreaking series as *Canada: A People's History*, *The Canadian Experience* and *The Greatest Canadian*. His most recent success is the epic documentary *China Rises*, shot in HDTV, and combining the finest journalistic and cinematic talents of CBC, New York Times Television and other international broadcasters to chronicle how the monumental changes unfolding in China are reshaping our world. This fall, the CBC will air the greatly anticipated *Hockey: A People's History*, a 10-part bilingual series about the game that has shaped Canada.

Mark was named an Officer of the Order of Canada in May 2004. He has multiple honorary degrees and seven Gemini Awards. He has been honoured by the Canadian Club as Canadian of the Year, and has received the prestigious Lifetime Achievement Award from the Canadian Journalism Foundation for his "remarkable contribution to the industry and commitment to the highest journalistic standards and ideals over his 30-year career".

**Pages 593 to / à 602
are withheld pursuant to section
sont retenues en vertu de l'article**

68.1

**of the Access to Information Act
de la Loi de l'accès à l'information**

s.18(b)

s.68.1

**Pages 604 to / à 605
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68.1

**of the Access to Information Act
de la Loi de l'accès à l'information**

s.21(1)(c)

s.68.1

**September Board Meeting
Presentation by Program Areas:
Regional Programming**

s.21(1)(c)
s.68.1

**Pages 608 to / à 609
are withheld pursuant to section
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68.1

**of the Access to Information Act
de la Loi de l'accès à l'information**

s.21(1)(c)

s.68.1

**Pages 611 to / à 613
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21(1)(c), 68.1

**of the Access to Information Act
de la Loi de l'accès à l'information**

s.21(1)(c)

s.68.1

**Pages 615 to / à 617
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**of the Access to Information Act
de la Loi de l'accès à l'information**



**Media Operations Report
submitted to the CBC Board of Directors
Mid-June to September 2006**

**Rapport des activités médias
présenté au Conseil d'administration de Radio-Canada
Mi-juin à septembre 2006**

**September 7, 2006
Le 7 septembre 2006**

CBC.CA

English Television

Page 620

**is withheld pursuant to section
est retenue en vertu de l'article**

68.1

**of the Access to Information Act
de la Loi de l'accès à l'information**

Awards

On August 29 the nominations for this year's Gemini Awards were announced and CBC Television received 194 nominations, among the highest ever for the network.

Our Arts and Entertainment Programming pulled in an exceptional 118 nominations, while our information programming drew a record 69 nominations.

CBC Sports received seven nominations and our regional programs also did very well, with nominations for programs from coast to coast.

In addition, we swept four categories, ensuring Gemini wins for CBC Television in: Best Direction in a News Information Program or Series; Best Photography in a Comedy, Variety or Performing Arts Program or Series; Best News Magazine Segment; and Best Host or Interviewer in a News Information Program or Series.

**Pages 622 to / à 627
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68.1

**of the Access to Information Act
de la Loi de l'accès à l'information**

Board of Directors
November 22 & 23, 2006

Subject matter

Summary of Government Funding (10 years – operating and capital).

Background

The attached provides a 10-year historical overview of the Corporation's parliamentary appropriations as at November 2, 2006. The approved reference levels for 2006/07 and beyond are also provided.

Information on the matter

See attached.

For information



Prepared by

Name: Johanne Charbonneau
Date: November 2, 2006

Management recommendation

Not required.

Last discussed at the Board

Date: September 6, 2006
Decision made: N/A

Next steps

Not required.

Anticipated project completion date: _____
(If contract, indicate date of expiry): _____

Board of Directors
(November 22-23, 2006)

Subject matter

Labour Relations Update

Background

This is a standing item on the Board of Directors' agenda which provides the status of CBC's collective agreements.

Information on the matter

Not applicable.

For decision:

For information:



Prepared by

Name: George C.B. Smith
Senior Vice-President, Human Resources and Organization

Date: November, 2006

Management recommendation

Not applicable.

Last discussed at the Board

Date: September 2006
Decision made:

Anticipated project completion date: _____N/A_____

(If contract, indicate date of expiry): _____

AGREEMENTS PRESENTLY BEING NEGOTIATED

s.21(1)(c)

UNION	Effective Date	# of Members	Central Issues
NATIONAL FILE			
AfofM (American Federation of Musicians)	April 1, 2003– March 31, 2006	N/A	
ENGLISH FILE			
ACTRA (Alliance of Canadian Cinema, Television and Radio Artists) (Performers)	July 1, 2003– June 30, 2005	N/A	
WGC (Writers Guild of Canada)	Sept. 1, 1998– August 31, 2000	N/A	
IATSE (International Alliance of Theatrical, Stage Employees and Moving Picture Machine Operators of the United States and Canada) (Stagehands)	No agreement since 1994	3	
FRENCH FILE			
AR (Association des réalisateurs)	Dec. 13, 2003– Dec. 11, 2005	380	
SPACQ (Société professionnelle des auteurs-compositeurs du Québec)	March 25, 2004– March 24, 2005	N/A	

NEGOTIATED AGREEMENTS

UNION	Effective Dates of Collective Agreement	# of Members
NATIONAL FILE		
APS	Association of Professionals and Supervisors	July 1, 2005– June 30, 2008 646
ENGLISH FILE		
CMG	Canadian Media Guild	April 1, 2004– March 31, 2009 5,141
FRENCH FILE		
SCRC (Unit 1)	Syndicat des communications de Radio-Canada	March 27, 2006– March 29, 2009 1,390
STARF (Unit 2)	Syndicat des technicien(ne)s et artisan(e)s du réseau français de Radio-Canada	April 13, 2006– March 31, 2009 1,336
SCFP (Unit 3)	Syndicat Canadien de la Fonction Publique (Groupe des employé(e)s de bureau et professionnel(le)s)	September 26, 2005– September 27, 2007 636
UDA	Union des artistes	November 14, 2005– November 13, 2009 N/A
SARTEC	(Société des auteurs de la radio, de la télévision et du cinéma)	July 10, 2006 – July 9, 2010 N/A

Board of Directors

(November 22-23, 2006)

Subject matter**Workforce Information****Background**

The attached documents present the total workforce in terms of full time equivalent (FTE) broken down by:

- media component with a comparison to beginning fiscal year;
- geographic location (map of Canada)

Information on the matter

Attached

For decision**For information****Prepared by**

Name: George C.B. Smith

Date: November 1, 2006

Management recommendation

N/A

Last discussed at the Board

Date: September 2006

Decision made: -

Next steps**Anticipated project completion date:** _____**(If contract, indicate date of expiry):** _____

Conseil d'administration

(22 et 23 novembre 2006)

Sujet

Information sur la main-d'oeuvre

Contexte

Les documents en annexe présentent la main-d'oeuvre totale exprimée en équivalent à temps plein (ETP) et ventilée par :

- composante média (avec une comparaison par rapport au début de l'exercice);
- lieu géographique (carte du Canada).

Renseignements connexes

Voir document joint

Décision à prendre

À titre d'information



Préparé par

Nom : G.C.B. Smith

Date : le 1 novembre 2006

Recommandation de la direction

N/A

Dernière discussion au Conseil

Date : septembre 2006

Décision prise à cette occasion :

Suivi

Date prévue de l'achèvement du projet : _____
(Indiquer la date de fin du contrat) : _____

TOTAL WORKFORCE / EFFECTIF TOTAL

Full Time Equivalent / Équivalent temps plein

Month / Mois : October 2006
(Oct 15, 2006 / Le 15 octobre 2006)

	Permanent (a,b)	Temporary Temporaire (a,b)	Contract Contractuel (a,b)	Short term Court terme (d)	TOTAL	TOTAL Begin. FYR 2005/06 Début de l'exercice 2005/06	Variance Écart
Radio English/ Radio anglaise	954	72	72	136	1 235	1 293	-57
Radio French/ Radio française	687	71	222	183	1 163	1 183	-20
Television English/ Télévision anglaise	2 379	169	246	249	3 043	3 164	-121
Television French/ Télévision française	2 270	271	185	347	3 072	3 033	39
Corporate/ National	1 028	60	163	27	1 279	1 289	-10
TOTAL	7 319	644	887	941	9 791 *	9 961 **	-169

* 9,791 FTE/EPT = 10,686 head count / effectifs réels.

** 9,961 FTE/EPT = 10,940 head count / effectifs réels.

Notes:

(a) Employees on leave of absence are excluded. / Les employés en absence autorisée sont exclus.

(b) FTE is based on the full-time / part-time percentage of the employee's working schedule. /

L'EPT est basé sur le pourcentage temps plein / temps partiel de l'horaire de travail des employés.

(d) Includes casual + short term contract. FTE is based on the total days worked over a four week period. /

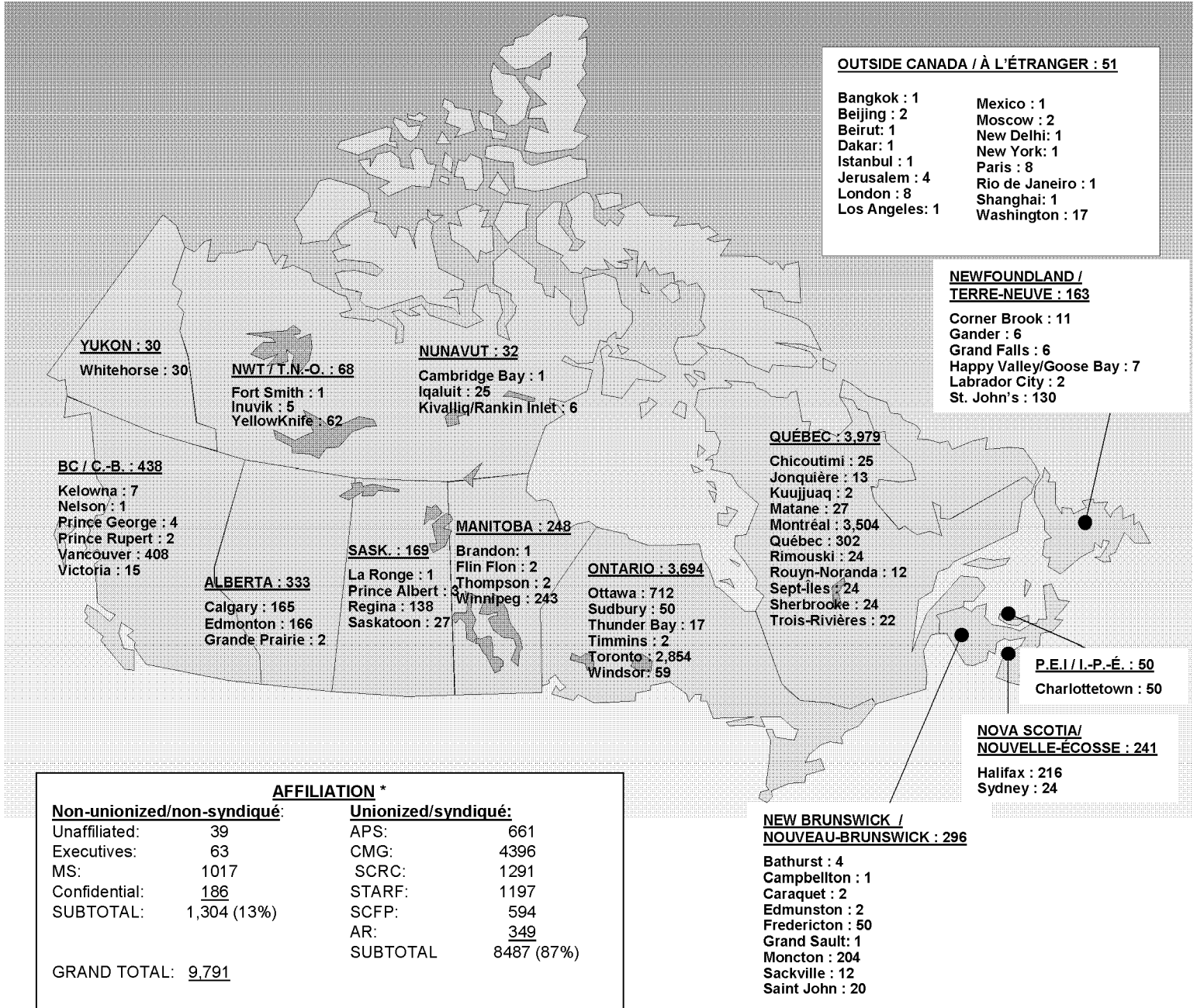
Comprend les occasionnels et les contractuels courte durée. L'EPT est basé sur le total des jours travaillés durant une période de quatre semaines.

The sum of the details may not balance with the totals due to rounding / La somme du détail peut différer des totaux en raison de l'arrondissement.

CBC Map / Carte de la SRC

Full Time Equivalent / Équivalent temps plein

October 2006 / octobre 2006



Total FTE/ETP 9,791 = Head count / effectifs réels 10,686

* The sum of the details may not balance with the totals due to rounding / La somme du détail peut différer des totaux en raison de l'arrondissement.

PRESIDENT'S SIGNING AUTHORITY RESOLUTION

On a motion duly moved and seconded

WHEREAS the President and CEO requires sufficient authority to carry out his/her functions; and

WHEREAS the Board reviews and approves the Capital and Operating budgets each and every year; and

WHEREAS the authority granted to the President and CEO shall be carried out within the limits of the approved budgets, the Corporation's By-laws and the Broadcasting Act;

IT IS THEREFORE RESOLVED THAT the President and CEO directly or through his/her delegate be and is hereby authorized to decide, enter into or commit on behalf of the Corporation for:

1. *(acquisition or disposition of real property)* any matters which have a financial value or consideration to the Corporation of less than \$4 million, when covered by Section 48(2) of the Broadcasting Act;
2. *(leasing of real property)* any matters which have a financial value or consideration to the Corporation of up to \$15 million, when covered by Section 48(2) (b) of the Broadcasting Act and Order in Council number P.C. 2002-1582 and dated September 24, 2002;
3. *(programming)* any matter relating to the acquisition, production co-production of financing of programs and has a financial value or consideration to the Corporation of up to \$10 million and commits the Corporation to a period of 4 years or less;
4. *(revenue generating)* any matter where the main objective is to generate revenues which has a financial value or consideration to the Corporation of up to \$15 million and commits the Corporation to a period of 4 years or less; provided that advertising contracts shall follow the general rules below;
5. *(general)* any other matters which have a financial value or consideration to the Corporation of up to \$5 million save and except when Governor in Council approval or Minister of Finance approval is required, pursuant to Section 46 and 46.1 of the Broadcasting Act.

The above authority does not include the power to agree to or enter into new business ventures on behalf of the Corporation

PRESIDENT'S SIGNING AUTHORITY RESOLUTION

IT IS FURTHER RESOLVED THAT the President directly or through his/her delegate be and is empowered and directed, in the name and on behalf of the CBC, to make, execute and deliver and to do all such acts and things as are necessary or appropriate to effect the foregoing resolution and to execute all agreements, undertakings, documents, instruments or certificates in the name and on behalf of the CBC in connection with the authority contemplated in the foregoing resolution and any acts or things heretofore done or made or documents heretofore executed and delivered which effect the foregoing resolution are in all respect approved, ratified and confirmed.

**Pages 638 to / à 645
are withheld pursuant to section
sont retenues en vertu de l'article**

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CBCnews

**Presentation to the CBC
Board of Directors**

November 2006

**Pages 647 to / à 684
are withheld pursuant to section
sont retenues en vertu de l'article**

68.1

**of the Access to Information Act
de la Loi de l'accès à l'information**

Conseil d'administration
(Les 22 et 23 novembre 2006)

Sujet

Stratégie des Nouveaux Médias à CBC Television

Contexte

Ce document énonce la stratégie de CBC Television visant à renforcer son lien avec les Canadiens en veillant à évoluer au rythme des nouvelles plateformes changeantes qu'ils utilisent.

Renseignements connexes

Décision à prendre

À titre d'information

Préparé par

Noms : Richard Stursberg, Jason MacDonald
Date : Le 9 novembre 2006

Recommandation de la direction

Dernière discussion au Conseil

Date : Les 5 et 6 septembre 2006
Décision prise à cette occasion :

Suivi

Date de prévue d'achèvement du projet : _____
(Indiquer la date de fin du contrat) : _____

**CBC et l'avenir des Nouveaux Médias
Présentation au Conseil d'administration
de
CBC/Radio-Canada**

Novembre 2006

**Pages 687 to / à 697
are withheld pursuant to section
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**Pages 698 to / à 706
are withheld pursuant to section
sont retenues en vertu de l'article**

68.1

**of the Access to Information Act
de la Loi de l'accès à l'information**

**Pages 707 to / à 709
are withheld pursuant to section
sont retenues en vertu de l'article**

68.1

**of the Access to Information Act
de la Loi de l'accès à l'information**

Board of Directors
(November 22-23, 2006)

Subject matter

CBC Television New Media Strategy

Background

This document outlines CBC's strategy for deepening its relationship with Canadians by ensuring that we keep pace with their changing use of new platforms.

Information on the matter

For decision

For information

Prepared by

Name: Richard Stursberg, Jason MacDonald
Date: November 9, 2006

Management recommendation

Last discussed at the Board

Date: September 5-6, 2006
Decision made:

Next steps

Anticipated project completion date: _____

(If contract, indicate date of expiry): _____

**Pages 711 to / à 720
are withheld pursuant to section
sont retenues en vertu de l'article**

68.1

**of the Access to Information Act
de la Loi de l'accès à l'information**

**Pages 721 to / à 749
are withheld pursuant to section
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68.1

**of the Access to Information Act
de la Loi de l'accès à l'information**

Senior Management Committee

November 22, 2006 - Halifax

Subject matter

Presentation of the Overall Plan for French Services

Background

One year ago we integrated the French Services under one vice-president. This document illustrates the assessment of this integration and describes the long-term strategy of the component.

Information on the matter

For Decision

For information



Prepared by

Name: Sylvain Lafrance

Date: November 10th, 2006

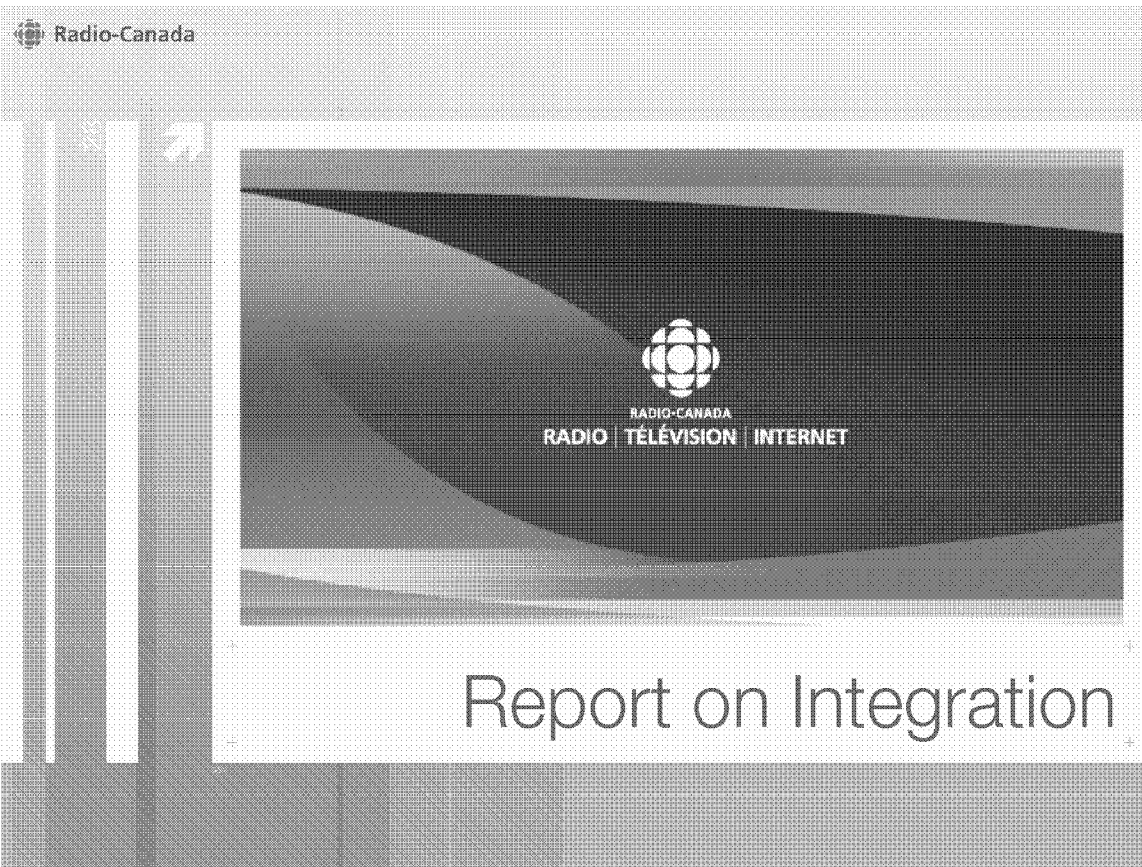
Management recommendation

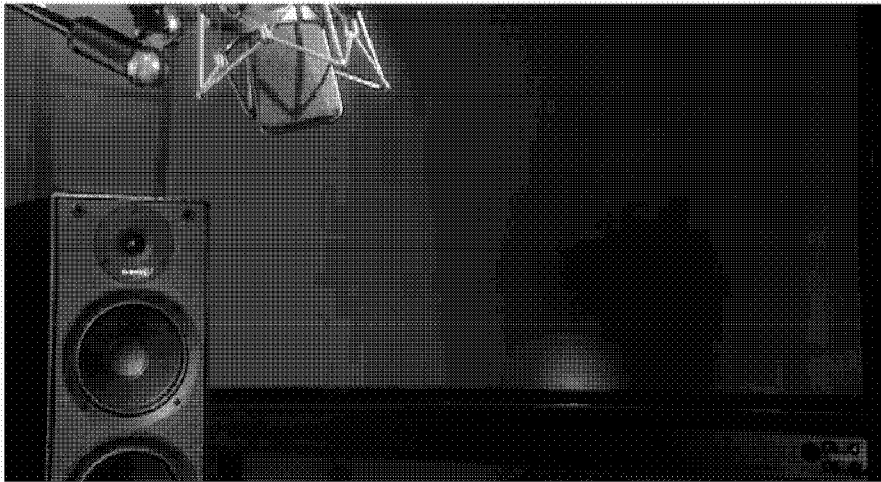
Next steps

**Pages 751 to / à 763
are withheld pursuant to sections
sont retenues en vertu des articles**

21(1)(c), 68.1

**of the Access to Information Act
de la Loi de l'accès à l'information**





Report on Integration

Report on: Integration

- **Presentation of vision/mission:**
 - Internal working groups
 - French Services Executive Council
 - Public forums

**Pages 766 to / à 777
are withheld pursuant to sections
sont retenues en vertu des articles**

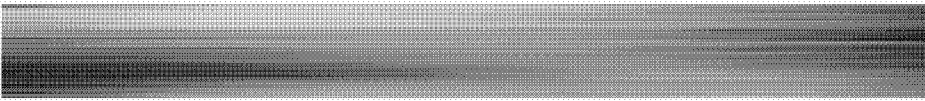
21(1)(c), 68.1

**of the Access to Information Act
de la Loi de l'accès à l'information**

**Pages 779 to / à 780
are withheld pursuant to sections
sont retenues en vertu des articles**

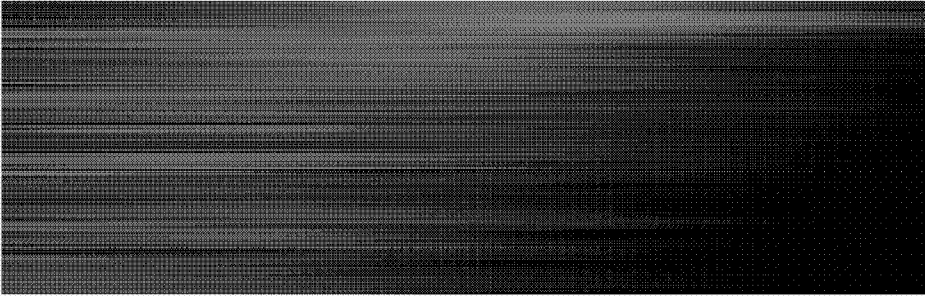
21(1)(c), 68.1

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The Overall Plan

Sylvain Lafrance
Meeting of the Board of Directors
Halifax, November 22-23 2006



Board of Directors
(November 2006)

Subject matter

Three amendments to the CBC Pension Plan.

Background

The collective agreement between the Corporation and the "Canadian Media Guild" signed on October 4, 2005, makes it compulsory for plan members on union leave to maintain their participation in the pension plan. An amendment is therefore required to the pension plan to describe the provisions applicable.

A plan member buying back past service could pay in instalments through payroll deductions. As per the current provisions of the pension plan, payroll deductions shall be in amounts sufficient to pay the total of the buyback cost at the latest by the member's normal retirement date, which is defined as 65. The pension plan might be discriminating on age since the concept of mandatory age of retirement no longer applies in law. The pension plan is therefore amended to allow members to pay the buyback cost up to December 1st in the year in which they reach age 69, since members are required by the Income Tax Act to begin drawing full pension at that time.

The Canada Revenue Agency has requested an amendment to paragraph 12(8)(a). The wording "*where such election is made after the effective date of this amendment*", which appeared in the first plan text that addressed pension reform legislation, must be removed from the plan text. At the same time, we have availed ourselves to replace the term Revenue Canada with Canada Revenue Agency.

Information on the matter

You will find attached the required amendments to the CBC Pension Plan as indicated in bold.

For decision:

For information:

Prepared by

Name: George Smith, Senior Vice-President, Human Resources & Organization

Date: November 2, 2006

Management recommendation

BE IT RESOLVED

THAT Schedule "B" of the By-laws of the Canadian Broadcasting Corporation, entitled CBC Pension Plan, be amended by modifying Sections 3(o), 12(7)(b) and 12(8) of Part I.

Last discussed at the Board

Date: N/A
Decision made:

Next steps

Ministerial Approval.
Submission to OSFI (Office of the Superintendent of Financial Institutions) and
Canada Revenue Agency.
Notification to employees affected.

Anticipated project completion date: _____
(If contract, indicate date of expiry): _____

Amendments to the Canadian Broadcasting Corporation Pension Plan

Part I

1. Effective October 4, 2005, Section 3(o) is replaced by the following:

« (o) “salary” of a contributor means the salary on which contributions are made under Part I and is exclusive of overtime and other supplementary remuneration that may be paid to the contributor from time to time. For the purpose of computing “adjusted pensionable earnings” and pensionable salary rate, the salary of a contributor shall be deemed to be:

- (i) during any period of maternity leave, paternity leave, child care leave, adoption leave, absence without pay for childcare purposes, and compassionate care leave granted pursuant to the Corporation’s policy regarding the granting of such leaves, if such periods are included in the contributor’s pensionable service according to the Corporation’s policy, provided that the contributor elects to and does make any required contributions thereto as specified in the Corporation’s policy, salary at the rate paid to the contributor immediately before such leave begins, otherwise such leave shall be regarded as being leave without payment of salary; and
- (ii) for any period during which a contributor is in receipt of benefits under the long-term disability income plan made available to employees of the Corporation as part of the Corporation’s benefit program:
 - (A) for the calendar year or fraction thereof, for which such benefits are first payable, salary at the rate paid to the contributor immediately prior to such period;
 - (B) for each subsequent calendar year or fraction thereof in such period, salary at the rate deemed to be paid to the employee at the end of the immediately preceding calendar year, adjusted by the lesser of the economic increase granted or negotiated for the preceding calendar year for the position held by the employee immediately prior to receiving such benefits or the increase in the Wage Index for the said calendar year. The adjustment shall not be made in the first calendar year subsequent to the commencement of long-term disability if the employee’s salary had already been adjusted by the economic increase in the calendar year when he commenced to receive long-term disability benefits; and

- (iii) for any period during which salary is deferred under the Corporation's Deferred Salary Leave Plan, salary before allowances for contributions to the Deferred Salary Leave Plan; and
- (iv) during any period of leave under the Corporation's Deferred Salary Leave Plan, salary at the rate deemed to be paid to the contributor under paragraph (iii) above immediately before the leave, provided that the contributor elects to and does make contributions thereto at the rate determined under the Corporation's policy and in accordance with the Corporation's Deferred Salary Leave Plan, otherwise such leave shall be regarded as being leave without payment of salary; **and**
- (v) **in the case of a contributor covered by a collective agreement between the Corporation and the Canadian Media Guild (CMG), for any period on or after October 4, 2005 during which the contributor is on leave of absence because the contributor is elected to a CMG office or has accepted work with the CMG on a full-time basis for more than one year, which period must be included in the contributor's pensionable service and for which the contributor must make the required contributions thereto, salary at the rate paid to the contributor immediately before such leave begins and adjusted during the period of leave by the negotiated wage increases in accordance with the applicable collective agreements. Such contributions shall be equal to the contributions which would have been paid by the contributor had he remained as an active employee and shall be paid in a manner determined by the President of the Corporation or his delegate but not later than the return of the employee to active employment.**

Notwithstanding the provisions of this Section 3(o), if a contributor does not resume active employment immediately following a period of absence without pay for childcare purposes described in paragraph (i) above, or a period described in paragraphs (ii) and (iv) above, or immediately following the expiration of any immediately subsequent permitted period of leave of absence, such period shall be regarded as being leave without payment of salary.

In this Section 3(o), only complete calendar months shall be deemed to count as months for which salary has been paid, and a complete calendar month shall be regarded as one-twelfth of a year. »

2. Effective May 24, 2006, Section 12(7)(b) is replaced by the following:

« (b) Method of Payment

An employee making an election under this Section 12 may pay the total amount of the appropriate contributions calculated under Section 12(6) in one lump sum at the time of making such election, or may pay the amount in installments with interest charges in accordance with Section 12(7)(e) below through regular deductions from salary, or in the case of an employee who after making an election under this Section 12 is absent without pay

or receives benefits under the Corporation's Long-Term Disability Plan, by direct regular remittances, equal to the deductions that would otherwise have been made from the employee's salary. In all cases, such regular deductions and regular remittances shall be in amounts sufficient to pay the total amount of the employee's contributions calculated under Section 12(6) at the latest by the **date on which the employee's immediate pension shall commence as defined in Section 7(1)(d)**. If an employee who has chosen to pay in installments ceases to be employed by the Corporation in a pensionable position for any reason other than death, any unpaid principal amount may be paid in a lump sum, or if the employee requests the Corporation in writing to cancel any unpaid balance and reduce the amount of elective service covered by the election to which the payments relate, the said amount of elective service shall thereupon be reduced in the ratio that the value of future installments bears to the value of both past and future installments. Such values shall be determined by the Corporation's actuary.

Notwithstanding the foregoing, an employee making an election under this Section 12 with respect to a period of elective service during which the employee contributed to Part I before January 1, 1992, and in respect of which the employee elected a transfer of pension benefit credits pursuant to Section 11, must pay the total amount of the appropriate contributions calculated under Section 12(6)(b) through a direct transfer from the employee's Registered Retirement Savings Plan or a previous employer's Registered Pension Plan or Deferred Profit Sharing Plan. »

3. Effective January 1, 2006, Section 12(8) is replaced by the following:

« (8) Limitations

(a) Notwithstanding any other provision of Part I, in respect of elective service rendered before January 1, 1990, the amount of immediate or deferred pension payable to the contributor for the contributor's lifetime under this Part I at retirement, disability retirement, termination of employment or termination of the Plan shall not exceed the greater of:

(i) \$1,150 and

(ii) two-thirds of the dollar maximum mentioned in Section 7(6)(b), as applicable from year to year

multiplied by his years of such elective service.

(b) Section 12(8)(a) does not apply where the elective service was previous contributory service with the Corporation.

(c) In respect of elective service rendered on or after January 1, 1990, the Pension Board will compute the relevant Past Service Pension Adjustment for certification with **Canada**

Revenue Agency. Where such certification is obtained, the elective service will be granted, subject to the provisions of this Part I. Where such certification has not been granted by **Canada Revenue Agency**, such period of elective service will not be granted.

»

— end of document —

Board of Directors

November 22-23, 2006

Subject matter

CBC/Radio-Canada Strategic Directions 2007-2008: Outlook and Non-media Priorities

Background

The November meeting of the Board of Directors is the culminating point in the CBC/Radio-Canada Planning cycle where we seek approval of CBC/Radio-Canada's Corporate Priorities and Media Strategic Directions. From the approval of the Strategic Directions flows the Corporate Plan and key assumptions for the 2007-2008 budget.

The Board discussed the strategic directions of English media at its September 2006 meeting. It will deal with French media at its November Board meeting. The attached presentation focuses on the non-media corporate priorities, risks and opportunities and financial outlook facing the CBC/Radio-Canada. As well, the strategy, outline and timeline of the Corporate Plan are presented.

Information on the matter

See attached document

For decision



For information



Prepared by

Name: Michel Tremblay/Strategy Group
date: November 9, 2006

Management recommendation

Approval of CBC/Radio-Canada Strategic Directions for 2007-2008

Agreement with proposed approach, including strategy, outline and timeline of Corporate Plan.

Last discussed at the Board

Date: September 2006
Decision made:

Next steps

Approval of CBC Corporate Plan at the January 2007 Board meeting.

CBC/Radio-Canada Strategic Directions 2007-2008:

Outlook and Non-media Priorities



CONFIDENTIAL

November 22-23, 2006
Board of Directors' Meeting

CBC  **Radio-Canada**

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sont retenues en vertu de l'article**

21(1)(c)

**of the Access to Information Act
de la Loi de l'accès à l'information**

Regulatory Outlook

- **Specialty and Pay TV Policy Hearings**
 - On the heels of revised TV Policy for over-the-air conventional broadcasters, CRTC intends to launch a process to examine the regulatory framework for Specialty and Pay television – slated for Fall 2007
- **Review of Cable and Satellite Distributor Regulations**
 - CRTC wants to ensure that Cable and Satellite Distributor regulatory policies and processes keep pace with the outcomes of the over-the-air and Specialty/Pay Policy Hearings – slated for Fall 2007 and Winter 2008

**Pages 805 to / à 818
are withheld pursuant to sections
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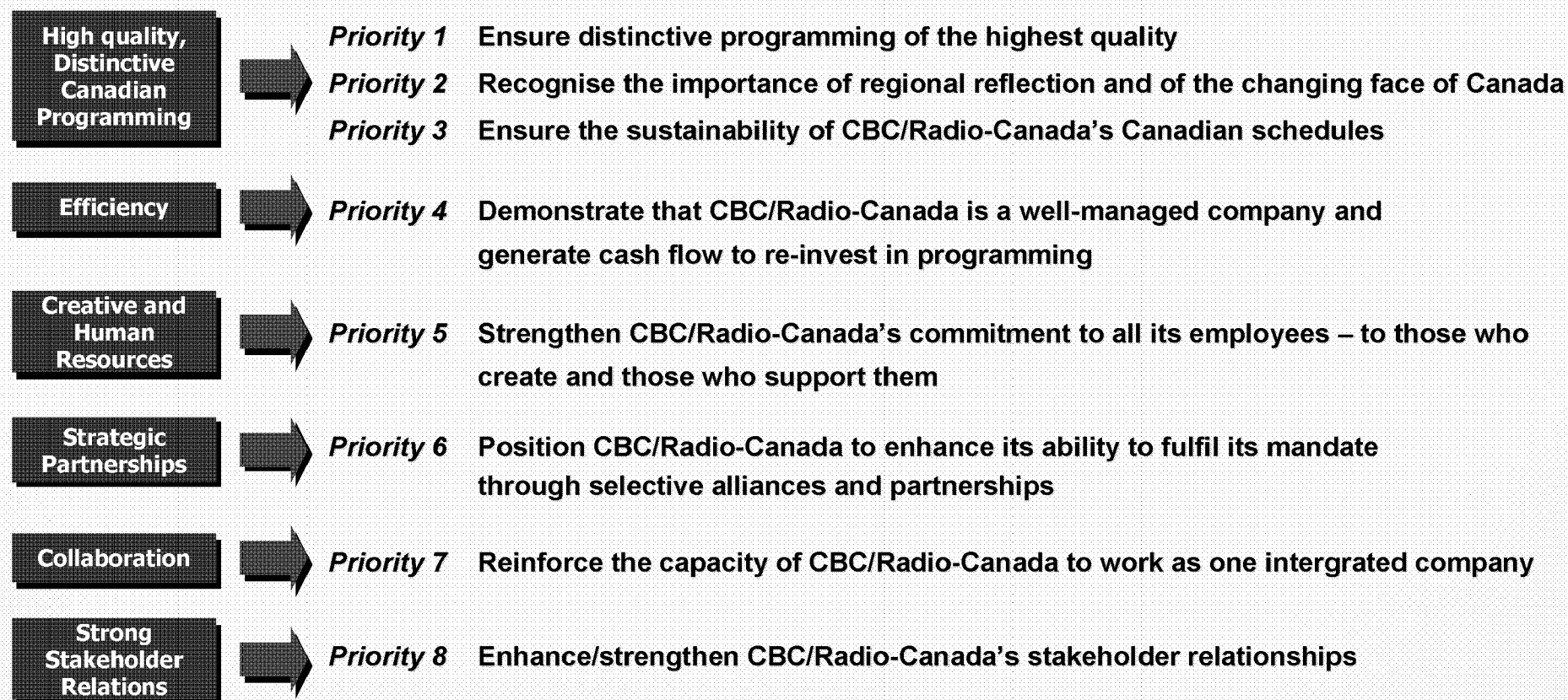
21(1)(c), 68.1

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4. 2007-2008 Strategic Directions

Our Corporate Priorities

Four years ago, the Corporation established a set of Corporate Priorities, which continue to guide us:



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18(a), 18(b), 21(1)(c)

**of the Access to Information Act
de la Loi de l'accès à l'information**

s.18(a)

s.18(b)

s.68.1

**Pages 827 to / à 831
are withheld pursuant to sections
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21(1)(c), 68.1

**of the Access to Information Act
de la Loi de l'accès à l'information**

s.18(a)
s.18(b)
s.68.1

s.21(1)(c)

s.68.1

**Pages 834 to / à 837
are withheld pursuant to section
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21(1)(c)

**of the Access to Information Act
de la Loi de l'accès à l'information**

s.21(1)(c)
s.68.1



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21(1)(c)

**of the Access to Information Act
de la Loi de l'accès à l'information**

s.18(a)
s.18(b)
s.68.1

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18(a), 18(b), 21(1)(c)

**of the Access to Information Act
de la Loi de l'accès à l'information**

Board of Directors
(November 2006)

Subject matter

Nominees to the CBC Pension Board of Trustees for calendar year 2007

Background**Role of the Board of Trustees**

The Canadian Broadcasting Corporation Pension Plan (the Plan) was established by the Canadian Broadcasting Corporation (CBC) effective September 1, 1961, pursuant to the Broadcasting Act. The Plan is a contributory defined benefit pension plan covering substantially all employees of CBC. The Plan is federally regulated and is governed by the provisions of the Pension Benefits Standards Act (the Act) and the Regulations thereof.

The CBC Pension Board of Trustees by virtue of the Trust Deed between the CBC and the Trustees administers the assets of the Plan.

The primary liability of the Plan is to provide defined benefits for its members in accordance with the Trust Deed and other documents from time to time describing the Plan.

The CBC Pension Board of Trustees, directly and/or through agents retained by it, is responsible for investing the Fund and in doing so, will identify and pursue investment opportunities in accordance with the Act, the regulations and the Fund's Statement of Investment Policy and Goals.

Appointment of Trustees

Article 3 of the Trust Deed (Schedule C of the By-Laws) addresses the composition of the Board of Trustees.

The Board must consist of a minimum of 6 trustees and a maximum of 7.

The majority of trustees (4) must either hold office as Directors of the Corporation or be officers of the Corporation.

The senior executive officer responsible for Human Resources, and the senior executive officer responsible for Finance are trustees by virtue of their position.

The Corporation appoints all other trustees.

Historically, the Corporation has accepted that the 3 trustees who are not Directors or officers of the Corporation be two employees (one representing each of the French and English services) and a pensioner.

These three individuals are chosen as follows:

The two employees are nominated by the Consultative Committee on Staff Benefits (CCSB) which is a joint management /union committee that discusses CBC employee benefits.

The pensioner is nominated by the CBC Pensioners National Association.

These nominations are then submitted annually to the Audit Committee and the Board of Directors of the CBC for approval each year.

Information on the matter

In accordance with established practice, the Consultative Committee on Staff Benefits has recommended the nomination of two candidates. The Pensioners' Association has also recommended their candidate to serve on the Board of Trustees for the year 2007.

For decision:

For information:

Prepared by

Name: George Smith, Senior Vice-President, Human Resources & Organization

Date: November 2, 2006

Management recommendation

BE IT RESOLVED THAT Jon Soper and Claude Godin be and are held hereby appointed to the Pension Board of Trustees for the period of January 1, 2007 to and including December 31, 2007 or until the nomination of a successor;

AND THAT Pierre Racicot, for the period of January 1, 2007 to and including June 30, 2007, and John Francis O'Mara, for the period of July 1, 2007 to and including December 31, 2007, be and are held hereby appointed to the Pension Board of Trustees or until the nomination of a successor.

Last discussed at the Board

Date: November 24-25, 2005

Decision made: Approved

Next steps

Letter of acceptance to be sent to each appointee by the President & CEO.

Anticipated project completion date: _____
(If contract, indicate date of expiry): _____

Board of Directors
(November 17, 2006)

Subject matter

Annual Report – Strategic Approach

Background

In recent years, Corporate Communications has combined its fiscal reporting and marketing efforts into one document, the Corporation's Annual Report to Parliament. According to our research, the trend in most corporate Annual Reports now is to emphasise the MD&A, financial and governance aspects of a corporation's fiscal activities, rather than its other daily activities. This trend, along with our understanding of the kind of reporting that our prime audience — the current Conservative Government — is looking for, suggests a revised approach to the content of CBC/Radio-Canada's 2006-2007 Annual Report. This approach is supported by Treasury Board's criteria for Crown Corporations' annual reports.

Information on the matter

See attached proposal.

For Decision

For Information

Prepared by

Name: Bill Chambers and Martine Ménard
date: November 7, 2006

Management recommendation

Corporate Communications is proposing a revised approach to the 2006-2007 Annual Report based on our understanding of what our prime audience — the current Conservative Government — is looking for, namely a report with an emphasis on MD&A, financial statements and a review of governance.

Last Discussed at the Board

June 2006

Next steps

Approval granted by the Special Committee on Public Support of the revised approach to the Corporation's 2006-2007 Annual Report; and subsequent presentation of the proposal to the Board of Directors at their November meeting, for approval.

CBC/RADIO-CANADA 2006-2007 ANNUAL REPORT

PROPOSAL

Corporate Communications is proposing a revised approach to the 2006-2007 Annual Report, based on our understanding of what our prime audience — the current Conservative Government — is looking for in Crown Corporations' Annual Reports, which is a report strongly weighted towards Management's discussion and analysis (MD&A) of the year's activities, financial statements and a review of governance. According to our own research, this is now a major preoccupation and the trend in most corporate Annual Reports. This observation is supported by Treasury Board's criteria for Crown Corporations' Annual Reports, which underline the importance of this type of reporting. We therefore propose to create an Annual Report in line with this trend by strengthening our reporting efforts in the Annual Report and migrating our marketing efforts to other Corporate Communications' vehicles.

Our aim remains to communicate convincingly and in fresh ways to the Minister of Canadian Heritage and the Government. Given our recommended emphasis on the MD&A, financial statements and governance, rather than programming detail, in the 2006-2007 Annual Report, we intend to produce a Corporate marketing brochure, separately before the end of the fiscal year, in which the networks' programming genres and offerings will be explored. The purpose of the marketing brochure is to reinforce our messages about the Corporation's cultural and social contributions to Canada over the last 70 years, and our continuing vital place in the country, now and in the future. The design, imagery and taglines for the brochure will be contemporary, engaging and evocative. Our target audiences will be much broader than for the Annual Report, including the public at large.

Therefore, **it is recommended** that Corporate Communications produce an Annual Report with a revised approach in order to satisfy the current appetite for increased reporting on the Corporation's yearly financial and governance activities; to be presented to the Minister of Canadian Heritage on June 30, 2007; and to be released publicly in hardcopy (approximately 1,800 copies) and online after tabling in Parliament.

DETAILED RECOMMENDATIONS

2006-2007 Annual Report Objectives: Through the vehicle of the Chair's and President's messages, to demonstrate that CBC/Radio-Canada produces high-quality, innovative and unique programming for Canadians; that it remains relevant; that it is guided by a vision; and that it continues to evolve to serve Canadians' changing needs and interests within a highly competitive broadcasting environment. The Annual Report will also argue that CBC/Radio-Canada is indispensable to the maintenance of Canadian cultural sovereignty and identity, particularly in the context of the large number of commercial and foreign media choices now available to consumers. Through the vehicle of the MD&A (overview of the year, highlights [successes of the networks, Real Estate, Technology, Merchandising divisions, etc.] and key performance indicators grid), as well as the financial and governance sections of the Annual Report, to demonstrate that the Corporation makes invaluable contributions to the social and cultural life of Canada, is well-managed and governed, and equipped to deliver the excellent programming Canadians deserve.

General Content: Streamlined content focusing on the messages of the President and the Chair, Management Discussion and Analysis, including programming and infrastructure highlights, key performance indicators, and presenting the financial statements and a report on governance. Bilingual tumble format.

Proposed Content:

Cover, with branding

Introduction:

Table of Contents

Corporate Mandate (for 70 years...)

Vision, Mission, Values

Corporate Priorities

Financial Highlights from the Past Five Years and Financial Ratios (table format)

Message from the Chair: the value of public broadcasting in today's world; and good governance at CBC/Radio-Canada.

Message from the President: Corporate vision; creative organisations must continuously renew themselves; it is essential to effectively manage this Corporation for the future; stable funding is required; the current broadcasting context and challenges.

Management Discussion and Analysis, including:

- Overview (as in previous years);
- Highlights of the Year (programming; the international scene; technology and efficiencies; regional reflection; diversity; serving the community; building and strengthening our team);
- Key Performance Indicators (overall measures of performance; networks' prime time share and audience satisfaction; objectives and achievements of each network for the year and their objectives for 2007-2008); risk management and internal controls.

Financial Statements and Auditor's Opinion

Public Accountability (the Ombudsmen)

The Board of Directors (list of members) and Corporate Governance

Description of Services

Design: With the focus on MD&A, governance and financials in the proposed Annual Report, we will produce a well-designed document with a business look and feel. The creative visual messaging of the last three Annual Reports will be more present in the marketing brochure than in the Annual Report, yet the two documents will complement each other by providing different glimpses of the organisation, its cultural product and its contributions to the country.

Overall Production Schedule: Design, research and writing work will begin directly after the Board of Directors' meeting in November 2006. Draft texts, other than those directly linked to the financial statements, will be provided for information to the Board at its March 2007 meeting. The Board will view the design of the front section of the Report at its May 2007 meeting. All material directly linked to the financial statements and the financial statements themselves will be approved at the Board meeting in June 2007.

Human Resources and Compensation Committee
(November, 2006)

Subject matter

Revision of HR Policy 2.2.20 Non-Discrimination and The Duty to Accommodate

Background

The policy has been revised to incorporate identified undertakings resulting from the Employment Equity audit. The revisions reflect:

- a) the strengthened responsibility on the part of the employer to accommodate employees and applicants;
- b) the requirement for an accessible workplace;
- c) the need to broadly communicate the policy;
- d) the identification of the four designated groups as per the Employment Equity legislation.

Information on the matter

In 2002 the “Duty to Accommodate” policy was reviewed and approved to incorporate non-discrimination provisions since accommodation flows from the prohibited grounds of discrimination under the Human Rights legislation. The policy summarizes more accurately CBC’s legal obligations while describing the limit of the duty to accommodate.

Please refer to Section 1 of the attached “Proposed HR Policy Revisions” document.

For decision:**For information:****Prepared by**

Name: George C. B. Smith
Senior Vice-President, Human Resources and Organization
Date: October 27, 2006

Management recommendation

IT IS RESOLVED THAT the Human Resources and Compensation Committee recommends to the Board of Directors for approval, the following change:

HR Policy 2.2.20 Non-Discrimination and The Duty to Accommodate be approved as revised to include identified undertakings resulting from the Employment Equity audit.

Last discussed at the Board

Date: May 4-5, 2005
Decision made: Approval of HR Policy 2.2.20

Anticipated project completion date: _____
(If contract, indicate date of expiry): _____

PROPOSED HR POLICY REVISIONS		
Policy Title	Revisions/Comments	Timeframe

SECTION 1		
HR Policy 2.2.20 Non-Discrimination and the Duty to Accommodate	<p>The policy has been revised to incorporate identified undertakings resulting from the Employment Equity audit. The revisions reflect:</p> <ul style="list-style-type: none"> a) the strengthened responsibility on the part of the employer to accommodate employees and applicants; b) the requirement for an accessible workplace; c) the need to broadly communicate the policy; d) the identification of the four designated groups as per the Employment Equity legislation. 	<p>The revised policy will be resubmitted to the SMC and the Board of Directors for approval in November 2006.</p>

October 30, 2006

Human Resources and Compensation Committee
(November, 2006)

Subject matter

Revision of HR Policy 2.2.6 Leave

Background

The policy changes are being proposed to:

- a) reflect that annual leave pay-out can only occur if agreed to by the employee.
- b) ensure that employees who wish to contribute to the CBC Pension Plan while on compassionate care leave provide post-dated cheques covering their contributions for the duration of their leave before the leave commences;
- d) clarify parental leave provisions as they relate to QPIP benefits and the taking of three-day parental leave;
- e) wording on Voting changed to reflect Municipal, Provincial, Territorial and Federal Election Acts.

Information on the matter

Wording in the Leave Policy pertaining to annual leave, parental leave, pension contributions while on compassionate care leave and voting have been reworded to be more clear and to reflect legislative requirements and operational efficiencies.

Please refer to Section 2 of the attached "Proposed HR Policy Revisions" document.

For decision:



For information:

Prepared by

Name: George C. B. Smith
Senior Vice-President, Human Resources and Organization
Date: October 27, 2006

Management recommendation

IT IS RESOLVED THAT the Human Resources and Compensation Committee recommends to the Board of Directors for approval, the following changes:

HR Policy 2.2.6 Leave be approved to include identified provisions pertaining to annual, parental, and compassionate care leave as well as voting provisions as they relate to Municipal, Provincial, Territorial and Federal Election Acts.

Last discussed at the Board

Date: January 2003
Decision made: Approval of HR Policy 2.2.6

Anticipated project completion date: _____
(If contract, indicate date of expiry): _____

PROPOSED HR POLICY REVISIONS		
Policy Title	Revisions/Comments	Timeframe

SECTION 2		
HR Policy 2.2.6 Leave	<p>Annual Leave Carry-Over Revision reflects that annual leave pay-out can only occur if agreed to by the employee.</p> <p>Employee Pension Contributions on Compassionate Care Leave If employees wish to contribute to the Pension Plan while on leave, they will be required to provide post dated cheques covering their contributions for the duration of their leave before the leave begins. This will:</p> <ul style="list-style-type: none"> ▪ reduce employee receivables; ▪ eliminate having to correct VIP and T4's if employees change their mind; ▪ eliminate employees trying to negotiate payroll deductions upon return vs payment in full; ▪ secure survivor benefit in case of death during leave, if the pension payment was outstanding. <p>Parental Leave Wording revised to indicate that the first two weeks of salary at 93% is less QPIP benefits during the first two weeks of maternity, adoption and paternity leave. By not including this:</p> <ul style="list-style-type: none"> ▪ could lead employees to believe they could receive > 100% of their salary if CBC salary and QPIP benefits taken into account. ▪ Corporation is "topping up" QPIP benefits to ensure employees receive 93% of salary and consistent with the procedure for the following 15 weeks where employees' salaries are "topped up" to 75%. <p>Parental Three-day Leave Wording in section 2.2.2 D of the Policy is revised to preclude employees from taking 12 weeks of paternity leave and the three-day parental leave. This revision is the same wording as in the CMG collective agreement that is more precise.</p> <p>Voting Wording revised to "Granted in accordance with Municipal, Provincial, Territorial and Federal Election Acts".</p>	<p>Submit to the SMC in November 2006.</p> <p>Submit to the Board of Directors for approval in November 2006.</p>

October 30, 2006

Human Resources and Compensation Committee
(November, 2006)

Subject matter

Code of Conduct

Background

The Code has been created to provide a central piece in the Corporation's governance structure.

Information on the matter

The Code states the values for which CBC stands and sets out the broad principles that should govern employees' behaviour. It is not intended to cover a list of all the rules and policy provisions that apply and which are already set out in the Corporate policies. The Code makes it clear that employees have an obligation to inform themselves about and abide by the policies in place at the Corporation.

Please refer to Section 3 of the attached "Proposed HR Policy Revisions" document and the "Code of Conduct" document.

For decision:**For information:****Prepared by**

Name: George C. B. Smith
Senior Vice-President, Human Resources and Organization

Date: October 27, 2006

Management recommendation

IT IS RESOLVED THAT the Human Resources and Compensation Committee recommends to the Board of Directors for approval, the:

Introduction of a new Code of Conduct.

Last discussed at the Board

Date: N/A

Decision made: N/A

Anticipated project completion date: _____

(If contract, indicate date of expiry): _____

PROPOSED HR POLICY REVISIONS		
Policy Title	Revisions/Comments	Timeframe

SECTION 3		
Code of Conduct	<p>Created to provide a central piece in the Corporation's governance structure. The Code:</p> <ul style="list-style-type: none"> ▪ states the values for which CBC stands and sets out the broad principles that should govern employees' behaviour. ▪ Is not intended to cover a list of all the rules and policy provisions that apply and which are already set out in corporate policies, and ▪ makes it clear that employees have an obligation to inform themselves about, and abide by, the Corporation's policies. 	<p>Submit to the SMC in November 2006.</p> <p>Submit to the Board of Directors for approval in November 2006.</p>

October 30, 2006

CBC/Radio-Canada

Code of Conduct

Statement of Corporate Values

Public Service, Achievement, Creativity, Working Together

CBC/Radio-Canada is Canada's national public broadcaster and one of its largest cultural institutions. In the fulfillment of this critical role, the Corporation's core values include public service, excellence, creativity and teamwork. In keeping with these core values, many people with diverse talents and perspectives work together to deliver public broadcasting of the highest possible standards.

Statement of Individual Values

Integrity, Fairness, Respect, Compliance with Laws, Avoiding/Managing Conflicts of Interest

All employees of CBC/Radio-Canada are expected to adhere to the highest ethical standards in the performance of their duties to foster an environment of integrity, respect and trust and to preserve and enhance CBC/Radio-Canada's reputation. The values of integrity, honesty, fairness and respect are essential to create and maintain a workplace that is characterized by civility, professionalism, tolerance, dignity, and freedom from discrimination or harassment. Compliance with both the letter and the spirit of the law, the exercise of good judgment in avoiding or dealing with conflicts of interest, the protection of privacy, and maintaining confidentiality are further elements that are critical to achieving the Corporation's goals in this regard.

This Code of Conduct is intended to offer a broad range of guidance about the standards of integrity and business conduct, but no code can address every situation that individuals may encounter. For this reason, this Code does not relieve employees of the responsibility and accountability to exercise good judgment and, in circumstances where they are unsure as to the proper course of action, to seek guidance from others.

Compliance with Laws

Employees need to be aware of and comply with both the letter and the spirit of the laws and regulations that affect how they do their jobs. The reputation of the Corporation depends upon its employees' commitment and ability to fulfill this responsibility. The Corporation is fully committed to complying with all legal requirements applicable to the Corporation's business. Many of CBC/Radio-Canada's activities are subject to complex and changing legal requirements. Employees' supervisors, the Law Department and the Tax Advisor are available for consultation whenever an employee is in doubt about the interpretation of any legal requirement.

Compliance with CBC/Radio-Canada Policies

Employees must be familiar with the corporate policy framework that guides and governs their behavior in the performance of their day-to-day activities and conduct themselves in a manner consistent with those policies and this Code of Conduct.

The corporate policy framework at CBC/Radio-Canada sets out the requirements and guidelines for employees in a number of subject areas covering topics dealing with Human Resources, Finance, Information Technology, and Programming, to name a few.

Employees are expected to review and consult these policies as required in order to ensure their compliance with policy provisions.

Failure by an employee to comply with the provisions of any CBC/Radio-Canada Corporate Policy may result in disciplinary action against the employee, up to and including, immediate dismissal.

Respect in the Workplace

CBC/Radio-Canada is committed to promoting a workplace that reflects the values of respect, dignity, professionalism, tolerance, equity and diversity.

This means that:

- Every employee must behave in a respectful and professional manner in all dealings related to their employment, whether dealing with other employees, suppliers, consultants, or members of the public. Behaviour that is disrespectful, offensive, unwelcome, intimidating or humiliating, intentional or otherwise, will not be tolerated. Behaviour of this nature not only demeans others, but also threatens CBC's ability to build a workplace where everyone can feel safe, comfortable and able to produce their best work.
- Discrimination and harassment will not be tolerated in any form against or from any group or individual – fellow employees, suppliers, job applicants or members of the public – including discrimination on the basis of race, colour, religion, national or ethnic origin, age, gender, sexual orientation, marital status, physical or mental disability, or a criminal offence for which a pardon has been granted.
- Employees are required to promote and support an inclusive work environment, one in which individuals are accorded equity in employment processes, procedures and practices.

Privacy

CBC/Radio-Canada is committed to controlling the collection, use, and disclosure of personal information in accordance with all requirements set out in the *Personal Information Protection and Electronic Documents Act*. Employees who collect, maintain and/or use personal information, are responsible for complying in all respects with the corporate policy and procedures governing the collection, use and disclosure of this information.

Protection and Use of CBC Property

Employees should not use CBC property or assets for anything other than legitimate CBC business purposes. Employees are expected to take good care of CBC property and not expose it to loss, damage, misuse or theft.

Protection and Use of Information Technology Assets

Employees have an obligation to protect and use CBC/Radio-Canada's IT Assets responsibly, in conformity with applicable federal and provincial laws, for the purpose of their work, and to take reasonable steps to safeguard these assets from damage, loss or theft.

Employees are provided with access to CBC/Radio-Canada IT Assets for business use and for the purpose of performing job-related activities. Although some limited personal use will be tolerated, it is subject to CBC Policy and must not interfere with or detract from employees' assigned tasks.

Dealing with Conflicts of Interest

Employees are expected to adhere to the highest ethical standards with respect to conflicts of interest, outside activities, the acceptance of gifts and hospitality, and in all dealings related to their position with the Corporation. Employees must ensure, to the extent possible, that their personal interests do not come into conflict with those of the Corporation. If a conflict does arise, it must be resolved in favour of the best interests of the Corporation.

This means that:

- Employees are required to perform their duties and arrange their private affairs in a manner that will prevent actual, apparent or potential conflicts of interest from arising.
- Employees are expected to act in a manner that will bear the closest public scrutiny in all dealings related to the Corporation or their responsibilities as employees.
- Employees should not knowingly take advantage of, or benefit from, information that is obtained in the course of their official duties and that is not generally available to the public.
- Employees should not accept gifts, hospitality or other benefits that may have an actual, apparent or potential influence on their objectivity in carrying out their official duties or that may place them under an obligation to the donor.

Protection of the Environment

CBC/Radio-Canada is committed both to the protection of the environment and to the principle of sustainable development – meeting the needs of the present without compromising the ability of future generations to meet their needs. Employees are required to conduct their functions and activities in an environmentally responsible manner and in accordance with the principles set out in the Environmental Policy.

Health and Safety in the Workplace

CBC/Radio-Canada is committed to the health, safety and well-being of its employees. Officers and managers must take reasonable precautions to provide and maintain a healthy and safe workplace.

Employees must contribute to the safety of their work environment by complying with all safety directives and objectives of management and by taking all reasonable and necessary precautions to ensure their own safety and health and that of other persons affected by their work.

Official Languages

All employees must support the Corporation's commitment to meeting its obligations under the *Official Languages Act*.

Employees must respect the right of other employees to work in the official language of their choice in all fully and partially bilingual locations. Employees must also ensure that members of the public are able to communicate with the Corporation in both official languages in all designated significant demand offices.

Employees must support the development and maintenance of the required bilingual capability in the Corporation through appropriate recruiting and selection processes

Impartiality

CBC/Radio-Canada must remain and appear to remain impartial in carrying out its responsibilities as Canada's public broadcaster. It is essential that the CBC/Radio-Canada neither holds, nor appears to hold, a position on any matter of public concern or controversy.

To preserve the impartiality of the Corporation, employees in certain categories, either because of their public identification with the Corporation or because of their potential for influencing election-related programming, are restricted from engaging in political activity or from taking public positions on matters of public concern or controversy.

Reporting of Wrongdoings

In the event that an employee becomes aware of a serious breach of this Code of Conduct, or any other wrongdoing or illegal activity in the workplace, he/she has, by virtue of the duty of loyalty owed by employees to their employer, a responsibility to report that wrongdoing. Furthermore, an employee who, in good faith, reports any serious breach or other wrongdoing, is protected from reprisals for so doing.

Board of Directors
(November 2006)

s.21(1)(c)

Subject matter

The American Federation of Musicians of the United States and Canada "AFM" Mandate

Background

The focus of the AFM negotiations was to redesign the Agreements (Radio and Television have separate agreements) and provide simple rules that are easy to follow; a flexible model for the distribution of content for multi-platform use; simplified rate grids (similar to other talent unions); and addressing scope and amount of any future Guarantee.

Information on the matter

A motion was carried at the June 2006 Board of Directors to approve a mandate for management to negotiate a collective agreement with AFM for a four (4) year agreement with a monetary increase not to exceed _____ in each year and a _____ for multi-platform use.

An amendment to the mandate may be required in order to conclude the agreement.

For decision:**For information:****Prepared by**

Name: George C.B. Smith
Date: November 2006

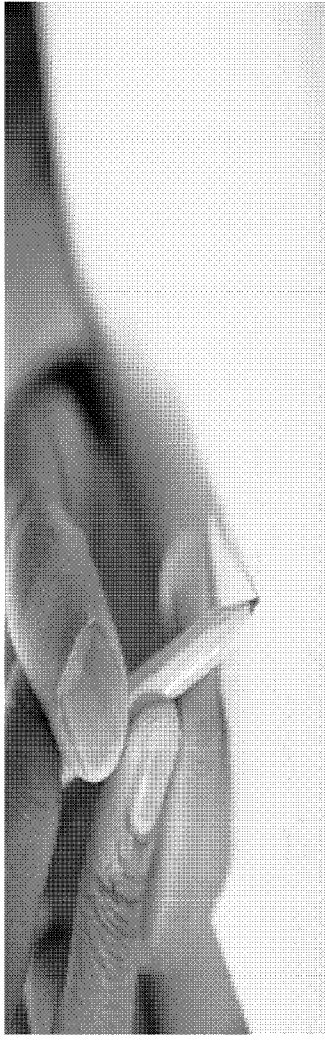
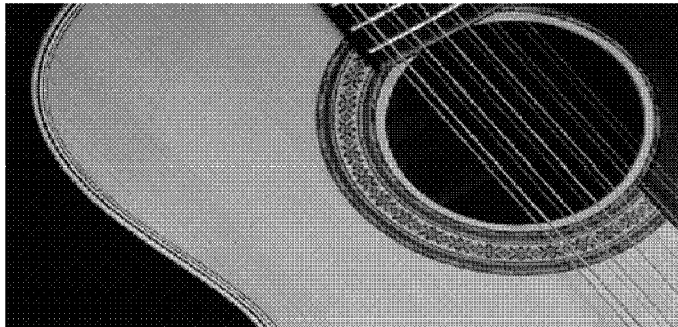
Management recommendation

WHEREAS CBC and the American Federation of Musicians (Canada section) are negotiating according to the mandate approved by the Board in June 2006 and whereas _____ to the CBC contribution to the AFM Pension Plan _____ may be necessary to conclude the agreement.

IT IS RESOLVED THAT on the recommendation of the Human Resources and Compensation Committee that the Board of Directors approve an amendment to the original mandate to implement a _____ to the CBC contribution to the AFM Pension Plan and the associated cost to the Corporation.

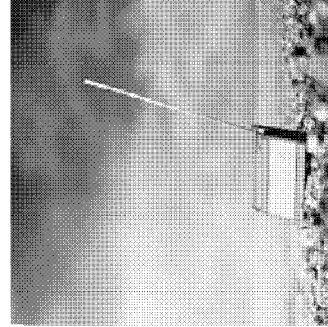
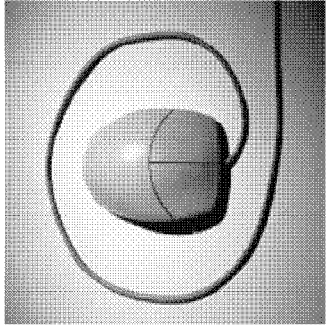
Last discussed at the Board

Date: June 2006
Decision made: _____ Mandate approved.



AFM Negotiations 2006

Status Update



**Pages 872 to / à 881
are withheld pursuant to section
sont retenues en vertu de l'article**

21(1)(c)

**of the Access to Information Act
de la Loi de l'accès à l'information**

**Pages 882 to / à 894
are withheld pursuant to section
sont retenues en vertu de l'article**

68.1

**of the Access to Information Act
de la Loi de l'accès à l'information**

Board of Directors
(November 17th, 2006)

Subject matter

2006/2007 Quarterly Financial Management Report – Second quarter results.

Background

N/A

Information on the matter

See attached.

For decision

For information

Prepared by

Name: J. Charbonneau
Date: November 3rd, 2006

Management recommendation

N/A

Last discussed at the Board

Date: September 5th, 2006
Decision made: Reviewed 2006/2007 Quarterly Financial Management Report – First
 quarter results

Next steps

3rd quarter results will be presented in March 2007.

**2006/2007
QUARTERLY FINANCIAL MANAGEMENT REPORT**

2nd QUARTER, ended September 30, 2006

To be presented to
The Audit Committee

November 17, 2006

Confidential

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Cash, cash equivalent and short term investments	Page 41
Accounts receivable	Page 42

s.18(a)
s.18(b)

Financial Highlights
For the quarter ended September 30th
(in millions of dollars)

	ACTUALS		BUDGET
	2006	2005	2006
<hr/>			
Operating (see Operations section for details)			
Parliamentary appropriation for operating expenditures (page 6)			
Advertising revenues (page 6)			
Specialty Services - sources of funds (page 6)			
Miscellaneous revenues (page 6)			
Expenditures - regular operations (page 11)			
Specialty Services - expenditures (page 11)			
Net position, end of the second quarter* (page 5)			
<hr/>			
Capital (see Capital section for details)			
Parliamentary appropriation for capital expenditures (page 33)			
Capital expenditures, end of second quarter (page 33)			
Net position, end of the second quarter (page 33)			
<hr/>			
Working Capital (see Financial Statements section for details)			
Cash, cash equivalent and short term investments (page 35)			
Accounts receivable (page 36)			
Program inventory			
Accounts payable and accrued liabilities			

* excluding proceeds and interest generated from the disposal of NATV.

Parliamentary Appropriations
Operating funds
for the years ended March 31

OVERVIEW OF FINANCIAL RESULTS FOR THE 2ND QUARTER ENDED SEPTEMBER 30, 2006

s.18(a)
s.18(b)

OPERATIONS (REFER TO PAGE 5)

This report presents the results of operations for the Corporation for the six months ended September 30, 2006, compared to the year-to-date budget, and forecasts these results to the fiscal year-end. These results are also compared to the year-to-date results for the same period in 2005/2006.

Overall, the financial results of CBC/Radio-Canada's operations, to the end of the first six months, reflect a

CAPITAL (REFER TO PAGE 34)

The September 30th forecast of year-end capital expenditures indicates a _____ on total available capital of _____

Total available capital in 2006/2007 has increased from the _____ shown in the March 14, 2006 Recommended Capital Budget presentation to the Board of Directors to the current value of _____ largely due to:

-
-

s.18(a)
s.18(b)

•

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Offset by:

•

•

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•

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OPERATIONS

**Financial Management Report
Corporate Summary
For the second quarter ended September 30
(\$000's)**

	2006/2007 Year-to-date			2006/2007 Annual Basis			2005/2006 Year-to-date	
	Budget	Actuals	Variance	Budget	Forecasts	Variance	Actuals	Variance in Actuals
SOURCES OF FUNDS								
Total government funding and carryovers								
Commercial revenues - regular operations								
Miscellaneous revenues - regular operations								
Total commercial and miscellaneous revenues								
TOTAL SOURCES OF FUNDS - MAIN SERVICE								
TOTAL SOURCES OF FUNDS - SPECIALTY SERVICES								
APPLICATION OF FUNDS								
Expenditures - regular operations								
TOTAL APPLICATION OF FUNDS - MAIN SERVICE								
TOTAL APPLICATION OF FUNDS - SPECIALTY SERVICES								
NET POSITION ON CBC'S OPERATIONS								
Prior year carryover NATV								
NATV funds transferred to regular operations								
Unused proceeds of sales and interest income from sale NATV								
Current interest income on proceeds from sale of NATV								
Net position for NATV								
NET POSITION - INCLUDING EXTRAORDINARY INCOME								

A summary of the results at September 30, 2006, by component, is provided in Appendix A.
Note - negative variances are indicated by brackets

Financial Management Report
Sources of funds
For the second quarter ended September 30
(\$000's)

	2006/2007 Year-to-date			2006/2007 Annual basis			2005/2006 Year-to-date	
	Budget	Actuals	Variance to Budget	Budget	Forecasts	Variance	Actuals	Variance in Actuals
SOURCES OF FUNDS								
Parliamentary appropriation								
TBC land transactions								
Prior year carryover								
Prior year carryover - NATV								
Total government funding and carryovers								
Commercial revenues								
Commercial revenues - regular operations:								
English Television								
French Television								
Total commercial revenues								
Miscellaneous revenues								
Miscellaneous revenues - regular operations:								
English Television - Business Development								
English Television - Other miscellaneous								
French Television								
English Radio								
French Radio								
Sirius								
Mobile Division								
Merchandising Division								
Corporate Activities								
CBC Technologies								
Property Management Division								
Galaxie								
Radio Canada International								
Total for regular operations								
Total commercial and miscellaneous revenues								
TOTAL SOURCES OF FUNDS - MAIN SERVICE								
Specialty service revenues:								
Newsworld								
Réseau de l'information								
Prior year carryover								
TOTAL SOURCES OF FUNDS - SPECIALTY SERVICES								
TOTAL SOURCES OF FUNDS FOR CBC								

A summary of the net results at September 30, 2006, by component, is provided on Appendix A.

Notes are explained on pages 7 to 10

Note - negative variances are indicated by brackets

Revenues - Main Service and Specialty Services: 2nd quarter - l

Note 1

Note 2

s.18(a)
s.18(b)
s.68.1

Note 3

Note 4

Note 5

Note 6

Revenues - Main Service and Specialty Services: Year-end forecast –

Note 7

Note 8

Note 9

Note 10

s.18(a)
s.18(b)
s.68.1

Total Sources of Funds – Year over Year comparison:

Note 11

Note 12

Note 13

Note 14

Note 15

Note 16

Note 17

Note 18

Note 19

Note 20

Note 21

s.18(a)
s.18(b)

**Financial Management Report
Application (use) of funds
For the second quarter ended September 30
(\$000's)**

	2006/2007 Year-to-date			2006/2007 Annual Basis			2005/2006 Year-to-date	
	Budget	Actuals	Variance to Budget	Budget	Forecast	Variance	Actuals	Variance in Actuals
APPLICATION OF FUNDS								
Expenditures - regular operations:								
English Television								
French Television								
English Radio								
French Radio								
Mobile Division								
Ottawa Production Centre								
Merchandising Division								
Corporate Activities								
CBC Technologies								
Property Management								
Galaxie								
Radio Canada International								
Corporate Reserve								
Total expenditures - regular operations								
TOTAL APPLICATION OF FUNDS - MAIN SERVICE								
Expenditures - specialty services:								
Newsworld								
Réseau de l'information								
TOTAL APPLICATION OF FUNDS - SPECIALTY SERVICES								
TOTAL APPLICATION OF FUNDS ON CBC'S OPERATIONS								

A summary of the results at September 30, 2006 by component, is provided on Appendix A.

Notes are explained on pages 12 to 17

Note - negative variances are indicated by brackets

Expenditures - Main Service and Specialty Services: 2nd quarter -

Note 1

Note 2

Note 3

Expenses - Main Service and Specialty Services: Year-end forecast -

Note 4

Note 5

Note 6

Note 7

Note 8

Note 9

s.18(a)
s.18(b)
s.68.1

Note 10

Note 11

Total Application of Funds – Year over Year comparison:

Note 12

Note 13

'

'

'

•

Note 14

Note 15

Note 16

Note 17

Note 18

Note 19

Note 20

Note 21

Note 22

Note 23

s.18(a)

s.18(b)

s.68.1

Appendix A

CORPORATE SUMMARY - VARIANCE OVERVIEW

	(\$000's)			(\$000's)		
	Actuals as at September 30			Forecast for the fiscal year ended March 31		
	2006/2007			2006/2007		
	Revenue Variances	Expenditure Variances	Net variance	Revenue Variance	Expenditure Variance	Net variance
Main Service:						
English Television						
French Television						
English Radio						
French Radio						
Mobile Division						
Ottawa Production Center						
Merchandising Division						
Corporate Activities						
CBC Technologies						
Property Management						
Galaxie						
RCI						
Total - Components						
Corporate Reserve						
Specialty Services:						
Newsworld						
RDI						
Total Specialty Services						
Net Position						

Note - negative variances are indicated by brackets

Financial Management Report
English Television
For the second quarter ended September 30
(\$000's)

	2006/2007 Year-to-date			2006/2007 Annual basis			2005/2006 Year-to-date	
	Budget	Actuals	Variance to Budget	Budget	Forecast	Variance	Actuals	Variance in Actuals
SOURCES OF FUNDS								
Net Parliamentary Subsidy								
Surplus Carryover								
Commercial Revenue								
Host Broadcaster								
Business Development Revenue								
Country Canada								
Miscellaneous Revenue								
TOTAL SOURCES OF FUNDS	—	—						
APPLICATION OF FUNDS								
<u>Costs related to Revenue-generating Services *</u>								
Marketing and Sales								
Sale of Programs to Other Broadcasters								
Business Development								
Host Broadcaster								
Country Canada								
Subtotal - Revenue-generating Services	—	—						
<u>Programming and Administration</u>								
Sports								
Arts & Entertainment								
News and Current Affairs								
Network Programming								
Production and Resources								
CBC.ca								
Production Services								
Communications								
Regional Operations								
Network Reserve								
Subtotal - Programming and Administration	—	—						
<u>Support and Others</u>								
Management								
Affiliates								
Plant - Broadcast Services - Master Control								
Support Services (Network and Regional)								
Subtotal - Support and Others	—	—						
TOTAL APPLICATION OF FUNDS	—	—						
NET POSITION								

*Please note that other areas may also generate revenues. These are only the services whose main function is revenue-generation.

s.18(a)
s.18(b)
s.68.1

Financial Management Report
French Television
for the second quarter ended September 30
(\$000's)

	2006/2007 Year-to-date			2006/2007 Annual Basis			2005/2006 Year-to-date	
	Budget	Actuals	Variance to Budget	Budget	Forecast	Variance	Actuals	Variance in Actuals
SOURCES OF FUNDS								
Net Parliamentary Subsidy								
Surplus Carryover								
Commercial Revenue								
Host Broadcaster								
Miscellaneous Revenue								
TOTAL SOURCES OF FUNDS								
APPLICATION OF FUNDS								
<u>Costs related to Revenue-generating Services</u>								
Sales and Marketing (incl. Internet)								
Commercial Production								
Program Sales to Other Broadcasters								
Host Broadcaster								
Production Services and Others								
Costs - Contra Agreements								
Subtotal - Revenue-generating Services								
<u>Programming and Administration</u>								
Sports								
Arts & Entertainment								
News and Current Affairs								
Media Operations								
New Media								
Plant - Production Services								
Communications								
Regional Operations								
Network Reserve								
Subtotal - Programming and Administration								
<u>Support and Others</u>								
Management								
Affiliates								
Plant - Broadcast Services - Master Control								
Support Services (Network and Regional)								
Subtotal - Support and Others								
TOTAL APPLICATION OF FUNDS								
NET POSITION								

s.18(a)
s.18(b)
s.68.1

Financial Management Report
English Radio
for the second quarter ended September 30
(\$000's)

	2006/2007 Year-to-date			2006/2007 Annual basis			2005/2006 Year-to-date	
	Budget	Actuals	Variance to Budget	Budget	Forecast	Variance	Actual	Variance in Actuals
SOURCES OF FUNDS								
Net Parliamentary Subsidy								
Surplus Carryover								
Miscellaneous Revenue								
TOTAL SOURCES OF FUNDS								
APPLICATION OF FUNDS								
Information Programming								
Current Affairs								
Network Music Department								
Network Arts & Entertainment								
Radio 3								
Sirius Satellite Services								
Toronto Radio Production Centre								
Program Services								
Network Services								
Distribution								
Administration								
Entrepreneurial Activities								
Network Reserves								
<u>Regional operations:</u>								
Newfoundland								
Maritimes								
Quebec								
Ontario								
Toronto - CBL								
CBC North								
Manitoba								
Saskatchewan								
Alberta								
British Columbia								
Subtotal - Regional operations	-	-	-	-	-	-	-	-
TOTAL APPLICATION OF FUNDS								
NET POSITION								

s.18(a)
s.18(b)
s.68.1

**Financial Management Report
French Radio
for the second quarter ended September 30
(\$000's)**

	2006/2007 Year-to-date			2006/2007 Annual basis			2005/2006 Year-to-date	
	Budget	Actuals	Variance to Budget	Budget	Forecast	Variance	Actuals	Variance in Actuals
SOURCES OF FUNDS								
Net Parliamentary Subsidy								
Surplus Carryover								
Miscellaneous Revenue								
TOTAL SOURCES OF FUNDS								
APPLICATION OF FUNDS								
Management								
Media Operations & Administration								
Programming Development								
Information Programming								
Promotion, Analysis and Broadcast								
New Media								
Musical and Cultural Programs								
<i>Première Chaîne</i> Programs								
Distribution								
<i>Espace Musique</i>								
Sirius Projects								
Network Reserve								
<u>Regional operations:</u>								
Atlantic								
Quebec								
Ontario/ Outaouais								
Manitoba								
Saskatchewan								
Alberta								
British Columbia								
Subtotal - Regional operations								
TOTAL APPLICATION OF FUNDS								
NET POSITION								

s.18(a)
s.18(b)
s.68.1

Merchandising Division
Schedule of Incremental Revenues and Costs
for the second quarter ended September 30
(\$000's)

	2006/2007 Year-to-date			2006/2007 Annual basis			2005/2006 Year-to-date	
	Budget	Actuals	Variance to Budget	Budget	Forecast	Variance	Actuals	Variance in Actuals
SOURCES OF FUNDS								
Sales of products:								
Retail operations								
Distribution								
Educational								
Licensing								
Total Sources of funds								
APPLICATION OF FUNDS								
Administration								
Sales of products:								
Retail operations								
Distribution								
Educational								
Licensing								
Total Application of funds								
NET POSITION								

s.18(a)

s.18(b)

**Financial Management Report
Mobile Division
for the second quarter ended September 30
(\$000's)**

	2006/2007 Year-to-date			2006/2007 Annual basis			2005/2006 Year-to-date	
	Budget	Actuals	Variance to Budget	Budget	Forecast	Variance	Actual	Variance in Actuals
SOURCES OF FUNDS								
Net Parliamentary Subsidy								
Mobile rental revenue								
TOTAL SOURCES OF FUNDS								
APPLICATION OF FUNDS								
General Management								
General Operation								
Cost related to revenue generating activities								
Cost related to internal activities								
TOTAL APPLICATION OF FUNDS								
NET POSITION								

s.18(a)
s.18(b)
s.68.1

Galaxie
Schedule of Incremental Revenues and Costs
for the second quarter ended September 30
(\$000's)

	2006/2007 Year-to-date			2006/2007 Annual basis			2005/2006 Year-to-date	
	Budget	Actuals	Variance to Budget	Budget	Forecast	Variance	Actuals	Variance in Actuals
Incremental Revenues								
Satellite								
Cable								
Music for Business								
Miscellaneous revenues								
Total Incremental Revenues	---	---						
Incremental Expenditures								
Programming								
Rights								
Distribution								
Administration								
Marketing								
Rising Star Program								
Music for Business								
Total Incremental Expenditures	---	---						
Capital expenditures								
Total Incremental Expenditures	---	---						
Excess Revenues/(Costs)	■							

s.18(a)
s.18(b)
s.68.1

Newsworld
Schedule of Incremental Revenues and Costs
for the second quarter ended September 30
(\$000's)

	2006/2007 Year-to-date			2006/2007 Annual Basis			2005/2006 Year-to-date	
	Budget	Actuals	Variance to Budget	Budget	Forecast	Variance	Actuals	Variance in Actuals
Incremental Revenues								
Commercial Revenue								
Cable Subscriptions								
Program Sales								
Surplus Carryover								
Total Incremental Revenues	—	—						
Incremental Costs								
Programming								
Distribution								
Management and Services								
Selling								
Promotion/Marketing								
Total Incremental Costs	—	—						
Excess of Revenues over Costs								
Repayments to the Main Service								
Capital expenditures								
Total repayments to the Main Service	—	—						
Excess Revenues/(Costs)	■							

s.18(a)
s.18(b)
s.68.1

Le Réseau de l'information
Schedule of Incremental Revenues and Costs
for the five months ended August 31
(\$000's)

	2006/2007 Year-to-date			2006/2007 Annual Basis			2005/2006 Year-to-date	
	Budget	Actuals	Variance to Budget	Budget	Forecast	Variance	Actuals	Variance in Actuals
Incremental Revenues								
Commercial Revenue								
Cable Subscriptions								
Program Sales								
Miscellaneous								
Surplus Carryover								
Total Incremental Revenues								
Incremental Costs								
Programming								
Technical Services								
Sales & Marketing/Promotion								
Management and Services								
Total Incremental Costs	—	—						
Excess of Revenues over Costs								
Repayments to the Main Service								
Capital expenditures								
Total repayments to the Main Service	—	—						
Excess Revenues/(Costs)	■							

s.18(a)
s.18(b)
s.68.1

s.19(1)

GAINS THROUGH EFFICIENCIES
UPDATED - SEPTEMBER 2006

Appendix K

Changed from previous version	Permanent	One-time	Total Annual (\$000'S)	Total One-time (\$000'S)	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	Future years
					(\$000'S)							
ENGLISH TELEVISION												
Departmental cost reductions:												
i) News and Current Affairs												
ii) General reductions												
iii) Remaining departments												
Negotiated savings with CEP union (elimination of penalties, turnarounds, etc)												
Management & Admin Review (Overtime												
Presentation Optimization (English Television):												
Net in regional locations from centralizing presentation activities												
Capital expenses												
Disaffiliations:												
✓	Savings from reduced affiliate fees											
✓	Additional operating costs											
✓	Cost avoidance from reduced NHL fees (for information only - not included in totals below)											
✓	Cost avoidance from reduced Olympic fees (for information only - not included in totals below)											
✓	Capital expenses											
DROP:												
Cost savings												
Capital expenses												
TOTAL - ENGLISH TELEVISION												
ENGLISH RADIO												
Productivity Improvements - 2000/2001 Technical & Admin Review												
Resource Review:												
British Columbia - 2004/05												
Network Programming - 2004/05												
Radio 3												
Olympic coverage for 2006 and 2008												
Toronto Production Centre - Technical & Admin Review - 2003/04												
✓	Elimination of recruiter position											
✓	Resource Review - National News											
✓	Resource Review - Radio 3											
Drag & Drop implementation												
Overtime reductions												
Departmental reductions												
Elimination of secondment program												
TOTAL - ENGLISH RADIO												
FRENCH RADIO												
Convert the national radio distribution from Ku-band to C-band:												
Decrease in cost of lines												
Capital expenses												
Consolidation of radio master controls (RCI & 1ere Chaîne)												
Technical team :												
Capital expenses												
TOTAL - FRENCH RADIO												

Changed from previous version	Permanent	One-time	Total Annual (\$000'S)	Total One-time (\$000'S)	2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	Future years				
					(\$000'S)						(\$000'S)	(\$000'S)	(\$000'S)	(\$000'S)	(\$000'S)
											(incremental basis)				
FRENCH TELEVISION															
Replace leased Telesat facilities- Montréal TV Uplink:															
Cost savings															
Capital expenses															
Centre de l'information (CI):															
Cost savings															
Capital expenses															
Modernization of Studio 42:															
Cost savings															
Capital expenses															
Revenue increase															
ARTV:															
Cost of putting ARTV on air															
Revenues ARTV															
Upgrade special event pool equipment(joint ETV & FTV):															
Cost savings - rental of equipment no longer required															
Capital expenses															
FTN SX conversion Toronto National and Regional News:															
Cost savings															
Capital expenses															
Mobile-7:															
Reduction of maintenance costs Mobile-7															
Capital expenses - Replacement of audio console audio (mobile-7)															
Revenue increase - Rental Mobile-7															
Replacement of lighting in various studios:															
Cost savings															
Capital expenses															
News service:															
Reduction in FTE's															
Capital expenses															
Presentation Optimization:															
Cost reductions - East Phase (2 positions)															
Cost reductions - West Phase (2 positions)															
Capital expenses - East Phase															
Capital expenses - West Phase															
Disaffiliation (Cogeco):															
Acquisitions Cogeco archives															
Disaffiliation (Cogeco)															
Capital expenses - Acquisitions of microwave trucks (Cogeco)															
Revenue increase - Disaffiliation (Cogeco)															
DROP - French Television:															
Cost savings															
Capital expenses															
Centre de production des dramatiques:															
Cost reductions															
Capital expenses															
Proceeds of sales - various															
TOTAL - FRENCH TELEVISION															

s.18(a)

s.18(b)

s.68.1

GAINS THROUGH EFFICIENCIES
 UPDATED - SEPTEMBER 2006

Appendix K

Changed from previous version	Permanent	One-time	Total Annual (\$000'S)	Total One-time (\$000'S)	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	Future years
					(incremental basis)							
<p>CHIEF TECHNOLOGY OFFICER</p> <p>Broadcast/network telecom RFP:</p> <ul style="list-style-type: none"> Additional operating expenses Annual operating savings Operating savings - Bell Mobility migration Proceeds of sale - old WAN Capital expenses <p>Peering project:</p> <ul style="list-style-type: none"> One-time costs Annual net savings Capital expenses <p>Upgrade SAP software - Infos Shuttle:</p> <ul style="list-style-type: none"> Operating savings Maintenance costs Capital expenses <p>Remote Event Multiview System:</p> <ul style="list-style-type: none"> Capital expenses Recurring savings One-time savings <p>Rogers Atlantic Installations :</p> <ul style="list-style-type: none"> Capital expenses One-time savings Recurring savings <p>Olympics Remote Production:</p> <ul style="list-style-type: none"> Capital expenses One-time savings <p>Weather Centre:</p> <ul style="list-style-type: none"> Capital expenses One-time operating costs Recurring operating expenses (net of annual savings) Incremental revenues <p>Touch Radio installation - Edmonton:</p> <ul style="list-style-type: none"> Capital expenses Third party payment Net revenue increase <p>Increase in site rental revenues:</p> <ul style="list-style-type: none"> Increase in site rental revenues - permanent Increase in site rental revenues - one-time <p>Newcap installation - PEI:</p> <ul style="list-style-type: none"> Capital expenses Third party payment Increase in site rental revenues - one-time Increase in site rental revenues - permanent <p>MBS installation - Halifax and Charlottetown:</p> <ul style="list-style-type: none"> Capital expenses Third party payment Net revenue increase <p>Master FM Installation (North Bay, ON):</p> <ul style="list-style-type: none"> Increase in site rental revenues - permanent Capital expenses <p>Saving of operating expenses</p> <ul style="list-style-type: none"> Transmission Division re-engineering SAP support costs Change to VPN technology (London & Paris) Prepayment discount - common carriers 												

Changed from previous version	Recurring	One-time	Total Annual (\$'000'S)	Total One-time (\$'000'S)	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	Future years
					(Incremental basis)							
DRDP - Phase 3												
Savings on teleconferencing costs based on new Bell rate												
Savings from Cisco contract switched from HP to Bell												
Cancellation of CDTV membership												
International agreements with short-wave facilities at Sackville												
NABA revenues												
CBC / CANCOM aggregated agreement (Specialty Services)												
TOTAL - CHIEF TECHNOLOGY OFFICER												
REAL ESTATE DIVISION												
Net staff reduction (succession plan excluded)												
Energy savings project (Toronto, Montreal, Vancouver and Moncton):												
Energy savings												
One-time costs												
Academy of Design:												
Tenant improvement												
Tax reduction - Taxes paid directly to city by tenant												
Rental revenues												
Edmonton Consolidation:												
Capital expenses												
Proceeds from sale of Edmonton buildings												
Saving of operating expenses - Edmonton												
Avoided estimated future capital costs (for information only - not included in totals below)												
Québec Consolidation:												
Capital expenses												
Proceeds from sale of Québec building												
Additional operating savings												
Avoided estimated future capital costs (for information only - not included in totals below)												
Ottawa Consolidation:												
Capital expenses												
Proceeds from sale of Lanark building												
Sublease - Ottawa (Queen St)												
Sublease - Ottawa (Queen St) - tenant improvement												
Savings from Ottawa lease review												
Additional operating expenses												
Additional operating expenses												
Avoided estimated future capital costs (for information only - not included in totals below)												
Profac contract:												
Avoided costs - Renegotiation of Profac contract (for information only - not included in totals below)												
Review - Profac contract												
Review - Profac contract												
Savings - Satisfaction survey												
Sale of Burnaby Warehouse:												
Proceeds from sale of warehouse												
Saving of operating expenses												
Revenue reduction												
Sale of Winnipeg building:												
Saving of operating expenses												
Proceeds from sale of building												
Other Property Sales:												
Toronto land												
St-Boniface land												
Saskatchewan Property Management Corporation:												
Tenant improvement												
Saskatchewan Property Mgt - new lease												
Saskatchewan Property Mgt - renewal												

s.18(a)

s.18(b)

GAINS THROUGH EFFICIENCIES
 UPDATED - SEPTEMBER 2006

Appendix K

Changed from previous version	Permanent	One-time	Total Annual (\$000'S)	Total One-time (\$000'S)	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	Future years
					(incremental basis)							
Other revenue generating activities: New price parking policies Regina - Cafeteria lease Calgary - Cafeteria lease Various increases related to lease renewals Various increases related to lease renewals ✓ Tax savings: Water tax - Montreal Avoided costs - Tax negotiation - Toronto (for information only - not included in totals below) Various tax savings Renegotiation of service contracts for Montreal and Moncton Reduction of additional security (put in place after 9/11) Savings on 80 Commissionner St. Toronto Saving of operating expenses - CIR (Montreal) Saving of operating expenses - Pumping station (Montreal) Elevator maintenance contract Various other savings TOTAL - REAL ESTATE DIVISION												
✓ SHARED SERVICES ORGANISATION One-time operating costs ✓ One-time capital costs Ongoing savings/(costs) TOTAL - SHARED SERVICES ORGANISATION												
STRATEGIC SOURCING Additional Operating Costs Ongoing savings TOTAL - STRATEGIC SOURCING												
ENTERPRISE-WIDE PROJECTS Vision Project: Cost savings One-time charges including training, computers, conversion costs Capital expenses TOTAL - ENTERPRISE-WIDE PROJECTS												
CORPORATE INITIATIVES Cost avoidance - Revised departure policy (for information only - not included in totals below) Cost avoidance - Foreign exchange transactions for future Olympic rights (for information only - not included in totals below) New travel agency contract Increased revenues from Canadian Retransmission Rights Association 10% reduction of travel budgets TOTAL - CORPORATE INITIATIVES												
GRAND TOTAL (excluding avoided costs)												

CAPITAL

2006/07 Capital Budget Overview as at September 30, 2006

<u>Component</u>	s.18(a) s.18(b)	<u>Capital Plan</u>	<u>Forecasted Expenditures</u>	<u>Surplus/ (Deficit)</u>	<u>Actual Expenditures to Date</u>	<u>As % of Forecast</u>
English Television (ETN)						
French Television (FTN)						
English Radio (ERN)						
French Radio (FRN)						
Information Technology (IT)						
Real Estate (RE)						
Broadcast & Telecom Networks (BTN)						
Transmission Division (T&D)						
Human Resources (HR)						
Corporate Components						
Galaxie						
Fleet Management						
Mobile Division						
Minor Capital						
Enterprise Wide (EW) - details on the next page						
Corporate Contingency						
Committed Corporate Contingency						
Impact of approved plan being higher than available capital (1)						
Total Surplus/(Deficit) Forecast						
<i>% of Available Capital</i>						
TOTAL AVAILABLE CAPITAL						
Capital Appropriation						
Reprofiling of Capital Funds from 2005/06 to 2006/07						
Planned operating to capital vote transfers						
Vote transfers deferred from 2005/06 to 2006/07						
2005/06 Carryover						
3rd Party Payments						
Repayments to NATV						
Proceeds of Sale/Trade-ins						
Insurance Proceeds						
Total Available Capital in 2006/07						
TOTAL SURPLUS/(DEFICIT) FORECAST						

2006/07 Capital Budget Overview - Enterprise Wide Projects

s.18(a)

as at September 30, 2006

s.18(b)

s.68.1

	<u>Capital Plan</u>	<u>Forecasted Expenditures</u>	<u>Surplus/ (Deficit)</u>	<u>Actual Expenditures to Date</u>	<u>As % of Forecast</u>
Enterprise Wide (EW)					
Ottawa Content Management					
Capital plan as approved					
Other sources of funds committed to this project	—				
Net results for the project	—				
Quebec Consolidation					
Capital plan as approved					
Other sources of funds committed to this project	—				
Net results for the project	—				
Shared Services Organization					
Capital plan as approved					
Other sources of funds committed to this project	—				
Net results for the project	—				
Vision/Sintec					
Capital plan as approved					
Other sources of funds committed to this project	—				
Net results for the project	—				
Edmonton Consolidation					
Newsroom System Project - iNews					
Desktop Radio					
Desktop Radio - Permanent Solution					
Digital Transmitters					
DROP					
Digital Radio Broadcasting					
Washington Bureau					
Olympic Production					
HD Presentation Vancouver					
HD Hockey History					
Virtual Music Library System					
TV Affiliate Replacement Projects					
Upgrade Engineering Map Software Tool					
DTV / HDTV Test Equipment					
Pool Equipment - SEG					
Sirius Radio Uplink Facilities					
HD Olympic Production					
ScheduLINK					
Vancouver Redevelopment					
St John's, Newfoundland Consolidation					
Replace FSV and Equipment - Montreal					
Merchandising Division Infrastructure					
Total Surplus/(Deficit) Forecast					
	—				

2006/2007 Capital Budget Overview as at September 30, 2006 - Notes

Note 1

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2006/2007 Capital Budget Overview as at September 30, 2006 - Notes

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Note 10

Note 11

Note 12

Note 13

s.18(a)
s.18(b)
s.68.1

s.18(a)

s.18(b)

s.68.1

2006/07 to 2008/09 CAPITAL INVESTMENT PLAN
 Projects over \$5 Million (In \$ Millions) as at September 30, 2006

	Budget Approved by Decision Letter	Pending Releases/ Other Sources of funds *			Actual Expenditures Prior Yrs	Forecasted Expenditures 2006/07	Forecasted Expenditures 2007/08	Forecasted Expenditures 2008/09	Future Years		
Capital Lease Payments - TBC											
Sintec/Vision Project - Capital * (1)											
Sintec/Vision Project - Operating (2)											
Ottawa Content Management - Capital *											
Ottawa Content Management - Operating (2)											
Presentation Optimization Plan/Centralisation M.E.O.											
Electronic News Systems - Content Management - Capital											
Electronic News Systems - Content Management - Operating (2)											
Edmonton Consolidation											
DROP Project											
Quebec Consolidation - Capital *											
Quebec Consolidation - Operating (2)											
Centre for Drama Production											
Desktop Radio											
Desktop Radio - Operating (2)											
Shared Services Organization *											
HDTV Mobile - Toronto (5)											
Desktop TV - Toronto											
Desktop TV - Newsworld											
Vancouver Renovation Project											
Studios 42, 43,44, 47, 48 to HD and Studios 45 to SD - Capital (3)											
Studios 42, 43,44, 47, 48 to HD and Studios 45 to SD - Operating (2)											
Upgrade Studio 42 to HD - Capital											
Upgrade Studio 42 to HD - Operating (2)											
Upgrade Studio 55 and Control Room 52 to HD -Capital											
Upgrade Studio 55 and Control Room 52 to HD -Operating (2)											
St. John's Consolidation - Capital											
St. John's Consolidation - Operating (2)											
HD Mobile											
Subtotal Projects Approved											
TV Affiliate Replacement - Kingston & Peterborough (4)											
Subtotal Projects Planned											
Total - All Projects Over \$5 Million											
Available Capital (1)											

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* Pending releases and other sources of funds, as well as the forecasted surplus/ (deficit), are explained in the document entitled '2006/07 Capital Budget Overview as at September 30, 2006 - Notes'.

s.18(a)
s.18(b)

2006/2007 to 2008/2009 CAPITAL INVESTMENT PLAN
Projects over \$5 million, as at September 30, 2006 - Notes

Note 1

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Note 5

CONSOLIDATED BALANCE SHEET

As at September 30

s.18(a)
s.18(b)
s.66.1

(thousands of dollars)

2006/2007 2005/2006

ASSETS

Current

Cash and cash equivalents

Short-term investments

Accounts receivable

Inventory

Prepaid expenses

Net investment in sales-type leases

Property and equipment

Long-term receivables

Net investment in sales-type leases

Deferred charges

Long-term investments

LIABILITIES

Current

Accounts payable and accrued liabilities

Employee-related liabilities

Bonds payable, including accrued interest

Deferred operating and capital vote drawdown

Long-term

Employee-related liabilities

Bonds payable

Deferred capital funding

EQUITY

Equity

CONSOLIDATED STATEMENT OF OPERATIONS AND EQUITY

s.18(a)
s.18(b)
s.68.1

For the period ended September 30

(thousands of dollars)

	2006/2007	2005/2006
Revenues		
Advertising and program sales	↘	
Specialty services	┆	
Other income	↘	
Financing Income	┆	
Expenses		
Television and radio service costs	→	
Specialty services		
Transmission, distribution and collection	↗	
Payments to private stations		
Corporate Management		
Amortization of property and equipment		
Operating loss before government funding and taxes		
Government Funding:		
Parliamentary appropriation for operating expenditures		
Amortization of deferred capital funding		
Net Results before taxes		
Provision of income and large corporations taxes		
Net results for the period		
Equity, beginning of year		
Working Capital Funding		
Equity, end of period		

CASH, CASH EQUIVALENT AND SHORT TERM INVESTMENTS

As at September 30
(in thousands of dollars) s.18(a)
s.18(b)

CASH, CASH EQUIVALENT AND SHORT TERM INVESTMENTS

	2006/2007	2005/2006	Inc. / (Dec.)	
			Amount	Percent
Bank balances				
Petty cash and production funds				
Cash equivalents				
Sub-total cash and cash equivalents				
Short-term investments				
Total cash, cash equivalents and short-term investments				

INTEREST REVENUES

	2006/2007	2005/2006	Inc. / (Dec.)	
			Amount	Percent
Corporate Bank, Other Invest, T-Bills				
NATV and Lanark Bldg. Fund Interest				
Unclaimed cheques				
General Ledger				

s.18(a)
s.18(b)
s.68.1

ACCOUNTS RECEIVABLE
As at September 30
(millions of dollars)

The variance is mainly due to

ACCOUNTS RECEIVABLE					
		2006/2007		2005/2006	
		%	\$	%	\$
Advertising	Current				
	1-30 days				
	31-60 days				
	61-90 days				
	91+ days				
	Total	1			
Non-advertising					
Total - Accounts Receivable					

Conseil d'administration
(Le 17 novembre 2006)

Sujet

État trimestriel des résultats financiers 2006-2007 – rapport du deuxième trimestre.

Contexte

S/O

Renseignements connexes

Voir le document ci-joint.

Décision à prendre

À titre d'information X

Préparé par

Nom : J. Charbonneau
Date : Le 3 novembre 2006

Recommandation de la direction

S/O

Dernière discussion au Conseil

Date : Le 5 septembre 2006
Décision prise à cette occasion : Révision de l'état des résultats financiers du premier trimestre de l'année 2006-2007.

Suivi

Les résultats du troisième trimestre seront présentés au mois de mars 2007.

2006-2007
ÉTAT TRIMESTRIEL DES RÉSULTATS FINANCIERS

2^e TRIMESTRE, terminé le 30 septembre 2006

Présentation au
Comité de vérification

17 novembre 2006

Confidentiel

A0016148_49-000943

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Points saillants financiers
Pour le trimestre terminé le 30 septembre
(en millions de dollars)

	RÉELS		BUDGET
	2006	2005	2006
Exploitation (voir la section Exploitation pour plus de détails)			
Crédits parlementaires pour les dépenses d'exploitation (page 6)			
Recettes publicitaires (page 6)			
Services spécialisés - provenance de fonds (page 6)			
Recettes diverses (page 6)			
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Services spécialisés - dépenses (page 11)			
Position nette, fin du deuxième trimestre* (page 5)			
Immobilisations (voir la section Immobilisations pour plus de détails)			
Crédits parlementaires pour les dépenses en immobilisations (page 34)			
Dépenses en immobilisations, fin du deuxième trimestre (page 34)			
Position nette, fin du deuxième trimestre (page 34)			
Fonds de roulement (voir la section États financiers pour plus de détails)			
Trésorerie, équivalent de trésorerie et placements à court terme (page 42)			
Débiteurs (page 43)			
Stock d'émissions			
Créditeurs et charges à payer			

* exclut les produits et les intérêts provenant de la vente de l'investissement en coentreprise

<p>Crédits parlementaires Fonds d'exploitation pour l'exercice financier terminé le 31 mars</p>

<p>Recettes publicitaires pour l'exercice financier terminé le 31 mars</p>

APERÇU DES RÉSULTATS FINANCIERS POUR LE 2^E TRIMESTRE TERMINÉ LE 30 SEPTEMBRE 2006**EXPLOITATION (SE REPORTER À LA PAGE 5)**

Le présent rapport renferme les résultats d'exploitation de la Société pour la période de six mois terminée le 30 septembre 2006, comparés au budget de la période observée, ainsi que les prévisions jusqu'à la fin de l'exercice. Ces résultats sont également comparés aux résultats de la période correspondante en 2005-2006.

Dans l'ensemble, les résultats d'exploitation de CBC/Radio-Canada, jusqu'à la fin du premier semestre, présentent

IMMOBILISATIONS (SE REPORTER À LA PAGE 34)

Au 30 septembre, les prévisions de dépenses en immobilisations pour la fin de l'exercice indiquent un sur un budget d'immobilisations total disponible de

L'enveloppe totale pour 2006-2007 a été augmentée, passant des indiqués dans le budget d'immobilisations présenté et recommandé au Conseil d'administration le 14 mars 2006, à la valeur actuelle de Cette augmentation est en grande partie attribuable aux facteurs suivants :

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Contrebalancé par :

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EXPLOITATION

s.18(a)

s.18(b)

**État des résultats financiers
Sommaire
pour le deuxième trimestre se terminant le 30 septembre
(en milliers de \$)**

	2006-2007 Résultats cumulatifs			2006-2007 Base annuelle			2005-2006 Résultats cumulatifs	
	Budget	Réels	Écart par rapport au budget	Budget	Prévisions	Écart par rapport au budget	Réels	Écart par rapport aux réels
PROVENANCE DES FONDS								
Total des crédits parlementaires et des reports d'excédents								
Recettes publicitaires - activités normales								
Recettes diverses - activités normales								
Total recettes publicitaires et diverses								
TOTAL PROVENANCE DES FONDS - SERVICE PRINCIPAL								
TOTAL PROVENANCE DES FONDS - SERVICES SPÉCIALISÉS								
AFFECTATION DES FONDS								
Dépenses - activités normales								
TOTAL AFFECTATION DES FONDS - SERVICE PRINCIPAL								
TOTAL AFFECTATION DES FONDS - SERVICES SPÉCIALISÉS								
POSITION NETTE - EXPLOITATION RADIO-CANADA								
Report de l'excédent provenant de la vente de NATV								
Portion des fonds NATV transférée aux opérations régulières								
Portion non utilisée des produits de la vente et revenus d'intérêts								
Intérêts provenant de la vente de NATV								
Position nette NATV								
POSITION NETTE - INCLUANT PRODUIT EXCEPTIONNEL								

Un résumé complet des résultats au 30 septembre 2006, par composante, se trouve à l'Annexe A.
Note - les écarts négatifs sont entre parenthèses

s.18(a)
s.18(b)
s.68.1

**État des résultats financiers
Provenance des fonds
pour le deuxième trimestre se terminant le 30 septembre
(en milliers de \$)**

	2006-2007 Résultats cumulatifs			2006-2007 Base annuelle			2005-2006 Résultats cumulatifs	
	Budget	Réels	Écart par rapport au budget	Budget	Prévisions	Écart par rapport au budget	Réels	Écart par rapport aux réels
PROVENANCE DES FONDS								
Crédits parlementaires								
Transactions reliées à la disposition de terrain à Toronto								
Report de l'excédent de l'année précédente								
Report de l'excédent de l'année - NATV								
Total des crédits parlementaires et des reports d'excédents								
Recettes publicitaires:								
Recettes publicitaires - activités normales:								
Télévision anglaise								
Télévision française								
Total recettes publicitaires								
Recettes diverses:								
Recettes diverses - activités normales								
Télévision anglaise - Développement commercial								
Télévision anglaise - Autres recettes diverses								
Télévision française								
Radio anglaise								
Radio française								
Sirius								
Division des cars de reportage								
Division de marchandisage								
Activités nationales								
Technologies de CBC/Radio-Canada								
Division immobilière								
Galaxie								
Radio Canada International								
Total recettes diverses - activités normales								
Total recettes publicitaires et diverses								
TOTAL PROVENANCE DES FONDS - SERVICE PRINCIPAL								
Recettes - services spécialisés:								
Newsworld								
Réseau de l'information								
Report de l'excédent de l'année précédente								
TOTAL PROVENANCE DES FONDS - SERVICES SPÉCIALISÉS								
TOTAL PROVENANCE DES FONDS POUR RADIO-CANADA								

Un résumé complet des résultats au 30 septembre 2006, par composante, se trouve à l'Annexe A.

Les notes sont expliquées aux pages 7 à 10
Note - les écarts négatifs sont entre parenthèses

Revenus – Service principal et services spécialisés : 2^e trimestre –

Note 1

Note 2

Note 3

Note 4

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s.18(a)
s.18(b)
s.68.1

Revenus – Service principal et services spécialisés : Prévisions de fin d'exercice –

Note 7

Note 8

Note 9

Note 10

Total – Provenance des fonds – Comparaison d'un exercice à l'autre :

Note 11

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Note 13

Note 14

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Note 16

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s.68.1

Note 17

Note 18

Note 19

Note 20

Note 21

s.18(a)
s.18(b)

**État des résultats financiers
Affectation (utilisation) des fonds
pour le deuxième trimestre se terminant le 30 septembre
(en milliers de \$)**

	2006-2007			2006-2007			2005-2006	
	Résultats cumulatifs		Écart par rapport au budget	Base annuelle		Écart par rapport au budget	Résultats cumulatifs	
	Budget	Réels		Budget	Prévisions		Réels	Écart par rapport aux réels
AFFECTATION DES FONDS								
Dépenses - activités normales:								
Télévision anglaise								
Télévision française								
Radio anglaise								
Radio française								
Division des cars de reportage								
Centre de production Ottawa								
Division de marchandisage								
Activités nationales								
Technologies de CBC/Radio-Canada								
Division immobilière								
Galaxie								
Radio Canada International								
Réserve corporative								
Total des dépenses - activités normales								
TOTAL AFFECTATION DES FONDS - SERVICE PRINCIPAL								
Dépenses - services spécialisés:								
Newsworld								
Réseau de l'information								
TOTAL AFFECTATION DES FONDS - SERVICES SPÉCIALISÉS								
TOTAL AFFECTATION DES FONDS POUR RADIO-CANADA								

Un résumé complet des résultats au 30 septembre 2006, par composante, se trouve à l'Annexe A.

Les notes sont expliquées aux pages 14 à 18.
Note - les écarts négatifs sont entre parenthèses

s.18(a)

s.18(b)

Dépenses – Service principal et services spécialisés : 2^e trimestre –

Note 1

Note 2

Note 3

Dépenses – Service principal et services spécialisés : Prévisions de fin d'exercice –

Note 4

Note 5

Note 6

Note 7

Note 8

Note 9

s.18(a)
s.18(b)
s.68.1

Note 10

Note 11

Total – Application des fonds – Comparaison d'un exercice à l'autre :

Note 12

s.18(a)
s.18(b)
s.68.1

Note 13

s.18(a)
s.18(b)
s.68.1

Note 14

Note 15

s.18(a)
s.18(b)

Note 16

Note 17

Note 18

Note 19

s.18(a)
s.18(b)
s.68.1

Note 20

Note 21

Note 22

Note 23

s.18(a)
s.18(b)
s.68.1

SOMMAIRE - VUE D'ENSEMBLE

	(en milliers \$)			(en milliers de \$)		
	Résultats réels au 30 septembre			Prévision pour l'exercice financier se terminant le 31 mars		
	2006-2007			2006-2007		
	Écart sur le revenu	Écart sur les dépenses	Écart net	Écart sur les revenus	Écart sur les dépenses	Écart net
Service principal:						
Télévision anglaise						
Télévision française						
Radio anglaise						
Radio française						
Division des cars de reportage						
Centre de production Ottawa						
Division merchandisage						
Activités nationales						
Technologies de CBC/Radio-Canada						
Division immobilière						
Galaxie						
RCI						
Total - Composantes						
Réserve corporative						
Services spécialisés:						
Newsworld						
RDI						
Total Services spécialisés						
Position nette						

Note - les écarts négatifs sont entre parenthèses

s.18(a)
s.18(b)
s.68.1

Annexe B

**État des résultats financiers
Télévision anglaise
Pour le deuxième trimestre se terminant le 30 septembre
(en milliers de \$)**

	2006-2007 Résultats cumulatifs			2006-2007 Base annuelle			2005-2006 Résultats cumulatifs	
	Budget	Réels	Écart par rapport au budget	Budget	Prévisions	Écart par rapport au budget	Réels	Écart par rapport aux réels
PROVENANCE DES FONDS								
Crédits parlementaires								
Report de surplus								
Recettes publicitaires								
Diffuseur hôte								
Recettes développement commercial								
Country Canada								
Recettes diverses								
TOTAL PROVENANCE DES FONDS								
AFFECTATION DES FONDS								
<u>Coûts röllés aux services générateurs de revenus *</u>								
Ventes & marketing								
Ventes d'émissions à d'autres diffuseurs								
Développement commercial								
Diffuseur hôte								
Country Canada								
Sous-total - services générateurs de revenus								
<u>Programmation et administration</u>								
Sports								
Arts et divertissement								
Nouvelles et actualités								
Programmation réseau								
Production et ressources								
CBC.ca								
Services de production								
Communications								
Exploitation régionale								
Réserve - Réseau								
Sous-total - programmation et administration								
<u>Services de soutien et autres</u>								
Administration								
Stations affiliées								
PTI - Service de diffusion - Régie centrale								
Service de support								
Sous-total - services de soutien et autres								
TOTAL - AFFECTATION DES FONDS								
POSITION NETTE								

* Veuillez noter que certains autres services peuvent aussi générer des revenus. Ceux-ci sont les services dont la fonction principale est la génération de revenus.

s.18(a)
s.18(b)
s.68.1

Annexe C

État des résultats financiers
Télévision française
pour le deuxième trimestre se terminant le 30 septembre
(en milliers de \$)

	2006-2007 Résultats cumulatifs			2006-2007 Base annuelle			2005-2006 Résultats cumulatifs	
	Budget	Réels	Écart par rapport au budget	Budget	Prévisions	Écart par rapport au budget	Réels	Écart par rapport aux réels
PROVENANCE DES FONDS								
Crédits parlementaires								
Report de surplus								
Recettes publicitaires								
Diffuseur hôte								
Recettes diverses								
TOTAL PROVENANCE DES FONDS								
AFFECTATION DES FONDS								
Coûts reliés aux services générateurs de revenus								
Ventes & marketing (Incl. Internet)								
Production commerciale								
Ventes d'émissions à d'autres diffuseurs								
Diffuseur hôte								
Services de production et autres								
Coûts - contrat échange inclus aux revenus								
Sous-total - services générateurs de revenus								
Programmation et administration								
Sports								
Arts et divertissement								
Nouvelles et actualités								
Exploitation média								
Nouveaux médias								
PTI - Services de production								
Communications								
Exploitation régionale								
Réserve - réseau								
Sous-total - programmation et administration								
Services de soutien et autres								
Administration								
Stations affiliées								
PTI-Service de diffusion - régie centrale								
Services de support (réseau et régions)								
Sous-total - service de soutien et autres								
TOTAL - AFFECTATION DES FONDS								
POSITION NETTE								

s.18(a)
s.18(b)
s.68.1

Annexe D

**État des résultats financiers
Radio anglaise
pour le deuxième trimestre se terminant le 30 septembre
(en milliers de \$)**

	2006-2007 Résultats cumulatifs			2006-2007 Base annuelle			2005-2006 Résultats cumulatifs	
	Budget	Réels	Écart par rapport au budget	Budget	Prévisions	Écart par rapport au budget	Réels	Écart par rapport aux réels
PROVENANCE DES FONDS								
Crédits parlementaires								
Report de surplus								
Recettes diverses								
TOTAL PROVENANCE DES FONDS								
AFFECTATION DES FONDS								
Information								
Actualités								
Programmation musicale								
Arts et divertissement								
Radio 3								
Sirius								
Production radio Toronto								
Service à la programmation								
Services réseau								
Distribution								
Administration								
Activités commerciales								
Réserve réseau								
<u>Services régionaux</u>								
Terre-Neuve								
Maritimes								
Quebec								
Ontario								
Toronto								
Services du Nord								
Manitoba								
Saskatchewan								
Alberta								
Colombie-Britannique								
Sous-total - services régionaux								
TOTAL AFFECTATION DES FONDS								
POSITION NETTE								

s.18(a)
s.18(b)
s.68.1

Annexe E

État des résultats financiers
Radio française
pour le deuxième trimestre se terminant le 30 septembre
(en milliers de \$)

	2006-2007 Résultats cumulatifs			2006-2007 Base annuelle			2005-2006 Résultats cumulatifs	
	Budget	Réels	Écart par rapport au budget	Budget	Prévisions	Écart par rapport au budget	Réels	Écart par rapport aux réels
PROVENANCE DES FONDS								
Crédits parlementaires								
Report de surplus								
Recettes diverses								
TOTAL - PROVENANCE DES FONDS								
AFFECTATION DES FONDS								
Administration								
Exploitation et administration								
Développement de la programmation								
Information								
Promotion, analyse et diffusion								
Nouveaux médias								
Émissions musicales et culturelles								
Émissions Première Chaîne								
Distribution								
Espace musique								
Réserve réseau								
Projets Sirius								
<u>Services régionaux:</u>								
Atlantique								
Québec								
Ontario/ Outaouais								
Manitoba								
Saskatchewan								
Alberta								
Colombie-Britannique								
Sous-total - Services régionaux								
TOTAL AFFECTATION DES FONDS								
POSITION NETTE								

s.18(a)
s.18(b)
s.68.1

Division du marchandisage
Tableau des recettes et des coûts supplémentaires
pour le deuxième trimestre se terminant le 30 septembre
(en milliers de \$)

	2006-2007 Résultats cumulatifs			2006-2007 Base annuelle			2005-2006 Résultats cumulatifs	
	Budget	Réels	Écart par rapport au budget	Budget	Prévisions	Écart par rapport au budget	Réels	Écart par rapport aux réels
PROVENANCE DES FONDS								
Ventes de produits								
Ventes au détail								
Distribution								
Education								
Droits								
Total provenance des fonds	—	—						
AFFECTATION DES FONDS								
Administration								
Ventes de produits								
Ventes au détail								
Distribution								
Education								
Droits								
Total affectation des fonds	—							
POSITION NETTE								

s.18(a)
s.18(b)

État des résultats financiers
Division des cars de reportage
pour le deuxième trimestre se terminant le 30 septembre
(en milliers de \$)

	2006-2007 Résultats cumulatifs			2006-2007 Base annuelle			2005-2006 Résultats cumulatifs	
	Budget	Réels	Écart par rapport au budget	Budget	Prévisions	Écart par rapport au budget	Réels	Écart par rapport aux réels
PROVENANCE DES FONDS								
Crédits parlementaires								
Revenus de location de cars de reportage	—							
TOTAL PROVENANCE DES FONDS	—							
AFFECTATION DES FONDS								
Gestion de l'administration								
Gestion des opérations								
Coûts reliés aux services générateurs de revenus								
Coûts reliés aux services internes								
TOTAL AFFECTATION DES FONDS	—							
POSITION NETTE	■							

s.18(a)
s.18(b)
s.68.1

Annexe H

Galaxie
Tableau des recettes et des coûts supplémentaires
pour le deuxième trimestre se terminant le 30 septembre
(en milliers de \$)

	2006-2007 Résultats cumulatifs			2006-2007 Base annuelle			2005-2006 Résultats cumulatifs	
	Budget	Réels	Écart par rapport au budget	Budget	Prévisions	Écart par rapport au budget	Réels	Écart par rapport aux réels
Recettes supplémentaires								
Satellite								
Câble								
Musique pour les entreprises								
Recettes diverses								
Total - Recettes supplémentaires								
Coûts supplémentaires								
Programmation								
Droits								
Distribution								
Administration								
Marketing								
Prix étoile								
Musique pour les entreprise								
Total - Coûts supplémentaires								
Transfert de l'exploitation à l'immobilisation								
Total - Coûts supplémentaires incluant les coûts d'immobilisation								
Excédent des recettes sur les coûts								

Newsworld
Tableau des recettes et des coûts supplémentaires
pour le deuxième trimestre se terminant le 30 septembre
(en milliers de \$)

	2006-2007 Résultats cumulatifs			2006-2007 Base annuelle			2005-2006 Résultats cumulatifs	
	Budget	Réels	Écart par rapport au budget	Budget	Prévisions	Écart par rapport au budget	Réels	Écart par rapport aux réels
Recettes supplémentaires								
Recettes publicitaires								
Services aux abonnés								
Ventes d'émission								
Report de surplus								
Total - Recettes supplémentaires								
Coûts supplémentaires								
Programmation								
Distribution								
Gestion et services								
Ventes								
Promotion/Marketing								
Total - Coûts supplémentaires								
Excédent des recettes sur les coûts								
Remboursements au service principal								
Immobilisations								
Total - Remboursements au service principal								
Excédent des recettes sur les coûts après remboursements au service principal								

s.18(a)
s.18(b)
s.68.1

Annexe J

Le Réseau de l'information
Tableau des recettes et des coûts supplémentaires
pour le deuxième trimestre se terminant le 30 septembre
(en milliers de \$)

	2006-2007 Résultats cumulatifs			2006-2007 Base annuelle			2005-2006 Résultats cumulatifs	
	Budget	Réels	Écart par rapport au budget	Budget	Prévisions	Écart par rapport au budget	Réels	Écart par rapport aux réels
Recettes supplémentaires								
Recettes publicitaires								
Services aux abonnés								
Ventes d'émission								
Divers								
Report de surplus								
Total - Recettes supplémentaires	—	—						
Coûts supplémentaires								
Programmation et production								
Services techniques								
Ventes et promotion								
Gestion divers								
Total - Coûts supplémentaires	—	—						
Excédent des recettes sur les coûts								
Remboursements au service principal								
Immobilisations								
Total - Remboursements au service principal	—	—						
Excédent des recettes sur les coûts après remboursements au service principal								

	Total annuel (en millions de dollars)	Total ponctuel (en millions de dollars)	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	Années futures	
			Sans immobilisations								
			(en millions de dollars)	(en millions de dollars)	(en millions de dollars)	(en millions de dollars)	(en millions de dollars)	(en millions de dollars)	(en millions de dollars)	(en millions de dollars)	(en millions de dollars)
TELEVISION ANGLAISE											
	Réduction des dépenses par service										
	i) Nouvelles et Actualités :										
	ii) Réductions générales										
	iii) Autres services										
	Économies négociées avec le SCEP (élimination des indemnités pour heures supplémentaires, des périodes de repos quotidien, etc.)										
	Examen de la gestion et de l'administration										
	Heures supplémentaires										
	Centralisation de la mise en ondes (Télévision anglaise)										
	dans les établissements régionaux en centralisant la mise en ondes à Toronto										
	Dépenses en immobilisations										
	Désaffiliations										
✓	Économies relatives à la réduction des droits d'affiliation										
✓	Frais d'exploitation additionnels										
✓	Coûts évités - réduction des droits pour la LNH (à titre d'info - non inclus dans le total)										
✓	Coûts évités - réduction des droits pour les Jeux olympiques (à titre d'info - non inclus dans le total)										
	Dépenses en immobilisations										
	PORD										
	Économies										
	Dépenses en immobilisations										
	TOTAL - TÉLÉVISION ANGLAISE										
RADIO ANGLAISE											
	Accroissement de la productivité - Examen de la technique et de l'admin. 2000-2001										
	Examen des ressources										
	Colombie-Britannique 2004-2005										
	Programmation réseau 2004-2005										
	Radio 3										
	Couverture des Jeux olympiques de 2006 et de 2008										
	Centre de production de Toronto - Examen de la technique et de l'administration 2003-2004										
✓	Élimination d'une position de recruteur										
✓	Examen des ressources - Nouvelles nationales										
✓	Examen des ressources - Radio 3										
	Mise en œuvre de la fonction glisser-déplacer										
	Diminution des heures supplémentaires										
	Économies des services										
	Élimination du programme de détachement										
	TOTAL - RADIO ANGLAISE										
RADIO FRANÇAISE											
	Conversion du système de distribution national de la radio de la bande KU à la bande C										
	Diminution du coût des lignes										
	Dépenses en immobilisations										
	Consolidation des régies de la radio (RCI et Première Chaîne)										
	Dépenses en immobilisations										
	TOTAL - RADIO FRANÇAISE										

s.18(a)

s.18(b)

s.68.1

Annexe K

GAINS D'EFFICIENCE
MISE A JOUR : SEPTEMBRE 2006

Description de dépenses et d'économies	Prévisions	Réalités	Total annuel (en milliers de dollars)	Total ponctuel (en milliers de dollars)	Années futures						
					2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008
Somme des années futures											
(en milliers de dollars)											
TÉLÉVISION FRANÇAISE											
Remplacement des installations louées de Telesat - Montréal liaison montante TV											
Economies											
Dépenses en immobilisations											
Centre de l'information (CDI)											
Economies											
Dépenses en immobilisations											
Modernisation du studio 42											
Economies											
Dépenses en immobilisations											
Augmentation du revenu											
ARTV											
Coûts liés à la mise en ondes d'ARTV											
Revenus de ARTV											
Mise à niveau de l'équipement commun pour les événements spéciaux (TA et TF)											
Economies - la location d'équipement n'est plus nécessaire											
Dépenses en immobilisations											
TF - conversion à l'équipement SX - Nouvelles nationales et régionales à Toronto											
Economies											
Dépenses en immobilisations											
Car de reportage 7											
Réduction des frais de maintenance du car de reportage 7											
Dépenses en immobilisations - remplacement du pupitre-son dans le car de reportage 7											
Augmentation des revenus - location du car de reportage 7											
Remplacement de l'éclairage dans divers studios											
Economies											
Dépenses en immobilisations											
Service News											
Réduction du nombre d'ETP											
Dépenses en immobilisations											
Centralisation de la mise en ondes											
Economies - phase Est (2 postes)											
Economies - phase Ouest (2 postes)											
Dépenses en immobilisations - phase Est											
Dépenses en immobilisations - phase Ouest											
Désaffiliation (Cogeco)											
Acquisition d'archives de Cogeco											
Désaffiliation (Cogeco)											
Dépenses en immobilisations - acquisition de cars hertziens (Cogeco)											
Augmentation des revenus - désaffiliation (Cogeco)											
PORD - Télévision française											
Economies											
Dépenses en immobilisations											
Centre de production des dramatiques											
Economies											
Dépenses en immobilisations											
Produit de la vente - divers											
TOTAL - TÉLÉVISION FRANÇAISE											

Description des dépenses et des revenus	Total annuel	Total ponctuel	Base différentielle							Années futures
			2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	
	(en millions de dollars)	(en millions de dollars)	(en millions de dollars)	(en millions de dollars)	(en millions de dollars)	(en millions de dollars)	(en millions de dollars)	(en millions de dollars)	(en millions de dollars)	(en millions de dollars)
TECHNOLOGIES DE RADIO-CANADA										
Demande de propositions pour les réseaux et les services de diffusion et de télécommunications										
Frais d'exploitation additionnels										
Économies annuelles sur les frais d'exploitation										
Économies - migration Bell Mobilité										
Produit de la vente - ancien réseau étendu										
Dépenses en immobilisations										
Projet d'échange de trafic										
Frais ponctuels										
Économies annuelles										
Dépenses en immobilisations										
Mise à niveau des logiciels SAP - InfoShuttle										
Économies sur les frais d'exploitation										
Frais de maintenance										
Dépenses en immobilisations										
Système de multivision des événements à distance										
Dépenses en immobilisations										
Économies périodiques										
Économies ponctuelles										
Installations de Rogers Atlantic										
Dépenses en immobilisations										
Économies ponctuelles										
Économies périodiques										
Production à distance des Jeux olympiques										
Dépenses en immobilisations										
Économies ponctuelles										
Centre météorologique										
Dépenses en immobilisations										
Coûts d'exploitation ponctuels										
Frais d'exploitation périodiques (après déduction des économies annuelles)										
Recettes supplémentaires										
Immeuble de Touch Radio à Edmonton										
Dépenses en immobilisations										
Paiement reçu de tiers										
Augmentation nette des revenus										
Augmentation des revenus de location du site										
Location permanente										
Location ponctuelle										
Installation Newcap - Île-du-Prince-Édouard										
Dépenses en immobilisations										
Paiement reçu de tiers										
Augmentation nette des revenus ponctuels										
Augmentation nette des revenus permanents										
Installation MBS - Halifax et Charlottetown										
Dépenses en immobilisations										
Paiement reçu de tiers										
Augmentation nette des revenus										
Installation Master FM (North Bay, ON)										
Augmentation des revenus de location du site - permanent										
Dépenses en immobilisations										
Économies sur les frais d'exploitation										
Restructuration de la Transmission										
Coûts de soutien SAP										
Passage à la technologie VPN (Londres et Paris)										
Abattement pour charges payées d'avance - entreprises de télécommunications										

s.18(a)

s.18(b)

s.68.1

Annexe K

GAINS D'EFFICIENCE
MISE À JOUR : SEPTEMBRE 2006

Moindres dépenses et dépenses variables	Prévisions Financières	Total annuel (en milliers de dollars)	Total postulat (en milliers de dollars)	Années futures (sans différenciels)						
				2007-2007	2008-2008	2009-2009	2010-2010	2011-2011	2012-2012	Années futures
PORD - Phase 3 Économies sur les conférences téléphoniques grâce au nouveau taux consenti par Bell Économies liées au changement de fournisseur de HP à Bell en ce qui concerne Cisco Annulation de l'adhésion à TVNC Ententes internationales avec les installations à ondes courtes à Sackville Revenus de la NABA Entente globale CBC/CANCOM (Services spécialisés) TOTAL - TECHNOLOGIES DE RADIO-CANADA										
DIVISION IMMOBILIÈRE Réduction de l'effectif nette (à l'exclusion du plan de relève) Projet d'économie d'énergie (Toronto, Montréal, Vancouver et Moncton) Économies d'énergie Frais ponctuels Academy of Design Améliorations locatives Réduction de taxes - Taxes payées directement par le locataire à la municipalité Revenus de location Consolidation à Edmonton Dépenses en immobilisations Produit de la vente d'immeubles à Edmonton Économies sur les frais d'exploitation - Edmonton <i>Coûts futurs évités estimés sur les dépenses en immobilisations (à titre d'info - non inclus dans les totaux)</i> Consolidation à Québec Dépenses en immobilisations Produit de la vente de l'immeuble à Québec Frais d'exploitation additionnels <i>Coûts futurs évités estimés sur les dépenses en immobilisations (à titre d'info - non inclus dans les totaux)</i> Consolidation à Ottawa Dépenses en immobilisations Produit de la vente de l'immeuble de l'avenue Lanark Sous-location - Ottawa (rue Queen) Sous-location - Ottawa (rue Queen) - inactif de location Économies - révision du bail d'Ottawa Frais d'exploitation additionnels Frais d'exploitation additionnels <i>Coûts futurs évités estimés sur les dépenses en immobilisations (à titre d'info - non inclus dans les totaux)</i> Contrat avec ProFac <i>Coûts évités - Renégociation du contrat avec ProFac (à titre d'info - non inclus dans les totaux)</i> Révision du contrat avec ProFac Révision du contrat avec ProFac Économies - sondage sur la satisfaction Vente de l'entrepôt de Burnaby Produit de la vente de l'entrepôt Économies sur les frais d'exploitation Diminution des revenus Vente de l'immeuble de Winnipeg Économies sur les frais d'exploitation Produit de la vente de l'immeuble Autres ventes de propriétés Terrain à Toronto Terrain à Saint-Boniface Saskatchewan Property Management Corporation (SPMC) Améliorations locatives SPMC - nouveau bail SPMC - renouvellement										

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Niveau de détail	Description	Prévisions	Actualités	Total annuel (en milliers de dollars)	Total ponctuel (en milliers de dollars)	Années futures								
						2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007	2007-2008	(en milliers de dollars)	
	Autres activités générant des revenus													
	Nouveaux tarifs - politiques de stationnement													
	Regina - location de la cafétéria													
	Calgary - location de la cafétéria													
	Diverses augmentations liées au renouvellement des baux													
	Diverses augmentations liées au renouvellement des baux													
	Taxes foncières économisées													
	Taxe d'eau													
	Coûts évités - Négociation des taxes - Toronto (à titre d'info - non inclus dans les totaux)													
	Diverses taxes économisées													
	Renégociation des contrats de service de Montréal et de Moncton													
	Réduction de la sécurité additionnelle (mise en place après le 11 sept.)													
	Économies pour le 80, rue Commissionner à Toronto													
	Économies sur les frais d'exploitation - CIR (Montréal)													
	Économies sur les frais d'exploitation - Poste de pompage (Montréal)													
	Contrat d'entretien des ascenseurs													
	Autres économies diverses													
	TOTAL - DIVISION IMMOBILIÈRE													
	ORGANISATION DE SERVICES PARTAGÉS													
	Coûts d'exploitation ponctuels													
	Dépenses ponctuelles en immobilisations													
	Économies permanentes / (coûts)													
	TOTAL - ORGANISATION DE SERVICES PARTAGÉS													
	APPROVISIONNEMENT STRATÉGIQUE													
	Coûts d'exploitation additionnels													
	Économies permanentes													
	TOTAL - APPROVISIONNEMENT STRATÉGIQUE													
	PROJETS À L'ÉCHELLE DE L'ENTREPRISE													
	Projet Vision													
	Économies													
	Dépenses ponctuelles telles que la formation, l'équipement informatique, les coûts de transformation													
	Dépenses en immobilisations													
	TOTAL - PROJETS À L'ÉCHELLE DE L'ENTREPRISE													
	INITIATIVES NATIONALES													
	Coûts évités - Révision de la politique relative aux départs (à titre d'info - non inclus dans les totaux)													
	Coûts évités - Opérations de change pour les droits futurs liés aux Jeux olympiques (à titre d'info - non inclus dans les totaux)													
	Nouveau contrat - agence de voyages													
	Augmentation des revenus provenant de l'Association du droit de retransmission canadien													
	Réduction de 10 % des budgets pour les déplacements													
	TOTAL - INITIATIVES NATIONALES													
	TOTAL GLOBAL (excluant les coûts évités)													

IMMOBILISATIONS

Aperçu du budget d'immobilisations 2006-2007 au 30 septembre 2006

s.18(a)
s.18(b)

<u>Composante</u>	<u>Plan</u> <u>d'immobilisations</u>	<u>Dépenses</u> <u>prévues</u>	<u>Excédent/</u> <u>(Déficit)</u>	<u>Dépenses réelles</u> <u>jusqu'à présent</u>	<u>En % des</u> <u>prévisions</u>
Télévision anglaise (TA)					
Télévision française (TF)					
Radio anglaise (RA)					
Radio française (RF)					
Technologies de l'information (TI)					
Division immobilière (Div Immo)					
Réseaux de diffusion et télécommunication					
Division de la transmission (T&D)					
Ressources humaines (RH)					
Composantes corporatives					
Galaxie					
Gestion du parc automobile					
Division des cars de reportage					
Capital ordinaire					
Projets à l'échelle de l'entreprise (La Société) - détails à la prochaine page					
Réserve nationale					
Réserve nationale engagée					
Impact du plan des d'immobilisations dépassant les ressources disponibles (1)					
Excédent/(déficit) total prévu					
<i>% des ressources en immobilisations disponibles</i>					
TOTAL - RESSOURCES EN IMMOBILISATIONS DISPONIBLES					
Financement des immobilisations					
Virement ponctuel de fonds d'immobilisations de 2005-2006 à 2006-2007					
Virements prévus de l'exploitation aux immobilisations					
Virements de l'exploitation aux immobilisations reportés de 2005-2006 à 2006-2007					
Report de 2005-2006					
Paievements provenant d'organismes externes					
Remboursements à NATV					
Produits de vente/échange de biens					
Remboursements d'assurance					
Total - Ressources en immobilisations disponibles en 2006-2007					
EXCÉDENT/(DÉFICIT) TOTAL PRÉVU					

Aperçu du budget d'immobilisations 2006-2007 - Projets à l'échelle de l'entreprise
au 30 septembre 2006

	s.18(a) s.18(b) s.68.1	<u>Plan</u> <u>d'immobilisations</u>	<u>Dépenses</u> <u>prévues</u>	<u>Excédent/</u> <u>(Déficit)</u>	<u>Dépenses réelles</u> <u>jusqu'à présent</u>	<u>En % des</u> <u>prévisions</u>
Projets à l'échelle de l'entreprise (La Société)						
Gestion du contenu - Projet Ottawa						
Plan d'immobilisations approuvé						
Autres sources de fonds réservées pour ce projet						
Résultat net pour ce projet						
Consolidation à Québec						
Plan d'immobilisations approuvé						
Autres sources de fonds réservées pour ce projet						
Résultat net pour ce projet						
Organisation de services partagés						
Plan d'immobilisations approuvé						
Autres sources de fonds réservées pour ce projet						
Résultat net pour ce projet						
Vision/Sintec						
Plan d'immobilisations approuvé						
Autres sources de fonds réservées pour ce projet						
Résultat net pour ce projet						
Consolidation à Edmonton						
Système de gestion des nouvelles (iNews)						
Radiotique						
Radiotique - solution définitive						
Émetteurs numériques						
PORD						
Diffusion radio numérique						
Bureau de Washington						
Production des Jeux olympiques						
Présentation HD - Vancouver						
Histoire du hockey en haute définition						
Système de discothèque virtuelle						
Remplacement des affilés de télévision						
Mise à niveau de l'utilitaire de cartes de rayonnement						
Équipement d'essai TVN / TVHD						
Réserve d'équipement - SEG						
Installations de liaison montante de Sirius Radio						
Production Olympique HD						
ScheduLINK						
Réaménagement à Vancouver						
Consolidation à St John's, Terre-Neuve						
Remplacement FSV et d'équipement - Montréal						
Infrastructure pour la Division du merchandising						
Excédent/(déficit) total prévu						

s.18(a)
s.18(b)
s.68.1

Aperçu du budget d'immobilisations 2006-2007 au 30 septembre 2006 - Notes

Note 1

Note 2

Note 3

Note 4

Note 5

Note 6

Note 7

Note 8

s.18(a)
s.18(b)
s.68.1

Aperçu du budget d'immobilisations 2006-2007 au 30 septembre 2006 - Notes

Note 9

Note 10

Note 11

Note 12

Note 13

s.18(a)
s.18(b)
s.68.1

Plan d'investissement en immobilisations 2006-2007 à 2008-2009
Projets supérieurs à 5 millions (en millions de dollars) au 30 septembre 2006

	Budget approuvé par lettre décisionnelle	Relâches en attente/ Autres sources de fonds *	Années futures			
			Dépenses réelles - Années antérieures	Dépenses prévues 2006-2007	Dépenses prévues 2007-2008	Dépenses prévues 2008-2009
<p> Paiements de location-acquisition - Centre canadien de radiodiffusion</p> <p>Projet <i>Sintec/Vision</i> - immobilisations * (1)</p> <p>Projet <i>Sintec/Vision</i> - exploitation (2)</p> <p>Consolidation à Ottawa - immobilisations *</p> <p>Consolidation à Ottawa - exploitation (2)</p> <p>Projet de centralisation de la mise en ondes (phase Ouest)</p> <p>Automatisation des salles de nouvelles - gestion du contenu</p> <p>Automatisation des salles de nouvelles - gestion du contenu (2)</p> <p>Consolidation à Edmonton</p> <p>PORD</p> <p>Consolidation à Québec - immobilisations *</p> <p>Consolidation à Québec - exploitation (2)</p> <p>Centre de Production Dramatique</p> <p>Radioique</p> <p>Radioique - exploitation (2)</p> <p>Organisation de services partagés *</p> <p>Car de repartage HDTV - Toronto (3)</p> <p>Vidéotique - Toronto</p> <p>Vidéotique - Newsworld</p> <p>Projet de rénovation - Vancouver</p> <p>Mise à jour Studios 42, 47, 48 HD et Studios 43, 45 SD - immobilisations (3)</p> <p>Mise à jour Studios 42, 47, 48 HD et Studios 43, 45 SD-exploitation (2)</p> <p>Mise à jour HD Studio 42 - immobilisations</p> <p>Mise à jour HD Studio 42 - exploitation (2)</p> <p>Mise à jour HD Studio 55 et Régie 52 - immobilisations</p> <p>Mise à jour HD Studio 55 et Régie 52 - exploitation (2)</p> <p>Consolidation Télévision et Radio à St-John's - immobilisations</p> <p>Consolidation Télévision et Radio à St-John's - exploitation (2)</p> <p>Mobile Haute Définition</p> <hr/> <p>Sous-total - Projets approuvés</p> <hr/> <hr/> <hr/> <hr/> <p>Remplacement des affilés de télévision - Kingston & Peterborough (4)</p> <hr/> <p>Sous-total - Projets planifiés</p> <hr/> <p>Total - Tous les projets de plus de 5 millions</p> <hr/> <p>Ressources en immobilisations disponibles (1)</p>						

* Les relâches en attente et les autres sources de fonds, ainsi que les excédents/déficits prévus, sont expliqués dans le document intitulé 'Aperçu du budget d'immobilisations 2006-2007 au 30 septembre 2006 - notes'.

s.18(a)
s.18(b)

Plan d'investissement en immobilisations 2006-2007 à 2008-2009
Projets supérieurs à 5 millions, au 30 septembre 2006 - Notes

Note 1

Note 2

Note 3

Note 4

Note 5

BILAN CONSOLIDÉ

30 septembre

s.18(a)

s.18(b)

s.68.1

(milliers de dollars)

2006-2007

2005-2006

ACTIF**À court terme**

Trésorerie et équivalents de trésorerie

Placements à court terme

Débiteurs

Stocks

Frais payés d'avance

Investissement net dans des contrats de location-vente

Immobilisations corporelles

Créances à long terme

Investissement net dans des contrats de location-vente

Charges reportées

Placements à long terme

PASSIF**À court terme**

Créditeurs et charges à payer

Passifs reliés au personnel

Dette obligataire, intérêts courus compris

Fonds d'exploitation et d'immobilisations reportés

À long terme

Passifs reliés au personnel

Dette obligataire

Fonds d'immobilisations corporelles reporté

FONDS EFFECTIF

Fonds effectif

ÉTAT CONSOLIDÉ DES RÉSULTATS ET DU FONDS EFFECTIF

s.18(a)

s.18(b)

s.68.1

Pour la période terminée le 30 septembre

(en milliers de dollars)

2006-2007

2005-2006

Revenus

Publicité et ventes d'émissions

Services spécialisés

Autres revenus

Revenu de financement

Dépenses

Coûts des services de télévision et de radio

Services spécialisés

Transmission, distribution et collecte

Palements aux stations privées

Administration nationale

Amortissement des immobilisations corporelles

Perte d'exploitation avant financement public et impôts

Financement public

Crédit parlementaire d'exploitation

Amortissement du fonds d'immobilisations corporelles reporté

Résultats nets avant impôts

Provision pour l'impôt sur les bénéfices et des grandes sociétés

Résultats nets de la période

Fonds effectif au début de l'exercice

Financement du fonds de roulement

Fonds effectif à la fin de la période

s.18(a)

s.18(b)

TRÉSORERIE, ÉQUIVALENTS DE TRÉSORERIE ET PLACEMENTS À COURT TERME
au 30 septembre
(milliers de dollars)

TRÉSORERIE, ÉQUIVALENTS DE TRÉSORERIE ET PLACEMENTS À COURT TERME

	<u>2006-2007</u>	<u>2005-2006</u>	<u>Aug./(Dim.)</u>	
			<u>Différence</u>	<u>Pourcentage</u>
Comptes bancaires				
Fonds de caisse				
Équivalents de trésorerie	—			
Trésorerie et équivalents de trésorerie				
Placements à court terme				
Trésorerie, équivalents de trésorerie et placements à court terme	—			
	==			

INTÉRÊTS CRÉDITEURS

	<u>2006-2007</u>	<u>2005-2006</u>	<u>Aug./(Dim.)</u>	
			<u>Différence</u>	<u>Pourcentage</u>
Comptes principal, investissements et bons du trésor				
Intérêts - NATV et Lanark				
Chèques non réclamés	—			
Total intérêts créditeurs	—			
	==			

s.18(a)
s.18(b)
s.68.1

DÉBITEURS
Au 30 septembre
(millions de dollars)

Cette variation est principalement attribuable au

		2006-2007		2005-2006	
		%	\$	%	\$
Publicité	À court terme				
	1-30 jours				
	31-60 jours				
	61-90 jours				
	91+ jours				
	Total				
Autres					
Total – Débiteurs					

Accountability and Performance Reporting

A Training Presentation

Prepared for
CBC/Radio-Canada's Board of Directors
by
Steven Guiton and Stan Staple

January 23, 2007

Table of Contents

1. Purpose
 2. Accountability
 - What is it?
 - To whom is CBC/Radio-Canada accountable
 - How is CBC/Radio-Canada accountable?
 3. Performance Reporting
 - Corporation as a Whole
 - Media
 4. Recap
- Appendix

1. Purpose

- **The 2005 Report of the OAG recommended that CBC/Radio-Canada's Board be better positioned to assess the Corporation's performance**
- **Accordingly, this presentation provides Board members with a better understanding of the Corporation's responsibilities with respect to accountability and how we measure our performance**

2. Accountability

- **What is accountability?**
- **Why accountability matters?**
- **To whom is CBC/Radio-Canada accountable?**
- **Reporting to Government**
- **Reporting to Canadians**

What is Accountability?

- **The Treasury Board of Canada defines accountability as**
 - "The obligation to demonstrate and take responsibility for performance."
- **Two key principles are associated with accountability:**
 - Sound governance, and
 - Transparency
- **Together, good governance and transparency permit the Board to fulfil its fiduciary responsibilities to Government and the Public**

To Whom Are We Accountable?

- **Parliament through the Minister of Canadian Heritage**
 - This includes reporting to various Senate and Parliamentary Committees
- **Various levels of Government, including**
 - Heritage Canada
 - Receiver General/Treasury Board
 - CRTC
 - OAG
 - HRSDC
- **The Canadian Public**

2. Accountability

CBC/Radio-Canada is Highly Accountable to Government

- **Parliamentary Committees** > Appearances/Reports to Heritage, Official Languages, Public Accounts and Senate Committees
- **Minister** > Corporate Plan
> Corporate Plan Summary
> Annual Report
- **CRTC** > Annual Performance Report
> Licence Renewal
- **Auditor General** > Annual Examination
> Special Examination every 5 Years
- **HRSDC** > Report on Employment Equity
- **Official Languages** > Commissioner has power to investigate complaints
- **Access to Information** > Public has right of access to non-competitive information

CBC  Radio-Canada 7

2. Accountability

... And to the Canadian Public as Well

- **By continually seeking input and feedback through:**
 - **Town Hall meetings**
 - **Its websites**
 - **Audience relations**
 - **Quantitative and qualitative research conducted among large samples representative of the Canadian population**
- **Public complaints are examined and reported on annually by the Corporation's two independent Ombudsmen**

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3. Performance Reporting

- The other aspect of accountability involves the measurement of performance
- There are a number of different levels of reporting, ranging from the individual employee to the Corporation as a whole
- These are summarized on the slide following

3. Performance Reporting

Overall Accountability Inside CBC/Radio-Canada

Board Oversight	Corporation	Targets/ Objectives	Corporate Plan/ Annual Report
	Media	Targets/ Objectives	Business Plan

Management Oversight	Program	Targets/ Objectives	Business Plan
	Employees	Targets/ Objectives	Performance Review

Corporation as a Whole

- At the corporate level, CBC/Radio-Canada's performance is measured against its mandate and the Corporate Priorities which flow from that mandate
- CBC/Radio-Canada's mandate is set out in the 1991 *Broadcasting Act* (see Appendix)

Our Strategic Directions Flow From the Mandate...

And are built around the following key thrusts:

High-quality, Distinctive Canadian Programming

1. Ensure distinctive programming of the highest quality on all delivery platforms
2. Recognize the importance of regional reflection and of the changing face of Canada
3. Ensure the sustainability of CBC/Radio-Canada's Canadian schedules

Efficiency

4. Demonstrate that CBC/Radio-Canada is a well-managed company and generate cash flow to re-invest in programming

Priorities and Strategic Directions

5. Strengthen CBC/Radio-Canada's commitment to all its employees — to those who create and those who support them

Strategic Partnerships

6. Position CBC/Radio-Canada to enhance its ability to fulfill its mandate through selective alliances and partnerships

Collaboration

7. Reinforce the capacity of CBC/Radio-Canada to work as one integrated company

Strong Stakeholder Relations

8. Enhance/strengthen CBC/Radio-Canada's stakeholder relationships

Linking Performance and Corporate Priorities

- Measures have been developed for each priority
- Measures provide a linkage between CBC/Radio-Canada's Corporate Priorities and its measures of performance
- All performance measures that follow, with one exception, are derived from existing data

Ensure Distinctive Programming of the Highest Quality

Performance Indicator	Relevance to	Source of Information	Measure	How Reported
Canadian content offered - all day and prime-time	All media	Research and Strategic Analysis Media	% CANCON	Annually by Media, with year over year trends
Number and Quality of Awards	All media	Media	Number and Name of Award	Annually by Media, identifying awards won
Perception of Distinctiveness of our programming	All media	Quality Ratings Survey Barometre Report Cards	% of Canadians who believe programming is distinctive	Annually, for the Corporation as a whole and by Media, with year over year trends

3. Performance Reporting - Priority # 2

Recognize the Importance of Regional Reflection

Performance Indicator	Relevance to	Source of Information	Measure	How Reported
Programs produced in regions for regional airing	All media	Media	Hours	Annually, aggregated for all media, with year over year trends
Programs produced in regions for network airing	All media	Media	Hours	Annually, aggregated for all media, with year over year trends

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3. Performance Reporting - Priority # 2

Recognize the Importance of the Changing Face of Canada

Performance Indicator	Relevance to	Source of Information	Measure	How Reported
Staff from visible minorities	All media Key markets	Human Resources	Number of staff	Annually, for the Corporation as a whole with year over year trends
Items/stories about or of interest to visible minority community*	All media Key markets	Media	Number of stories/items	Annually, for the Corporation as a whole with year over year trends

* Not yet available

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3. Performance Reporting - Priority # 4

Demonstrate that CBC/Radio-Canada is a Well-Managed Company

Performance Indicator	Relevance to	Source of Information	Measure	How Reported
Self-generated Revenue	Corporation as a whole	Corporate Dashboard	Dollars	Annually, for the Corporation as a whole with year over year trends
Programming Expenditures	Corporation as a whole	Corporate Dashboard	Per cent of total CBC/Radio-Canada budget spent on programming	Annually, for the Corporation as a whole with year over year trends

3. Performance Reporting - Priority # 5

Strengthen CBC/Radio-Canada's Commitment to all its Employees

Performance Indicator	Relevance to	Source of Information	Measure	How Reported
Commitment to Training and Development	Corporation as a whole	Human Resources	Dollars per employee	Annually, for the Corporation as a whole with year over year trends
Employee Satisfaction	Corporation as a whole	Human Resources	Index derived from Employee Survey	Periodic, for the Corporation as a whole with trends
Working Conditions	Corporation as a whole	Human Resources	Total Days Absent as a percentage of total days worked	Annually, for the Corporation as a whole with year over year trends

3. Performance Reporting - Priority # 6

Position CBC/Radio-Canada to Enhance its Ability to Fulfill its Mandate through Selective Alliances and Partnerships

Performance Indicator	Relevance to	Source of Information	Measure	How Reported
Joint Ventures/ Partnerships	Corporation as a whole	Business Development Media	Number and Type of Successful Joint Ventures/ Partnerships	Annually, for the Corporation as a whole with year over year trends

3. Performance Reporting - Priority # 7

Reinforce the Capacity of CBC/ Radio-Canada to Work as One Integrated Company

Performance Indicator	Relevance to	Source of Information	Measure	How Reported
Expenditure on cross-media programming	All Media	Media	Dollars	Annually, for the Corporation as a whole with year over year trends
Extension of News Integration and Consolidation	All Media	Media	Number of Locations	Annually for the Corporation as a whole

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3. Performance Reporting - Priority # 8

Strengthen CBC/Radio-Canada's Stakeholder Relationships

Performance Indicator	Relevance to	Source of Information	Measure	How Reported
Canadian's Satisfaction Levels	Corporation as a whole	Quality Ratings Survey	% of Canadians satisfied with programming on each service	Annually, for the Corporation as a whole and for each Media with year over year trends
Service Level to Stakeholders	Corporation as a whole	Corporate Communications Media	Number of comments/complaints with respect to service levels	Annually, for the Corporation as a whole with year over year trends
Relevance to Stakeholders	All media	Research and Strategic Analysis	Number of Canadians reached	Annually, for the Corporation as a whole and by Media with year over year trends

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The Role of Audience Data

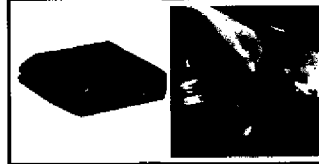
- **Audience data is critical for financial and performance reasons**
 - Financial – Advertising
 - Performance – Quality and relevance
- **The audience data that we use for these purposes is both quantitative and qualitative**

Quantitative Sources

- **The Television industry relies on a mixture of diaries and electronic methods**
 - Electronic for national estimates and the four largest markets, diaries for the rest
- **With the merger of BBM and Nielsen Media Research, there is now only one supplier of TV measurement data in Canada**
- **There are, however, two different methods used to measure TV audiences in Canada**
 - Personal Portable Meter (PPM) used in Quebec and NMR's Mark II Meter which is used in the rest of Canada

Quantitative Sources

- The PPM is a passive audio-based method measuring all tuning – inside or outside the home



- The Mark II Meter, on the other hand, is an active-method tied to the TV sets in the home



- BBM has recently announced a review to examine measurement needs in the future

Source of Audience Information

- **Key audience statistics:**
 - **Reach (Cume)**
 - **Share**
 - **Average Minute Audience (AMA)**
 - **Average Quarter-hour Audience**
 - **Rating**
 - **Viewing Level**
 - **Composition/Profile**

Media

- **The broad strategic direction of CBC/Radio-Canada is approved at the November Board meeting**
- **The targets and objectives of the Media are set out in their Business Plans**
- **The Media's Business Plans are approved by the Board at its March meeting**
- **Results of the Media's performance are reported in the Corporate Plan which is approved at the Board's January Board meeting**
 - **Internally, the Media's performance is reviewed by the Standing Committee of the Board**

s.18(a)

s.18(b)

3. Performance Reporting

English Television's Performance Targets

Performance Indicators	Performance Measures	2006-2007		Base Target 2007-2008**
		Target	Results	
Public Value	Differentiation ¹			From 07-08 Media Business Plans
	Public Perception			
	Acclaim			
Audience	CBC TV Prime Time Share Regular Season			
Revenue ³	April - March (fiscal)			
Cost	Total Budget with Allocations ⁴ April - March (fiscal)			

¹ Based on number of titles

² Of 5 point scale

³ Main Net Commercial Ad Revenues

⁴ To be confirmed, assumes \$60M

** Targets will be available at the January 2007 Board Meeting

3. Performance Reporting

English Radio's Performance Measures


Performance Indicators	Performance Measures	2006-2007		Base Target 2007-2008**
		Target	Results	
High levels of listener satisfaction	FIATS results for Radio One*: Satisfaction Essential Distinctive Relevant Regionally reflective Ethnically/Culturally diverse			From 07-08 Media Business Plans
National Reach and Share	Reach Share			
Recognition for program excellence	Number of national or international awards			
Local service extended into unserved major radio markets	Number of service extensions into markets with >100,000 population			

* Core Listeners top 3 boxes


** Targets will be available at the January 2007 Board Meeting

3. Performance Reporting

Télévision de Radio-Canada's Performance Measures


Approved Indicators	Base Target 2006-2007	Results *	Base Target 2007-2008**
Combined audience share for Télévision de	Between 15% and 20%	7	
	At least 14% for Télévision de Radio-Canada		
Overall appreciation of programming by viewers "On a scale of 0 to 10, what score would you give to the programming of Radio-Canada?"	6.7 Base 2004-2005		
Financial Indicators	Base Target 2006-2007		
Percentage of financial resources invested in programming	82% Base 2004-2005		
Meet Ad Revenue Target	\$120M Network and HDI		
Maintain the CTF envelope reserved for Radio-Canada at the level of previous years	About \$25M		
Regional Production and Diversity Indicators	Base Target 2006-2007		
Weekly Hours averaged annually - Regional programs for the Network	7 hours		
Increase the number and retention rate of employees from "visible minorities", Network and Regions	1.4% Base 2004		
Human Resources Indicators	Base Target 2006-2007		
Performance evaluations for all employees, tying performance to objectives	100% of employees		

* Current year
** Targets will be approved by the Board of Governors


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3. Performance Reporting

Radio de Radio-Canada's Performance Measures

Performance Indicators	Base Target 2006-2007	Results *	Base Target 2007-2008**
Maintain an optimal level of listening <i>Combined audience share of Première Chaîne and Espace musique</i>	Between 14% and 16%		
Pursue our commitment to Canadian musicians <i>Recording of concerts and shows</i>	350 Base 2004-2005		
Regional investment <i>Maintain our level of investment in regional production</i>	45% Base 2004-2005		
Evaluation of the performance of all employees, tying performance to objectives	100% of employees		

* Current year
** Targets will be approved by the Board of Governors

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4. Recap – How Does it All Fit Together

- **September/
November** **Board Approves Strategic Directions**

- **January** **Board Approves Corporate Plan and
Associated Performance Measures**

- **March** **Board Approves Media Business Plans
and Associated Performance Measures**

- **June** **Annual Report Submitted to Minister**
 - Review Past Performance
Against Targets

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Appendix

The Mandate is Set Out in the 1991 *Broadcasting Act*

"...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; ...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 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."

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Board of Directors

January 23 & 24, 2007

Subject matter

Summary of Government Funding (10 years – operating and capital).

Background

The attached provides a 10-year historical overview of the Corporation's parliamentary appropriations as at December 20, 2006. The approved reference levels for 2006/07 and beyond are also provided.

Information on the matter

See attached.

For information



Prepared by

Name: Johanne Charbonneau
Date: December 20, 2006

Management recommendation

Not required.

Last discussed at the Board

Date: November 23, 2006
Decision made: N/A

Next steps

Not required.

Anticipated project completion date: _____

(If contract, indicate date of expiry): _____

Conseil d'administration

Le 23, 24 janvier 2007

Sujet

Résumé du financement public (10 ans – exploitation et immobilisations).

Contexte

Le document ci-joint présente un survol historique de dix ans des crédits parlementaires de la Société au 20 décembre 2006. Vous trouverez également les niveaux de référence approuvés pour les exercices 2006-2007 et au delà.

Renseignements connexes

Voir le document ci-joint.

À titre d'information

Préparé par

Nom : Johanne Charbonneau
Date : Le 20 décembre 2006

Recommandation de la direction

Aucune.

Dernière discussion au Conseil

Date : Le 23 novembre 2006
Décision prise à cette occasion : S/O

Suivi

Aucun.

Date de prévue de la complétion du projet : _____
(Indiquer la date de fin du contrat) : _____

s.18(a)

CBC'S PARLIAMENTARY APPROPRIATIONS
(\$ Thousands)

	1997/98 (Note 2)	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	Current	Projected			
										2006/07	2007/08	2008/09	2009/10	
Operating Appropriation														
One-time funding adjustments:														
Retroactive salary/wage funding														
Salary/wage funding (Note 1)														
Transfer from Capital appropriation														
Transfer to Capital appropriation														
Downsizing assistance/loan repayment														
Funding for PILT increases														
Program Integrity Funding - Asbestos														
Funding to strengthen & revitalize programs (Note 3)														
Transfers from Cdn. Heritage (CCOL) (Note 4)														
Reprofiling														
Cost increases for 2002 Canada Day														
Funding for RCI (Note 5)														
Expenditure Review Reduction (Budget 2003)														
Unavoidable new costs (Note 6)														
Total Operating Appropriation														
Capital Appropriation														
One-time funding adjustments:														
Transfer to Operating appropriation														
Transfer from Operating appropriation														
Reprofiling of vote from 96/97 to 97/98														
Reprofiling of vote from 97/98 to 98/99														
Reprofiling of vote from 98/99 to 99/00														
Reprofiling of vote from 99/00 to 00/01														
Reprofiling of vote from 00/01 to 01/02														
Reprofiling of vote from 04/05 to 05/06														
Reprofiling of vote from 05/06 to 06/07														
Nunavut funding														
Total Capital Appropriation														
Working Capital Appropriation														
TOTAL APPROPRIATION														
Less Reprofiling Decision (Capital)														
Less Reprofiling Decision (Operating)														
Less Loan repayment (Operating)														
Less Downsizing Funding (Operating)														
TOTAL APPROPRIATION AVAILABLE FOR REGULAR OPERATIONS	861,394	834,400	862,221	900,075	1,019,885	1,026,522	1,026,311	1,062,528	1,101,741	1,104,053	1,043,953	1,042,053	1,042,053	

s.18(a)

CRÉDITS PARLEMENTAIRES DE LA SRC
(en milliers de dollars)

	1996-1997	1997-1998 (Note 2)	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	Courants		Prévus	
											2006-2007	2007-2008	2008-2009	2009-2010
Crédit d'exploitation														
Rajustements ponctuels :														
Financement rétroactif de salaires														
Financement de salaires (Note 1)														
Virement ponctuel de l'immobilisation														
Virement ponctuel à l'immobilisation														
Financement des coûts de compression/remboursement d'emprunt														
Financement de la hausse des paiements tenant lieu de taxes														
Financement de l'intégrité des programmes - l'amiante														
Fonds supplémentaires pour améliorer et revitaliser les émissions (Note 3)														
Transferts du Patrimoine canadien (PCCL) (Note4)														
Report														
Hausse des coûts pour les célébrations de la fête du Canada 2002														
Financement de RCI (Note 5)														
Examen des dépenses – Réduction (Budget 2003)														
Nouveaux coûts inévitables (Note 6)														
Total du crédit d'exploitation														
Crédit d'immobilisations														
Rajustements ponctuels :														
Virement ponctuel à l'exploitation														
Virement ponctuel de l'exploitation														
Report du crédit de 1996-1997 à 1997-1998														
Report du crédit de 1997-1998 à 1998-1999														
Report du crédit de 1998-1999 à 1999-2000														
Report du crédit de 1999-2000 à 2000-2001														
Report du crédit de 2000-2001 à 2001-2002														
Report du crédit de 2004-2005 à 2005-2006														
Report du crédit de 2005-2006 à 2006-2007														
Fonds pour le Nunavut														
Total du crédit d'immobilisations														
Crédit du fonds de roulement														
TOTAL DES CRÉDITS PARLEMENTAIRES														
Moins décision sur report (immobilisation)														
Moins décision sur report (exploitation)														
Moins remboursement d'emprunt (exploitation)														
Moins financement pour compression														
TOTAL DES CRÉDITS PARLEMENTAIRES POUR LES OPÉRATIONS RÉGULIÈRES	963 158	861 394	834 400	862 221	900 075	1 019 885	1 026 522	1 026 311	1 062 528	1 101 741	1 104 053	1 043 953	1 042 053	1 042 053

Board of Directors
(January 23-24, 2007)

Subject matter

Labour Relations Update

Background

This is a standing item on the Board of Directors' agenda which provides the status of CBC's collective agreements.

Information on the matter

Not applicable.

For decision:

For information:



Prepared by

Name: George C.B. Smith
Senior Vice-President, Human Resources and Organization

Date: January, 2007

Management recommendation

Not applicable.

Last discussed at the Board

Date: November 2006
Decision made:

Anticipated project completion date: _____ N/A _____
(If contract, indicate date of expiry): _____

UNION	Effective Date	# of Members	Central Issues
NATIONAL FILE			
AfofM (American Federation of Musicians)	April 1, 2003– March 31, 2006	N/A	
ENGLISH FILE			
ACTRA (Alliance of Canadian Cinema, Television and Radio Artists) (Performers)	July 1, 2003– June 30, 2005	N/A	
WGC (Writers Guild of Canada)	Sept. 1, 1998– August 31, 2000	N/A	
IATSE (International Alliance of Theatrical, Stage Employees and Moving Picture Machine Operators of the United States and Canada) (Stagehands)	No agreement since 1994	3	
FRENCH FILE			
AR (Association des réalisateurs)	Dec. 13, 2003– Dec. 11, 2005	380	
SPACQ (Société professionnelle des auteurs-compositeurs du Québec)	July 8, 2007 – July 7, 2011	N/A	

NEGOTIATED AGREEMENTS

UNION		Effective Dates of Collective Agreement	# of Members
NATIONAL FILE			
APS	Association of Professionals and Supervisors	July 1, 2005– June 30, 2008	646
ENGLISH FILE			
CMG	Canadian Media Guild	April 1, 2004– March 31, 2009	5,141
FRENCH FILE			
SCRC (Unit 1)	Syndicat des communications de Radio-Canada	March 27, 2006– March 29, 2009	1,390
STARF (Unit 2)	Syndicat des technicien(ne)s et artisan(e)s du réseau français de Radio-Canada	April 13, 2006– March 31, 2009	1,336
SCFP (Unit 3)	Syndicat Canadien de la Fonction Publique (Groupe des employé(e)s de bureau et professionnel(le)s)	September 26, 2005– September 27, 2007	636
UDA	Union des artistes	November 14, 2005– November 13, 2009	N/A
SARTEC	(Société des auteurs de la radio, de la télévision et du cinéma)	July 10, 2006 – July 9, 2010	N/A

Board of Directors

(January 23-24, 2007)

Subject matter

Workforce Information

Background

The attached documents present the total workforce in terms of full time equivalent (FTE) broken down by:

- media component with a comparison to beginning fiscal year;
- geographic location (map of Canada)

Information on the matter

Attached

For decision

For information

Prepared by

Name: George C.B. Smith

Date: January, 2007

Management recommendation

N/A

Last discussed at the Board

Date: November 2006

Decision made: -

Next steps

Anticipated project completion date: _____

(If contract, indicate date of expiry): _____

TOTAL WORKFORCE / EFFECTIF TOTAL

Full Time Equivalent / Équivalent temps plein

Month / Mois : November 2006
(Nov 26, 2006 / Le 26 novembre 2006)

	Permanent (a,b)	Temporary Temporaire (a,b)	Contract Contractuel (a,b)	Short term Court terme (d)	TOTAL	TOTAL Begin. FYR 2005/06 Début de l'exercice 2005/06	Variance Écart
Radio English/ Radio anglaise	957	72	72	136	1,237	1,293	-56
Radio French/ Radio française	674	70	224	170	1,138	1,183	-45
Television English/ Télévision anglaise	2,386	181	258	264	3,088	3,164	-75
Television French/ Télévision française	2,285	270	183	327	3,066	3,033	33
Corporate/ National	1,034	62	166	29	1,292	1,289	3
TOTAL	7,336	656	903	926	9,820 *	9,961 **	-141

* 9,820 FTE/EPT = 10,733 head count / effectifs réels.

** 9,961 FTE/EPT = 10,940 head count / effectifs réels.

Notes:

(a) Employees on leave of absence are excluded. / Les employés en absence autorisée sont exclus.

(b) FTE is based on the full-time / part-time percentage of the employee's working schedule. /

L'EPT est basé sur le pourcentage temps plein / temps partiel de l'horaire de travail des employés.

(d) Includes casual + short term contract. FTE is based on the total days worked over a four week period. /

Comprend les occasionnels et les contractuels courte durée. L'EPT est basé sur le total des jours travaillés durant une période de quatre semaines.

The sum of the details may not balance with the totals due to rounding / La somme du détail peut différer des totaux en raison de l'arrondissement.

Board of Directors

(January 23-24, 2007)

Subject matter

Strategic Negotiations: Perspectives from a Road Well-Travelled

Background

The Don Wood Visiting Lectureship in Industrial Relations was established in 1987 by the many friends of Dr. W. Donald (Don) Wood to honour his role in building an outstanding research, teaching and continuing education program at Queen's and to recognize his accomplishments in the wider industrial relations community. Dr. Wood was Director of the Industrial Relations from 1983 until 1985. Over his long and distinguished career, Dr. Wood's efforts served to bridge the gap between the academic world and the policy and practice of industrial relations in Canada. In keeping with these achievements, the terms of the Lectureship expressly state that its purpose is to bring Queen's University « a distinguished individual who has made an important contribution to industrial relations in Canada, or in other countries ».

George Smith was invited speaker for the Fall 2006 Don Wood Visiting Lectureship in Industrial Relations that was held at Queen's University on November 9th, 2006.

Information on the matter

See presentation attached.

For decision

For information

Prepared by

Name: George C.B. Smith

Date: January, 2007

Management recommendation

N/A

Last discussed at the Board

Date: -

Decision made: -

Next steps

Anticipated project completion date: _____

(If contract, indicate date of expiry): _____

Strategic Negotiations: Perspectives from a Road Well-Travelled

Let me begin this afternoon's Don Wood lecture by telling you how honoured and pleased I am to be here. I'm honoured for several reasons. First and foremost, I am honoured to be contributing to the ongoing legacy of Don Wood who contributed so much to the Canadian industrial relations (IR) community during his lifetime.

I have fond personal memories of Don. For a period of ten years in the eighties and nineties, I came to Queen's at least twice a year to participate as a speaker in the Industrial Relations Seminar. Each time I was eagerly greeted by Don who had many questions and observations about events and personalities in the IR community. He sat through my day-long session every time and always had useful comments to make as my presentation evolved.

But equally important, and this is a significant part of Don's legacy which is continuing today, he connected me with others in the IR network and, especially for the students of those seminars, impressed upon them the importance of networking and exchange of ideas on the growth and prosperity of the "profession" of industrial relations.

Secondly, I am honoured to join the impressive list of lecturers who have preceded me, many of whom have certain fame in our profession. I am honoured to contribute to the dialogue, reflection and research necessary for ongoing learning. I am particularly honoured to be, I believe, the first management practitioner to join the list and I can assure you I will do my best to validate this decision and perhaps open the door for others like me who have chosen to practice IR from the management side of the table. And to that point, I think it is important that I believe those of us around the bargaining table are "actors" on this particular stage and as Bob White, former president of the Canadian Auto workers (CAW), once told me, "George, you could run my ratification meeting since many of the arguments I will be making are arguments that you gave me at the bargaining table". I think the real reason Bob told me this, however, was that he wanted to get into the executive suite and run my ratification meeting and I have no doubt he would have been good at it.

Introduction

I said it was a pleasure to be here this afternoon and that pleasure is derived from the opportunity to organize my thoughts and analyze my experience in the preparation of this lecture.

Since completing my studies, I have been involved in over one hundred negotiations involving both small and large bargaining units, in centralized and decentralized environments, in single and multi-employer and multi-union environments and for some of Canada's oldest, largest and most visible companies. I have signed settlements with double digit percentage wage increases, with wage freezes and under Wage and Price Controls and the Anti-Inflation Board (AIB). I have argued for the status quo and against

the status quo and after thirty-three years, I marvel at the collective bargaining process, its complexity, its democracy and its ultimate efficiency. I can honestly say I learn something from every negotiation and I see no end in sight for that learning.

I will have been successful this afternoon if I can share with you some of my learnings, if I can identify theory that my experiences tell me “works” in real life and if I can give some suggestions as to where the theory may need more research or refining.

Although I come at this topic with the obvious perspective (some would say bias) of a management negotiator, I believe the messages and lessons are valid for all negotiators, whether management or union. You also need to know that I am a strong believer in free collective bargaining and I believe in unions and the role they play in industry and society. All of the companies for whom I have worked have been highly unionized and I have always seen my challenge to be how to work with unions, not without them.

Finally, by way of introduction, I can reveal that I believe the theory of strategic negotiations works, with some caveats, and I will emphasize three critical success factors:

1. Organizational alignment
2. Managing interpersonal relations
3. Managing the complexities and intervening variables

If you can align your organization in support of a strategy, manage the interpersonal relations and manage the complexities of the process, you have a good chance at succeeding with strategic negotiations. But this is easier said than done as we will see.

I will be using negotiations from three of my employers to illustrate my points today and I will give you some general background as each presented its own particular challenge and each operated within the Canadian industrial relations system where the external environment ultimately affected collective bargaining and its outcomes (see Chart 1 of the Appendix).

At Air Canada between 1982 and 1992, we faced two major business challenges. The first was preparation for privatization and negotiating collective agreements which would pass cost-structure tests during the due diligence process. The second was adapting to technological change and negotiating agreements allowing for automated ticketing, manning aircraft to load and flying long-distance two-engine aircraft with two pilots instead of the traditional three pilots.

At Canadian Pacific Railway between 1992 and 1996, the business strategy was focused on the fact that future business growth was south of the 49th parallel and we needed to make infrastructure and operating changes to deal with this fundamental change in traffic flow from east and west to north and south. This meant, among other things, negotiating the end to lifetime employment security and negotiating short-line agreements.

At CBC/Radio-Canada between 1996 and 2006, we have had no increase in our permanent funding for over thirty years and in present-day dollars, we are operating with the same funding that we had in 1985. This has resulted in defensive bargaining, protecting employer rights and maintaining flexibility in our operations. Most recently

we negotiated a single, simplified collective agreement with the Canadian Media Guild (CMG) after a S-18 merger of the three bargaining units. In the economic environment of CBC/Radio-Canada it is not surprising that management saw the critical issues in that negotiation as being programming commitments, the right to contract out, demonstrated occupational qualifications, and the right to use temporary and contractual staff.

Let me begin with a quick review of the theory of strategic negotiations. Then I will test its application to these three business cases.

The Theoretical Foundation: What are Strategic Negotiations?

Two must-read texts for students of strategic negotiation are *Strategic Negotiations* by Walton, Cutcher-Gershenfeld and McKersie (1994) and *The Transformation of American Industrial Relations* by Kochan, Katz and McKersie (1986). But the definition of the strategic choice framework and strategic negotiation that I will use today comes from Chaykowski and Verma (1992):

1. Industrial relations decisions are made at three levels: business, collective bargaining and the workplace.
2. Effective strategies are those that act in concert at all three levels.
3. Parties face a number of alternate choices in adopting a suitable strategy.

Thus, strategic behaviour in industrial relations can be thought of in terms of decisions that are:

- a) designed to achieve a major goal;
- b) planned and executed from a high level in the organization;
- c) executed over a relatively long period of time; and
- d) likely to have a significant impact on the parties.

These authors talk about negotiating processes in support of strategic negotiations. They talk about win-win (integrative) bargaining and win-lose (distributive) bargaining which have real-life application.

But the processes which are most critical to a strategic negotiation are identified by Walton and McKersie (1965) as:

- shaping inter-group attitudes (relationships); and
- managing internal differences (intra-organizational bargaining)

In other words, what are the relationships between the parties and how do the parties negotiate within their party to organize, present and manage their respective agendas?

There are two key concepts which will be tested against our case studies.

1. The relationship between parties is dynamic and both influences and can be influenced by the negotiations. The behaviours of the parties at and around the bargaining table can and will influence the relationship.
2. The bargaining which occurs within the respective parties is as important to a negotiation as the bargaining between the parties (Freidman 1994 and Chart 2 of the Appendix).

Following my overview of the literature, I can say that the theory resonates with me as being extremely useful to the practice of strategic negotiation. Good theory and research can inform the practice of IR. Now let's test whether good practice can provide further fuel for research and theory.

The Practical Application

Key Success Factors

A) Achieving Organizational Alignment

George Adams (2003, 30) has observed:

These models, indeed all models, are too simplified to capture the complexity of negotiation behaviours and the demands that negotiation imposes on individuals, organizations and their agents. Most models, for example, assume that negotiations take place between two parties who are individuals or unitary decision-makers when, in fact, real-life negotiations are often much more complex.

This quote reinforces the need for alignment within the business if the strategic negotiation model is to be effectively applied.

From my experience, this alignment begins at the “top of the house”. The Board of Directors, the CEO and the senior management team must define the business strategy and then be involved in determining the IR strategy and the execution — in support of the business strategy. They must be committed. At Air Canada, the process of managing internal differences was aided by including senior line managers, who were “connected” to the business, in the bargaining teams.

Furthermore, a truly interdisciplinary committee acted as an IR Strategy Committee. This committee was regularly convened to be updated on issues and progress and to be implicated in contingencies arising from the negotiation. Much bargaining occurred between the various business interests around that table but differences were resolved in private and a united front presented at the bargaining table.

From a company point of view, and this was a feature at Air Canada (as well as CP Rail and CBC), we did extensive internal training for our negotiating teams sponsored by senior executives including negotiation simulation and role-playing which was adjudicated and observed by third parties including Dr. Bryan Downie from Queen's

University who was a mentor of mine and a former Director of the Industrial Relations Centre.

A particularly useful aspect of the training of negotiating teams were “testimonials” from line members of previous negotiating teams who could tell “war stories” and prepare their colleagues in some way for the intense experience they were about to undertake (I’ll come back to the surreal human experience which is negotiation shortly). We also had a practice of ensuring that at least one line member of every bargaining team had been on the previous bargaining team to provide both leadership and continuity. These line managers had important bargaining table responsibilities as well as liaison/communication responsibilities, leading phone-tree communications at least once a week during negotiations. These communication “trees” involved each line manager phoning five designated contacts, who in turn, each contacted five more designated contacts, etc.

The line managers were also featured in road-shows we conducted after negotiations concluded to fully explain changes made to the collective agreement and ensure uniform administration consistent with the intent and content of the agreements. These internal processes served to connect the IR decisions between the levels of the business leadership, the collective agreement and the workplace but inherent to the successful achievement of that objective was the fact that I, as chief negotiator, had a seat at the executive boardroom table (Friedman 1994).

Similarly, my experiences at CP Rail and CBC/Radio-Canada reinforce the importance of the organizational position of Human Resources/Industrial Relations (HR/IR) in successfully implementing strategic negotiations and achieving long-term objectives. However the organization chart is structured, the head of HR/IR must sit at the executive table, not only during negotiations, but for all critical business strategy discussions and decisions. He or she must have “street-cred” with other executives and the confidence of the CEO and Board. This is not easily achieved but is a constant at companies who are successful with a strategic negotiation approach.

To summarize, companies who are successful in strategic negotiations, identify their business strategy and connect it to their bargaining strategy and their workplaces. This requires total organizational commitment. Critical to this “commitment” is an HR/IR executive who has a seat at the table and who can operationalize strategy. Similarly, internal processes to “execute” the strategy at the bargaining table and support it throughout the organization are critical. I’ve identified some of the processes and practices which have been successful in achieving these objectives including:

- Bargaining teams with credible line managers as full time members;
- Training for bargaining teams including bargaining games and role-playing;
- Multi-disciplinary steering committees to help manage the inter-group attitudes and internal differences.

B) Managing the Interpersonal Aspect: The Human Element

Now to return to the personal intensity and emotionality of the negotiation process itself. It is my contention, and remember that I speak from the perspective of large national

negotiations, that companies who successfully negotiate strategically have found a way to manage the “human element” and make no mistake about it, collective bargaining is very, very human.

CP Rail – CAW negotiations had become very intense and public in 1994. After a particularly “active” debate on CBC’s *National* one evening, my seven-year old daughter observed “you and Buzz are fighting ... why don’t you give him some jelly beans?” This story eventually appeared in *The Globe and Mail* and while it did not resolve the issues in the negotiations, it had the effect of “humanizing” the negotiations. Once a settlement was achieved, a picture of Kaitlin giving jelly beans to Buzz Hargrove appeared on the front page of both the CP Rail and CAW newsletters. To this day, Buzz uses this story to emphasize that you have to “give a little to get a little” and he teases me that my youngest daughter knows more about bargaining than I do.

Much like the jelly bean negotiation, each set of negotiations takes on a life of its own and creates personal and professional challenges for negotiating team members on both sides of the table. During my career, I have been with chief negotiators from management and labour who have broken down in tears, I have seen mature adults playing kids games to relieve the stress, I have watched people gain twenty pounds and others lose twenty pounds, and I have witnessed people from both sides of the table who end up with a form of post-traumatic stress syndrome. Unless you have been there, it really is hard to explain.

To put it in context, Captain Dave Robinson, who was the Air Canada pilot who was held hostage by a hijacker wielding a fire-axe at the San Francisco airport on November 6, 1987 once told me that the stress and strain he had managed during pilot negotiations at Air Canada prepared him to the point that he was calm with the hijacker and he even used some bargaining table tactics of questioning and deflecting during that hijacking experience. For example, early in the incident, Captain Robinson realized he needed to buy time in order for security forces to react to the situation. When the hijacker, who was holding the axe with both hands, asked Dave to reach in his pocket to find his cigarettes and light one for him, Dave responded by asking “Why do you smoke?”. A fifteen minute debate ensued led by Captain Robinson, who was an avid non-smoker, which bought the time necessary to lead to an ultimately successful intervention by security forces.

So where is the lesson here? Well, I think both sides to negotiation can benefit from training and education relative to the stresses and strains of the process itself. Participating in team-building, stress relief and plain understanding of the human condition are prerequisites for team membership and especially team leadership. And the ability to manage personalities and emotions is a key skill for chief negotiators (Friedman 1994, Chapter 4; Walton, Cutcher-Gershenfeld and McKersie 1994, Chapters 3 and 11).

The process of shaping inter-group attitudes touches on the detrimental impact that “demonizing” the other party (planned or otherwise) may have on negotiations and no where is the management of this process more important than at the level of the bargaining teams. Uncontrolled, and taken to their extreme, negative inter-group attitudes can affect not only individual items in the negotiation but the negotiation itself and, beyond that, the relationship (perhaps for many years). So there is a real skill

required of chief negotiators, not only with their own teams, but with their constituents to promote teamwork relative to the achievement of their team's goals rather than at the expense of the other party. This is where the art and science of negotiation come together. It's not a job that everyone can do.

Air Canada pilot negotiations and CP Rail engineer negotiations were the most successful examples of positively managing inter-group behaviour in my experience due at least in part to the fact that there were pilots (or engineers) on both sides of the table that helped keep the "group think" or demonization to a minimum. In addition, in the case of the pilots, there were joint stress relief activities such as squash where I would play the chief-negotiator of the pilots "for total control of the bargaining table tomorrow". I can tell you, those were really intense games! While this may not be possible for all bargaining teams, the choice of team members and their training must be emphasized and the possibility of promoting non-confrontational interactions between the parties considered.

Another successful example of managing the human element is evident at Radio-Canada. As a result of the toll that successive rounds of conflict-oriented bargaining had caused on the business, the employees and the negotiators, there was a joint impetus to change the status quo by Radio-Canada and Syndicat des technicien(ne)s et artisan(e)s du réseau français de Radio-Canada (STARF) which is our technicians union. Joint training has been used and three successful negotiations have been completed using "négociations raisonnées" (interest-based bargaining or IBB) (Weiss 1996).

This group has jointly redefined the negotiation process to emphasize respect and a problem-solving approach, with considerable effort on each side, and is committed to the new status quo. But make no mistake about it, it is hard work.

The movie "Final Offer" featuring Bob White and the sequel involving Buzz Hargrove and Bombardier negotiations gave some "inside view" of the human aspects and challenges of collective bargaining. I can only say that we need more of these "inside views" and analysis of these complex human interactions, in spite of issues of privacy and confidentiality which are obvious. These movies also illustrate the use of, and absolute need for, humour during this intense process.

To summarize, successfully managing interpersonal relations between the parties to a negotiation as well as among the parties to a negotiation will increase the chances of success. Among approaches you can consider:

- Set objectives relative to the relationship;
- Training and education relative to stress-management especially for chief negotiators, including pre-negotiation medicals;
- Team-building, possibly in the context of bargaining simulations;
- Using emotional intelligence as a competency in choosing negotiating team members; and
- Using and promoting interactions between the parties in non-bargaining environments or consider non-traditional approaches such as IBB/négociations raisonnées.

C) **Managing the Complexities**

In a perfect world, some of the guidelines I have already suggested would be embraced by professionals who are well-versed in the latest theory and research and we would have rational negotiation with rational outcomes not involving conflict. But it is not a perfect world.

As former Justice George Adams, a superb practitioner of dispute resolution, observed in the section of his book on Criticism of Interest-Based Bargaining: “The theory may draw too heavily on the principles of organizational development where the relationships are voluntary, the parties are genuinely united around common goals and the parties work from shared informational bases. This is not the bargaining world” (Adams 2003, 55).

So another hiccup in the practical application of theory comes from the fundamentally adversarial nature of the bargaining process. It is a jungle out there with strongly motivated parties, sometimes with deep notions of entitlement and often wanting to get as much as the other party is willing to give them of an often finite resource (Adams 2003, 53). There is no magic formula and interests often are in conflict and not in common. In this adversarial world, power and perceptions of power are real elements affecting the negotiations and because of the dynamic nature of negotiations, these perceptions and realities may change significantly during the negotiation (Walton, Cutcher-Gershenfeld and McKersie 1994, 56; Chaykowski and Verma 1992, Chapter 9).

At the level of managing inter-group attitudes and managing internal differences, the threat or reality of conflict creates magnified pressure and, once again, the emphasis on execution of the strategy is critical. Discussing the possibility of a strike with an executive committee six months before a strike deadline is much different than the same discussion six days before.

At the interpersonal level, and because the stakes are so high, this can translate into, at best, a high level of tension between negotiators and negotiating teams and at worst, threats of physical violence or psychological harassment of company officials and/or negotiators (and I know union officials have a whole set of pressures themselves). Managing these events is guided more by experience and the “school of hard knocks” than research and education. I would suggest that despite the hope that we can all “get to yes”, sometimes focusing on the ugly business of “getting past no” and the exercising of bargaining power is critical to resolving disputes and should be the subject of more research like Dr. Downie’s paper (Downie 1991).

In effect, what I am saying is that conflict is part of negotiation and focusing research and analysis on negotiations that result in conflict is as important as those negotiations concluded without conflict. I would also observe that it is during conflict situations that the long term benefit of the bargaining objective will be examined and re-examined. It is at this time that changes in the context of the negotiations as a result of the time which may have expired since the conception of the strategy becomes an influencing factor in the negotiations.

In the case of Air Canada /International Association of Machinists and Aerospace Workers (IAMAW) negotiations, a tentative agreement was rejected after months of

bargaining because of an intervening settlement in the automobile industry where the CAW had achieved a pension indexation in a very public negotiation with Chrysler. IAMAW members decided to add this to the mandate for their negotiators which completely recast the negotiations. More recently, at CBC, because the negotiations occurred over a 16-month period and as a result of a change in Ministers, eight new Board members were added and had to be completely briefed and brought on side when an approved strategy had been in the execution stage for almost a year.

It goes without saying that a business merger, a bankruptcy or a major economic event (i.e., a significant drop in interest rates affecting the solvency of a pension fund) can have an immediate and profound effect on plans and strategies which did not predict these changes. These events can be disruptive at the best of times but are particularly disruptive during the negotiation process. Pilot negotiations at Air Canada in the 1980s were significantly side-tracked for an extended period as the parties tried to cope with an emerging connector strategy to serve smaller centres with aircraft operated by non-Air Canada pilots.

The simple answer would be to begin and conclude negotiations in a very time-constrained and deadline-driven environment. This may not be possible given the complex issues and the need for joint agreement to this approach.

There are two other complexities I have experienced. The first is the unique role of government, particularly at the federal level, in the negotiation process in Canada. The government not only administers the law, it is itself an employer and has political interest in negotiations.

There is a formal legal role through the conciliation process which is mandatory in Canada. Suffice it to say that given the adversarial nature of negotiations, professional third-party assistance can and will help the parties achieve settlements. I have had many positive experiences with the Federal Mediation and Conciliation Service (FMCS) department including interventions by two of the people in attendance today, Warren Edmondson and Michael McDermott, both former Assistant Deputy Ministers in charge of FMCS.

However, sometimes this third-party role can be complicated by the fact that the government itself is a very large and highly-unionized employer. A recent settlement or dispute involving Treasury Board and one of its unions at the very least will cast a shadow on federal bargaining tables, if not affecting them directly. But the real issue is the potential politicization of negotiations. The Federal Mediation and Conciliation Service department reports through to the Minister of Labour who has a relatively low profile in cabinet unless there is a major dispute on the horizon. But when it is obvious that a conflict may occur affecting the economy or the citizens of Canada the profile of the Minister becomes very high.

There is no other way to say it, the government effectively has a seat at the bargaining table which it may not be qualified to occupy from an industrial relations point of view. I've worked with nineteen Ministers of Labour in the last 30 years and as you would expect, some were better than others. Whatever their skills and understanding relative to

IR, they represent a wild card at the bargaining table starting from the reality that the Minister simply wants a settlement and is less concerned by the cost/price to either party.

However, since the Canadian government does have a history of imposing back-to-work legislation, the threat/reality of this may develop as a best alternative to a negotiated settlement (BATNA) and affect negotiations between the parties, especially if one (or both) of the parties prefers this resolution to their problem (Thompson 2001, 11 and 138; Adams 2003, 32).

Air Canada had never been legislated back to work but as Christmas 1987 approached and as the IAMAW strike moved into its third week, there began to be a real threat of this, if only so parliamentarians could get home for the holiday break. The company preferred a negotiated settlement for many reasons and it was only as a result of an offer based on a conciliation commissioner's report and the fact that mediator Bill Kelly was able to influence the Minister (and the Cabinet) that an agreement was eventually achieved on December 16th, 1987 without intervention.

Last year, during the CBC-CMG dispute, the Minister of Labour intervened in the negotiations by calling the parties to Ottawa and creating a "lock-in" situation for the negotiating teams. Although this eventually resulted in a negotiated settlement, the remarks of the Minister supporting the union bargaining position on part-time employment had the effect of complicating an already complex set of negotiations. The fact that the government was close to calling an election and the Minister would soon be campaigning further complicated the equation. Politics were definitely a factor. From my Canadian experience, the government is a player in the strategic negotiation game and thus there is an opportunity for research and public debate.

Finally, I must comment on the role of the union in the strategic negotiation process. While I pretend in no way to speak for the labour movement, I do have some observations relative to the difficulty of the role labour leaders must play, particularly in negotiations where employer-driven change is the agenda.

I acknowledge and respect the democracy of negotiations and managing this democracy is certainly required more of union leaders than of their management counterparts. They are similarly challenged by the proliferation of legislation protecting individual rights which, while having its own virtues, intersects with some fundamental principles of collective rights and collective bargaining. What I am saying is that it is more and more difficult to be a union leader and more than ever, strong leadership is required at all levels of the union movement.

To summarize, managing the complexities may be the most difficult success factor to manage. Some suggestions include:

- Preparation, preparation and more preparation. This can include detailed scenario planning which takes into consideration a complete range of potential issues impacting the negotiation and assigns a risk to them as well as identifying a range of responses; detailed research of the internal/external IR environment so that there are as few "surprises" as possible; and, analysis and understanding of the situation of the government of the day and how your negotiation may become a

“political” issue. I used to say that preparation should begin six months before an expiry date but with today’s complexities, I suggest 12 months.

- Recognition of the fundamentally adversarial nature of negotiations and examination of a complete range of opportunities to manage real or potential conflict including preventative mediation; pre-negotiation meetings; relationship by objectives; and, post-incident reviews.

Summary and Conclusions

In summary, the general theory of strategic negotiation does work in practice and I can say that I have applied the concepts outlined in the literature during the many strategic negotiations in which I have participated as a management actor. These negotiations have included every type of difficult issue from complex wage and benefit packages to tough operational issues relating to staffing, automation and technological change, contracting-out, and employment security.

In all of these cases, the accepted premise was that we had to negotiate with the union and achieve a freely negotiated agreement respecting the “rules of the game” outlined in the Canada Labour Code. But the strategic negotiation model outlined neatly in texts was not applied easily. It was messy and complex. Unfortunately, while the huge majority of negotiations during my career have resulted in settlements without conflict, several high profile (and arguably high stakes) negotiations have resulted in conflict in the form of a strike or lockout. In all cases, the conflicts were resolved and the relationships have continued. In none of the cases was the union “beaten” and most often, the union claimed victory when a settlement was achieved.

In all cases, both distributive and integrative bargaining strategies were used, even when the parties were formally implementing an interest-based bargaining approach (Weiss and Bedard 2000; Adams 2003, 55). In many cases, there were significantly more parties influencing or trying to influence the negotiations than there were at the bargaining table including advertisers, customers, suppliers and sub-contractors, other unions, politicians, conciliators, and communities to name a few. Then there were the internal negotiations between operations, finance, marketing, customer service, legal services, communications, and human resources all subject to input from the CEO and the Board of Directors.

Add to this the complexity of formal across-the-table negotiations combined with informal backstage negotiations and the odd “end-run” where a party tries to go over the head of a negotiator and you start to get the idea just how complicated this can get. Add the fact that while the models assume some level of rational thought and analysis by the parties in and around the negotiations, the fact is that notions of rationality and fairness are relative and subjective and may be reinforced by large amounts of adrenaline and self-serving interests as well as processes reinforcing certain inter-group attitudes, including framing (Lewicki, Saunders, Minton and Barry 2004, 30-41) themselves and their issues in a positive light, and you realize it is not only complicated but verging on impossible and certainly far from a rational business process.

Finally, add the fact that with the time it takes for large scale negotiations, there may be any number of unpredicted intervening variables affecting either or both parties and you realize that there truly is a measure of good luck as well as good management to succeed in a strategic negotiation no matter how well it is planned and executed.

Walton, Cutcher-Gershenfeld and McKersie (1994, 59) have stated it as follows:

Thus, negotiators seeking fundamental changes in social and substantive contracts may make broad strategic choices and select from a range of tactics. . . . However, because of the multitude of potential misperceptions, changing expectations, self-reinforcing dynamics, and formidable dilemmas, both choices and final outcomes are indeterminate.

I have offered some suggestions to create organizational alignment, to manage the interpersonal aspects of negotiation and to manage the complexities surrounding large-scale labour negotiations so that your results will be more determinate. I also believe that research directed toward the further understanding of managing conflict when it occurs, the current and future role of government as a “player” in strategic negotiations, and the management of the multiple parties influencing/attempting to influence strategic negotiations can contribute to improvement of the theory. As I conclude, I am also convinced more than ever that focussing on the professionals on both sides of the table, their education, training and experience is critical to the success of strategic negotiation.

We must ensure that practitioners not only have exposure to the theory but that they have opportunity for real-life experience to apply the theory. Exposure for business students means core IR courses in undergraduate and MBA programs. This is not a current practice at major Canadian business schools but should be re-considered based on my experiences.

From an experience point of view, all parties – unions, management and government – could benefit from a program such as the Student Training in Industrial Relations (STIR) program sponsored by the Ontario Government in the 1970s. To this extent, I was pleased to hear from Elizabeth McPherson, Director General of the Federal Mediation and Conciliation Service (FMCS) that the Minister of Labour would be sponsoring five candidates for internships which will involve exposure to a company, a union, FMCS and the Canadian Industrial Relations Board over a two-year period. We need more similar programs.

We must also find a way for management and union negotiators to build their skills and share their successes and failures in non-threatening circumstances if the profession is to truly advance. In this work-a-day world, we have reduced the informal interactions where the actors are more “just people” and their roles can be recognized and respected as separate from their humanity. The parties have a responsibility to address this. Government and academia also certainly have roles to play in creating these opportunities for information exchange and reflection. What we are doing here today in part fulfills this objective.

In the words of George Adams, “Negotiators ... can improve their settlements by understanding the mixed nature of all negotiations, by being sensitive to the barriers to agreement and by committing to the adoption of best practices” (Adams 2003, 57).

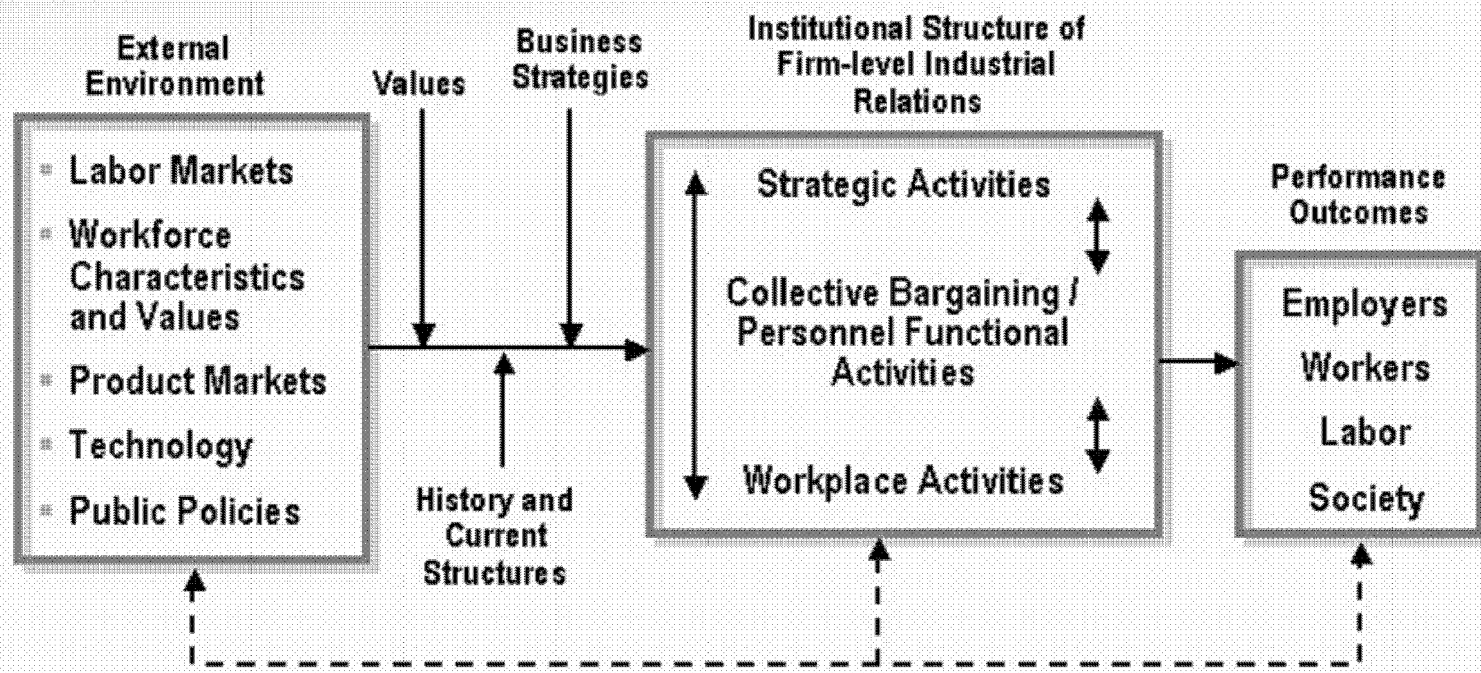
Finally, all of us, no matter what our role, have the responsibility to promote the profession, to share our experiences, to mentor and coach, to demystify the art of negotiation and promote the science, to encourage life-long learning and a network that supports this. As I say these words I like to think of Don Wood sitting in that big comfortable chair at the Donald Gordon Centre nodding in agreement, so this brings me full circle.

Two of the great goals to which Don devoted the IRC and his entire career – the professionalization of Canadian IR and furthering understanding of IR processes through research and education – are most effective ways in which all of the parties involved can succeed in this complex and fascinating world of strategic negotiation.

Thank you for your kind attention to my remarks today.

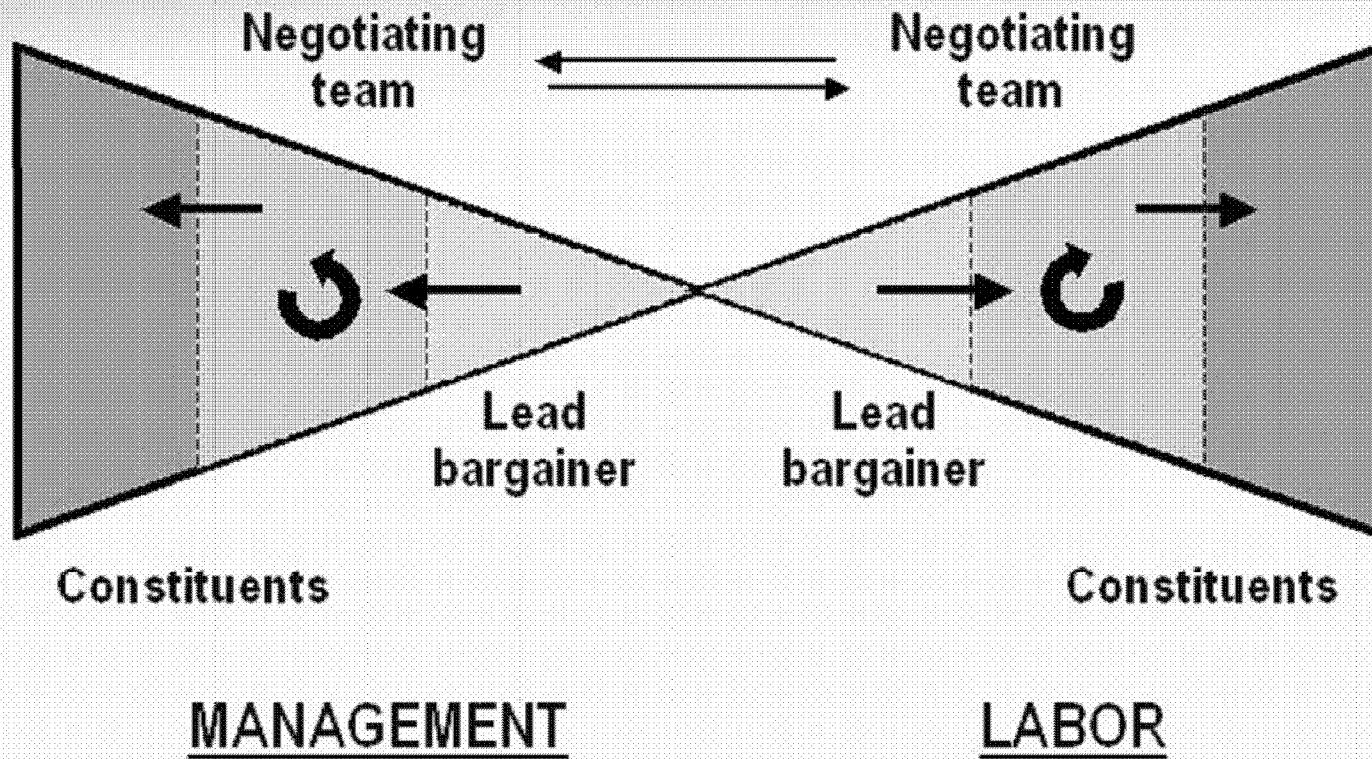
APPENDIX

Chart 1 - General Framework for Analyzing Industrial Relations Issues



Source: Kochan, Katz and McKersie (1986: 11)

Chart 2 - Audience Structure for Main-Table Negotiations



Source: Friedman (1994: 86)

Sources

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Board of Directors

January 24, 2007

Subject matter

Litigation Report

Background

Semi-annual Law Department report on most significant files.

Information on the matter

See attached.

For decision

For information

Prepared by

Name: Pierre Nollet
Date: December 31st, 2006

Management recommendation

N/A

Last discussed at the Board

Date: June 20, 2006
Decision made: N/A

Next steps

update as necessary.

**Pages 1035 to / à 1037
are withheld pursuant to section
sont retenues en vertu de l'article**

23

**of the Access to Information Act
de la Loi de l'accès à l'information**

Board of Directors

January 24, 2007

Subject matter

President and CEO's Signing Authority

Background

In 2004, the Board approved the attached signing authority.

Information on the matter

At the request of new Board members, we are attaching, as a standing item, the actual signing resolution for reference purposes.

For decision

For information

Prepared by

Name: Pierre Nollet

Date: January 3, 2007

Management recommendation

Last discussed at the Board

Next steps

PRESIDENT'S SIGNING AUTHORITY RESOLUTION

On a motion duly moved and seconded

WHEREAS the President and CEO requires sufficient authority to carry out his/her functions; and

WHEREAS the Board reviews and approves the Capital and Operating budgets each and every year; and

WHEREAS the authority granted to the President and CEO shall be carried out within the limits of the approved budgets, the Corporation's By-laws and the Broadcasting Act;

IT IS THEREFORE RESOLVED THAT the President and CEO directly or through his/her delegate be and is hereby authorized to decide, enter into or commit on behalf of the Corporation for:

1. *(acquisition or disposition of real property)* any matters which have a financial value or consideration to the Corporation of less than \$4 million, when covered by Section 48(2) of the Broadcasting Act;
2. *(leasing of real property)* any matters which have a financial value or consideration to the Corporation of up to \$15 million, when covered by Section 48(2) (b) of the Broadcasting Act and Order in Council number P.C. 2002-1582 and dated September 24, 2002;
3. *(programming)* any matter relating to the acquisition, production co-production of financing of programs and has a financial value or consideration to the Corporation of up to \$10 million and commits the Corporation to a period of 4 years or less;
4. *(revenue generating)* any matter where the main objective is to generate revenues which has a financial value or consideration to the Corporation of up to \$15 million and commits the Corporation to a period of 4 years or less; provided that advertising contracts shall follow the general rules below;
5. *(general)* any other matters which have a financial value or consideration to the Corporation of up to \$5 million save and except when Governor in Council approval or Minister of Finance approval is required, pursuant to Section 46 and 46.1 of the Broadcasting Act.

The above authority does not include the power to agree to or enter into new business ventures on behalf of the Corporation

PRESIDENT'S SIGNING AUTHORITY RESOLUTION

IT IS FURTHER RESOLVED THAT the President directly or through his/her delegate be and is empowered and directed, in the name and on behalf of the CBC, to make, execute and deliver and to do all such acts and things as are necessary or appropriate to effect the foregoing resolution and to execute all agreements, undertakings, documents, instruments or certificates in the name and on behalf of the CBC in connection with the authority contemplated in the foregoing resolution and any acts or things heretofore done or made or documents heretofore executed and delivered which effect the foregoing resolution are in all respect approved, ratified and confirmed.

Board of Directors

January 24, 2007

Subject matter**REPORT ON PRIVACY****Background**

CBC/Radio-Canada became subject to the *Personal Information Protection and Electronic Documents Act (PIPEDA)* in 2001. Since then, CBC/Radio-Canada has adopted a Privacy Policy and implemented a number of measures to comply with the requirements of the legislation.

Information on the matter

A report on the operations of the CBC/Radio-Canada Privacy Office for the period December 2005 – December 2006 is attached.

For decision**For information****Prepared by**

Name: Pierre Nollet
Date: January 5, 2007

Management recommendation

N/A

Last discussed at the Board

Date: January 2006
Decision made: Privacy Report was submitted for information

Next steps

Report on Privacy

This is a report on the operations of the CBC/Radio-Canada Privacy Office for the period from December 2005 to December 2006.

CBC/Radio-Canada has been subject to the privacy provisions of the *Personal Information Protection and Electronic Documents Act (PIPEDA)* since January 1, 2001 when the legislation was proclaimed in force.

With the passage of the *Federal Accountability Act* in December 2006, CBC/Radio-Canada will, once the *Act* is proclaimed in force, become subject to the *Privacy Act*. Because of the unique nature of CBC/Radio-Canada's core business, it will continue, under the *Privacy Act*, to benefit from a general exemption for personal information that is collected, used or disclosed for journalistic, artistic and literary purposes and not for any other purpose. This means that the legislation applies only to CBC/Radio-Canada employee personal information and to personal information gathered in the course of corollary activities such as communications and marketing activities.

CBC/Radio-Canada Privacy Policy

CBC/Radio-Canada's Privacy Policy closely mirrors the legislation (*PIPEDA*), and is supported by Privacy standards and an employee manual developed to facilitate the proper use of personal information within the Corporation. The Privacy Policy and related materials will be reviewed early in 2007 to determine whether they require any adjustment to conform to the provisions of the *Privacy Act*.

The Privacy Office

The Corporate Secretariat is responsible for overseeing compliance with the legislation, for initiating procedures and guidelines to assist with compliance, and for responding to complaints and inquiries about privacy matters.

The Vice President, General Counsel and Corporate Secretary is the individual accountable for compliance through the CBC /Radio-Canada Privacy Coordinator. A centralized process for access requests, complaints, and inquiries has been established in the Privacy Office to facilitate adherence to a consistent process.

Requests for Personal Information

CBC/Radio-Canada has received a number of requests for personal information since Privacy legislation was introduced. The chart below sets out the requests and related information:

Requests for Personal Information received by CBC Privacy Office

	2001	2002	2003	2004	2005	2006
Requests Received	3	9	6	5	33	5
Completed within 30 Days	0	3	0	1	3	3
Extensions Required	3	6	6	4	30*	2
Complaints made to Privacy Commissioner	0	1	2	0	0	0
Disposition by Privacy Commissioner	n/a	Note 1	Note 2	n/a	n/a	n/a

* The Privacy Office did not receive these requests from Human Resources until just as them
 s.21(1)(b)

Note 1 Not well founded

Note 2 1 well founded on delay, not well founded on substance
 1 resolved

Complaints and Inquiries

Statistical information about complaints and inquiries received by the Privacy Office is set out in the chart below:

Complaints and Inquiries received by CBC Privacy Office

	2001	2002	2003	2004	2005	2006
Complaints/Inquiries Received	10	0	3	2	1	8
Resolved by CBC	10	0	2	1	1	8
Complaints made to Privacy Commissioner after being submitted to CBC	1	0	1	0	0	0
Complaints made directly to the Privacy Commissioner	1	0	0	1	0	1
Disposition by Privacy Commissioner	Note 1	n/a	Note 2	Note 3	n/a	Note 4

Note 1 1 well founded and resolved: CBC was unaware its computers were collecting information from external personnel; this feature has been discontinued
 1 unfounded: information exempt from legislation

Note 2 Unfounded: the information, if it existed, was exempt from privacy legislation, and Information did not exist.

Note 3 Privacy Commissioner requested information from CBC Privacy Office but did not make any finding.

Note 4 Matter resolved by CBC Privacy Office, file subsequently re-opened by complainant and the matter is still pending

As *PIPEDA* currently exempts essentially all programming records, the Privacy Office's responsibilities do not extend to programming functions and the record keeping of journalists. In an effort to foster better public relations, however, the CBC/Radio-Canada Privacy Office has assisted in the resolution of complaints made about programming.

Privacy Website

The Privacy Office maintains an internal website with information about the CBC/Radio-Canada Privacy Policy, a users manual for employees, a summary of exemptions, and contact information.

CBC/Radio-Canada's Privacy Practices

Application of PIPEDA

The departments within CBC/Radio-Canada primarily affected by privacy legislation are those dealing with employee personal information. To a limited extent, some operational departments that do not benefit from the exemption available for personal information gathered for journalistic, artistic or literary purposes, are also affected. Examples of such operational departments are Marketing and Communications as they may collect personal information from the public.

CBC/Radio-Canada Privacy Office

The Privacy Office conducts periodic surveys and provides additional training as necessary. Surveys conducted by the Privacy Office in Human Resources, Finance and the Shared Services Organization indicate that there is a significant level of awareness of privacy responsibilities.

CBC/Radio-Canada IT systems

CBC/Radio-Canada also has built into its IT programs significant protection for personal information by the use of controlled access to personal information on a "need-to-know" basis. The Corporation has also instituted processes to verify the identity of any employee seeking personal information. HR@myfingertips allows only the employee, whose identity must be verified, to view or alter personal information in his or her own file.

Protection for CBC/Radio-Canada IT Systems

CBC/Radio-Canada has well developed IT network protection, employing two levels of firewall, one for the public web sites that must be accessed by the public at large and a second, more secure firewall, to protect internal networks. The use of authentication devices for access to the network, and periodic testing of network security provide further assurance of IT network protection at CBC/Radio-Canada.

CBC/Radio-Canada is committed to monitoring and wherever possible, implementing best practices for IT security to maintain optimal service with appropriate protection.

Protection of Personal Information in the Financial Software System

Over that past year steps have been taken to introduce greater protection of personal information within SAP, CBC/Radio-Canada's financial software system and related systems such as LiveLink. In addition to reducing the number of employees having access to the personal information in these systems, the further step of masking the social insurance number for contract employees has been added to provide more protection.

Further Steps

CBC/Radio-Canada plans to develop guidelines for the treatment of CBC/Radio-Canada information transported outside the office. Although informal guidelines are available on the internal Privacy Office website, and there is generally a good level of awareness regarding the necessity of protecting personal information within CBC/Radio-Canada, the introduction of formal guidelines for working outside the office is recommended to reinforce good privacy practices.

Conclusion

CBC/Radio-Canada has taken a number of steps to promote an environment that respects and protects privacy and personal information. While best practices continue to evolve as experience is gained, CBC/Radio-Canada has implemented good privacy practices and will monitor their effectiveness and introduce enhancements as necessary.

**Pages 1047 to / à 1052
are withheld pursuant to section
sont retenues en vertu de l'article**

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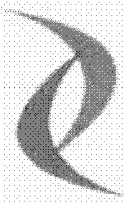
**of the Access to Information Act
de la Loi de l'accès à l'information**

**Pages 1053 to / à 1064
are withheld pursuant to section
sont retenues en vertu de l'article**

68.1

**of the Access to Information Act
de la Loi de l'accès à l'information**

*distributed
at
board meeting
January 21, 2007*



PERFORMANCE EXCELLENCE

Revenue Update for the Audit Committee

Media Sales & Marketing
January 2007



s.68.1

**Pages 1066 to / à 1071
are withheld pursuant to section
sont retenues en vertu de l'article**

68.1

**of the Access to Information Act
de la Loi de l'accès à l'information**

**Pages 1072 to / à 1083
are withheld pursuant to section
sont retenues en vertu de l'article**

68.1

**of the Access to Information Act
de la Loi de l'accès à l'information**

Board of Directors

January 24, 2007

Subject matter**APPOINTMENT OF CHAIRS AND MEMBERS OF BOARD COMMITTEES****Background**

Pursuant to the Board's current governance practices, the Chairs and members of Committees are appointed by the Board to hold office from the date of their appointment until the next annual meeting of the Corporation (held in June of each year). Accordingly, each year in June, the Chairs and members of Committees are appointed by the Board for the following year. Changes in the composition of Committees may also occur at other times during the year, depending upon various factors, including changes in the overall Board composition.

Information on the matter

When new Board members are appointed, the composition of Board Committees will be reviewed to ensure that Board members are assigned to Committees for optimal results and appropriate balance, having regard to Board members' skills and experience. As a result of recent changes in the Board, certain changes to committee membership are recommended as shown on the attached list.

For decision

For information

Name: Pierre Nollet
date: January 3, 2007

Recommendation

IT IS RESOLVED THAT, on the recommendation of the Acting Chair, President & CEO, the Board of Directors hereby approves the Members and Chairs of Board Committees as presented to serve until the next annual meeting of the Corporation (June 2007) or until a review of Committee membership is conducted, whichever is sooner.

Last discussed at the Board

Date: June 2006
Decision made: Approved as submitted.

Next steps

Circulate new Committee membership list

**CURRENT COMMITTEE MEMBERSHIP
MEMBRES ACTUELS DES COMITÉS**

**Audit Committee
Comité de vérification**

Hélène Fortin	Chair / Présidente
Johanne Brunet	
Bernd Christmas	
K. (Rai) Sahi	

**Standing Committees on English and French Language Broadcasting
Comités permanents sur la radiodiffusion de langue française et de langue anglaise**

Robert Rabinovitch	Acting Chair, President & CEO
Johanne Brunet	
Bernd Christmas	
Hélène Fortin	
Yasmin Jivraj	
Peter Herndorf	
Nezhat Khosrowshahi	
Edna Turpin	
Trina McQueen	
K. (Rai) Sahi	

CURRENT COMMITTEE MEMBERSHIP
MEMBRES ACTUELS DES COMITÉS

Human Resources and Compensation Committee
Comité des ressources humaines et de la rémunération

Edna Turpin	Chair / Président
Robert Rabinovitch	
Nezhat Khosrowshahi	
Trina McQueen	

Nominating and Governance Committee
Comité des nominations et de la gouvernance

Peter Herndorf	Chair / Président
Yasmin Jivraj	
Nezhat Khosrowshahi	
K. (Rai) Sahi	

Special Committee on Public Support
Comité spécial sur l'appui du public

Johanne Brunet	Chair / Présidente
Peter Herndorf	
Trina McQueen	

Pension Board of Trustees
Conseil de fiducie de la Caisse de retraite

Hélène Fortin	Chair / Présidente
Bernd Christmas	

Conseil d'administration

24 janvier 2007

Sujet**NOMINATION DES PRÉSIDENTS ET DES MEMBRES DES COMITÉS DU CONSEIL****Contexte**

Conformément aux pratiques actuelles du Conseil en matière de gouvernance, les présidents et les membres des comités sont nommés par le Conseil et leur mandat à ce titre s'étend de la date de leur nomination jusqu'à la prochaine assemblée annuelle de la Société (qui a lieu en juin de chaque année). C'est pourquoi, en juin de chaque année, les présidents et les membres des comités sont nommés par le Conseil pour l'année qui vient. Des modifications à la composition des comités peuvent aussi être apportées à d'autres moments dans le courant de l'année, en raison de divers facteurs, dont des changements dans la composition d'ensemble du Conseil.

Renseignements connexes

Lorsque de nouveaux membres du Conseil seront nommés, on reverra la composition des comités du Conseil pour s'assurer que l'affectation des membres du Conseil aux divers comités favorise des résultats optimaux et un équilibre approprié, compte tenu de l'expérience et des compétences des membres du Conseil. Étant donné les récents changements qui touchent le Conseil, il est recommandé de modifier la composition des comités comme l'indique la liste en annexe.

Décision à prendre

À titre d'information

Nom : Pierre Nollet
Date : 3 janvier 2007

Recommandation

IL EST RÉSOLU QUE, sur la recommandation du président du Conseil par intérim et président-directeur général, le Conseil d'administration confirme aux présentes les fonctions des membres et des présidents actuels des comités du Conseil, conformément au document présenté, jusqu'à la prochaine assemblée annuelle de la Société en juin 2007 ou jusqu'à ce qu'un examen de la composition des comités soit effectué, selon la première des deux éventualités.

Dernière discussion au Conseil

Date : Juin 2006
Décision prise : Approuvé conformément au document présenté.

Suivi

Faire circuler la nouvelle liste des membres des comités du Conseil.

Board of Directors

(January 23-24, 2007)

Subject matter**CBC/Radio-Canada's Corporate Plan 2007-2008 to 2011-2012****Background**

CBC/Radio-Canada must, under section 54 of the Broadcasting Act, file a Corporate Plan with the Minister of Canadian Heritage to lay out the priorities of the Corporation for the next five years. While the Corporate Plan, including its various appendices, is subject to a limited distribution within Government, it provides the means by which CBC/Radio-Canada's capital budget is approved by Treasury Board. A summary of the Plan is later tabled in the House of Commons.

This Corporate Plan reflects the discussion of strategic directions that took place at the September and November 2006 Board of Directors meetings. While last years Plan introduced performance measures and targets, this years Plan includes data for two corporate performance measures and reports 2006-2007 media performance against their 2006-2007 targets.

The President's message sets the tone by insisting on the need for regular mandate reviews and for adequate funding to support the scope of our activities.

Information on the matter

Corporate Plan is attached.

For decision**For information****Prepared by****Name:** Michel Tremblay/ Research and Strategic Analysis, Media, Finance and Capital Planning**Date:** January 11, 2007**Management recommendation**

Approval of Corporate Plan

Last discussed at the Board**Date:** January 25, 2006**Decision made:** Approval of Corporate Plan for 2006-07 to 2010-11**Next steps**

1. File the Corporate Plan with the Minister of Canadian Heritage in January 2007
2. The summary of the Corporate Plan will be submitted in Spring 2007.

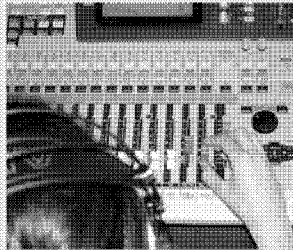
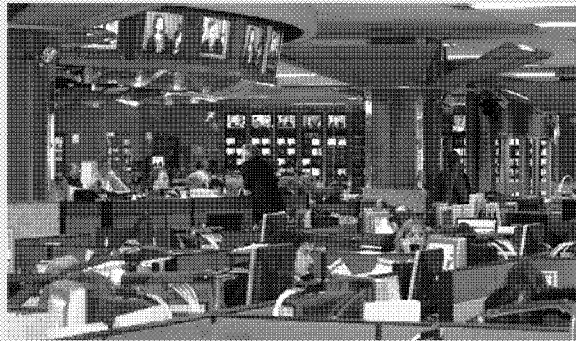
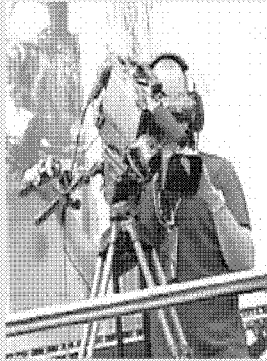
Anticipated project completion date: _____**(If contract, indicate date of expiry):** _____

DRAFT



CBC/Radio-Canada CORPORATE PLAN

2007-2008 to 2011-2012



**Presented to the Minister of Canadian Heritage
January 2007**

**Pages 1090 to / à 1178
are withheld pursuant to sections
sont retenues en vertu des articles**

18(a), 18(b)

**of the Access to Information Act
de la Loi de l'accès à l'information**

Board of Directors
January 23, 2007

Subject matter

Background

Information on the matter

For decision



For information



Prepared by

Name: Michel Tremblay and Eva Czigler
Date: January 8th, 2007

Management recommendation

Last discussed at the Board

Date: January 2006 – Public Support Committee of the Board and the full Board of Directors
Decision made: The Board was supportive of

Next steps

Subject to Board approval:

- CBC/Radio-Canada to provide necessary support to facilitate the establishment of legal structures

Anticipated project completion date: _____
(If contract, indicate date of expiry): _____

**Pages 1180 to / à 1209
are withheld pursuant to sections
sont retenues en vertu des articles**

18(b), 21(1)(d)

**of the Access to Information Act
de la Loi de l'accès à l'information**

**Pages 1210 to / à 1216
are withheld pursuant to section
sont retenues en vertu de l'article**

68.1

**of the Access to Information Act
de la Loi de l'accès à l'information**

Board of Directors

January 2007

Subject matter

Health, Safety and Environment – Annual Report

Background

The HR Committee Terms of Reference outlines the requirement for an Annual Report on Health, Safety and Environment. The reporting period has changed. In past years this has been reported at March meetings covering the reporting period January-December of the previous fiscal. This year the report was requested for the January meeting resulting in a reporting period of October 1, 2005 to September 30, 2006. This will result in a challenge when comparing the last two reporting periods' data however, going forward this issue of comparability will resolve itself.

Information on the matter

Disability Management, Health and Wellness: Attendance Data, Disability Management, Health and Wellness activities.

Health & Safety: Ergonomics, Training, Injury statistics, Miscellaneous.

Environment: Asbestos, Environmental Assessment Act, Environmental Site Assessments, Halocarbons, PCB's, Petroleum Storage Tanks, RF Radiation, Species At Risk Act (SARA).

For decision**For information****X****Presented by**

Name: George C.B. Smith

Date: January 2007

Management recommendation

N/A

Last discussed at the Board

Date: March 2006

Decision made: N/A

Next steps**Disability Management, Occupational Health and Wellness**

- Support corporate employee wellness objectives
- Ongoing support of health care costs containment and disability management
- Delivery of the Integrated Attendance Management Program
- Implementation of the Attendance Management Dashboard to help measure component units performance
- Ongoing health & wellness activities.

Health & Safety

- Increased Safety preventive work, including proactive delivery of further training.

Environment

- Continue review on existing Environmental Aspects and the Environment Management Process to ensure adherence with CBC/Radio-Canada Environment Policy.

Anticipated project completion date: N/A (If contract, indicate date of expiry):

HEALTH, SAFETY AND ENVIRONMENT
ANNUAL REPORT
October 1st 2005 to September 31st 2006

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EXECUTIVE SUMMARY

In 2005-2006, costs for **sick leave** remained similar to 2005, yet days lost per employees began to decrease as a result of changes in management process and **Attendance** Management training. CBC/Radio-Canada's joint union/management initiatives continued to address health care costs, disability management and wellness. Examples of these initiatives will be provided further in the report.

The relatively stable picture within data unfortunately masks the reality regarding absences for mental health reasons. These conditions continue to be prevalent resulting in more complex cases and longer duration of absences, having an impact on average days of absence per employee and costs. As a result:

- ✓ A decision was made to transform the Health, Safety and Environment department into the Organizational Health & Wellness department, where key activities have taken place over the last two years to improve our experience in these areas.
- ✓ A reinforced commitment in implementing the Integrated Attendance Management Model throughout the Corporation.
- ✓ The planning is well underway for a thoughtful framework around organizational health and wellness at CBC/Radio-Canada.
- ✓ The addition of resources in the **Disability** Management and Wellness areas has allowed for greater involvement and support to components. Disability case managers and Wellness Consultants were hired.

Key among the achievements has been the engagement (on a permanent basis) of an Ergonomist and two Organizational Health and Wellness Consultants – one embedded in each network.

Effective September 2006, the new Disability Management, Health and Wellness group has been responsible for the management of **Workers' Compensation claims**. The Disability Case Managers are now responsible for the management of Workers Compensation cases. This change resulted in a seamless process offer for employees and managers. Cases are managed by one resource-person whether their absence is work related or not.

COST OVERVIEW OF ABSENCES

	2004 (January 1- December 31)		2005 (January 1- December 31)		2005-2006 (October 1- September 31)	
	Total cost (\$)	Cost per employee (\$)	Total cost (\$)	Cost per employee (\$)	Total cost (\$)	Cost per employee (\$)
STD	13,965,691	1,469	14,226,814	1,632	15,002,237	1,626
LTD (paid by employees)	7,844,163	825	8,677,956	995	8,373,914	908
Special Leave	1,540,118	162	1,430,858	164	1,593,529	173
Workers Compensation	900,982	95	*834,000	*96	*834,000	*90
Total	24,250,954	2,551	25,169,628	2,887	25,803,680	2,797

*estimated amounts

Note: *Because of the change in reporting period, a comparison with previous calendar years' statistics may result to misleading conclusions.*

In past years this has been reported at March meetings covering the reporting period January-December of the previous fiscal. This year the report was requested for the January meeting resulting in a reporting period of October 1, 2005 to September 30, 2006. This will result in a challenge when comparing the last two reporting periods' data however, going forward this issue of comparability will resolve itself.

Globally, **short-term disability**, as measured by sick days data, shows a marginal reduction. It may appear that cost is increasing. In fact cost is relatively stable in consideration of the number of employees and salary increases from one year to the next. The number of sick days per **full-time equivalent employee**, decreased from 7.7 for calendar year 2005 to 7.5 for the current reporting period.

Mental Illness is the fastest growing category for days lost due to disability in Canada according to external reports.

At CBC/Radio-Canada, as well as for other employers in Canada, psychological conditions including stress, anxiety and depression are the leading cause of absences from work. This accounts for 31.7% of all absences causing growing concern regarding the prevalence of these conditions. Salary replacement alone paid to employees for short and **long-term disability** was \$7.4M for the reporting period ($[15,005,237 + 8,373,914] \times 31.7\%$).

ATTENDANCE – CANADIAN WORKPLACES

Absence from work in the Canadian Industry Sectors. (Statistics Canada 2005)

	Days per employee	
	2004	2005
Canadian average	9.2	9.6
Federal Administration	13.1	14.4
Public Sector in Canada	12.0	12.5
Information, Culture and Recreation	7.8	8.5
CBC/Radio-Canada ¹	*17.4	**16.6

* Reporting period: calendar year 2005

¹ These numbers are in accordance with the Statistic Canada methodology, which includes absences due to illness, all disability (STD/LTD), personal or family responsibilities. Longer absences are also included while maternity leave is excluded.

* *Reporting period: September 2005 to October 2006

In Canadian organisations, absences from work rose steadily from 7.4 days per employee in 1997 to 9.2 days in 2004. According to Statistics Canada, absence rates showed a steady rising trend in both work absence incidences and time lost for illness or disability and personal reasons between 1997 and 2002, stabilization between 2002 and 2004, and once again a significant jump in 2005.

Several factors accounted for the rising trend of employee absences: notably, the aging workforce; the growing share of women in the workforce, especially mothers with young children; high stress among workers, and the increasing prevalence of generous sick and family-related leave provided by the employer.

ATTENDANCE AT CBC/RADIO-CANADA

Short-Term Disability sick days

During the reporting period, CBC/Radio-Canada's average absence was 7.5 days per employee representing a direct annual cost of \$15M to the Corporation. Data Analysis indicates an increasing trend resulting in more absences reaching the end of short-term disability and applications for long-term disability. This result is in line with the Canadian industry trend and with the prevalence of absences for mental illness, as these conditions tend to lead to a longer absence period.

With the addition of time spent in early involvement, rehabilitation and return to work planning. This will ensure more proactive case management.

Long Term Disability

Long Term Disability data for this reporting period indicates:

- ✓ The number of days lost per employee was 8.3 during the reporting period compared to 9.0 during previous reporting period.
- ✓ Psychological disorders remain the leading cause of Long Term Disability absences.
- ✓ 35.4% of the total claims and 31.7% of the plan total costs.

SIGNIFICANT ACHIEVEMENTS

Disability Management

Disability Management and the delivery of the Integrated Attendance Management program constitute the main activities accomplished during this reporting period. The main objectives are to make sure absences are appropriately managed and return to work takes place in a timely fashion. Compilation of evaluation from participants and client implementation post mortems indicate satisfaction and positive return on investment.

Two new claims managers joined the Disability Management section. Managers continue to be provided with enhanced tools to allow for cost containment and reduction in the number of disability cases.

The Attendance Management training program, provides the manager with tools to access and manage attendance in their sector and to make sure stakeholders' roles and responsibilities are known and understood at all levels.

A joint report on Disability Management was approved by **CCSB** members, which recommended the establishment of a Joint Disability Management Committee with four union and four management representatives.

A Corporate Attendance Management performance indicator (dashboard) is being developed. This new tool will present more meaningful data to be provided to components on a quarterly basis and more pertinent corporate information here next year.

Occupational Health

As a proactive measure, work has been initiated with French news services to have “medically prepared” crews for quick deployment in the event of news coverage for catastrophic events such as hurricanes, tsunamis, flooding etc. When required, employees receive medical consultation, vaccines and medications.

Because CBC/Radio-Canada has operations in the United States with vehicles weighing over 11,794 kg (26,001 lbs.), the corporation is subject to the United States Department of Transportation (DOT) regulations requiring drug and alcohol testing training for supervisors. As required, training on supervisory responsibilities has taken place and continues. Testing for controlled substances and alcohol is conducted on a random basis in addition to testing of new drivers.

As a mean of prevention and information, 8,000 brochures on hand washing and infection prevention along with instant hand sanitizer bottles were distributed to employees. Also continued to lead a Pandemic Preparedness Group formed of representatives from major Canadian organisations to monitor best practices and create synergies. Information from this working group is being made available to the National Pandemic Preparedness Committee.

Immunization is recognized as the single most effective measure to minimize absences related to influenza according to Health Canada. The Flu Vaccination program was again successfully delivered to 2,762 employees, which represents 27% of the total work force.

Wellness initiatives

Human Resources has made organizational health and wellness matters a priority. It aims to put in place wide-reaching, integrated and proactive strategies to promote the health and well-being of employees and the organization as a whole and to provide a framework for safety- and environment-related activities.

Conscious of the need to compile hard data on health questions, the Corporation conducted a Survey on Employee Wellness in June 2005. Recommendations were provided in January 2006 addressing work-related health problems, safety issues and risk factors for mental illness. Union and Management, with Professor Brun’s help, identified the following six key areas, to be addressed:

- ✓ Employee Recognition
- ✓ Respect in the Workplace
- ✓ Participation in Decision Making
- ✓ Relations with Supervisors
- ✓ Workload
- ✓ Work/Life balance.

The findings led to a number of concrete measures where management, unions and employees worked hand in hand to resolve problems facing employees. In light of these findings, the Corporation demonstrated its commitment to taking concrete steps to reduce and/or eliminate the effect of these risk factors by putting in place a Corporate Wellness Program. Several sub-committees were launched to study solutions addressing the identified risk factors.

Workshops on Respect and on Recognition were developed in collaboration with HR Learning & Organizational Development and union representatives. The Respect workshop content was approved by a joint Working Group in September with roll out to all employees planned in 2007.

Also, with the financial support of the unions, a variety of local initiatives were initiated including lunch and learn sessions, walking club, yoga, mental health awareness seminars, etc.

PLANS FOR THE FUTURE

The main objective for 2006-2007 is to support corporate initiatives in employee wellness and health care costs containment. In accordance with the wellness survey results and corporate priorities, work will be completed to implement resulting recommendations with the cooperation of employees and unions.

Organizational Health and Wellness will focus on the following priorities for 2007:

- ✓ Rollout of the respect workshop in 2007 followed by recognition workshop in 2008.
- ✓ Continue work on the number-one cause of absences – mental illness.
- ✓ Continue with the delivery of the Integrated Attendance Management Program.
- ✓ Continue monitoring changes to the health care plan that were agreed to and implemented as of January 1st, 2006. Expected minimum savings of \$500,000 in 2007.
- ✓ Educate managers to better understand their responsibilities in building a healthy work environment for employees.
- ✓ Build credibility and establish a relationship of trust with unions, local EAP Committees and employees.
- ✓ Exploit Intranet capabilities to enhance employee awareness and access to tools.

Other Health & wellness activities such as Flu Vaccination, stress management programs, local wellness initiatives, travel & health support, post traumatic and stress debriefing will continue to be delivered.

HEALTH & SAFETY

In November 2005, a Workers' Compensation refund cheque in the amount of \$324,858 was received from HRSDC, in recognition of the lower frequency of claims during 2004. This compares to CBC/Radio-Canada having to pay an additional \$58,791 the previous year.

EXECUTIVE SUMMARY

With the reorganization of Health, Safety and Environment into the Organizational Health & Wellness department, Workers' Compensation Claims Management was transferred to Disability Management, enabling further resource allocations for preventive program development.

With the addition of an Ergonomist, 114 ergonomic assessments of individual workstations were completed as well as three 'virtual assessments'. Also collaborated with the Real Estate Division on the Vancouver and St. John's projects to optimize workstation layouts with the goal of proactively minimizing future ergonomic concerns.

A significant portion of the Safety training budget continued to be allocated to the Surviving Hostile Environment training. This program is offered to those whose work takes them to war risk, civil disturbance, or natural disaster areas.

SIGNIFICANT ACHIEVEMENTS

- ✓ Revised the Indoor Air Quality guideline to reflect the latest edition of the American Conference of Governmental Industrial Hygienists (ACGIH) handbook.
- ✓ Completed the development of the contractors' safety program and passed it to the Real Estate Division for review.
- ✓ Completed and delivered a guideline restricting the hours of driving for drivers of non-regulated vehicles.
- ✓ Completed and delivered a guideline to prevent the spread of the Hantavirus.
- ✓ Participated in a greater-Toronto industry-wide ad-hoc committee to study the safety implications of Satellite News Gathering vehicles. A basic set of safety rules was agreed and they will be developed into a corporate guideline in 2007.
- ✓ Preliminary work has begun on a Hearing Conservation Program.

OCCUPATIONAL INJURIES AND ILLNESSES

Injuries and Illnesses

During the measurement period, there were 135 occupational injuries sustained by CBC/Radio-Canada employees (not including those which required only first aid treatment).

Of the 135 injuries,

- ✓ 77 resulted in time lost from work, and the other 58 resulted in the employee involved receiving medical treatment with no time lost from work.
- ✓ The total injury frequency rate was 1.34 per 100 employees.
- ✓ The lost-time injury frequency rate was 0.57 per 100 employees.

s.19(1)

1 Oct – 30 Sept	2004-2005	2005-2006
Total # injuries	133	135
Total injury frequency rate *	1.25	1.36
# of Lost-Time injuries	56	77
Lost-Time injury frequency rate *	0.53	0.77

* per 100 employees

Note: *Because of the change in reporting period, a comparison with previous calendar years' statistics may result to misleading conclusions. However, the number of injuries occurring during the similar time frame the previous year has been calculated.*

An analysis of the 77 lost-time injuries indicates that they occurred in the following locations:

Calgary	Quebec City
Edmonton	Regina
Moncton	Sackville
Montreal	Toronto
Ottawa	Vancouver

Similarly, an analysis of the 58 medical treatment claims reveals that they occurred in:

Calgary	Regina	Vancouver
Chicoutimi	Saskatoon	Victoria
Edmonton	St. John's	Windsor
Halifax	Thompson MB	Winnipeg
Montreal	Thunder Bay	
Ottawa	Toronto	

It is to be expected that Montreal and Toronto – being the two largest centres – would have the majority of injuries; however the large discrepancy between the two was found to be an unusual number of injuries to staff in the design department at La Maison. These were investigated by the local health and safety committee and it was found that the majority of injuries were to casual employees, who had not received proper training or safety orientation. The number of injuries to employees in Toronto is not considered to be excessive.

Days Lost

The 77 lost-time injuries sustained during the period in question resulted in 969 days lost.

An analysis of the 969 days lost due to injuries indicates:

Calgary	Regina
Montreal	Toronto
Ottawa	Vancouver
Quebec City	

In Montreal, 603 of the 772 days lost were the result of seven accidents, six of which involved employees from Technical Production. These absences were all addressed and all of the employees are now returned to work.

Of the 135 injuries sustained during this period

- ✓ 43% were strains/sprains
- ✓ 25% were contusions/bruises
- ✓ 9 of the injuries (7%) were fractures.

The three most common incident types are:

- ✓ 35% overexertion/strain
- ✓ 27% individual either striking against something or being struck by something
- ✓ 23% slips/falls.

The most common part of the body injured were:

- ✓ 29%, back
- ✓ 33%, upper extremities (shoulder, arm, hand and fingers)
- ✓ 31%, lower extremities (leg, knee, ankle and foot)

PLANS FOR THE FUTURE

Subject to funding approval, the implementation of the hearing conservation program will be completed. This will include audiometric screening of approximately 2000 employees to determine if there has been a threshold shift in hearing capabilities due to elevated sound levels.

The Hazard Prevention Program, required by the Canada Occupational Health & Safety regulations, will be developed and the Contractors' Safety Program and will be finalized.

For other health & safety training, the possibility of converting some to e-learning will be studied so that employees may access the training at times convenient to them.

Subject to funding approval, Safety and Environmental site reviews will again be conducted at selected locations during 2007.

EXECUTIVE SUMMARY

CBC/Radio-Canada was successful in receiving funding [\$20k] to assist with the study of Species At Risk at CBC/Radio-Canada for owned transmitter sites outside the Province of Quebec. An additional \$40k is being sought to complete Phase II of this project.

As part of ongoing environmental risk management, CBC/Radio-Canada conducted 28 **Environmental Site Assessments** ranging from **Phase I-III ESAs** and Hazardous Materials Surveys. Three of the **Phase II ESAs** and one **Phase III ESA** have recommendations that will require further monitoring.

There were three reportable releases of halocarbons into the environment due to defective equipment. Two of these were reported, as required, and one will be reported in January 2007 as prescribed. All the equipment has been repaired. There was no requirement to report the other releases.

CBC/Radio-Canada Environment is working with the Legal Department to further understand the environmental legislative requirements.

Work will continue to review existing Environmental Aspects and the Environmental Management Process to ensure adherence with the CBC/Radio-Canada Environment Policy.

There are proposed changes to two existing regulations [Petroleum Storage Tanks and PCBs]. The impacts of these on operations will need to be evaluated.

SIGNIFICANT ACHIEVEMENTS RELATED TO LAWS AND REGULATIONS

Asbestos – Remediation and Repair

- ✓ 25 remediation/repair projects conducted at 15 properties.
- ✓ \$60,000 requested for asbestos removal and remediation for the St. John's project.
- ✓ Removal of asbestos continues as part of the Vancouver project.

Environmental Assessment Act

Effective June 11, 2006, CBC/Radio-Canada became subject to the Environmental Assessment Act, which means that it must assess its activities in accordance with the Environmental Assessment Act in order to minimize adverse environmental effects. Activities related to the new Act include:

- ✓ Training on the Act for Real Estate, Transmission and Environment divisions.
- ✓ Development of an Environmental Assessment [EA] procedure by the Environment and Legal Departments to ensure a standardized approach for conducting EAs.
- ✓ Conducted one EA at the West Carleton transmission facility as part of the planning to build a national parts warehouse facility on the property.
- ✓ Posted EA as prescribed, on the Public Registry.

Environmental Site Assessments [ESA]

The following types of Environmental Site Assessments were conducted as part of ongoing environmental risk management:

- ✓ 8 Phase I ESAs, 5 of which were conducted in relation to leasing or potential sale of properties
- ✓ 7 Phase II ESAs
- ✓ 1 Phase III ESA
- ✓ 12 ESA/Hazardous Material Surveys
- ✓ 4 Hazardous Material Surveys

Two sites require further monitoring of ground water for the presence of hydrocarbons. Ground water sampling is occurring in Fredericton on a quarterly basis due to the discovery of contamination during the removal of a fuel tank. Calgary's Phase III report recommends Human Health Risk Assessment that will determine the level of Human Risk associated with the presence of creosote related ground water contamination in the subsurface beneath the site related to off site environmental concerns.

Soil Contamination Remediation at Camp Fortune

- ✓ Detected limited amount of diesel fuel contamination under floor at the Camp Fortune Transmission Division facility.
- ✓ Suspected that residual fuel was left in abandoned under slab fuel supply lines.
- ✓ Remediation started in September 2006 and the situation will be monitored until its completion.

Federal Halocarbon Regulation - Management and Ozone Depleting Substances (ODS) – Incidents Reported to Environment Canada

Reportable Incidents

- ✓ During this period 12 releases of halocarbons [R-22 refrigerant] between 0.45 kg - 45 kg occurred at our buildings, resulting in repairs to defective equipment.
- ✓ Two of these were reported, as prescribed, to Environment Canada in the semi-annual reports covering the period July 1 – December 31, 2005 and January – June 2006 respectively.
- ✓ The 24.15 kg release in July of 2006 in Calgary will be reported as prescribed in January 2007.
- ✓ Developed and updated database for major Transmission Division locations with Heating, Ventilation and Air Conditioning units of a capacity of >5.4 tonnes.

Halon Removal

- ✓ Removed 515.61 kg of Halon at eight [8] transmission facilities

PCB Management

- ✓ No "in-use" PCB leaks detected year-to-date.
- ✓ Proposed changes to the PCB regulations to be assessed.

Petroleum Product and Allied Petroleum Product Tanks

There are proposed changes to the Storage Tank Systems for Petroleum Products and Allied Petroleum Products Regulations (proposed under the Canadian Environmental Protection Act [CEPA] 1999). Regulation expected to be promulgated in fall of 2007

- ✓ Replaced 2 fuel storage tanks were replaced in northern locations
- ✓ Repaired leaks detected following routine inspection in pump seals in 2 aboveground storage tanks in Toronto [18,000 litres] - No release into the environment.
- ✓ Replaced 5 fuel tanks at 5 transmitter sites.
- ✓ RFQ was sent out for replacement of 900 & 1100-litre diesel fuel storage tanks at 13 Transmission Division sites in Ontario.
 - Tanks at these 13 locations currently do not meet provincial code and are thus subject to not being filled by fuel suppliers.
 - Quotations are expected at the end of September 2006.

RF Radiation Levels/Safety Code 6

- ✓ Conducted non-ionizing radiation/Safety Code 6 surveys at 24 transmission facilities
- ✓ Recommendations included installation of fencing and warning signage.

Species At Risk Act (SARA) – Projects/Funding Request

Project to identify species at risk on CBC/Radio-Canada owned properties [Transmission Division] continues. Work related to project included:

- ✓ Partnered with Public Works and Government Services [Quebec Region] to manage project in all provinces and territories outside of the province of Quebec.
- ✓ Acquired \$20k funding from Environment Canada and \$20k from Transmission Division.
- ✓ Seeking additional \$40k from Environment Canada for balance of 2006-2007.
- ✓ Phase II project results expected at the end of 2006.
- ✓ Submitting additional funding requests to Environment Canada for 2007-2008 in order to complete the project.

Vehicles – Fleet Management

2 diesel vehicles added to the fleet had speed regulator devices installed preventing the vehicles from driving in excess of 105 km/hr.

OTHER ACTIVITIES

CBC/Radio-Canada Environment is working with the Legal Department to further understand the environmental legislative requirements of the new Environmental assessment act of 2006.

Other activities include ongoing monitoring of Water and Energy Consumption, Waste Management and Indoor Air Quality and Mould Investigations.

PLANS FOR THE FUTURE

The impact of the proposed Petroleum Storage Tank and PCB Regulations on our Real Estate and Transmission Division operations needs to be assessed.

GLOSSARY

For clarification purposes, the following definitions refer to terms used and highlighted the text with a shaded font.

Attendance

There are three dimensions to attendance: punctuality and performance satisfying the expectations of the employer.

Disability

A physical or mental incapacity resulting from an illness, injury or disfigurement that limits a person's physical, psychological and/or social functioning.

Workers' Compensation claims

Claim submitted by an employee as a result of an accident occurring at work that caused the employee to sustain a disabling injury or an injury requiring medical treatment.

STD - Short Term Disability – Sick Leave

The Corporation provides most of its employees with salary insurance for short-term disabilities requiring brief sick leaves for the first 85 days of disability.

LTD – Long Term Disability

When the short-term disability period expires (after 85 days), an employee may qualify for long-term disability benefits. The main difference between the two is that an external insurer administers long-term disability claims. During the first 24 months of long-term disability, employees incapable of performing their duties at CBC/Radio-Canada are usually eligible for disability insurance benefits under the terms of the policy.

Special Leave

When deemed appropriate, supervisors may, in accordance with Human Resources Policies and the Collective Agreements, authorise employee leave for emergencies as well as for family, religious or other obligations. Type of special leave can include: Bereavement, Marriage, Divorce, Parental leave, Jury duty, Moving, Domestic emergency.

ESA

Environmental Site Assessments.

Phase I ESA

The purpose of the Phase I Environmental Site Assessment (ESA) is to identify potential areas of hazardous waste contamination or environmental liability associated with a property.

Phase II ESA

The purpose of a Phase II ESA usually requires an intrusive investigation (i.e. soil borings, probing, hand borings) to determine if the hazardous waste contamination identified in a Phase I investigation has impacted the subject property. The information gathered in the Phase II ESA is summarized in a Phase II Report, which will be reviewed by the client. Upon review of this report, the client will determine if remediation activities will be necessary to accomplish their goals.

Phase III ESA

A Phase III Environmental Site Assessment (ESA) may be required when a Phase II ESA finds contamination above the recommended levels of local, provincial, or federal regulations or upon a client's request. A Phase III ESA requires the subject property to be remediated to a satisfactory level, which satisfies all parties involved.

HAZMAT Survey – [Hazardous Materials Survey]

The purpose of a HAZMAT survey is to identify the existence of hazardous materials on a property that may require special handling for disposal purposes related to building modifications, demolitions or the sale/purchase or lease of a property. e.g. asbestos, lead, petroleum products, mercury, PCBs.

Board of Directors
22 January 2007 – Audit Committee
24 January 2007 – Board of Directors

Subject matter

Leveraging Our Assets To Re-invest In Programming

Background

This Document summarizes the \$92 million (Gross) and \$42 million net of Self Generated Revenues which are re-invested in Programming.

Information on the matter

For decision

For information

Prepared by

Name: Michel Tremblay/Bill Atkinson
date: 8 January 2007

Management recommendation

This is an information item which includes targets for the various components of the Corporation which contribute to self-generating revenues.

Last discussed at the Board

Date: 20 January 2006
Decision made:

Next steps

Anticipated project completion date: _____
(If contract, indicate date of expiry): _____

A decorative graphic consisting of a black circle on the left, a thin black line extending from it, and a curved arrow pointing to the right.

Leveraging Our Assets To Re-invest In Programming 2006/2007

AN OVERVIEW

**Presentation by Michel Tremblay
CBC Audit Committee - 22 January 2007
CBC Board of Directors – 24 January 2007**



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Part One: **Overview – Revenue Generation and Business Development**

- Sources of CBC Funding
- Sources of Self-Generated Revenues
- Understanding The Development Cycle
- Business Development Steering Committee

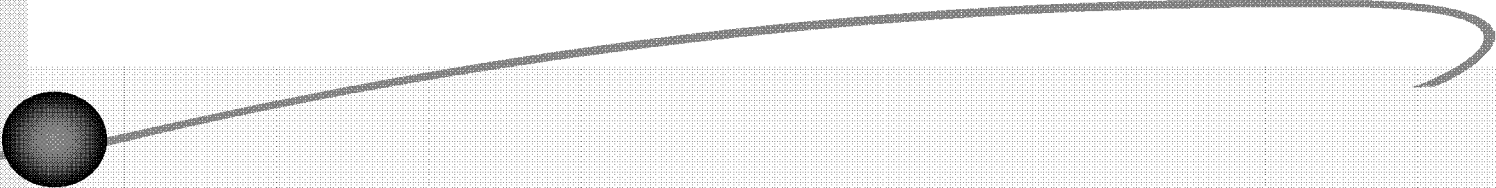
Part Two: **Revenue-Generating Activities Within CBC Components**

Part Three: **Savings and Efficiencies**

Part Four: **Risks and Opportunities**

Introduction

- ❖ Our strategic direction calls for us to leverage our assets to re-invest in programming.
- ❖ There are dozens of sources of self-generated revenue within the CBC, which are grouped in three major categories for this exercise: Media, Corporate Business Development and Others.
- ❖ Self-generated revenues exclude parliamentary appropriations, television advertising, RDI and Newsworld services.
- ❖ All figures are taken from approved business plans 2006-07, which amounts to _____ in gross self-generated revenues.
- ❖ In addition to self-generated revenues, proceeds from the sales of real estate assets amount to _____.
- ❖ Since 2001/02, the CBC has also taken steps to ensure significant ongoing efficiencies and savings that now amount to _____.



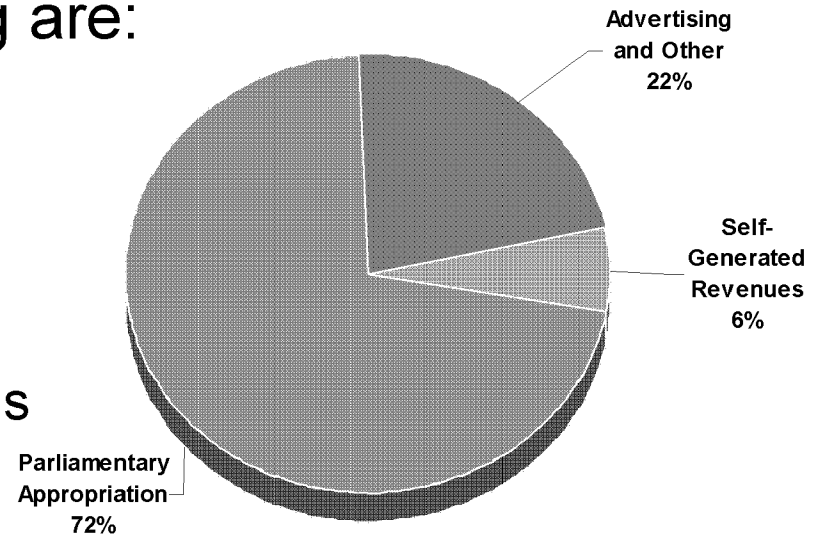
PART ONE:
Overview

Part One: Overview

The Sources of CBC Funding

❖ The four sources of funding are:

- Parliamentary appropriations
- Television Advertising
- Specialty Services (RDI and Newsworld)
 - Mainly subscriber revenues
- Self-Generated miscellaneous revenues



s.18(a)
s.18(b)

❖ Self-generated revenue is the focus of this presentation (gross revenue).

❖ The next page provides a breakdown of the sources of CBC's self-generated revenue.

Part One: Overview

Sources of Self-Generated Revenues

(in thousands of \$)	Targets 2006-07				
	Gross Revenues	Expenses	Net Revenues (Profit)	% Net Revenues	% Margin
Media					
English Television					
French Television					
English Radio					
French Radio					
Media - Total					
Business Development					
Galaxie Revenues					
Merchandising					
BD - Others					
Business Development - Total					
Others					
Sirius Canada - Programming					
Mobile Division					
CRRA					
Interest Revenues					
Building Rental Revenues					
Parking Revenues					
Transmitter Site Sharing Revenues					
Other Corporate Revenues					
Others - Total	25,229	5,377	19,852	47.6%	
Grand Total	91,876	50,133	41,743	100.0%	

s.68.1

s.18(b)

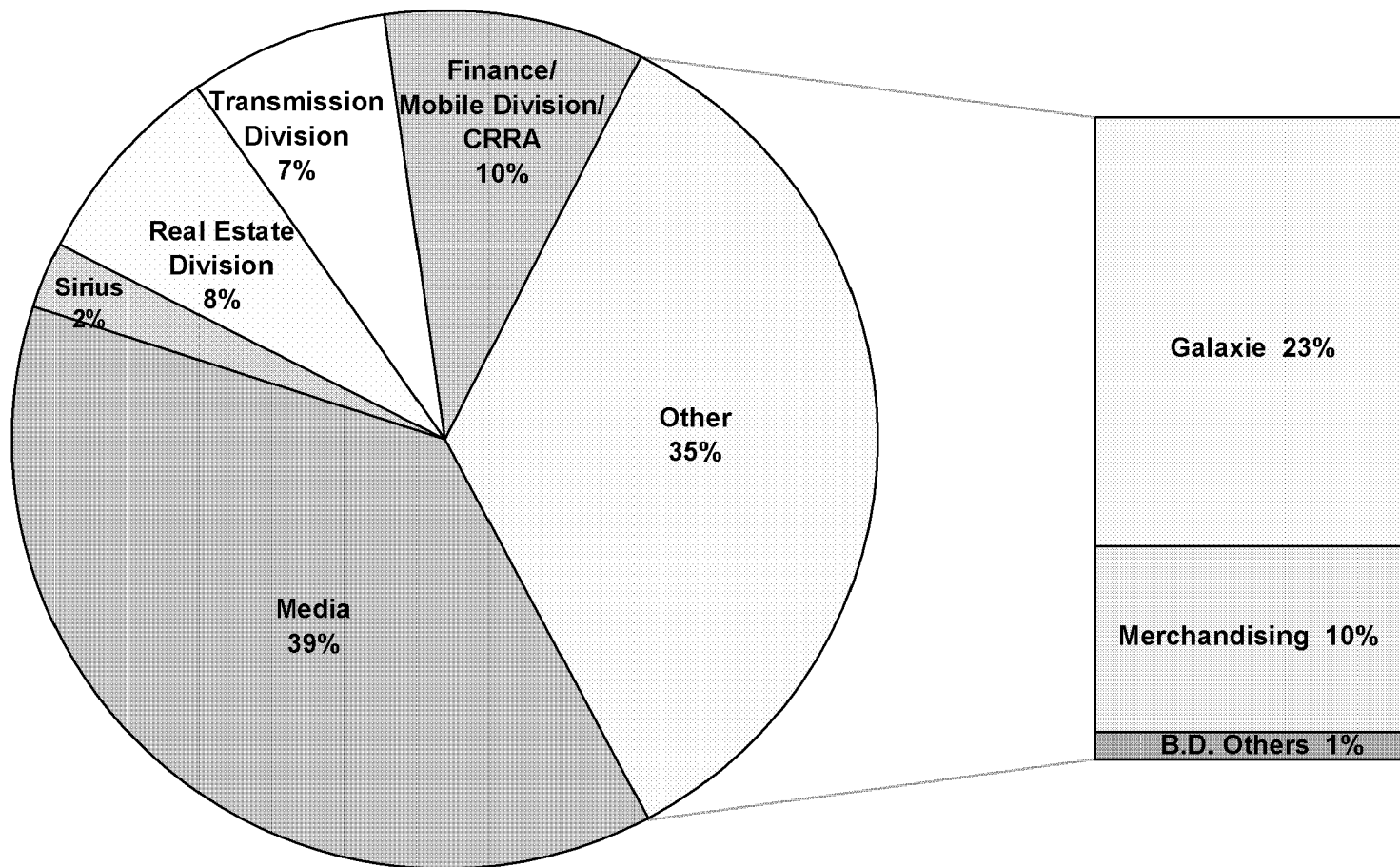
s.18(a)

Part One: Overview

Sources of Self-Generated Revenues

s.18(a)
s.18(b)

Total Gross Revenues 2006-07:

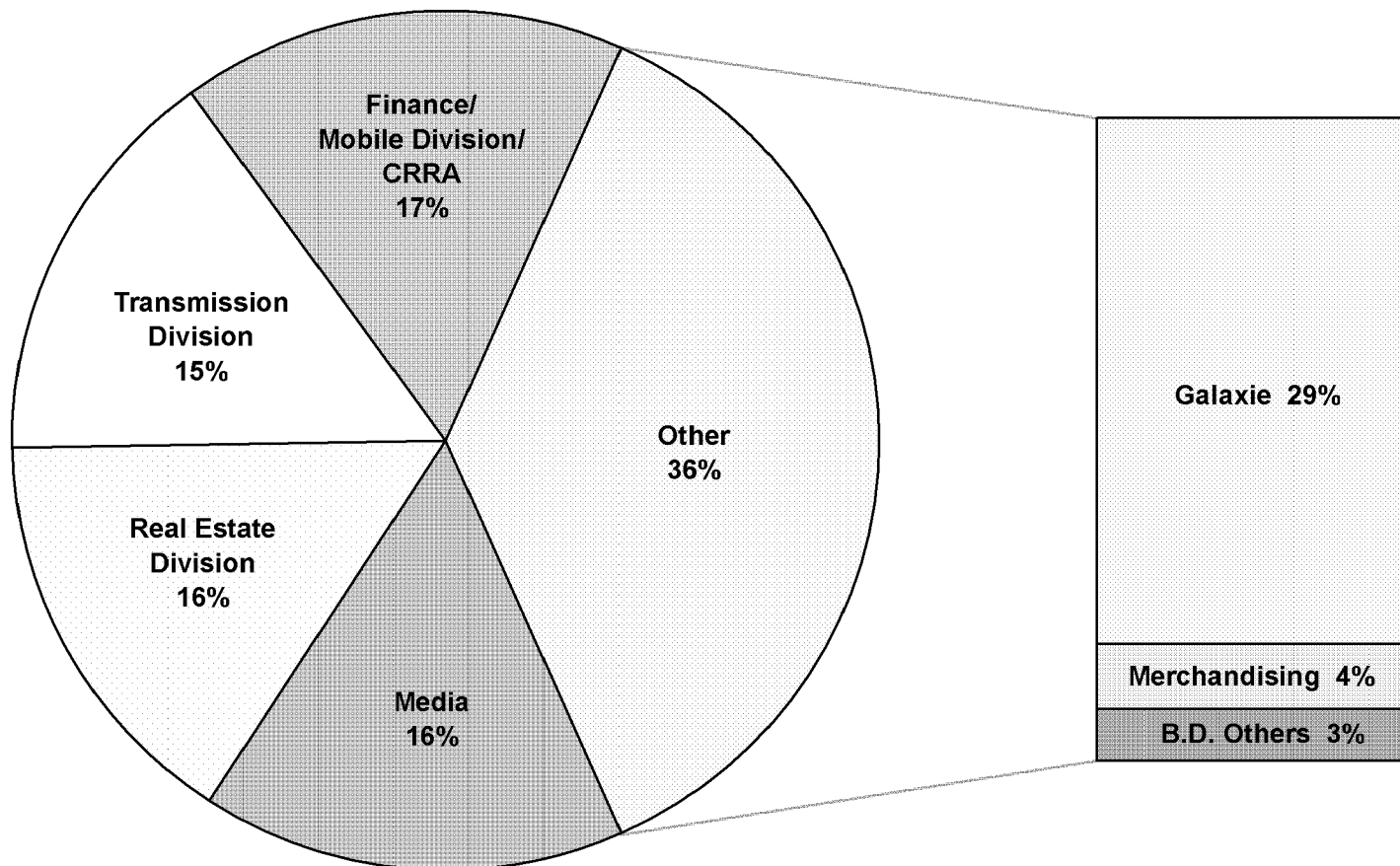


Part One: Overview

Sources of Self-Generated Revenues

s.18(a)
s.18(b)

Total Net Profit 2006-07:



Part One: Overview

Sources of Self-Generated Revenues

s.18(a)
s.18(b)

- ❖ The _____ of self-generated net profit represents sufficient funds to cover initiatives such as:
 - 92% of the News & Current Affairs for English and French Radio (_____); or
 - 39% of the Regional Operations for English and French Radio (_____) or
 - Cover the total budget for *cbc.ca* and *radio-canada.ca*

- ❖ Galaxie, the CBC pay audio service is the largest source of net self-generated revenue at
 - Galaxie generated _____ profit since inception to August 31st, 2006.
 - However, _____ margin is unsustainable in the future with downward pressure on subscriber rates.

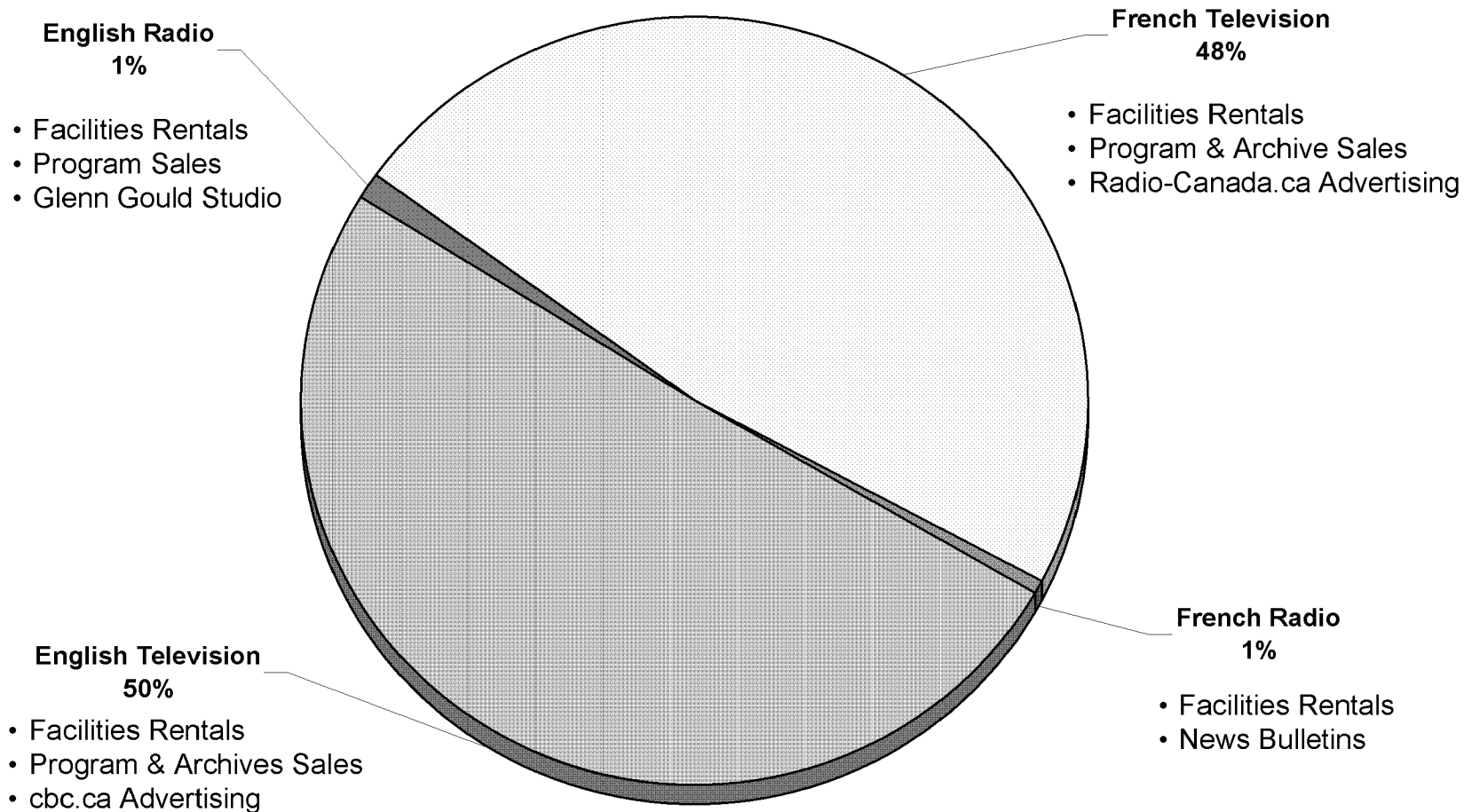
- ❖ The Media components' net revenue is _____ (see next page).

Part One: Overview

Sources of Self-Generated Revenues

s.18(a)
s.18(b)

Media Net Profit 2006-07:



Understanding the Development Cycle

- ❖ CBC businesses are currently positioned at various stages of the development cycle. While some businesses are mature, others are in embryonic or growth phases.
- ❖ The next page plots the status of a number of our current and upcoming businesses and initiatives.
- ❖ Not all businesses have the same capacity to generate lasting returns, understanding a business' position in the cycle therefore enables us to establish realistic revenue expectations.
- ❖ It is important to note that we continually seek new opportunities that will enable us to re-invest in programming. Initiatives in development are also included in the development cycle such as the commercialization of Digital Audio Broadcasting (DAB).

Page 1244

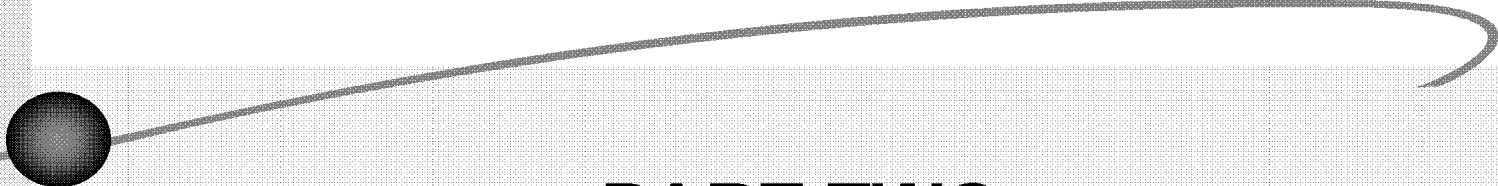
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est retenue en vertu de l'article**

68.1

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Business Development Steering Committee

- ❖ The Business Development Steering committee (BDSC) was established to identify, prioritize and co-ordinate business development opportunities and activities.
 - It is comprised of senior management personnel responsible for business development activities within the media (ETV, FTV, ER, FR), New Media, Merchandising, Galaxie, and CBC Technology/Transmission.
 - It is convened on a quarterly basis to review and co-ordinate business development activities across the various components of the corporation.



PART TWO:
Revenue-Generating
Activities Within CBC Components

Page 1247

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Part Two: Revenue-Generating Activities

Radio Services

- ❖ English Radio self-generated revenues come from the following sources:

s.18(a)

s.18(b)

- ❖ French Radio self-generated revenues come from the following sources:

Part Two: Revenue-Generating Activities
Corporate Business Development

❖ Corporate Business Development (CBD) generates its revenues from four main sources:

1. Galaxie's main contribution to the net revenues are from direct to home and specialty services (cable). The substantial net revenue contribution to CBC is approximately for 2006-07.
2. Merchandising is expected to generate a net revenue of for 2006-07.
3. Research generates funds by conducting specific data analysis for external clients, such as
4. Rights Administration consists principally of the Canadian Claimants Group, which is administrated by the CBC on behalf of Canadian broadcasters and program producers.

s.18(a)
s.18(b)



Part Two: Revenue-Generating Activities
Corporate Business Development

- ❖ CBD actively pursues strategic partnerships and conceptualizes and conducts early stage development of new ventures, such as Sirius Satellite Radio, the commercialization of Digital Audio Broadcasting (DAB).
- ❖ CBD negotiates potential mergers and acquisitions, examples:
 - ❖ CBD represents CBC on ongoing commercial concerns such as Sirius and closely monitors market developments.

s.68.1

Part Two: Revenue-Generating Activities

Real Estate Division

- ❖ Real Estate generates its revenues from four sources. Three revenue sources are derived from operations and one from capital initiatives.

On-going Operations:

- Revenues from the leasing of CBC office space to third parties (tenants);
- Revenues from parking facilities owned and operated by CBC; and
- Revenues for the office component associated with the leasing of studios.

Capital Initiatives:

- Proceeds from sale of real estate assets (e.g., sale of Toronto Broadcast Centre lands).



Part Two: Revenue-Generating Activities

Transmission Division

- ❖ The Division leverages its assets to generate revenue by doing the following:
 - Site sharing with other broadcasters, cellular and telecom operators, including maintenance and turn-key projects;
 - Shortwave transmitter rentals at Sackville, New Brunswick to foreign broadcasters; and
 - Installation and maintenance of the Sirius rebroadcasters.

Part Two: Revenue-Generating Activities

Mobile Division

- ❖ Mobile Division was created in 2004 to maximize the efficient utilization of CBC/Radio-Canada mobile facilities.

s.18(a)

s.18(b)

- ❖ The Mobile Division charges clients for use of mobile facilities, related-equipment, and required Mobile Operating Crew.



Part Two: Revenue-Generating Activities

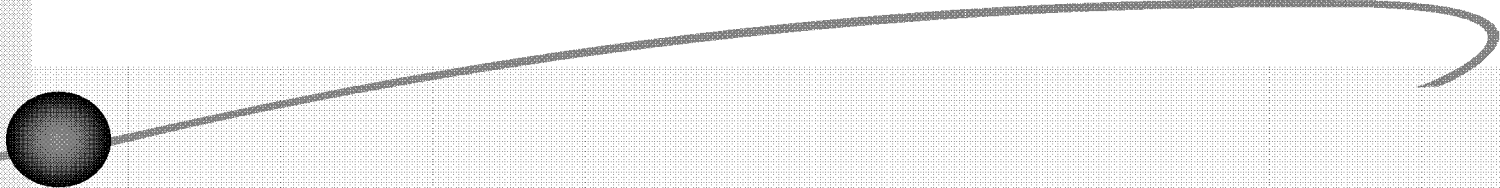
Finance and Legal

❖ Finance

- Finance generates revenue from interest, unclaimed cheques write-offs and Pension Board administration.

❖ Legal

- Legal receives payments from the Canadian Retransmission Right Association (CRRA), which collects and distributes royalties paid by retransmitters.



PART THREE:
Savings and Efficiencies

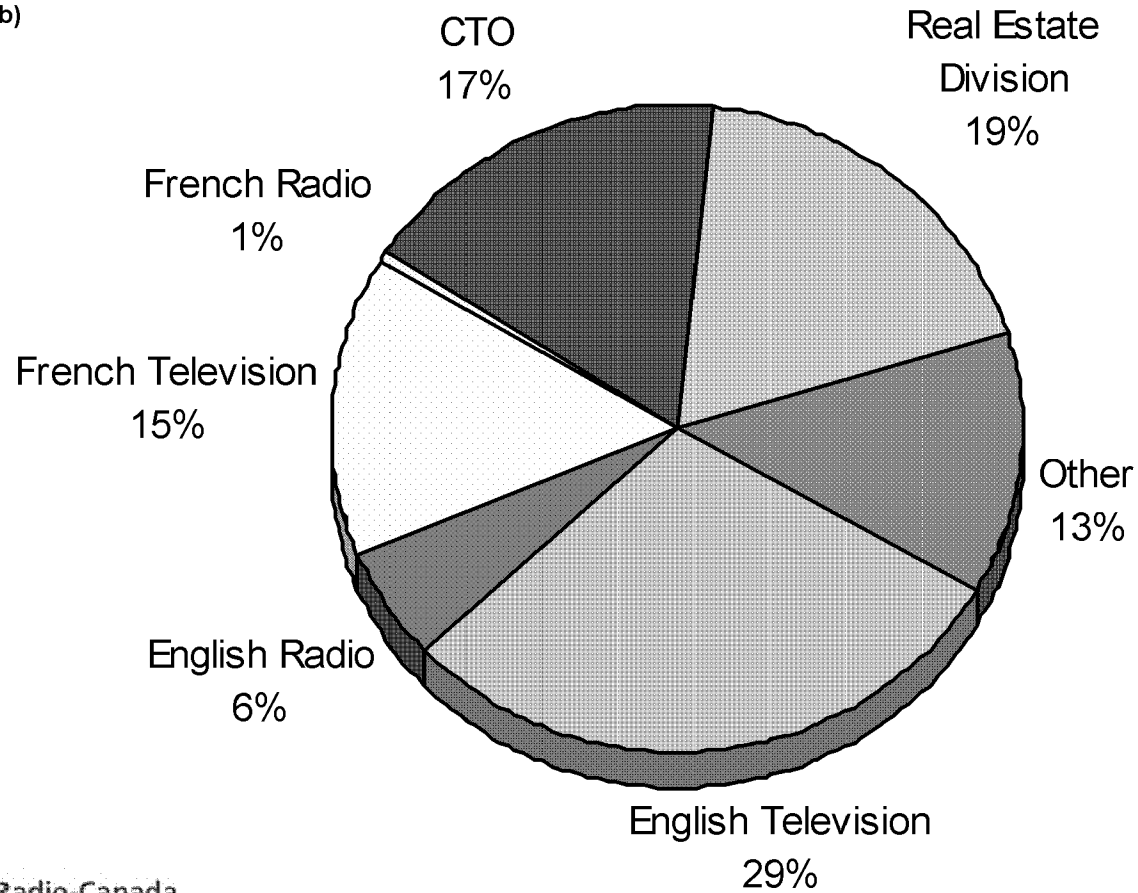
Part Three: Savings and Efficiencies

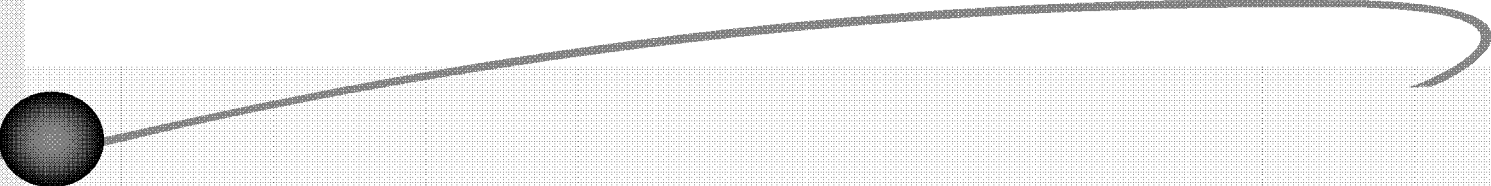
- ❖ Since 2001/02, the CBC/Radio-Canada has taken steps to generate savings and efficiencies that now amount to \$100 million, on an annual basis, as follows:
 - \$50 million in savings;
 - \$50 million in incremental self-generated revenue initiatives, such as:
 - Building Space Rental:
 - Academy of Design (\$10 million)
 - Transmitter Site Rental (\$40 million)
 - \$10 million in incremental advertising revenues.
 - \$10 million in annual proceeds of sale of Toronto Broadcast Centre land.
- ❖ In order to achieve these annual savings a total of \$100 million in one-time costs has been required since 2001/02.
- ❖ On average, the pay-back on these one-time costs is less than 3 years given the significant annual savings.
- ❖ Consolidations for Ottawa, Edmonton, Québec, St. John's locations are self-financing arrangements.

Part Three: Savings and Efficiencies

Total Net by Component:

s.18(a)
s.18(b)





**PART FOUR:
Risks and Opportunity**

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Board of Directors

January 22, 2007

Subject matter

Update to corporate policy #2.3.17 – Management of Foreign Currency Risk.

Background

Policy #2.3.17 – Management of Foreign Currency Risk came into effect in 2001 and was updated in 2003. On a regular basis, the Corporation enters into financial transactions denominated in the currencies of foreign countries. It must also fund operations of foreign offices and bureaus. The US dollar, the Euro dollar and the British pound Sterling are the foreign currencies most commonly used by the Corporation. The goal of the policy is to minimize the risks associated with the changing value of the Canadian dollar against foreign denominations.

Information on the matter

The current update to policy #2.3.17 reflects best-management practices in the area of minimizing foreign currency risks:

- The policy statement clearly states the goal of minimizing the risks and the overall management strategy to be used to achieve this goal.
- Appendix "A" contains detailed explanations of the management strategy, the corporation's exposures and the tools and procedures available to manage the identified risks.
- Appendix "A" also contains a clear description of the roles and responsibilities of CBC/Radio-Canada personnel with respect to managing the policy.

For decision**For information****Prepared by**

Name: Johanne Charbonneau
date: January 10, 2007

Management recommendation

Approval of the updated policy.

Last discussed at the Board

Date: April 2001
Decision made: Policy approved.

Next steps

**CORPORATE POLICY
MANAGEMENT OF FOREIGN CURRENCY RISK
POLICY # 2.3.17**

EFFECTIVE DATE: April 01, 2001

RESPONSIBILITY: *Vice President and Chief Financial Officer*

STATEMENT OF POLICY:

The Corporation will minimize foreign currency risk to protect the value of foreign cash flows, both committed and anticipated, from the negative impact of exchange rate fluctuations. The overall corporate strategy will be to make use of hedging instruments when market conditions are judged to be favourable and to match cash flows from revenues to expenditures where practicable.

HISTORY:

This policy was updated _____ 2007.
This policy was updated April 1, 2003.
This policy came into effect April 1, 2001.

REFERENCES:

2-3-12 General Accounting and Reporting Guidelines
2-3-29 Management of Investments
CICA standards and guidelines (Sections 3855, 3861, 3865).

PERSON RESPONSIBLE FOR INTERPRETATION AND APPLICATION:

All questions pertaining to the interpretation or application of this policy should be referred to the **Director, Cash Management**.

DEPARTMENT RESPONSIBLE TO UPDATE THIS WEBPAGE:

Corporate Secretariat.

PROCEDURES & GUIDELINES PERTAINING TO THIS POLICY CAN BE FOUND IN THE ATTACHED APPENDICES (PLEASE SCROLL DOWN TO NEXT PAGE)

**CORPORATE POLICY
MANAGEMENT OF FOREIGN CURRENCY RISK
POLICY # 2.3.17**

APPENDIX "A"

PROCEDURES & GUIDELINES:

PURPOSE

To minimize foreign currency risk in order to protect the value of foreign cash flows, both committed and anticipated, from the negative impact of exchange rate fluctuations.

MANAGEMENT STRATEGY

The overall strategy is to reduce the overall risk of foreign currency transactions by analyzing market conditions and when they are favourable:

1. Hedging, in whole or in part, the cash requirements of foreign bureau operations.
2. Hedging, in whole or in part, foreign currency requirements for significant contracts that may be identified from time to time.
3. Hedging, in whole or in part, significant revenues paid in foreign currencies.
4. Matching foreign currency revenue flows to expenditures where practicable.

FOREIGN CASH FLOWS

In fulfilling its mandate, the Corporation incurs costs and occasionally earns revenues outside Canada. Some of these cash flows are denominated in foreign currencies. The most common areas of activity in foreign currencies are as follows:

1. Regular funding of foreign bureau operations in Washington, London and Paris;
2. Periodic payments for the procurement of broadcast rights, mainly for the Olympic Games and other large sports events rights and for capital acquisitions;
3. Regular cash advances to foreign correspondents, the settlement of miscellaneous accounts payable and contract payments;
4. The receipt of revenues such as host broadcaster activities and proceeds from the sale of rights and programs.

The main foreign currencies traded by the Corporation are the U.S. Dollar (USD), the Euro (EUR) and the Great Britain Pound (GBP).

IDENTIFIED RISK EXPOSURES

CBC/Radio-Canada is subject to the following identified risks in relation to foreign currencies:

1. Exchange rate risk – The constant fluctuation in foreign exchange rates exposes the Corporation to the possibility of cost uncertainty and the possible devaluation of cash inflows.

CORPORATE POLICY

MANAGEMENT OF FOREIGN CURRENCY RISK

POLICY # 2.3.17

2. Matching risk – The availability of foreign currencies must match the requirement for the currencies.
3. Credit risk – Certain financial instruments used to manage foreign currency purchases carry a risk that the contracting party, usually the Corporation’s principal financial institution, will default on the arrangement.

MANAGEMENT OF RISK EXPOSURES

The Corporation’s exposures to the identified risks will be managed in the following ways:

1. The Director, Cash Management will keep abreast of the evolution of foreign exchange rate fluctuations, expert market analysis, commentary and other information on forecasted rates available from reliable sources such as major financial institutions.
2. The Director, Cash Management will prepare forecasts of foreign currency requirements.
3. Where significant foreign currency requirements are identified and their timing is fairly certain, the Director, Cash Management will assess the feasibility and the desirability of entering into a hedging arrangement.
4. All significant forward contracts, options and other instruments used to hedge a foreign currency exposure will be negotiated with providers holding credit ratings equivalent to or better than that of the major Canadian banks.
5. The Director, Cash Management will establish the annual foreign currency planning rates for the USD, EUR and GBP in conjunction with the Corporate Plan and will post them to the Corporate SAP system. The rates will be based on recent forecast published by the major financial institutions.
6. The Corporation will engage in hedging arrangements based on identified needs only and not for speculative reasons.
7. The Director, Cash Management will prepare an analysis of the year’s foreign currency trades made by the Corporation, comparing them to the planning rates and the prevailing market rates in order to gain knowledge and perspective for use in implementing management strategies.

EXECUTION OF FOREIGN CURRENCY TRADES

There are a number of ways in which a foreign currency trade can be executed:

1. A foreign currency trade can be made at the spot rate on the transaction date. The foreign currency is bought or sold at the spot rate, which is the current market rate.
2. Forward contracts are financial contracts that fix the exchange rate at a defined future date for a guaranteed delivery price on a stated amount of the currency. A forward contract is the most common and straightforward hedging tool to manage foreign exchange risk.
3. An option is a financial contract giving the Corporation the right to buy (known as a call) or sell (known as a put) a stated amount of a currency at a predefined price over a certain period of time. The Corporation would choose to exercise the option if, during its life, conditions were favourable. Options carry an up-front cost and are therefore a less-used hedging tool.

CORPORATE POLICY
MANAGEMENT OF FOREIGN CURRENCY RISK
POLICY # 2.3.17

4. Derivatives are contracts that simultaneously use a combination of options, forward contracts and spot purchases with other special features to create a customized hedging instrument fitting a particular situation.

The use of hedging instruments becomes inherently more complex and requires continual monitoring of market conditions. Potentially, they may also require special accounting treatment and financial statement disclosure. The use of these tools will be limited to situations where they provide a significant and measurable advantage and are well understood.

ROLES AND RESPONSIBILITIES

1. The Director, Cash Management will be responsible for all foreign currency purchases in accordance with policy.
2. F&A personnel in the Networks and Corporate offices will inform the Director, Cash Management of the details (date, amount and other relevant terms) of commitments and contractual arrangements made involving a foreign currency and valued at more than \$500,000. This applies to cash receipts as well as outlays.
3. Personnel in the Networks and Corporate offices will consult with the Director, Cash Management in the course of negotiating contracts that may contain an exposure to foreign exchange risk.
4. The foreign bureaus in London, Paris and Washington will communicate their cash requirements to the Director, Cash Management on a regular basis.
5. The Chief Financial Officer will approve all hedging arrangements of more than \$1million or duration of more than 12 months.
6. The Director, Cash Management will communicate the details of hedging transactions to the Director, Accounting and Corporate Reporting who will be responsible to ensure that the transactions receive proper accounting treatment and financial statement disclosure.

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18(b), 21(1)(a), 21(1)(d)

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18(b), 20(1)(d), 21(1)(b), 21(1)(d)

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23

**of the Access to Information Act
de la Loi de l'accès à l'information**

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21(1)(a), 21(1)(c), 21(1)(d)

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21(1)(a)

**of the Access to Information Act
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Board of Directors

March 20,21, 2007

Subject matter

Summary of Government Funding (10 years – operating and capital).

Background

The attached provides a 10-year historical overview of the Corporation's parliamentary appropriations as at February 21, 2007. The approved reference levels for 2007/08 and beyond are also provided.

Information on the matter

See attached.

For information



Prepared by

Name: Johanne Charbonneau
Date: February 21, 2007

Management recommendation

Not required.

Last discussed at the Board

Date: January 23, 2007
Decision made: N/A

Next steps

Not required.

CBC'S PARLIAMENTARY APPROPRIATIONS
(\$ Thousands)

	1997/98 (Note 2)	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	Current	Projected		
										2006/07	2007/08	2008/09	2009/10
Operating Appropriation													
One-time funding adjustments:													
Retroactive salary/wage funding													
Salary/wage funding (Note 1)													
Transfer from Capital appropriation													
Transfer to Capital appropriation													
Downsizing assistance/loan repayment													
Funding for PILT increases													
Program Integrity Funding - Asbestos													
Funding to strengthen & revitalize programs (Note 3)													
Transfers from Cdn. Heritage (CCOL) (Note 4)													
Reprofiling													
Cost increases for 2002 Canada Day													
Funding for RCI (Note 5)													
Expenditure Review Reduction (Budget 2003)													
Unavoidable new costs (Note 6)													
Total Operating Appropriation													
Capital Appropriation													
One-time funding adjustments:													
Transfer to Operating appropriation													
Transfer from Operating appropriation													
Reprofiling of vote from 96/97 to 97/98													
Reprofiling of vote from 97/98 to 98/99													
Reprofiling of vote from 98/99 to 99/00													
Reprofiling of vote from 99/00 to 00/01													
Reprofiling of vote from 00/01 to 01/02													
Reprofiling of vote from 04/05 to 05/06													
Reprofiling of vote from 05/06 to 06/07													
Nunavut funding													
Total Capital Appropriation													
Working Capital Appropriation													
TOTAL APPROPRIATION													
Less Reprofiling Decision (Capital)													
Less Reprofiling Decision (Operating)													
Less Loan repayment (Operating)													
Less Downsizing Funding (Operating)													
TOTAL APPROPRIATION AVAILABLE FOR REGULAR OPERATIONS	861,394	834,400	862,221	900,075	1,019,885	1,026,522	1,026,311	1,062,528	1,101,741	1,104,053	1,043,953	1,042,053	1,042,053

Board of Directors
(March 20-21, 2007)

Subject matter

Labour Relations Update

Background

This is a standing item on the Board of Directors' agenda which provides the status of CBC's collective agreements.

Information on the matter

Not applicable.

For decision:

For information:



Prepared by

Name: George C.B. Smith
Senior Vice-President, Human Resources and Organization

Date: March, 2007

Management recommendation

Not applicable.

Last discussed at the Board

Date: January 2007
Decision made:

Anticipated project completion date: _____N/A_____
(If contract, indicate date of expiry): _____

Labour Relations Update for the Board of Directors' meeting of March 20-21, 2007

AGREEMENTS PRESENTLY BEING NEGOTIATED

s.21(1)(b)

s.21(1)(c)

UNION	Effective Date	# of Members	Central Issues
NATIONAL FILE			
AfofM (American Federation of Musicians)	April 1, 2003– March 31, 2006	N/A	
ENGLISH FILE			
ACTRA (Alliance of Canadian Cinema, Television and Radio Artists) (Performers)	July 1, 2003– June 30, 2005	N/A	
WGC (Writers Guild of Canada)	Sept. 1, 1998– August 31, 2000	N/A	
IATSE (International Alliance of Theatrical, Stage Employees and Moving Picture Machine Operators of the United States and Canada) (Stagehands)	No agreement since 1994	3	

FRENCH FILE			
AR (Association des réalisateurs)	Dec. 13, 2003– Dec. 11, 2005	380	

NEGOTIATED AGREEMENTS

UNION		Effective Dates of Collective Agreement	# of Members
NATIONAL FILE			
APS	Association of Professionals and Supervisors	July 1, 2005– June 30, 2008	646
ENGLISH FILE			
CMG	Canadian Media Guild	April 1, 2004– March 31, 2009	5,141
FRENCH FILE			
SCRC (Unit 1)	Syndicat des communications de Radio-Canada	March 27, 2006– March 29, 2009	1,390
STARF (Unit 2)	Syndicat des technicien(ne)s et artisan(e)s du réseau français de Radio-Canada	April 13, 2006– March 31, 2009	1,336
SCFP (Unit 3)	Syndicat Canadien de la Fonction Publique (Groupe des employé(e)s de bureau et professionnel(le)s)	September 26, 2005– September 27, 2007	636
UDA	Union des artistes	November 14, 2005– November 13, 2009	N/A
SARTEC	(Société des auteurs de la radio, de la télévision et du cinéma)	July 10, 2006 – July 9, 2010	N/A
SPACQ	Société professionnelle des auteurs et des compositeurs du Québec	8 janvier 2007 – 7 janvier 2011	N/A

Conseil d'administration

(20 et 21 mars 2007)

Sujet

Information sur la main-d'oeuvre

Contexte

Les documents en annexe présentent la main-d'oeuvre totale exprimée en équivalent à temps plein (ETP) et ventilée par :

- composante média (avec une comparaison par rapport au début de l'exercice);
- lieu géographique (carte du Canada).

Renseignements connexes

Voir document joint

Décision à prendre À titre d'information

Préparé par

Nom : G.C.B. Smith

Date : le 20 février 2007

Recommandation de la direction

N/A

Dernière discussion au Conseil

Date :

Décision prise à cette occasion :

Suivi

Date prévue de l'achèvement du projet : _____
(Indiquer la date de fin du contrat) : _____

Board of Directors
(March 20-21, 2007)

Subject matter

Workforce Information

Background

The attached documents present the total workforce in terms of full time equivalent (FTE) broken down by:

- media component with a comparison to beginning fiscal year;
- geographic location (map of Canada)

Information on the matter

Attached

For decision **For information**

Prepared by

Name: G.C.B. Smith
Date: February 20, 2007

Management recommendation

N/A

Last discussed at the Board

Date:
Decision made:

Next steps

Anticipated project completion date: _____
(If contract, indicate date of expiry): _____

TOTAL WORKFORCE / EFFECTIF TOTAL

Full Time Equivalent / Équivalent temps plein

Month / Mois : January 2007
(Jan. 21, 2007 / Le 21 janvier 2007)

	Permanent (a,b)	Temporary Temporaire (a,b)	Contract Contractuel (a,b)	Short term Court terme (d)	TOTAL	TOTAL Begin. FYR 2005/06 Début de l'exercice 2005/06	Variance Écart
Radio English/ Radio anglaise	947	77	77	128	1,229	1,293	-64
Radio French/ Radio française	672	71	226	197	1,167	1,183	-16
Television English/ Télévision anglaise	2,380	174	288	230	3,072	3,164	-92
Television French/ Télévision française	2,270	267	187	302	3,025	3,033	-7
Corporate/ National	1,035	60	162	29	1,286	1,289	-4
TOTAL	7,304	649	940	886	9,779 *	9,961 **	-182

* 9,779 FTE/EPT = 10,765 head count / effectifs réels.

** 9,961 FTE/EPT = 10,940 head count / effectifs réels.

Notes:

(a) Employees on leave of absence are excluded. / Les employés en absence autorisée sont exclus.

(b) FTE is based on the full-time / part-time percentage of the employee's working schedule. /

L'EPT est basé sur le pourcentage temps plein / temps partiel de l'horaire de travail des employés.

(d) Includes casual + short term contract. FTE is based on the total days worked over a four week period. /

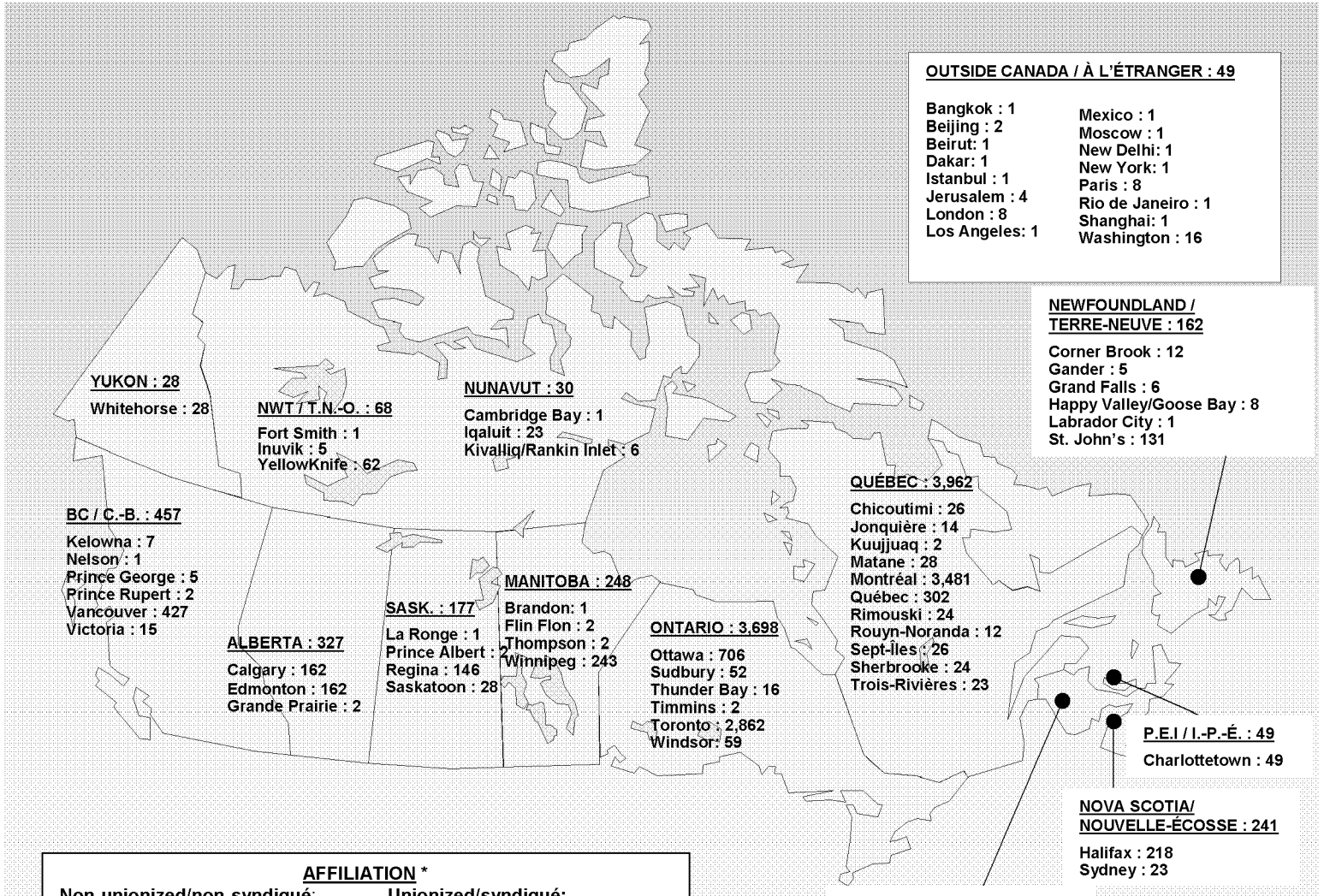
Comprend les occasionnels et les contractuels courte durée. L'EPT est basé sur le total des jours travaillés durant une période de quatre semaines.

The sum of the details may not balance with the totals due to rounding / La somme du détail peut différer des totaux en raison de l'arrondissement.

CBC Map / Carte de la SRC

Full Time Equivalent / Équivalent temps plein

January 2007 / janvier 2007



OUTSIDE CANADA / À L'ÉTRANGER : 49

Bangkok : 1	Mexico : 1
Beijing : 2	Moscow : 1
Beirut : 1	New Delhi : 1
Dakar : 1	New York : 1
Istanbul : 1	Paris : 8
Jerusalem : 4	Rio de Janeiro : 1
London : 8	Shanghai : 1
Los Angeles : 1	Washington : 16

AFFILIATION *	
Non-unionized/non-syndiqué:	Unionized/syndiqué:
Unaffiliated: 38	APS: 654
Executives: 65	CMG: 4387
MS: 1041	SCRC: 1299
Confidential: 183	STARF: 1167
SUBTOTAL: 1,327 (14%)	SCFP: 597
	AR: 348
	SUBTOTAL 8,452 (86%)
GRAND TOTAL: 9,779	

Total FTE/ETP 9,779 = Head count / effectifs réels 10,765

* The sum of the details may not balance with the totals due to rounding / La somme du détail peut différer des totaux en raison de l'arrondissement.

Board of Directors

(March 8, 2007)

Subject matter

2006/2007 Quarterly Financial Management Report – Third quarter results.

Background

N/A

Information on the matter

See attached.

For decision

For information **X**

Prepared by

Name: J. Charbonneau
Date: February 16, 2007

Management recommendation

N/A

Last discussed at the Board

Date: November 17th, 2006
Decision made: Reviewed 2006/2007 Quarterly Financial Management Report –
 Second quarter results

Next steps

Final year-end report will be submitted to the Audit Committee for its review in June.

**2006/2007
QUARTERLY FINANCIAL MANAGEMENT REPORT**

3rd QUARTER, ended December 31, 2006

To be presented to
The Audit Committee

March 8, 2007

Confidential

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Cash, cash equivalent and short term investments	Page 45
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s.18(a)

s.68.1

Financial Highlights

For the quarter ended December 31st

(in millions of dollars)

	ACTUALS		BUDGET
	2006	2005	2006
<hr/>			
Operating (see Operations section for details)			
Parliamentary appropriation for operating expenditures (page 7)			
Advertising revenues (page 7)			
Specialty Services - sources of funds (page 7)			
Miscellaneous revenues (page 7)			
Expenditures - regular operations (page 12)			1
Specialty Services - expenditures (page 12)			
<u>Net position, end of the third quarter* (page 6)</u>			
<hr/>			
Capital (see Capital section for details)			
Parliamentary appropriation for capital expenditures (page 37)			
Capital expenditures, end of third quarter (page 37)			
<u>Net position, end of the third quarter (page 37)</u>			
<hr/>			
Working Capital (see Financial Statements section for details)			
Cash, cash equivalent and short term investments (page 45)			
Accounts receivable (page 46)			
Inventory			
<u>Accounts payable and accrued liabilities</u>			

* excluding proceeds and interest generated from the disposal of NATV.

Parliamentary Appropriations
Operating funds
for the years ended March 31

Advertising revenues
for the years ended March 31

OVERVIEW OF FINANCIAL RESULTS FOR THE 3RD QUARTER ENDED DECEMBER 31, 2006

s.18(a)

s.18(b)

OPERATIONS (REFER TO PAGE 6)

This report presents the results of operations for the Corporation for the nine months ended December 31, 2006, compared to the year-to-date budget, and forecasts these results to the fiscal year-end. These results are also compared to the year-to-date results for the same period in 2005/2006.

Overall, the financial results of CBC/Radio-Canada's operations, to the end of the first nine months, reflect a

CAPITAL (REFER TO PAGE 37)

The December 31st forecast of year-end capital expenditures indicates a capital of

on total available

Total available capital in 2006/2007 has _____ shown in the March 14, 2006 Recommended Capital Budget presentation to the Board of Directors to the current value of largely due to:

- |
- |

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s.18(b)

•

•

•

Offset by:

•

•

•

•

•

OPERATIONS

**Financial Management Report
Corporate Summary
For the third quarter ended December 31
(\$000's)**

s.18(a)

	2006/2007 Year-to-date			2006/2007 Annual Basis			2005/2006 Year-to-date	
	Budget	Actuals	Variance	Budget	Forecasts	Variance	Actuals	Variance in Actuals
SOURCES OF FUNDS								
Total government funding and carryovers	---							
Commercial revenues - regular operations								
Miscellaneous revenues - regular operations								
Total commercial and miscellaneous revenues	---							
TOTAL SOURCES OF FUNDS - MAIN SERVICE								
TOTAL SOURCES OF FUNDS - SPECIALTY SERVICES								
APPLICATION OF FUNDS								
Expenditures - regular operations								
TOTAL APPLICATION OF FUNDS - MAIN SERVICE								
TOTAL APPLICATION OF FUNDS - SPECIALTY SERVICES								
NET POSITION ON CBC'S OPERATIONS								
Prior year carryover NATV								
NATV funds transferred to regular operations								
Unused proceeds of sales and interest income from sale NATV								
Current interest income on proceeds from sale of NATV								
Net position for NATV								
NET POSITION - INCLUDING EXTRAORDINARY INCOME								

A summary of the results at December 31, 2006, by component, is provided in Appendix A.
Note - negative variances are indicated by brackets

Financial Management Report
Sources of funds
For the third quarter ended December 31
(\$000's)

s.18(a)
s.18(b)
s.68.1

	2006/2007 Year-to-date			2006/2007 Annual basis			2005/2006 Year-to-date	
	Budget	Actuals	Variance to Budget	Budget	Forecasts	Variance	Actuals	Variance in Actuals
SOURCES OF FUNDS								
Parliamentary appropriation								
TBC land transactions								
Prior year carryover								
Prior year carryover - NATV								
Total government funding and carryovers								
Commercial revenues								
Commercial revenues - regular operations:								
English Television								
French Television								
Total commercial revenues								
Miscellaneous revenues								
Miscellaneous revenues - regular operations:								
English Television - Business Development								
English Television - Other miscellaneous								
French Television								
English Radio								
French Radio								
Sirius								
Mobile Division								
Merchandising Division								
Corporate Activities								
CBC Technologies								
Property Management Division								
Galaxie								
Radio Canada International								
Total for regular operations								
Total commercial and miscellaneous revenues								
TOTAL SOURCES OF FUNDS - MAIN SERVICE								
Specialty service revenues:								
Newsworld								
Réseau de l'information								
Prior year carryover								
TOTAL SOURCES OF FUNDS - SPECIALTY SERVICES								
TOTAL SOURCES OF FUNDS FOR CBC								

A summary of the net results at December 31, 2006, by component, is provided on Appendix A.

Notes are explained on pages 8 to 11

Note - negative variances are indicated by brackets

Revenues - Main Service and Specialty Services: 3rd quarter -

Note 1

Note 2

Note 3

Note 4

Note 5

Note 6

Note 7

s.18(a)
s.18(b)
s.68.1

Revenues - Main Service and Specialty Services: Year-end forecast -

Note 8

Note 9

Note 10

Note 11

Note 12

Note 13

Note 14

Total Sources of Funds – Year over Year comparison:1

Note 15

Note 16

Note 17

Note 18

Note 19

Note 20

Note 21

Note 22

Note 23

s.18(a)
s.18(b)
s.68.1

Note 24

Note 25

Note 26

Note 27

s.18(a)
s.18(b)
s.68.1

**Financial Management Report
Application (use) of funds
For the third quarter ended December 31
(\$000's)**

	2006/2007 Year-to-date			2006/2007 Annual Basis			2005/2006 Year-to-date	
	Budget	Actuals	Variance to Budget	Budget	Forecast	Variance	Actuals	Variance in Actuals
APPLICATION OF FUNDS								
Expenditures - regular operations:								
English Television								
French Television								
English Radio								
French Radio								
Mobile Division								
Ottawa Production Centre								
Merchandising Division								
Corporate Activities								
CBC Technologies								
Property Management								
Galaxie								
Radio Canada International								
Corporate Reserve								
Total expenditures - regular operations								
TOTAL APPLICATION OF FUNDS - MAIN SERVICE								
Expenditures - specialty services:								
Newsworld								
Réseau de l'information								
TOTAL APPLICATION OF FUNDS - SPECIALTY SERVICES								
TOTAL APPLICATION OF FUNDS ON CBC'S OPERATIONS								

A summary of the results at December 31, 2006 by component, is provided on Appendix A.

Notes are explained on pages 13 to 21

Note - negative variances are indicated by brackets

s.18(a)
s.18(b)
s.68.1

Expenditures - Main Service and Specialty Services: 3rd quarter -

Note 1

Note 2

Note 3

s.18(a)
s.18(b)
s.68.1

Note 4

Note 5

Expenses - Main Service and Specialty Services: Year-end forecast -

Note 6

Note 7

s.18(a)
s.18(b)
s.19(1)

Note 8

Note 9

Note 10

Note 11

s.18(a)
s.18(b)

Note 12

Note 13

Note 14

Page 1377

**is withheld pursuant to section
est retenue en vertu de l'article**

68.1

**of the Access to Information Act
de la Loi de l'accès à l'information**

Note 16

s.18(a)
s.18(b)
s.68.1

s.18(a)
s.18(b)
s.68.1

Note 17

Note 18

Note 19

Note 20

Note 21

s.18(a)
s.18(b)

Note 22

Note 23

s.18(a)
s.18(b)
s.68.1

Note 24

Note 25

Note 26

s.18(a)
s.18(b)
s.68.1

CORPORATE SUMMARY - VARIANCE OVERVIEW

	(\$000's)			(\$000's)		
	Actuals as at December 31			Forecast for the fiscal year ended March 31		
	2006/2007			2006/2007		
	Revenue Variances	Expenditure Variances	Net variance	Revenue Variance	Expenditure Variance	Net variance
Main Service:						
English Television						
French Television						
English Radio						
French Radio						
Mobile Division						
Ottawa Production Center						
Merchandising Division						
Corporate Activities						
CBC Technologies						
Property Management						
Galaxie						
RCI						
Total - Components	-					
Corporate Reserve						
	-					
	-					
Specialty Services:						
Newsworld						
RDI						
Net Position						

Note - negative variances are indicated by brackets

s.18(a)
s.18(b)
s.68.1

Financial Management Report
English Television
For the third quarter ended December 31
(\$000's)

	2006/2007 Year-to-date			2006/2007 Annual basis			2005/2006 Year-to-date	
	Budget	Actuals	Variance to Budget	Budget	Forecast	Variance	Actuals	Variance In Actuals
SOURCES OF FUNDS								
APPLICATION OF FUNDS								

*Please note that other areas may also generate revenues. These are only the services whose main function is revenue-generation.

Financial Management Report
French Television
For the third quarter ended December 31
(\$000's)

	2006/2007 Year-to-Date			2006/2007 Annual Basis			2005/2006 Year-to-Date	
	Budget	Actuals	Variance to Budget	Budget	Forecast	Variance	Actuals	Variance in Actuals
SOURCES OF FUNDS								
Net Parliamentary Subsidy	147,900	147,900	0	217,668	217,668	0	148,466	(566)
Surplus Carryover	9,891	9,891	0	9,891	9,891	0	0	9,891
Commercial Revenue	80,926	80,390	(536)	112,825	113,559	734	76,100	4,290
Host Broadcaster	0	0	0	0	0	0	5,146	(5,146)
Miscellaneous Revenue	10,761	14,880	4,119	14,638	18,454	3,816	14,752	128
TOTAL SOURCES OF FUNDS	249,478	253,061	3,583	355,022	359,572	4,550	244,464	8,597
APPLICATION OF FUNDS								
<u>Costs related to Revenue-generating Services</u>								
Sales and Marketing (incl. Internet)	8,267	8,158	109	11,674	12,201	(527)	7,009	(1,149)
Commercial Production	618	965	(347)	769	1,183	(414)	1,109	144
Program Sales to Other Broadcasters	1,019	1,169	(150)	1,407	1,514	(107)	1,378	209
Host Broadcaster	0	(3)	3	0	0	0	3,840	3,843
Production Services and Others	6,775	8,388	(1,613)	9,568	12,284	(2,716)	9,017	629
Costs - Contra Agreements	1,300	1,384	(84)	1,399	1,527	(128)	1,378	(6)
Subtotal - Revenue-generating Services	17,979	20,061	(2,082)	24,817	28,709	(3,892)	23,731	3,670
<u>Programming and Administration</u>								
Sports	3,091	3,391	(300)	4,228	4,457	(229)	3,962	571
Arts & Entertainment	91,147	89,219	1,928	132,590	131,692	898	82,401	(6,818)
News and Current Affairs	43,234	44,106	(872)	59,208	59,963	(755)	44,294	188
Media Operations	5,307	5,276	31	7,282	7,550	(268)	4,340	(936)
New Media	6,675	6,210	465	9,300	9,398	(98)	3,811	(2,399)
Plant - Production Services	20,530	20,584	(154)	28,602	29,535	(933)	19,633	(1,051)
Communications	10,781	11,004	(223)	15,080	15,057	3	11,355	351
Regional Operations	34,105	34,031	74	46,383	47,128	(745)	30,383	(3,648)
Network Reserve	0	(253)	253	4,956	3,639	1,317	(632)	(379)
Subtotal - Programming and Administration	214,870	213,668	1,202	307,609	308,419	(810)	199,547	(14,121)
<u>Support and Others</u>								
Management	2,721	3,010	(289)	3,765	3,943	(178)	2,655	(355)
Affiliates	2,612	2,585	27	3,483	3,501	(18)	2,624	39
Plant - Broadcast Services - Master Control	5,381	5,372	9	7,161	7,162	(1)	5,252	(120)
Support Services (Network and Regional)	5,915	5,658	257	8,187	7,838	349	5,124	(534)
Subtotal - Support and Others	16,629	16,625	4	22,596	22,444	152	15,655	(970)
TOTAL APPLICATION OF FUNDS	249,478	250,364	(876)	355,022	359,572	(4,550)	236,933	(11,421)
NET POSITION	0	2,707	2,707	0	0	0	5,531	(2,824)

Financial Management Report
English Radio
For the third quarter ended December 31
(\$000's)

	2006/2007 Year-to-date			2006/2007 Annual basis			2005/2006 Year-to-date	
	Budget	Actuals	Variance to Budget	Budget	Forecast	Variance	Actual	Variance in Actuals
SOURCES OF FUNDS								
Net Parliamentary Subsidy	94,274	94,274	0	134,597	134,597	0	89,931	4,343
Surplus Carryover	3,591	3,591	0	3,591	3,591	0	1,399	2,192
Miscellaneous Revenue	616	775	159	888	888	0	818	157
TOTAL SOURCES OF FUNDS	98,481	98,640	159	139,076	139,076	0	91,948	6,692
APPLICATION OF FUNDS								
Information Programming	12,617	12,622	(5)	16,823	17,948	(1,125)	9,949	(2,673)
Current Affairs	8,000	8,008	(8)	10,666	11,038	(372)	6,487	(1,521)
Network Music Department	7,928	7,141	787	10,570	10,573	(3)	6,049	(1,092)
Network Arts & Entertainment	4,135	3,991	144	5,513	5,612	(99)	3,485	(506)
Radio 3	1,964	1,812	152	2,619	2,529	90	1,610	(202)
Sirius Satellite Services	651	531	120	888	888	0	0	(531)
Toronto Radio Production Centre	2,150	1,979	171	3,021	2,971	50	1,848	(131)
Program Services	539	483	56	732	732	0	459	(24)
Network Services	1,086	994	92	1,580	1,580	0	0	(994)
Distribution	2,276	2,778	(502)	3,410	3,410	0	2,692	(86)
Administration	1,644	1,721	(77)	2,291	2,291	0	2,589	868
Entrepreneurial Activities	532	508	24	796	796	0	451	(57)
Network Reserves	72	72	0	6,684	4,766	1,898	1,194	1,122
<u>Regional operations:</u>								
Newfoundland	4,502	4,565	(63)	5,998	6,060	(62)	3,935	(630)
Maritimes	8,759	8,487	272	11,679	11,701	(22)	7,428	(1,059)
Quebec	4,485	4,536	(51)	5,864	5,879	(15)	4,222	(314)
Ontario	6,470	6,568	(98)	8,697	8,779	(82)	5,428	(1,140)
Toronto - CBL	3,673	3,469	204	4,898	4,899	(1)	2,887	(582)
CBC North	7,563	7,509	54	10,231	10,256	(25)	6,519	(990)
Manitoba	4,061	4,084	(23)	5,560	5,592	(32)	3,506	(578)
Saskatchewan	3,224	3,133	91	4,299	4,309	(10)	2,714	(419)
Alberta	5,818	5,887	(69)	7,767	7,884	(117)	4,811	(1,076)
British Columbia	6,332	6,380	(48)	8,510	8,583	(73)	5,606	(774)
Subtotal - Regional operations	54,887	54,618	269	73,503	73,942	(439)	47,056	(7,562)
TOTAL APPLICATION OF FUNDS	98,481	97,258	1,223	139,076	139,076	0	83,869	(13,389)
NET POSITION	0	1,382	1,382	0	0	0	8,079	(6,697)

s.18(a)
s.18(b)
s.68.1

Financial Management Report
French Radio
For the third quarter ended December 31
(\$000's)

	2006/2007 Year-to-date			2006/2007 Annual basis			2005/2006 Year-to-date	
	Budget	Actuals	Variance to Budget	Budget	Forecast	Variance	Actuals	Variance in Actuals
SOURCES OF FUNDS								
Net Parliamentary Subsidy								
Surplus Carryover								
Miscellaneous Revenue								
TOTAL SOURCES OF FUNDS								
APPLICATION OF FUNDS								
Management								
Media Operations & Administration								
Programming Development								
Information Programming								
Promotion, Analysis and Broadcast								
New Media								
<i>Première Chaîne</i> Programs								
Distribution								
<i>Espace Musique</i>								
Sirius Projects								
Network Reserve								
Regional operations:								
Atlantic								
Quebec								
Ontario/ Outaouais								
Manitoba								
Saskatchewan								
Alberta								
British Columbia								
Subtotal - Regional operations	—	—	—	—	—	—	—	—
TOTAL APPLICATION OF FUNDS	—	—	—	—	—	—	—	—
NET POSITION	■							

s.18(a)
s.18(b)
s.68.1

Merchandising Division
Schedule of Incremental Revenues and Costs
For the third quarter ended December 31
(\$000's)

	2006/2007 Year-to-date			2006/2007 Annual basis			2005/2006 Year-to-date	
	Budget	Actuals	Variance to Budget	Budget	Forecast	Variance	Actuals	Variance in Actuals
SOURCES OF FUNDS								
Sales of products:								
Retail operations								
Distribution								
Educational								
Licensing								
Total Sources of funds	—	—						
APPLICATION OF FUNDS								
Administration								
Sales of products:								
Retail operations								
Distribution								
Educational								
Licensing								
Total Application of funds	—	—						
NET POSITION								

s.18(a)
s.18(b)

Financial Management Report
Mobile Division
For the third quarter ended December 31
(\$000's)

	2006/2007 Year-to-date			2006/2007 Annual basis			2005/2006 Year-to-date	
	Budget	Actuals	Variance to Budget	Budget	Forecast	Variance	Actual	Variance in Actuals
SOURCES OF FUNDS								
Net Parliamentary Subsidy								
Mobile rental revenue								
TOTAL SOURCES OF FUNDS								
APPLICATION OF FUNDS								
General Management								
General Operation								
Cost related to revenue generating activities								
Cost related to internal activities								
TOTAL APPLICATION OF FUNDS								
NET POSITION								

s.18(a)
s.18(b)
s.68.1

Galaxie
Schedule of Incremental Revenues and Costs
For the third quarter ended December 31
(\$000's)

	2006/2007 Year-to-date			2006/2007 Annual basis			2005/2006 Year-to-date	
	Budget	Actuals	Variance to Budget	Budget	Forecast	Variance	Actuals	Variance in Actuals
Incremental Revenues								
Satellite								
Cable								
Music for Business								
Miscellaneous revenues								
Total Incremental Revenues	---	---						
Incremental Expenditures								
Programming								
Rights								
Distribution								
Administration								
Music for Business								
Marketing								
Rising Star Program								
Total Incremental Expenditures	---	---						
Capital expenditures								
Total Incremental Expenditures	---	---						
Excess Revenues/(Costs)	■							

s.18(a)
s.18(b)
s.68.1

Galaxie
Schedule of Incremental Revenues and Costs
For the third quarter ended December 31
(\$000's)

	2006/2007 Year-to-date			2006/2007 Annual basis			2005/2006 Year-to-date	
	Budget	Actuals	Variance to Budget	Budget	Forecast	Variance	Actuals	Variance in Actuals
Incremental Revenues								
Satellite								
Cable								
Music for Business								
Miscellaneous revenues								
Total Incremental Revenues								
Incremental Expenditures								
Programming								
Rights								
Distribution								
Administration								
Music for Business								
Marketing								
Rising Star Program								
Total Incremental Expenditures								
Capital expenditures								
Total Incremental Expenditures								
Excess Revenues/(Costs)								

s.18(a)
s.18(b)
s.68.1

Galaxie
Schedule of Incremental Revenues and Costs
For the third quarter ended December 31
(\$000's)

	2006/2007 Year-to-date			2006/2007 Annual basis			2005/2006 Year-to-date	
	Budget	Actuals	Variance to Budget	Budget	Forecast	Variance	Actuals	Variance in Actuals
Incremental Revenues								
Satellite	8,486	8,613	127	11,286	11,701	415	8,054	559
Cable								
Music for Business								
Miscellaneous revenues								
Total Incremental Revenues								
Incremental Expenditures								
Programming	626	584	42	854	843	11	373	(211)
Rights	1,932	2,008	(166)	2,582	2,641	(70)	4,726	(270)
Distribution								
Administration								
Music for Business								
Marketing								
Rising Star Program								
Total Incremental Expenditures								
Capital expenditures								
Total Incremental Expenditures								
Excess Revenues/(Costs)								

Changes from previous version	Permanent	One-time	Total Annual (\$000'S)	Total One-time (\$000'S)	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	Future years
					(Incremental basis)							
ENGLISH TELEVISION Departmental cost reductions: i) News and Current Affairs - 19 positions eliminated ii) General reductions iii) Remaining departments Negotiated savings with CEP union (elimination of penalties, turnarounds, etc) Management & Admin Review (34 positions eliminated) Overtime Presentation Optimization (English Television): Net staff reductions of 42 FTE in regional locations from centralizing presentation activities Capital expenses Disaffiliations: Savings from reduced affiliate fees Additional operating costs Cost avoidance from reduced NHL fees (for information only - not included in totals below) Cost avoidance from reduced Olympic fees (for information only - not included in totals below) Capital expenses Sports Edit Suites DROP: Cost savings Capital expenses TOTAL - ENGLISH TELEVISION												
ENGLISH RADIO Productivity Improvements - 2000/2001 Technical & Admin Review Resource Review: British Columbia - 2004/05 Network Programming - 2004/05 Radio 3 Olympic coverage for 2006 and 2008 Toronto Production Centre - Technical & Admin Review - 2003/04 Elimination of recruiter position Resource Review - National News Resource Review - Radio 3 Resource Review - Arts & Entertainment Drag & Drop Implementation Overtime reductions Departmental reductions Elimination of secondment program TOTAL - ENGLISH RADIO												
FRENCH RADIO Convert the national radio distribution from Ku-band to C-band: Decrease in cost of lines Capital expenses Consolidation of radio master controls (RCI & 1ere Chaîne) Technical team reduced by 3 FTE's Capital expenses TOTAL - FRENCH RADIO												

s.18(a)
s.18(b)
s.68.1

GAINS THROUGH EFFICIENCIES
UPDATED - DECEMBER 2006

Appendix K

Changed from previous version	Permanent	One-time	Total Annual (\$000'S)	Total One-time (\$000'S)	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	Future years		
					(Incremental basis)									
					(\$000'S)	(\$000'S)	(\$000'S)	(\$000'S)	(\$000'S)	(\$000'S)	(\$000'S)	(\$000'S)	(\$000'S)	(\$000'S)
FRENCH TELEVISION														
Replace leased Telesat facilities- Montréal TV Uplink:														
Cost savings														
Capital expenses														
Centre de l'information (CDI):														
Cost savings														
Capital expenses														
Modernization of Studio 42:														
Cost savings														
Capital expenses														
Revenue increase														
ARTV:														
Cost of putting ARTV on air														
Revenues ARTV														
Upgrade special event pool equipment (joint ETV & FTV):														
Cost savings - rental of equipment no longer required														
Capital expenses														
FTN BX conversion Toronto National and Regional News:														
Cost savings														
Capital expenses														
Mobile-7:														
Reduction of maintenance costs Mobile-7														
Capital expenses - Replacement of audio console audio (mobile-7)														
Revenue increase - Rental Mobile-7														
Replacement of lighting in various studios:														
Cost savings														
Capital expenses														
Inews service:														
Reduction in FTE's														
Capital expenses														
Presentation Optimization:														
Cost reductions - East Phase (2 positions)														
Cost reductions - West Phase (2 positions)														
Capital expenses - East Phase														
Capital expenses - West Phase														
Disaffiliation (Cogeco):														
Acquisitions Cogeco archives														
Disaffiliation (Cogeco)														
Capital expenses - Acquisitions of microwave trucks (Cogeco)														
Revenue increase - Disaffiliation (Cogeco)														
DROP - French Television:														
Cost savings														
Capital expenses														
Centre de production des dramatiques:														
Cost reductions														
Capital expenses														
Proceeds of sales - various														
TOTAL - FRENCH TELEVISION														

s.18(a)
s.18(b)
s.68.1

GAINS THROUGH EFFICIENCIES
UPDATED - DECEMBER 2008

Appendix K

Changed from previous version	Permanent	One-time	Total Annual (\$000'S)	Total One-time (\$000'S)	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	Future years
					(Incremental basis)							
CHIEF TECHNOLOGY OFFICER Broadcast/network telecom RFP: Additional operating expenses Annual operating savings Operating savings - Bell Mobility migration Proceeds of sale - old WAN Capital expenses Peering project: One-time costs Annual net savings Capital expenses Upgrade SAP software - Infosutic: Operating savings Maintenance costs Capital expenses Remote Event Multiview System: Capital expenses Recurring savings One-time savings Rogers Atlantic Installations : Capital expenses One-time savings Recurring savings Olympics Remote Production: Capital expenses One-time savings Weather Centre: Capital expenses One-time operating costs Recurring operating expenses (net of annual savings) Incremental revenues Touch Radio installation - Edmonton: Capital expenses Third party payment Net revenue increase Increase in site rental revenues: Increase in site rental revenues - permanent Increase in site rental revenues - one-time Newcap Installation - PEI: Capital expenses Third party payment Increase in site rental revenues - one-time Increase in site rental revenues - permanent Rogers FM North Bay: Capital expenses Third party payment Increase in site rental revenues - permanent MBS installation - Halifax and Charlottetown: Capital expenses Third party payment Net revenue increase Master FM Installation (North Bay, ON): Increase in site rental revenues - permanent Capital expenses Saving of operating expenses Transmission Division re-engineering SAP support costs Change to VPN technology (London & Paris) Prepayment discount - common carriers												

Changed from previous version	Permanent	One-time	Total Annual (\$000'S)	Total One-time (\$000'S)	2004/2005	2005/2006	2006/2007	2007/2008	Future years
					(Incremental basis)				
DROP - Phase 3 Savings on teleconferencing costs based on new Bell rate Savings from Cisco contract switched from HP to Bell Cancellation of CDTV membership International agreements with short-wave facilities at Backville NABA revenues CBC / CANCOM aggregated agreement (Specialty Services) TOTAL - CHIEF TECHNOLOGY OFFICER									
REAL ESTATE DIVISION Net staff reduction (succession plan excluded) Energy savings project (Toronto, Montreal, Vancouver and Moncton): Energy savings One-time costs Academy of Design: Tenant improvement Tax reduction - Taxes paid directly to city by tenant Rental revenues Edmonton Consolidation: Capital expenses Proceeds from sale of Edmonton buildings Saving of operating expenses - Edmonton <i>Avoided estimated future capital costs (for information only - not included in totals below)</i> Québec Consolidation: Capital expenses Proceeds from sale of Québec building Additional operating savings <i>Avoided estimated future capital costs (for information only - not included in totals below)</i> Ottawa Consolidation: Capital expenses Proceeds from sale of Lanark building Sublease - Ottawa (Queen St) Sublease - Ottawa (Queen St) - tenant improvement Savings from Ottawa lease review Additional operating expenses Additional operating expenses <i>Avoided estimated future capital costs (for information only - not included in totals below)</i> Profac contract: <i>Avoided costs - Renegotiation of Profac contract (for information only - not included in totals below)</i> Review - Profac contract Review - Profac contract Recovery - KPI penalty Savings - Satisfaction survey Sale of Burnaby Warehouse: Proceeds from sale of warehouse Saving of operating expenses Revenue reduction Sale of Winnipeg building: Saving of operating expenses Proceeds from sale of building Other Property Sales: Toronto land St-Boniface land Saskatchewan Property Management Corporation: Tenant improvement Saskatchewan Property Mgt - new lease Saskatchewan Property Mgt - renewal									

Changes from previous version	Permanent	One-time	Total Annual (\$000'S)	Total One-time (\$000'S)	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	Future years
					(Incremental basis)							
Other revenue generating activities: New price parking policies Regina - Cafeteria lease Calgary - Cafeteria lease Various increases related to lease renewals Various increases related to lease renewals Tax savings: Water tax - Montreal Avoided costs - Tax negotiation - Toronto (for information only - not included in totals below) Various tax savings Renegotiation of service contracts for Montreal and Moncton Reduction of additional security (put in place after 9/11) Savings on 80 Commissionner St. Toronto Savings on operating costs - Halifax, Regina and Vancouver plants Lease terminations Saving of operating expenses - CIR (Montreal) Saving of operating expenses - Pumping station (Montreal) Elevator maintenance contract Various other savings TOTAL - REAL ESTATE DIVISION												
SHARED SERVICES ORGANISATION One-time operating costs One-time capital costs Ongoing savings/(costs) TOTAL - SHARED SERVICES ORGANISATION												
STRATEGIC SOURCING Additional Operating Costs Ongoing savings TOTAL - STRATEGIC SOURCING												
ENTERPRISE-WIDE PROJECTS Vision Project: Cost savings One-time charges including training, computers, conversion costs Capital expenses TOTAL - ENTERPRISE-WIDE PROJECTS												
CORPORATE INITIATIVES Cost avoidance - Revised departure policy (for information only - not included in totals below) Cost avoidance - Foreign exchange transactions for future Olympic rights (for information only - not included in totals below) New travel agency contract Increased revenues from Canadian Retransmission Rights Association 10% reduction of travel budgets TOTAL - CORPORATE INITIATIVES												
GRAND TOTAL (excluding avoided costs)												

CAPITAL

2006/07 Capital Budget Overview as at December 31, 2006

<u>Component</u>	s.18(a) s.18(b)	<u>Capital Plan</u>	<u>Forecasted Expenditures</u>	<u>Surplus/ (Deficit)</u>	<u>Actual Expenditures to Date</u>	<u>As % of Forecast</u>
English Television (ETN)						
French Television (FTN)						
English Radio (ERN)						
French Radio (FRN)						
Information Technology (IT)						
Real Estate (RE)						
Broadcast & Telecom Networks (BTN)						
Transmission Division (T&D)						
Human Resources (HR)						
Corporate Components						
Galaxie						
Fleet Management						
Mobile Division						
Minor Capital						
Enterprise Wide (EW) - details on the next page						
Corporate Contingency						
Committed Corporate Contingency						
Impact of approved plan being higher than available capital (1)						
Total Surplus/(Deficit) Forecast						
<i>% of Available Capital</i>						
TOTAL AVAILABLE CAPITAL						
Capital Appropriation						
Reprofiling of Capital Funds from 2005/06 to 2006/07						
Planned operating to capital vote transfers						
Vote transfers deferred from 2005/06 to 2006/07						
2005/06 Carryover						
3rd Party Payments						
Repayments to NATV						
Proceeds of Sale/Trade-ins						
Insurance Proceeds						
Total Available Capital in 2006/07						
TOTAL SURPLUS/(DEFICIT) FORECAST						

2006/07 Capital Budget Overview - Enterprise Wide Projects
as at December 31, 2006

s.18(a)
s.18(b)
s.68.1

	<u>Capital Plan</u>	<u>Forecasted Expenditures</u>	<u>Surplus/ (Deficit)</u>	<u>Actual Expenditures to Date</u>	<u>As % of Forecast</u>
Enterprise Wide (EW)					
Ottawa Content Management					
Capital plan as approved					
Other sources of funds committed to this project					
Net results for the project	—				
Quebec Consolidation					
Capital plan as approved					
Other sources of funds committed to this project					
Net results for the project	—				
Shared Services Organization					
Capital plan as approved					
Other sources of funds committed to this project					
Net results for the project	—				
Vision/Sintec					
Capital plan as approved					
Other sources of funds committed to this project					
Net results for the project	—				
Edmonton Consolidation					
Newsroom System Project - iNews					
Desktop Radio					
Desktop Radio - Permanent Solution					
Digital Transmitters					
DROP					
Digital Radio Broadcasting					
Washington Bureau					
Olympic Production					
HD Presentation Vancouver					
HD Hockey History					
Virtual Music Library System					
TV Affiliate Replacement Projects					
Upgrade Engineering Map Software Tool					
DTV / HDTV Test Equipment					
Pool Equipment - SEG					
Sirius Radio Uplink Facilities					
HD Olympic Production					
ScheduLINK					
Vancouver Redevelopment					
St John's, Newfoundland Consolidation					
Replace FSV and Equipment - Montreal					
Merchandising Division Infrastructure					
Total Surplus/(Deficit) Forecast					

2006/2007 Capital Budget Overview as at December 31, 2006 - Notes

Note 1

Note 2

Note 3

Note 4

Note 5

Note 6

Note 7

Note 8

Note 9

Note 10

Note 11

2006/2007 Capital Budget Overview as at December 31, 2006 - Notes

Note 12

Note 13

Note 14

Note 15

Note 16

Note 17

Note 18

2006/07 to 2008/09 CAPITAL INVESTMENT PLAN
 Projects over \$5 Million (in thousands) as at December 31, 2006

		Budget Approved by Decision Letter	Pending Releases/ Other Sources of funds *	Actual Expenditures Prior Yrs	Forecasted Expenditures 2006/07	Forecasted Expenditures 2007/08	Forecasted Expenditures 2008/09	Future Years	
Capital Lease Payments - TBC	RE	22,235	-	-	6,870	7,397	7,965		
Sintec/Vision Project - Capital ⁽¹⁾	EW	45,414	7,056	39,074	7,350	2,904	-		
Sintec/Vision Project - Operating ⁽²⁾				2,187	956	-	-		
Ottawa Content Management - Capital *	EW	47,203	2,710	46,826	783	1,891	-		
Ottawa Content Management - Operating ⁽²⁾				691	-	-	-		
Presentation Optimization Plan/Centralisation M.E.O.	ETN/FTN	15,168	-	15,130	48	-	-		
Electronic News Systems - Content Management - Capital	EW	5,409	-	1,857	221	1,247	1,170		
Electronic News Systems - Content Management - Operating ⁽²⁾				895	-	-	-		
Edmonton Consolidation ⁽⁴⁾	EW	14,674	-	14,673	220	532	-		
DROP Project	ETN/FTN	10,883	-	9,757	836	100	-		
Quebec Consolidation - Capital *	EW	20,557	42	19,952	197	443	-		
Quebec Consolidation - Operating ⁽²⁾				195	67	-	-		
Centre for Drama Production	FTN	7,967	-	7,922	45	-	-		
Desktop Radio	EW	25,313	-	5,344	4,831	6,716	6,812		
Desktop Radio - Operating ⁽²⁾				118	148	1,117	225		
Shared Services Organization *	EW	5,000	2,020	6,341	1,477	202	-		
HDTV Mobile - Toronto ⁽⁷⁾	ETN	13,500	-	12,355	30	320	-		
Desktop TV - Toronto	ETN/FTN	5,101	-	2,279	3,022	800	-		
Desktop TV - Newsworld	ETN	3,483	-	1,819	1,405	259	-		
Vancouver Renovation Project - Capital ⁽⁴⁾	EW	54,242	8,843	1,861	13,157	20,956	23,225	3,492	
Vancouver Renovation Project - Operating ⁽²⁾				-	94	109	151	40	
Studios 42, 43, 44, 47, 48 to HD and Studios 45 to SD - Capital ⁽²⁾	FTN	26,150	-	8,511	12,603	4,808	-		
Studios 42, 43, 44, 47, 48 to HD and Studios 45 to SD - Operating ⁽²⁾				-	87	331	-		
Upgrade Studio 42 to HD - Capital	ETN	6,400	-	3,020	2,765	20	-		
Upgrade Studio 42 to HD - Operating ⁽²⁾				6	189	-	-		
Upgrade Studio 55 and Control Room 52 to HD -Capital	ETN	4,860	-	2,031	2,208	143	-		
Upgrade Studio 55 and Control Room 52 to HD -Operating ⁽²⁾				234	117	-	-		
St. John's Consolidation - Capital	EW	5,007	-	19	1,331	320	-		
St. John's Consolidation - Operating ⁽²⁾				143	2,867	310	-		
HD Mobile	Mobile	12,000	-	437	9,847	1,852	-		
Subtotal Projects Approved		352,378	20,671	202,678	73,780	52,577	39,548	3,532	
TV Affiliate Replacement - Kingston & Peterborough ⁽⁵⁾	EW	5,500	-	-	-	-	-	5,500	
Subtotal Projects Planned		5,500	-	-	-	-	-	5,500	
Total - All Projects Over \$5 Million		357,878	20,671	202,678	73,780	52,577	39,548	9,032	
Available Capital		372,252	372,778	372,776	524				

* Pending releases and other sources of funds, as well as the forecasted surplus/ (deficit), are explained in the document entitled '2006/07 Capital Budget Overview' as at December 31, 2006 - Notes.

2006/2007 to 2008/2009 CAPITAL INVESTMENT PLAN
Projects over \$5 million, as at December 31, 2006 - Notes

- Note 1** The overall budget approved for this project totals \$45.4M. Additional costs of \$7.0M are related to delays caused by the labour disruption in 2005/2006 and project delays throughout 2006/07. The additional costs will be fully funded by: an operating to capital transfer of \$2.0M from the salary savings realized during the labour dispute; an operating to capital transfer of \$1.9M from general operating funds, to cover the unplanned salaries and wages for television employees dedicated to the project; an operating to capital transfer of \$0.6M from Information Technology; and new funds of \$2.5M set aside from the capital vote.
- Note 2** Due to a change in accounting practice regarding the capitalization of training costs, the training cost budgets related to capital projects are now managed through operating projects. For reporting purposes, the activity in these operating projects is shown, along with the activity in the capital projects, in order to provide a full picture of the status of these projects.
- Note 3** At its meeting in September 2006, a motion was presented to the Board of Directors to approve an additional \$6.9M for this project, in order to change the scope of the project to also include the conversion of Studios 43 and 44 to HD technology.
- Note 4** In May 2005, the Board of Directors approved funding of \$54.2M over 5 years for the Vancouver project. The project has experienced a 4-month delay in receiving the building and demolition permits from the city of Vancouver, therefore moving the start of the construction phase of the project from May 2006 to September 2006. In addition, the project has experienced delays in securing local contractors, due to local market conditions related to an extremely competitive construction industry. The overall forecast now stands at \$63.1M; new sources of funds, mostly from incremental operating revenues related to the project, have been identified and will be transferred from operating to capital to repay the funding shortfall.
- Note 5** At its meeting in March 2006, the Board of Directors approved 'in principle' two television affiliate replacement projects for 2006/07, totalling \$5.5M, for Kingston (\$3.0 million) and Peterborough (\$2.5 million). Since the affiliation contracts have been renewed for these two locations, for a five year period starting September 1, 2006, these projects are now planned for fiscal year 2011/12.
- Note 6** The deficit of \$0.8M forecast for this project is due to higher technology costs than planned.
- Note 7** The original business case for this project assumed proceeds of \$0.8M from the sale of the old mobile; however, these proceeds did not materialize. In order to compensate for this, expenditures have been reduced to arrive at an overall surplus of \$0.8M.

A0016177_46-001404

FINANCIA

CONSOLIDATED BALANCE SHEET

s.18(a)
s.18(b)
s.68.1

As at December 31

(thousands of dollars)

	2006	2005
ASSETS		
Current		
Cash and cash equivalents	-	-
Short-term investments	-	-
Accounts receivable	-	-
Inventory	-	-
Prepaid expenses	-	-
Net investment in sales-type leases	-	-
<hr/>		
Property and equipment	-	-
Long-term receivables	-	-
Net investment in sales-type leases	-	-
Deferred charges	-	-
Long-term investments	-	-
<hr/>		
LIABILITIES		
Current		
Accounts payable and accrued liabilities	-	-
Employee-related liabilities	-	-
Bonds payable, including accrued interest	-	-
Deferred operating and capital vote drawdown	-	-
<hr/>		
Long-term		
Employee-related liabilities	-	-
Bonds payable	-	-
Deferred capital funding	-	-
<hr/>		
EQUITY		
Equity	-	-
<hr/>		

s.18(a)
s.18(b)
s.68.1

CONSOLIDATED STATEMENT OF OPERATIONS AND EQUITY

For the period ended December 31

(thousands of dollars)

	2006	2005
Revenues		
Advertising and program sales		
Specialty services		
Other income		
Financing Income		
Expenses		
Television and radio service costs		
Specialty services		
Transmission, distribution and collection		
Payments to private stations		
Corporate Management		
Amortization of property and equipment		
Operating loss before government funding and taxes		
Government Funding:		
Parliamentary appropriation for operating expenditures		
Amortization of deferred capital funding		
Net Results before taxes		
Recovery (provision) of income and large corporations taxes		
Net results for the period		
Equity, beginning of year		
Working Capital Funding		
Equity, end of period		

s.18(a)
s.18(b)

CASH, CASH EQUIVALENT AND SHORT TERM INVESTMENTS
As at December 31
(in thousands of dollars)

CASH, CASH EQUIVALENT AND SHORT TERM INVESTMENTS

	2006	2005	Inc. / (Dec.)	
			Amount	Percent
Bank balances				
Petty cash and production funds				
Cash equivalents	—			
Cash and cash equivalents				
Short-term investments	—			
Total cash, cash equivalents and short-term investments	==			

INTEREST REVENUES

	2006	2005	Inc. / (Dec.)	
			Amount	Percent
Corporate Bank, Other Invest, T-Bills NATV and Lanark Bldg. Fund Interest Unclaimed cheques	—			
General Ledger	==			

s.18(a)
s.18(b)

ACCOUNTS RECEIVABLE
As at December 31
(millions of dollars)

ACCOUNTS RECEIVABLE		
	2006	2005
	% millions of dollars	% millions of dollars
Advertising Current		
1-30 days		
31-60 days		
61-90 days		
91+ days		
Total		
Non-advertising		
Total - Accounts Receivable		

Board of Directors

March 21, 2007

Subject matter

President and CEO's Signing Authority

Background

In 2004, the Board approved the attached signing authority.

Information on the matter

At the request of new Board members, we are attaching, as a standing item, the actual signing resolution for reference purposes.

For decision

For information

Prepared by

Name: Pierre Nollet

Date: March 1st, 2007

Management recommendation

Last discussed at the Board

Next steps

PRESIDENT'S SIGNING AUTHORITY RESOLUTION

On a motion duly moved and seconded

WHEREAS the President and CEO requires sufficient authority to carry out his/her functions; and

WHEREAS the Board reviews and approves the Capital and Operating budgets each and every year; and

WHEREAS the authority granted to the President and CEO shall be carried out within the limits of the approved budgets, the Corporation's By-laws and the Broadcasting Act;

IT IS THEREFORE RESOLVED THAT the President and CEO directly or through his/her delegate be and is hereby authorized to decide, enter into or commit on behalf of the Corporation for:

1. *(acquisition or disposition of real property)* any matters which have a financial value or consideration to the Corporation of less than \$4 million, when covered by Section 48(2) of the Broadcasting Act;
2. *(leasing of real property)* any matters which have a financial value or consideration to the Corporation of up to \$15 million, when covered by Section 48(2) (b) of the Broadcasting Act and Order in Council number P.C. 2002-1582 and dated September 24, 2002;
3. *(programming)* any matter relating to the acquisition, production co-production of financing of programs and has a financial value or consideration to the Corporation of up to \$10 million and commits the Corporation to a period of 4 years or less;
4. *(revenue generating)* any matter where the main objective is to generate revenues which has a financial value or consideration to the Corporation of up to \$15 million and commits the Corporation to a period of 4 years or less; provided that advertising contracts shall follow the general rules below;
5. *(general)* any other matters which have a financial value or consideration to the Corporation of up to \$5 million save and except when Governor in Council approval or Minister of Finance approval is required, pursuant to Section 46 and 46.1 of the Broadcasting Act.

The above authority does not include the power to agree to or enter into new business ventures on behalf of the Corporation

PRESIDENT'S SIGNING AUTHORITY RESOLUTION

IT IS FURTHER RESOLVED THAT the President directly or through his/her delegate be and is empowered and directed, in the name and on behalf of the CBC, to make, execute and deliver and to do all such acts and things as are necessary or appropriate to effect the foregoing resolution and to execute all agreements, undertakings, documents, instruments or certificates in the name and on behalf of the CBC in connection with the authority contemplated in the foregoing resolution and any acts or things heretofore done or made or documents heretofore executed and delivered which effect the foregoing resolution are in all respect approved, ratified and confirmed.

**Pages 1412 to / à 1451
are withheld pursuant to section
sont retenues en vertu de l'article**

68.1

**of the Access to Information Act
de la Loi de l'accès à l'information**

Board of Directors

March 21, 2007

Subject matter

2007-2008 Recommended Operating, Working Capital and Capital Budget

Background

The Board approved the 2007-2008 Corporate Priorities at the November 22-23, 2006 meeting.

Information on the matter

An operating budget of \$ (including CBC Newsworld and RDI), a capital budget of and a working capital budget of are hereby submitted for approval.

The approval of the budgets completes the planning cycle.

For decision**For information****Prepared by**

Name: Johanne Charbonneau

Date: March 9, 2006

Management recommendation

It is resolved that the Board approves the 2007-2008 Recommended Operating, Working Capital and Capital Budget as presented.

Last discussed at the Board

Date:

Decision made: N/A

Next steps

Once approval is received, budget decision letters will be issued to the components.

**2007-2008
Recommended
Operating,
Working Capital and
Capital Budget**

**Presentation to the
CBC/Radio-Canada
Board of Directors**

**Johanne Charbonneau
March 20-21, 2007**

Presentation Agenda

- ❖ **Overview of 2007-2008 Corporate Priorities**
- ❖ **2007-2008 Operating Budget**
 - ❖ Budget Assumptions
 - ❖ Corporate Summary
 - ❖ Sources of Funds
 - ❖ Allocation of Funds
 - ❖ Allocation of \$60 million Government Funding
 - ❖ Specialty Services and Profit Centres
- ❖ **2007-2008 Working Capital Budget**
- ❖ **2007-2008 Capital Budget and 2007-2008 to 2009-2010 Capital Investment Plan**
 - ❖ Strategic Directions
 - ❖ Overview
 - ❖ 2007-2008 Recommended Capital Budget and 3-year Plan Highlights
- ❖ **Risk Management**



Overview of 2007-2008 Corporate Priorities

Overview of 2007-2008 Corporate Priorities

2007-2008 Corporate Priorities

**Our strategic directions are built around
the following key thrusts:**

**High quality,
Distinctive
Canadian
Programming**

- 1. Ensure distinctive programming of the highest quality on all delivery platforms.**
- 2. Recognise the importance of regional reflection and of the changing face of Canada.**
- 3. Ensure the sustainability of CBC/Radio-Canada's Canadian schedules.**

Efficiency

- 4. Demonstrate that CBC/Radio-Canada is a well-managed company and generate cash flow to re-invest in programming.**

**Creative and
Human
Resources**

- 5. Strengthen CBC/Radio-Canada's commitment to all its employees – to those who create and those who support them.**

**Strategic
Partnerships**

- 6. Position CBC/Radio-Canada to enhance its ability to fulfil its mandate through selective alliances and partnerships.**

Collaboration

- 7. Reinforce the capacity of CBC/Radio-Canada to work as one integrated company.**

**Strong
Stakeholder
Relations**

- 8. Enhance/strengthen CBC/Radio-Canada's stakeholder relationships.**



CBC  Radio-Canada

2007-2008 Operating Budget

**Pages 1459 to / à 1461
are withheld pursuant to sections
sont retenues en vertu des articles**

18(a), 18(b), 21(1)(d)

**of the Access to Information Act
de la Loi de l'accès à l'information**

2007-2008 Operating Budget

Sources of Funds

**Pages 1463 to / à 1472
are withheld pursuant to sections
sont retenues en vertu des articles**

18(a), 18(b), 21(1)(d)

**of the Access to Information Act
de la Loi de l'accès à l'information**

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**Pages 1474 to / à 1495
are withheld pursuant to sections
sont retenues en vertu des articles**

18(a), 18(b), 21(1)(d), 68.1

**of the Access to Information Act
de la Loi de l'accès à l'information**

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**Pages 1497 to / à 1502
are withheld pursuant to sections
sont retenues en vertu des articles**

18(a), 18(b)

**of the Access to Information Act
de la Loi de l'accès à l'information**

2007-08 Recommended Capital budget and 3-Year Plan Highlights (cont'd)

1. Production Infrastructure (54%; \$164.6 M)

- ❖ Continue to replace obsolete equipment with new digital standards in Radio and Television, with significant investments in La Maison and the Toronto Broadcast Centre.
- ❖ Complete investment and roll-out new Desktop Radio Systems in English and French Radio to replace the current obsolete Dalet System.
- ❖ Continue investments in HDTV.
- ❖ Production infrastructure investments as part of the Vancouver renovation and the St. John's consolidation projects.
- ❖ English Television investment in local news.



2007-08 Recommended Capital budget and 3-Year Plan Highlights (cont'd)

1. Production Infrastructure (54%; \$164.6 M)

- ❖ New Media infrastructure investments to meet “Stay in Business requirements” and move English New Media to Web 2.0/Media Player.
- ❖ Refresh aging satellite and microwave trucks in French Television.
- ❖ Complete investment in the 2nd HDTV mobile.
- ❖ Establish Desktop TV in various regional locations.
- ❖ Commence initial investment to replace some \$40 million in Sony SX news gathering line of equipment with HD ready equipment (SX equipment is no longer manufactured and will not be supported after 2012).



2007-2008 Recommended Capital budget and 3-Year Plan Highlights (cont'd)

2. Enterprise-Wide Systems and Technology Infrastructure (9%; \$ 28.2 M)

- ❖ Complete Vision project and post go-live investment in Sintec On-Air application to add enhanced functionality.
- ❖ LAN and server infrastructure, telephony and various small business applications
- ❖ Implement a pilot project for an Electronic Document and Records Management System (EDRMS) to help manage Access to Information requirements.



2007-2008 Recommended Capital budget and 3-Year Plan Highlights (cont'd)

3. Collection, Distribution and Delivery (10%; \$ 31.5 M)

- ❖ Investments in transmitters and towers are determined on the specific status of each facility (e.g.compliance with codes & regulations, reliability of service and maintenance cost).
- ❖ Improving and extending Radio service coverage in-line with CRTC commitments and strategic objectives.
- ❖ Complete initial investment in 8 terrestrial Digital Television (DTV) transmitters and minimal digital radio broadcasting investments(to be reassessed on an annual basis).
- ❖ Maintain existing NTSC analog TV transmitters in anticipation of an NTSC horizon and transition to DTV transmitters by 2012.



2007-2008 Recommended Capital budget and 3-Year Plan Highlights (cont'd)

4. Property Management (23%; \$ 69.3 M)

- ❖ Capital portion of Toronto Broadcast Centre capital lease payments of approximately \$8 million per year (\$23.9 M over 3 years).
- ❖ Building maintenance, restoration and changes required to comply with building codes, regulations and replacement of obsolete/failing assets.
- ❖ Improvement of the TBC Security system.
- ❖ Complete Vancouver facility renovation (\$37.3 M remaining to complete the real estate portion of the project).



2007-2008 Recommended Capital budget and 3-Year Plan Highlights (cont'd)

5. Fleet & Minor Capital Purchases (3%; \$ 10.1 M)

- ❖ Fleet management activities are centralized and standards are in place for all replacement and new vehicle requirements.
- ❖ Minor capital to address unforeseeable and urgent operational equipment requirements.
- ❖ Contingency provision of \$1 million for unplanned project requirements.



2007-2008 Recommended Capital budget and 3-Year Plan Highlights (cont'd)

6. Projects > \$5 M

PROJECTS APPROVED (in \$000's)							
Projects	BOD approval date (1)	Total Board Approved Budget	2007/08	2008/09	2009/10	3-Year Total (2)	All Years Total (3)
Vancouver Renovation (4)	May 4, 2005	54 242	22 494	25 123	2 993	50 610	63 085
St John's Consolidation - capital	Jan 20, 2006	5 007	326	0	0	326	5 007
Desktop Radio - capital	June 17, 2003	25 313	6 675	6 754	0	13 429	25 313
Vision - capital (5)	May 4, 2005	45 414	0	0	0	0	52 470
Shared Services Organization (6)	Sept 23, 2003	6 000	0	0	0	0	8 020
Conversion of studios 42, 43, 44, 47 & 48 to HD and studio 45 to SD - Mtl	Nov 30, 2005	26 150	3 092	0	0	3 092	26 150
Second HD Mobile	Mar 14, 2006	12 000	892	0	0	892	12 000
Capital Lease - TBC	N/A	23 940	7 400	7 965	8 575	23 940	23 940
Subtotal - Projects Approved		198 066	40 879	39 842	11 568	92 289	215 985
PROJECTS PLANNED (in \$000's)							
Upgrade TBC - Automation			0	5 350	650	6 000	6 000
Upgrade 'Centre de l'Information (CDI)' - Phase 2 Mtl			50	7 450	2 000	9 500	9 500
Replace recording & field equipment (SX)			0	500	1 725	2 225	17 755
Replace recording & field equipment (SX)			0	0	7 500	7 500	24 500
Subtotal - Projects Planned			50	13 300	11 875	25 225	57 755
Total - All Projects over \$5 Million			40 929	53 142	23 443	117 514	273 740

¹ Where there has been more than one approval date for a project, the date shown relates to the last addendum that was approved by the Board of Directors.

² The annual and '3-year' values in this report do not include the one-time operating costs related to these capital projects which are funded from the capital vote. Generally the related one-time operating costs represent training and/or moving costs, which are not capitalized.

³ The 'All Years Total' includes both the capital and one-time operating costs related to the project and represents the full-in cost over the life of the project.

⁴ In May 2005, the Board of Directors approved funding of \$54.2M over 5 years for the Vancouver project. The overall forecast now stands at \$63.1M, which still needs to be confirmed following the completion of contracts for the 'above grade' construction. New sources of funds, mostly from incremental operating revenues related to the project, have been identified and will be transferred from operating to capital to address any costs over the \$54.2M level.

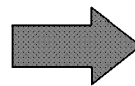
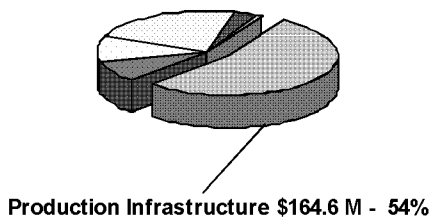
⁵ The current budget for the Vision project is \$45.4M, all of which will have been spent by 2006/07. The project is currently projected to be completed by June 2007 at \$52.5M as indicated in the Capital forecast report. The increased cost of \$7.0M is related to delays caused by the labour disruption in 2005/06 and project delays throughout 2006/07. This increase is fully funded by: an operating to capital transfer of \$2.0M from the salary savings realized during the labour dispute; an operating to capital transfer of \$1.9M from general operating funds, to cover the unplanned salaries and wages for television employees dedicated to the project; an operating to capital transfer of \$0.6M from Information Technology; and new funds of \$2.5M from the capital budget.

⁶ The overall budget approved for the Shared Services Organization project totals \$6.0M, all of which will have been spent by 2006/07. The project is expected to be completed by the summer of 2007 and the total forecast now stands at \$8.0M, mainly due to higher real-estate fit up costs than planned and increased costs to deliver the 'Time Capture' solution. Funds have been set aside to offset the shortfall: landlord tenant inducement payment of \$0.5M; operating to capital transfer of \$0.5M from NATV reserve; and new funds of \$1.0M from the capital budget.

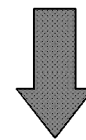
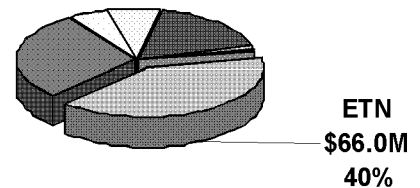


English Television

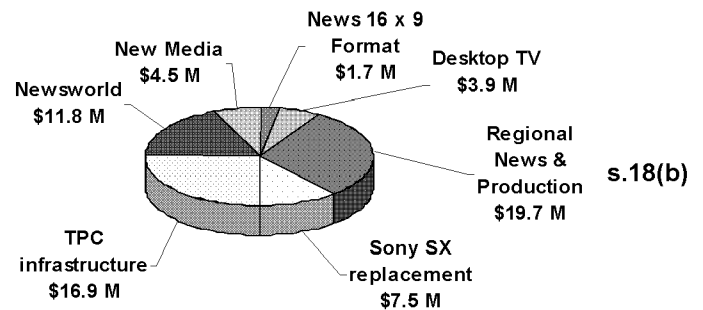
3 Year Capital Plan: \$306.7 M



Production Infrastructure \$164.6M



ETN: \$66.0 M



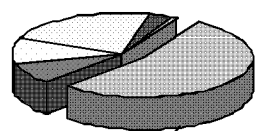
Core Priorities:

- Regional News
- New Media
- Sony SX equipment Replacement
- TBC Infrastructure Replacement
- HD Investments as part of the normal replacement cycle
- Move News to 16x9 format

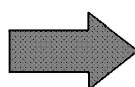


English Television

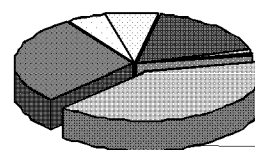
3 Year Capital Plan: \$306.7 M



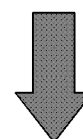
Production Infrastructure \$164.6 M - 54%



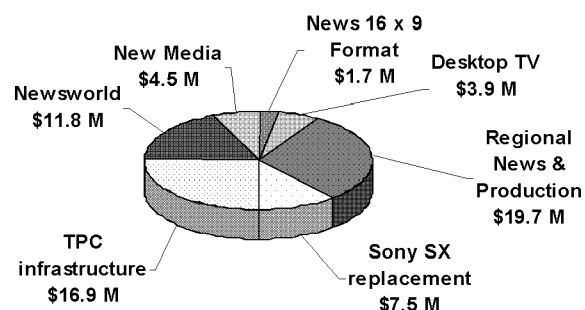
Production Infrastructure \$164.6M



ETN
\$66.0M
40%



ETN: \$66.0 M



Core Priorities:

- Regional News
- New Media
- Sony SX equipment Replacement
- TBC Infrastructure Replacement
- HD Investments as part of the normal replacement cycle
- Move News to 16x9 format

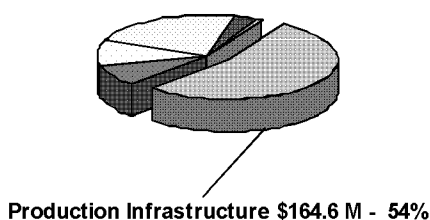
Key Risks:

- HD investments are stretched beyond Standard Definition replacement cycle, this may not keep pace with the demand for HD production.
- TBC infrastructure is 15 years old and entering a critical phase for the replacement of early digital equipment.
- Sony SX equipment replacement delayed and is key to HD field production capacity.
- A prolonged NTSC shut-off date will increase investments in Presentation Area facilities, to provide a Standard Definition and High Definition program stream to viewers.

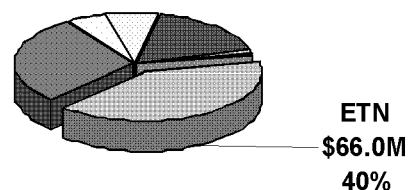


English Television

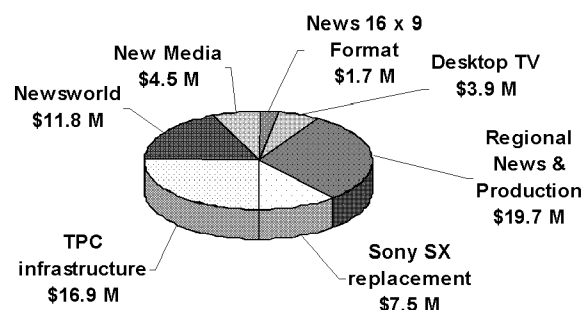
3 Year Capital Plan: \$306.7 M



Production Infrastructure \$164.6M



ETN: \$66.0 M



Core Priorities:

- Regional News
- New Media
- Sony SX equipment Replacement
- TBC Infrastructure Replacement
- HD Investments as part of the normal replacement cycle
- Move News to 16x9 format

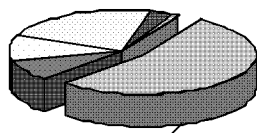
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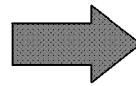


French Radio

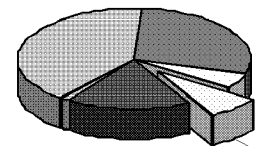
**3 Year Capital Plan:
\$306.7 M**



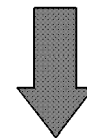
Production Infrastructure \$164.6 M - 54%



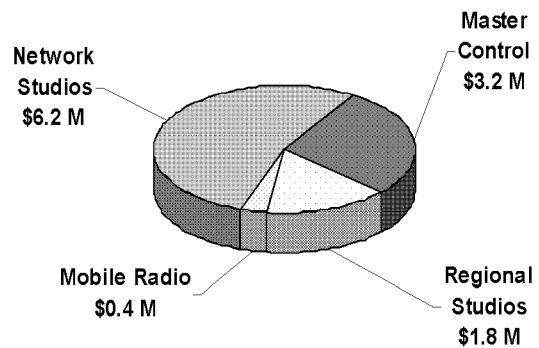
Production Infrastructure \$164.6 M



FRN
\$11.6M
7%



FRN : \$11.6 M



s.18(b)

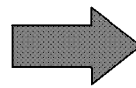
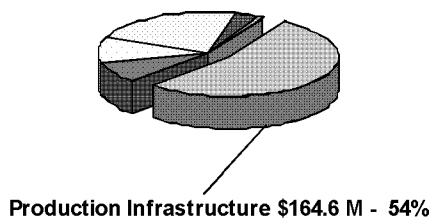
Core Priorities

- Centralize "Première Chaîne" distribution for Eastern Quebec in an upgraded and digitized master control room in Montreal
- Upgrade regional production facilities
- Upgrade Montreal Network studios
- Continue "Première Chaîne & Espace Musique" signal expansion and/or improvements

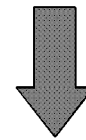
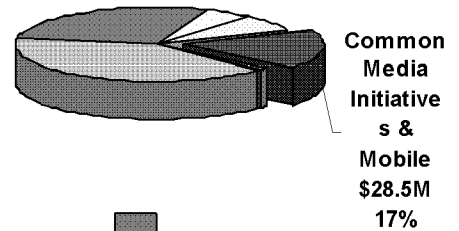


Common Media initiatives & Mobile Division

**3 Year Capital Plan:
\$306.7 M**



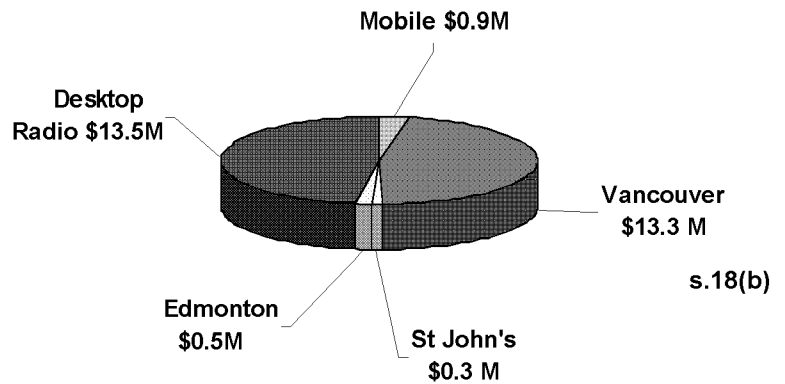
**Production Infrastructure
\$164.6 M**



Common Media Initiatives & Mobile \$28.5 M

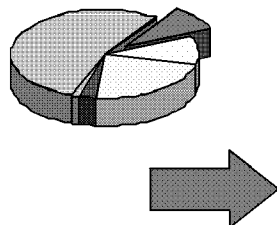
Core Priorities

- Complete Rollout of Desktop Radio
- Complete Vision Implementation
- Vancouver Project
- St.John's, Newfoundland Consolidation
- Complete second HDTV Mobile initiative



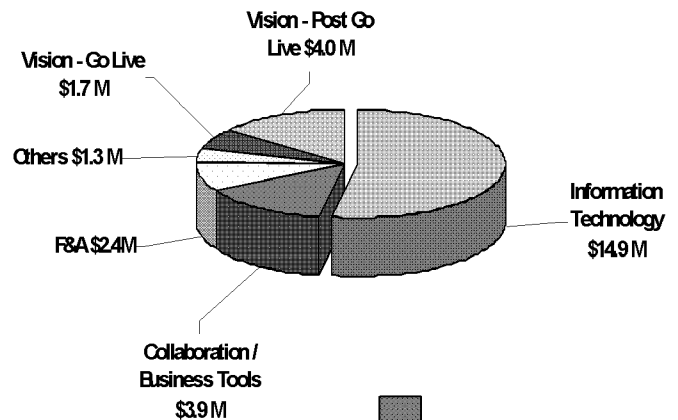
Enterprise Systems & Technology Infrastructure

**3 Year Capital Plan:
\$306.7 M**



Enterprise Systems & Tech. Infra. \$28.2 M - 9%

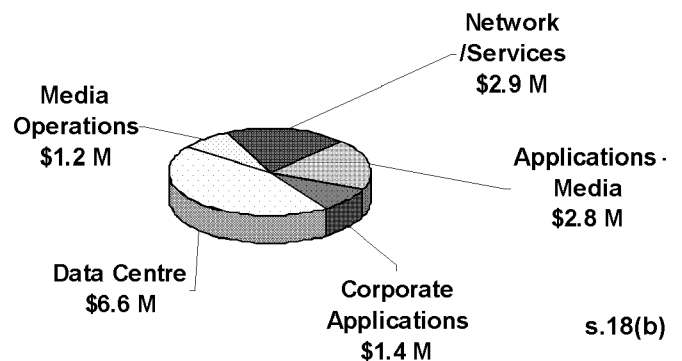
Enterprise Systems & Technology Infrastructure \$28.2 M



Core Priorities:

- Technical equipment Asset Management
- Electronic Document and Records Management
- Workstation and LAN security
- Lotus Notes Replacement
- TrafficPlus
- LAN Upgrade
- Virtual Music Library (on a self-funded basis only)
- IT Disaster Recovery Plan
- Develop business case for HR systems

Information Technology: \$14.9 M

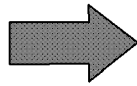
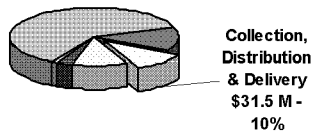


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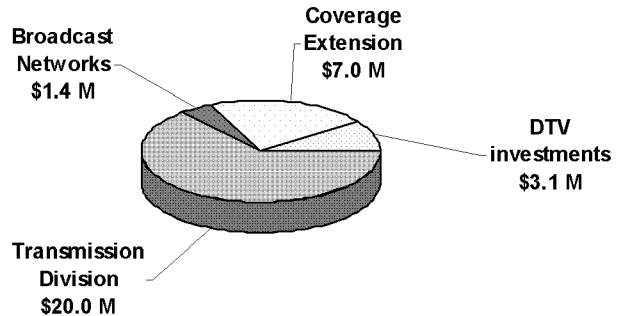


Collection, Distribution and Delivery

3 Year Capital Plan:
\$306.7 M



Collection, Distribution & Delivery \$31.5 M



Core Priorities:

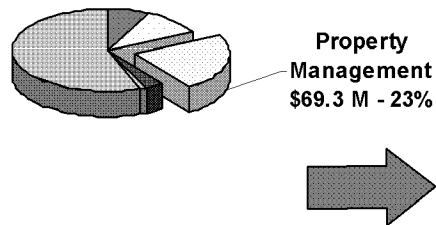
- Codes & Regulations
- Completion of planned Standby power for high priority transmitters
- Distribution & Transmission Obsolescence
- Coverage extension for ERN & FRN
- Investment initiatives (to be funded annually as required and according to payback)
- Complete Montreal DTV installation

s.18(b)

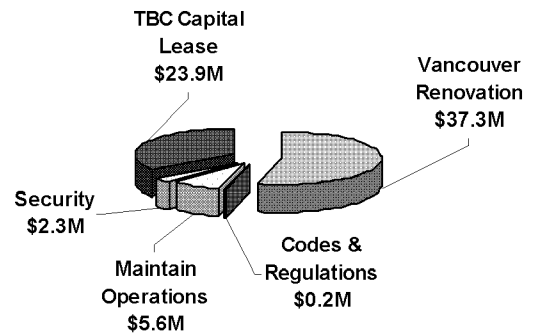


Property Management

**3 Year Capital Plan:
\$306.7 M**



Property Management \$69.3M



Core Priorities:

- **Complete Vancouver Project**
- **Maintain Operations**
- **Address Regulatory and Code Requirements**
- **Improve Building Security**
- **TBC Capital Lease**
- **Regulatory projects take priority over other projects in order to protect CBC against breach of obligation to the public and to our employees.**

s.18(b)



**Pages 1518 to / à 1535
are withheld pursuant to section
sont retenues en vertu de l'article**

18(b)

**of the Access to Information Act
de la Loi de l'accès à l'information**

Board of Directors
Toronto, March 21, 2007

Subject matter

Presentation from the Special Committee on Public Support

Background

Committee wishes to advise the Board of progress in intensifying the stakeholder relations activities of the Corporation and solicit its support for the initiative.

Information on the matter

Presentation attached

For decision

For information

Prepared by

Name: Bill Chambers
Date: March 8, 2007

Recommendation

That the Board confirm and support the approach to Stakeholder Relations proposed.

Last discussed at the Board

Date:
Decision made:

Next steps

Implementation of plan

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Toronto, March 21, 2007

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For decision

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Name: Bill Chambers
Date: March 8, 2007

Recommendation

That the Board confirm and support the approach to Stakeholder Relations proposed.

Last discussed at the Board

Date:
Decision made:

Next steps

Implementation of plan

**Pages 1538 to / à 1564
are withheld pursuant to sections
sont retenues en vertu des articles**

18(a), 18(b), 68.1

**of the Access to Information Act
de la Loi de l'accès à l'information**



2006 - 2007 ANNUAL REPORT

DRAFT
At March 9, 2007

Opening visual and text essay (four pages).
Design to be presented to the Board of Directors
by Bill Chambers at the March 2007 meeting.

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Message from the President and CEO

Message from the President and CEO

At a time when change is the only constant, the national public broadcaster has never played a more critical role in Canadian life.

In just a few years, the landscape of Canadian broadcasting has changed almost beyond recognition. Canadians can now choose from hundreds, even thousands, of television channels, radio stations, and websites, and new technologies are allowing them to gain access to that content whenever and however they want it.

At the same time, ownership of Canadian media is becoming concentrated in a few very large companies offering an ever-wider range of services but a declining diversity of opinion and perspectives. Yet the diversity of Canadian society increases steadily, as Canada welcomes immigrants from around the world.

In the midst of all these changes, Canada's national public broadcaster is not merely important, but essential. CBC/Radio-Canada helps counter the risk of social diversity becoming social fragmentation and isolation. We offer a unique public space where Canadians can connect with each other, the country and the world. We are where communities gather, seeking out unity in diversity.

Responding effectively to change

To be able to respond to and even lead the evolution of broadcasting in Canada, CBC/Radio-Canada must continually adapt to rapidly changing technology and to the evolving needs and preferences of Canadians.

CBC/Radio-Canada reaches more Canadians in more ways than ever before, and this year we continued to invest in new technologies and new services. Our 28 services include broadcast Television and Radio, Internet Television and Radio, satellite Radio, podcasting, cellphones and personal digital assistants (PDAs), and more.

We have also made considerable progress on an unprecedented and ongoing renewal of our programming — a renewal that is capturing new audiences and increasing our traditional audiences with programming that engages, informs and challenges.

We have reason to be proud of these considerable achievements, but we understand that the challenges that rapid change brings will only be amplified over time, and we must keep changing and adapting. In 2006-2007, this process of continuous renewal yielded results that point to an exciting future.

Audiences are embracing our renewed programming

This year we increased our audiences by continuing to offer Canadians more of the programming they have told us they want — programming that is distinctively Canadian, entertaining, engaging, informative, and diverse.

In January 2007, the first CBC Television program to result from the network's entirely revamped program development process made a highly successful debut — 3.7 million Canadians watched the first episode of *Little Mosque on the Prairie*. Overall, CBC Television increased the number of hours of Canadian entertainment programming it offered this year, and a full slate of exciting new CBC Television programs will debut in the fall.

CBC Radio, in response to an in-depth survey of Canadians' needs and preferences, launched in March 2007 the first phase of major programming changes to make CBC Radio Two a unique showcase for the best of Canadian music in a wide range of genres, and to expand arts and culture coverage on CBC Radio One. Both networks achieved high audience shares in Fall 2006, setting records not seen since their Spring 2002 record-setting share. In fact, CBC Radio One morning shows are number one or two in 13 locations.

This year the ongoing integration of French Services across Television, Radio and Internet presented audiences with enriched programming. For example, new Radio programs and websites based on the Television programs, *La semaine verte* and *L'heure de gloire*, extended the range and depth of content available to audiences.

Télévision de Radio-Canada continued its repositioning in the competitive French-language television market and once again maintained high levels of viewership. The network continued to refine its approach to public service programming that is credible, bold and audacious, and open to the world and to different perspectives. Télévision de Radio-Canada presented 17 original dramas this year, including 11 new shows, more than any other broadcaster in Canada. Audiences responded favourably: for example, this year *C.A.* earned a 20 per cent audience share and the series, *Sophie Paquin*, an 18 per cent share. Returning shows, *Tout le monde en parle* and *Le match des étoiles*, had audience shares of 47 per cent and 26 per cent, respectively.

Radio de Radio-Canada's Première Chaîne launched a wide range of new programs, including *De remarquables oubliés*, about lesser-known figures from history, and *L'autre midi à la table d'à côté*, featuring two personalities who share a meal and their thoughts on timely topics. Première Chaîne's *C'est bien meilleur le matin* remains one of the most popular morning shows in the Montréal Francophone market. The network is number one in the mornings in Québec City. Overall, Première Chaîne had a 12.3 per cent audience share and Espace musique drew in 2.9 per cent (BBM Fall 2006). Espace musique this year

introduced new programs that offered listeners an even wider range of music from all genres.

The News Canadians want

In response to Canadians telling us they wanted more local news available in whatever format they prefer, this year CBC News accelerated the integration of its local News services. In a pilot project launched in Vancouver in January 2007, CBC News is working to deliver a fully integrated, interactive, on-demand, 24-hour regionally driven and locally focused News offering that will be available to audiences via the platform of their choice. It will utilise CBC News' traditional strengths and provide a new level of service to its audiences. An important element is that community members will help us determine which stories are most important, contributing to our coverage of these stories, and receiving that coverage through Television, Radio, the Web, or on-demand technologies such as streaming video and text messaging. We expect that the results of this project will help shape the direction of our local News services across the country.

Reaching more Canadians in more ways

CBC/Radio-Canada continued to lead in new broadcasting platforms and technologies that give audiences an ever-widening range of choices.

The satellite radio service, Sirius Canada, in which CBC/Radio-Canada is a partner, offers our programming on six of its 11 Canadian channels, expanding our reach to audiences in the US and to all Canadians. In its first full year of operation, Sirius Canada reached twice as many subscribers as its main competitor.

Podcasts of CBC/Radio-Canada programs were remarkably successful: more than a million were downloaded every month. They attracted mostly a new, younger audience not only with music but also with News, information and science programs. Indeed, *Ideas*, *Quirks and Quarks*, *As It Happens*, *Christiane Charette*, *Les années lumière*, and CBC Radio 3's weekly podcast are our most popular downloads.

CBC.ca and *Radio-Canada.ca* retained their positions among Canada's top three English and French News and media websites. Every month, more than three million Canadians visit *CBC.ca* and almost 1.5 million visit *Radio-Canada.ca*. This year saw the launch of our new Internet Radio service, RCI viva, which broadcasts in eight languages to recent and aspiring immigrants to Canada, helping them learn about Canadian customs, culture and values.

Fundamental financial challenges

Our considerable achievements in 2006-2007 were made possible by a profound transformation of CBC/Radio-Canada over the past seven years. By becoming much more efficient and focused, we have generated \$75 million in ongoing annual savings and, in 2006-2007, more than \$93 million in non-advertising

revenues. Yet we continue to face serious financial pressures that, if not addressed, will limit our ability to offer Canadians the services they want and deserve.

CBC/Radio-Canada's funding today is 33 per cent less in constant dollars than it was in 1990 — yet we offer more services on more platforms than ever before. At the same time, production costs constantly rise, and we must continue to invest in emerging technologies to ensure that we remain relevant to Canadians.

For example, in 2009 television broadcasters in the United States will be required to shift entirely from analogue to digital transmission, which in effect will mean high definition television (HDTV). If CBC/Radio-Canada — and indeed all Canadian broadcasters — does not also make the transition to HDTV, Canadian audiences will quite understandably choose the much higher quality viewing experience offered by US broadcasters. Despite CBC/Radio-Canada's considerable success in generating internal savings and new revenues, our existing resources are insufficient to meet financial challenges such as funding a rapid transition to digital broadcasting and HDTV.

Another challenge is that broadcasting is a long-term business requiring investments today, especially for television, to produce programs in two or three years, but CBC/Radio-Canada is funded annually. This lack of financial stability makes it extremely difficult for us to plan effectively. For this reason, the support that The Canadian Television Fund (CTF) provides to independent producers to create excellent Canadian programming is particularly vital to CBC/Radio-Canada. We air the most Canadian programming of all broadcasters, and offer it to Canadians in prime time when they are watching television. Without the support provided by the CTF, there would be very little Canadian programming that would capture Canadian experiences, sensibilities, perspectives, and showcase Canadian actors, writers and directors.

Finally, the revenue model based on advertising revenue, which has sustained conventional television for decades, is failing. Advertising revenues for conventional broadcasters are fragmenting because more and more channels are vying for marketing dollars, new technology is allowing viewers to skip commercials, and marketing spending is migrating to the Internet and to other platforms.

What do Canadians want from public broadcasting?

I believe that one way to both address our financial challenges and to clarify our role within Canadian broadcasting would be to institute a regular, formal and Government-led process of mandate review. Such a review, in whatever form it took, would spell out to Canadians exactly what to expect from their national public broadcaster in return for the significant public funding we receive. Such a process is common practice: for example, the BBC recently completed its

ten-year mandate review, as have national public broadcasters in Ireland and South Africa.

The outcome of the mandate review process would be what I think of as a contract with Canadians, and it would answer a fundamental question: What do Canadians want from their national public broadcaster, and how should this mandate be funded? The undertaking would achieve two key objectives: it would give CBC/Radio-Canada the certainty we need to plan effectively, and it would make us even more accountable to Government and to our shareholders, the Canadian public.

A farewell, and a thank you

In November 2007, my term as President and CEO of CBC/Radio-Canada will come to an end. My term has been marked by both constant challenge and by hard-won achievements. I believe that if CBC/Radio-Canada can achieve adequate, stable funding, we now have the creativity and flexibility required to successfully address the many challenges and opportunities the future will most certainly bring.

I want to express my gratitude to the CBC/Radio-Canada Board of Directors for their energy and for their commitment to public broadcasting, and to our dedicated and talented staff. Working with the Board, and with CBC/Radio-Canada's employees, has made my time here deeply gratifying.

Robert Rabinovitch
President and CEO

Members of the Board of Directors

Members of the Board of Directors

Robert Rabinovitch
President and CEO
Ottawa, Ontario

Johanne Brunet
Marketing Professor
École des Hautes Études commerciales
Montréal, Québec

Bernd Christmas
Senior Vice-President
and National Aboriginal Practice Leader
Hill & Knowlton Canada
Vancouver, British Columbia

Hélène F. Fortin
Partner
HLA Chartered Accountants
Longueuil/Brossard, Québec

Peter Herrndorf
President and CEO
National Arts Centre
Ottawa, Ontario

Yasmin Jivraj
President and Co-owner
Acrodex
Edmonton, Alberta

Nezhat Khosrowshahi
Invest Investments Inc.
Vancouver, British Columbia

Trina McQueen
President
Hutton-Belleville Inc.
Toronto, Ontario

K. (Rai) Sahi
Chairman and CEO
Morguard Corporation
Toronto, Ontario

Dr. Edna Turpin
Executive Consultant
St. John's, Newfoundland and Labrador

Corporate Profile

Vision, Mission, Values

Vision, Mission, Values

Vision

Connecting Canadians through compelling Canadian content.

Mission

To create audacious, distinctive programming. Programs designed to inform, enlighten and entertain. Programs that reflect Canadians and Canada's regions. Programs that help tie the country together and explain great national and international events. Programming in all genres with emphasis on News and Current Affairs, drama and culture; and not forgetting our special responsibility to children.

Core Values

- Serving the Canadian Public
- A Culture that Is Driven to Achievement
- A Creative Organisation in Continuous Renewal
- Working Together

Corporate Priorities

Corporate Priorities

Ensure distinctive programming of the highest quality on all delivery platforms.

Recognise the importance of regional reflection and of the changing face of Canada.

Ensure the sustainability of CBC/Radio-Canada's Canadian schedules.

Demonstrate that CBC/Radio-Canada is a well-managed company and generate cash flow to re-invest in programming.

Strengthen CBC/Radio-Canada's commitment to all its employees – to those who create and those who support them.

Position CBC/Radio-Canada to enhance its ability to fulfil its mandate through selective alliances and partnerships.

Reinforce the capacity of CBC/Radio-Canada to work as one integrated company.

Enhance/strengthen CBC/Radio-Canada's stakeholder relationships.

CBC/Radio-Canada Services

CBC | RADIO-CANADA SERVICES

CBC|Radio-Canada delivers a comprehensive range of News, information, entertainment, and sports programs via 28 different services. It is the only Canadian broadcaster delivering Radio, Television, Internet, and satellite-based services, in both English and French plus eight Aboriginal languages, to all Canadians. The Corporation's broadcasting reach extends across Canada and around the world, offering Canadian content, when, where and how our audiences want it.

R A D I O

CBC RADIO ONE: commercial-free English-language network, broadcasting local, national and international News, Current Affairs arts and cultural programming, and drama.

CBC RADIO TWO: commercial-free English-language service showcasing the musical diversity of Canada, including classical music and jazz and other genres targeting adult music audiences.

CBC RADIO 3: commercial-free English-language network, offering new music and culture from Canada and around the world, on Sirius Satellite Radio Channel 94 and the Internet.

PREMIÈRE CHAÎNE: commercial-free French-language network, offering News, Public Affairs and cultural programming.

ESPACE MUSIQUE: commercial-free French-language music network, offering jazz, classical, chanson, diverse world music, and emerging talent.

BANDE À PART: commercial-free French-language network, offering emerging music and Francophone artists on Espace musique and Sirius Satellite Radio Channel 93, and on the Internet (*bandeapart.fm*).

CBC NORTH | RADIO-CANADA NORD: Radio and Television services in English, French and eight Aboriginal languages to Canada's northern communities.

RADIO CANADA INTERNATIONAL (RCI): international Radio service broadcasting in nine languages.

SATELLITE RADIO

CBC RADIO ONE: commercial-free English-language network, providing national and international News, Current Affairs, documentaries, Arts, comedy, and popular culture programming (Sirius Satellite Radio Channel 137).

CBC RADIO 3: commercial-free English-language network featuring emerging Anglophone music and artists, with 85 per cent Canadian content (Sirius Satellite Radio Channel 94).

PREMIÈRE PLUS: commercial-free French-language network, offering News, Current Affairs, magazines, and cultural programming, including the best of Première Chaîne (Sirius Satellite Radio Channel 138).

INFO PLUS: commercial-free French-language 24-hour all-News, information and Public Affairs network, offering the best of Radio-Canada programming (Sirius Satellite Radio Channel 187).

BANDE À PART: emerging Francophone music and artists (Sirius Satellite Radio Channel 93).

RCI PLUS: Radio Canada International programming in eight languages, as well as broadcasts from Canadian and international network partners (Sirius Satellite Radio Channel 188).

TELEVISION

CBC TELEVISION: English-language network, delivering a wide range of general, special-interest and high-impact programming, News and information.

CBC NEWSWORLD: English-language 24-hour all-News and information service, financed entirely by subscriptions and advertising revenue.

CBC COUNTRY CANADA: 24-hour English-language digital Television service, by subscription, dedicated to regional and rural programming.

THE DOCUMENTARY CHANNEL: 24-hour English-language digital Television service, by subscription, offering Canadian and international documentaries and extending our reach to Canadians.

TÉLÉVISION DE RADIO-CANADA: French-language network delivering a broad range of general, special-interest and innovative audacious programming, News and information.

RÉSEAU DE L'INFORMATION DE RADIO-CANADA (RDI): French-language 24-hour all-News and information service, financed entirely by subscriptions and advertising revenue.

CBC NORTH | RADIO-CANADA NORD: Radio and Television services in English, French and eight Aboriginal languages to Canada's northern communities.

ARTV: French-language arts and culture Television service, by subscription, offered through a public-private partnership.

TV5MONDE: An international consortium, offering a mix of News and general-interest French-language Television programming.

I N T E R N E T

CBC.CA: English-language Internet service carrying our Radio and Television content, unique New Media and Corporate information.

RADIO-CANADA.CA: French-language Internet service carrying our Radio and Television content, unique New Media and Corporate information.

CBC RADIO 3: commercial-free English-language network, offering new music and culture from Canada and around the world, on Sirius Satellite Radio Channel 94 and the Internet.

BANDEAPART.FM: commercial-free French-language network, offering emerging music and Francophone artists on Espace musique and Sirius Satellite Radio, and on the Internet (*bandeapart.fm*).

RCI VIVA: Web service broadcasting in eight languages, providing information about Canada and posting discussion boards for recent and aspiring immigrants to Canada.

R E A C H I N G N E W A U D I E N C E S

GALAXIE: Digital pay commercial-free audio service offering 45 channels of continuous music, without talk, to nearly six million subscribers.

CBC RECORDS | LES DISQUES SRC: recording label, releasing about 15 new Canadian CDs annually.

WIRELESS: WAP and SMS messaging services delivering interactive content to PDAs and cell phones.

Management Discussion and Analysis

Canada's National Public Broadcaster in Context

Canada's National Public Broadcaster in Context

Canada's national public broadcaster was created in 1936 to counter the pervasive cultural influence of foreign programming as US-based radio networks expanded rapidly into Canada. More than 70 years later, CBC/Radio-Canada continues to play a crucial role in maintaining Canada's cultural sovereignty, and in fostering a shared sense of national identity across a vast and diverse country.

Today, 97 per cent of Canadians feel that CBC/Radio-Canada is essential. Clearly, they understand that what a national public broadcaster offers is available nowhere else. Like a voice and a forum for Canada's diverse regions and ethnic and cultural communities. In-depth coverage of the local, regional and national stories that matter to Canadians and a Canadian perspective on international events. A place for Canadian television drama in prime time. Coverage of amateur sports and of the best of Canadian performing and fine arts. And commercial-free, safe and entertaining programs for children and youth.

Canada ranks low in support for public broadcasting

The need to protect and foster a national culture and identity through public broadcasting is recognised not just in Canada but in every Western country — almost all of which fund public broadcasting to a far greater extent than Canada.

Of 18 Organisation for Economic Co-operation and Development (OECD) countries, Canada ranked third from last in per capita funding for its national public broadcaster in 2004: only New Zealand and the United States ranked lower. Indeed, Canada's funding for public broadcasting was less than one-half of the \$80 average across the 18 Western countries.

Chart showing Canada in comparison with other OECD countries in per capita support for public broadcasting

Canada ranks so low internationally partly because since 1990, CBC/Radio-Canada funding has declined by 33 per cent in constant dollars and is now at the level it was in the 1970s. This decline occurred during a time when Federal Government spending on culture — excluding CBC/Radio-Canada, one of the country's largest cultural institutions — increased by 65 per cent in constant dollars.

Chart showing federal government funding for CBC/Radio-Canada compared to federal government funding for culture (excluding CBC/Radio-Canada), 1990/91-2006/07

Sustaining the Momentum

Today's CBC/Radio-Canada reaches more Canadians in more ways than ever before. We deliver high-quality Canadian programming via 28 services, including broadcast Television and Radio, Internet Television and Radio, satellite Radio, podcasting, cell phones and PDAs, and more.

We have achieved this by becoming a much more efficient, focused and integrated organisation, despite a challenging broadcasting environment and decreased funding. However, we continue to face substantial challenges that, if not addressed, will limit our ability to continue to play a central role in Canadian life. Here are the strategies we have developed to meet these key challenges.

Content how and when Canadians want it

New and emerging technologies have transformed how Canadians view and listen to programming. To stay relevant, CBC/Radio-Canada continues to be a leader in exploring a wide range of new technologies and services.

But meeting the changing needs of Canadians requires more than new technologies; it also requires new ways of working. Increasingly, CBC/Radio-Canada is an integrated organisation developing content that is delivered across both conventional and New Media, while preserving the unique strengths of each.

The integration of our French Television, Radio and Internet services in 2005-2006 was a major landmark in this new way of working and thinking. Another landmark is our ongoing integration of English-language News services, which is giving Canadians deeper, richer regional, national and international News on-demand, in whatever format they prefer. Also this year, CBC Television launched a new approach to program development that includes determining all of the different platforms on which a program will be used, from the beginning of the planning process. Across the organisation, we are redefining the responsibilities of content creators and finding more efficient ways for them to collaborate and share resources. The result for audiences is better programming across all of our services.

Connecting with new audiences

Here's a major challenge for CBC/Radio-Canada: how do we attract new audiences while also maintaining our traditional ones?

Technology is part of the answer — we need to be available to audiences in as many formats as possible. But in an intensely competitive media environment, content is as critical as technology. And content is where CBC/Radio-Canada has a unique competitive advantage: no other Canadian broadcaster generates CBC/Radio-Canada's range, depth and quality of Canadian content.

When offered in a format that allows audiences to choose when and where they watch or listen, our content can have a surprisingly broad appeal. For example, of the one million podcasts of CBC/Radio-Canada programs downloaded every month — mostly by younger Canadians — in 2006-2007, a majority were not music and entertainment programs, but information, science and Current Affairs programs such as *Ideas*, *Quirks and Quarks*, *Christiane Charette*, and *Les années lumière*.

[Chart or table showing increase in CBC/Radio-Canada podcast downloads and most popular podcasts, including the CBC Radio 3 podcast]

As well as offering existing programs in new ways, CBC/Radio-Canada is attracting new audiences by offering more of the programs they want.

For example, in 2006-2007 CBC Radio launched the first phase of major program renewal based on the results of an extensive survey of what Canadians want from Arts and culture programming. The first wave of renewal, launched in March 2007, brings to CBC Radio Two more diverse Canadian artists and musical selections, while maintaining a strong commitment to our core classical and jazz audiences. CBC Radio One has broadened its Arts and Entertainment coverage, and CBC Radio 3 continues to expand its range of emerging music and culture from Canada and around the world. Ongoing program development is having an impact: in the Fall of 2006, CBC Radio achieved a record combined audience share of 13 per cent (BBM), even though fewer Canadians overall are listening to conventional radio.

Renewed programming has also been the key to Radio de Radio-Canada's success with audiences. Espace musique, successfully launched in September 2004, offers a distinctive service that presents Canada's diverse French-language musical genres and emerging talent to audiences across the country. And Première Chaîne, which features News, Public Affairs and cultural programming, has again had a good showing with an audience share of 12 per cent (BBM Fall 2006).

Making television programs Canadians want to watch

Program renewal is especially critical for CBC Television. In English-speaking Canada, audiences watch mostly American programs. In every other Western country, and in French-speaking Canada, audiences chiefly watch programs made in their own country. Many American programs are compelling and very well crafted; but they do not reflect Canadian life, values, mores, and culture.

Part of the reason for the dominance of American programs is simple economics. If left to pure market forces, most Canadian television programs would simply not be made; the costs of producing high-quality, prime-time television cannot be

recovered by Canadian advertising revenues. For this reason, the Federal Government offers financial support to independent producers of Canadian television programs, chiefly through The Canadian Television Fund, and requires all television broadcasters to include a percentage of Canadian programming in their schedules.

However, Canada's English-language private television broadcasters present mostly American programs in prime time because these programs cost a fraction of what producing original Canadian programs costs, yet generate high advertising revenues. This business model is possible because Federal Government policy protects private television broadcasters from direct competition from American broadcasters. In fact, in 2004, private English-language television broadcasters received public benefits, tax concessions and other indirect Government support worth an estimated \$271-331 million — considerably more than the \$261 million [check] CBC Television received in Government funding that year.

Chart showing comparison of federal government direct and indirect financial support for CBC/Radio-Canada and for private broadcasters, 2003-04

CBC Television is the only conventional broadcaster presenting a wide range of Canadian programs in prime time when Canadians are watching television. In 2006-2007 [check], Canadian programs accounted for 80 per cent of CBC Television's prime-time schedule, compared to less than 30 per cent for the two major private broadcasters. And in 2006-2007, CBC Television increased its amount of weekly Canadian drama content to 213 hours from the 150 hours presented the previous year.

Chart comparing prime-time Canadian content on CBC/Radio-Canada Television vs. major private networks, 2006-07

Of course, it is not enough simply to present Canadian programs. To be relevant, CBC Television must present programs that Canadians want to watch — and Canadians have told us that they want programs that are entertaining and engaging. To deliver these programs, CBC Television has in recent years assembled a new world-class management team and made its program development process more rigorous.

The highly successful debut episode of the comedy, *Little Mosque on the Prairie*, the first of the programs developed through this new process, was watched by 3.7 million Canadians in January 2007. Widely covered in both the national and

international press, *Little Mosque* demonstrates that audiences will tune in to Canadian programs that address timely issues and concerns in a provocative and entertaining way.

A full schedule of new CBC Television programs will appear in 2007-2008. We believe that among these will be programs that Canadians will want to talk about, and that they will feel they *must* watch. Our goal is for CBC Television drama to be resonant in individual lives and in the culture of the country.

CBC Television's program renewal follows a similar and remarkably successful renewal for Télévision de Radio-Canada. From 2003-2004 to 2004-2005, the network's prime-time audience share climbed from 16 per cent to 22 per cent — a 40 per cent increase in a single year. This was achieved by a multi-year program of investing in new programs that are daring and provocative, yet have broad appeal. Many of these new programs have been runaway hits. In 2006-2007, for example, popular returning programs, *Tout le monde en parle* and *Le match des étoiles*, earned audience shares of 47 per cent and 26 per cent, respectively.

The network continues to refine its approach to public service programming that is credible, bold and audacious, open to the world and to different perspectives. Télévision de Radio-Canada presented 17 original dramas this year, including 11 new shows, more than any other broadcaster in Canada.

Connecting more deeply with Canadian communities

Reflecting Canada's regional diversity and offering a forum for local issues and concerns is a key part of CBC/Radio-Canada's mandate. In recent years we have strengthened our regional programming and regional presence in a number of ways.

CBC Television is reinforcing its regional broadcasting by launching nine regional lifestyle programs, renewing its local supper hour shows and expanding their length to one hour, and adding regional information breaks. In Vancouver, the new supperhour program is part of a pilot project in which CBC News services are being integrated across Television, Radio and the Internet, in order to provide a multiplatform, interactive, on-demand, 24-hour regionally driven and locally focused News system. Community members will interact with us to help determine which local stories will be covered, to help us cover those stories, and to receive their News whenever and however they want it. We plan to gradually extend this approach across Canada.

CBC Radio added over 500 hours of local programming to its schedule in 2006-2007, and continued to shift national programs to the regions. The ultimate goal of CBC Radio's regional strategy is to make it possible for all Canadians — whether they live in Halifax, rural Québec, Iqaluit, or anywhere else in the country

— to hear local perspectives and talent on the national public broadcaster as well as connecting to Canada's other regions and to the world.

In Fall 2006, French Services unveiled a strategy aimed at strengthening the public broadcaster's roots in Canada's regions, and enriching regional reflections on its national network. The integration of regional Television, Radio and Web services will greatly enhance French Services' offering by fostering optimal use of available resources.

Télévision de Radio-Canada already airs a total of 13 regional editions of *Le téléjournal*. From News to Arts and Entertainment, regional productions offer a window on the lives of citizens and their communities. In total, close to 60 hours of content are produced per week in the regions. Furthermore, building on the success of *FranCoeur*, a drama series written and produced in Ontario that aired from Spring to Summer 2005, Télévision de Radio-Canada announced the Canada-wide broadcast of *Planète Belle-Baie*, a new drama series penned by a Caraquet filmmaker that is set in a small New Brunswick Acadian village.

Since the Fall of 2006, Radio de Radio-Canada's Première Chaîne has offered a new meeting place on Sunday afternoons for each of Canada's major regions. Many of the concerts recorded by Espace musique are in the regions. For example, 70 per cent of the 108 concerts recorded in the summer of 2006 were in the regions. Of listeners to Espace musique, 30 per cent live outside Québec and 67 per cent live outside Metropolitan Montréal.

[Chart or table showing increasing regional emphasis]

Cost savings and revenue generation

By reducing our costs and finding new sources of revenue, CBC/Radio-Canada has been able to expand its services and renew programming despite rising production costs and Government funding that has not increased for many years. Since 2000-2001, we have achieved one-time productivity savings and revenue increases of \$115 million and ongoing annual savings and efficiencies of \$75 million, of which \$13.6 million is achieved through self-generating revenues.

A substantial portion of this has come from our Real Estate Division. Since it was created in 2000-2001, the Division has generated more than \$104 million in new revenues and reduced and avoided costs, including \$21.5 million in 2006-2007, through leasing and selling surplus assets, consolidating space and reducing operating costs. By 2012-2013, the Division's total contribution will rise to an estimated \$185 million.

Significant savings have also come from investing in state-of-the-art systems to increase efficiency in CBC/Radio-Canada's production and business processes.

For example, new telecom and broadcast technologies have generated \$3.7 million in annual savings, and the replacement of terrestrial networks with satellite distribution for television has generated \$5.2 in annual savings, plus an additional \$1.1 million in 2006-2007.

CBC/Radio-Canada is one of Canada's most recognised brands, and sales of our branded products online and in our boutiques are expanding rapidly. In 2006-2007, revenues from sales of CDs, DVDs, digital downloads, books, clothing, and licensed merchandise exceeded \$10 million.

Another important source of non-advertising revenue is Galaxie, our digital commercial-free music service, which reaches nearly six million Canadian households.

[Chart showing savings and revenue increases since 2000-2001]

New funding options for a new era

CBC/Radio-Canada will continue to find additional savings and new revenue sources, but these will not be sufficient to fund the strategies that will allow us to continue to meet the evolving needs of Canadians and continue to invest in new technologies.

In 2006-2007, in the face of rapid and unprecedented change in the broadcasting industry and in Canadian society, Parliament and the Canadian Radio-television and Telecommunications Commission (CRTC), Canada's federal regulator, initiated reviews exploring a wide range of issues affecting both private and public broadcasting in Canada. We welcomed these reviews as an opportunity to bring clarity to what Canadians want from their national public broadcaster. They were also an opportunity to explore new approaches to providing adequate, stable and long-term funding for CBC/Radio-Canada.

One approach would be for the CRTC to allow CBC/Radio-Canada, as well as other conventional television broadcasters, to become eligible for subscription revenues from cable and satellite operators. These companies do not now pay a fee when they include the conventional broadcasters' programming as part of their service to consumers. Subscription revenues would give conventional broadcasters a revenue model to replace the traditional advertising-based model, which is failing as audiences and television advertising revenues fragment.

With the certainty that subscription revenues would bring, CBC/Radio-Canada would be able to fund key priorities such as a rapid transition from analogue to digital and HDTV to ensure audiences do not abandon CBC/Radio-Canada's Television programming for American HDTV programs; and the creation of more distinctive, Canadian drama, as well as increased local programming.

Subscription revenues are just one of many possible approaches to ensuring that Canadians continue to benefit from a strong, vibrant national public broadcaster. In 2007-2008, CBC/Radio-Canada plans to present some of these options in the context of the planned review of our mandate by the House of Commons Standing Committee on Canadian Heritage.

Key Performance Indicators

Key Performance Indicators

CBC | RADIO-CANADA USES PROGRAMMING PERFORMANCE INDICATORS TO ENSURE THAT IT IS CONTINUING TO PROVIDE CANADIANS VALUE FOR THE MONEY THEY HAVE INVESTED IN THEIR NATIONAL PUBLIC BROADCASTER.

Specifically, CBC|Radio-Canada monitors and evaluates the views and viewing, listening and surfing habits of Canadians to ensure that it is providing them with programming to their satisfaction and that meets their needs. On the opposite page are examples of the objectives of each of CBC|Radio-Canada's media lines, as well as the indicators used by the Corporation to measure its performance against those objectives.

MEASURING PERFORMANCE

The Auditor General of Canada's report on the Special Examination of CBC/Radio-Canada, released in 2005, suggested improvements in the ability of CBC/Radio-Canada's Board of Directors, the Government and the public to assess CBC/Radio-Canada's performance on a year-to-year basis. As a result, we have enhanced the strategic planning process by developing performance indicators for each of our Corporate priorities and linked them to the Corporation, as a whole, or to individual media operations, as appropriate. The incorporation of these performance indicators into the Corporation's planning process began in 2006 and they will be fully integrated into that process within two years.

Data collection and measurement commenced April 2006 and data for all measures are reported in this year's Annual Report. By April 2008, the performance indicator system will be fully operational and it will then be possible to examine annual performance results, performance against targets, as well as performance trends.

These changes have already enhanced the planning process and, in the longer term, should significantly increase the effectiveness of the Corporation's overall operations.

OVERALL MEASURES OF PERFORMANCE

PERFORMANCE MEASURE	2006-2007	2005-2006	2004-2005	2003-2004	2002-2003
Qualitative					
SATISFACTION	xx%	89%	86%	86%	84%
DISTINCTIVENESS	xx%	90%	87%	84%	81%
USAGE	xx%	88%	88%	87%	86%

(Source: QRS)

Measures of performance related to media components

SERVICE AND OBJECTIVE	PERFORMANCE INDICATOR	RESULTS		
		2006–2007	2005–2006	2004–2005
CBC TELEVISION Provide audiences with distinctive Canadian English-language Television programming of the highest quality.	PRIME TIME SHARE (Source: Nielsen Research, September–March)	XX%	7.5%	6.9%
	PERCENTAGE OF ANGLOPHONE VIEWERS (18+) SATISFIED WITH CBC TELEVISION (Source: QRS)	XX%	82%	82%
TÉLÉVISION DE RADIO-CANADA Provide audiences with distinctive Canadian French-language Television programming of the highest quality.	PRIME TIME SHARE (Source: BBM September–March, PPM)	XX%	20.6%	22.5%
	PERCENTAGE OF FRANCOPHONE VIEWERS (18+) SATISFIED WITH TÉLÉVISION DE RADIO-CANADA (Source: QRS)	XX%	84%	87%
CBC RADIO Provide audiences with distinctive Canadian English-language Radio programming of the highest quality.	RADIO ONE AUDIENCE SHARE (FALL) (Source: BBM Sweeps)	9.3%	5.7% [†] 8.9%	9.1%
	RADIO TWO AUDIENCE SHARE (FALL) (Source: BBM Sweeps)	3.7%	3.3% [†] (Fall) 3.6% (Spring)	3.0% (Fall)
	PERCENTAGE OF ANGLOPHONE LISTENERS (18+) SATISFIED WITH CBC RADIO (Source: QRS)	XX%	86%	86%
RADIO DE RADIO-CANADA Provide audiences with distinctive Canadian French-language Radio programming of the highest quality.	PREMIÈRE CHAÎNE AUDIENCE SHARE (FALL) (Source: BBM Sweeps)	12.3%	12.8%	12.6%
	ESPACE MUSIQUE AUDIENCE SHARE (FALL) (Source: BBM Sweeps)	2.9%	2.5%	3.0%
	PERCENTAGE OF FRANCOPHONE LISTENERS (18+) SATISFIED WITH RADIO DE RADIO-CANADA (Source: QRS)	XX%	90%	89%

SERVICE AND OBJECTIVE	PERFORMANCE INDICATOR	RESULTS		
		2006–2007	2005–2006	2004–2005
CBC.CA Provide users with timely, trustworthy and comprehensive online Canadian content in English.	USAGE = Canadian unique visitors from home (Source: comScore Media Metrix)	<i>CBC.ca</i> was among the top three news and media sites in Canada. XX unique visitors from home each month.	<i>CBC.ca</i> was among the top three news and media sites in Canada. 2,340,000 unique visitors from home each month.	<i>CBC.ca</i> was among the top three news and media sites in Canada. 2,343,000 unique visitors from home each month.
	PERCENTAGE OF SITE VISITORS (18+) SATISFIED WITH <i>CBC.CA</i> (Source: GIS)	XX%	91%	94%
RADIO-CANADA.CA Provide users with timely, trustworthy and comprehensive online Canadian content in French.	USAGE = Francophone unique visitors from home (Source: comScore Media Metrix)	<i>Radio-Canada.ca</i> was among the top three Francophone news and media sites in Canada. XX Francophone unique visitors from home each month.	<i>Radio-Canada.ca</i> was among the top three Francophone news and media sites in Canada. 1,376,000 Francophone unique visitors from home each month.	<i>Radio-Canada.ca</i> was among the top three Francophone news and media sites in Canada. 1,352,000 Francophone unique visitors from home each month.
	PERCENTAGE OF SITE VISITORS (18+) SATISFIED WITH <i>RADIO-CANADA.CA</i> (Source: GIS)	XX%	94%	97%

† The lockout of CMG employees affected six out of the eight weeks measured during the Fall of 2005.

CBC/Radio-Canada's performance indicators

CONTENT	2006-2007
Canadian content	%
CBC Television All day Prime time (Monday-Sunday, 7:00-11:00 p.m.)	
Télévision de Radio-Canada All day Prime time (Monday-Sunday, 7:00-11:00 p.m.)	
CBC Radio	
All day	100
Prime time (Monday-Friday, 6:00-9:00 a.m.)	100
Radio de Radio-Canada	
All day	100
Prime time (Monday-Friday, 6:00-9:00 a.m.)	100
Number and quality of awards	Number
CBC Television Télévision de Radio-Canada CBC Radio Radio de Radio-Canada	More than 100 major national and international awards
<i>Distinctiveness</i>	%
CBC/Radio-Canada	90
REGIONAL REFLECTION AND THE CHANGING FACE OF CANADA	
Programs produced in regions for regions	Hours
CBC/Radio-Canada	90
Programs produced in regions for network	Hours
CBC/Radio-Canada	
Visible minority staff	Number of staff
CBC/Radio-Canada	

SUSTAINABILITY OF CANADIAN SCHEDULES	
Television advertising revenue CBC Television Télévision de Radio-Canada	\$
Expenditures on Canadian programming CBC/Radio-Canada	% of total budget
EFFICIENCY	
Self-generated revenues	\$
Programming expenditures	% of total budget
CREATIVE HUMAN RESOURCES	
Commitment to training and development	\$ per employee
Employee satisfaction (periodic)	Index
STRATEGIC PARTNERSHIPS	
Joint ventures/partnerships	Number & type
COLLABORATION	
Expenditures on cross-media programming	\$
STRONG STAKEHOLDER RELATIONSHIPS	
Canadians' satisfaction levels CBC/Radio-Canada	%
Relevance to stakeholders CBC/Radio-Canada	Number of Canadians reached 86

2006-2007 Highlights

CBC/Radio-Canada Highlights for 2006-2007

CBC Radio: record combined listening share of 13 per cent (Fall 2006 BBM).

CBC Radio: more than 100 major national and international programming awards including the first-ever Broadcaster of the Year Award (New York Festivals), a Prix Italia, Juno, Peabody, Rubie (opera), and two Geminis with CBC Television.

CBC Radio's podcasting expanded – more than 20 shows with one million downloads each month.

CBC Television's broadcast day expanded to 24 hours, seven days a week.

CBC Television's *Little Mosque on the Prairie* – 2.2 million viewers for the debut (3.7 million for the debut and repeats), and over one million viewers thereafter; *The Rick Mercer Report* and *This Hour Has 22 Minutes* – consistently large audiences, often winning the Tuesday evening time slot in English Canada; *Stanley Cup Finals* – averaged 2.6 million viewers; *94th Grey Cup on CBC* – 2.9 million viewers; *the fifth estate: Luck of the Draw* – over 800,000 viewers; *Dragons' Den* saw audience growth over its run.

CBC Television: over 200 awards including the Alfred I. duPont-Columbia Award; 42 Geminis; three G meaux with T l vision de Radio-Canada; three Japan Prize 2006 awards, including the Grand Prix Japan Prize; and from the New York Festivals, the first-ever television Broadcaster of the Year Award, a Grand Award, and eight Gold Medals.

CBC/Radio-Canada: Host Broadcaster for the XVI International AIDS Conference, providing host broadcast coverage and a variety of programs on CBC Newsworld, CBC Television, CBC Radio One, *CBC.ca*, RDI, T l vision de Radio-Canada, Premi re Cha ne, *Radio-Canada.ca*, and Radio Canada International.

CBC.ca – number one News/media website used by Canadians, April 2006-January 2007. Its average audience grew by 30 per cent in 2006-2007, well ahead of the growth to the Canadian Internet population and growth targets. Over 11 million monthly unique visitors (April 1, 2006-January 31, 2007).

CBC.ca – new technology and consumer information sections attracted audiences exceeding their targets by 169 per cent and 419 per cent, respectively; its revamped health section increased traffic by 46 per cent.

CBC.ca – improved video service, offering the best of CBC Television, saw usage increased by 150 per cent to more than two million streams per month.

CBC.ca rated as excellent or very good by 91 per cent of the 10,000 polled (Total Audience Survey, 2006).

CBC.ca – numerous awards in 2006-2007, including the 2006 Canadian New Media Award for Excellence in News, Information; best regional news site awards, from the Atlantic and Pacific regions of the Radio Television News Directors Association (RTNDA) of Canada. *CBC.ca/archives* won the prestigious International Focal Award for best use of footage in New Media.

CBC.ca's World Cup section (Summer 2006) – more than 13.6 million page views. Preparing for FIFA 2007, *CBC.ca* is launching a new soccer section.

Télévision de Radio-Canada, Espace musique and *Radio-Canada.ca* presented a unique multiplatform event in September 2006 celebrating the opening concert of the Orchestre symphonique de Montréal under new conductor, Kent Nagano. Espace musique's concert recording aired on 11 public radio stations in Europe, and is still available on *Radio-Canada.ca*.

Télévision de Radio-Canada – 50th anniversary of the series, *Les belles histoires des pays d'en haut*.

Télévision de Radio-Canada – during the Fall-Winter season, maintained last year's prime-time ratings (about 20 per cent audience share).

Télévision de Radio-Canada – *Tout le monde en parle* (average of 1.6 million viewers, Fall-Winter; 47 per cent audience share); *Rumeurs* (weekly average of 861,000 viewers; 26 per cent audience share); *L'auberge du chien noir* (weekly average of over one million viewers; 28 per cent audience share); *Providence* (weekly average of 834,000 viewers; 25 per cent audience share); *Les étoiles filantes* (weekly average of 809,000 viewers; 27 per cent audience share); *Virginie* (weekly average of 783,000 viewers; 26 per cent audience share); *Les invincibles* (weekly average of 715,000 viewers (20 per cent audience share); *Le match des étoiles* (weekly average of 933,000 viewers; 26 per cent audience share); year-end specials *Bye Bye de RBO* (over 3 million viewers; 90 per cent audience share; rerun attracted 1.4 million viewers, or nearly 50 per cent audience share); year-end specials, *Et Dieu créa... Laflaque* and *Infoman* drew 931,000 and 1.5 million viewers respectively.

Radio de Radio-Canada maintained excellent ratings (BBM Fall 2006): overall, drawing in 1.2 million Francophone listeners Canada-wide. Première Chaîne attracted 12.3 per cent of Francophones and was the most popular station in the mornings in Québec City and one of the most popular in Montréal. Espace musique drew 2.9 per cent of Francophones.

Première Chaîne – new, unique regional programs, Sundays afternoons, in every region.

Espace musique presented *Sacré talent !* spotlighting emerging Francophone singers.

Bande à part – over 350 concerts, 40 Television shows, 2,000 hours of Radio, millions of website visitors since 2001. Podcasts are attracting audiences from France and the US: by May 2006, 12.6 per cent hits from France; 10.8 per cent from the US (WebTrends 2006).

Radio de Radio-Canada: three new transmitters, broadening the network's reach in Atlantic Canada.

Télévision de Radio-Canada: 11 new dramas; two new youth programs; Canadian cinema; nearly 30 per cent of prime-time programs in HD, making Radio-Canada the largest broadcaster of HDTV on the market; the 1,221st episode of *Virginie* (no other television show in French has ever topped that in Canada).

Radio-Canada.ca: most Radio de Radio-Canada and Télévision de Radio-Canada News and Current Affairs programs are now available on *Radio-Canada sur demande*.

Radio-Canada.ca: 35 per cent of Francophones in Canada with Internet service at home log on; 40,000 pages of multimedia content; 4,000 hours of audio and video; 10,000 clips from Radio and Television archives.

Radio-Canada received over 65 awards for its Radio, Television and New Media offerings, including: three Gold Ribbons for RDI from the Canadian Association of Broadcasters (CAB); the grand prize for journalism on public radio in French for Première Chaîne; Boomerang Awards for Bande à part and *Kif-kif*; 38 Géméaux; a Peabody; several Canadian Science Writers' Association awards to *Découverte*; grand prize at the International Science Film Festival in Athens.

Media Lines' Objectives and Results

Media Lines' Objectives and Results

CBC/Radio-Canada delivers a comprehensive range of News, information, entertainment, and sports programs via 28 services. It is the only Canadian broadcaster delivering Radio, Television, Internet, and satellite-based services, in both English and French plus eight Aboriginal languages, to all Canadians. The Corporation's broadcasting reach extends across Canada and around the world, offering Canadian content, when, where and how our audiences want it.

English Services

CBC TELEVISION

CBC Television encompasses 16 conventional, over-the-air, Television stations across the country, and our wholly owned specialty services, CBC Newsworld and CBC Country Canada.

CBC TELEVISION: English-language network, delivering a wide range of general, special-interest and high-impact programming, News and information.

CBC NEWSWORLD is our English-language 24-hour all-News and information service, financed entirely by subscriptions and advertising revenue.

Strategic Objective: CBC Television will be the most important and popular video platform for Canadian information and entertainment programming.

CBC Television 2006-2007 Objectives	CBC Television 2006-2007 Results
<p>Audience growth</p> <ul style="list-style-type: none"> • Increase prime-time share from 7.5% to 8%. 	<p>Average prime-time share is 7.3%.</p>
<p>Entertainment strategy</p> <ul style="list-style-type: none"> • Increase prime-time entertainment from 150 to 175 hours. • Establish two hit series. 	<p>Exceeded target with prime-time entertainment increasing to 213 hours. <i>Little Mosque on the Prairie</i> a bona fide hit. <i>Dragons' Den</i> performed well.</p>
<p>News strategy</p> <ul style="list-style-type: none"> • Continue implementing CBC News Integration. • Continue implementing CBC News Study. 	<p>Significant progress with integration including the creation of an integrated world affairs unit and the launch of <i>myCBC</i> in Vancouver.</p>

<p>Regional strategy</p> <ul style="list-style-type: none"> • Launch development projects in four markets. • Renew our commitment to broadcasting in the regions by presenting authentic regional voices on social, political and cultural matters. 	<p>A complete overhaul of broadcasting in the regions is underway, including the launch of nine new regional lifestyle programs entitled <i>Living</i> (ex.: <i>Living East, Living in Toronto</i>). Expansion of regional time on the network by introducing 10 regional breaks each day. CBC Alberta was split into separate Edmonton and Calgary regions to better serve and reflect Canada's fastest-growing province.</p> <p>New hour-long regional supper hour programs. <i>myCBC</i> launched in Vancouver as part of an integrated, local supper hour program to serve as the model for a roll-out to the rest of Canada.</p>
<p>Multi-platform strategy</p> <ul style="list-style-type: none"> • Integrated approach to commissioning and creating content for all platforms. 	<p>Negotiations continued with independent producers and content providers for broadcast content for all platforms. Multiple platforms are a key aim of <i>myCBC</i>.</p>
<p>Sound financial management</p> <ul style="list-style-type: none"> • Reduce the cost of production. • Increase revenues. • Redirect resources to top priorities (e.g.: Entertainment Strategy). 	<p>Will combine 6 & 7 and insert a few points about PARC and the Development Process</p>
<p>Culture of accountability</p> <ul style="list-style-type: none"> • A culture that is accountable for delivering brilliant programming to audiences. • Reward risk-taking and success. • Give programmers the tools they need. • Establish and use metrics, targets and regular reporting. 	
<p>Two-way commitment with employees</p> <ul style="list-style-type: none"> • Encourage dialogue, engagement, creativity, and loyalty. • Promote wellness, civility and diversity in the workplace. • Ensure consistent performance management and succession planning. 	<p>Continued <i>Town Hall</i> open discussions between executive management and employees.</p> <p>First of the wellness initiatives rolled out across the country (stress workshop). Full compliance with the performance management program.</p>

CBC Television 2007–2008 Objectives

Strategic Priority: Maintain and strengthen our predominantly Canadian schedule in the face of significant financial challenges.

Entertainment

- Develop more programs that reflect current strategy.
- Focus on more series-based programs that appeal to a broader range and number of Canadians.

CBC: when, where and how you want it

- Build a multiplatform strategy focusing on programming (content) and functionality (the technical requirements to offer Canadians an enriched, on-demand and interactive relationship with CBC).
- Content: we are channeling our efforts into News, Entertainment and Sports.
- Technical: we want to move to a Web 2.0 environment, providing audiences with the ability to comment on items, rate them, and link to them from their blog or website, to subscribe to specific types of content, to search for specific video content, and to submit user-generated content.

CBC News: making an outstanding service even better

- Build a fully integrated News service that is deeply local, embraces the principles of civic journalism and provides Canadians with the News and information they want via whatever medium they choose.

CBC RADIO

CBC Radio includes three networks — CBC Radio One, CBC Radio Two and CBC Radio 3. CBC Radio One and CBC Radio Two are terrestrial, over-the-air services that reach more than 97 per cent of Canadian homes on AM or FM. CBC Radio 3 is a music channel delivered by Sirius Satellite Radio Channel 94 and the Internet.

CBC RADIO ONE: Commercial-free English-language network broadcasting local, national and international News, Current Affairs, Arts and cultural programming, and drama.

CBC RADIO TWO: Commercial-free English-language music service showcasing the musical diversity of Canada, including classical music and jazz and other genres targeting adult music audiences.

CBC RADIO 3: Commercial-free English-language network, offering new music and culture from Canada and around the world, on Sirius Satellite Radio Channel 94 and the Internet.

CBC Radio 2006-2007 Objectives	CBC Radio 2006-2007 Results
<p>Expanded regional programming: CBC Radio will deliver the authentic social, political and cultural voice of each region, and service to places currently unserved.</p>	<ul style="list-style-type: none"> • Increase of over 500 hours of local programming, compared to last year. • Hundreds of hours of network programming decentralised out of Toronto into the regions. • Expanded afternoon coverage in Ottawa and Montréal.
<p>Ensuring programming relevance: CBC Radio is committed to airing inspiring, innovative and excellent programming; to growing audiences; and to reflecting the diversity of contemporary Canadian society.</p>	<ul style="list-style-type: none"> • Record audience share in 2006 (13%) (Fall BBM). • More than 100 major national and international programming awards including Broadcaster of the Year (New York Festivals). • Diversity targets established and met.
<p>Renewal and re-invention: CBC Radio will produce cultural content reflecting the needs of the Canadian public, based on results of the Corporation's Arts and Culture Study; launch a new strategy for Arts and Entertainment programming for CBC Radio One, CBC Radio Two and CBC Radio 3; redevelop CBC Radio Two to preserve its valued past while expanding the breadth of emerging talent on its airwaves; deliver CBC Radio on satellite Radio and through podcasting and downloading.</p>	<ul style="list-style-type: none"> • Phase One of CBC Radio Two redevelopment launched with expanded opportunity for new Canadian composers, more regional live performance on the schedule while maintaining strong commitment to existing classical audience. • New high-profile Arts journalism program introduced. • High-profile dramatic productions launched, to audience acclaim. • Podcasting program expanded to more than 20 shows, with downloads exceeding one million a month.

Financial sustainability: Efficiencies and other initiatives have redirected one million dollars each year into programming, but inflation is eroding programming budgets and without additional funding current levels of service are at risk. CBC Radio will continue to look for efficiencies and new money.

- Expanded local programming hours, extensive piloting of new cultural shows, and record audience shares were achieved, while maintaining all existing local stations and coverage without increases in funding.

CBC Radio 2007-2008 Objectives

Program Development and Redevelopment of CBC Radio Two

Continued renewal and rebirth. Redevelopment of CBC Radio Two as a music network reflecting the breadth of Canadian music and musicians, targeting adult music audiences. CBC Radio One will refocus as the primary source for News, talk and culture with values of intellectual engagement and context. CBC Radio 3 will further develop its niche as the source for adventurous contemporary Canadian music on all platforms.

News Integration & *myCBC*

Implementation of a tri-medial strategy strongly rooted in the regions to serve Canadians with relevant News and information informed by local perspectives.

Strategic Development on New Platforms

Execution of tri-medial plan to deliver programming when, where and how Canadians want to receive it.

Local Radio Plan

Endorsement of Local Radio Plan; 12 new stations to bring local CBC Radio service to six million English-speaking Canadians who have none now.

CBC.ca

More than three million Canadians visit *CBC.ca* each month, making it among the most popular Canadian News and information websites.

Strategic Objective: *CBC.ca* will be the most important and popular media site in Canada.

CBC.ca 2006-2007 Objectives	CBC.ca 2006-2007 Results
Continue growing <i>CBC.ca</i>'s audience.	<i>CBC.ca</i> continues to attract new audiences among new and established Internet users and was the number one News/media website used by Canadians between April 2006 and January 2007. The average audience to <i>CBC.ca</i> grew by 30 per cent in 2006-2007, well ahead of the growth to the Canadian Internet population and growth targets.
Focus on core strengths: relevant and popular content.	In September 2006, <i>CBC.ca</i> launched new journalistic sections focused on technology and consumer information. Both have attracted large audiences, exceeding their targets by 169% and 419% respectively. <i>CBC.ca</i> also revamped its health section, increasing its traffic by 46% since relaunching. <i>CBC.ca</i> launched a new video section prominently on the front page of <i>www.CBC.ca</i> . This significantly improved video quality and increased viewing of video content by 150% to more than two million streams per month.
Continue improving the user experience.	<i>CBC.ca</i> relaunched its website in June 2006 with a new, user-friendly design, resulting in improved performance, better access to content, better usability, improved brand consistency, and increased visitor traffic. In the annual Total Audience Survey conducted in 2006, 91% of the 10,000 <i>CBC.ca</i> users polled rated it as excellent or very good.
Increase revenues.	As of January 2007, <i>CBC.ca</i> had already brought in double the revenue targeted for the full fiscal year. Compared with 2005-2006, revenues to the website were up 350%.

<p>Promote CBC Television and CBC Radio programs.</p>	<p><i>CBC.ca</i> designed and built websites for several new Television and Radio programs, including <i>Dragons' Den</i>, <i>Test the Nation</i>, <i>The Greatest Canadian Invention</i> and <i>Hockey: A People's History</i>. <i>CBC.ca</i> also developed a new website for the relaunch of CBC Radio Two. Traffic to CBC Television and CBC Radio program pages on <i>CBC.ca</i> have grown by more than 25% since 2005-2006.</p>
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CBC.ca 2007–2008 Objectives

1. Increase *CBC.ca* traffic by continuing to focus on core strengths: important and popular programming.
2. Implement Web 2.0 and the Media Player.
 - Increase the amount of Television and Radio programming available online through streaming.
 - Continue to improve *CBC.ca*'s ability to target and measure audience.
 - Improve the audience's ability to engage with *CBC.ca* content through commenting, voting and submitting content.
3. Increase revenues.
4. Support the development and implementation of multiplatform strategy.
5. Increase site stability and reliability.

French Services

All of CBC/Radio-Canada's French-language media lines (Television, Radio and Internet) report to the Executive Vice-President for French Services. This integrated approach facilitates the development of a global vision of French Services that recognises the individual strengths and distinctive character of each media line while promoting the overarching goal of improving the quality of the democratic and cultural life of Canadians.

TÉLÉVISION DE RADIO-CANADA: French-language network delivering a broad range of general, special-interest and innovative audacious programming, News and information.

RÉSEAU DE L'INFORMATION DE RADIO-CANADA (RDI): French-language 24-hour all-News and information service, financed entirely by subscriptions and advertising revenue.

PREMIÈRE CHAÎNE: Commercial-free French-language network, offering News, Public Affairs and cultural programming.

ESPACE MUSIQUE: commercial-free French-language music network, offering jazz, classical, chanson, diverse world music, and emerging talent.

BANDE À PART: commercial-free French-language network, offering emerging music and Francophone artists on Espace musique and Sirius Satellite Radio Channel 93, and on the Internet (*bandeapart.fm*).

Internet

RADIO-CANADA.CA: French-language Internet service carrying our Radio and Television content, unique New Media and Corporate information.

RCI VIVA: Web service broadcasting in eight languages, providing information about Canada and posting discussion boards for recent and aspiring immigrants to Canada.

French Services 2006–2007 Objectives

French Services 2006–2007 Results

<p>Integrate our services to enrich what we offer on all platforms and to ensure that our activities are managed consistently and responsibly.</p>	<p>Several intermedia projects came together successfully. For example, <i>La symphonie éclatée – Bienvenue Maestro!</i> marked the arrival of Kent Nagano as music director of the Orchestre symphonique de Montréal. Also, <i>La semaine verte</i>, the popular Television program on the environment, food, agriculture, fishing, and forests, is now featured on Première Chaîne and <i>Radio-Canada.ca</i>.</p>
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**French Services
2006–2007 Objectives**

French Services 2006–2007 Results

	<p>On the administrative front, several services were integrated, including Finances, Operations and Communications, to ensure greater consistency.</p>
<p>Solidify our audiences.</p>	<p>For the Fall-Winter season, Télévision de Radio-Canada maintained its prime-time market share at a level equal to last year (about 20%).</p> <p>Radio de Radio-Canada also kept its ratings at the same level as last year, with a global reach of 1.2 million listeners and a combined audience share of 15.2%.</p> <p><i>Radio-Canada.ca</i> remained among the country's most popular media websites in French. From April to December 2006, the site received an average of 1.5 million unique visitors,¹ up 2% from last year. As well, the site broke a record for hits with 1,738,000 unique visitors (34.4% of Francophones with Internet service at home).</p>
<p>Strengthen information on our airwaves.</p>	<p>In June 2006, Radio-Canada integrated its information services with the aim of ensuring that the strategies, editorial directions and major operations would enhance the credibility and quality of information at Radio-Canada, in keeping with the personality of the networks.</p> <p>Since the Fall of 2006, Télévision de Radio-Canada has offered a new forum for News, <i>Le téléjournal matin</i>, which airs weekdays at 8:00 a.m.</p> <p>Since August 2006, RDI has changed direction and offers all-News programming live. Under the guidance of our three anchors, our News teams across Canada create a dynamic force that has made RDI <i>the</i> news source throughout the day.</p> <p>Première Chaîne presents a revamped version of <i>Désautels</i>, which airs on the Montréal market from 3:00 to 5:00 p.m. After 5:00 p.m., the program goes Canada-wide as it takes stock of national and international News with in-depth analysis, interviews and reports.</p>

¹ Francophones with Internet service at home (source: comScore Media Metrix).

**French Services
2006–2007 Objectives**

French Services 2006–2007 Results

	<p>At <i>Radio-Canada.ca</i>, users can now view or hear most News and Current Affairs programs (Radio and Television) in a brand new section of the site called <i>Radio-Canada sur demande</i>.</p>
<p>Improve our cultural programming.</p>	<p>Télévision de Radio-Canada presented 17 original dramas this year, including 11 new shows, more than any other broadcaster in Canada. Also, a new weekly cultural magazine, <i>Prochaine sortie</i>, hit the airwaves in the Fall.</p> <p>Host Christiane Charette has returned to Première Chaîne with a new talk show revolving around culture and society. Première Chaîne continues to air prestigious series and contemporary idea programming in its late evening time slot.</p>
<p>Create stronger regional roots for our services.</p>	<p>A strategy for all of French Services was put in place to favour stronger regional roots and ensure a better reflection of regions across Canada.</p> <p>Since the Fall of 2006, Première Chaîne has offered a new program on Sunday afternoons for each of the country's major regions.</p> <p>Of the concerts recorded by Espace musique, a large number are in the regions. Indeed, 70% of the 108 concerts recorded in the Summer of 2006 were in the regions. Of the people who listen to Espace musique, 30% live outside Quebec and 67% live outside Metropolitan Montréal.</p>
<p>Offer more youth programs on television.</p>	<p>Télévision de Radio-Canada launched two new youth programs (a daily serial and a weekly comedy).</p>
<p>Promote Canada's music talent across all our platforms.</p>	<p><i>Sacré talent !</i>, a novel initiative by Espace musique that introduces a promising Francophone singer every month, hooked up last Fall with <i>L'heure de gloire</i>, the new music show hosted by René Simard on Télévision de Radio-Canada. <i>L'heure de gloire</i> features a performance by the singer of the month from <i>Sacré talent !</i></p>
<p>Offer the world a window onto works created and produced by Francophones in</p>	<p>Besides being a shareholder in TV5Monde, which airs several Canadian programs and feature films worldwide, Radio-Canada belongs to major international organisations like Radios francophones publiques, the</p>

**French Services
2006–2007 Objectives**

French Services 2006–2007 Results

<p>Canada.</p>	<p>Communauté des télévisions francophones, the European Broadcasting Union, and the Conseil international des radios-télévisions d'expression française.</p> <p>Radio-Canada also has a hand in several competitions, festivals and global markets, enabling it to forge a vast network of partners with a view to producing and broadcasting Canadian works and artists on Radio and Television.</p>
<p>Remain at the forefront of new technologies.</p>	<p>Since the Fall of 2006, nearly 30% of prime-time programs on Télévision de Radio-Canada have been in high definition, making the public broadcaster Canada's biggest producer of HD programming in French.</p>

French Services' 2007-2008 Objectives

Strategic Priority: Continue to offer programming that is innovative, *rassembleur*, highly distinctive, and top quality.

- Strengthen Télévision de Radio-Canada's positioning.
- Pursue the Radio development strategy.
- Showcase an original, innovative Web offering.
- Consolidate French Services' regional roots.
- Revitalise the Radio-Canada Sports brand.
- Strengthen Radio-Canada's impact as a News source.
- Propose intermedia projects that capitalise on the group's strength nationally and in the regions.

Galaxie

Galaxie is CBC/Radio-Canada's digital pay commercial-free audio service offering 45 channels of continuous music, without talk, to nearly six million subscribers.

Galaxie 2006-2007 Objectives	Galaxie 2006-2007 Results
<p>Optimise and ensure the long-term profitability of Galaxie.</p>	<p>Galaxie is available to nearly six million subscribers with as many as 20% using the service at least weekly.</p> <p>A broadband service has been developed and plans are underway to launch with several partners.</p> <p>Increased penetration to commercial customers.</p>
<p>Position Galaxie as Canada's premier audio programmer and the reference production company for niche music formats.</p>	<p>Latest survey indicates that Galaxie consistently delivers in excess of 90% satisfaction levels.</p> <p>International language channels have been developed that are expected to launch in 2007.</p>
<p>Contribute to the public broadcaster's cultural mandate by promoting and extending the CBC/Radio-Canada brand and values.</p>	<p>Consistently delivering Canadian content levels at 35% or more across the total Galaxie channels.</p> <p>Focus on new artists through the Rising Star Program as a part of the Canadian Talent Development.</p>

Galaxie 2007-2008 Objectives

1. Increase the number of subscribers through new platforms and renewal of expiring affiliation deals.
2. Introduce service enhancements such as on-screen displays that may be revenue-generating.
3. Attract new audiences through the launch of an Internet service and the delivery of music through new platforms.
4. Grow the commercial background music business to increase Galaxie's financial profitability.
5. Continue to deliver high-quality programming and ensure that audience satisfaction levels continue to exceed 90 per cent.

Satellite Radio

CBC/Radio-Canada is a partner in the satellite radio service, Sirius Canada, which offers our programming on six of its 11 Canadian channels, expanding our reach to audiences in the US and to all Canadians.

Satellite Radio 2006-2007 Objectives	Satellite Radio 2006-2007 Results
<p>To ensure that the start-up for Sirius Satellite Radio is successful.</p>	<p>Sirius Satellite Radio announced it exceeded 300,000 paying subscribers at the end of January 2007. Sirius Canada has the greatest number of satellite radio subscribers in Canada.</p> <p>Negotiated bandwidth with Sirius Satellite Inc. to have 11 Canadian channels, that results in Sirius having 110 channels, the greatest number for a Canadian service.</p> <p>Six of these channels are produced by CBC/Radio-Canada: CBC Radio One, CBC Radio 3, Première plus, Bande à part, Info plus, and RCI plus.</p>
<p>To ensure that sound business practices and appropriate governance policies are established.</p>	<p>CBC/Radio-Canada is represented by two Board members and chairs the Audit and Compensation Committee.</p>
<p>To ensure that the business environment is closely monitored so that competitive forces are appropriately addressed.</p>	<p>CBC/Radio-Canada Senior Management and the Board of Directors are kept apprised of the Corporation's investment and the business activities of Sirius Canada.</p>

Satellite Radio 2007-2008 Objectives

1. To approve and monitor the 2007 Business Plan for Sirius Radio to ensure that Sirius' second year of operation maintains the pace of growth and the market share attained in its initial year of operation.
2. Develop and approve the strategic direction for Sirius Canada through membership on the Board and chairing of the Audit and Compensation Committee.
3. Monitor the potential merger of Sirius and XM in the United States and ensure that the interest of Sirius Canada is protected should such a merger take place.

International Scene

The International Scene

CBC/Radio-Canada's international mission: Increasing understanding of Canadian values, culture, social and economic life. CBC/Radio-Canada's international presence has long been driven by the necessity to embrace the world.

Radio Canada International

Radio Canada International (RCI), CBC/Radio-Canada's international Radio service, broadcasts in nine languages via the Internet, digital and analogue shortwave, satellite, and some 400 partner stations worldwide.

RCI 2006–2007 Objectives	RCI 2006–2007 RESULTS
<p>Offer programming designed for newcomers to educate them about Canada, its values and its social, economic and cultural life.</p>	<p>Enriched programming in the languages common to RCI and these communities.</p> <p><i>RCI plus</i> broadcast on Sirius Satellite Radio Channel 188.</p> <p>Launch of <i>RCI viva</i>, the new RCI Internet service aimed at recent immigrants.</p>
<p>Solidify partnerships with local radio stations abroad.</p>	<p>Co-productions with:</p> <ul style="list-style-type: none"> - Radio Cadena Nacional (Colombia) and <i>Zone libre</i>. - Radio Netherlands in Cuba. - Radio Nacional de Argentina. - Radio Cultura de Sao Paulo in Brazil. - Radio Oxyjeunes in Dakar, Senegal. - Four stations in China (China National Radio, Chongqing Radio, Radio Beijing, Hainan Radio). <p>400 partner stations rebroadcast RCI content worldwide.</p>
<p>Use emerging technologies to attract new audiences.</p>	<p>RCI programs are now offered as podcasts.</p>

RCI 2007–2008 Objectives

1. Pursue RCI's mission worldwide.
2. Help *RCI viva* take root in Canada's cultural communities by:
 - Strengthening new programming.
 - Increasing awareness about *RCI viva*.
 - Nurturing new talent from these communities.

Canadian Institute for Training in Public Broadcasting

The Canadian Institute for Training in Public Broadcasting/Institut canadien de formation en radiodiffusion publique, created in 2004, allows developing countries to draw on CBC/Radio-Canada's unique expertise and experience. By offering training programs that cover broadcasting management, journalism, technical skills, and the Internet and New Media, the Institute promotes principles of good governance and helps reduce the digital divide between developing and developed countries.

Institute 2006–2007 Objectives	Institute 2006–2007 Results
<p>Support broadcasters to better position them as a public service.</p>	<p>A one-year strategic support program was offered with the Broadcasting Corporation of the Bahamas, followed by a two-year training program in audiovisual techniques, digital production and journalism.</p> <p>Public broadcasting training was also given in Haiti and Algeria.</p>
<p>Share our journalism expertise.</p>	<p>Courses on journalistic ethics, election coverage and health journalism were created and offered as part of various training programs.</p>

Institute 2007–2008 Objectives

1. Add to the Institute's catalogue by developing new courses.
2. Forge new training partnerships.

Behind the Scenes

Behind the Scenes

Better programming through new technology and efficiencies

Supporting thousands of programs that reflect Canada's diverse regions and communities is a complex and challenging task. Here's how CBC/Radio-Canada efficiently achieves it every day.

In the challenging context of a limited budget, steadily increasing production costs, fragmented audiences, and intense competition, CBC/Radio-Canada is continually reviewing its business approaches and production technologies to identify savings and leverage assets that can be re-invested in programming.

Since 2000-2001, we have achieved one-time productivity savings and revenue increases of \$115 million and ongoing annual savings and revenues of \$75 million. We will continue to work towards our strategic priority: *Demonstrate that CBC/Radio-Canada is a well-managed company and generate cash flow to re-invest in programming.*

REAL ESTATE

The mission of the Real Estate Division is to optimise revenues by selling or renting surplus assets and to generate savings by managing CBC/Radio-Canada real estate more efficiently. In this way, the Division frees up funds that can be invested in programming while ensuring that all CBC/Radio-Canada business units have the facilities they need to do their jobs.

In 2006-2007, CBC/Radio-Canada continued to benefit from best real estate practices. Incremental revenues, savings and avoided costs totalled more than \$21.5 million.

Revenues from leasing and other sources totalled \$5.5 million and sale of excess space generated \$4.6 million. Energy reduction measures, cost reviews, lease audits, consolidations, and contract renegotiations generated \$11.4 million in savings.

To increase the quality of programming while using our assets more efficiently, we consolidated our operations in St. John's and Vancouver, integrating our French and English Radio, Television and New Media networks and newsrooms. These new projects complement successful consolidations in Ottawa, Edmonton and Québec City. Similar projects are being considered for other locations across the country.

The Division has established benchmarks that are reviewed annually to help prioritise work and evaluate efficiency. This process identifies opportunities for generating savings — by finding ways to reduce energy use, for example. This year, the Canadian Broadcasting Centre in Toronto received a second Certificate of Building Excellence from the Building Owners and Managers Association (BOMA) of Greater Toronto for its efficient operations management. Maison de Radio-Canada in Montréal has been certified Go Green Plus for environmental practices. The 181 Queen Street, Ottawa, building owned by Morguard has also won the Ottawa TOBY (Office Building of The Year) from the Building Owners and Managers Association (BOMA).

Real Estate 2006-2007 Objectives	Real Estate 2006-2007 Results
<p>Optimise revenues, through the sale or leasing of surplus spaces in order to free up funds for programming.</p>	<p>Realised the recurring annual revenue of \$4.6 million from the sale of surplus assets in Toronto.</p> <p>Generated \$5.5 million in revenues from leasing and other sources.</p> <p>Generated \$2.4 million in savings from capital spending reduction due to the consolidation of space.</p> <p>Signed a purchase and sale agreement for the sale of excess density and obtained a City of Vancouver development permit and developed the detailed layout for the site redevelopment.</p> <p>Initiated a modernisation study for Maison de Radio-Canada in Montréal and started solution research for self-funding work.</p>
<p>Reduce costs through efficient real estate management in order to free up funds for programming.</p>	<p>Realised operating cost reductions and avoided costs of \$8.9 million by applying best practices, consolidating spaces and reviewing costs components.</p> <p>Consolidating media operations and updating our spaces in St. John's and Vancouver to integrate our Radio, Television and New Media networks and newsrooms, for journalistic collaboration and better use of assets.</p> <p>Began examining a new approach to space use in Toronto, to provide staff at the Canadian Broadcasting Centre with improved and updated workspaces. Future work would be self-funded, possibly by the leasing of excess space.</p>
<p>Provide adequate infrastructure and space to properly support Corporate components in their business mandates.</p>	<p>Completed over 1,000 capital and non-recurring and "churn" projects (small internal moves and changes) in a timely and efficient manner. Built "call rooms" to provide staff with private space for discreet communication in the following locations: Montréal, Toronto, Edmonton, Québec City, Charlottetown, Moncton, St. John's, Winnipeg, Sudbury, Windsor, Ottawa, Gander, Grand Falls, and Corner Brook.</p>

<p>Demonstrate that CBC/Radio-Canada is a well-managed company that frees up funds to be re-invested in programming.</p>	<p>Communicated messages, with supporting facts, in notes to staff and communications with external parties.</p>
<p>Maintain harmonious relations with internal and external stakeholders by delivering concise information explaining Corporate objectives and their vital role in the fulfilment of CBC/Radio-Canada's mandate.</p>	<p>Real Estate Division participated in Doors Open 2006 at the Canadian Broadcasting Centre in Toronto, presenting a history of the site and the design/construction process of the building, along with two edited videos; and created two display boards of construction and interior photos. Public feedback was very positive.</p> <p>Made presentations to specialised organisations such as BOMA, IFMA, Corenet, and IDU.</p>

In 2007-2008, the Real Estate Division will continue to be guided by its key objectives, all of which are long-term in nature.

MERCHANDISING

CBC/Radio-Canada is one of the most widely recognised brands in the country. The Merchandising Division, created in 2002, generates revenues by licensing, selling and distributing CBC/Radio-Canada CDs, DVDs, digital downloads, books, clothing, and licensed merchandise nationally and internationally. In 2006-2007, the Division's revenues reached more than \$10 million.

The Merchandising Division opened five seasonal kiosks across Canada during December's holiday season, in addition to maintaining its permanent retail outlets in Montréal, Toronto and Ottawa. Internet retail sales increased by 39 per cent over 2005-2006. Digital sales of music grew 200 per cent over 2005-2006. CBC audio spoken word revenues increased by 38 per cent over 2005-2006, with successes including pre-orders of 2,000 copies of the popular CBC Radio series *O'Reilly on Advertising*. The Division also developed MP3 products and its first DVDs of audio material. CBC Home Video revenues increased with the addition of major releases, such as *Hockey: A People's History* and *China Rises*. The Division's French-language licensing activities continued to grow and educational sales to schools and universities increased by 20 per cent over 2005-2006.

Merchandising Division 2007-2008 Objectives

1. Continue to build on our recent successes in licensing.
2. Develop products for targeted market segments and trends.
3. Expand retail sales to maximise margins.
4. Exploit innovative EDD (Electronic Digital Delivery) channels to realise new revenues from CBC/Radio-Canada content.
5. Continue to increase efficiency of all business practices.

TECHNOLOGY

CBC/Radio-Canada continues to invest in state-of-the-art technology to increase efficiency and quality in the Corporation's production and business processes and to allow the introduction of new means of production and distribution.

CBC Technology began to implement new telecom and broadcast technologies last year, resulting in \$3.7 million in annual savings. The Distribution Relay Optimisation Project (DROP), which replaced terrestrial networks with satellite, generates annual savings of \$5.2 million for our Television networks, with an additional \$1.1 million in annual savings in 2006-2007, overachieving savings targets.

CBC/Radio-Canada Transmission increased revenue by \$400,000 in 2006-2007 by renting space on our towers, sites and buildings to private broadcasters, cell phone companies and government services, and renewed a shortwave transmission contract worth approximately US\$650,000 annually with an overseas broadcaster.

CBC/Radio-Canada Transmission, instrumental in building eight terrestrial transmitters for Sirius Canada Inc., also provides monitoring and maintenance services for Sirius, generating important revenue for the Corporation's programming budgets.

Various technologies allow us to achieve savings, and create and deliver a larger number and range of high-quality News stories. These include iNews, for greater sharing of production material between our French, English, Radio and Television services; ParkerVision, for reducing the number of studio employees required to produce newscasts; Desktop Radio and Desktop Television, for improving the workflow in newsrooms. Desktop Television was rolled out in Toronto, and the technology is being introduced on a reduced scale in smaller locations. Avid news editing systems were installed in Moncton, Fredericton, Charlottetown, St. John's, Winnipeg, Windsor, and Toronto. The Sintec On-Air software application for program scheduling, sales proposals, commercial and promo placement, and automation logs was implemented for ARTV, CBC Newsworld and RDI, joining CBC Country Canada which has used the application since April 2005. Our Vision Project is replacing 45 aging and obsolete computer systems with three new, fully integrated systems to manage contracts, program inventory, broadcast schedule, marketing and sales activities, promos, media management, and CRTC reporting.

CBC/Radio-Canada developed a plan in response to concerns from the CRTC about the need for emergency alert services in Canada to inform Canadians of catastrophic events, such as severe weather disturbances, that could endanger their lives. Our proposed system would make use of the Corporation's large number of transmission towers located across the country, with backup generators to ensure service even when electrical power goes down. On February 28, 2007, the CRTC fully endorsed CBC/Radio-Canada's proposal. The

Corporation will now reach out to various levels of government for the necessary funding.

CBC/Radio-Canada Transmission provides monitoring and maintenance services for Sirius Canada Inc., generating important revenue for the Corporation's programming budgets.

DIGITAL AND HIGH DEFINITION TELEVISION

Since 2003-2004, we have been making the transition to digital high definition television (HDTV) transmission so we can produce and broadcast the highest quality television for Canadians. This year we built two HDTV control rooms (three studios) in Toronto, enabling the production of *The Rick Mercer Report* and *Royal Canadian Air Farce* in HD. *CBC News: The National* will be produced in HD beginning in Summer 2007. We also completed three HD studios in Montréal, with another three to be in service by Fall 2007. Approximately 35 per cent of Télévision de Radio-Canada's prime-time 2007-2008 schedule will be in HD. CBC/Radio-Canada HD transmitters offer digital and HD services in Montréal, Toronto, Québec City, Vancouver and, since September 2006, in Ottawa.

In November 2005, CBC Television created a Video Syndication (VS) unit within CBC's Digital Programming and Business Development group, in order to satisfy the growing demand for content on new platforms – from cable video-on-demand, to the Internet (on *CBC.ca* and commercial portals), to private and public screens, to cellular and other mobile devices. The VS unit develops programming strategies for these platforms in such a way that production pays for itself, and is self-sustaining. The focus is on commercial opportunities in video syndication, such as sales to cable or telecommunications companies, or ad-supported video programming on *CBC.ca*. Its major revenue-generating source is CBC News Express delivered to Toronto and Ottawa airport terminal lounges. The VS unit will bring in needed revenue for our programming budgets, while complementing the work of our New Media division which has been syndicating text and video on the Internet and cellular devices for some years. Importantly, it will also better serve our audiences on the move.

MOBILE DIVISION

Our Mobile Division was created three years ago to make more efficient use of our mobile production equipment; to ensure that programs have access to the material and expertise they need; and to generate revenue, for investment in programming, by aggressively marketing excess capacity. The Division has full responsibility for maintenance and deployment of all of our Television mobile fleet. Our first high definition mobile truck, built and placed in service in 2004-2005, is helping us make spectacular Television programming. A second HD mobile truck was constructed for production of the NHL playoffs, beginning in April 2007.

CBC Technology 2007-2008 Objectives

1. Continue to provide design and implementation services for major projects such as the Vancouver consolidation.
2. Finalise the transition of CBC Television and Télévision de Radio-Canada to the Sintec On-Air integrated application.
3. Continue the implementation of DTV and HDTV strategies.
4. Continue to improve effective remote production technologies, in preparation for the Beijing 2008 Summer Olympics.

SHARED SERVICES

Created three years ago, CBC/Radio-Canada Shared Services consolidates all of the Corporation's Information Technology, Human Resources, and Financial Administration services. Shared Services standardises processes, leverages investments in leading-edge technology, and achieves economies of scale in transaction-intensive services.

In 2006-2007, Shared Services made improvements to service delivery in Human Resources, Accounts Payable, Accounts Receivable, and Technology Support. In Phase 1 of the Corporation's Dashboard project, Shared Services identified key performance indicators and monitored these on a monthly basis. In consultation with CBC/Radio-Canada Research, it measured employees' satisfaction with its services and began to use this feedback to improve performance and awareness and understanding of its role. Shared Services also revised its Service Level Agreements (SLA) for Information Technology and Finance and Administration.

Shared Services 2007-2008 Objectives

<p>Customer perspective</p> <ol style="list-style-type: none"> 1) Ensure continuous quality improvement in service delivery. 2) Improve customer awareness and recognition of Shared Services, its role and services. 3) Complete Shared Services transition projects. 	<p>Internal business perspective</p> <ol style="list-style-type: none"> 4) Leverage existing technology and focus on internal process improvement to secure our transition to Shared Services Phase II Business Model (focus on customer service delivery). 5) Consider first steps towards upgrading/replacing VIP System with SAP-HR.
<p>Financial perspective</p> <ol style="list-style-type: none"> 6) Balance budgets and achieve business case savings target on a steady state. 7) Ensure cost control. 	<p>Enablers/development perspective</p> <ol style="list-style-type: none"> 8) Consolidate our workforce. 9) Benchmark for best practices. 10) Leverage/optimize the use of Shared Services' knowledge base in key areas.

CONTENT MANAGEMENT/ARCHIVES

Again in 2006-2007, the Corporation successfully expanded use of programming and revenue from our archives, and made advances in rights management to obtain and exploit rights for program content.

REGIONAL REFLECTION, DIVERSITY, AND SERVING THE COMMUNITY

As Canada's national public broadcaster, CBC/Radio-Canada creates and broadcasts high-quality programming that reflects the country's different regions and its increasing diversity and evolving culture. The Corporation also maintains a strong presence in communities. CBC/Radio-Canada's strategic priorities support this emphasis.

CBC/Radio-Canada invests in the regions by posting journalists in nearly 70 Canadian communities and covering, in-depth, the local and regional stories that matter to audiences; featuring local speakers and perspective; and sharing stories with national audiences, to connect citizens across the country.

We are the only Canadian broadcaster to air programs in English and French across the country, in eight Aboriginal languages in the North, in nine languages around the world on Radio Canada International, and in eight languages on RCI viva for new and aspiring Canadians.

We continually evaluate our programming to ensure that it meets Canadians' expectations, and we innovate and improve when funding allows. For instance, in January 2007, CBC Television launched nine regional daytime lifestyle programs across the country, each exploring and showcasing communities and putting a regional focus on better living for Canadians. CBC Radio added 500 hours of local programming to the schedule this year by expanding drive-home programs to accommodate different needs in different cities. To round out its Arts and Entertainment coverage on regional newscasts, Télévision de Radio-Canada aired *Art circuit*, a magazine devoted to cultural life across the country, live out of Ottawa. Since the Fall of 2006, Première Chaîne has aired a new Sunday afternoon show for listeners in each of the country's main regions. It aims to couple the information citizens need (News, traffic and weather) with a musical lineup that both entertains and expands their horizons.

To ensure that we reflect contemporary Canada on-screen and behind-the-scenes, we have a number of initiatives, including the following:

- CBC Television's Express Diversity (with results such as changes in hiring practices and story selection within News and Current Affairs; and the requirement for approved internal diversity plans) [to be updated].
- CBC Radio's Diversity: Reflecting Canada Today (establishes rigorous guidelines on everything from hiring practices to program mandates to story selection and presentation).

- CBC Radio's Redevelopment of CBC Radio Two (designed to accurately reflect Canadian music and musicians for an adult audience, increasing the diversity of artists and musical selections while maintaining a strong commitment to the core classical and jazz audiences).
- Over 30 cross-cultural initiatives involve CBC/Radio-Canada's English and French services, helping to create synergy and foster productive inter-media exchanges while bringing communities closer together and raising awareness of their respective realities. Some of these initiatives take the form of special programming centred on specific themes. For example, the Canadian Songwriters Hall of Fame special is an annual bilingual presentation honouring both French- and English-Canadian songwriters, airing on both Espace musique and CBC Radio Two with hosts from both networks. Other significant initiatives this year included *Hockey: A People's History*; the mini-series, *Lévesque*; the production and telecast of English versions of Radio-Canada drama series; and arts programming, including the co-produced Governor General's Performing Arts Awards.
- There is significant cooperation and program sharing in the News and information departments. For instance, a number of *CBC News: The National* short documentaries and features are offered in French on Télévision de Radio-Canada's *Ça vaut le détour!* And *CBC News: The National* and Current Affairs have broadcast reports originally on Télévision de Radio-Canada's *Enjeux* and *Découverte*.
- Many CBC/Radio-Canada reporters regularly file stories in English and French for all of our networks, including Don Murray, Patrick Brown, David Common, Azeb Wolde-Giorghis, Michel Cormier, Nick Spicer, and Joyce Napier.
- This year, Télévision de Radio-Canada strengthened its reflection of Canada's myriad regional perspectives and characteristics in its News and information service.
- Espace musique brought audiences an even more musically diverse environment through partnerships with cultural communities for events like Le festival du monde arabe and Nuits d'Afrique, and through support for homegrown talent via programs like *Sacré talent!*
- As part of our diversity initiatives, hundreds of CBC/Radio-Canada managers were trained in "Leading Diversity". Programs will be developed on "Recruiting and Managing for Diversity" and "Chasing Diversity". All of these initiatives are critical in helping the Corporation more effectively serve a changing Canada.

For nearly 70 years, CBC/Radio-Canada has been a vital member of the communities we serve. Everyday, we are part of Canada's experience, and not just on our airwaves. We seek out programming opportunities by playing an

active role in hundreds of community events, festivals, literary and artistic competitions, and fundraising events all over the country.

In recent years, we have worked to strengthen our integration into the community even more fully, and to boost professional collaboration, resource-sharing and efficiency, by bringing together all of our media lines under one roof in the heart of three communities: Edmonton, Québec City and Ottawa. Our Vancouver and St. John's facilities are being consolidated this year to achieve the same successes, and similar downtown moves for our media lines in other communities are being considered.

We will continue to build strategic partnerships to extend our reach and enhance the range of our services to Canadians. We will also continue to listen to citizens across the country to strengthen relationships with our audiences and to offer programming that remains relevant to them.

HUMAN RESOURCES: BUILDING AND STRENGTHENING OUR TEAM

One of the Corporation's eight strategic priorities, *Strengthen CBC/Radio-Canada's commitment to all its employees – to those who create and those who support them*, articulates the important place of employees in the company and the need to shape a working environment that continues to encourage and facilitate the production of excellent programming for our audiences.

To create such a supportive environment, the Corporation has put forward strategies that focus on improving internal communications to enable employees to understand the Corporate direction and equip them to meet current and future challenges. Professional development and training continues to be one of our top priorities. In today's competitive media environment, we need to provide employees with the right tools to fulfil their job requirements to the highest standards.

Another way the Corporation fosters conditions that promote creative programming is its annual Leaders' Forum. In November 2006, CBC/Radio-Canada held its sixth such forum, with this year's theme being "Leading the Way: Working Together to Strengthen CBC/Radio-Canada". Management and Union leaders also met for the fifth Union-Management Leaders Forum in December 2006.

CBC/Radio-Canada maintained its commitment to foster an environment that is inclusive and promotes open dialogue between managers and employees. We use different means to ensure all stakeholders are engaged and informed, such as conferences, meetings, surveys, focus groups, interviews, and ongoing communication across all components of the organisation. Various initiatives took place in 2006-2007 to engage employees, including the Post-Lockout Reintegration Program, Toronto Space Project, the Vancouver Project, Corporate Portal, Alberta Leaders' Retreat, Leaders' Forum, Union-Management Forum, and the Montréal Space Project.

To improve relations between Management and the Canadian Media Guild (CMG) in the wake of the 2005 lockout, the Corporation embarked upon a relationship-building process with the Union. As well, hundreds of managers and program leaders were trained to manage the new collective agreement and to fully utilise the flexibility negotiated with the CMG. Negotiations continued with ACTRA and AFM throughout the year.

Employment equity, official languages, health and safety, workforce diversity, and business continuity planning were also among our Corporate priorities this year.

Overall, CBC/Radio-Canada's HR strategy helps us shape a workplace where creativity, programming and service to Canadians will flourish in fiscally responsible ways.

HR 2006-2007 MAIN OBJECTIVES	HR 2006-2007 MAIN RESULTS
Optimise HR service delivery.	<ul style="list-style-type: none"> ▪ HR Core Competency Model developed and a plan prepared for training. ▪ HR process maps communicated to ensure common HR practices and processes across all functions and networks. ▪ E-Strategy Director leading overall integrated strategy for current & future e-business management processes.
Leadership and management development.	<ul style="list-style-type: none"> ▪ Leadership Competency Profile used as foundation for all core management processes. ▪ Draft leadership & Management Training framework developed. ▪ Succession planning: process presented to Board of Directors – practical tools to be developed and integrated.
Performance and accountability.	<ul style="list-style-type: none"> ▪ Work is proceeding on a plan for non-unionised Management & Association of Professionals and Supervisors. ▪ Processes being renewed, with proposals developed for improvement (process, form, tools, e-HR, etc.) across all areas/networks.
Engaged and innovative workforce.	<ul style="list-style-type: none"> ▪ HR worked with the Unions to respond to the results of a major health survey involving more than half of CBC/Radio-Canada's 9,000 employees. ▪ Respect Training and Stress Management workshop rolled out across entire organisation.

Strategic management of Industrial Relations (IR).	<ul style="list-style-type: none"> • Strategic IR plan outline presented to IR Strategy Committee; sub-committees addressing the various components of the plan. • Audit of key clauses of collective agreements on quarterly basis. • In the wake of the 2005 lockout, Management and the Canadian Media Guild held a three-day relationship building session.
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ORGANISATIONAL HEALTH AND WELLNESS

For the last two years, creating a healthier workplace has been a priority for the Corporation. CBC|Radio-Canada Management and Unions continue to act on certain employee-related wellness issues cited in employee survey findings over the last six years. The structure of the Organizational Health and Wellness department continues to evolve to ensure the Corporation is well-positioned to advance integrated and proactive strategies on health and wellness. In the past year, areas of focus included the establishment of personal call rooms to address privacy issues; the introduction of a more robust flu education and prevention program; the rollout of new seminars – both in person and online – for stress management; and pilots for employee workshops on respect in the workplace, as well as employee recognition. Pandemic preparedness and planning has also figured prominently among this group's priorities this past year.

Public Accountability

Public Accountability

CBC | RADIO-CANADA HAS AN OBLIGATION TO REPORT TO CANADIANS ON THE FULFILMENT OF ITS COMMITMENTS. THIS IS ACCOMPLISHED USING A VARIETY OF COMMUNICATION CHANNELS AND VEHICLES.

OPEN AND TRANSPARENT

FOR EXAMPLE, CBC | RADIO-CANADA ACCOUNTS FOR ITS ACTIVITIES THROUGH THE MINISTER OF CANADIAN HERITAGE TO PARLIAMENT, THROUGH ITS ANNUAL REPORT AND CORPORATE PLAN SUMMARY; TO THE CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION (CRTC) THROUGH YEAR-END REPORTS AND ANNUAL FINANCIAL RETURNS; AND TO STAKEHOLDERS THROUGH ONGOING DIALOGUE AND INTERACTION AND CBC | RADIO-CANADA WEBSITES.

Here are examples of reporting instruments:

- ANNUAL REPORT OF CBC| RADIO-CANADA TO THE CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION (CRTC).
- ANNUAL REPORTING TO PARLIAMENTARY COMMITTEES (CANADIAN HERITAGE, OFFICIAL LANGUAGES, PUBLIC ACCOUNTS, SENATE COMMITTEES).
- CBC| RADIO-CANADA CORPORATE PLAN AND CORPORATE PLAN SUMMARY.
- CBC| RADIO-CANADA ANNUAL REPORT.
- AUDITOR GENERAL SPECIAL EXAMINATION REPORT.
- AUDITOR GENERAL ANNUAL ATTEST AUDIT.
- ANNUAL REPORT TO THE DEPARTMENT OF HUMAN RESOURCES AND SKILLS DEVELOPMENT AND CANADA (HRSDC) EMPLOYMENT EQUITY.
- IMPLEMENTATION OF SECTION 41 OF THE OFFICIAL LANGUAGES ACT REPORT.
- PUBLIC ACCOUNTS OF CANADA.
- POSTING OF BUSINESS TRAVEL AND HOSPITALITY EXPENSES OF PRESIDENT AND CHAIR ON CORPORATE WEBSITE.

JOURNALISTIC STANDARDS AND PRACTICES

CBC|Radio-Canada has an extensive code of Journalistic Standards and Practices and solid editorial control mechanisms to guide its employees and to ensure that those working on its programming remain balanced and accurate in their on-air perspectives and reporting. Complaints from the public that are not resolved at the program level to the satisfaction of the complainants are examined and dealt with by the Corporation's two Ombudsmen. The Ombudsmen are completely independent of CBC|Radio-Canada programming staff and programming Management, and report directly to the President of the Corporation and, through the President, to the Corporation's Board of Directors. The role of the Ombudsman is pivotal in strengthening the national public broadcaster's accountability and transparency to Canadians. The Ombudsmen can be reached at:

The Ombudsman, English Networks, CBC|Radio-Canada, PO Box 500, Station A, Toronto ON M5W 1E6 (ombudsman@cbc.ca); and
Bureau de l'ombudsman, Services français, CBC|Radio-Canada, CP 6000, Montréal QC H3C 3A8 (ombudsman@radio-canada.ca).

CODES OF CONDUCT

CBC|Radio-Canada employees at all levels and across the Corporation are expected to adhere to policies governing their behaviour in such areas as: conflict of interest and ethics; whistleblowing; official languages; harassment; and political activity. A selection of the Corporation's Human Resources policies is available for viewing online at: <http://www.cbc-radio-canada.ca/docs/policies/index.shtml>.

Governance

Governance Section of the Annual Report 2006-2007

Highlights

The Board's Role in Strategic Planning

Director participation in strategic planning reviewed and enhanced

Under the guidance of the Nominating and Governance Committee, the Board re-examined its role in setting the strategic direction of the Corporation and adopted a more interactive and in-depth approach for the Board in connection with the 2006-2007 strategic planning cycle.

Risk Management

Corporate risk management framework strengthened

Led by the Audit Committee, the Board introduced several enhancements designed to strengthen Board oversight of the Corporation's risk management framework. These include regular reports to the Board, through the Audit Committee, on key Corporate risks; an annual assessment of the effectiveness of risk management strategies; and improved risk assessment and mitigation techniques.

Conflict of Interest

Board conflict of interest disclosure process reviewed and clarified

The Nominating and Governance Committee conducted a review of the processes in place at CBC/Radio-Canada to disclose and manage possible conflicts of interest involving Directors. After examining several alternatives, the Committee endorsed the current process with the added requirement of regular reporting to the Committee on compliance with disclosure requirements and any other conflict of interest issues.

Assessment of Board Effectiveness

Board evaluation completed June 2006

An independent governance consultant retained by the Corporate Secretary conducted a confidential Board evaluation and prepared a comprehensive report on the results for the Board, which was reviewed at the June 2006 Board meeting.

Board Training

Board training on risk management, performance measurement and industry issues

Board members participated in several sessions during the year as part of the ongoing training and development offered to the Board.

Board Information

Guidelines for Board presentations reviewed and enhanced

There is regular dialogue between Management and the Board to ensure that the Board receives the information it needs to function effectively, and which will support and facilitate the decision-making process. Revised guidelines were crafted in 2006-2007 with the goal of improving the quality of Board materials and clarifying the expectations for Management in preparing material for the Board.

Board Composition

The Chair of the Board, Guy Fournier, resigned on September 19, 2006. As of the end of the fiscal year, the Government had not appointed a replacement. Pursuant to the provisions of the *Broadcasting Act*, the President and CEO is mandated to serve as Acting Chair during a vacancy in the Office of the Chair.

There was one other change in the Board during the year:

Howard McNutt of Halifax, Nova Scotia, was replaced by Edna Turpin of St. John's, Newfoundland and Labrador, following the expiry of Mr. McNutt's term.

Board Committees

Standing Committees on English- and French-language Broadcasting

These Committees are established pursuant to Section 45 of the *Broadcasting Act*. Their mandate is to monitor the fulfilment by the Corporation of its French- and English-language broadcasting responsibilities and its overall mandate, as set out in the *Act*.

Audit Committee

The Audit Committee mandate includes oversight of the integrity of the Corporation's financial information and reporting, the framework of internal controls and risk management, and the audit process.

Nominating and Governance Committee

The Nominating and Governance Committee mandate centres on the Board's governance framework, supporting guidelines and processes. Topics covered include: Terms of Reference for the Board, the Board Chair, the President and CEO, individual Directors, and Board Committees; the process for Board assessment; Board succession; Board orientation and training; and Code of Conduct and Conflict of Interest rules for Directors.

Human Resources and Compensation Committee

The Human Resources and Compensation Committee has oversight responsibility with respect to all aspects of the Corporation's Human Resources strategies, including Human Resources policies, executive compensation, succession planning, industrial relations, health and safety, and the environment.

Special Committee on Public Support

The Special Committee on Public Support mandate is concerned with exploring ways, in conjunction with Management, to build public support for the Corporation.

Director Attendance at Board and Committee Meetings

Table insert

Director Compensation

The Chair of the Board is compensated in accordance with the terms of the Order in Council appointing him/her.

Directors (excluding the Chair of the Board and the President and CEO) receive meeting fees for attendance at Board and Committee meetings in accordance with the following fee schedule:

Board	\$2,000 (six meetings per year)
Audit Committee	\$1,300 (six meetings per year)
All other Committees	\$1,000 (usually four to six meetings per year)

For conference call meetings of the Board or a Committee, the meeting fee is \$250.

Directors are entitled to receive *only one meeting fee* for each day (24 hours) even if they attend more than one meeting during that period.

Directors do not receive an annual retainer for serving as a member of CBC/Radio-Canada's Board of Directors.

For 2006-2007, the total amount paid in Director compensation was \$ TBD

Review of Financial Statements

Financial Statements

**Pages 1647 to / à 1657
are withheld pursuant to section
sont retenues en vertu de l'article**

68.1

**of the Access to Information Act
de la Loi de l'accès à l'information**

CBC/RADIO-CANADA REPLY

Re: Ottawa Notebook, March 17, 2007

CBC/Radio-Canada thoroughly supports the overall societal trend against smoking, including in the workplace. We actively encourage positive behaviour at work through our Health, Safety and Environment programs, and we proactively support our employees' efforts to cease smoking.

In the past three years, we've shut more than 50 per cent of these rooms; and while existing smoking rooms are being closed, no new ones are being opened. None of our new facilities (Québec City, Ottawa, Edmonton, Vancouver, St. John's) have them. We are committed to phasing out smoking rooms entirely over the coming months.

Robert Rabinovitch
President and CEO
CBC/Radio-Canada
Ottawa

ORIGINAL ARTICLE

The Globe and Mail, Saturday March 17, 2007
p.A10 Ottawa Notebook
Jane Taber

Hot: Jim Watson. The Ontario Health Promotion Minister crashed (in a good way) a girls' night out at the National Arts Centre on Tuesday.

The girls were the Prime Minister's wife, Laureen Harper, who has embraced the Ottawa winter to the point that she is now a volunteer, helping to flood outdoor public rinks (she referred to this as being one of the "hosers"); the minister's sister, Jayne Watson, who is the communications director at the NAC; Blair Dickerson, chief of staff to the Natural Resources Minister; Justina McCaffrey, bridal-gown designer to the political stars; and Leah Murray, whose husband, Jay Hill, is the Chief Government Whip.

They were there for the debut of the musical *Hairspray*. Mrs. Harper paid for her own ticket.

Meanwhile, Mr. Watson is trying to press the CBC to shut down the employee smoking room at its Toronto headquarters. He called CBC president Robert Rabinovitch last week to complain about it; the president's response was that artistic people like to smoke. But Mr. Watson pushed him on it, receiving a promise that he'll look into it.

The minister has given him two weeks. Technically, the CBC is not in the wrong as federal laws allow for designated smoking areas in federally regulated workplaces.

***Public Broadcasting in Canada:
Time for a New Approach***

**Submission to the Standing Committee
on Canadian Heritage**

Presented by Mr. Robert Rabinovitch
President and CEO

March 22, 2007

Public Broadcasting in Canada: Time for a New Approach

A study into the role and mandate of CBC/Radio-Canada should begin with one question: Do Canadians still need a national public broadcaster?

CBC/Radio-Canada was created for cultural reasons. The pressures that led to its creation have not diminished; they have increased. Canadians are not suffering from a lack of content choices on television, radio, and the Internet. In fact, Canadians have arguably more options than any citizen in any other country. If this country wants a Canadian cultural presence in the media space, only CBC/Radio-Canada can play that role.

CBC/Radio-Canada is grateful for the opportunity to play a part in the review of the national public broadcaster's mandate by the Standing Committee on Canadian Heritage. Believing it to be a vital process that should unfold regularly on a fixed timeline, we are determined to play an active and constructive role.

In this submission, CBC/Radio-Canada outlines why Canada needs a public broadcaster; the role and value of public broadcasting; some of the more pressing challenges that CBC/Radio-Canada faces; an overview of our services; and, we provide detailed information about CBC/Radio-Canada's audience performance. We also make reference to an analysis by Nordicity, which is being tabled separately, that presents a comparative analysis of Government Support for Public Broadcasting and Other Culture in Canada vis-à-vis other Western nations.

It will not surprise you that we believe Canadians need a public broadcaster today more than ever. It is through public broadcasting that the Government can ensure a place for high-quality Canadian content that serves Canadian citizens in a broadcast environment overwhelmed by largely foreign choices. We are also putting forth a proposal for a new approach to the governance of public broadcasting: a contract with Canadians, which will ensure that public broadcasting provides the services Canadians want in the future.

We will be listening closely to the various issues and viewpoints that are brought before this Committee over the course of the review. And, after taking those multiple perspectives into account, we will look forward to having another opportunity to present this Committee with some closing thoughts from CBC/Radio-Canada's perspective.



Robert Rabinovitch
President and CEO

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“ Neither commercial nor State-controlled, public broadcasting’s only *raison d’être* is public service. It is the public’s broadcasting organization; it speaks to everyone as a citizen. Public broadcasters encourage access to and participation in public life. They develop knowledge, broaden horizons and enable people to better understand themselves by better understanding the world and others.

Public broadcasting is defined as a meeting place where all citizens are welcome and considered equals. It is an information and education tool, accessible to all and meant for all, whatever their social or economic status. Its mandate is not restricted to information and cultural development – public broadcasting must also appeal to the imagination, and entertain. But it does so with a concern for quality that distinguishes it from commercial broadcasting.

”

– World Television and Radio Council, May 2001:
Public Broadcasting: Why? How?

Why Canada needs a national public broadcaster

In the 1930s, US-based radio networks expanded quickly into Canada. The cultural influence of predominantly American programming became a source of apprehension for many. How could Canadians maintain an independent and distinct cultural identity if their cultural programming was American? Canadians chose public broadcasting, and the Government of Canada created CBC/Radio-Canada to ensure a Canadian space in the new broadcast age.

Today, Canadians face the same questions of culture and identity. Programming content from the world over is available to Canadians on countless platforms: a new world of choice is in their hands. At the same time, Canadians have become increasingly diverse, with diverse interests and values. The cultural challenge facing Canada is immense.

If Canada believes that it is important for its citizens to have universal access to distinctive content created by, for and about Canadians, then expectations of what public broadcasting is have to evolve. It is less about what Parliament can do for CBC/Radio-Canada than it is about what the public broadcaster, working with Parliament, can do for Canada and for the benefit of Canadians.

Indeed, some argue that the need for public broadcasting has diminished in this new digital age. Yet, significant questions and issues remain:

- How do we nurture a strong Canadian cultural identity in a sea of global content?
- How do we ensure that Canadians are not only exposed to the world and the reality of globalization, but that they also have access to a Canadian perspective on it?
- How do we sustain opportunities for national, regional and local expression?

- How do we promote social cohesion and shared values in an ever-more diverse society?
- How do we encourage engaged discussion and debate that advances common democratic principles?
- Given that storytelling, especially drama, is the single most pervasive catalyst of popular culture, how do we create a critical mass of drama that is first-rate and inimitably Canadian?

A changing cultural and industrial context

The role of public broadcasting in Western nations is generally to provide content that is universal in access; diverse in scope; independent from both political and commercial influence; and, distinctive in its offering and quality. It is to be a broadcaster that treats its audience as citizens to be served, not simply as consumers.

In Canada, the challenge of serving citizens is complicated by the fact that Canada has one of the most diverse populations in the world. It is an open and tolerant society that encourages the free flow of political and cultural ideas. And it inhabits the single most competitive broadcasting environment on the planet, bordering on the most powerful and successful exporter of popular culture the world has ever known. All these traits are sources of strength and potential only so long as we maintain the things that make us distinct.

Even more than in 1932, when R.B. Bennett's Government first articulated the need for a public broadcaster, CBC/Radio-Canada is interconnected with Canada's democratic, social and cultural needs. Public broadcasting offers a unique value proposition as an effective instrument of Canadian public policy in a mixed public and private broadcasting system.

Improving democratic and cultural life in Canada

While there is a tendency to focus on technology and consumer choice in the digital era, there is also a need to explore the bigger questions, particularly underlying issues of democracy and culture.

How people experience democracy and culture has changed a great deal in the last decade. Public broadcasting helps to give form to people's experience of intangible concepts like informed citizenry; national identity; and the reflection of diversity in its many forms, be it geographic, ethnic, cultural, or communities of interest.

If culture matters, then broadcasting matters, since television is still the most pervasive cultural medium and radio still has the broadest reach. Moreover, with the rise of globalization and its inherent challenges, Canadians need a reliable, credible and trusted source of home-grown content that is free from commercial and political interest.

A national public broadcaster that is mandated to reflect the full spectrum of opinion and perspectives is a guarantor that various views are shared among Canadians, in turn helping them to form their self-, social and political identities.

Diversity, fragmentation and social cohesion

The need to create coherence in a fragmenting world is a second daunting test for policymakers around the world. When broadcasters speak of fragmentation, it is usually about audiences, diminishing advertising revenues and the resulting strain on media business models. But, culturally speaking, the concern is weightier than that.

A deeper, more meaningful social, political and religious fragmentation has come to pass around the world. It is due in part to the cumulative effects of globalization, shifting immigration patterns, and global instability and insecurity. These changes are causing a profound transformation in the political and social fabric – no less in Canada than in other countries – which poses some important questions about the role of the media in general, and public broadcasting in particular. In this context, the public broadcaster can be seen as a vehicle for cultural identity and social cohesion.

It is not easy to offset fragmentation and embrace diversity at the same time. A public broadcaster is, however, uniquely positioned to do just that. A public broadcaster can create community-building spaces that serve as a buffer against fragmentation. These same spaces can also facilitate interaction and dialogue among different communities locally, regionally, nationally, and internationally.

Public broadcasting also ensures the availability of places where large numbers of Canadians can gather to share in important national moments. A healthy and relevant public broadcaster is able to foster a broad sense of belonging and national pride. It is one of the few means at our disposal to connect Canadians with each other, with this country and with the world.

Delivering on public policy objectives and priorities

Democracy and culture are important, and Canada must ensure that it has the means to deliver on its public policy goals in this area. Where the laws of the market alone will not achieve those goals, other mechanisms need to be found. In broadcasting, only a mixed system, whose success is based on striking the right balance between private and public media outlets, and having strong partnerships, can make the achievement of those goals feasible.

It is no secret that the broadcasting industry is in the midst of upheaval. Consolidation has created an industry dominated by a handful of well-funded private companies that offer a wide range of services, but a narrow spectrum of perspectives. Meanwhile, audiences are disintegrating. The visibility and usage of existing and new services lessens as a result, which dilutes the advertising value of broadcasting time. Revenues diminish as audience size shrinks, resulting in less money to fund programming. The existing threat to revenue streams for conventional broadcasters is a stark reality. The funding available for television production is no longer sufficient to sustain this most popular programming format.

As the environment in which we operate shifts and the business models upon which we depend become more and more unreliable, there is an escalating need to consider how best to bring the system back into balance. And strength of the Canadian system hinges on a robust national public broadcaster, since there are some things that private broadcasters either cannot or will not do, but that a public broadcaster can and will do.

For example, CBC/Radio-Canada provides:

- Content that is predominantly Canadian and distinctive;
- Programming that establishes and maintains connections in the North and other remote parts of the country;
- Commercial-free, safe, entertaining programming for kids;
- Original Current Affairs programming;
- A full-bodied Canadian perspective on international events;
- Comprehensive coverage of federal and provincial elections;
- Amateur sports programming;
- High-culture programming;
- Robust content created specifically for new immigrants to Canada;
- Nation-building dramatic and documentary programming;
- The ability to communicate to all Canadians in an emergency; and,
- A substantial amount of Canadian programming in prime time on television.

With respect to the attributes to which a public broadcaster's content should aspire, no single program or piece of content can be all things to all people on all platforms. But, individual programs and content should speak to one or more of the eight following descriptors, recognizing that few would realistically speak to all:

- Canadian: it should contribute to shared national consciousness and identity by serving cultural and societal needs, diversity of audience and perspective;
- Distinctive: it should stand out from what is provided by the private sector;
- Intelligent/Challenging: it should make audiences think and it should stimulate debate;

- Entertaining: it should aspire to be engaging, fascinating, even funny;
- Inspiring Trust: it should inspire confidence in the integrity of the source;
- Rassembleur (a place of shared experience): it should provide a focal point for large numbers of Canadians to share common experiences;
- Reflecting our Communities: it should reflect Canada and its regions and reflect the multicultural and multiracial nature of Canada; and,
- Innovative: it should present new ideas and invent exciting approaches.

Relative value of public broadcasting

The question of why Canada needs a public broadcaster warrants an analysis of the relative value of public broadcasting in Canada compared to other Western nations. In late 2005, Nordicity Group Ltd. was commissioned by CBC/Radio-Canada to analyze the financial resources provided by governments to public broadcasters in Western countries, including Canada; and, to assess the relative value of public broadcasting in Canada vis-à-vis other Western nations.

This comparative analysis called for a broad, methodical review of the social, political and cultural environments, as well as the structures of the media industry in each country. It focused on four criteria: promotion of culture and common values; relative size of domestic language market; proximity to a larger country with the same language; and audience appeal of indigenous programming.

Among the 18 countries included in the analysis, Canada stands to benefit the most of all from public broadcasting. Canada's need is the greatest. At the same time, the per-capita comparison demonstrates that at just over \$30, Canada had the third-lowest level of public funding for its national public broadcaster in 2004 among 18 major Western countries and was less than one half of the \$80 average.

Value for money of public broadcasting

Finally, the value for money invested in public broadcasting also figures prominently in any discussion of public broadcasting. Justifiably, no taxpayer would choose to invest in institutions, however important they might be, that do not spend their money responsibly. Public broadcasters around the world have recognized this fact in the face of financial constraints, an economically strained conventional business model, and mounting inflationary pressures. All have consequently taken strides to operate more efficiently – none more so than CBC/Radio-Canada.

For just over \$30 each per year, Canadians enjoy a unique, distinctive and comprehensive offering from their public broadcaster. With 28 services offered on Radio, Television, the Internet, satellite radio, digital audio, as well as through its record and music distribution service and wireless WAP and SMS messaging services, CBC/Radio-Canada is available how, where and when Canadians want it.

Through this array of activities, CBC/Radio-Canada brings diverse regional and cultural perspectives into the daily lives of Canadians in English, French and eight Aboriginal languages, in nine languages on its international Radio service, RCI, and in eight languages on its Web-based Radio service, RCI viva, designed for recent and aspiring immigrants to Canada.

A new contract

So, if it is clear why Canadians need a public broadcaster, then the next step is to ensure that the public broadcaster provides the service Canadians need. For over a decade, CBC/Radio-Canada has tried to do this while hampered by: a lack of consensus on its role in a rapidly changing environment; a lack of stability in the resources required to fill that role; and, a lack of opportunity for Canadians to clearly state what they expect from their public broadcaster.

A new context, both cultural and industrial, calls for a new contract. We believe that the challenges of the future demand a new approach: a contract between the national public broadcaster and the citizens it serves. Other countries have followed a similar path. Following mandate reviews that involved widespread consultation, similar agreements have been put in place with public broadcasters in Ireland, Hong Kong and South Africa. And in Britain, the Government has just concluded a new Royal Charter, which spells out the expectations of the BBC and the resources it will receive, for the next ten years.

In Canada, a new contract would provide clear expectations of what Canadians could expect from their national public broadcaster in return for the public funding they provide.

There are many questions about the kind of public broadcaster Canadians need for the future, and this Committee's current review of the mandate of CBC/Radio-Canada is an important first step in finding the answers. We would suggest, however, that there are some fundamental principles which must be maintained in order to ensure its continued success. Most of these are common to public broadcasters around the world.

Principles

Mixed public/private system

Since the outset, the Canadian broadcasting system has recognized the unique strengths of both public and private components. Together they provide Canadians with a range of

services they could not get without this partnership. The industry includes an extensive range of players – broadcasters, independent producers, distributors, etc. – each of which makes a central contribution to the system’s success and vitality.

Programming independence

Crucial to the very definition of a public broadcaster is its independence. History is full of examples of state broadcasters whose content is controlled by government – who serve government and not its citizens. Public broadcasting is a cornerstone of freedom of expression – a space where ideas are expressed freely, and where information and opinions circulate unencumbered. An arm’s length relationship between the state and the public broadcaster is deeply rooted and is essential to the broadcaster’s survival and its ability to serve its citizens.

Distinctiveness

Public broadcasting’s content must offer a quality and character that sets it apart from other providers. Distinctiveness not only includes services, content, and both audiences and subjects neglected by others; it also means doing things differently. A broad definition of distinctiveness ensures that public broadcasting is inclusive and innovative, and that it sets high standards in content quality. CBC/Radio-Canada’s programming should be overwhelmingly Canadian.

Accessibility and ability to serve all Canadians

If a public broadcaster is to serve its citizens, it must be able to reach them, where, when and how the audience chooses. It is no longer sufficient to be only a television and radio company. Canadians will choose their programming on television, radio, the Internet, on satellite radio, on mobile devices, as well as via new technologies just being developed. Public broadcasting is the content; the platform is only the means of ensuring that Canadians have access to it. These platforms not only ensure that content reaches new generations of Canadians, but that the diverse stories, perspectives and voices from Canada’s regions and communities have a place where they can be seen and heard.

Resources to meet requirements

A fundamental principle that underpins any contract is that it sets out the explicit obligations of each party subject to it. In this case, CBC/Radio-Canada would be provided with resources and would, in turn, undertake to provide specific services. The noblest goals for public broadcasting mean nothing without the resources necessary to fulfill them. A broadcaster stretched too thinly serves no one well. We believe a new contract must build a consensus with Canadians, not only on the expectations for the public broadcaster, but also on sufficient resources to fulfill those expectations. In short, it must be a contract.

Other issues that warrant due consideration

Before defining the role of the public broadcaster, there are two fundamental questions that we, as a country, need to answer.

Does Canada want/need quality Canadian programming in prime time – programming intended, not just to entertain but to reflect our reality back to us?

Does Canada want/need quality Canadian news, information and current affairs programming in prime time – programming that builds civil society and the democratic fibre of the country?

If the answer is yes to either of these questions, then we must ask ourselves who will provide this programming and how. And, inevitably, as a result of the economics of private broadcasting, this leads to a discussion of the role of the public broadcaster.

Beyond the broad issues and questions that demand treatment in exploring why Canada needs a national public broadcaster, there are also other related questions that call for attention and discussion.

Should CBC/Radio-Canada have a role in advancing or communicating Canadian values abroad and, in turn, bringing the world home to Canadians through a Canadian prism?

What level of regional reflection and service to local/minority communities is desirable and proper for CBC/Radio-Canada to deliver?

Is it acceptable that eight million Canadians do not receive relevant local radio programming today?

With private television indicating its intention to gradually withdraw from local news delivery, who should ensure that citizens have the means to inform themselves about what is going on in their communities?

Must CBC Television take the leading role in addressing the English-language television crisis in Canada? What is the role of Radio-Canada in ensuring that “séries lourdes”, those important culture-builders, remain a sustainable part of the television landscape?

Should CBC/Radio-Canada’s television services become commercial-free, as its radio services already are?

Where does the notion of “entertainment” figure into public broadcasting?

Is the replacement of Canada’s near-obsolete distribution infrastructure the right thing to do for television? For radio? How much priority should be placed on keeping pace with high-definition technologies versus other priorities?

Can a country like Canada realistically afford to function without a robust emergency communications infrastructure, and what role does CBC/Radio-Canada have to play in this regard?

Other relevant issues and questions will surely be raised over the course of this Committee’s review, and a number of different viewpoints will be certainly be brought forward. For its part, CBC/Radio-Canada looks forward to having the opportunity to convey its thinking on these significant issues, as well as an occasion to present this Committee with some closing thoughts prior to the conclusion of this valuable review.

**354th MEETING OF THE BOARD OF DIRECTORS OF THE
CANADIAN BROADCASTING CORPORATION
HALIFAX, NOVA SCOTIA
November 22-23, 2006**

PRESENT:

Mr. Robert Rabinovitch President and CEO, Acting Chair
Ms. Johanne Brunet (for November 23 only)
Mr. Bernd Christmas
Ms. Hélène Fortin
Mr. Peter Herrndorf
Ms. Yasmin Jivraj
Mr. Howard McNutt
Ms. Trina McQueen (for November 23 only)
Ms. Nezhat Khosrowshahi

REGRETS:

Mr. K. (Rai) Sahi

ALSO ATTENDING:

Mr. Richard Stursberg, Executive Vice-President, English Television
Mr. Sylvain Lafrance, Executive Vice-President, French Services
Mr. George Smith, Senior Vice-President, Human Resources and Organization
Ms. Jane Chalmers, Vice-President, English Radio
Mr. Pierre Nolle, Vice-President, General Counsel and Corporate Secretary
Ms. Johanne Charbonneau, Vice-President and CFO
Mr. Michel Tremblay, Vice-President, Strategy and Business Development
Mr. Bill Chambers, Vice-President, Communications
Mr. Ray Carnovale, Vice-President and Chief Technology Officer
Mr. Michel Saint Cyr, President, Real Estate Division
Ms. Meg Angevine, Compliance Officer and Assistant Corporate Secretary

Other participants as identified in the minutes.

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**354TH MEETING OF THE BOARD OF DIRECTORS OF THE
CANADIAN BROADCASTING CORPORATION
HALIFAX, NOVA SCOTIA
November 22-23, 2006**

The Acting Chair, Mr. Robert Rabinovitch, called the meeting to order at 1:20 p.m.

APPROVAL OF MINUTES

On a motion duly moved and seconded,

IT IS RESOLVED THAT the minutes of the Board of Directors' meetings held on September 5, 2006, September 7, 2006, and September 20, 2006 be and are hereby approved.

MOTION CARRIED

MATTERS ARISING FROM PREVIOUS MEETINGS

No matters to report.

ACTING CHAIR'S REPORT

Mr. Rabinovitch delivered his report as Acting Chair. He advised the Board that notices of the position vacancies for the Chair of the Board and the two Director positions had been published in the Canada Gazette on October 27, 2006 and that the deadline for applications had been extended to December 4, 2006.

s.19(1)

s.68.1

PRESIDENT AND CEO'S REPORT

Government / Regulatory issues

Funding

Mr. Rabinovitch reported on his recent efforts to secure the \$60M funding for 2007-2008, including his contacts with Minister Oda, Kevin Lynch and Minister Flaherty.

TV Policy Review Hearings

These hearings commence November 27 in Ottawa, with CBC/Radio-Canada appearing first, likely due to the fact that CBC /Radio-Canada is taking a high level/big picture/policy approach.

Management Issues

STARF

On November 7, the affected Union membership ratified unanimously the outsourcing of building maintenance in the French Networks, representing an outstanding accomplishment achieved as a result of working with the Union leadership at a strategic level.

CBC/CMG Relationship Building Exercise

Efforts continue and the oversight group seems to be making some progress but there are still difficulties to overcome.

Leaders Forum

Approximately 150 leaders from all components attended the Leaders Forum held last week in Montreal. Topics included a session and workshops on Respect in the Workplace held for the first time with Union representatives.

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est retenue en vertu de l'article**

68.1

**of the Access to Information Act
de la Loi de l'accès à l'information**

PUBLIC BROADCASTER VALUES

Bill Chambers presented highlights of the material distributed to Board members in advance of the meeting on the topic of *Values (Attributes) to Define and Prescribe Programming*. The purpose of this exercise is to adopt a set of descriptive words that will serve as consistent parameters for evaluating “public broadcasting” programming. He noted that while these words should reflect the nature of the overall program offering, and further, that each program should speak to one or more of them, very few, if any, programs would speak to them all.

The meeting adjourned at 4:30 p.m. on November 22, 2006.

The meeting resumed at 8:30 a.m. on November 23, 2006.

Board members expressed their appreciation to Mr. Lafrance for his presentation.

OUTLOOK AND CORPORATE PRIORITIES

Michel Tremblay described both the current political and regulatory environment and the outlook for the future, covering

s.18(b)

s.21(1)(b)

Board members received written material in advance covering the range of topics addressed by Mr. Tremblay and Ms. Charbonneau.

Ms. Charbonneau reviewed a list of the twelve key risks and opportunities identified for the Corporation, referencing the plans developed to manage the risks and exploit the opportunities for each.

Michel Tremblay then reviewed the eight corporate priorities established by the Corporation several years ago and described the measures of performance for each. He then canvassed a number of initiatives connected with the Corporate Priorities of Efficiency, Creative Human Resources, Strategic Partnerships, Working Together, and Strong Stakeholder Relationships, referring to both recent accomplishments and plans for the future.

Ms. Charbonneau also provided a financial overview for the three-year period commencing with 2006-2007, based upon the assumptions outlined in the material. She explained that, overall, a balanced budget is the goal, and for this reason, the actual results from quarter to quarter may generate mid-year budget adjustments. Projected variances are communicated to the Board with the understanding that, if required, cuts adequate to cover the variances will be made by management.

Lastly, Mr. Tremblay reviewed the proposed outline of the Corporate Plan for 2007-2008, to be approved at the January 2007 meeting for submission to the Minister by January 31, 2007.

Following discussion, the Board endorsed the overall strategy as presented.

On motion duly made and seconded,

IT IS RESOLVED THAT the overall strategy for the Corporation for the 2007-2008 year is hereby approved as presented.

MOTION CARRIED

ANNUAL REPORT

Bill Chambers presented a proposal outlining a shift in the strategic direction for the 2006-2007 annual report. He referred to the practice in prior years of combining a major marketing document with the financial information required in the annual report and noted that the current trend has moved away from this approach.

The revised approach is based upon several factors, including: (i) management's understanding of what the present Government is seeking, (ii) research on the current trends in corporate annual reports; (iii) the guidelines issued by Treasury Board for Crown Corporations' Annual Reports and (iv) other feedback received from the Office of The Auditor General. It contemplates a report focused upon financial and governance reporting, together with management discussion and analysis.

Mr. Chambers emphasized that a marketing document would still be required and Board members, while accepting the approach proposed for the Annual Report, offered suggestions on how best to meet the dual requirements.

s.18(b)

s.68.1

AUDIT COMMITTEE REPORT

Ms. Hélène Fortin, Chair of the Committee, presented the report. She reported on the following matters considered by the Committee:

UPDATE ON VISION PROJECT

s.18(a)

UPDATE ON INTERNAL CONTROLS PROJECT

Stéphane Rivest, Director, Financial Systems, Processes & Training, provided an update to the Committee on the Internal Controls Project as of October 2006. Mr. Rivest reviewed in detail the work completed to date and confirmed that the project is progressing well. He did report that there have been some delays in this project as a result of delay in completion of the Vision Project.

SPECIAL EXAMINATION ACTION PLAN

Johanne Charbonneau presented a summary to the Committee of the current status of the action plan prepared by management to address the recommendations in the 2005 Special Examination Report. Mr. Paquette of the OAG advised that the OAG is satisfied with the plan and with the progress made to date.

RISK MANAGEMENT - SIRIUS CANADA

There was one presentation on risk management.

s.18(a)

s.20(1)(b)

APPROVAL OF SNC-LAVALIN PROFAC INC. CONTRACT

The Committee approved the 2nd renewal of a contract with SNC-Lavalin ProFac Inc. for property, facilities, project and lease management services over a period of six years commencing April 1, 2007. The total contract price is estimated to be _____ is management fees payable to ProFac. The services are to be provided to a complex portfolio of locations across the country and the proposed contract includes significant savings and service improvements.

ANNUAL ATTEST AUDIT PLAN

Daniel Paquette of the OAG presented the annual attest audit plan for the year ending March 31, 2007 to the Committee. It is consistent with prior years' plans in scope and content and the estimated budget is _____

TRAVEL AND HOSPITALITY EXPENSES (CHAIRMAN OF THE BOARD AND PRESIDENT AND CEO)

Mr. Paquette of the OAG advised the Committee that his survey of a sample of other Crown Corporations revealed that the prevailing practice is that a summary of the expenses is presented to the Audit Committee, members have the opportunity to question the information, and the fact of the review is recorded in the minutes.

QUARTERLY INTERNAL AUDIT REPORT - 2ND QUARTER

Michel Maisonneuve summarized for the Committee the internal audit activities during the second quarter of the 2006-2007 year, noting that eight reports and one management letter were issued in the period. Mr. Maisonneuve also reported that follow-up work was done on thirty audits completed since 2000. In each case, Internal Audit is satisfied that management has addressed the outstanding concerns or has developed action plans to do so. Mr. Maisonneuve advised that no major issues were disclosed by any of the reports issued to date in fiscal 2006-2007.

RATIFICATION OF CHAIRMAN'S AND PRESIDENT AND CEO'S TRAVEL AND HOSPITALITY EXPENSES

The Committee ratified the expenses as reported in the summary.

QUARTERLY FINANCIAL MANAGEMENT REPORT – 2ND QUARTER

Johanne Charbonneau summarized for the Committee the quarterly financial management report for the second quarter of the 2006-2007 fiscal year. The complete report is included in the materials sent to all Directors. She stated that there was a _____ in operations at the end of the second quarter, compared _____ for the same period last year.

On the Capital side, as of September 30, Ms Charbonneau reported that a _____ is currently forecast for year-end.

APPOINTMENTS TO PENSION PLAN BOARD OF TRUSTEES

These appointments are made each November pursuant to recommendations received from the Consultative Committee on Staff Benefits and the CBC Pensioners National Association. The Committee recommends their approval by the Board.

On a motion duly moved and seconded,

IT IS RESOLVED THAT on the recommendation of the Audit Committee, the Board of Directors hereby approves the appointment of Jon Soper and Claude Godin to the Pension Board of Trustees for the period January 1, 2007 to and including December 31, 2007 or until the nomination of a successor;

AND THAT the Board of Directors hereby approves the appointment of Pierre Racicot to the Pension Board of Trustees for the period January 1, 2007 to and including June 30, 2007,

AND THAT the Board of Directors hereby approves the appointment of John Francis O'Mara to the Pension Board of Trustees for the period July 1, 2007 to and including December 31, 2007, or until the nomination of a successor.

MOTION CARRIED

AMENDMENTS TO PENSION PLAN

The Committee recommends approval by the Board of the proposal to amend certain sections of the CBC Pension Plan to (i) reflect certain provisions in the CMG collective agreement and (ii) to amend a provision as requested by the Canada Revenue Agency.

On a motion duly moved and seconded,

IT IS RESOLVED THAT on the recommendation of the Audit Committee, the Board of Directors hereby approves amendments to Schedule "B" of the By-laws of the Canadian Broadcasting Corporation, entitled CBC Pension Plan, Sections 3(0), 12(7) and 12(8) of Part I, a copy of which shall remain attached to these Minutes as Appendix 1.

MOTION CARRIED

2007 AUDIT COMMITTEE CALENDAR OF MEETINGS

The Committee approved its calendar with one change to the January date.

In response to a request from a Board member, the President and CEO will include information on financial issues in his regular report to the Board at each meeting.

The Acting Chair thanked Ms. Fortin for her report.

HUMAN RESOURCES AND COMPENSATION COMMITTEE REPORT

Howard McNutt, Chair of the Committee, presented the report.

EXECUTIVE MANAGEMENT SUCCESSION PLAN

The Committee reviewed the process and planning for executive management succession.

HUMAN RESOURCES POLICIES

The Committee considered several Human Resources policies and recommends the following amendments.

Non-Discrimination and Duty to Accommodate

The Board indicated that CBC/Radio Canada should be a secular organization and noted that the proposed changes to the policy could create confusion in that respect. After discussion, and on the advice of counsel, a further minor revision was proposed and adopted by the Board.

On a motion duly moved and seconded,

IT IS RESOLVED THAT on the recommendation of the Human Resources and Compensation Committee, the Board of Directors hereby approves a change to the *HR Policy 2.2.20 Non-Discrimination and The Duty to Accommodate* to include identified undertakings resulting from the Employment Equity audit, and a copy of the amended Policy shall remain attached to these Minutes as Appendix 2.

MOTION CARRIED

Leave

On a motion duly moved and seconded,

IT IS RESOLVED THAT on the recommendation of the Human Resources and Compensation Committee, the Board of Directors hereby approves a change to the *HR Policy 2.2.6 Leave* to include identified provisions pertaining to annual, parental, and compassionate care leave, and voting provisions as they relate to Municipal, Provincial, Territorial and Federal Election Acts, a copy of which shall remain attached to these Minutes as Appendix 3.

MOTION CARRIED

Code of Conduct

s.21(1)(b)

On a motion duly moved and seconded,

IT IS RESOLVED THAT on the recommendation of the Human Resources and Compensation Committee, the Board of Directors hereby approves the new Code of Conduct, with the deletion of the word “unwelcome “ from the section Respect in the Workplace, a copy of which shall remain attached to these Minutes as Appendix 4.

MOTION CARRIED

American Federation of Musicians (Canada section) Mandate Approval

On a motion duly moved and seconded,

WHEREAS CBC and the American Federation of Musicians (Canada section) are negotiating according to the mandate approved by the Board in June 2006 and

s.21(1)(c)

MOTION CARRIED

The Acting Chair thanked Mr. McNutt for his report.

NOMINATING AND GOVERNANCE COMMITTEE REPORT

Peter Herrndorf, Chair of the Committee, presented the report.

BOARD COMPOSITION

The Committee considered the situation of the three current vacancies on the Board, and their impact on the Board and its Committees. After considerable discussion, the Committee recommends that the Board of Directors authorize the Chair of the Committee to write to the Minister to encourage the Government to make these appointments as soon as possible and to offer the Board's assistance if requested.

ROLE OF THE BOARD IN THE SELECTION OF THE NEW PRESIDENT AND CEO

The Committee is of the view that the Board has a responsibility in terms of the selection of the next President and CEO, while recognising that the appointment is the decision of the Prime Minister. The Committee will continue to discuss the precise nature of the Board's involvement but there are three areas identified by the Committee for consideration in this regard:

- To develop a job profile for the President and CEO
- To develop a list of attributes that the Government should seek in potential candidates
- To develop a list of candidates

After a very thorough and thoughtful discussion, the Committee recommended that, as a first step, management provide a draft job profile to the Committee for its consideration.

Reporting Director Attendance

s.21(1)(a)

s.21(1)(b)

On a motion duly moved and seconded,

IT IS RESOLVED THAT on the recommendation of the Nominating and Governance Committee, the Board of Directors hereby approves the reporting of Director attendance commencing with the 2006-2007 Annual Report.

MOTION CARRIED

s.21(1)(b)

On a motion duly moved and seconded,

IT IS RESOLVED THAT the Board of Directors hereby approves the reporting of the rules for Director compensation in the 2006-2007 Annual Report.

MOTION CARRIED

CALENDAR OF MEETINGS

The Committee recommended a revised calendar of meetings for 2007, a copy of which was distributed at the meeting. The changes proposed reinforce the Committee's view that it is essential for the Board to continue to meet in locations across the country. The schedule devised seeks to achieve a balance between meetings in central Canada and those in eastern and western Canadian locations.

Board members supported the proposal. Several Directors requested that more events be planned with staff and community members in the meeting locations.

The Acting Chair thanked Mr. Herndorf for his report.

s.19(1)

MOTION CARRIED

Board members offered their congratulations to the President and CEO.

CONCLUDE

Having no further business to discuss, the meeting concluded at 3:05 p.m.

Acting Chair, President and CEO

Secretary

Amendments to the Canadian Broadcasting Corporation Pension Plan

Part I

1. Effective October 4, 2005, Section 3(o) is replaced by the following:

« (o) “salary” of a contributor means the salary on which contributions are made under Part I and is exclusive of overtime and other supplementary remuneration that may be paid to the contributor from time to time. For the purpose of computing “adjusted pensionable earnings” and pensionable salary rate, the salary of a contributor shall be deemed to be:

- (i) during any period of maternity leave, paternity leave, child care leave, adoption leave, absence without pay for childcare purposes, and compassionate care leave granted pursuant to the Corporation’s policy regarding the granting of such leaves, if such periods are included in the contributor’s pensionable service according to the Corporation’s policy, provided that the contributor elects to and does make any required contributions thereto as specified in the Corporation’s policy, salary at the rate paid to the contributor immediately before such leave begins, otherwise such leave shall be regarded as being leave without payment of salary; and
- (ii) for any period during which a contributor is in receipt of benefits under the long-term disability income plan made available to employees of the Corporation as part of the Corporation’s benefit program:
 - (A) for the calendar year or fraction thereof, for which such benefits are first payable, salary at the rate paid to the contributor immediately prior to such period;
 - (B) for each subsequent calendar year or fraction thereof in such period, salary at the rate deemed to be paid to the employee at the end of the immediately preceding calendar year, adjusted by the lesser of the economic increase granted or negotiated for the preceding calendar year for the position held by the employee immediately prior to receiving such benefits or the increase in the Wage Index for the said calendar year. The adjustment shall not be made in the first calendar year subsequent to the commencement of long-term disability if the employee’s salary had already been adjusted by the economic increase in the calendar year when he commenced to receive long-term disability benefits; and

- (iii) for any period during which salary is deferred under the Corporation's Deferred Salary Leave Plan, salary before allowances for contributions to the Deferred Salary Leave Plan; and
- (iv) during any period of leave under the Corporation's Deferred Salary Leave Plan, salary at the rate deemed to be paid to the contributor under paragraph (iii) above immediately before the leave, provided that the contributor elects to and does make contributions thereto at the rate determined under the Corporation's policy and in accordance with the Corporation's Deferred Salary Leave Plan, otherwise such leave shall be regarded as being leave without payment of salary; **and**
- (v) in the case of a contributor covered by a collective agreement between the Corporation and the Canadian Media Guild (CMG), for any period on or after October 4, 2005 during which the contributor is on leave of absence because the contributor is elected to a CMG office or has accepted work with the CMG on a full-time basis for more than one year, which period must be included in the contributor's pensionable service and for which the contributor must make the required contributions thereto, salary at the rate paid to the contributor immediately before such leave begins and adjusted during the period of leave by the negotiated wage increases in accordance with the applicable collective agreements. Such contributions shall be equal to the contributions which would have been paid by the contributor had he remained as an active employee and shall be paid in a manner determined by the President of the Corporation or his delegate but not later than the return of the employee to active employment.**

Notwithstanding the provisions of this Section 3(o), if a contributor does not resume active employment immediately following a period of absence without pay for childcare purposes described in paragraph (i) above, or a period described in paragraphs (ii) and (iv) above, or immediately following the expiration of any immediately subsequent permitted period of leave of absence, such period shall be regarded as being leave without payment of salary.

In this Section 3(o), only complete calendar months shall be deemed to count as months for which salary has been paid, and a complete calendar month shall be regarded as one-twelfth of a year. »

2. Effective May 24, 2006, Section 12(7)(b) is replaced by the following:

« (b) Method of Payment

An employee making an election under this Section 12 may pay the total amount of the appropriate contributions calculated under Section 12(6) in one lump sum at the time of making such election, or may pay the amount in installments with interest charges in accordance with Section 12(7)(e) below through regular deductions from salary, or in the case of an employee who after making an election under this Section 12 is absent without pay or receives benefits under the Corporation's Long-Term Disability Plan, by direct regular remittances, equal to the deductions that would otherwise have been made from the employee's salary. In all cases, such regular deductions and regular remittances shall be in amounts sufficient to pay the total amount of the employee's contributions calculated under Section 12(6) at the latest by **the date on which the employee's immediate pension shall commence as defined in Section 7(1)(d)**. If an employee who has chosen to pay in installments ceases to be employed by the Corporation in a pensionable position for any reason other than death, any unpaid principal amount may be paid in a lump sum, or if the employee requests the Corporation in writing to cancel any unpaid balance and reduce the amount of elective service covered by the election to which the payments relate, the said amount of elective service shall thereupon be reduced in the ratio that the value of future installments bears to the value of both past and future installments. Such values shall be determined by the Corporation's actuary.

Notwithstanding the foregoing, an employee making an election under this Section 12 with respect to a period of elective service during which the employee contributed to Part I before January 1, 1992, and in respect of which the employee elected a transfer of pension benefit credits pursuant to Section 11, must pay the total amount of the appropriate contributions calculated under Section 12(6)(b) through a direct transfer from the employee's Registered Retirement Savings Plan or a previous employer's Registered Pension Plan or Deferred Profit Sharing Plan. »

3. Effective January 1, 2006, Section 12(8) is replaced by the following:

« (8) Limitations

(a) Notwithstanding any other provision of Part I, in respect of elective service rendered before January 1, 1990, the amount of immediate or deferred pension payable to the contributor for the contributor's lifetime under this Part I at retirement, disability retirement, termination of employment or termination of the Plan shall not exceed the greater of:

(i) \$1,150 and

(ii) two-thirds of the dollar maximum mentioned in Section 7(6)(b), as applicable from year to year

multiplied by his years of such elective service.

(b) Section 12(8)(a) does not apply where the elective service was previous contributory service with the Corporation.

(c) In respect of elective service rendered on or after January 1, 1990, the Pension Board will compute the relevant Past Service Pension Adjustment for certification with **Canada Revenue Agency**. Where such certification is obtained, the elective service will be granted, subject to the provisions of this Part I. Where such certification has not been granted by **Canada Revenue Agency**, such period of elective service will not be granted. »

— end of document —

PROPOSED HR POLICY REVISIONS		
Policy Title	Revisions/Comments	Timeframe
SECTION 1		
HR Policy 2.2.20 Non-Discrimination and the Duty to Accommodate	The policy has been revised to incorporate identified undertakings resulting from the Employment Equity audit. The revisions reflect: a) the strengthened responsibility on the part of the employer to accommodate employees and applicants; b) the requirement for an accessible workplace; c) the need to broadly communicate the policy; d) the identification of the four designated groups as per the Employment Equity legislation.	The revised policy will be resubmitted to the SMC and the Board of Directors for approval in November 2006.

October 30, 2006

PROPOSED HR POLICY REVISIONS		
Policy Title	Revisions/Comments	Timeframe
SECTION 2		
HR Policy 2.2.6 Leave	<p>Annual Leave Carry-Over Revision reflects that annual leave pay-out can only occur if agreed to by the employee.</p> <p>Employee Pension Contributions on Compassionate Care Leave If employees wish to contribute to the Pension Plan while on leave, they will be required to provide post dated cheques covering their contributions for the duration of their leave before the leave begins. This will:</p> <ul style="list-style-type: none"> ▪ reduce employee receivables; ▪ eliminate having to correct VIP and T4's if employees change their mind; ▪ eliminate employees trying to negotiate payroll deductions upon return vs payment in full; ▪ secure survivor benefit in case of death during leave, if the pension payment was outstanding. <p>Parental Leave Wording revised to indicate that the first two weeks of salary at 93% is less QPIP benefits during the first two weeks of maternity, adoption and paternity leave. By not including this:</p> <ul style="list-style-type: none"> ▪ could lead employees to believe they could receive > 100% of their salary if CBC salary and QPIP benefits taken into account. ▪ Corporation is "topping up" QPIP benefits to ensure employees receive 93% of salary and consistent with the procedure for the following 15 weeks where employees' salaries are "topped up" to 75%. <p>Parental Three-day Leave Wording in section 2.2.2 D of the Policy is revised to preclude employees from taking 12 weeks of paternity leave and the three-day parental leave. This revision is the same wording as in the CMG collective agreement that is more precise.</p> <p>Voting Wording revised to "Granted in accordance with Municipal, Provincial, Territorial and Federal Election Acts".</p>	<p>Submit to the SMC in November 2006.</p> <p>Submit to the Board of Directors for approval in November 2006.</p>

October 30, 2006

PROPOSED HR POLICY REVISIONS		
Policy Title	Revisions/Comments	Timeframe
SECTION 3		
Code of Conduct	<p>Created to provide a central piece in the Corporation's governance structure. The Code:</p> <ul style="list-style-type: none"> ▪ states the values for which CBC stands and sets out the broad principles that should govern employees' behaviour. ▪ Is not intended to cover a list of all the rules and policy provisions that apply and which are already set out in corporate policies, and ▪ makes it clear that employees have an obligation to inform themselves about, and abide by, the Corporation's policies. 	<p>Submit to the SMC in November 2006.</p> <p>Submit to the Board of Directors for approval in November 2006.</p>

October 30, 2006

**INFORMAL MEETING OF THE BOARD OF DIRECTORS OF THE
CANADIAN BROADCASTING CORPORATION
OTTAWA, ONTARIO
September 5, 2006**

The Chairman, Mr. Guy Fournier, called the informal meeting to order at 5:20 p.m. on September 5, 2006.

Directors present were: Mr. Guy Fournier, Chairman, Mr. Robert Rabinovitch, President and CEO, Ms. Johanne Brunet Mr. Bernd Christmas, Ms. H  l  ne Fortin, Mr. Peter Herrndorf, Ms. Yasmin Jivraj, Mr. Howard McNutt, and Ms. Trina McQueen.

Ms. Nezhat Khosrowshahi and Mr. K. (Rai) Sahi were not in attendance.

Also present were: Mr. Richard Stursberg, Mr. George Smith, Mr. Pierre Nollet and Ms. Meg Angevine.

ENGLISH TELEVISION PRESENTATION

Richard Stursberg introduced the following members of his team who were in attendance for the presentation:

Kirstine Layfield, Executive Director, Network Programming

Fred Fuchs, Executive Director, Arts & Entertainment Programming

Mark Starowicz, Executive Director, Documentary Programming

Tony Burman, Editor in Chief, CBC English Services – CBC News,

Current Affairs and Newsworld

Julie Bristow, Executive Director, Factual Entertainment Programming

Nancy Lee, Executive Director, CBC Sports

Fred Mattocks, Executive Director, Regional Programming and Executive

Director, Production & Resources

Mr. Stursberg made some brief comments on the structure of the overall presentation and then called upon each team member to outline the key goals and initiatives in their respective program areas. Several DVD segments were included in the presentation.

At the conclusion of the individual segments, there was an opportunity for Board members to ask questions and engage in discussion with management.

The meeting concluded at 7:45 p.m.

Acting Chair, President and CEO

Secretary

**353rd MEETING OF THE BOARD OF DIRECTORS OF THE
CANADIAN BROADCASTING CORPORATION
OTTAWA, ONTARIO
September 7, 2006**

PRESENT:

Mr. Guy Fournier	Chairman
Mr. Robert Rabinovitch	President and CEO
Ms. Johanne Brunet	
Mr. Bernd Christmas	
Ms. H��l��ne Fortin	
Mr. Peter Herrndorf	
Ms. Yasmin Jivraj	
Mr. Howard McNutt	
Ms. Trina McQueen	

REGRETS:

Ms. Nezhat Khosrowshahi
Mr. K. (Rai) Sahi

ALSO ATTENDING:

Mr. Richard Stursberg, Executive Vice-President, English Television
Mr. Sylvain Lafrance, Executive Vice-President, French Services
Mr. George Smith, Senior Vice-President, Human Resources and Organization
Ms. Jane Chalmers, Vice-President, English Radio
Mr. Pierre Nollet, Vice-President, General Counsel and Corporate Secretary
Ms. Johanne Charbonneau, Vice-President and CFO
Mr. Michel Tremblay, Vice-President, Strategy and Business Development
Mr. Bill Chambers, Vice-President, Communications
Mr. Ray Carnovale, Vice-President and Chief Technology Officer
Mr. Michel Saint Cyr, President, Real Estate Division
Ms. Meg Angevine, Compliance Officer and Assistant Corporate Secretary

Other participants as identified in the minutes.

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**353rd MEETING OF THE BOARD OF DIRECTORS OF THE
CANADIAN BROADCASTING CORPORATION
OTTAWA, ONTARIO
September 7, 2006**

The Chairman, Mr. Guy Fournier, called the meeting to order at 10:30 a.m. on September 7, 2006.

AUDIT COMMITTEE REPORT

Ms. Hélène Fortin, Chair of the Committee, presented the report. She reported on the following matters considered by the Committee:

SPECIAL EXAMINATION ACTION PLAN

The Audit Committee will monitor progress with respect to the detailed action plan to address the recommendations in the 2005 Special Examination Report by means of a progress report presented each year in November to the Committee, commencing in November 2006.

TAX CONTRACT WITH DELOITTE & TOUCHE

The Committee was advised that a contract has been awarded to Deloitte & Touche to explore potential tax savings in the U.S.

TRAVEL AND HOSPITALITY EXPENSES (CHAIRMAN OF THE BOARD AND PRESIDENT AND CEO)

In accordance with established policy, the Committee ratified the expenses as summarized for the first quarter of 2006-2007.

QUARTERLY INTERNAL AUDIT REPORT (1ST QUARTER)

Michel Maisonneuve summarized the internal audit activities during the first quarter of the 2006-2007 year, noting that a number of reports had just missed the June 30 cut-off date and were issued early in the second quarter. These will be reported in detail in the next quarterly Internal Audit report. He also confirmed that a significant volume of Internal Audit resources continued to be focused on monitoring the Vision project, with two reports relating to that project issued in the period. Mr. Maisonneuve advised that no major issues were disclosed by any of the reports issued to date in fiscal 2006-2007.

UPDATE ON INTERNAL CONTROLS PROJECT

Micheline Delorme, Senior Director, Comptrollership & Operations, and Stéphane Rivest, Director, Financial Systems, Processes & Training, provided an update on the Internal Controls Project as of August 2006. Among the key points highlighted were: (i) Remediation and testing plans are nearing completion for the first group of controls, related to financial processes and internal controls over financial statements; (ii) For the second group of controls, namely, those affected by the Vision Project, gaps and compensating controls have been identified and should be implemented by the end of September; and (iii) The third group of controls, related to IT, has been fully documented, the gap analysis completed and after considerable discussion between the CBC team and KPMG, the consultants assisting on this project, the remediation plan is being prepared.

A further update will be provided at the next Audit Committee meeting

QUARTERLY FINANCIAL MANAGEMENT REPORT – 1ST QUARTER

Johanne Charbonneau summarized the quarterly financial management report for the first quarter of the 2006-2007 fiscal year. The complete report is included

in the materials sent to all Directors. She stated that there was a
in operations at the end of the first quarter, compared with
of approximately for the same period last year.
Ms. Charbonneau advised that this was largely due to
during the first quarter in the English market.

On the Capital side, as of June 30, Ms Charbonneau reported that there is a
projected million at year-end, compared with a projected
at the same time last year. She advised the Committee that it was still
early in the year and that most likely, the Capital budget would end up
at year-end.

MOTION CARRIED

PENSION PLAN PROPOSAL RE SERVICE BUY BACK

Johanne Charbonneau described for the Committee the proposal under the CBC Pension Plan to offer certain contract employees the opportunity to buy back periods of service rendered under ACTRA contracts. Section 12(1)(c) confers authority on the Corporation, in its discretion, to permit employees to buy back service on certain terms and conditions. The material provided by George Smith in support of this proposal outlined the rationale and conditions for the exercise of the Corporation's discretion in this instance. Ms. Charbonneau confirmed that there was no cost to the CBC/Radio-Canada Pension Plan since any service buy-backs will take place at actuarial cost. The Committee endorsed the proposal and recommends that the Board of Directors approve it as submitted.

On a motion duly moved and seconded

IT IS RESOLVED THAT, on the recommendation of the Audit Committee, the Board of Directors hereby approves that, effective October 1, 2006, employees become eligible to buy back periods of service rendered in the employment of the Corporation under ACTRA contracts in accordance with Sections 12(1)(c) and 12(6)(b) of the CBC Pension Plan subject to such employees meeting the conditions as specified to the Board.

MOTION CARRIED

UPDATE ON VISION PROJECT

s.18(a)

RISK MANAGEMENT

There were two presentations on risk management to the Audit Committee in furtherance of its continuing role in oversight of CBC's overall risk management program.

LITIGATION AND CONTINGENCIES

Mr. Pierre Nollet presented, for the Committee's benefit, a review of the nature of the risks encountered, and described the techniques and strategies employed by the Law Department in managing litigation and other risks. Following his presentation it was agreed that Mr. Nollet would, from time to time, report orally to the Board on key aspects of the decision-making process in respect of decisions to initiate or defend litigation involving significant reputational risk issues.

s.68.1

CRTC REVIEWS 2006

The President and CEO introduced the presentation, commenting on the importance of the two CRTC reviews, namely: (i) Call for comments on the future environment facing the broadcasting system under Section 15 of the Broadcasting Act; and (ii) Review of the current Television policy for conventional (over-the-air) broadcasting. The first of these is, in essence, a data gathering exercise and the CBC submission was filed with the CRTC on September 1, 2006.

Mr. Rabinovitch stated that management welcomed the Board's guidance and input on the content of CBC's submission dealing with the second of these reviews and then called upon Michel Tremblay to lead the presentation.

Mr. Tremblay introduced his colleagues, Steve Guiton, Executive Director, Strategy and Government Relations, Stan Staple, Director, Research Department, and Bev Kirshenblatt, Senior Director, Regulatory Affairs, who

worked with him in preparing the submissions for both reviews. Copies of both submissions, in draft, were distributed in advance of the meeting. The presentation to the Board at the meeting covered the following topics:

- Specifics of the two public processes launched by the CRTC in June 2006
- The nature and extent of the recent survey conducted by CBC and its key findings
- How the survey results were used to inform and shape CBC's submission under section 15 of the Broadcasting Act
- The main elements of CBC's draft submission for the Television Policy Review
- Next steps

s.18(b)

s.21(1)(a)

s.21(1)(b)

s.21(1)(d)

The President and CEO complimented Michel Tremblay and his group on their excellent work.

Hélène Fortin withdrew from the meeting shortly before the end of the discussion on the policy submissions.

Mr. Guiton, Mr. Staple and Ms. Kirshenblatt left the meeting.

IN CAMERA

No matters to report.

APPROVAL OF MINUTES

On a motion duly moved and seconded,

IT IS RESOLVED THAT the minutes of the Board of Directors' meeting held on June 20, 2006, be and are hereby approved.

MOTION CARRIED

MATTERS ARISING FROM PREVIOUS MEETINGS**DIRECTOR SKILLS MATRIX**

Meg Angevine reported that some Directors had yet to complete their individual skills profile for the matrix and at the request of the Chairman, she will follow up with the Board members concerned to obtain the information.

CHAIRMAN'S REPORT

The Chairman advised that, due to time constraints, he would deliver an electronic copy of his report to the Board immediately following the meeting and invited Directors to direct their comments or questions with respect to his report to him.

PRESIDENT'S REPORT

Sirius

Ford and Sirius have signed an exclusive long-term agreement to make virtually all Ford vehicles sold in Canada equipped with factory-installed Sirius receivers.

GOVERNMENT / REGULATORY ISSUES

s.18(b)

s.68.1

Funding

\$60M is scheduled for the September 21st Treasury Board meeting.

Meetings with Government Officials

John Baird, President of Treasury Board supports the notion of stable funding for CBC.

Michael Fortier, Minister of Public Works is very supportive of Radio-Canada. Other meetings have taken place with Lawrence Cannon, Jack Layton and several Members of Parliament.

MANAGEMENT ISSUES**Wellness Initiative**

In this joint project with the unions, two pilot workshops will take place in the fall, with the goal of offering them across the country as of January 1. The areas to be targeted first are: Respect in the Workplace and Employee Recognition.

VP Roadshows

Johanne Charbonneau and Michel Tremblay toured the country as part of a communications initiative to brief employees on corporate issues, meeting with 25-30 groups of employees in 13 different cities.

Peter Herrndorf left the meeting.

SPECIAL COMMITTEE ON PUBLIC SUPPORT REPORT

At the request of Johanne Brunet, the Chair of the Committee, Bill Chambers provided an update on the status of the current stakeholder engagement project. He described the objectives of the project and advised that approximately 50 canvassers had been briefed and were now in the field, targeting some 1100

individuals identified by the Corporation as decision makers and opinion leaders. The initial contact is to be completed by the end of October, following which a report will be compiled on the findings.

Mr. Chambers indicated that the Committee plans to meet again in November to receive the report and consider next steps.

ADJOURNMENT

Having no further business to discuss, the meeting concluded at 4:00 p.m.

Acting Chair, President and CEO

Secretary

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**is withheld pursuant to section
est retenue en vertu de l'article**

68.1

**of the Access to Information Act
de la Loi de l'accès à l'information**

**SPECIAL MEETING OF THE BOARD OF DIRECTORS
CANADIAN BROADCASTING CORPORATION
CONFERENCE CALL
September 20, 2006**

PRESENT:

Mr. Robert Rabinovitch	Acting Chair and President and CEO
Ms. Johanne Brunet	
Ms. Hélène Fortin	
Mr. Peter Herrndorf	
Ms. Yasmin Jivraj	
Ms. Nezhath Khosrowshahi	
Ms. Trina McQueen	

REGRETS:

Mr. K. (Rai) Sahi
Mr. Bernd Christmas
Mr. Howard McNutt

ALSO ATTENDING:

Mr. Pierre Nolle, Vice-President, General Counsel and Corporate Secretary
Ms. Meg Angevine, Compliance Officer and Assistant Corporate Secretary

Other participants as identified in the minutes.

**SPECIAL MEETING OF THE BOARD OF DIRECTORS
CANADIAN BROADCASTING CORPORATION
CONFERENCE CALL
September 20, 2006**

The Acting Chairman, Robert Rabinovitch, called the meeting to order at 2:00 p.m. on September 20, 2006.

The special meeting was called in urgency to discuss the impact of the resignation of Mr. Guy Fournier as Chair of the Corporation. Mr. Rabinovitch commented on the very recent resignation of Mr. Fournier, noting that over time the two had developed a good working relationship and he was sad to see the circumstances that caused his departure. The whole Board offered support to the resigning Chair and while circumstances were unfortunate his commitment and dedication to public broadcasting cannot be questioned and accordingly the Board moved as follows:

Upon motion duly made and seconded,

IT IS RESOLVED THAT the CBC Board of Directors hereby recognises and extends its appreciation to Mr. Guy Fournier for his contribution to the organisation as Chair of the Board and for the time and energy he has devoted to the cause of public broadcasting over his long career in broadcasting.

MOTION CARRIED

The Board concluded that:

- a)
- b)
- c)
- d)
- e)

s.21(1)(b)

The President and CEO also advised that management would appear the following week before the Heritage Committee at the request of the Committee. Board members inquired as to the topics for discussion and Mr. Rabinovitch responded that while no agenda had been fixed, he expected the discussion would include some programming matters and possibly the subject of a mandate review. The Board confirmed that from its perspective, consistent with that of the President and CEO, the episode of “the One” was a lesson learned.

s.68.1

Having no further business to discuss, the meeting concluded at 2:35 p.m.

Acting Chair, President and CEO

Secretary

**352nd MEETING OF THE BOARD OF DIRECTORS OF THE
CANADIAN BROADCASTING CORPORATION
YELLOWKNIFE, NORTHWEST TERRITORIES
June 20, 2006**

PRESENT:

Mr. Guy Fournier	Chairman
Mr. Robert Rabinovitch	President and CEO
Ms. Johanne Brunet	
Mr. Bernd Christmas	
Ms. H��l��ne Fortin	
Mr. Peter Herrndorf	
Ms. Nezhat Khosrowshahi	
Mr. Howard McNutt (via telephone)	
Ms. Trina McQueen	

REGRETS:

Mr. K. (Rai) Sahi
Ms. Yasmin Jivraj

ALSO ATTENDING:

Mr. Richard Stursberg, Executive Vice-President, English Television
Mr. George Smith, Senior Vice-President, Human Resources and Organization
Ms. Jane Chalmers, Vice-President, English Radio
Mr. Pierre Nollet, Vice-President, General Counsel and Corporate Secretary
Ms. Johanne Charbonneau, Vice-President and CFO
Mr. Michel Tremblay, Vice-President, Strategy and Business Development
Mr. Bill Chambers, Vice-President, Communications
Mr. Ray Carnovale, Vice-President and Chief Technology Officer
Ms. Meg Angevine, Compliance Officer and Assistant Corporate Secretary

Other participants as identified in the minutes.

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**352nd MEETING OF THE BOARD OF DIRECTORS OF THE
CANADIAN BROADCASTING CORPORATION
YELLOWKNIFE, NORTHWEST TERRITORIES
June 20, 2006**

The Chairman, Mr. Guy Fournier, called the meeting to order at 12:05 p.m.

APPROVAL OF MINUTES

On a motion duly moved and seconded,

IT IS RESOLVED THAT the minutes of the Board of Directors' meeting held on May 8-10, 2006, be and are hereby approved.

MOTION CARRIED

MATTERS ARISING FROM PREVIOUS MEETINGS

CBC BOARD STRATEGY SESSION – SEPTEMBER 2006

The President and CEO referred to the June 19, 2006 memorandum, prepared by Michel Tremblay and circulated to Board members, outlining a proposal for the September 5-7 meeting of the Board. Mr. Rabinovitch explained that the CRTC review of the regulatory aspects of over-the-air television dictated that the Board meeting dates for September be advanced to allow for meaningful discussion at the Board level prior to the September 27th deadline for submissions. The objectives of the CRTC review are as follows:

1. To ensure that OTA television licensees contribute, in the most effective manner possible, to the production, acquisition and broadcast of high quality Canadian programming that attracts increasing numbers of viewers.
2. To provide Canadian OTA television licensees with greater clarity regarding regulations that affect certain costs and revenues so that they are in a position to propose maximum contributions to the production, acquisition and broadcast of high quality Canadian programming.
3. To examine options for the most effective means of delivering Canadian digital/HD television to Canadians.
4. To examine the current and future economic status of small market television stations.

The proposal document described the objectives for the September Board sessions and Directors were advised that material would be prepared over the summer to provide a framework and context for the Board's discussions.

Board Members expressed their support for the proposal and after discussion, it was agreed that the September session would be held in Ottawa. Management will circulate the documents for discussion as soon as they are ready in August. It was further agreed that the November Board meeting would be held in Halifax, Nova Scotia.

CHAIRMAN'S REPORT

The Chairman provided a comprehensive review of his activities since the last Board meeting, referencing the numerous meetings and other events comprising his schedule.

PRESIDENT'S REPORT

s.68.1

CBC.CA

On June 3, CBC.CA launched a complete redesign to make the site easier to navigate and more enjoyable to use.

CBC.CA won a Canadian New Media Award for Excellence in News and Information for the Torino Olympics.

Banff Television Festival

There was very good attendance at the reception hosted by CBC/Radio-Canada on Sunday, with excellent Francophone representation.

CBC took home several awards including ACTRA's John Drainie Award, presented to Wendy Mesley, and the Sir Peter Ustinov Award, presented to Guy A. Lepage.

French Services Reorganization

Sylvain Lafrance announced a major reorganization on June 5th. Some of the major elements are: the full integration of News and Information – Radio, TV, Web; the creation of a new integrated Radio-Canada sports unit; and the creation of a new Radio unit regrouping La Première Chaîne, Espace musique, Radio Canada International, as well as the satellite radio channels.

GOVERNMENT/REGULATORY ISSUES

Funding - \$60M & Capital Budget

The submission requesting the release of the \$60M frozen allotment was signed by the Minister on June 5th but has been deferred to a future Treasury Board meeting. Treasury Board approved the CBC capital budget on June 8.

CRTC Review

As mentioned earlier in the Board meeting, the CRTC's Television Policy Review has four key objectives and CBC must file its written submissions by September 27th.

MANAGEMENT ISSUES

CMG

The first two-day meeting between CBC & CMG senior officials resulted in agreement on 13 broad objectives and the creation of a steering committee to deal with issues and oversee the development of action plans. This represents an important first step in improving the relationship between Management and the Union.

Diversity

CBC was among the five most diverse workplaces recognized in the inaugural Top Employers for Workplace Diversity awards published by The Canadian Immigrant magazine.

NOMINATING AND GOVERNANCE COMMITTEE REPORT (IN CAMERA)

Peter Herrndorf, Chair of the Committee, presented the report.

Strategic Planning Process (Recommendation #14) - Board Chairman and CEO
All Other Recommendations - Governance Committee

The respective Committees and the Board Chairman and the President and CEO will report to the Board with their specific recommendations for action by the Board, its Committees, management or others following their review and consideration of the assigned recommendations.

UPDATED DIRECTOR SKILLS MATRIX AND BOARD PROFILE

It was agreed that Directors would complete the skills matrix based upon a revised approach that takes experience, skills and background into account. A new document will be circulated to Directors with reference information on different levels of competence in the designated areas.

Mr. Herrndorf indicated that the remaining items in his Committee's report would be addressed later in the meeting.

The in camera portion of the meeting concluded.

MOTION CARRIED

Ms. Lee withdrew from the meeting.

AUDIT COMMITTEE REPORT

Ms. Hélène Fortin, Chair of the Committee, presented the report.

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

Management reported on the results of the comparison of the Terms of Reference document with the requirements specified by the Treasury Board Secretariat in its *Guidelines for Audit Committees in Crown Corporations and other Public Entities*. The Committee is satisfied that there is substantial compliance with the provisions of the *Guidelines*. The only significant difference is with respect to oversight responsibility for the Corporation's standards of integrity and ethical behaviour, which has been assigned to both the Nominating and Governance Committee and the Human Resources and Compensation Committee. The Committee proposed several other amendments to the document and accompanying checklist, and recommends approval of the document as distributed.

On a motion duly moved and seconded

IT IS RESOLVED THAT, on the recommendation of the Audit Committee, the Board of Directors hereby approves the Terms of Reference and Checklist for the Audit Committee, as submitted.

MOTION CARRIED

CONTRACTS WITH ABORIGINAL BUSINESSES

Johanne Charbonneau provided a report to the Committee on the number and value of contracts between CBC and aboriginal businesses for the period 1999-2006. The Committee was reminded that only those businesses that have self-identified are reflected in the report.

UPDATE ON VISION PROJECT

Ray Carnovale provided an update on the project to the Committee, summarizing progress to June 13, 2006. Committee members were also given an interim update via e-mail as of June 6, 2006.

Highlights of Mr. Carnovale's report were as follows: (i) ARTV has migrated to version 3.2.4, which is the target Go-Live version for both FTN and ETN. Training is now being conducted using this version as well; (ii) FTN data conversion is progressing well after a delay, which affected the transfer of the RDI schedule. The net result is that FTN is about two weeks behind schedule in the conversion; (iii) new server hardware has been installed to increase the speed and capacity of the data center, which may resolve the issues with Oracle Label Security; (iv) Go-Live dates – FTN is now aiming for between July 10th and July 17th and ETN for late August.

Internal Audit reported on its ongoing work and indicated that good momentum is being maintained on all fronts, including the project team, Sintec, management and staff.

REPORT FROM INDEPENDENT OFFICER

Jean-Pierre Soublière presented his first report to the Committee as Independent Officer on activities related to the Whistleblower Policy. He summarized the work done to establish the Whistleblower program at CBC/Radio-Canada and indicated that there had been one disclosure under the Policy to date, which was under investigation.

REPORT ON LITIGATION AND CONTINGENCIES

Pierre Nollet presented his annual report to the Committee on litigation and the contingencies provided for in the financial statements for the 2005-2006 year to the Committee.

UPDATE ON INTERNAL CONTROLS PROJECT

Ms. Charbonneau provided an update on the project to the Committee, confirming that, subject to a few minor delays related to the Vision Project, it is on schedule and on budget.

QUARTERLY INTERNAL AUDIT REPORT

Michel Maisonneuve presented a report to the Committee on Internal Audit activities for the 4th quarter, confirming that all recommendations have either been satisfactorily responded to or are in the process of being addressed by management.

AUDITED FINANCIAL STATEMENTS

Johanne Charbonneau presented a detailed report to the Committee on the audited financial statements for the 2005-2006 year. Copies of the statements and accompanying notes were distributed to the Committee in advance and were included in the Board material sent to all Directors. She highlighted the changes from prior years, indicating that the most significant one was the requirement to prepare statements on a consolidated basis to comply with new accounting rules.

Ms. Charbonneau reported that there were many significant transactions and events this year, including: (i) the creation of the Sirius Canada partnership with Sirius U.S. and Standard Broadcasting; (ii) the Torino Olympic Winter Games; and (iii) the pension solvency deficit as at December 31, 2005.

Ms. Charbonneau then thoroughly reviewed the Consolidated Balance Sheet, the Consolidated Statement of Operations and Equity, the Consolidated Statement of Cash Flow, and the Notes to the Financial Statements, commenting upon and responding to questions from the Committee members on a range of issues, including the valuation of program inventory, the liabilities attributable to certain workforce reductions, and funding considerations with respect to the timing of Parliamentary appropriations.

After discussion the Committee recommends approval by the Board of the statements as presented.

On a motion duly moved and seconded

IT IS RESOLVED THAT, on the recommendation of the Audit Committee, the Board of Directors hereby approves the Consolidated Financial Statements of the Corporation, comprising the Consolidated Statement of Operations and Equity, the Consolidated Balance Sheet, the Consolidated Statement of Cash Flow and the notes to the financial statements as presented by management for the year ended March 31st 2006.

MOTION CARRIED

REVIEW OF ANNUAL REPORT – MANAGEMENT DISCUSSION AND ANALYSIS

Ms. Charbonneau addressed the Management Discussion and Analysis section of the Annual Report, pointing out to the Committee that there have been significant enhancements this year, such as: (i) the discussion on the financial results incorporated some comparisons between actual and budget as well as year-to-year; (ii) an explanation of the enhancements to the risk management processes has been included; and (iii) liquidity ratios have been added to the five-year financial highlights statistics.

After discussion the Committee recommends approval by the Board of the Management Discussion and Analysis as presented.

On a motion duly moved and seconded

IT IS RESOLVED THAT, on the recommendation of the Audit Committee, the Board of Directors hereby approves the Management Discussion and Analysis section of the Annual Report as presented for the year ended March 31st 2006.

MOTION CARRIED

ANNUAL ATTEST AUDIT RESULTS FOR THE YEAR ENDED MARCH 31, 2006

Nathalie Chartrand from the OAG reported to the Committee that the Auditor General would be issuing a clean opinion on the financial statements for the 2005-2006 fiscal year.

FUNDING OF PENSION PLAN SOLVENCY DEFICIT

Ms. Charbonneau advised the Committee that the current government announced solvency relief measures for federally regulated pension plans in its May 2, 2006 budget and the related draft regulations were released on June 2, 2006. These regulations require a resolution of the Board authorizing the Corporation to utilize the Federal Measures. The net effect of the measures is to extend the solvency funding payment period from five years to ten years. The Audit Committee recommends adoption of the resolution.

On a motion duly moved and seconded

IT IS RESOLVED THAT on the recommendation of the Audit Committee, and conditional upon final pension regulations, the Board of Directors hereby authorizes the Corporation to utilize the Federal Measures provided in the Draft Regulations.

MOTION CARRIED

RISK MANAGEMENT

Mr. Mike Mooney presented an overview of two key risks – the pension plan solvency and the request to the Committee.

INTERNAL AUDIT SERVICES

The Committee received a report from management, canvassing various options for the provision of internal audit services upon the conclusion of the current contract with Deloitte & Touche and the Committee has decided to proceed with an RFP process for end-to-end audit services commencing in the fall of 2006.

The Chairman thanked Ms. Fortin for her report.

STANDING COMMITTEES ON ENGLISH AND FRENCH LANGUAGE BROADCASTING REPORT

The Chairman reported briefly on two matters from the meeting held earlier that day.

ADVERTISING STANDARDS POLICIES

On a motion duly moved and seconded,

IT IS RESOLVED THAT, on the recommendation of the Standing Committees on English and French Language Broadcasting, the Board of Directors hereby approves the revised Advertising Standards Policies, as presented, a copy of which shall be filed with the original of these minutes as Exhibit A.

MOTION CARRIED

COMMITTEE TERMS OF REFERENCE

Management has been asked to submit a revised document for the Board's consideration that reflects the discussion at the meeting regarding the Committee's role in reviewing and making recommendations with respect to strategic initiatives as well as programming matters that raise significant policy issues.

ANNUAL REPORT PRESENTATION

Bill Chambers summarized the process and the progress to date, noting that a new version of the Annual Report had just been distributed to Board members. He stated that the final document was required to be filed in the Minister's office by June 30. He indicated that while the document was responsive to certain comments expressed by the Office of the Auditor General, it was still intended to serve as a marketing document and the format, content and layout reflected that decision. Directors offered their comments on the latest version and discussed, in particular, the content of the section on Governance. After discussion, changes were proposed to two specific paragraphs dealing with Board attendance and Board compensation.

Directors also discussed the process for Board review of the Annual Report. It was agreed that, with respect to the 2006-2007 Annual Report, the Board will have an opportunity to review a fairly comprehensive draft and comment more fully at the May 2007 Board meeting in addition to the usual Board discussion scheduled for January 2007 on the overall direction and themes of the annual report.

NOMINATING AND GOVERNANCE COMMITTEE REPORT CONTINUED

Mr. Herrndorf, Chair of the Committee, presented the remainder of the report.

CHAIRPERSON AND PRESIDENT AND CEO'S TERMS OF REFERENCE

As reported at the May Board meeting, the Chairman of the Board and the President and CEO met to discuss their respective roles with a view to clarifying in particular under what circumstances each speaks on behalf of CBC/Radio-Canada. It is agreed by all that the President and CEO speaks for the Corporation and the Chairman speaks for the Board of Directors. It is further understood that as a general rule, individual Board members do not speak in public about the CBC, except where they are acting as champions or ambassadors for CBC. Otherwise individual Directors should defer to the President and CEO or the Chairman of the Board as appropriate.

The Terms of Reference for the Board Chairperson and the President and CEO, as circulated to Board members, reflect the consensus reached by the parties and are recommended by the Governance Committee for approval.

On a motion duly moved and seconded,

IT IS RESOLVED THAT, on the recommendation of the Nominating and Governance Committee, the Board of Directors hereby approves the Terms of Reference for the Board Chairperson and for the President and CEO, as submitted.

MOTION CARRIED

The Chairman thanked Mr. Herrndorf for his report.

HUMAN RESOURCES AND COMPENSATION COMMITTEE REPORT (IN CAMERA)

Howard McNutt, Chair of the Committee, attending via telephone, presented the report. He advised that there were three negotiating mandates recommended for approval as well as a proposed amendment to the CBC Pension Plan.

RATIFICATION OF AMERICAN FEDERATION OF MUSICIANS (CANADA SECTION) BARGAINING MANDATE

Further to the update on this matter provided at the May Board meeting, Mr. McNutt advised that, as a result of subsequent discussions between the parties, management was now seeking approval for a full mandate as described in the following resolution and that the Human Resources and Compensation Committee recommended its approval.

On a motion duly moved and seconded,

IT IS RESOLVED THAT on the recommendation of the Human Resources and Compensation Committee, the Board of Directors

MOTION CARRIED

SPACQ MANDATE

On a motion duly moved and seconded,

IT IS RESOLVED THAT, on the recommendation of the Human Resources and Compensation Committee, the Board of Directors hereby

s.21(1)(c) MOTION CARRIED

ACTRA MANDATE

On a motion duly moved and seconded,

IT IS RESOLVED THAT on the recommendation of the Human Resources and Compensation Committee the Board of Directors hereby

MOTION CARRIED

RETIREMENT ALLOWANCE AMENDMENT

George Smith and Pierre Nollet withdrew from the meeting for this item. Mr. McNutt outlined the proposed change and confirmed that the Human Resources and Compensation Committee recommended its approval. Mr. McNutt

s.21(1)(b)

IT IS RESOLVED THAT on the recommendation of the Human Resources and Compensation Committee, the Board of Directors hereby approves the modification to Schedule J to the By-laws of the Corporation, entitled Special Retirement Allowance Program for Corporate Executives,

s.18(b)

MOTION CARRIED

SPECIAL COMMITTEE ON PUBLIC SUPPORT REPORT

Due to time constraints, this agenda item was deferred. It was proposed that a conference call for Committee members and any other Directors interested in participating in the call, be scheduled for some time after July 8 to discuss the Navigator proposal circulated to all Board members in advance of the June Board meeting. Johanne Brunet, Chair of the Special Committee, advised that the Committee was seeking the full understanding and support of the Board with respect to this initiative.

APPROVAL OF COMMITTEE MEMBERSHIP

The Chairman indicated that his plans were to restructure Committee membership once new Board members have been appointed by the Government to fill the vacancies or in the fall of 2006 if the appointments have not occurred by then. In the interim, the Committee Chairs and membership will remain unchanged.

On a motion duly moved and seconded,

IT IS RESOLVED THAT, on the recommendation of the Nominating and Governance Committee, the Board of Directors hereby approves the current Members and Chairs of Board Committees as presented to serve until the next annual meeting of the Corporation (June 2007) or until a review of Committee membership is conducted, whichever is sooner.

MOTION CARRIED

ADJOURNMENT

Having no further business to discuss, the meeting adjourned at 5:20 p.m.

Chairman

Secretary

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68.1

**of the Access to Information Act
de la Loi de l'accès à l'information**

**351st MEETING OF THE BOARD OF DIRECTORS
CANADIAN BROADCASTING CORPORATION
SAINT JOHN, NEW BRUNSWICK
May 8-10, 2006**

PRESENT:

Mr. Guy Fournier	Chairman
Mr. Robert Rabinovitch	President and CEO
Ms. Johanne Brunet	
Mr. Bernd Christmas	
Ms. H��l��ne Fortin	
Mr. Peter Herrndorf	
Ms. Yasmin Jivraj (for May 8 th)	
Ms. Nezhat Khosrowshahi	
Mr. Howard McNutt (via telephone for part of the meeting)	
Ms. Trina McQueen	

REGRETS:

Mr. K. (Rai) Sahi

ALSO ATTENDING:

Mr. Richard Stursberg, Executive Vice-President, English Television
Mr. Sylvain Lafrance, Executive Vice-President, French Services
Mr. George Smith, Senior Vice-President, Human Resources and Organization
Ms. Jane Chalmers, Vice-President, English Radio
Mr. Pierre Nollet, Vice-President, General Counsel and Corporate Secretary
Ms. Johanne Charbonneau, Vice-President and CFO
Mr. Michel Tremblay, Vice-President, Strategy and Business Development
Mr. Bill Chambers, Vice-President, Communications
Mr. Ray Carnovale, Vice-President and Chief Technology Officer
Mr. Michel Saint Cyr, President, Real Estate Division
Ms. Meg Angevine, Compliance Officer and Assistant Corporate Secretary

Other participants as identified in the minutes.

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**351st MEETING OF THE BOARD OF DIRECTORS
CANADIAN BROADCASTING CORPORATION
SAINT JOHN, NEW BRUNSWICK
May 8-10, 2006**

The Chairman, Mr. Guy Fournier, called the meeting to order at 9:00 a.m. on May 8, 2006.

PUBLIC RADIO AND TELEVISION IN THE NEW AUDIO-VISUAL ENVIRONMENT

The Chairman, in his opening remarks, described the objectives for the day and invited Board members to engage freely with the presenters to ensure a healthy and productive exchange.

The program for the day comprised the following presentations:

s.18(b)
s.21(1)(a)
s.21(1)(b)

On behalf of the Board, the Chairman thanked the presenters for their thoughtful and stimulating presentations.

The meeting adjourned at 5:00 pm. on May 8, 2006.

The meeting resumed at 9:10 a.m. on May 10, 2006.

APPROVAL OF THE MINUTES

Mr. Nollet advised that there was a correction required with respect to an error contained in the resolutions made under the Report of the Human Resources Committee. He provided the correct figure for inclusion as the estimated cost of the Executive Incentive Plan for Corporate Executives, i.e. rather than for both the resolution in respect of 2005-2006 and the resolution for the estimated cost for 2006-2007. With those amendments, the minutes were approved.

s.18(a)

On a motion duly moved and seconded

IT IS RESOLVED THAT the minutes of the March 14-15, 2006, meeting be and are hereby approved.

MOTION CARRIED

MATTERS ARISING FROM PREVIOUS MEETINGS

No matters to report.

CHAIRMAN'S REPORT

The Chairman provided a comprehensive review of his activities since the last Board meeting, referencing the numerous meetings and other events comprising his schedule.

PRESIDENT'S REPORT

The President and CEO noted with sadness the accidental death of veteran CBC news anchor Lorne Saxburg on Saturday May 6th while he was vacationing in Thailand. Mr. Rabinovitch remarked upon Mr. Saxburg's distinguished career in journalism, his achievements at CBC and his awards for his work, commenting that it was a significant loss for CBC.

s.68.1

CBC.CA

The 10th anniversary of this service will be celebrated in July, with special online programming, a party at the Toronto Broadcast Centre and a media campaign.

Aids Conference

CBC/Radio-Canada will be the host broadcaster for a major Aids conference in Toronto from August 13-18, which is expected to attract about 20,000 delegates.

NABA

Ray Carnovale was appointed President of the North American Broadcasters Association.

GOVERNMENT / REGULATORY ISSUES**Meeting with the Minister**

The President reported that he had a very constructive meeting with Minister Oda. She indicated that her priority is the mandate review, which is expected to take about one year to complete. In her view, it is a means of ensuring adequate funding for CBC to fulfil the mandate it is given.

Budget

There was some good news with respect to the pension fund solvency issue in that the timeframe for repayment may be extended. Also, the \$60M is in the main estimates so it may be accessed through a Treasury Board submission.

CRTC

The CRTC hearings in respect of CBC's license renewals have been postponed, pending completion of the CRTC's Television Policy Review.

Accountability Act/Access to Information

Mr. Nolle provided a brief summary of the main provisions that affect CBC/Radio-Canada in the proposed legislation.

MANAGEMENT ISSUES**SCRC/STARF**

Agreements have been reached with both unions and ratified by their members.

CMG

A special two-day off-site meeting will be held with the CMG at the end of May with the goal of improving the relationship.

Breakfasts with Staff

The President and CEO has been attending informal breakfasts with small groups of staff in different locations to listen to their concerns and suggestions. So far he has met with about 450 employees in groups of 10 each time.

s.68.1

MOTION CARRIED

RATIFICATION OF MANDATE FOR AMERICAN FEDERATION OF MUSICIANS

On March 29, 2006 there was a conference call meeting of the Human Resources and Compensation Committee at which the Committee recommended approval by the Board of an interim mandate for negotiations between CBC and the American Federation of Musicians. The Board was canvassed via e-mail and a majority of the Board endorsed the Committee's recommendation, subject to formal ratification of the mandate by the Board at the May Board meeting. It was anticipated that the full mandate would be ready for decision in May; however, discussions are still ongoing with American Federation of Musicians about the scope of the negotiations and may take several more weeks to complete.

On a motion duly moved and seconded

IT IS RESOLVED THAT on the recommendation of the Human Resources and Compensation Committee, the Board of Directors hereby

s.21(1)(c)

MOTION CARRIED

AUDIT COMMITTEE REPORT

Ms. Hélène Fortin, Chair of the Committee, presented the report.

UPDATE ON VISION PROJECT

s.18(a)

IT CONSULTING CONTRACT WITH DELOITTE & TOUCHE

Ms. Charbonneau explained to the Committee that the services of Deloitte & Touche have been retained in connection with the enhancement of the CBC corporate intranet. Specifically, Deloitte & Touche will provide expertise in connection with corporate portal definition, design and technical infrastructure options. Because of its Internal Audit role, any contracts with Deloitte are subject to review and approval by the Chair of the Audit Committee and are also reported to the Committee.

REPORT ON THE CBC PENSION PLAN

Suzanne Morris, Secretary/Treasurer, CBC Pension Fund, and Debra Alves, Strategic Investments Portfolio Manager, CBC Pension Fund, joined the Committee meeting to present the 2005 Annual Report on the Fund.

A detailed report was circulated to the Committee in advance and has also been distributed to all Directors of CBC/Radio-Canada. Ms. Morris and Ms. Alves provided comments on the report, confirming that the Plan is performing well against its benchmarks and overall, is in a healthy condition. The financial results for 2005 were reviewed and it was noted that the Plan has a

s.18(a)

calculated on a going-concern basis, compared with calculated on a solvency basis. One of the major activities in 2005 was an asset mix review, which recommended a significant realignment of fund assets. The transition is now in progress, but the Committee was advised that it requires careful management so as not to adversely affect the securities and bond markets, due to the volume of transactions involved.

UPDATE ON ANNUAL ATTEST AUDIT

Ms. Fortin reported that there has been a change in the composition of the OAG team. Mario Malouin has been replaced by Joanne Chenail-Trépanier. The Committee met Ms. Chenail-Trépanier for the first time at the meeting last week.

Nathalie Chartrand from the OAG reported that work on the attest audit is proceeding on schedule and there are no issues to report at present. There continues to be good co-operation and co-ordination between the OAG, Internal Audit and CBC management.

UPDATE ON INTERNAL CONTROLS PROJECT

Johanne Charbonneau reported on the status of the project, reviewing the timeframe, work completed to date and confirming that the project remains on budget with respect to the external costs incurred. She added that resources have been concentrated recently on completing those tasks closely aligned with the Vision Project. She noted that there are no significant difficulties and the anticipated completion date is March 31, 2007.

RISK MANAGEMENT

s.21(1)(b)

TERMS OF REFERENCE OF THE AUDIT COMMITTEE

After reviewing the proposed changes, the Committee requested management to compare the document with the requirements specified by the Treasury Board Secretariat in its *Guidelines for Audit Committees in Crown Corporations and other Public Entities* and report any significant differences to the Committee at its June meeting. The Committee will bring forward its recommendation to the Board for amendments to its Terms of Reference and accompanying Checklist in June.

The Chairman thanked Ms. Fortin for her report.

NOMINATING AND GOVERNANCE COMMITTEE REPORT

Mr. Peter Herrndorf, Chair of the Committee, presented the report.

s.21(1)(b)

BOARD SUCCESSION

Mr. Herrndorf briefed Board members on the discussions that had taken place between the Chairman of the Board and the Minister regarding prospective appointments to fill the current vacancies on the Board. He added that the Committee was of the view that the Board ought to provide more specific guidance to the Minister by identifying only a few candidates for each vacancy. With this in mind, the Committee directed management to contact the Minister's office to seek consensus on a short list of names to be submitted by the Minister for consideration by the government. The Board endorsed the approach as outlined.

CHAIRPERSON AND PRESIDENT & CEO'S TERMS OF REFERENCE

Mr. Herrndorf reported that, pursuant to the request by the Committee in March, the Chairman of the Board and the President and CEO had met to discuss their respective roles, with the primary objective to clarify who speaks on behalf of the Corporation in what circumstances. The documents reflecting their discussion and agreement were circulated to Committee members in advance and discussed at the meeting. Both the Chairman of the Board and the President and CEO were in attendance at the meeting and offered their perspective on the process and their agreement.

Following the discussion, the Committee agreed to recommend to the Board that the documents, as submitted, be approved at the June Board meeting. Mr. Herrndorf described the consensus reached as follows: that the President and

CEO speaks for the Corporation and the Chairman speaks for the Board. Mr. Herrndorf added that, generally speaking, other Board members should not comment publicly on CBC matters.

BOARD SKILLS

The Committee reviewed a draft matrix of Board skills for the current Directors and requested management to consult individually with each Board member to ensure that his or her skills and experience are accurately reflected in the matrix.

COMMITTEE TERMS OF REFERENCE

The Committee, in its annual review of its Terms of Reference, concurred in the minor amendments proposed by management and recommended their approval by the Board.

On a motion duly moved and seconded

IT IS RESOLVED THAT on the recommendation of the Nominating and Governance Committee, the Board of Directors hereby approves the Terms of Reference for the Nominating and Governance Committee as submitted.

MOTION CARRIED

BOARD MANUAL REVIEW

Management is working on a new edition of the Board Manual designed to update, reorganize and streamline the contents of this reference manual for Directors. Board members were invited to offer their comments and suggestions for improvement. The new edition is expected to be ready for distribution in September 2006. The Committee endorsed the approach proposed by management.

On a motion duly moved and seconded

IT IS RESOLVED THAT on the recommendation of the Nominating and Governance Committee, the Board of Directors hereby approves the Table of Contents of the Board Manual, as amended.

s.23

MOTION CARRIED

The Chairman thanked Mr. Herrndorf for his report.

SPECIAL COMMITTEE ON PUBLIC SUPPORT REPORT

Ms. Johanne Brunet, Chair of the Committee, presented the report.

Ms. Brunet reported that the Committee had considered the nature and scope of challenges facing CBC with respect to public/stakeholder support and had articulated what, in its view, are the four key elements in its diagnosis of the problem. Ms. Brunet indicated that these are:

s.18(b)

The Committee then went on to consider what CBC needs for the future and identified the following as critical success factors: strong support from its core stakeholders; strong support from a significant cross-section of Parliament; and stable multi-year funding.

Ms. Brunet stated that the Committee had met that morning to discuss a proposal to address the concerns identified, which, when finalized, will be brought to the Board for review and approval.

s.21(1)(b)

The Committee hopes to be in a position to bring a proposal to the June Board meeting.

The Chairman thanked Ms. Brunet for her report.

STANDING COMMITTEES ON ENGLISH AND FRENCH LANGUAGE BROADCASTING REPORT

No matters to report.

Mr. Herrndorf left the meeting and Mr. McNutt joined the meeting via telephone conference call.

IN CAMERA**HUMAN RESOURCES AND COMPENSATION COMMITTEE REPORT**

Mr. Howard McNutt, Chair of the Committee, presented the report.

COMMITTEE TERMS OF REFERENCE

The Committee, in its annual review of its Terms of Reference, concurred in the minor amendments proposed by management and recommended their approval by the Board.

On a motion duly moved and seconded

IT IS RESOLVED THAT on the recommendation of the Human Resources and Compensation Committee, the Board of Directors hereby approves the Terms of Reference for the Human Resources and Compensation Committee as submitted.

MOTION CARRIED

INDUSTRIAL RELATIONS UPDATE

Mr. McNutt called upon George Smith to summarize for Board members the update provided to the Committee. Mr. Smith reported on the status of ongoing negotiations in the French network, indicating that agreements had been concluded with SCRC and STARF, and that interest based bargaining was proceeding with l'Association des Réalisateurs. Mr. Smith added that with respect to the latter, he expected that an agreement would be concluded sometime in the fall. Other negotiations are proceeding with ACTRA and the American Federation of Musicians with no major problems at present.

APPROVAL OF OVERALL COMPENSATION AND RESULTS OF INCENTIVE PLAN FOR CORPORATE EXECUTIVES

Mr. McNutt presented the following motions for the Board's consideration. In response to questions, George Smith outlined the provisions of the executive incentive plan and described the process for evaluation of executives.

On a motion duly moved and seconded

IT IS RESOLVED THAT on the recommendation of the Human Resources and Compensation Committee the Board of Directors approves an overall amount of _____ for the base salary increases for Corporate and Component Unit/Functions Executives and that these salary increases be made effective on January 1, 2006.

MOTION CARRIED

On a motion duly moved and seconded

IT IS RESOLVED THAT on the recommendation of the Human Resources and Compensation Committee the Board of Directors approves the payment of an overall amount of _____ to the Corporate and Component/Function Executives eligible for payout under the terms of the Horizon Plan for the plan year 2005-2006 to be paid out June 1, 2006.

MOTION CARRIED

On a motion duly moved and seconded

IT IS RESOLVED THAT on the recommendation of the Human Resources and Compensation Committee the Board of Directors approves the payment of an overall amount of _____ for the plan year 2005-2006 to be paid out June 1, 2006.

MOTION CARRIED

ASSESSMENT OF PRESIDENT AND CEO'S PERFORMANCE

The President and CEO withdrew from the meeting for this agenda item.

Mr. McNutt reported on the deliberations that took place at the Committee meeting with respect to the President and CEO's performance. He explained the distinction between on-going objectives and key objectives and advised that the Committee had taken a holistic approach to the evaluation. He added that there had been a lengthy discussion at the Committee meeting and a thorough airing of views, after which, the Committee had reached a unanimous conclusion.

On a motion duly moved and seconded

IT IS RESOLVED THAT on the recommendation of the Human Resources and Compensation Committee the Board of Directors approves the performance evaluation of the President and CEO for fiscal year 2005-

s.19(1)

2006 as presented, confirming that he

MOTION CARRIED

It was further agreed that Mr. McNutt, in consultation with the Chairman, would prepare a letter to the Minister regarding the evaluation. It was also confirmed that comprehensive information, including the documentation supporting the evaluation process, should be provided to all Board members to ensure that they have a full understanding of the process, the criteria applied and the conclusion reached by the Committee, before considering the Board motion. The Chairman thanked Mr. McNutt for his report. Mr. Rabinovitch rejoined the meeting.

HUMAN RESOURCES COMMITTEE MEMBERSHIP

On a motion duly moved and seconded

IT IS RESOLVED THAT Mr. Guy Fournier be and is hereby named a member of the Human Resources and Compensation Committee.

MOTION CARRIED

s.21(1)(b)

ADJOURNMENT

Having no further business to discuss, the meeting adjourned at 3:00 p.m.

Chairman

Secretary

**Pages 1739 to / à 1740
are withheld pursuant to section
sont retenues en vertu de l'article**

68.1

**of the Access to Information Act
de la Loi de l'accès à l'information**

**355TH MEETING OF THE BOARD OF DIRECTORS OF THE
CANADIAN BROADCASTING CORPORATION
MONTREAL, QUEBEC
January 24, 2007**

PRESENT:

Mr. Robert Rabinovitch	President and CEO, Acting Chair
Ms. Johanne Brunet	
Ms. H��l��ne Fortin	
Mr. Peter Herrndorf	
Ms. Yasmin Jivraj	
Ms. Nezhat Khosrowshahi	
Ms. Trina McQueen	
Ms. Edna Turpin	

REGRETS:

Mr. Bernd Christmas
Mr. K. (Rai) Sahi

ALSO ATTENDING:

Mr. Richard Stursberg, Executive Vice-President, English Television
Mr. George Smith, Senior Vice-President, Human Resources and Organization
Ms. Jane Chalmers, Vice-President, English Radio
Mr. Pierre Nollet, Vice-President, General Counsel and Corporate Secretary
Ms. Johanne Charbonneau, Vice-President and CFO
Mr. Michel Tremblay, Vice-President, Strategy and Business Development
Mr. Bill Chambers, Vice-President, Communications
Mr. Ray Carnovale, Vice-President and Chief Technology Officer
Ms. Meg Angevine, Compliance Officer and Assistant Corporate Secretary

Other participants as identified in the minutes.

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**355TH MEETING OF THE BOARD OF DIRECTORS OF THE
CANADIAN BROADCASTING CORPORATION
MONTREAL, QUEBEC
January 24, 2007**

The Acting Chair called the meeting to order at 11:10 a.m.

MS. EDNA TURPIN

Mr. Rabinovitch welcomed the new Board member, Ms. Edna Turpin, of St. John's, Newfoundland and Labrador to her first meeting.

s.19(1)

APPROVAL OF MINUTES

On a motion duly moved and seconded,

IT IS RESOLVED THAT the minutes of the Board of Directors' meeting held on November 22-23, 2006, be and are hereby approved.

MOTION CARRIED

MATTERS ARISING FROM PREVIOUS MEETINGS

CALENDAR OF MEETINGS – 2007

Pierre Nollet advised that the Corporate Secretariat had been unable to secure accommodation in Charlottetown for the up-coming June meeting. After discussion it was agreed that St. John's NL should be substituted as the location for the June 2007 meeting, provided space was available. The Board will meet in Charlottetown at some future date.

A revised calendar of meetings will be circulated to all Board members following the January meeting.

ACTING CHAIR'S REPORT

Mr. Rabinovitch advised the Board that he had no further information regarding the appointment of a new Chair and responded to a question from a Board

member about the process for appointment of an acting President and CEO under the *Broadcasting Act*.

Mr. Rabinovitch proposed that the Committee membership be amended to appoint Dr. Turpin as Chair of the Human Resources and Compensation Committee and as a member of the Standing Committees on English and French Language Broadcasting.

On a motion duly moved and seconded,

IT IS RESOLVED THAT, on the recommendation of the Acting Chair, the Board of Directors hereby approves the appointment of Edna Turpin as Chair of the Human Resources and Compensation Committee and as a member of the Standing Committees on English and French Language Broadcasting to serve until the next annual meeting of the Corporation (June 2007) or until a review of Committee membership is conducted, whichever is sooner.

s.68.1

MOTION CARRIED

PRESIDENT AND CEO'S REPORT

GOVERNMENT/REGULATORY ISSUES

A decision on the \$60M is expected in the next few weeks.

CBC/Radio-Canada will appear before the Heritage Committee on the topic of a mandate review but the date has not been set as yet.

MANAGEMENT/INDUSTRY ISSUES

s.18(b)

Johanne Charbonneau provided a brief update on financial issues, including

s.68.1

There will be a CRTC hearing on CBC/Radio-Canada's application re the acquisition of the Documentary Channel.

The selection process for the Ombudsman – French Services is proceeding according to plan and there will be a further report at the March Board meeting.

APPROVAL OF CORPORATE PLAN

Michel Tremblay referred to the Corporate Plan document circulated to all Board members with the meeting materials.

He briefly outlined the process leading up to the creation of the Corporate Plan and invited the Board to offer comments on the document.

s.21(1)(b)

Mr. Tremblay thanked Board members for their valuable insights and wise counsel and undertook to revise the document in accordance with the views expressed.

On a motion duly moved and seconded,

IT IS RESOLVED THAT the CBC/Radio-Canada Corporate Plan 2007-2008 to 2011-2012 be and is hereby approved, subject to the revisions necessary to reflect the input and conclusions offered by the Board during its discussion.

MOTION CARRIED

s.18(b)

s.21(1)(b)

s.18(b)
s.20(1)(d)

s.21(1)(b)

s.21(1)(b)

s.18(b)
s.21(1)(b)

s.68.1

s.68.1

s.18(b)

s.21(1)(b)

s.21(1)(d)

ANNUAL REPORT ON HEALTH, SAFETY AND THE ENVIRONMENT

George Smith presented highlights of the report. The complete report was circulated to the Board in advance of the meeting. Mr. Smith commented that the report is complex, dealing with a number of distinct areas and emphasized that while Human Resources is the steward of these programs, their success requires the commitment and participation of all members of the senior management team. Mr. Smith covered the following topics in his presentation:

1. Disability Management, Occupational Health and Wellness

Cost of Absences

Attendance Statistics – Canadian Workplaces

CBC/Radio-Canada Attendance Statistics

Initiatives to improve Organizational Health and Wellness

2. Health and Safety

Occupational Injuries and Illnesses
Plans for the Future

3. Environment

Asbestos – Remediation and Repair
Environmental Assessment Act Requirements
Site Assessments
Reportable Incidents and Hazardous Materials Removal

Mr. Smith noted that in the area of employee attendance, while the overall statistics are relatively stable, there is an increase in the absences due to mental health reasons. He added that this is consistent with the experience of other employers in Canada. CBC/Radio-Canada has committed to a number of initiatives to address this situation, as described in the report.

Mr. Smith also referred to the efforts made to promote corporate wellness in such areas as (i) prevention of the transmission of infection; (ii) pandemic preparation; (iii) flu vaccination program; (iv) respect in the workplace programs; and (v) work/life balance.

On the environmental front, the most significant challenges are: (i) the overall complexity of the regulatory environment; (ii) understanding and responding to new legislation; and (iii) making the issue one of the priorities for the Corporation.

Mr. Smith responded to comments and questions from Board members about: (i) dangerous location assignments and the level of acceptance of related training programs; (ii) differences in attendance by region or service; and (iii) the use of attendance as a performance indicator.

The Acting Chair thanked Mr. Smith for his report.

NOMINATING AND GOVERNANCE COMMITTEE REPORT

Peter Herrndorf, Chair of the Committee, presented the report.

LETTER TO THE MINISTER

Mr. Herrndorf informed the Board that, pursuant to the Board's direction at the November meeting, he had written to the Minister regarding the current vacancies on the CBC/Radio-Canada Board. A copy of the letter was distributed to Board members at the meeting. Mr. Herrndorf advised that, at the Committee's request, a copy of this letter would be sent to the Prime Minister's Office.

SELECTION PROCESS FOR PRESIDENT AND CEO

The Committee reviewed a draft position description for the President and CEO and agreed that, as the next step, the Chair of the Committee would communicate the position description to the relevant authorities. It was further agreed that Mr. Rabinovitch would then approach the Clerk of the Privy Council to discuss the process, following which other officials might be contacted, if appropriate. The Committee will consider further action at future meetings.

CODE OF CONDUCT FOR DIRECTORS

The Committee concluded that no change was required to the current codes of conduct applicable to Directors of CBC/Radio-Canada. In the course of reviewing the provisions of these codes, the Committee also concluded that, in

general, fund-raising activities by Directors for local charitable organizations would not represent a conflict.

GOVERNANCE SECTION OF THE ANNUAL REPORT

At Mr. Herrndorf's request, Ms. Angevine reported briefly on the content of the governance section of the 2006-2007 Annual Report. She advised that the section would include: (i) highlights of governance initiatives and activities during the year; (ii) the Board Committees and their mandates; (iii) particulars of Director attendance; and (iv) the rules for Director compensation and the total expended for Director compensation, but that details regarding individual Director compensation would not be provided.

The Acting Chair thanked Mr. Herrndorf for his report.

AUDIT COMMITTEE REPORT

Ms. Hélène Fortin, Chair of the Committee, presented the report. She reported on the following matters considered by the Committee:

NON-AUDIT SERVICES CONTRACT WITH DELOITTE & TOUCHE LLP

The Committee was advised of a change to the contract with Deloitte & Touche, for services related to the Employee Portal Project.

LEVERAGING OUR ASSETS

Michel Tremblay and Bill Atkinson presented an overview of the topic to the Audit Committee, which was repeated for the Board.

UPDATE ON VISION PROJECT

s.18(a)

UPDATE ON INTERNAL CONTROLS PROJECT

Johanne Charbonneau provided an update to the Committee on the project, advising that there are no serious problems to report.

s.68.1

CORPORATE POLICY 2.3.17 – MANAGEMENT OF FOREIGN CURRENCY RISK

Johanne Charbonneau outlined to the Committee the proposed changes to the Corporate Policy, all of which are designed to bring the policy in line with best practices to minimize foreign currency risk.

After discussion, the Committee recommended approval by the Board of the amended policy.

On a motion duly moved and seconded,

IT IS RESOLVED THAT on the recommendation of the Audit Committee, the Board of Directors hereby approves the revised Policy 2.3.17 dealing with Management of Foreign Currency Risk, as presented.

MOTION CARRIED

AUDIT COMMITTEE EFFECTIVENESS

The Committee is considering a proposal to review of its effectiveness and will report further following the next meeting.

IN CAMERA – APPROVAL OF CONTRACT FOR INTERNAL AUDIT SERVICES

Ms. Charbonneau outlined the particulars of the contract for the Committee, including the initial term, the estimated average annual budget, the renewal options, with the terms to be negotiated at the time of renewal, and other special clauses in the contract. After discussion, the Committee approved the contract.

The Acting Chair thanked Ms. Fortin for her report.

SPECIAL COMMITTEE ON PUBLIC SUPPORT REPORT

Ms. Johanne Brunet, Chair of the Committee, presented the report. She stated that the Committee has met several times since its last report to the Board to discuss various topics, including: (i) the results of the survey of influencers (“Listening to Canada’s Leaders”); (ii) the revised approach to the Annual Report; (iii) the public broadcaster programming attributes; and (iv) techniques for measuring public support.

Ms. Brunet advised that the Committee would present a more detailed report on its activities at the March Board meeting.

The Acting Chair thanked Ms. Brunet for her report.

IN CAMERA SESSION

No matters to report.

CONCLUDE

Having no further business to discuss, the meeting concluded at 4:30 p.m.

Acting Chair, President and CEO

Secretary

**356th MEETING OF THE BOARD OF DIRECTORS OF THE
CANADIAN BROADCASTING CORPORATION
TORONTO, ONTARIO
March 20-21, 2007**

PRESENT:

Mr. Robert Rabinovitch	President and CEO, Acting Chair
Ms. Johanne Brunet	
Mr. Bernd Christmas	
Ms. Hélène Fortin	
Mr. Peter Herrndorf	
Ms. Yasmin Jivraj	
Ms. Trina McQueen	
Mr. K. (Rai) Sahi	
Ms. Edna Turpin	

REGRETS:

Ms. Nezhat Khosrowshahi

ALSO ATTENDING:

Mr. Richard Stursberg, Executive Vice-President, English Television
Mr. Sylvain Lafrance, Executive Vice-President, French Services
Mr. George Smith, Senior Vice-President, Human Resources and Organization
Mr. Pierre Nollet, Vice-President, General Counsel and Corporate Secretary
Ms. Johanne Charbonneau, Vice-President and CFO
Mr. Michel Tremblay, Vice-President, Strategy and Business Development
Mr. Bill Chambers, Vice-President, Communications
Mr. Ray Carnovale, Vice-President and Chief Technology Officer
Mr. Michel Saint Cyr, President, Real Estate Division
Ms. Jennifer McGuire, Executive Director of Programming, English Radio
Ms. Meg Angevine, Compliance Officer and Assistant Corporate Secretary

Other participants as identified in the minutes.

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**356TH MEETING OF THE BOARD OF DIRECTORS OF THE
CANADIAN BROADCASTING CORPORATION
TORONTO, ONTARIO
March 20-21, 2007**

WAIVER OF NOTICE

The Board assembled for dinner on March 20 and agreed to constitute the dinner as an in camera meeting of the Board, all those present having waived proper notice of the meeting in accordance with the by-laws of the Corporation.

The Acting Chair, Mr. Robert Rabinovitch, called the meeting to order at 7:30 p.m.

IN CAMERA

s.21(1)(b)

ADJOURNMENT

The meeting adjourned at 10:00 p.m. on March 20, 2007

The meeting resumed at 8:30 a.m. on March 21, 2007.

APPROVAL OF MINUTES

On a motion duly moved and seconded,

IT IS RESOLVED THAT the minutes of the special meeting of the Board of Directors held on January 23, 2007 and the regular meeting of the Board of Directors held on January 24, 2007, be and are hereby approved.

MOTION CARRIED

ACTING CHAIR'S REPORT

Mr. Rabinovitch advised the Board that he had no new information regarding the vacancies on the Board but that a number of other Crown Corporations were also awaiting appointments to their Boards.

Mr. Rabinovitch welcomed Jennifer McGuire, Executive Director of Programming, English Radio, to the Board meeting, stating that she was attending on behalf of Jane Chalmers.

Mr. Rabinovitch proposed that the Committee membership be amended to appoint Edna Turpin as a member of the Audit Committee.

On a motion duly moved and seconded,

IT IS RESOLVED THAT, on the recommendation of the Acting Chair, the Board of Directors hereby approves the appointment of Edna Turpin as a member of the Audit Committee to serve until the next annual meeting of the Corporation (June 2007) or until a review of Committee membership is conducted, whichever is sooner.

MOTION CARRIED

Lastly, the Acting Chair reported that he had asked the Nominating and Governance Committee to consider the topic of Board compensation at its meeting in May with a view to bringing forward a recommendation to the Board, if the Committee deems it appropriate to do so.

PRESIDENT'S REPORT

PROGRAMMING AND MEDIA ISSUES

APPOINTMENT OF OMBUDSMAN, FRENCH SERVICES

The President announced the appointment of Julie Miville-Dechêne as CBC/Radio-Canada's French Services Ombudsman for a five-year term, commencing April 1, 2007. The President also provided details to the Board with respect to the selection process followed, the criteria considered, and the background of the successful candidate. Ms. Miville-Dechêne is the first woman to take up these duties at CBC/Radio-Canada and brings many qualities, including considerable experience as a journalist, to her new role.

GOVERNMENT/REGULATORY ISSUES

s.68.1

Funding

CBC/Radio-Canada has been assured by the Minister's office that the \$60M is secure for 2007-2008.

Mandate Review

CBC/Radio-Canada is appearing before the Heritage Committee tomorrow. Copies of the submission have been distributed to the Board.

Canadian Television Fund

Funding is secure for 2007-2008. CBC/Radio-Canada will be appearing before the CRTC Task Force, but the date is still unknown.

CRTC Hearings

Several important proceedings are scheduled, including one regarding Newsworld and RDI Mandatory Carriage on March 27 and another with respect to the Documentary Channel transaction on March 29.

MANAGEMENT ISSUES**PRESENTATION AND APPROVAL OF THE 2007-2008 OPERATING, WORKING CAPITAL AND CAPITAL BUDGET**

The Acting Chair called upon Johanne Charbonneau to present the 2007-2008 budget recommendations. Ms. Charbonneau referred Directors to the material provided in advance of the meeting, and indicated that, while she would only present the highlights of the document circulated, she welcomed questions from Directors about any aspect of the budget. Ms. Charbonneau then outlined the key components of her presentation, covering the following topics:

- Overview of 2007-2008 Corporate Priorities
- 2007-2008 Operating Budget
- 2007-2008 Working Capital Budget
- 2007-2008 Capital Budget and 2007-2008 to 2009-2010 Capital Investment Plan
- Risk Management – Key Risks and Action Plans for 2007-2008

Ms. Charbonneau commented that the corporate priorities have remained essentially unchanged for the last few years, other than adding the words 'on all delivery platforms' to clearly recognize the Corporation's multi-platform strategy for content.

Ms. Charbonneau then moved to the operating budget, reviewing the underlying assumptions before addressing the corporate summary of the proposed 2007-2008 budget, and the sources and allocation of funds.

Ms. Charbonneau reviewed the overall budget in the context of the relative revenue contributions from the various sources, noting that the Parliamentary appropriation represents approximately _____ of the total budget. This means that _____ of CBC's budget is funded by non-Parliamentary sources.

s.18(a)

s.18(b)

She continued with the highlights of the various media line budgets, providing the breakdown and analysis for the major areas of network programming, regional operations, departmental costs and revenue-generating services for French and English television. In the case of both radio services, the budgets are simpler and involve only two major areas, namely, network programming and regional operations, since support department costs are charged to and managed by the television networks.

Ms. Charbonneau outlined the key provisions of the Working Capital and Capital budgets and reviewed the three-year perspective for capital investment. In addition, she referred to the strategic directions encompassed in the capital investment plan, set out in detail in the material provided in advance.

Lastly, Ms. Charbonneau reviewed the risk management section of the material, highlighting the key risks and action plans for the Corporation. She noted that this material was considered in greater detail by the Audit Committee as part of its on-going role with respect to risk management and she added that the risk map would continue to evolve over time as the risk environment shifted, based upon changes and developments occurring both internally and externally.

s.21(1)(b)

On a motion duly moved and seconded,

IT IS RESOLVED THAT the Board of Directors hereby approves the 2007-08 Recommended Operating Budget of _____ (including CBC Newsworld and RDI); the Capital Budget of _____ ; and the Working Capital Budget of _____) as presented.

s.18(a)

s.18(b)

MOTION CARRIED

s.18(a)

s.18(b)

On motion duly made and seconded,

IT IS RESOLVED THAT the Board of Directors hereby approves

s.18(a)

s.18(b)

MOTION CARRIED

On motion duly made and seconded,

IT IS RESOLVED THAT the Board of Directors hereby approves

s.18(a)

s.18(b)

MOTION CARRIED

s.19(1)

CBC/RADIO-CANADA PENSION PLAN SURPLUS

Ms. Charbonneau reported that an actuarial valuation of the CBC/Radio-Canada Pension Fund was prepared as at December 31, 2006 and it disclosed a surplus in the plan both on a solvency basis and on a going concern basis

s.18(a)

The amount of the going concern surplus exceeds the threshold permitted under the Income Tax Act by Ms. Charbonneau outlined the options available to CBC/Radio-Canada as the Plan sponsor

s.18(b)

s.21(1)(b)

On motion duly made and seconded,

WHEREAS the CBC/Radio-Canada Pension Plan has a going concern surplus of \$1,000,000 as of December 31 2006, pursuant to an actuarial valuation prepared as of that date;

s.18(a)

s.18(b)

AND WHEREAS this amount exceeds the Income Tax Act threshold of \$1,000,000 (10% of going concern liabilities) by \$1,000,000;

AND WHEREAS in order for the CBC/Radio-Canada Pension Plan to remain a registered pension plan under the Income Tax Act, the Corporation cannot make any contribution to the Plan until the going concern excess has been reduced by \$1,000,000;

IT IS RESOLVED THAT the Board of Directors hereby authorizes and approves that the Corporation will take a pension contribution holiday for the balance of the calendar year 2007 and for a portion of the calendar year 2008, provided that the total value of such contribution holiday shall not exceed \$1,000,000.

s.18(a)

s.18(b)

MOTION CARRIED

Ms. Brunet, Mr. Herrndorf and Ms. McQueen rejoined the meeting.

s.68.1

Page 1759

**is withheld pursuant to section
est retenue en vertu de l'article**

68.1

**of the Access to Information Act
de la Loi de l'accès à l'information**

PRESENTATION FROM THE SPECIAL COMMITTEE ON PUBLIC SUPPORT

Johanne Brunet, Chair of the Committee, introduced the presentation. She briefly reviewed the history of the Special Committee and invited Mr. Herrndorf to elaborate further on some of the issues.

Mr. Herrndorf highlighted some of the key challenges facing CBC/Radio-Canada as well as the goals identified by the Special Committee. He then asked Bill Chambers to lead Board members through the presentation material circulated in advance of the meeting. The written document covered the following topics:

1. The genesis of the Special Committee
2. The work done to date – the *Listening to Canada's Leaders* project
3. The learning to date – key findings from the project
4. The next set of challenges for CBC/Radio-Canada
5. The proposal for Phase 2 – Stakeholder Relations 2007

Mr. Chambers summarized the work of the Special Committee to date, reviewing in some detail the conclusions emerging from the interviews with Canadian influencers. He noted that while these conclusions are subjective, they do reinforce the results of quantitative research conducted by CBC/Radio-Canada through the QRS survey.

He outlined the specifics of the proposed next steps, describing the three tracks:

1. Track 1 – Listening to Canada's Leaders Part II
2. Track 2 – Conversations with Canadians
3. Track 3 – The CBC Roundtables

Lastly, Mr. Chambers explained how each of the three tracks would contribute to the achievement of the goals identified and invited comments from Directors.

s.21(1)(b)

MATTERS ARISING FROM PREVIOUS MEETINGS

Mr. Herrndorf withdrew from the meeting.

s.18(b)

s.21(1)(d)

Mr. Herrndorf rejoined the meeting.

ANNUAL REPORT PRESENTATION

Bill Chambers referred to the draft text of the Annual Report circulated to the Board in advance of the meeting, stating that it had been prepared in accordance with the new approach approved by the Board at its November 2006 meeting.

Mr. Chambers described the overall theme as one of “*change and staying ahead of change*” and informed the Board that examples of the visual design for the report were on display in the meeting room. He emphasized that the text was in draft form only and would be reviewed by different groups before it was finalized and presented to the Board in May 2007. Mr. Chambers invited Board members to provide their comments to him in advance of the May Board meeting.

REPORT OF THE AUDIT COMMITTEE

Ms. H el ene Fortin, Chair of the Committee, presented the report. She reported on the following matters considered by the Committee:

UPDATE ON VISION PROJECT

s.18(a)

CONTENT OF BOARD PRESENTATIONS

The new guidelines for Board presentations prepared and circulated to senior management were shared with the Committee.

UPDATE ON ANNUAL ATTEST AUDIT

Pascale Legault of the Office of the Auditor General provided a brief update to the Committee on the status of the annual attest audit. She noted that the interim audit work was completed in February and advised that there were no issues for the Committee at the present time.

QUARTERLY FINANCIAL MANAGEMENT REPORT AT DECEMBER 31, 2006

Johanne Charbonneau presented to the Committee a summary of the actual-to-budget results for the third quarter ended December 31, 2006, as well as a forecast to the 2006-07 year end. The full report is included in the material distributed to all Board members. s.18(a)

Ms. Charbonneau reported that there was a variance in operations, compared with at the same time last year, reflecting that budgets continue to be tightly managed within limited resources. The year-end forecast is for a budgetary all of which is accounted for early in the 2007-08 year.

On the capital side, Ms. Charbonneau is forecasting a _____ at year end. If, however, the Vancouver land sale does not close by March 31st, the Corporation will be _____. She briefly outlined the circumstances that might prevent the sale from closing as planned and advised that the resulting _____ would be in the order of _____. Ms. Charbonneau added that she would discuss with the Office of the Auditor General the financial presentation issues that would arise if this deficit materializes.

QUARTERLY INTERNAL AUDIT REPORT

Mr. Barbour of Deloitte & Touche reported to the Committee that a total of eight audit reports and one management letter were issued during the period. No major issues were detected.

RISK MANAGEMENT

Johanne Charbonneau reported to the Committee on:

1. Review of 2006-2007 Key Risks
2. Key Risks and Action Plans for 2007-2008
3. Review of Insurance Coverage

APPROVAL OF INTERNAL AUDIT PLAN 2007-2008

Deloitte & Touche (Internal Audit) presented the plan to the Committee and it was approved as submitted.

UPDATE ON INTERNAL CONTROLS PROJECT

Stéphane Rivest, Director, Financial Systems, Processes & Training, provided an update to the Committee on the Internal Controls Project as of February 2007, reporting on the work completed to date with respect to the three components of the Project, as well as the revised timeframe for completion of all phases of the project and the project costs.

RATIFICATION OF ACTING CHAIR'S AND PRESIDENT AND CEO'S TRAVEL AND HOSPITALITY EXPENSES

The Committee ratified the expenses as reported in the summary.

APPOINTMENT OF MANAGING DIRECTOR/CEO - CBC/RADIO-CANADA PENSION PLAN

The Committee was informed of the appointment of Debra Alves as Managing Director/CEO of the CBC Pension Fund and details of the selection process followed were also provided.

2008 CALENDAR OF MEETINGS

The Committee approved its calendar of meetings for 2008 as presented.

The Acting Chair thanked Ms. Fortin for her report.

REPORT OF THE HUMAN RESOURCES AND COMPENSATION COMMITTEE

The Board met in camera, with Mr. Smith and Mr. Nollet present, to consider this report.

Edna Turpin, Chair of the Committee, presented the report. In her introductory comments, she explained that the Committee had reviewed and discussed certain compensation and incentive plans for various categories of employees and after consideration, recommended their approval by the Board.

MANAGEMENT & APS AND CONFIDENTIAL EMPLOYEES COMPENSATION RECOMMENDATIONS FOR 2007-2008

Confidential Employees Base Salary Increases

On a motion duly moved and seconded

IT IS RESOLVED THAT on the recommendation of the Human Resources and Compensation Committee the Board of Directors hereby approves (i) a 2.5% increase in the salary scales applicable to Confidential employees; (ii) a budget of 2.5% of payroll for salary scale increases for Confidential employees; and (iii) a budget of 1.7% of payroll for required salary adjustments to facilitate the movement of this employee population into the Management/APS pay bands. The budgetary approval requested enables implementation with an effective date of June 25, 2007, for a total of estimated cost of \$363K.

MOTION CARRIED

Management/APS Employees Base Salary Increases

On a motion duly moved and seconded

IT IS RESOLVED THAT on the recommendation of the Human Resources and Compensation Committee the Board of Directors hereby approves: (i) a 1.8% increase in the salary ranges applicable to Management/APS employees; (ii) a budget of 2.5% of payroll for a base salary review; and (iii) a budget of 1.0% of payroll to allow for movement within the salary ranges. The budgetary approval requested for the 2007-2008 salary review enables implementation for an effective date of June 25, 2007 at a total estimated cost of \$4.8 million.

MOTION CARRIED

Senior Management Incentive Plan

On a motion duly moved and seconded

IT IS RESOLVED THAT on the recommendation of the Human Resources and Compensation Committee the Board of Directors hereby approves the re-introduction of the Senior Management Incentive Plan ('In Tandem Plan') for eligible Management employees for the 2007-08 fiscal year at an estimated cost of This estimated cost assumes a plan payout at target for the eligible population as at January 29, 2007.

s.19(1)

MOTION CARRIED

Senior Management Incentive Plan Payout Budget

On a motion duly moved and seconded

IT IS RESOLVED THAT on the recommendation of the Human Resources and Compensation Committee the Board of Directors hereby approves an incentive plan payout budget, for the 2006-2007 performance year, of for the Senior Management Incentive Plan ('In Tandem Plan') on the assumption the plan will pay out at target for the eligible population as at January 29, 2007, with a payout date of July 19, 2007.

MOTION CARRIED

EXECUTIVE MANAGEMENT COMPENSATION AND INCENTIVE PLANS FOR 2007-2008

Executive Base Salary Increases

On a motion duly moved and seconded

IT IS RESOLVED THAT on the recommendation of the Human Resources and Compensation Committee the Board of Directors hereby approves a budget of _____ for Executive base salary increases with an implementation date of January 1, 2007 at an estimated cost of _____

MOTION CARRIED

Executive Incentive Plans

On a motion duly moved and seconded

IT IS RESOLVED THAT on the recommendation of the Human Resources and Compensation Committee the Board of Directors hereby approves the reintroduction of the "Executive Incentive Plan for Corporate Executives 2007-2008" and the "Executive Incentive Plan for Unit/Function Executives 2007-2008" at an estimated cost of _____. This estimated cost is based upon a plan payout at target for the current eligible population as at February 9, 2007.

MOTION CARRIED

Executive Incentive Plans Payout Budget

On a motion duly moved and seconded

IT IS RESOLVED THAT on the recommendation of the Human Resources and Compensation Committee the Board of Directors hereby approves an incentive plan payout budget, for the 2006-2007 performance year, of _____ for the "Horizon" plan and _____ to be paid out June 14, 2007. These requested budgets assume plans will pay out at target for the eligible population as at February 9, 2007.

MOTION CARRIED

PRESIDENT AND CEO'S OBJECTIVES

The President and CEO's objectives were discussed at the Committee meeting and were referred to the Board. At the Board meeting, changes to the objectives, based upon the discussion at the Committee meeting, were circulated. Following further consideration at the Board meeting, the objectives were approved.

On a motion duly moved and seconded

IT IS RESOLVED THAT the Board of Directors hereby approves the President and CEO's objectives for the 2007-2008 year as presented. A copy of the document as approved is filed with the original of these minutes as Exhibit A.

MOTION CARRIED

The Acting Chair thanked Ms. Turpin for her report.

Mr. Nollet and Mr. Smith left the meeting.

IN CAMERA SESSION

The Board met briefly in a further in camera session. There were no matters to report.

CONCLUDE

Having no further business to discuss, the meeting concluded at 4:10 p.m.

Acting Chair, President and CEO

Secretary

**Pages 1766 to / à 1767
are withheld pursuant to section
sont retenues en vertu de l'article**

68.1

**of the Access to Information Act
de la Loi de l'accès à l'information**

**SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE
CANADIAN BROADCASTING CORPORATION
MONTREAL, QUEBEC
January 23, 2007**

PRESENT:

Mr. Robert Rabinovitch President and CEO, Acting Chair
(Mr. Rabinovitch was in attendance for part of the meeting only)
Ms. Johanne Brunet
Mr. Bernd Christmas
Ms. H  l  ne Fortin
Mr. Peter Herrndorf
Ms. Nezhat Khosrowshahi
Ms. Edna Turpin

REGRETS:

Ms. Yasmin Jivraj
Ms. Trina McQueen
Mr. K. (Rai) Sahi

ALSO ATTENDING:

Mr. Pierre Nollet, Vice-President, General Counsel and Corporate Secretary
Ms. Johanne Charbonneau, Vice-President and CFO
Mr. Michel Tremblay, Vice-President, Strategy and Business Development
Ms. Meg Angevine, Compliance Officer and Assistant Corporate Secretary

Other participants as identified in the minutes.

**SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE
CANADIAN BROADCASTING CORPORATION
MONTREAL, QUEBEC
January 23, 2007**

The meeting was called to order at 1:15 p.m. on January 23, 2007.

PRESENTATION ON ENTERPRISE-WIDE RISK MANAGEMENT

Michel Maisonneuve, Engagement Partner, Deloitte & Touche LLP, (Manager, Internal Audit Services, CBC/Radio-Canada), Mr. Neil Brown, Deloitte & Touche LLP, and Michael Mooney, Senior Director, Corporate Finance and Administration, joined the meeting.

Mr. Maisonneuve and Mr. Mooney led a Board training session on key topics in enterprise risk management, focusing particularly on the following issues: (i) what is risk management, and why is there such emphasis on risk and risk management; (ii) what are the objectives of enterprise risk management; (iii) the roles, responsibilities and accountabilities for the Board, senior management, internal audit, and staff; (iii) risk management frameworks and the risk assessment process; and (iv) the specific structure and processes in place at CBC/Radio-Canada to manage risk.

Mr. Maisonneuve, Mr. Brown, and Mr. Mooney left the meeting.

PRESENTATION ON ACCOUNTABILITY AND PERFORMANCE REPORTING

Steven Guiton, Executive Director, Strategy and Government Relations, and Stan Staple, Director, Research Department, joined the meeting.

Mr. Tremblay, Mr. Guiton and Mr. Staple offered a Board training session on Accountability and Performance Reporting. Topics addressed included: (i) Observations from the 2005 Special Examination; (ii) CBC/Radio-Canada's accountability to government and to the Canadian public; (iii) how performance is measured; (iii) the linkage between corporate priorities and performance indicators; and (iv) specific examples of measurement tools (performance indicators) for each corporate priority.

Due to time constraints, the presentation could not be completed in the time available and will resume at the March meeting of the Board.

The meeting concluded at 4:30 p.m. on January 23, 2007.

Acting Chair, President and CEO

Secretary

Board of Directors
(June 20, 2006)

Subject matter

Annual Report 2005-2006

Background

Please find attached for information purposes the Corporation's draft Annual Report 2005-2006.

Information on the matter

Please see attached document.

For Information ■

Prepared by

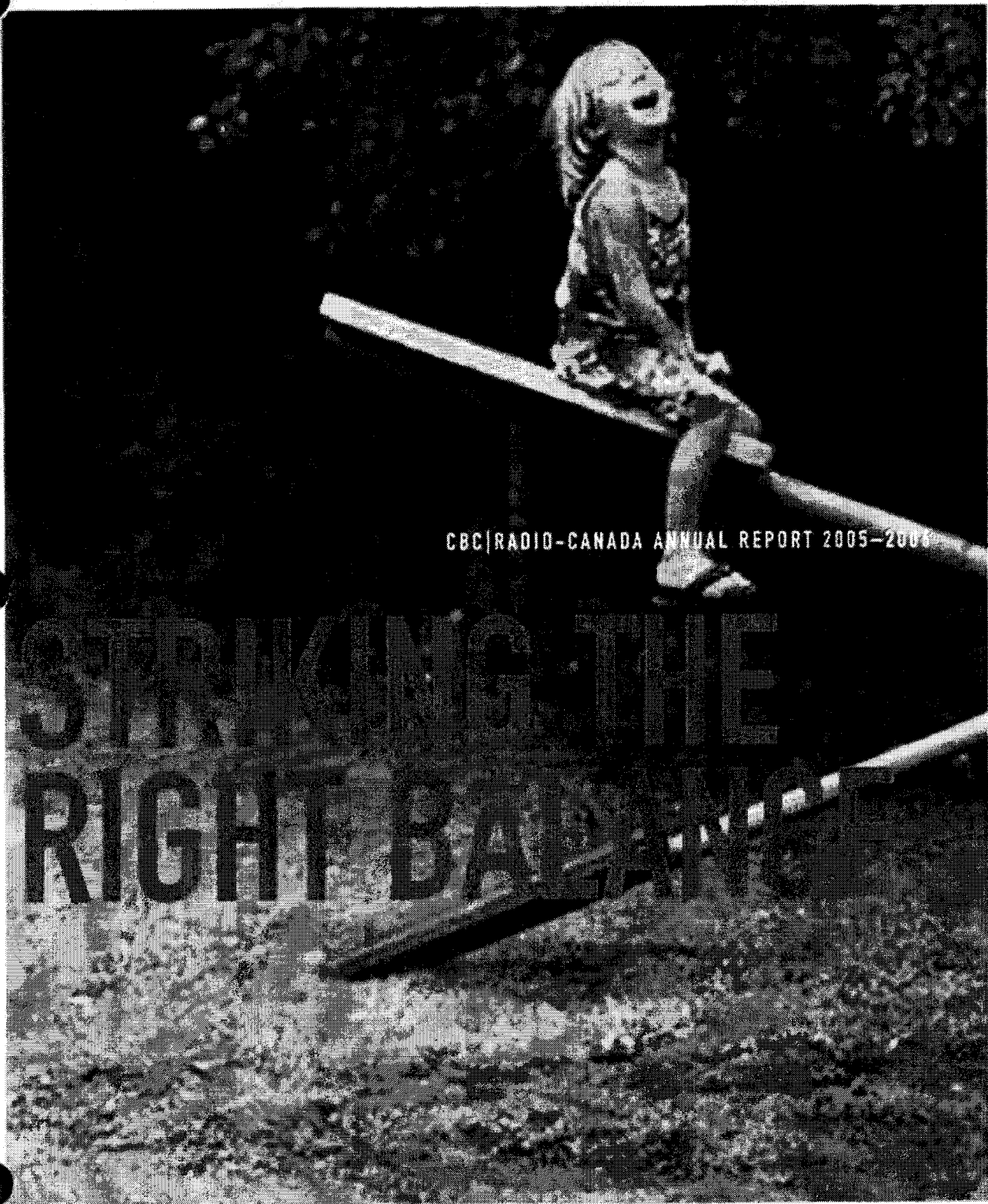
Name: Bill Chambers
Date: June 7, 2006

Management recommendation

For information only.

Next steps

Corporate Communications will continue to finalize the Annual Report.



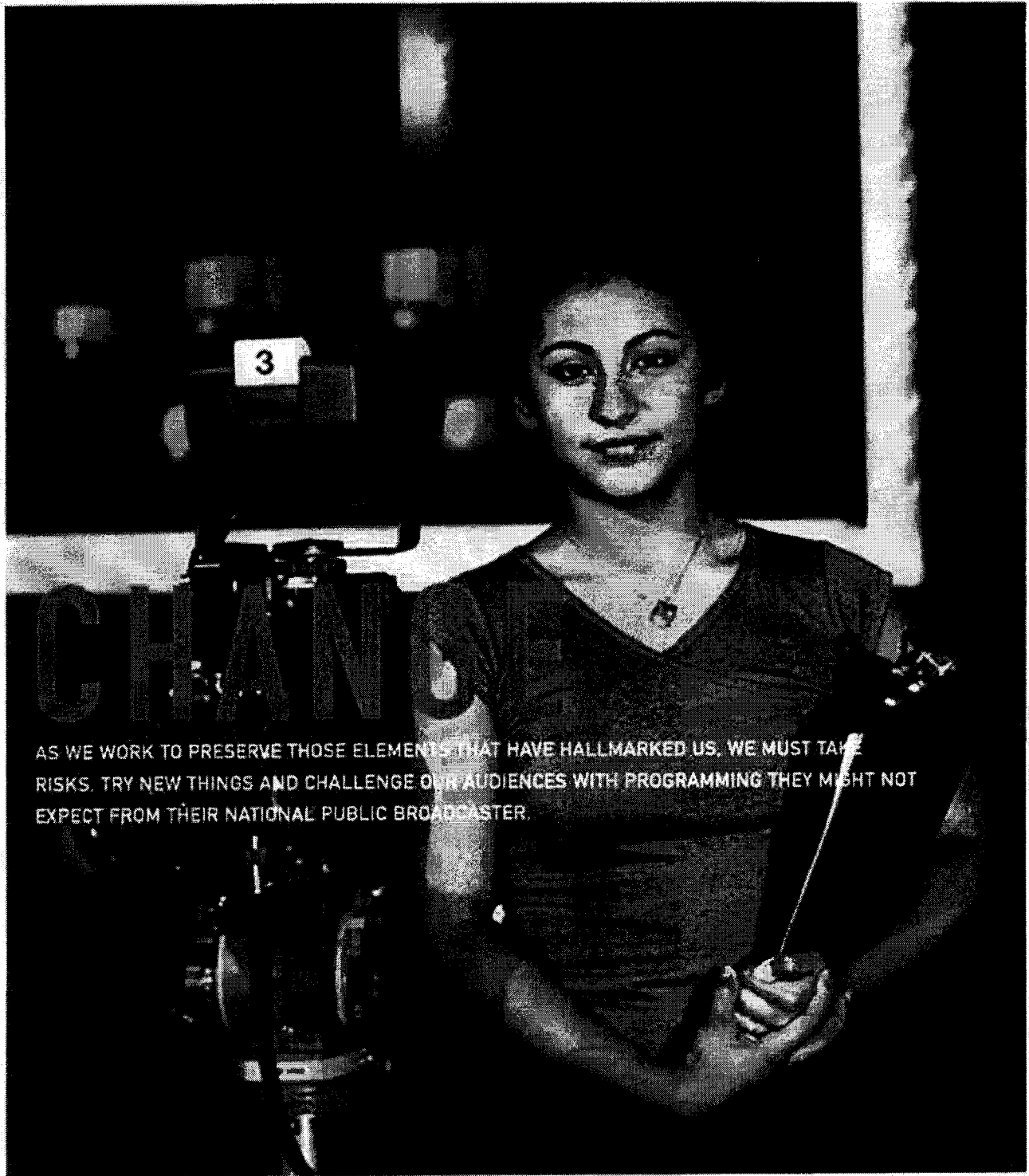
CBC | RADIO-CANADA ANNUAL REPORT 2005-2006

STRIKING THE RIGHT BALANCE

CONTINUITY

THROUGHOUT CBC | RADIO-CANADA'S 70-YEAR HISTORY, THE CORE OF OUR MANDATE HAS NOT CHANGED. TO OFFER DISTINCTIVE CANADIAN PROGRAMMING THAT REFLECTS THE RICHNESS AND DIVERSITY OF CANADA, ITS REGIONS AND ITS PEOPLE, AND THAT HELPS SHAPE CANADIAN IDENTITY.

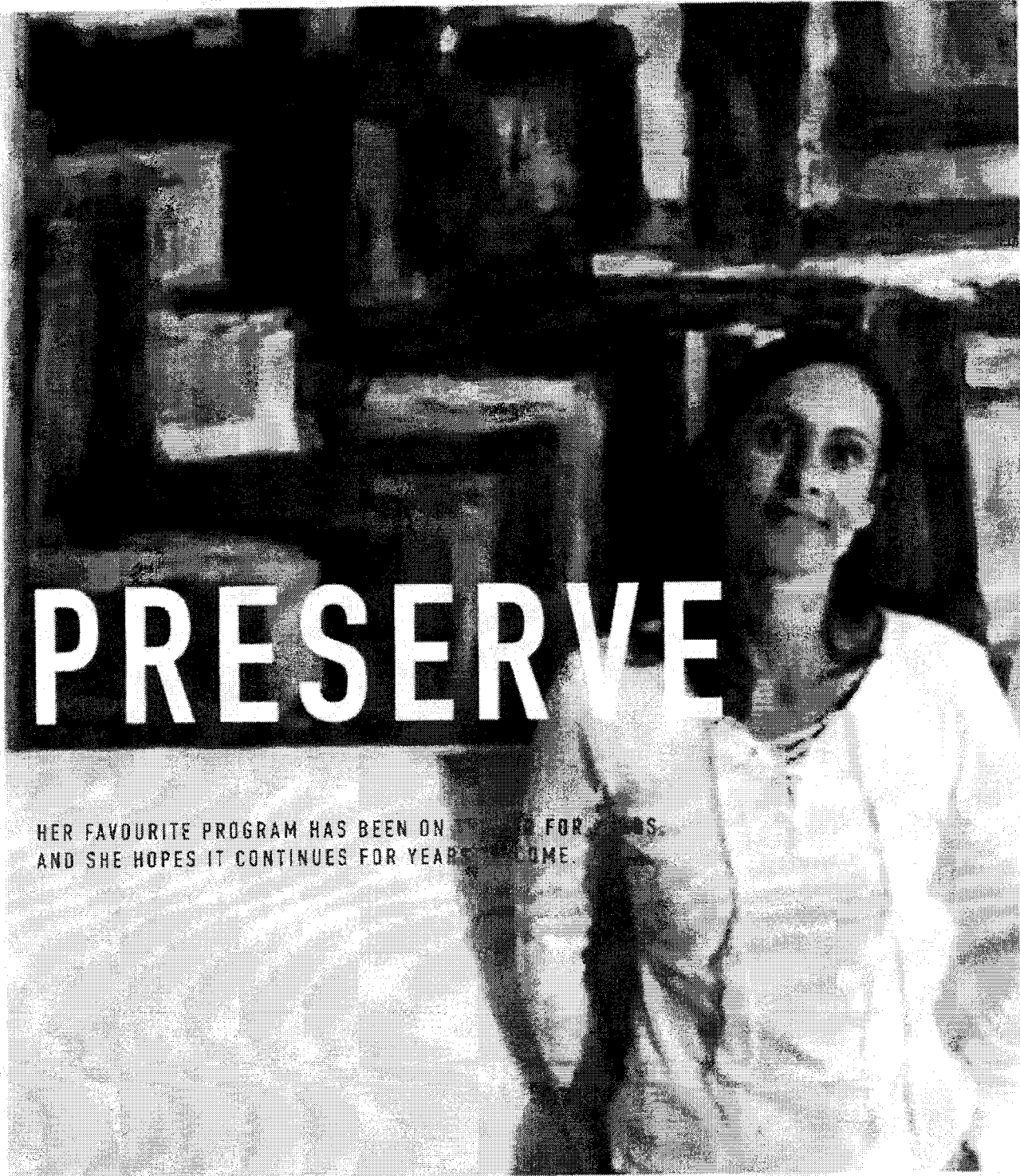
WHILE OUR MANDATE REMAINS THE SAME IN ESSENCE, CANADA'S DEMOGRAPHIC MAKEUP CONTINUES TO CHANGE. THE NEEDS AND INTERESTS OF OUR AUDIENCES CONTINUE TO EVOLVE, AND NEW TECHNOLOGIES EMERGE CONSTANTLY. TO REMAIN RELEVANT, CBC | RADIO-CANADA ALSO MUST EVOLVE WITH, EVEN AHEAD OF, OUR AUDIENCES' NEEDS, AND ADAPT TO THE POSSIBILITIES PRESENTED BY EMERGING TECHNOLOGIES.



AS WE WORK TO PRESERVE THOSE ELEMENTS THAT HAVE HALLMARKED US, WE MUST TAKE RISKS. TRY NEW THINGS AND CHALLENGE OUR AUDIENCES WITH PROGRAMMING THEY MIGHT NOT EXPECT FROM THEIR NATIONAL PUBLIC BROADCASTER.

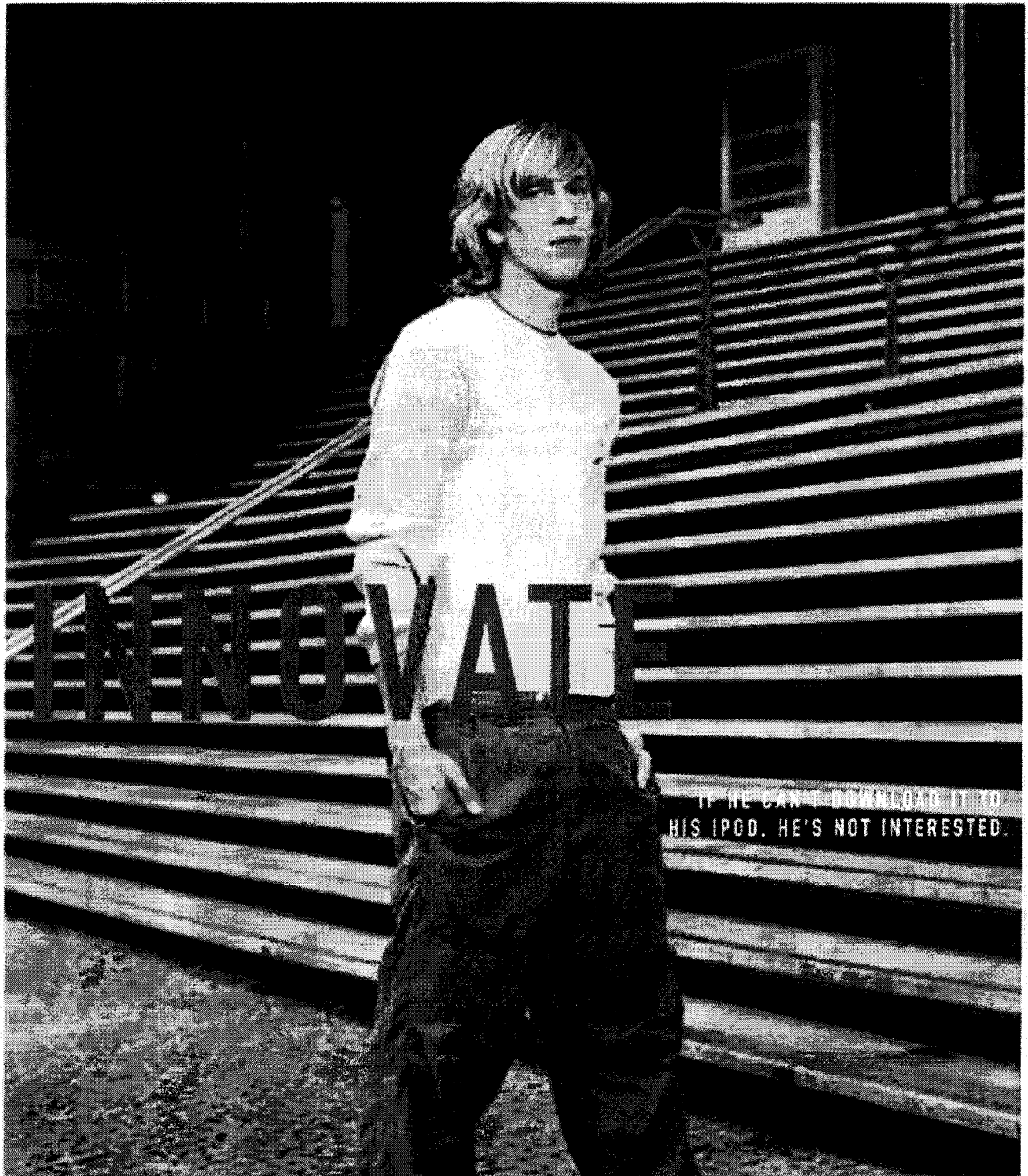


BALANCING OUR PAST. EMBRACING THE FUTURE TO REMAIN RELEVANT, CBC | RADIO-CANADA NEEDS TO REACH MORE CANADIANS IN MORE WAYS, PROVIDING THEM WITH THE NEWS, INFORMATION AND



HER FAVOURITE PROGRAM HAS BEEN ON THE AIR FOR YEARS, AND SHE HOPES IT CONTINUES FOR YEARS TO COME.

ENTERTAINMENT PROGRAMMING THEY WANT — WHEN, WHERE AND HOW THEY WANT IT. AT THE SAME TIME.
WE NEED TO RETAIN THE QUALITIES THAT HAVE EARNED THE LOYALTY OF OUR TRADITIONAL AUDIENCES.



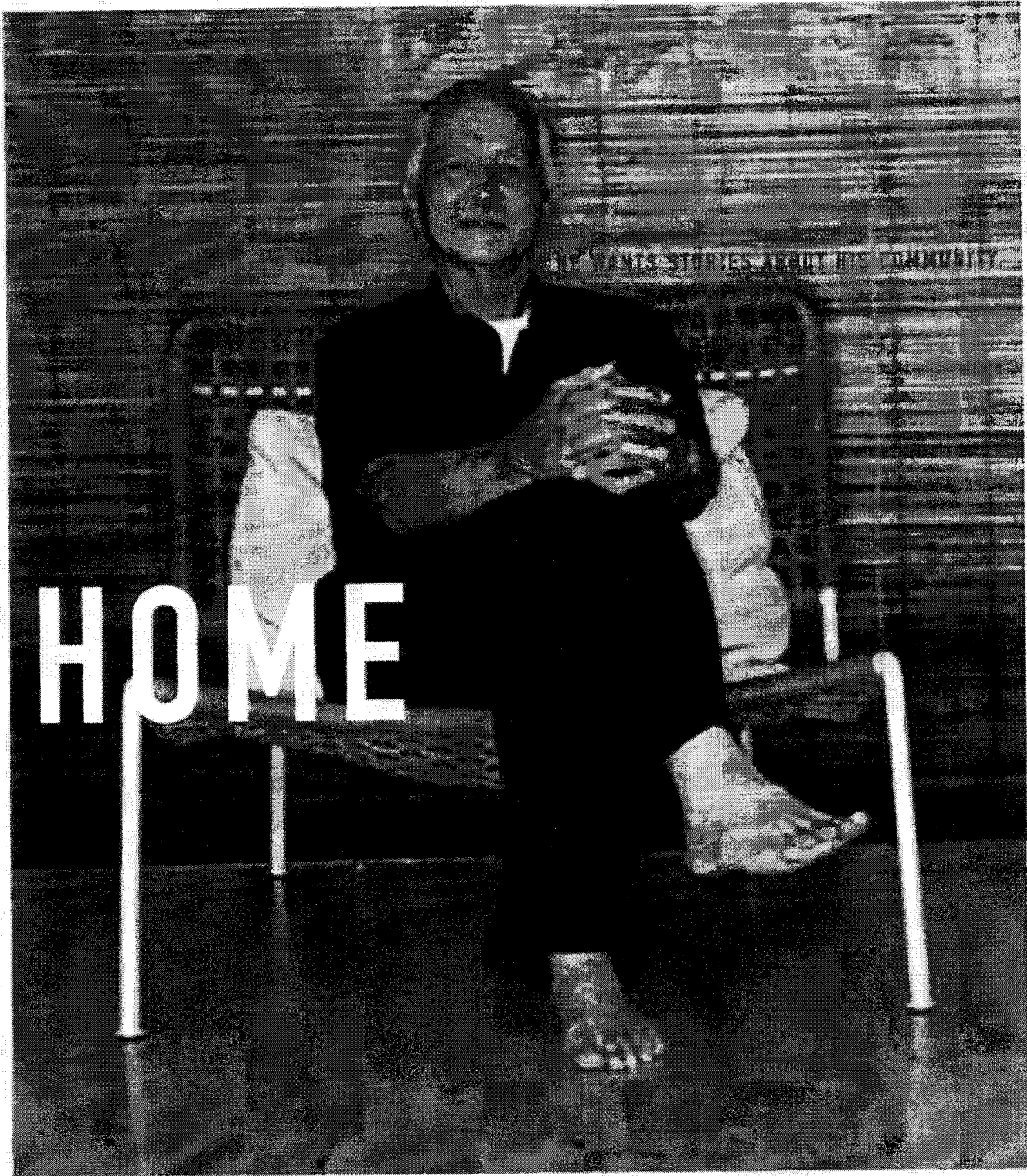
IF HE CAN'T DOWNLOAD IT TO
HIS IPOD, HE'S NOT INTERESTED.

STRIKING THE RIGHT BALANCE

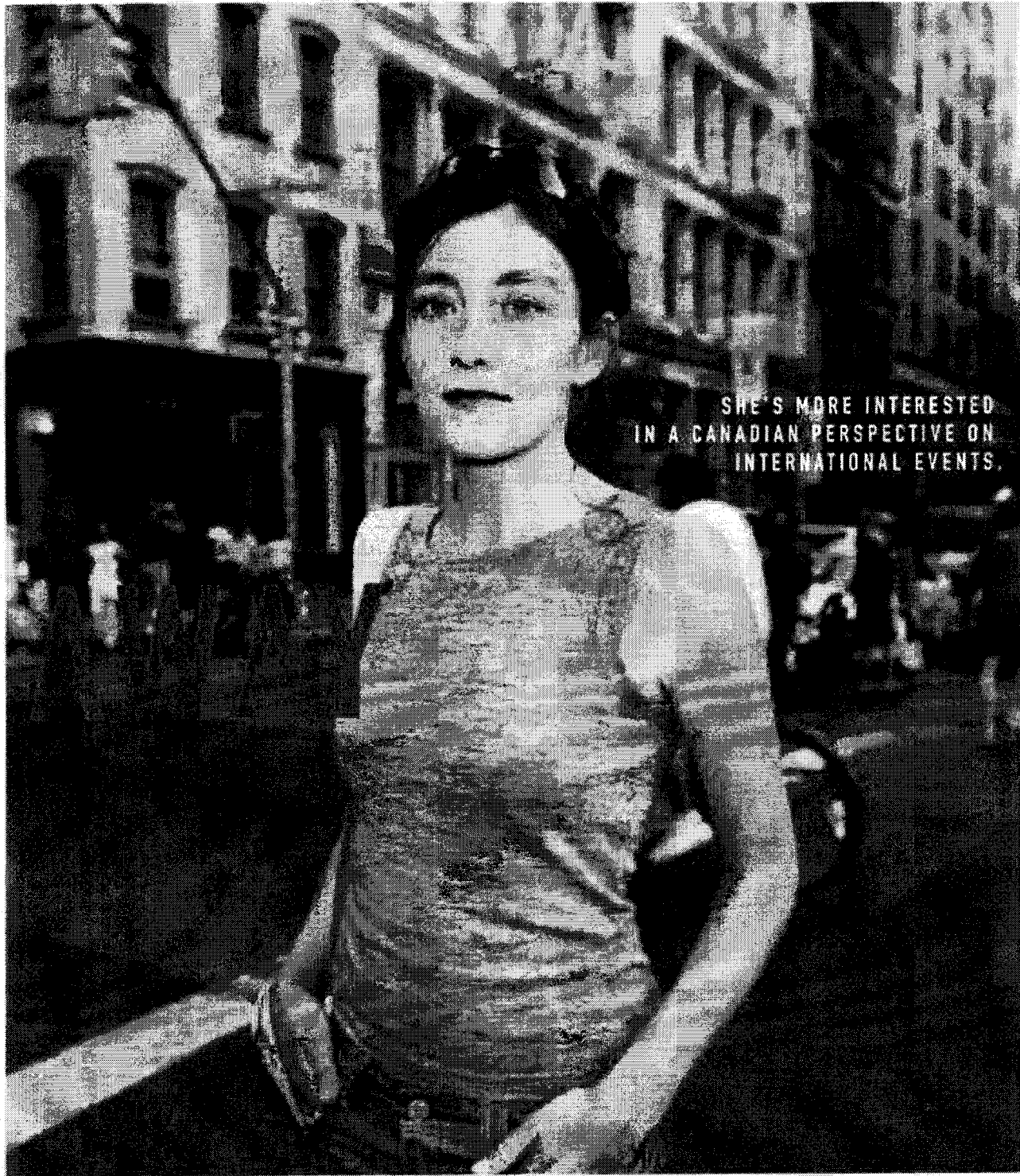


CBC | RADIO-CANADA ANNUAL REPORT 2005-2006

REFLECTING CANADA TO CANADIANS. AND TO THE WORLD AS CANADA'S NATIONAL PUBLIC
BROADCASTER, CBC | RADIO-CANADA REFLECTS THE COUNTRY'S CULTURAL AND REGIONAL DIVERSITY WHILE AT



THE SAME TIME BRINGING CANADIANS TOGETHER THROUGH EXPRESSIONS OF SHARED VALUES AND ASPIRATIONS.
IN AN ERA OF GLOBALISATION, WE ALSO BRING THE WORLD TO CANADIANS. AND CANADIANS TO THE WORLD.



SHE'S MORE INTERESTED
IN A CANADIAN PERSPECTIVE ON
INTERNATIONAL EVENTS.

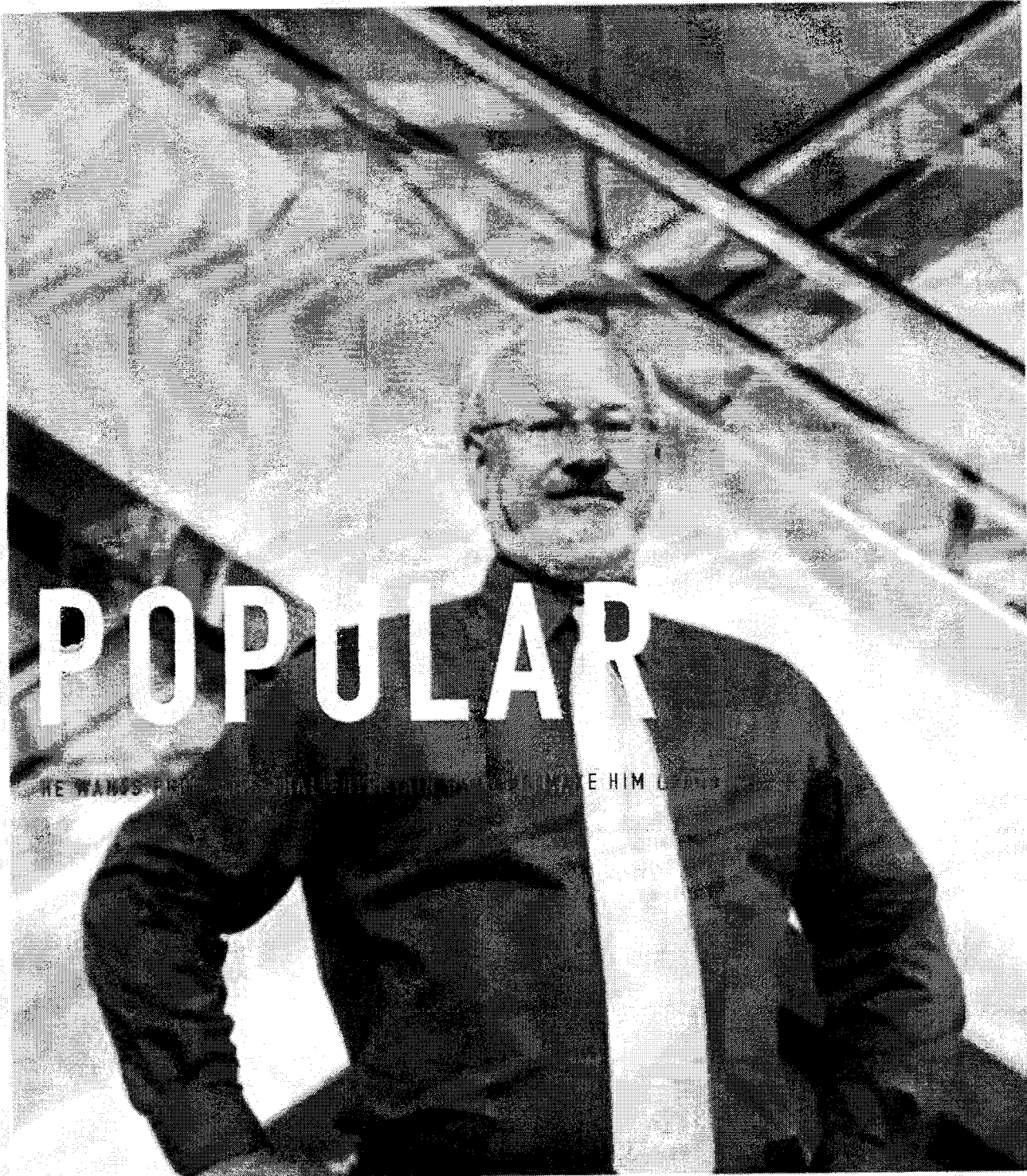
STRIKING THE RIGHT BALANCE



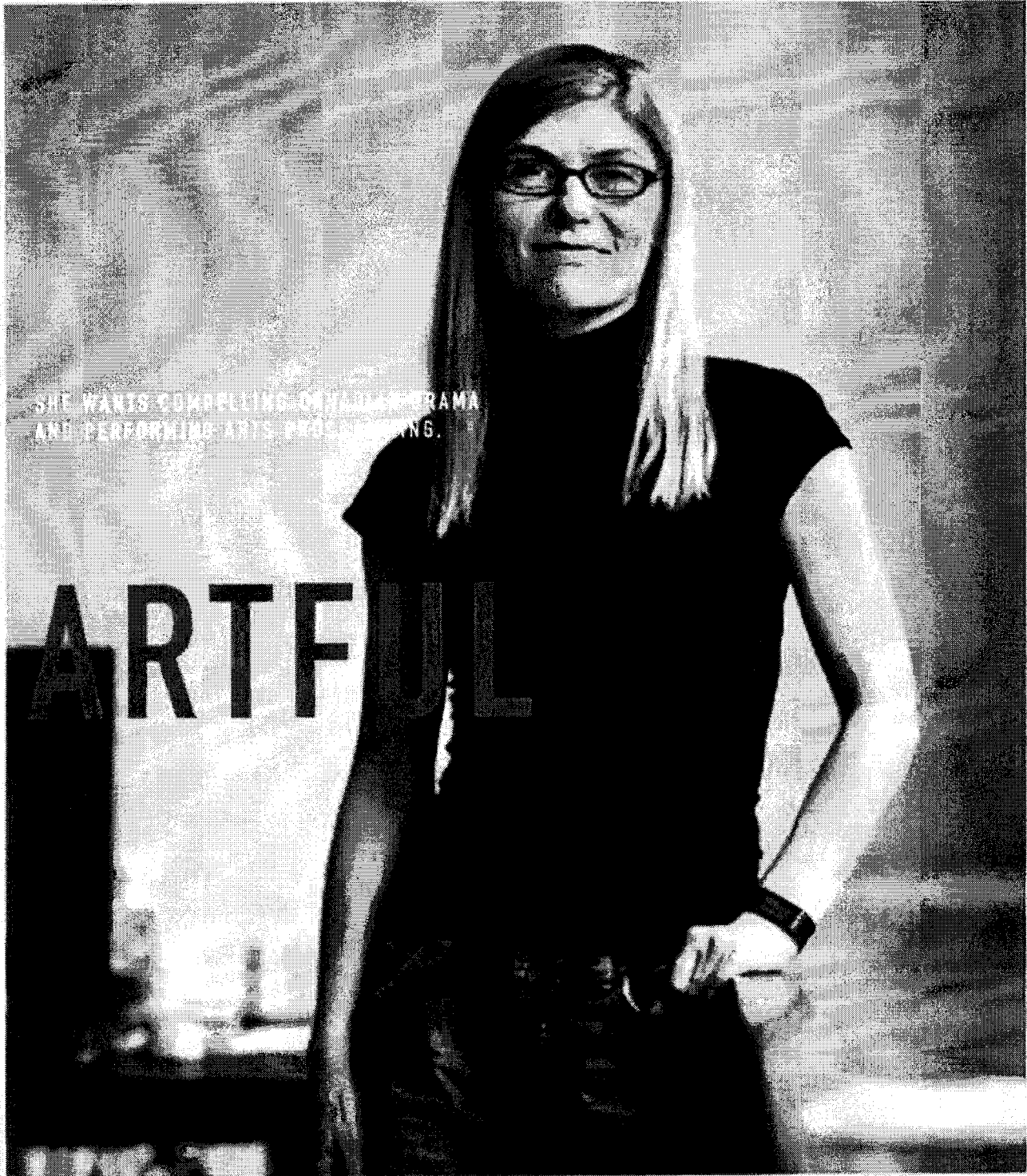
CBC RADIO-CANADA ANNUAL REPORT 2005-2006

WHY NOT BOTH?

AS THE NATIONAL PUBLIC BROADCASTER, WE HAVE A MANDATE TO SERVE ALL CITIZENS WITH A RANGE OF DISTINCTIVE CANADIAN PROGRAMMING THAT INFORMS, ENLIGHTENS AND ENTERTAINS. FROM NATION-BINDING EVENTS LIKE THE OLYMPICS AND HOCKEY, TO DRAMA AND PERFORMING



ARTS PROGRAMS THAT CANADIANS WON'T FIND ANYWHERE ELSE AND IN-DEPTH COVERAGE OF NATIONAL AND INTERNATIONAL EVENTS. CBC | RADIO-CANADA IS THE PLACE CANADIANS TURN TO FOR COMPELLING CANADIAN STORIES AND PERSPECTIVES.



SHE WANTS COMPELLING CANADIAN DRAMA AND PERFORMING ARTS PROGRAMMING.

ARTFUL

STRINGING THE RIGHT BALANCE



CBC RADIO-CANADA ANNUAL REPORT 2005-2006

BALANCE IS CHALLENGING.

BALANCE IS ESSENTIAL.

STRIKING THE RIGHT BALANCE



CBC/RADIO-CANADA ANNUAL REPORT 2005-2006

PRESIDENT'S MESSAGE

The broadcasting industry thrives on creativity, renewal and risk-taking, and 2005–2006 offered plenty of each. From new programs and personalities, to new technologies and platforms, the past year was one of tremendous change and I am very proud to say that CBC|Radio-Canada was at the forefront of much of the most exciting broadcasting news for Canadians.

- ▶ In December we launched the satellite radio service Sirius Canada, expanding our reach to audiences in the US and to all Canadians, no matter where they live in this country. Of the 10 Canadian channels carried by the service, six are provided by CBC|Radio-Canada;
- ▶ In February, our Television services provided more than 1,300 hours of coverage of the 2006 Turin Winter Olympic Games including, for the first time in Canada, content that was available for viewing on cell phones;
- ▶ Our Radio services maintained their leadership positions in markets across Canada and, as in the case of CBC Radio One, we enhanced our presence in a number of local markets, providing more Canadians with the local information service they require. In June 2005, Radio de Radio-Canada's BBM results marked the first time that the Première Chaîne's audience reached one million listeners;
- ▶ Our French Radio service Espace musique had a remarkable first year on air with Fall BBM results of 2.5 per cent confirming the appetite Canadians have for the kind and range of musical diversity that only a public broadcaster can deliver;
- ▶ While *CBC.ca* and *Radio-Canada.ca* remained among the country's top news and information websites, they also became one of the places Canadians go to download some of their favourite programs for listening to on their iPods or MP3 players. These devices are attracting large new audiences to CBC|Radio-Canada. In fact, this year there were one million individual podcast downloads of CBC Radio information and music programming, primarily from the 18 to 34-year-old group.

While these are just a few of the things we have to be proud of this year, they serve to reflect our efforts to evolve with – if not ahead of – the changing needs and interests of our audiences. To stay relevant we must continue to provide them not just with more of the Canadian News, information and entertainment programming they want, but also to provide it to them when, where and how they want it.

Our ability to do that, of course, is in part linked to the resources we have. Securing stable, multi-year funding for CBC|Radio-Canada remains one of our greatest challenges. Unfortunately, this comes at a time when the Corporation is faced with uncertainty around a number of key revenue sources, including the \$60 million in additional funding we have received from the Government for programming initiatives in each of the last five years. In 2005–2006, we continued to do our part to find funding internally through operating efficiencies and new revenues. But it is not enough.



While efficiencies and adequate funding are just two of the conditions required for our future success, we must also renew the ways in which we operate. To that end, in February 2006, CBC Television announced a new approach to program development and commissioning with the objective of making CBC Television the most important and popular video platform for Canadian News, Current Affairs, and entertainment programming in English Canada.

In September 2005, we brought the leadership for our French services under the auspices of a single office. Creating an integrated management structure allows us to develop an overall vision for our French services and to optimise our production resources. The end result will be a stronger, more comprehensive and consistent public broadcaster for our audiences.

While we had much to celebrate, we were faced also with a number of challenges. Beyond inflation we continued to be faced with rising production costs, among other financial pressures. Audience fragmentation remains an issue not just for CBC | Radio-Canada, but for all broadcasters. I also cannot neglect to mention the labour dispute with the Canadian Media Guild (CMG). While it was difficult, the end result is a collective agreement that positions the Corporation for the coming years to recruit the best and the brightest creative talent in Canada and to challenge and inspire our employees, matching their talents to the task at hand. The real beneficiaries, though, are Canadians who will see and hear more diverse and improved programming on our airwaves and online, as a result. We are also pleased that we reached agreements with our two major Unions in the French file, STARE and SCRC.

Looking to the future, it is clear that we have work to do across all of our services in order to succeed. We need to take more risks and break down the structures that slow down decision-making, limit our access to the best talent and diminish our ability to innovate. As this year has shown, new technologies will continue to emerge and audiences will be presented with even more ways of receiving, accessing and interacting with programming content. These are reasons for, not against, a strong vibrant public broadcaster and we will continue our efforts to reinvigorate and renew CBC | Radio-Canada so that its future is as bright as its past.

Over the course of the next year there will be numerous opportunities for a discussion — with the Government, the CRTC and with Canadians — on the role, place and needs of the country's national public broadcaster. We will participate fully and actively in any discussion that allows us to articulate our thoughts on these important questions.

Finally, it is my pleasure to offer sincere thanks to our employees who have contributed to CBC | Radio-Canada's success over the past year. I also thank the Board of Directors for its ongoing support of our strategic directions and objectives. In today's multi-channel world, the road for a public broadcaster is not always an easy one and the Board's commitment, passion and creativity instills in me a confidence that we are equipped to take on whatever challenges and opportunities lie ahead.



ROBERT KALINOVITCH
PRESIDENT AND CEO

32
MILLION CITIZENS

27
SERVICES

1
VISION

CHAIRMAN'S MESSAGE

It was not without apprehension that I accepted to chair CBC | Radio-Canada's Board of Directors. The responsibility of leading the Board of the country's largest cultural institution simply seemed beyond my capabilities. Yet, since October 2005, I have been settling into my duties.

CBC | Radio-Canada has played a defining role in my professional life. I began my career as a journalist here in 1958, and went on to pursue another career as a writer. I freelanced exclusively for CBC | Radio-Canada until 1980, when I took up hosting and writing duties in private television, and then became a broadcaster when I launched a second private French-language television network. This lengthy foray into the private sector helped me understand CBC | Radio-Canada's vital leadership role in setting benchmarks for quality that have kept Canadian radio and television at the top of the game.

For instance, thanks to Télévision de Radio-Canada, we were able to begin talking about culture in Québec. It was neither American nor French, but French-speaking North American. It could ensure the cultural survival of French speakers in and outside Québec, for whom French-language television and radio were, and still are, a daily staple. In French-speaking Canada, television was the catalyst for a social and cultural explosion, the preferred – often sole – means of expression for our artists and writers, and the spark that ignited cultural self-fulfilment.

By reflecting our diversity, celebrating our achievements, and constantly asking questions, CBC | Radio-Canada has helped shape our country, building bridges between the regions and communities much like the railway did over a century ago.

Today, CBC | Radio-Canada is at a crucial juncture. Canada's audiovisual landscape has greatly changed, and many more changes loom on the horizon for the coming years. Canada has also changed. Its demographics have shifted, along with its centres of gravity and decision-making. The West has become just as important as Ontario and Québec. Alberta's gas and oil riches, coupled with emerging trade opportunities in Asia, will only strengthen this trend.

Our primary challenge lies in reflecting this new reality, and we must rise to it if we want to remain relevant. Through its News, Current Affairs and entertainment programming, CBC | Radio-Canada must ensure that all Canadians find a place in society, while living their lives well-informed and in a spirit of cooperation. CBC | Radio-Canada must also help develop social cohesion so that our minority and majority groups can join forces to secure social and economic progress for Canada.

The time is particularly ripe, therefore, to reflect on the public broadcaster's role and mandate. Do we want a healthy Canadian culture on our airwaves? Do we want to preserve a broadcasting space for our own voices and ideas where we can showcase our homegrown talent and individuality, and where we can continue helping to write the great Canadian story every day?

CBC | Radio-Canada has been driving our culture and striking a balance between the country's varied interests since 1936. Far from waning, I believe our role is growing more important with each passing day. Because the country is becoming more complex, it is more difficult to find solutions for the issues we face, and the proliferation of communications and information platforms only reaffirms the need for a coherent, responsible public broadcaster that values integrity.

In closing, I would like to sincerely thank all members of CBC | Radio-Canada's Board of Directors. Each has made invaluable contributions throughout the year, and I know that our public broadcaster and Senior Management can rely on each of them.



A handwritten signature in black ink, which appears to read "Guy Fournier". The signature is fluid and cursive.

GUY FOURNIER
CHAIRMAN, BOARD OF DIRECTORS

BOARD OF DIRECTORS

MEMBERS OF THE BOARD OF DIRECTORS

Guy Fournier c.m.
Chairman, Board of Directors
Saint-Paul d'Abbotsford, Québec

Robert Rabinovitch
President and CEO
Ottawa, Ontario

Johanne Brunet
Marketing Professor
École des Hautes Études
commerciales
Montreal, Québec

Bernd Christmas
Chief Executive Officer
Membertou Band
Membertou, Nova Scotia

Hélène F. Fortin
Partner
HLA Chartered Accountants
Longueuil/Brossard, Québec

Peter Herrndorf
President and CEO
National Arts Centre
Ottawa, Ontario

Yasmin Jivraj
President and Co-owner
Acjodes
Edmonton, Alberta

Nezhat Khosrowshahi
Invest Investments Inc.
Vancouver, British Columbia

Howard McNutt
Partner
Gelugh + Company
Halifax, Nova Scotia

Trina McQueen
President
Hutton-Belleville Inc.
Toronto, Ontario

K. (Ravi) Sahi
Chairman and CEO
Morguard Corporation
Toronto, Ontario



VISION, MISSION, VALUES

VISION CONNECTING CANADIANS THROUGH COMPELLING CANADIAN CONTENT. MISSION TO CREATE AUDACIOUS, DISTINCTIVE PROGRAMMING. PROGRAMS DESIGNED TO INFORM, ENLIGHTEN AND ENTERTAIN.

VISION, MISSION, VALUES

PROGRAMS THAT REFLECT CANADIANS AND CANADA'S REGIONS. PROGRAMS THAT HELP TIE THE COUNTRY TOGETHER AND EXPLAIN GREAT NATIONAL AND INTERNATIONAL EVENTS. PROGRAMMING IN ALL GENRES WITH EMPHASIS ON NEWS AND CURRENT AFFAIRS, DRAMA AND CULTURE; AND NOT FORGETTING OUR SPECIAL RESPONSIBILITY TO CHILDREN

CORE VALUES

- ▶ SERVING THE CANADIAN PUBLIC
- ▶ A CULTURE THAT IS DRIVEN TO ACHIEVEMENT
- ▶ A CREATIVE ORGANISATION IN CONTINUOUS RENEWAL
- ▶ WORKING TOGETHER

CORPORATE PRIORITIES

- ▶ HIGH-QUALITY, DISTINCTIVE CANADIAN PROGRAMMING | ENSURE DISTINCTIVE PROGRAMMING OF THE HIGHEST QUALITY. | RECOGNISE THE IMPORTANCE OF REGIONAL REFLECTION AND OF THE CHANGING FACE OF CANADA. | ENSURE THE SUSTAINABILITY OF CBC | RADIO-CANADA'S CANADIAN SCHEDULES.
- ▶ EFFICIENCY | DEMONSTRATE THAT CBC | RADIO-CANADA IS A WELL-MANAGED COMPANY AND GENERATE CASH FLOW TO RE-INVEST IN PROGRAMMING.
- ▶ CREATIVE & HUMAN RESOURCES | STRENGTHEN CBC | RADIO-CANADA'S COMMITMENT TO ALL ITS EMPLOYEES - TO THOSE WHO CREATE AND THOSE WHO SUPPORT THEM.
- ▶ STRATEGIC PARTNERSHIPS | POSITION CBC | RADIO-CANADA TO ENHANCE ITS ABILITY TO FULFIL ITS MANDATE THROUGH SELECTIVE ALLIANCES AND PARTNERSHIPS.
- ▶ COLLABORATION | REINFORCE THE CAPACITY OF CBC | RADIO-CANADA TO WORK AS ONE INTEGRATED COMPANY.
- ▶ STRONG STAKEHOLDER RELATIONS | ENHANCE/STRENGTHEN CBC | RADIO-CANADA'S STAKEHOLDER RELATIONSHIPS.

CORPORATE PRIORITIES



KEY PERFORMANCE INDICATORS

CBC | RADIO-CANADA USES PROGRAMMING PERFORMANCE INDICATORS TO ENSURE THAT IT IS CONTINUING TO PROVIDE CANADIANS VALUE FOR THE MONEY THEY HAVE INVESTED IN THEIR NATIONAL PUBLIC BROADCASTER.

Specifically, CBC | Radio-Canada monitors and evaluates the views and viewing, listening and surfing habits of Canadians to ensure that it is providing them with programming to their satisfaction and that meets their needs. On the opposite page are examples of the objectives of each of CBC | Radio-Canada's media lines, as well as the indicators used by the Corporation to measure its performance against those objectives.

CORPORATE DASHBOARD

We are in the process of implementing additional performance indicators which will be linked to our Corporate priorities, as a means of further enhancing our planning process and increasing the effectiveness of the Corporation's overall operations. During this fiscal year, we worked to create a Corporate "dashboard" — a comprehensive summary of operational performance measures — that will be used to monitor key performance indicators and provide senior managers with information and alerts on the organisation's performance, measured against the Corporation's strategic objectives. Our English- and French-language networks already use dashboards to assist in managing their business. We are now building on their efforts in order to produce a Corporate-wide dashboard, the results of which will be published in upcoming Annual Reports.

OVERALL MEASURES OF PERFORMANCE

PERFORMANCE MEASURE	2005-2006	2004-2005	2003-2004	2002-2003	2001-2002
Productivity	87%	85%	84%	83%	86%
Customer Satisfaction	90%	87%	86%	84%	80%
Operating Costs	88%	85%	87%	86%	87%

(Source: QRS 2005, QRS 2006)

MEASURES OF PERFORMANCE RELATED TO MEDIA COMPONENTS

SERVICE AND OBJECTIVE	PERFORMANCE INDICATOR	RESULTS		
		2005-2006	2004-2005	2003-2004
CBC TELEVISION Provide audiences with distinctive Canadian English-language Television programming of the highest quality.	PRIME TIME SHARE (Source: Nielsen Research, September-March) (Source: CBS)	7.5%	6.9%	7.1%
TÉLÉVISION DE RADIO-CANADA Provide audiences with distinctive Canadian French-language Television programming of the highest quality.	PRIME TIME SHARE (Source: BSM, September-March, PPM*) (Source: CBS)	8.7%	8.7%	12.2%
CBC RADIO Provide audiences with distinctive Canadian English-language Radio programming of the highest quality.	RADIO ONE AUDIENCE SHARE (Source: BBM Sweeps) RADIO TWO AUDIENCE SHARE (Source: BBM Sweeps) (Source: CBS)	8.0% (Fall) 3.5% (Sweeps)	10.9% (Fall) 3.6% (Sweeps)	8.1% (Fall) 3.2% (Sweeps)
RADIO DE RADIO-CANADA Provide audiences with distinctive Canadian French-language Radio programming of the highest quality.	PREMIÈRE CHAÎNE AUDIENCE SHARE ESPACE MUSIQUE AUDIENCE SHARE CHAÎNE CULTURELLE AUDIENCE SHARE (Source: BBM Fall Sweeps) (Source: CBS)	12.8% (Fall) 7.4% (Fall)	12.1% (Fall) 10.1% (Fall)	8.3% (Fall) 11.1% (Fall)

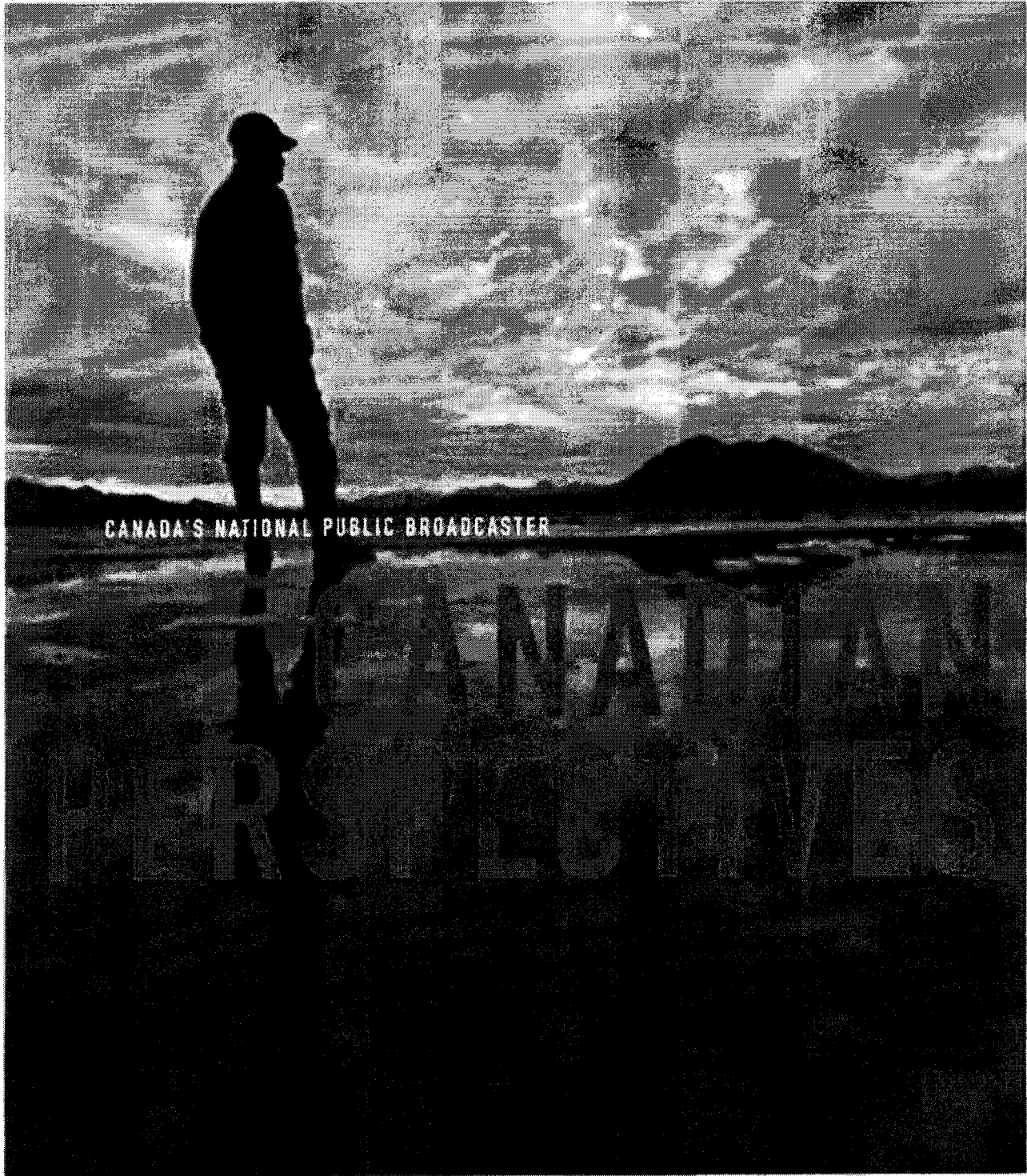
SERVICE AND OBJECTIVE	PERFORMANCE INDICATOR	RESULTS		
		2005-2006	2004-2005	2003-2004
CBC.CA Provide users with timely, trustworthy and comprehensive online Canadian content in English.	USAGE - Canadian unique visitors from home (Source: comScore Media Matrix) (Source: CBS)	CBC.ca was among the top three news and media sites in Canada, 2,341,000 unique visitors from home each month.	CBC.ca was among the top three news and media sites in Canada, 2,343,000 unique visitors from home each month.	CBC.ca was among the top three news and media sites in Canada, 2,149,000 unique visitors from home each month.
RADIO-CANADA.CA Provide users with timely, trustworthy and comprehensive online Canadian content in French.	USAGE - Francophone unique visitors from home (Source: comScore Media Matrix) (Source: CBS)	Radio-Canada.ca was among the top three Francophone news and media sites in Canada, 1,376,900 Francophone unique visitors from home each month.	Radio-Canada.ca was among the top three Francophone news and media sites in Canada, 1,367,300 Francophone unique visitors from home each month.	Radio-Canada.ca was among the top three Francophone news and media sites in Canada, 1,174,000 Francophone unique visitors from home each month.

* BBM's PPM data was the French-language audience measurement agency up to, and including, 2003-2004. PPM data published here for that year therefore differs from data published in 2003-2004. The lackout of CMO employees affected the out of the input weeks measured during the Fall of 2005. † Due to a methodological error, the comScore data for April 2004 to July 2005 overestimated the number of French-speaking users.



THE PROGRAMMING YEAR

CANADIAN STORIES



CANADA'S NATIONAL PUBLIC BROADCASTER

STRIKING THE RIGHT BALANCE



CBC/RADIO-CANADA ANNUAL REPORT 2005-2006

AUDACIOUS. EVOCATIVE. ENTERTAINING

DISC 1 RADIO CANADA'S PROGRAMMING HIGHLIGHTS 2005-2006

SPACE AND TIME ON RADIO'S MULTIMEDIA CHANNELS AND THE PROVISIONS
OF THE CANADIAN BROADCASTING ACT AND THE CANADIAN BROADCASTING
ACT REGULATIONS.

THE STATION'S COMMITMENT TO DIVERSITY AND INCLUSION THROUGH
PROGRAMMING AND SERVICES.

THE STATION'S COMMITMENT TO THE COMMUNITY THROUGH
PROGRAMMING AND SERVICES.

THE STATION'S COMMITMENT TO THE ENVIRONMENT THROUGH
PROGRAMMING AND SERVICES.

THE STATION'S COMMITMENT TO THE ECONOMY THROUGH
PROGRAMMING AND SERVICES.

THE STATION'S COMMITMENT TO THE CULTURE THROUGH
PROGRAMMING AND SERVICES.

THE STATION'S COMMITMENT TO THE LANGUAGE THROUGH
PROGRAMMING AND SERVICES.

THE STATION'S COMMITMENT TO THE MEDIA THROUGH
PROGRAMMING AND SERVICES.

THE STATION'S COMMITMENT TO THE TELEVISION THROUGH
PROGRAMMING AND SERVICES.

THE STATION'S COMMITMENT TO THE WORLD THROUGH
PROGRAMMING AND SERVICES.

Our goal is to connect Canadians through compelling Canadian content that our audiences want to see and hear. We are content providers, looking for the best ways to remain essential to our audiences and adapting to new technologies to serve Canadians across our 27 media services.

We've worked hard again this year to meet this challenge, especially in the context of significant financial pressures and an unstable annual budget.

THE YEAR IN REVIEW – ENGLISH SERVICES

CBC TELEVISION

CBC Television encompasses 16 conventional, over-the-air, television stations across the country, and our wholly owned specialty services CBC Newsworld and CBC Country Canada.

In 2005–2006, CBC Television continued its goal of becoming a more clearly defined public broadcaster within a very competitive English-language television market. In the recent past, CBC Television increased Canadian programming in its schedule, established that the primary programming criterion must be value to the public, and improved quality through measures such as the CBC News Integration Project, which is fostering sharing of information, ideas and resources across CBC Television, CBC Radio, and *CBC.ca*.

2005–2006 OBJECTIVES: BRINGING MORE CANADIAN STORIES AND PERSPECTIVES TO CANADIAN TELEVISION

1. STRENGTHEN DISTINCTIVENESS AND QUALITY THROUGH:
 - A NEW ENTERTAINMENT STRATEGY – BEGIN TO ADDRESS THE CRISIS IN CANADIAN TELEVISION DRAMA BY INTRODUCING A NEW WEEKLY DRAMA SERIES AND A DAYTIME DRAMA, SEVERAL COMEDY SERIES, AND WEEKLY HIGH-IMPACT DRAMA AND VARIETY SPECIALS;
 - STRENGTHENED NEWS SERVICES – REGAIN THE AUDIENCE AND INCREASE THE IMPACT OF *CBC NEWS: THE NATIONAL*, LOCAL NEWS, AND *CBC NEWSWORLD*;
 - A STRONGER REGIONAL CONNECTION – PRESENT AFTERNOON PILOTS IN HALIFAX AND VANCOUVER AND TEST ONE-HOUR LOCAL SUPPER HOUR SHOWS IN EDMONTON, MONTREAL AND ST. JOHN'S;
2. FREE UP RESOURCES THROUGH BETTER, INNOVATIVE MANAGEMENT TO INVEST IN PROGRAMMING;
3. MEASURE PROGRESS IN BUILDING AUDIENCES BY SETTING TARGETS FOR ALL PROGRAMMING.

2005–2006 RESULTS

A New Entertainment Strategy: More Canadian Drama

CBC Television began addressing the drama crisis in Canada's English television by introducing new leadership and creative approaches to developing excellent Canadian programming that audiences find relevant and challenging, and that they want to watch – programs produced in Canada, made for Canadians, and reflecting a uniquely Canadian sensibility.

These new approaches include commissioning and producing content that can be shared and re-purposed for Television, Radio and CBC | Radio-Canada websites; streamlining and speeding up decision-making to remove bureaucracy that inhibits creativity and competitiveness, and being open to the broader creative community of Canada.

Another major achievement was securing from The Canadian Television Fund funding specifically for CBC | Radio-Canada-sponsored projects. This dedicated funding will make it easier for CBC Television to finance high-quality, distinctive Canadian programming, especially Canadian drama, and it will give independent Canadian television producers greater funding certainty.



THE PROGRAMMING YEAR

For audiences, all these changes resulted in new, high-production value series, miniseries and CBC Big Ticket films, and in more signature Canadian comedy. There were programs about iconic Canadians — for example, *Waking Up Wally: The Walter Gretzky Story* (watched by 768,000 viewers), and *Sharia: A Life in Eight Albums* (watched by nearly 1.2 million viewers). There were also intriguing, edgy dramas — such as *Intelligence* and Ken Finkleman's *At The Hotel* — that demonstrated CBC Television's willingness to take the risks required to develop programs that Canadians simply won't find anywhere else.

Strengthened News Services: Broader, Deeper Coverage

In January 2006, CBC News continued to revitalise its News services to better serve audiences and to reinforce its leadership in Canada. The strategy is delivering more hard-hitting journalism, greater international and regional context, and increased exposure to divergent views and perspectives, not only on CBC Television, but also on CBC Newsworld, CBC Radio, CBC News Express, and *CBC.ca*.

A key component of this strategy was a major re-launch of News on CBC Television, including a revamping of *CBC News: The National* and a change in some regions in the format of the supper hour programs, with local and regional News now coming first, on *CBC News at Six*, followed by national and international News on *CBC News: Canada Now*.

CBC News opened a bureau in Shanghai — its fourth new international bureau in 18 months — to cover the News from an increasingly important part of the world that is of strong interest to Canada and Canadians. CBC Television also continued to renew its Current Affairs programs, creating specials built on the success of *the fifth estate* and *CBC News: Marketplace*.

This year, CBC Newsworld — Canada's number one news network — relaunched *CBC News: Morning*, strengthened its national and international weather reporting, and began broadcasting Canadian and international documentaries every night of the week. CBC Newsworld reaches 10.2 million subscriber homes — more than any other specialty network in Canada.

A Stronger Regional Connection: Targeting Distinct Regional Needs

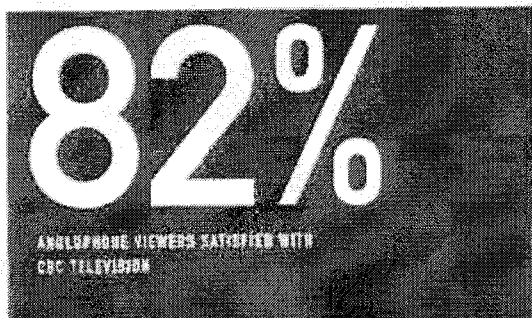
CBC Television launched a comprehensive approach to regional program development. Pilots for revamped supper hour News programs targeted regional needs and preferences. A new hour-long supper hour show *CBC News: Here & Now* launched in November in St. John's. Development work continues on a market-by-market basis according to the needs, circumstances and competition in each location.

Free up Resources to Invest in Programming

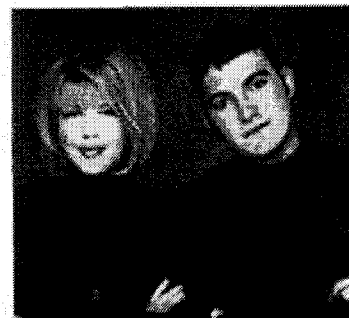
CBC Television was able to free up \$22 million for programming in 2005–2006. This was achieved by reallocating program funds, finding new ways to conduct business, increasing efficiency, and developing new sources for revenue.

Measure Progress in Building Audiences

In 2005–2006 performance metrics and targets were set for all CBC Television programming. These targets and performance indicators were regularly reviewed by CBC Television's Senior Management team throughout the year.



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NEXT STEPS

CBC Television's three-year vision is to become the most important and popular platform for Canadian News, Current Affairs and entertainment programs. To deliver a service differentiated from any other in English Canada, CBC Television will:

- ▶ Increase the amount of Canadian drama entertainment from 150 hours in 2005-2006 to 175 hours in 2006-2007, rising to 250 hours in 2008-2009;
- ▶ Continue to offer a balance of News and information, sports, arts, and children's programming;
- ▶ Renew our commitment to broadcasting in the regions by presenting authentic regional voices on social, political and cultural matters and expanding our presence to all areas of the country;
- ▶ Rigorously monitor progress in meeting targets and indicators that measure public value, audience share, revenue, and cost for every program.

As well as bringing more Canadian drama to Canadian audiences, CBC Television will also enhance its leadership in News, Current Affairs and documentaries, and sports.

News

- Relaunch several News programs based on findings from the CBC News Study;
- Continue to implement the CBC News Integration project;
- Further renew *CBC News: The National* to increase audience share.

Current Affairs and Documentaries

- Expand *the fifth estate* to include specials;
- Strengthen CBC Television's position as Canada's documentary leader and increase audiences for documentaries.

Sports

- Focus on acquiring professional sports, including *Hockey Night in Canada*;
- Retain amateur sports coverage.

CBC RADIO

CBC Radio includes three networks — CBC Radio One, CBC Radio Two and CBC Radio 3. CBC Radio One and CBC Radio Two are terrestrial, over-the-air services that reach more than 97 per cent of Canadian homes on AM or FM. CBC Radio 3 is a new music channel delivered by Sirius satellite radio.

CBC Radio One's vision is to be recognised and valued as the definitive source for Canadian News, information and entertainment, connecting Canadians to their regions and the country as a whole.

CBC Radio Two's vision is to be Canada's leading cultural platform in all genres, the place where creativity finds a home.



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THE PROGRAMMING YEAR

CBC Radio 3's vision is to be a driving force in contemporary music, identifying and promoting leading-edge Canadian talent.

2005-2006 OBJECTIVES: BECOMING MORE VALUED AND MORE USED BY MORE CANADIANS

1. AUDIENCE GROWTH: ATTRACT NEW AUDIENCES THROUGH EXTENDED LOCAL SERVICE, MORE REGIONAL PROGRAMMING AND INCREASED RELEVANCE, RELEVANCE TO CANADIAN NEEDS AND DESIRES;
2. PROGRAM DEVELOPMENT
 - ONGOING DEVELOPMENT OF EXISTING PROGRAMS THAT RESPOND TO CHANGING LISTENER NEEDS AND DEMOGRAPHICS;
 - FOCUS ON RADIO RESEARCH AND DEVELOPMENT TO PILOT NEW SHOWS AND MIGRATE SUCCESSFUL PILOTS TO THE SCHEDULE;
3. NEW PLATFORMS: EXTEND PROGRAMMING TO NEW LISTENERS ON NEW PLATFORMS AT HOME AND ABROAD.

2005-2006 RESULTS

Audience Growth: Reaching Out to More Canadians

In December 2005, CBC|Radio-Canada launched six new channels, including CBC Radio One and CBC Radio 3, on Sirius Canada, a partnership of Sirius Satellite Radio, CBC|Radio-Canada and Standard Radio. By offering compelling content and high-quality audio when, where and how audiences want it, these channels extend CBC Radio services to much larger audiences, create an international stage for Canadian talent and perspectives, and generate additional cash flow for our programming budgets.

As well as generating content for Sirius Canada, CBC Radio 3 attracted new audiences by sharing programs with college stations and by supplying content to CBC Radio One and CBC Radio Two.

To accommodate different circumstances in different cities, CBC Radio One this year introduced variable schedules for the drive-home shows in Toronto, Vancouver, Winnipeg, Calgary, Edmonton, and St. John's. Now some drive-home shows start earlier or run longer than others, depending on the needs of local listeners. The new schedules are

resonating with audiences; the programs are maintaining or increasing audience share.

**IN DECEMBER 2005,
CBC|RADIO-CANADA
LAUNCHED SIX NEW
CHANNELS, INCLUDING
CBC RADIO ONE AND
CBC RADIO 3, ON SIRIUS
CANADA, A PARTNERSHIP
OF SIRIUS SATELLITE
RADIO, CBC|RADIO-CANADA
AND STANDARD RADIO.**

CBC Radio's Spring 2006 BBM results demonstrate the success of the network in reaching audiences: between January and March 2006, CBC Radio reached over 3.8 million Canadians. In 14 of the 17 markets surveyed, the network's morning shows were among the top three in their markets. CBC Radio was particularly strong in Alberta; the Calgary morning show moved from fourth to second place, and Edmonton moved from seventh to third. CBC Toronto is number one in the important 6:00 a.m. to 10:00 a.m. period.

Program Development: A Richer, Deeper Listening Experience

Innovative program development led to increased audience shares for CBC Radio morning shows across the country. And 20 new Summer shows enriched our programming by introducing a wide range of new voices and perspectives; some of these shows have won major awards.

CBC Radio produced several award-winning investigative News series this year, covering timely, important topics such as piracy of brand names, water quality in Aboriginal communities, hospital infections, and adverse drug reactions in seniors.

New Platforms: It's About Choice

CBC|Radio-Canada is an acknowledged leader in using emerging technologies to reach listeners when, where and how they want to be reached. This year CBC Radio made its programming more widely available on satellite through Sirius Canada, on FM in key markets in Western Canada, on the Internet, and through international program exchanges.

In March 2006, CBC|Radio-Canada was awarded six new FM frequencies in four major markets in the West – Calgary, Edmonton, Saskatoon, and Winnipeg. The new frequencies are for FM transmitters nested within the coverage areas of existing AM services for CBC Radio One in all of those markets and for the Première Chaîne in Winnipeg and Edmonton. These new transmitters will dramatically improve reception for our listeners in these cities.

Podcasts of CBC Radio were launched in June 2005, and of Radio de Radio-Canada in September 2005. In the last six months of the fiscal year, CBC Radio and Radio de Radio-Canada had more than four million downloads of music, information, science, and entertainment programs, primarily by listeners in the 18-to-34-year-old group. For most of the year, CBC Radio 3 had Canada's number one podcast on iTunes, with one million downloads in nine months.

CBC Radio 3's website was visited 9.4 million times by 3.8 million unique visitors in 2005–2006, up 23 per cent and 84 per cent respectively over 2004–2005. *CBC.ca* makes it easy for audiences to subscribe to podcast programs for free, and next year it will help CBC Radio launch a major expansion of podcasting.

NEXT STEPS

For 2006–2007 and the years to come, CBC Radio's four key strategic objectives are:

- ▶ **Expanded regional programming:** Delivering the authentic social, political and cultural voice of each region, and delivering service to places currently unserved;
- ▶ **Ensuring programming relevance:** A commitment to airing inspiring, innovative and excellent programming; to growing audiences; and to reflecting the diversity of contemporary Canadian society;
- ▶ **Renewal and re-invention:** Producing cultural content reflecting the needs of the Canadian public, based on results of the Corporation's Arts and Culture Study; launching a new strategy for Arts and Entertainment programming for CBC Radio One, CBC Radio Two and CBC Radio 3; redeveloping CBC Radio Two to preserve its valued past while expanding the breadth of emerging talent on its airwaves; delivering CBC Radio on satellite radio and through podcasting and downloading;
- ▶ **Financial sustainability:** Efficiencies and other initiatives have redirected \$1 million each year into programming, but inflation is eroding programming budgets and without additional funding current levels of service are at risk.

CBC.CA

CBC.ca's goal is to be Canada's most popular news and media website. In 2005–2006, *CBC.ca* focused on establishing *CBC.ca* as a platform with its own characteristics and audience, like CBC Television and CBC Radio.

2005–2006 OBJECTIVES: BUILDING ON EXCEPTIONAL SUCCESS

TO ACHIEVE THIS, *CBC.CA* SET OUT TO:

1. MAINTAIN OR INCREASE *CBC.CA* USAGE;
2. MAINTAIN OR IMPROVE THE QUALITY OF CONTENT;
3. IMPROVE THE VISITOR EXPERIENCE;
4. GENERATE MORE ADVERTISING REVENUES.



THE PROGRAMMING YEAR

2005-2006 RESULTS

Maintain or Increase *CBC.ca* Usage: Exceptional Results This Year

CBC.ca had an exceptional increase in audience early in 2006, and is currently Canada's number one news and media website, ahead of online competitors including CNN, CTV, *The Globe and Mail*, CanWest Global, and *The New York Times*. From December 2005 to February 2006, the site's audience increased 74 per cent. We attribute this to a high level of interest in the January federal election and in the 2006 Torino Winter Olympics, and to the quality of our online coverage of both events. *CBC.ca* was in the top three of Canada's news and media websites 11 months out of 12 in 2005-2006, with a monthly average of 2,340,000 unique visitors from home.

CBC.ca broke multiple audience records over the course of the year, achieving its highest single-day audience to date on the day of the federal election, January 23, and then breaking that record on January 24. That record was itself surpassed on February 22, during the Torino Winter Olympics.

A major redevelopment of *CBC.ca*'s 13 major regional Web sections attracted an average of 60 per cent more visitors. Regional websites offer regional News and weather, information about community events, and programming information and schedules, as well as links to our national websites. This year, there were special features celebrating the provincial centennials for Saskatchewan and Alberta; a new website, in conjunction with Parks Canada, for Newfoundland's Gros Morne National Park; and interactive content supporting CBC Montréal's *Weight of the World* project, which challenged students to learn about the causes and cures of child obesity.

Maintain or Improve the Quality of Content: In-depth Coverage of Key Events

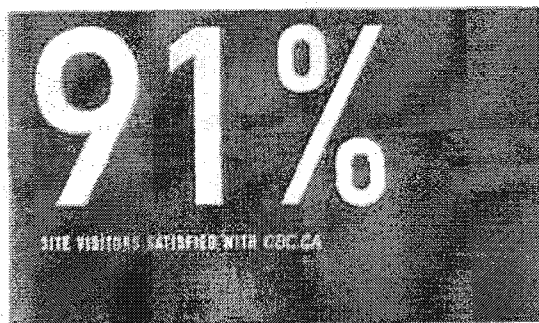
Throughout the 2006 federal election campaign, *CBC.ca* offered News, analysis and background, including riding and candidate profiles. On *CBC.ca*'s discussion boards, Canadians wrote more than 10,000 comments, some of which engendered stories on-air. After the polls closed on election night, *CBC.ca* simulcast the CBC Radio and CBC Television special election coverage, and allowed Canadians to look up results for individual ridings, in real time as the results came in.

CBC.ca's Torino section offered a wealth of information including breaking Olympic news, biographies and background information, as well as live scores, stats and standings.

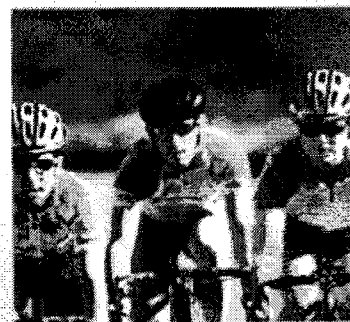
CBC.ca continued to enrich and fine-tune its Arts and Entertainment journalism section, which launched in January 2005. The audience for the section is growing steadily, and staff from the section helped their CBC Radio colleagues develop a new strategy for CBC Radio's Arts and Entertainment coverage.

CBC.ca continued to be a leader in New Media development for children and youth. Highlights in 2005-2006 included high-quality online games, and features on consumer trends, youth empowerment and pop culture.

Canadians clearly value *CBC.ca*'s improved depth and quality of coverage: in the Report Card and QRS/GIS surveys, over 95 per cent said that *CBC.ca* is satisfying, essential, trusted and offers up-to-date coverage.



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Improve the Visitor Experience: Easier Access to More Content

Throughout 2005–2006, *CBC.ca* continued implementing its new content management system, which will be fully in place for all journalistic publishing in June 2006. Throughout 2005–2006, *CBC.ca* worked on a major redesign of the website for launching in June 2006.

Generate More Advertising Revenues for Re-investment in Programming

This year *CBC.ca* offered increased opportunities for advertisers in ways that did not interfere with visitors' enjoyment of the site. The approach was successful; revenue targets were exceeded, and there were very few audience complaints.

NEXT STEPS

For 2006–2007, *CBC.ca*'s five key strategic objectives are:

- ▶ Continue growing *CBC.ca*'s audience;
- ▶ Focus on core strengths: relevant and popular content;
- ▶ Continue improving the user experience;
- ▶ Increase revenues;
- ▶ Promote CBC Television and CBC Radio programs.

THE YEAR IN REVIEW – FRENCH SERVICES

CBC|Radio-Canada's French-language programming is as distinctive as it is relevant, and in 2005–2006 it continued to be highly popular with the Canadian public. A major factor in this year's successes was the decision to combine all of our French networks under one Vice-President so that our French Services can evolve with even greater cohesion and provide Francophones with an even more comprehensive and effective public service.

Integration of all French services – including Télévision de Radio-Canada, RDI, Radio de Radio-Canada, and *Radio-Canada.ca* – began in 2005–2006 and will continue in 2006–2007. It builds on the highly successful repositioning of Télévision de Radio-Canada that began three years ago, and it will enable our French Services to continue to fulfill and strengthen their public service role while addressing the challenges of a multi-platform future. New strategic priorities will lead to a global vision of French Services that recognises the individual strengths and distinctive character of each media line while aiming at a common goal: to give Canadians unmatched coverage and analysis of key issues and to enrich their cultural life through diverse, compelling Canadian programming.

2005–2006 STRATEGIC DIRECTIONS: A MORE FOCUSED AND EFFECTIVE PUBLIC BROADCASTER

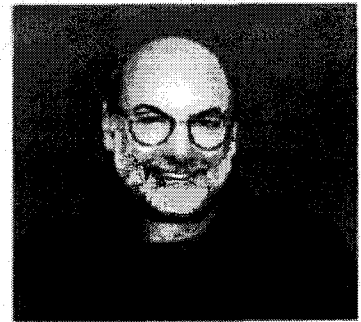
- Attain optimal audience levels for all networks;
- Make more room for culture on all platforms;
- Offer and support a larger amount and wider range of music;
- Create a work environment that stimulates creativity.



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THE PROGRAMMING YEAR

2005-2006 RESULTS

The merged organisation has been achieved harmoniously and without disruption and dislocation within the operations. The Communication and Planning functions were immediately merged when the transition took place in November 2005. Management teams were subsequently integrated and inter-unit collaboration is increasing at an accelerated pace. Primary awareness of these changes would flow from the integrated approach adopted in promoting the different networks' schedules over the Winter.

NEXT STEPS

- ▶ Foster optimal integration of services and activities where it makes sense and is natural;
- ▶ Rely more on the involvement, abundant creativity and diversity of staff;
- ▶ Strengthen alliances and partnerships;
- ▶ Develop new sources of revenue;
- ▶ Expand the reach of Radio and Television through the Internet and new platforms.

TÉLÉVISION DE RADIO-CANADA

Télévision de Radio-Canada continued its repositioning, begun three years ago, in the competitive French-language television market. It refined its mission to focus on public service programming that is credible, bold and audacious, open to the world and to different perspectives.

2005-2006 OBJECTIVES: SUSTAINING THE MOMENTUM

1. BUILD THE AUDIENCE;
2. STRENGTHEN NEWS AND CURRENT AFFAIRS;
3. INCREASE OUR CULTURAL DIVERSITY;
4. ENSURE OPEN MANAGEMENT.

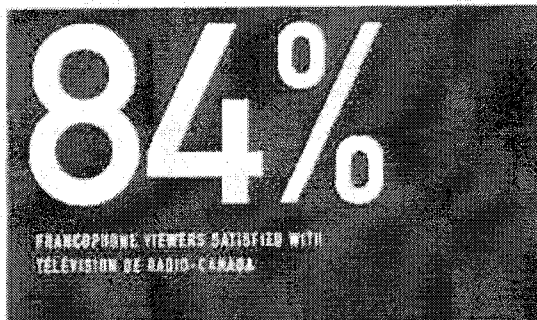
2005-2006 RESULTS

Build the Audience

Télévision de Radio-Canada sustained exceptional ratings. For example, *Les Bougon – c'est aussi ça la vie!* was the top-rated show for three consecutive weeks (average audience ranging between 1.78 and 1.88 million viewers). Many other programs also drew over a million viewers, including *Tout le monde en parle*, *Le match des étoiles*, *L'auberge du chien noir*, *Minuit le soir* and *Rumeurs*. The success of these programs proves that Canadians will choose excellent, appealing domestic productions when they are available.

In the Summer of 2005, Télévision de Radio-Canada premiered a number of new shows that helped boost ratings, particularly in the evening. This solid performance is reflected in the audience share for *Le téléjournal/Le point*, which grew by five percentage points from 2004-2005 at 10:00 p.m. and by four percentage points at 10:30 p.m.

In the 2005-2006 Fall-Winter season, the network maintained an all-day 15.6 per cent share (up from 15.4 per cent in 2004-2005). Its share of the 6:00 a.m. to 7:00 p.m. period was 1.9 per cent higher than the season before.



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a rise due to programs aired between 1:00 p.m. and 5:00 p.m., including the new sociocultural magazine show *La fosse aux lionnes*.

Strengthen News and Current Affairs

Télévision de Radio-Canada created a new editorial structure for planning and resource allocation in News and Current Affairs to allow for more extensive programming on topical subjects, such as: *Point de rupture/Breaking Point*, a special transcultural project about the 1995 Referendum in Québec co-produced by our English and French services; and *L'argent des Hells* and *La grippe aviaire*.

Télévision de Radio-Canada, which provides News and information programming from five national and 29 regional bureaux, augmented its international News capability, adding resources for coverage in Paris, Washington and Latin America.

The network also launched *Les coulisses du pouvoir*, providing more coverage and analysis of political events and figures, and three new daily Current Affairs programs. Returning programs included the innovative *5 sur 5* — a public platform on Télévision de Radio-Canada, RDI and TV5 — and *Enjeux* and *Zone libre*.

Increase Our Cultural Diversity

Télévision de Radio-Canada acted on its commitment to reflect the country's cultural diversity by organising a summit on the issue in October 2005 at its Montreal offices. The summit, which was attended by cultural community and educational institution representatives, made it possible to lay the groundwork for an action plan aimed at ensuring better representation of cultural communities on the Télévision de Radio-Canada workforce.

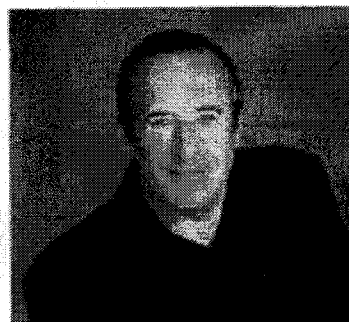
Ensure Open, Responsible Management

The success of Télévision de Radio-Canada's repositioning has largely been due to the commitment of its staff to meeting the objectives and expressing the values of a successful public broadcaster. To earn that commitment, Télévision de Radio-Canada continued in 2005–2006 to introduce open management practices based on cooperation and teamwork.

A range of responsible management practices has been introduced in recent years to ensure the continuous re-investment of savings and revenue into programming. These practices are reviewed regularly. In 2005–2006, they helped Télévision de Radio-Canada attain its revenue targets and maintain a high rate of re-investment in programming.

NEXT STEPS

- ▶ Strengthen our cultural mission by further raising the quality of drama and variety programs, developing more High Definition Television (HDTV) programming, and expanding our reach on all platforms;
- ▶ Unreservedly assert the main network's unique, general-interest character;
- ▶ Accentuate the distinctiveness of information programming.



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THE PROGRAMMING YEAR

RADIO DE RADIO-CANADA

Radio de Radio-Canada is rooted in Canada's regions and communities, with 14 regional News bureaux and 20 production centres across the country. Radio de Radio-Canada is the most comprehensive French-language radio network in Canada.

Radio de Radio-Canada includes the Première Chaîne, Espace musique and *bandeapart.fm*. Radio de Radio-Canada also operates Radio Canada International (RCI), CBC | Radio-Canada's international service, and cooperates with CBC Radio to produce Radio Nord/Radio North, which broadcasts to Northern Canada in French, English and eight Aboriginal languages.

2005-2006 OBJECTIVES: CREATING A STRONGER, MORE DISTINCTIVE RADIO PRESENCE

1. BUILD EXISTING AUDIENCES;
2. STRENGTHEN THE PREMIÈRE CHAÎNE'S POSITION IN INFORMATION AND CULTURE;
3. MAINTAIN ESPACE MUSIQUE'S ROLE IN ENCOURAGING CANADA'S MUSICAL DIVERSITY;
4. USE EMERGING TECHNOLOGIES TO REACH NEW AUDIENCES.

2005-2006 RESULTS

Build Existing Audiences

Like Télévision de Radio-Canada, Radio de Radio-Canada has had considerable success with audiences in recent years. The BBM ratings for this year indicate a steady rise, with a combined audience share for the Première Chaîne and Espace musique of 16.3 per cent and a reach of close to 1.3 million listeners — an all-time record. The percentage of Francophone listeners (18+) satisfied with Radio de Radio-Canada remained high at 90 per cent.

The Première Chaîne audience share for 2005-2006 was 12.8 per cent (BBM Fall Sweeps), up from 12.6 per cent last year. The Première Chaîne morning show was number one in the Montréal Francophone market.

Strengthen the Première Chaîne's Position in Information and Culture

The Première Chaîne is available to 98 per cent of Canada's Francophone population.

To strengthen the Première Chaîne's regional dimension, the mandates of several network programs were revised to make more room for regional content. Many network shows are taped in the regions, such as the literary magazine *Vous m'en lirez tant*, broadcast from the Festival de poésie de Trois-Rivières and the Salon du livre de Rimouski. The Première Chaîne's expanded cultural programming included series about authors such as Dany Laferrière, Robert Lepage and Leonard Cohen.

Maintain Espace musique's Role in Encouraging Canada's Musical Diversity

Espace musique, very successfully launched in September 2004, continued to provide a distinctive service that reflects Canada's diverse musical genres and emerging talent to Francophones across the country, with stations in each provincial capital. Its mandate is to develop and promote French-language Canadian music of all genres (classical, jazz, world music, and emerging music).

Espace musique attracts a multilingual audience — in fact, 25 per cent of listeners are Anglophone. The network's innovative website on *Radio-Canada.ca* supports Canadian artists by featuring their music and profiles.

Use Emerging Technologies to Reach New Audiences

Radio de Radio-Canada reached new audiences by launching, in association with Sirius Canada, four satellite networks: Bande à part, Première plus, Info plus, and RCI plus. The latter's schedule consists of original RCI productions in French, English, Spanish, Portuguese, Arabic, Russian, Ukrainian, and Mandarin, and reflects the multicultural nature of Canada's population. The Sirius Bande à part station complements *bandeapart.fm* on Espace musique and the Internet.

Bandeapart.fm offers invaluable exposure for emerging Canadian music through French-language Internet content for young people. Among *bandeapart.fm*'s offerings are eight Web Radio stations, online concerts, videos, and extremely popular podcasting — there were over 35,000 *bandeapart.fm* podcast downloads in just one week in late Winter 2006, for example. Since its Web launch in January 2001, *bandeapart.fm* has broadcast over 350 concerts, more than 40 Television shows, 2,000 hours of Radio programming, and attracted millions of users.

NEXT STEPS

- ▶ Make the Première Chaîne a genuine forum for great ideas and critical issues;
- ▶ Define Espace musique's position and role in developing Canadian music;
- ▶ Increasingly become a regional News standard;
- ▶ Maintain high ratings.

RADIO-CANADA.CA

In 2005–2006, *Radio-Canada.ca* maintained its number one position among Canada's French-language news and media websites, attracting an average of 1.5 million visitors per month at home.

2005–2006 OBJECTIVES: REINFORCING THE VALUES AND PRIORITIES OF A PUBLIC BROADCASTER

1. DELIVERING QUALITY CONTENT;
2. SHARING CONTENT AND RESOURCES WITH RADIO DE RADIO-CANADA AND TÉLÉVISION DE RADIO-CANADA;
3. OFFERING INNOVATIVE AND COMPELLING YOUTH CONTENT.

2005–2006 RESULTS

Delivering Quality Content

In November 2005, *Radio-Canada.ca* marked its 10th anniversary by revamping its home page to offer visitors easier access to current content, and expanded and refined the News, sports, and Arts and Entertainment sections.

Sharing Content and Resources with Radio and Television

Radio-Canada.ca increased cooperation in News coverage with Radio de Radio-Canada and Télévision de Radio-Canada. *Radio-Canada.ca* reporters contributed to our French-language Radio and Television programs, and coverage of the federal election and the Torino Winter Olympics was truly cross-platform, with resources and content shared right across French and English services to create exceptional productions that achieved record audience levels.

To help increase audiences for our other French-language services, *Radio-Canada.ca* launched a new guide to French Radio and Television programming for each region and created multimedia content for Radio and Television programs, including *Point de rupture*.

Offering Innovative and Compelling Youth Content

In 2005–2006 *Radio-Canada.ca*'s youth content was split into two sites: one for 6-to-12 year olds and one for 3-to-5 year olds. Each new site contains interactive content and experiences tailored to each age group's interests.

Radio-Canada is the first Canadian French-language broadcaster to offer podcasting content, popular primarily with the 18-to-34-year-old group. Downloadable from *Radio-Canada.ca*, *Le carnet techno*, national News reports, *Indicatif présent*, *Les années lumière*, *Macadam tribus* and Première Chaîne highlights proved even more popular than anticipated.

NEXT STEPS

- ▶ Maintain and consolidate leadership among Canada's French-language media sites;
- ▶ Contribute to the overall strength of CBC|Radio-Canada by increasing cross-promotion and the sharing of resources and content with Radio and Television;
- ▶ Continue to explore new kinds of content adapted to emerging broadcast platforms.



2005-2006 PROGRAMMING YEAR HIGHLIGHTS

NEWS AND CURRENT AFFAIRS CBCIRADIO-CANADA DELIVERS EXTENSIVE, RELIABLE COVERAGE OF THE WORLD'S NEWS EVERYDAY. OUR TRUSTED JOURNALISTS REPORT FROM NEARLY 70 COMMUNITIES IN CANADA AND 14 INTERNATIONAL BUREAUX, KEEPING CANADIANS INFORMED OF THE STORIES THAT MATTER VIA RADIO, TELEVISION, THE INTERNET, AND WIRELESS DEVICES, AND IN ENGLISH, FRENCH AND EIGHT ABORIGINAL LANGUAGES IN THE NORTH.

- **CBC Radio One's** morning shows – top three in 14 markets across Canada, including Vancouver and Toronto
- **Radio de Radio-Canada's** morning show, *C'est bien meilleur le matin*, on the Première Chaîne – 18 per cent audience share in Autumn 2005 (number one in the Montréal Francophone market) and 16.3 per cent in Spring 2006
- **CBC.ca** – number one among its news/media website peers
- **Radio-Canada.ca** – number one among Francophone media sites and celebrating its 10th anniversary
- Our coverage of the 2006 Federal Election was a prime example of **increasing cooperation across Television, Radio and New Media**. Our French and English services shared information and resources to provide Canadians with authoritative and balanced coverage and analysis across the country.

ARTS AND ENTERTAINMENT CBCIRADIO-CANADA OFFERS DISTINCT AND INNOVATIVE CANADIAN ARTS AND ENTERTAINMENT PROGRAMMING FOUND NOWHERE ELSE ON THE DIAL. OUR DRAMAS EXPLORE AND PRESERVE THE COUNTRY'S PAST, AND ALSO EXAMINE CANADA'S CONTEMPORARY, COMPLEX AND DIVERSE SOCIETY. WE ARE AN ESSENTIAL PLATFORM FOR EXPERIENCED AND UP-AND-COMING CANADIAN ARTISTS, WHO RECEIVE MENTORING AND GAIN CRITICAL EXPOSURE ON OUR NETWORKS.

- Another successful year for **Télévision de Radio-Canada** after its repositioning: *Tout le monde en parle*, with an average of 1,481,000 viewers each week (38.8 per cent audience share); *Le match des étoiles*, watched by an average of 1,066,000 viewers each week (32.3 per cent audience share), in the regular season; and the series *Casino*, seen by an average of 1,009,000 viewers (33 per cent audience share) out of a potential audience of only seven million
- To help develop and promote Canadian cinema, **Télévision de Radio-Canada** broadcast several films this year, among them *Séraphin, un homme et son péché*, which was watched by 1,205,000 viewers
- **CBC Television audiences** for *Rick Mercer Report* – 731,000 viewers on average each week. *The Red Green Show* – 300th and final episode after 15 successful years
- **CBC Television began addressing the drama crisis in English television** by launching new, high-production value series, miniseries, CBC Big Ticket films, more signature Canadian comedy programs and intriguing, edgy dramas
- **Espace musique**, very successfully launched in 2004-2005, continued to offer jazz, classical, chanson, diverse world music, and emerging talent
- **The Première Chaîne's expanded cultural programming** included series about creators such as Dany Laferrière, Robert Lepage and Leonard Cohen
- **Canada Reads**, CBC Radio's annual search for a book for all Canadians to read, continued to play an important role in supporting Canadian authors by throwing the spotlight on their works and substantially boosting book sales
- **CBC Radio's many popular programs**, such as *Go!* (with a listening reach of 508,000 listeners every week, and a nine per cent audience share on Saturdays) and *Vinyl Café* (which reached its highest point ever this year: a 16 per cent share of listeners Sunday at noon on CBC Radio One) returned again this year. *Freestyle*, which debuted last Autumn on CBC Radio One, reaches 915,000 every day and has a five per cent share daily.
- **CBC.ca's Arts and Entertainment journalism section** – unique in Canada – continued to cover the ideas and trends shaping culture today from a Canadian perspective

- **Galaxie**, our digital pay commercial-free audio service, offers 45 channels of continuous music, without talk, via satellite television, digital cable and telecom. Available to over five million subscribers, Galaxie increased its contribution to the Corporation's net income in 2005–2006, and helped to fulfill the Corporation's cultural mandate by

promoting Canadian artists and playing a greater variety of domestic artists and titles than all Canadian radio stations combined.

- **CBC Radio's success with its audiences** over the years was seen in landmark on-air anniversaries this year: *Ideas* – 40 years; *Quirks & Quarks* – 35 years; and CBC Radio in Iqaluit – 45 years.

CHILDREN AND YOUTH CBC|RADIO-CANADA PROVIDES SAFE, STIMULATING, NON-VIOLENT AND COMMERCIAL-FREE PROGRAMMING FOR CHILDREN, HELPING THEM TO ENJOY LIFE AND BE EQUIPPED TO DEAL WITH TODAY'S COMPLEX WORLD.

- **Radio de Radio-Canada** again presented *275-also/ados-radio*, which invites young people to discuss timely topics on-air
- **Télévision de Radio-Canada** brought in younger viewers on Saturdays and Sundays, where a comedian welcomed children into a wonderful world in *La Petite minute*, while *La Grosse minute* relied on the participation of youths and correspondents with a wide variety of interests. RDI continued its production of *RDI Junior*, a program aimed at putting the main News issues of the day into context for younger viewers.
- **Radio-Canada.ca** and **CBC.ca** both continue to be leaders in New Media development for children and

youth. *Radio-Canada.ca* launched its *Guide des ressources pour les profs de Radio-Canada.ca*. *CBC.ca* provided high-quality, online games, and a look at consumer trends, youth empowerment and pop culture, attracting an average of nearly four million visits per month

- **CBC Television** launched an exciting new look for *Kids' CBC* in December 2005. Favourite programs and characters returned this year, including Gemini award-winning *Poko*, *Nanalan*, *Zoboomafoo*, *Dragon Tales* and *The Doodlebops*. There were also new shows: *Pinky Dinky Doo*, *Lunar Jim*, *Yamroll*, *Morgan Waters Show*, and *Mr. Meaty*.

SPORTS CBC|RADIO-CANADA'S NETWORKS COVER MORE SPORTS AND A GREATER RANGE OF THEM THAN ANY OTHER NETWORK, INCLUDING SPORTS SPECIALTY CHANNELS, WITH A FOCUS ON AMATEUR SPORTS AND CANADIAN ATHLETES PREPARING FOR THE OLYMPICS AND PARALYMPICS.

- **The Torino Winter Olympics marked CBC | Radio-Canada's 50th year of Olympic broadcasting** – over 1,300 hours of coverage, more than any other North American network, record audiences for live events and strong praise for the quality and depth of our coverage
- **Télévision de Radio-Canada and CBC Television built on their high-performance sports strategies** with an emphasis on amateur sports, refined their weekend afternoon sports programming blocks, and coordinated coverage across Television, Radio and New Media
- **Radio-Canada was the host broadcaster for the World Aquatics Championships in Montreal**. Its Television, Radio and Web services, along with RDI, worked collaboratively and synergistically, providing excellent, seamless coverage at reduced cost. CBC Television also provided 13 hours' coverage in prime time and 10 hours in off-prime time
- **CBC Television covered the 2005 Canada Summer Games**, with *CBC.ca* providing results continuously

- **CBC Television was the exclusive Canadian broadcaster of the World Track and Field Championships** in Helsinki, while **Télévision de Radio-Canada and Radio-Canada.ca's zone Sports covered the Grand Prix du Canada de Formule 1**

- **Hockey Night in Canada returned to loyal fans**, and loyal fans returned to it, after the National Hockey League's labour dispute last year. Most long-term sponsors and advertisers were back, providing significant revenue used by the Corporation for other CBC | Radio-Canada programming

- **CBC's Hockey Day in Canada**, our annual thirteen-and-a-half hour, cross-country program, raised funds and gathered equipment for Newfoundland and Labrador players who could not afford to play hockey. The host location was Stephenville, Newfoundland, hard hit by job losses and last year's flooding

- **CBC Television broadcast the 93rd Grey Cup Championship**, a great tradition in Canada and on our network

- **CBC Country Canada partnered with CBC Sports** to increase our live curling coverage.

2005-2006 PROGRAMMING YEAR HIGHLIGHTS

OPERATIONAL SAVINGS AND REVENUE GENERATION

- During 2005-2006, the Corporation undertook numerous internal projects to achieve greater efficiency, boost flexibility or generate additional revenue. Since 2000-2001, in addition to **one-time productivity savings and revenue increases of \$115 million**, initiatives have been generating **\$74 million a year in savings and revenues**, for use in funding CBC|Radio-Canada programming.
- A productive year for our **Merchandising Division**, with record sales of music, spoken word recordings, DVD and home video, clothing, and educational and special products – providing needed revenue used to fund CBC|Radio-Canada programming.

NATIONAL AND INTERNATIONAL RECOGNITION

- **CBC Radio** – over 100 national and international awards again this year, including the **Prix Italia**, six **New York Festivals** gold medals, three **Third Coast Festival Awards**, and five **Gabriels**
- **48 Gemini Awards** for **CBC Television**, **41 Géméaux Awards** for **Télévision de Radio-Canada**, and **three Juno Awards**
- **Radio-Canada.ca** – several awards, including grand prizes for its zone Nouvelles and its **Bandeapart.fm** site
- **CBC.ca** – numerous awards, including a special **South Asian Journalists Association Award** for Outstanding Coverage of the 2004 Tsunami Disaster, beating out *CNN.com* and *MSNBC.com*
- **CBC|Radio-Canada** wins the 11th annual Honourable Joyce Fairbairn, P.C. **Literacy Public Awareness Award**, recognising the Corporation's exceptional support of literacy in Canada
- **Maison de Radio-Canada** in Montréal received the **National Earth Award** for its ongoing environmental practices and is in the running for the International Earth Award.

NEW BROADCASTING PLATFORMS OUR NEW MEDIA AND OTHER NEW PLATFORMS PROVIDE CANADIANS WITH A WIDE RANGE OF CONTENT AT THEIR CONVENIENCE, AND HELP US REACH LARGER AUDIENCES AT HOME AND ABROAD.

- **Six new CBC|Radio-Canada satellite radio channels** launched in partnership with Sirius Canada in December 2005 – providing audiences with high-quality content, when, where and how they want it, and creating a North American market for Canadian talent and ideas
- **Podcasts of CBC Radio** launched in June 2005, and of **Radio de Radio-Canada** in September 2005. Radio-Canada is the first Canadian French-language broadcaster to podcast. Over four million downloads of English and French podcasts in the last six months
- **HDTV** service launched in Vancouver, January 2006, complementing Toronto and Montreal launches in March 2005 – to produce and broadcast spectacular Television for Canadians. Next HDTV launch: Ottawa, September 2006. HDTV studios are being built – two in Toronto and three in Montréal – for service next year
- **CBC Television** produced exclusive 2006 **Torino Olympics video highlights**, delivered by Bell Mobility to mobile telephone subscribers – a broadcasting platform milestone and a first in Canada
- **CBC Newsworld** and **RDI** became part of a **live-channel subscription service** streamed to mobile phones via a partnership with MobiTV, in Fall 2005, bringing News to audiences whenever and wherever they want it
- **Licenses for CBC Radio One** on the FM band in Calgary, Winnipeg, Edmonton, and Saskatoon – significant auditory improvement over AM for listeners, and reaching out to new audiences.

2006 TORINO WINTER OLYMPICS: EXCEPTIONAL COVERAGE OF EXCEPTIONAL CANADIAN ACHIEVEMENT

- CBC TELEVISION OFFERED 14 HOURS OF DAILY COVERAGE, AVERAGED AN AUDIENCE OF 94,800 FOR ITS MORNING COVERAGE, 1,407,000 IN THE AFTERNOONS, A 14 PER CENT INCREASE OVER 2002, AND 1,186,000 VIEWERS IN PRIME TIME.
- TELEVISION DE RADIO-CANADA HAD 1,017,000 VIEWERS FOR THE OPENING CEREMONY BROADCAST AND 954,000 FOR THE CLOSING CEREMONY OF THE OLYMPICS. (ITS AUDIENCE SHARE REACHED A PEAK OF 57 PER CENT.)
- IN THE FIRST 11 DAYS OF THE GAMES, CBC.CA DOUBLED THE TRAFFIC IT RECEIVED DURING THE ATHENS GAMES, WITH MORE THAN 10 MILLION UNIQUE VISITORS AND 107 MILLION PAGE VIEWS.
- FOR THE FIRST TIME, CANADIANS SAW THE GAMES IN HIGH DEFINITION TELEVISION ON OUR NETWORKS.
- UNPRECEDENTED COVERAGE IN RSS, SMS AND E-MAIL.
- CBC TELEVISION PRODUCED AN EXCLUSIVE OLYMPIC VIDEO HIGHLIGHT PACKAGE FOR DELIVERY BY BELL MOBILITY TO ITS CELL PHONE SUBSCRIBERS — AN EXCITING BROADCASTING PLATFORM MILESTONE, AND A FIRST IN CANADA.
- TORONTO AREA ROGERS CUSTOMERS VIEWED SELECTED OLYMPIC PROGRAMMING THROUGH VIDEO-ON-DEMAND.
- SERVER TECHNOLOGY ALLOWED LIVE FEEDS TO OUR TORONTO AND MONTREAL BROADCASTING CENTRES WHERE REMOTE PRODUCTION TECHNIQUES ENABLED THE CORPORATION TO BETTER MANAGE ITS CONTENT OFFERINGS ON A MULTITUDE OF PLATFORMS, ALLOWING CANADIANS TO ENJOY THE OLYMPICS WHENEVER THEY WANTED AND VIA WHATEVER BROADCASTING MEDIUM THEY CHOSE. FEWER EMPLOYEES WERE REQUIRED ON SITE IN TORINO, AND SAVINGS WERE CONSIDERABLE.

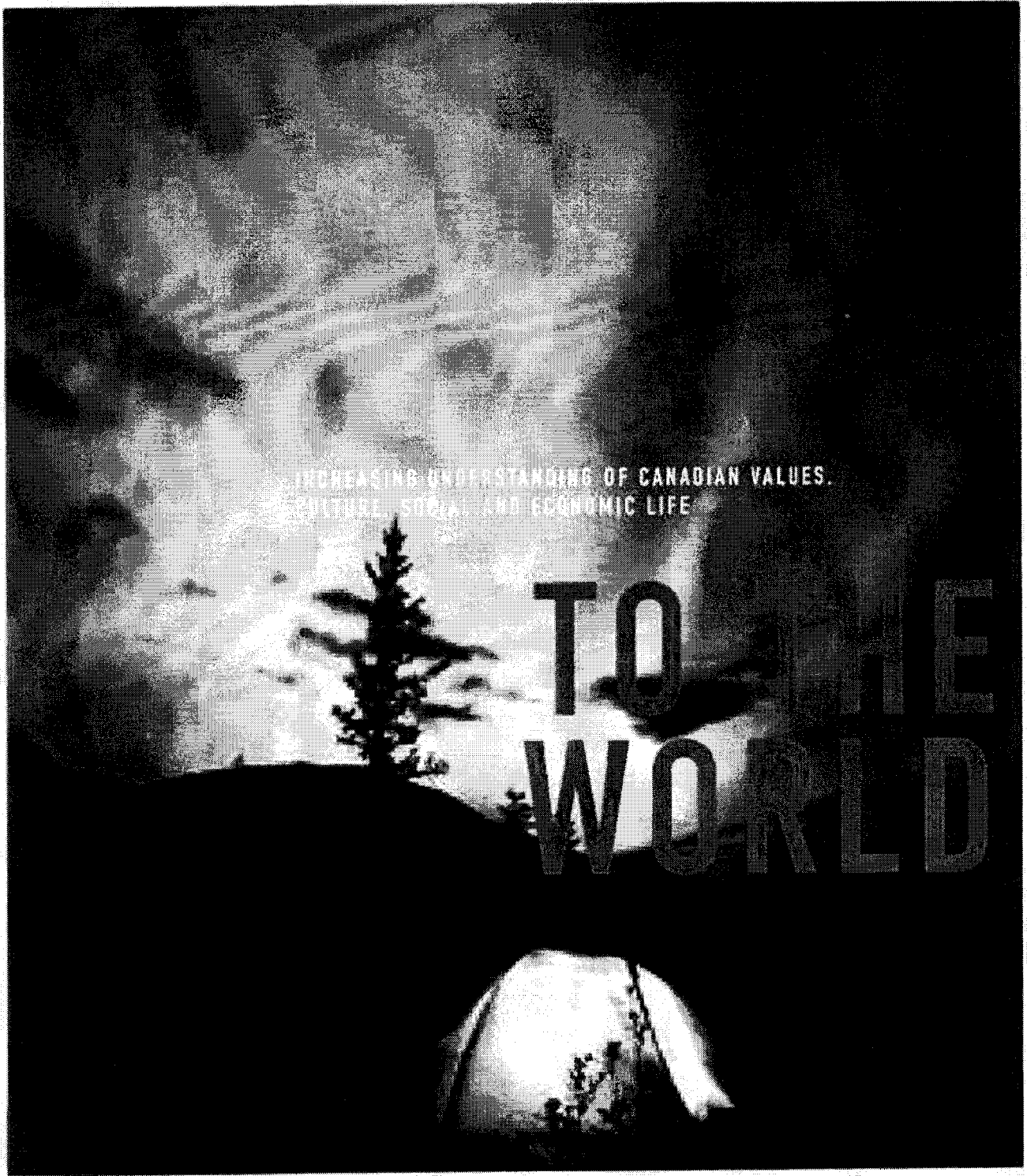
FEDERAL ELECTION 2006: COMPLETE AND BALANCED COVERAGE

- CBC TELEVISION, CBC NEWSWORLD, CBC RADIO, CBC.CA, TELEVISION DE RADIO-CANADA, RADIO DE RADIO-CANADA, AND RADIO-CANADA.CA SHARED INFORMATION AND RESOURCES WHEREVER POSSIBLE TO PROVIDE CANADIANS WITH AUTHORITATIVE AND BALANCED COVERAGE AND ANALYSIS ACROSS THE COUNTRY.
- TO ENSURE THAT COVERAGE WAS FAIR AND COMPLETE, INTERNAL STAFF, THE CBC OMBUDSMAN AND PANELS OF OUTSIDE OBSERVERS STRINGENTLY MONITORED CBC NEWS ELECTION COVERAGE, AND TWO EXTERNAL RESEARCH FIRMS ANALYSED OUR WEEKLY COVERAGE AND PREPARED THREE COVERAGE REPORT CARDS AT DIFFERENT STAGES OF THE CAMPAIGN. THESE MEASURES ALLOWED US TO CONTINUOUSLY IMPROVE COVERAGE.
- CBC.CA RECEIVED ITS HIGHEST AUDIENCE NUMBERS EVER FOR ITS COVERAGE OF THE 2006 FEDERAL ELECTION, BREAKING RECORDS ON ELECTION DAY (1,319,500 UNIQUE VISITORS) AND AGAIN THE FOLLOWING DAY (1,391,076 UNIQUE VISITORS).
- RADIO-CANADA.CA RECEIVED MORE THAN 424,000 VISITS ON ELECTION DAY (PEAKING AT 18:00 P.M. TO 11:00 P.M.) AND NEARLY 455,000 VISITS THE FOLLOWING DAY (PEAKING AT 9:00 A.M. TO 7:00 A.M.).



THE INTERNATIONAL SCENE

CANADA'S WINDOW



INCREASING UNDERSTANDING OF CANADIAN VALUES,
CULTURE, SOCIAL AND ECONOMIC LIFE

TO THE WORLD

STRINGING THE RIGHT BALANCE



CBC | RADIO-CANADA ANNUAL REPORT 2005-2006

BBC RADIO 4 INTERNATIONAL PROGRAMMING ABROAD

PROGRAMMING HIGHLIGHTS

MONDAY 11 FEBRUARY 2008
10.00 AM - 11.00 AM
11.00 AM - 12.00 PM
12.00 PM - 1.00 PM
1.00 PM - 2.00 PM
2.00 PM - 3.00 PM
3.00 PM - 4.00 PM
4.00 PM - 5.00 PM
5.00 PM - 6.00 PM
6.00 PM - 7.00 PM
7.00 PM - 8.00 PM
8.00 PM - 9.00 PM
9.00 PM - 10.00 PM
10.00 PM - 11.00 PM
11.00 PM - 12.00 AM

TUESDAY 12 FEBRUARY 2008
10.00 AM - 11.00 AM
11.00 AM - 12.00 PM
12.00 PM - 1.00 PM
1.00 PM - 2.00 PM
2.00 PM - 3.00 PM
3.00 PM - 4.00 PM
4.00 PM - 5.00 PM
5.00 PM - 6.00 PM
6.00 PM - 7.00 PM
7.00 PM - 8.00 PM
8.00 PM - 9.00 PM
9.00 PM - 10.00 PM
10.00 PM - 11.00 PM
11.00 PM - 12.00 AM

WEDNESDAY 13 FEBRUARY 2008
10.00 AM - 11.00 AM
11.00 AM - 12.00 PM
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1.00 PM - 2.00 PM
2.00 PM - 3.00 PM
3.00 PM - 4.00 PM
4.00 PM - 5.00 PM
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7.00 PM - 8.00 PM
8.00 PM - 9.00 PM
9.00 PM - 10.00 PM
10.00 PM - 11.00 PM
11.00 PM - 12.00 AM

THURSDAY 14 FEBRUARY 2008
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11.00 PM - 12.00 AM

FRIDAY 15 FEBRUARY 2008
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SATURDAY 16 FEBRUARY 2008
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11.00 PM - 12.00 AM

SUNDAY 17 FEBRUARY 2008
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11.00 AM - 12.00 PM
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10.00 PM - 11.00 PM
11.00 PM - 12.00 AM

RADIO CANADA INTERNATIONAL

Radio Canada International (RCI), CBC | Radio-Canada's international Radio service, broadcasts in nine languages via the Internet, digital and analog shortwave, satellite, and some 400 partner stations worldwide.

RCI has nearly completed its repositioning, having shifted its programming focus from News to the daily concerns of citizens. The result has been greater interaction between hosts and listeners on air, richer analysis of major social issues, and more room for human-interest and Arts and Entertainment content.

Since December 2005, RCI has been available in Canada via Sirius-satellite radio. Its daily Arabic-, Spanish- and Chinese-language programs have been expanded to a one-hour format. Fifty-three new partnership agreements were signed with foreign broadcasters (32 in sub-Saharan Africa, in English and French; 19 in Latin America, including nine in Spanish and 10 in Portuguese; and two in Europe, in Spanish), adding to the 375 local stations that already carry selected Radio Canada International programming worldwide. In Canada, seven stations carry RCI programs or program segments in French, Mandarin, Spanish, and Arabic: two in Vancouver, one in Edmonton, one in Winnipeg, one in Toronto, and two in Montréal.

During the fiscal year, RCI carried out 12 co-productions with partner stations: five with RCI's target countries in Latin America (Argentina, Mexico, Colombia, and Venezuela); one in Portuguese with Brazil; four in Chinese with partners Radio Beijing, Radio Chongqing and China National Radio; one in French with Mali; and one in Arabic with the Voice of Lebanon.

RCI celebrated its 60th anniversary by hosting a number of live concerts and special events for broadcast on its airwaves. RCI also signed agreements with Deutsche Welle and Radio Netherlands, which helped give its programming considerably wider exposure.

The Conference of International Broadcasters' Audience Research Services (CIBAR) held its annual meeting in Montréal this year as part of RCI's 60th anniversary. To mark the last day of the 60th celebrations, RCI teamed up with Espace musique and CBC Radio Two to produce a cross-cultural project: a concert extravaganza featuring La Bottine Souriante and the Gran Orquesta Cubana de Montreal during the Montreal High Lights Festival on February 25, 2006.

A report produced by the Latin American section was chosen by the Gabriel Garcia Marquez-chaired Fundación para un Nuevo Periodismo Iberoamericano (FNPI) to be included in an anthology of the best reports in 2004.

RCI teams also covered selected events in Newfoundland, Edmonton and Calgary to better reflect Canada to the world.

THE CANADIAN INSTITUTE FOR TRAINING IN PUBLIC BROADCASTING

Since its launch in November 2004, CBC | Radio-Canada's Canadian Institute for Training in Public Broadcasting/ Institut canadien de formation en radiodiffusion publique has completed a number of projects in Africa and the Caribbean focused on election coverage, audiovisual trades, and broadcast management.

The Institute implemented a training program for the Office de Radiodiffusion Télévision du Niger (ORTN) to help it enhance coverage of the Jeux de la Francophonie, which were held in Niamey, Niger, in December 2005. Together with the Hironnelle Foundation, the Institute offered a training seminar on election coverage to journalists from the United Nations-funded radio network Radio Okapi. The Institute also provided employees from Radio Dahra, one of the regional stations of Radio Nationale Algérienne, with basic training on hosting, producing, journalism and other radio professions, as well as digital production.

The Canadian Institute for Training in Public Broadcasting collaborated with Réseau Liberté and the NGO Alternatives on a program aimed at promoting democratic transition in Haiti. The Corporation's News professionals trained Haitian journalists to cover the February 2006 presidential election.

The Institute worked closely with The Broadcasting Corporation of the Bahamas to set up a training program for the public broadcaster's executives. The Corporation also partnered with the Commonwealth Broadcasting



THE INTERNATIONAL SCENE

Association to organise two seminars for some two dozen senior managers from Caribbean public television and radio on leadership and strategic broadcast management.

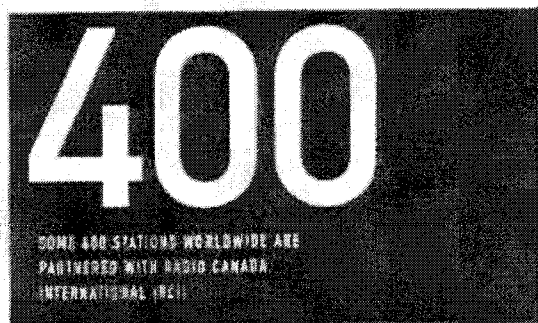
CBC|RADIO-CANADA PROGRAMMING ABROAD

The biggest achievement of 2005–2006 for **CBC Radio** was its launch on Sirius satellite radio of both CBC Radio One and CBC Radio 3. Exposure of CBC Radio programming internationally continues to grow: *As It Happens* is now heard on 105 public radio stations in the US, including four of the top ten markets, and *Outfront* and other documentaries can be heard on PRX, a US-based public radio Internet site that distributes programming to public radio stations for terrestrial broadcast.

CBC Radio continues to collaborate with other public broadcasters and is an active participant in documentary, drama and music exchanges with broadcasters such as BBC, ABC, Radio Netherlands, Radio Hong Kong, Radio New Zealand, and through the European Broadcasting Union.

**RADIO CANADA
INTERNATIONAL (RCI),
CBC|RADIO-CANADA'S
INTERNATIONAL RADIO
SERVICE, BROADCASTS IN
NINE LANGUAGES VIA THE
INTERNET, DIGITAL AND
ANALOG SHORTWAVE,
SATELLITE, AND SOME
400 PARTNER STATIONS
WORLDWIDE.**

CBC Television's News, Documentary and Arts & Entertainment divisions collaborated on more than two dozen major projects with broadcasters in Australia, France, Germany, Ireland, Italy, the United Kingdom, and the United States, among other countries. *Passion and Fury: The Emotional Brain* was co-produced by CBC Television's *The Nature of Things* and the Australian Broadcasting Corporation. CBC News created new Current Affairs programs with both the United States and Australia. CBC News and *The New York Times* collaborated on the weekly *Times Seven* series broadcast to more than 46 million homes in Canada and the US. *Hemispheres* continues to be co-produced by CBC Television and the Australian Broadcasting Corporation. In the past 18 months, CBC News opened new small bureaux in Beirut, Nairobi, Los Angeles, and Shanghai, bringing the total number of foreign bureaux to 14. Chief Correspondent Peter Mansbridge anchored *CBC News: The National* from Torino, Kandahar and Israel. A newly branded segment called *Our World* is now seen three nights a week as part of our flagship prime-time newscasts, and repackaged into a weekly half-hour show; work is also in progress on the creation of a new World Affairs Unit.



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In 2005–2006, **Radio de Radio-Canada** launched four new Radio services on Sirius Canada, of which two, *Première plus* and *Bande à part*, are available to North America and the Caribbean. The two services available in Canada are *Info plus*, a Francophone continuous information Radio service and *RCL plus*, a multilingual version of the *RCL* service, available for the first time in Canada. These new services broaden Radio de Radio-Canada's reach and broadcasting capability in North America.

In 2005, **Radio de Radio-Canada** signed a major agreement with Radio France Internationale (RFI) allowing the *Première Chaîne* to air a live daily newscast as well as a weekly selection of RFI's top arts and entertainment shows. Each day, RFI's Paris station carries a best-of compilation of *Première Chaîne* programming, packaged by Radio de Radio-Canada. To mark the launch of *Info plus* on Sirius Canada, Radio de Radio-Canada reached an agreement bringing Canadians morning shows from France Inter, Radio France's flagship network.

Radio de Radio-Canada continued to offer Canadians distinctive programming that embraces the entire French-speaking world, in partnership with French, Belgian and Swiss public radio. *La librairie francophone*, a new weekly program aired on the *Première Chaîne* and co-produced with France Inter and the main networks of RTBF (Belgium) and Radio Suisse Romande (Switzerland) gives Europeans exposure to Canadian writers, while exploring the larger Francophonie literary scene. In Fall 2005, the four French-language public radio services celebrated 50 years of cooperation by airing a special program that featured a major call-in segment on the French language, produced in Montréal and simulcast in France, Belgium, Switzerland, and Canada. *Espace musique* strengthened its collaborative ties with European public radio through the European Broadcasting Union.

Télévision de Radio-Canada is a shareholder in TV5Monde, an international network available to 263 million households in 203 countries and territories worldwide, and which draws over 173 million viewers each week (cumulative audience). TV5Monde annually broadcasts 400 hours of *Télévision de Radio-Canada* programming, including *Le téléjournal*; *Découverte*; *Catherine*; *Un gars, une fille*; *Grande Ourse*; and *Ciao Bella*. The feature films *La femme qui boit*; *20 h 17, rue Darling*; and *Québec-Montréal* were seen across the entire TV5Monde network in 2005. *Le point* is a Current Affairs program specially packaged for TV5Monde, with reports from the programs *Enjeux*, *Zone libre* and *Le point*. During prime time, TV5Monde also airs an international version of *5 sur 5*. *Télévision de Radio-Canada* hosted a seminar in Montréal on documentaries, organised by the Communauté des Télévisions Francophones (CTF), which brought together CTF-member public television services, as well as producers, directors and scriptwriters from Belgium, Switzerland, France, and Canada. During the year, TV5Monde rebroadcast a number of Radio-Canada News specials, such as the leaders' debate, the results of the 2006 Federal Election, national and provincial celebrations, and major cultural events such as the ADISQ gala and the *Soirée des Jutra*.



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CBC | RADIO-CANADA SERVICES

CBC | Radio-Canada delivers a comprehensive range of News, information, entertainment and sports programs via 27 different services. It is the only Canadian broadcaster delivering Radio, Television, Internet, and satellite-based services, in both English and French plus eight Aboriginal languages, to all Canadians. The Corporation's broadcasting reach extends across Canada and around the world.

RADIO



CBC RADIO ONE: commercial-free English-language network, broadcasting local, national and international News, Current Affairs and general-interest programming.



CBC RADIO TWO: commercial-free English-language network, featuring music, concerts, national and world News.



CBC RADIO 3: commercial-free English-language network, offering new music and culture from Canada and around the world, on CBC Radio Two, Sirius satellite radio, and the internet.



PREMIÈRE CHAÎNE: commercial-free French-language network, offering News, Public Affairs and cultural programming.



ESPACE MUSIQUE: commercial-free French-language music network, offering jazz, classical, chanson, diverse world music, and emerging talent.



BANDEAPART.FM: commercial-free French-language network, offering emerging music and Francophone artists on Espace musique and Sirius satellite radio, and on the internet (bandeapart.fm).



CBC NORTH | RADIO-CANADA NORD: Radio and Television services in English, French and eight Aboriginal languages to Canada's northern communities.



RADIO CANADA INTERNATIONAL (RCI): international shortwave Radio service broadcasting in nine languages.

SATELLITE RADIO



CBC RADIO ONE: commercial-free English-language network, providing national and international News, Current Affairs, documentaries, Arts, comedy, and popular culture programming.



CBC RADIO 3: commercial-free English-language network featuring emerging Anglophone music and artists, with 65 per cent Canadian content.



PREMIÈRE PLUS: commercial-free French-language network, offering News, Current Affairs, magazines, and cultural programming, including the best of the Première Chaîne.



INFO PLUS: commercial-free French-language 24-hour all-News, information and Public Affairs network, offering the best of Radio-Canada programming.

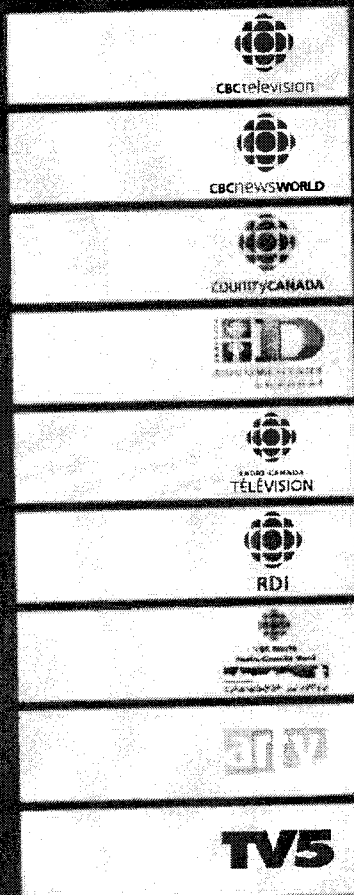


BANDE À PART: emerging Francophone music and artists.



RCI PLUS: Radio Canada International programming in eight languages, as well as broadcasts from Canadian and international network partners.

TELEVISION



CBC TELEVISION: English-language network, delivering a wide range of general, special interest and high-impact programming. News and information.

CBC NEWSWORLD: English-language 24-hour all-News and information service, financed entirely by subscriptions and advertising revenue.

CBC COUNTRY CANADA: 24-hour English language digital television service, by subscription, dedicated to regional and rural programming.

THE DOCUMENTARY CHANNEL: 24-hour English language digital television service, by subscription, offering Canadian international documentaries and extending our reach to Canadians.

TELEVISION DE RADIO-CANADA: French-language network delivering a broad range of general, special interest and innovative audacious programming. News and information.

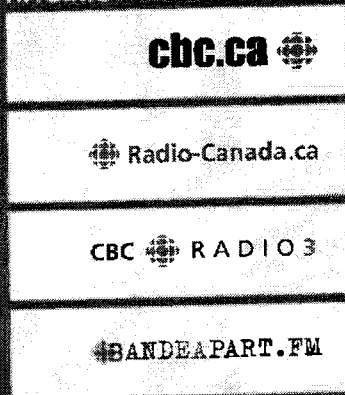
RÉSEAU DE L'INFORMATION DE RADIO-CANADA (RDI): French language 24-hour all-News and information service, financed entirely by subscriptions and advertising revenue.

CBC NORTH (RADIO-CANADA NORD): Radio and television services in English, French and eight Aboriginal languages to Canada's northern communities.

ARTV: French-language arts and culture television service, by subscription, offered through a public-private partnership.

TV5: An international consortium, offering a mix of News and general interest French language Television programming.

INTERNET



CBC.CA: English language internet service carrying our Radio and Television content, unique New Media and corporate information.

RADIO-CANADA.CA: French language internet service carrying our Radio and Television content, unique New Media and corporate information.

CBC RADIO 3: commercial-free English-language network, offering new music and culture from Canada and around the world, on CBC Radio Two, Sirius satellite radio, and the Internet.

BANDEAPART.FM: commercial-free French language network, offering emerging music and francophone artists on Espace Musique and Sirius satellite radio, and on the Internet bandeapart.fm.

OTHER



GALAXIE: Digital, pay commercial-free audio service offering 45 channels of continuous music, without talk, to over five million subscribers.

CBC RECORDS (LES DISQUES CBC): recording, sales, releasing about 25 new Canadian CDs annually.

WIRELESS: WAP and SMS messaging services delivering interactive content to PDAs and cell phones.

STRIVING THE RIGHT BALANCE



CBC | RADIO-CANADA ANNUAL REPORT 2005-2006

BEHIND THE SCENES

AUDIENCES ENJOY OUR SERVICES EVERYDAY. OUR PROGRAMMING REFLECTS CANADA'S DIVERSITY, REGIONS AND COMMUNITIES. AND BEHIND THE SCENES IS AN EFFICIENT CORPORATION SUPPORTING THOSE SERVICES.

BEFORE THE

BETTER PROGRAMMING THROUGH NEW TECHNOLOGY AND EFFICIENCIES

In the challenging context of a limited budget, dramatically increasing production costs, and fragmented audiences and media competition, CBC/Radio-Canada is optimising assets and strategically deploying available funds to deliver on its programming mandate.

During 2005-2006, the Corporation undertook numerous internal projects to achieve greater efficiency, boost flexibility or generate additional revenue. Since 2000-2001, in addition to one-time productivity savings and revenue increases of \$115 million, initiatives have been generating \$74 million a year in savings and revenues, allowing us to increase the value of our ser-

vices and to further our strategic priority. Demonstrate that CBC/Radio-Canada is a well-managed company and generate cash flow to re-invest in programming.

REAL ESTATE

One main objective of the Real Estate Division is to maximise the Corporation's use of buildings and assets in order to free-up or generate monies for investment in programming.

This year, the Division helped to develop and obtain approval for a major redevelopment project in Vancouver and consolidation of our St. John's, Newfoundland, locations. These projects will integrate our French and English Radio, Television and New Media networks and newsmen, for increased collaboration and better use of assets, making more efficient use of real estate, and bringing us into the heart

of the community – all to support the production of excellent programming. These new projects will complement our successful consolidations in Ottawa, Edmonton and Québec City, completed in the last three fiscal years. Already, more than 10 per cent of CBC | Radio-Canada's employees have been relocated to more modern and better working spaces. Similar projects are being considered for other locations across the country.

To operate more efficiently, the Division utilises best-industry practices across the Corporation. Energy management programs provide us with approximately \$2 million of recurring annual savings while improving employee comfort. We continue to explore new energy saving measures as part of the Corporation's commitment towards the environment. To date, CBC | Radio-Canada Vancouver and Montréal locations have been certified "Go Green" by their respective provincial BOMA (Building Owners and Managers Association) chapters. The Maison de Radio-Canada in Montréal has won the National Earth Award from BOMA Canada for its continuing environmental practices, and it is in the running for the International Earth Award.

Since 2000, real estate initiatives have freed up more than \$82 million of which approximately \$13 million is annually recurring.

MERCHANDISING

CBC | Radio-Canada is one of the most recognised brands in the country. To leverage our programming assets and achieve all possible revenues for investment in programming, the Corporation created its Merchandising Division in 2002, to license, sell and distribute our content in nationally and internationally.

During 2005-2006, the Division brought in \$6.5 million in revenue – an 18 per cent increase over the previous year – and opened a store in Montréal and a kiosk in Ottawa to join our Toronto venue and online stores (cbshop.ca and boutiqueradio-canada.ca) in providing the Corporation with additional funds for programming. Next year, the Division will continue to consolidate its retail presence and expand its licensing activities to generate more re-investment in programming.

CURTAIN RISES

TECHNOLOGY

CBC | Radio-Canada continues to invest in state-of-the-art technology to increase efficiency and quality in the Corporation's production and business processes and to allow the introduction of new means of production and distribution.

CBC Technology began to implement new telecom and broadcast technologies last year, resulting in approximate annual savings of [\$1 million] initially, and [\$3.7 million] in annual savings with full implementation this year. The Distribution Relay Optimization Project (DROP), which replaced terrestrial networks with satellite, generated annual savings of [\$5.2 million] for our Television networks, with an additional [\$1.1 million] in annual savings beginning this year, overachieving its savings target.

CBC | Radio-Canada Transmission increased revenue by [\$XX million] in 2005-2006 by renting space on our towers, sites and buildings to private broadcasters, cell phone companies and government services; and selling shortwave transmission services and providing technical maintenance services to other broadcasters.

Various technologies allow us to achieve savings, and create and deliver a larger number and range of high-quality News stories. These include iNews, for greater sharing of production material between our French, English, Radio and Television services; ParkerVision, for reducing the number of studio employees required to produce newscasts; and Desktop Television, for improving the workflow in newsrooms. Desktop Television is being rolled out in Toronto, and the technology will be introduced on a reduced scale in smaller locations in the future. A second generation of Desktop Radio was introduced this year, as well as more elements of our Vision Project which will



BEHIND THE SCENES

ultimately replace 45 aging and obsolete computer systems with three new, fully integrated systems to manage contracts, program inventory, broadcast schedule, marketing and sales activities, promos, media management, and CRTC reporting.

Sophisticated technology allowed the Corporation to employ remote production methods to cover the 2005 IAAF Games in Helsinki and the 2006 Winter Olympic Games in Turin, as it had the previous year for the 2004 Summer Olympic Games in Athens and the 2005 ISU World Figure Skating Championships in Moscow. Efficient compression technologies, low-cost, high-speed and high-capacity optical fibre, and servers with extensive online storage capacity permitted much of the editing and production to occur in our network production centres in Toronto and Montreal. Fewer staff and less equipment on location resulted in significant savings.

In June 2005, the CRTC granted Sirius Canada Inc. and Canadian Satellite Radio Inc. licences to provide subscription radio via satellite. CBC | Radio-Canada Transmission was instrumental in building eight terrestrial transmitters for Sirius this year, and is providing monitoring and maintenance services for Sirius, generating important revenue for the Corporation's programming budgets.

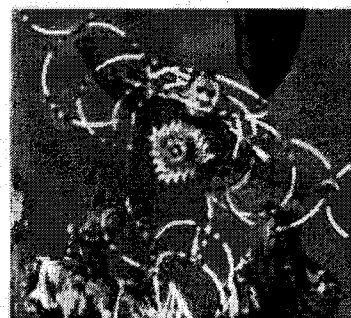
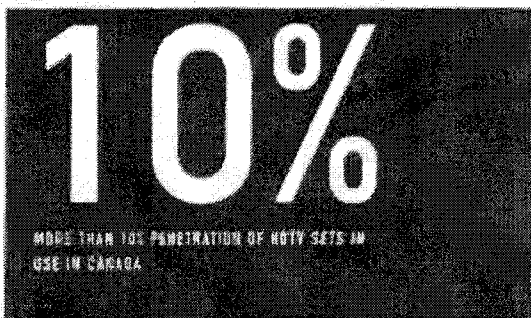
DIGITAL AND HIGH DEFINITION TELEVISION

Since 2003-2004, we have been making the transition to digital high definition transmission, in order to produce and broadcast excellent television for Canadians. The Corporation is building two HD studios in Toronto and three in Montréal. Four HD transmitters offer digital and high definition (HD) services in Montréal and Toronto and, new this year, in Québec City (French) and Vancouver (English). Transmitters for both the English and French networks will be on air in Ottawa in Autumn 2006.

**IN DECEMBER 2005,
CBC|RADIO-CANADA
LAUNCHED SIX NEW
CHANNELS, INCLUDING
CBC RADIO ONE AND
CBC RADIO 3, ON SIRIUS
CANADA, A PARTNERSHIP
OF SIRIUS SATELLITE
RADIO, CBC|RADIO-CANADA
AND STANDARD RADIO.**

In September 2005, in response to an invitation from the Government of Canada, CBC | Radio-Canada developed and filed an accelerated strategy for the Corporation's transition to digital television. If funded by Government, this proposal will permit CBC | Radio-Canada to offer all of its prime-time programming in HD format more quickly than would otherwise have been the case.

In November 2005, CBC Television created a Video Syndication (VS) unit within CBC's Digital Programming and Business Development group, in order to satisfy the growing demand for content on new platforms - from cable video-on-demand, to the Internet (on *CBC.ca* and commercial portals), to private and public screens, to cellular and other mobile devices. The VS unit will develop programming strategies for



Umpteen lampstands telephoned five bureaux. The mats towed one Jabberwocky. The partly bourgeois dogs mo

Umpteen lampstands telephoned five bureaux. The mats towed one Jabberwocky. The partly bourgeois dogs mo

these platforms in such a way that production pays for itself, and is self-sustaining. The focus will be on commercial opportunities in video syndication, such as sales to cable or telecommunications companies, or ad-supported video programming on *CBC.ca*. The VS unit will bring in needed revenue for our programming budgets, while complementing the work of our New Media division which has been syndicating text and video on the Internet and cellular devices for some years. Importantly, it will also better serve our audiences on the move.

MOBILE DIVISION

Our Mobile Division was created two years ago to make more efficient use of our mobile production equipment; to ensure that programs have access to the material and expertise they need; and to generate revenue, for investment in programming, by aggressively marketing excess capacity. The Division has full responsibility for maintenance and deployment of all of our Television mobile fleet. Our first High Definition Mobile Truck, built and placed in service this year, is helping us make spectacular Television programming. A second HD mobile was approved by the Board of Directors, with a target in-service date of April of 2007.

SHARED SERVICES

Two years ago, we created our CBC | Radio-Canada Shared Services, to update delivery of transactional and administrative services in Human Resources, Information Technology and Finance and Administration. Shared Services has worked to standardise processes, leverage investments in leading-edge technology, and achieve economies of scale in transaction-intensive services. Much of this was completed this year and the last phase, the transition of HR services, is slated for completion in 2006-2007. Shared Services' On-going Quality Assurance program allows it to monitor performance vis-a-vis established Service Level Agreements requirements. To help streamline operations and review processes, Shared Services is continuing to develop and refine metric and monitoring systems. Key Performance Indicators have been identified and Shared Services is developing a proper interface for data gathering and reporting using Corporate standards. Shared Services is also conducting a survey, in consultation with CBC Research, to measure employees' satisfaction with its services, with the aim of improving performance next year.

CONTENT MANAGEMENT

Again in 2005-2006, the Corporation successfully expanded use of programming and revenue from our archives, and made advances in rights management to obtain and exploit rights for program content.

REGIONAL REFLECTION, DIVERSITY, AND SERVING THE COMMUNITY

As Canada's national public broadcaster, CBC | Radio-Canada creates and broadcasts high-quality programming that reflects the country's different regions, broadening diversity and evolving culture; and maintains a strong presence in communities. These activities are supported by the Corporation's strategic priorities.

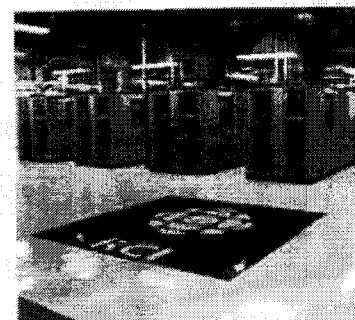
CBC | Radio-Canada invests in the regions by posting journalists in nearly 70 Canadian communities and covering, in-depth, the local and regional stories that matter to audiences; featuring local speakers and perspective; and sharing stories with national audiences, to connect citizens across the country. We are the only Canadian broadcaster to air programs in English and French across the country, in eight Aboriginal languages in the North, and in nine



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BEHIND THE SCENES

languages around the world on Radio Canada International. We evaluate our programming to ensure that it meets Canadians' expectations, innovating and improving, wherever funding allows. For instance, this year, CBC Television's *CBC News: Canada Now* piloted *Here and Now*, a regional show in Newfoundland and in Labrador, to speak directly to regional needs and expectations. To round out its Arts and Entertainment coverage on regional newscasts, Télévision de Radio-Canada aired *Art circuit*, a magazine devoted to cultural life across the country, live out of Ottawa.

To ensure that we reflect contemporary Canada on-screen and behind-the-scenes, we have a number of initiatives, including the following:

- CBC Television's Express Diversity (with results such as changes in hiring practices and story selection within News and Current Affairs; and the requirement for approved internal diversity plans);
- CBC Radio's New Voices strategy (which has introduced thousands of new voices and perspectives in programs such as *Outfront*, *Global Village*, and *Legends* which, since 2004, has focused on the preservation of at-risk Aboriginal languages through voice recordings);
- Over 30 cross-cultural initiatives involving CBC | Radio-Canada's English and French services, which help create synergy and foster productive inter-media exchanges, while bringing communities closer together and raising awareness of their respective realities. Some such initiatives take the form of special programming centred on specific themes. For instance, from December 26 to 30, 2005, the Première Chaîne aired *Mosaiques*, a five-part series on regional immigration. Originally produced in Rimouski and broadcast on selected regional stations in Québec, the series was also aired across Canada;
- Télévision de Radio-Canada's strengthened regional content in its News and information service; this speaks to our desire to reflect Canada's myriad regional perspectives and characteristics; and
- Espace musique, Radio de Radio-Canada's Canada-wide music network, brings audiences a musically diverse environment that fosters the multiplicity of musical genres through such initiatives as partnerships with events in cultural communities, like *Le festival du monde arabe* and *Nuits d'Afrique*, artistic creation, and support for homegrown talent via programs like *Sacré talent*.

For nearly 70 years, CBC | Radio-Canada has been a vital member of the communities we serve. Everyday, we are part of Canada's experience, and not just on our airwaves. We seek out programming opportunities by playing an active role in hundreds of community events, festivals, literary and artistic competitions, and fundraising events all over the country.

In recent years, we have worked to strengthen our integration into the community even more fully, and to boost professional collaboration, resource-sharing and efficiency, by bringing together all of our media lines under one roof in the heart of three communities: Edmonton, Québec City and Ottawa. Similar downtown moves for our media lines in other communities are being considered.

We will continue to build strategic partnerships to extend our reach and enhance the range of our services to Canadians. We will also continue to listen to citizens across the country in order to strengthen relationships with our audiences and to provide programming that remains relevant to them.

BUILDING AND STRENGTHENING OUR TEAM

One of the Corporation's eight strategic priorities, *Strengthen CBC/Radio-Canada's commitment to all its employees - to those who create and those who support them*, articulates the important place of employees in the company and the need to shape a working environment that continues to encourage and facilitate the production of excellent programming for our audiences.

To create such a supportive environment, the Corporation has put forward strategies that focus on improving internal communications to enable employees to understand the Corporate direction and equip them to meet current and future challenges. Professional development and training continues to be one of our top priorities. In today's competitive media environment, we need to provide employees with the right tools to fulfill their job requirements to the highest standards.

Also in support of fostering conditions that promote creative programming is the Corporation's annual tradition of holding a Leaders' Forum. In May 2005, CBC | Radio-Canada held its fifth such forum to discuss positioning the Corporation for the challenging future, and to look for new ways of increasing creativity in an evolving business environment. Management and Union leaders also met for the fourth Union-Management Leaders Forum in April 2005.

ORGANISATIONAL HEALTH AND WELLNESS INITIATIVE

A creative organisation needs to provide a healthy environment in which creativity can flourish. Following the Corporation's employee surveys of 2001 and 2004, CBC | Radio-Canada Management and Unions recognised the need to act on certain employee-related wellness issues cited in the survey findings, and Human Resources is making this a priority. A Director of Wellness was appointed in April 2005 to implement overall, integrated and proactive strategies on health and wellness for staff and the organisation as a whole, and to oversee Safety and Environment operations. Recognising the value of gathering concrete data on health issues, in June 2005, the Corporation conducted a survey on the psychological well-being of employees that revealed certain work-related health, security and mental illness risk-factors. Survey results have led to a number of concrete actions, where Management, Unions and employees are working together to address challenges in the workplace.

A STRATEGIC APPROACH TO INDUSTRIAL RELATIONS

The Corporation this year concluded agreements with its two largest French-language unions, the Syndicat des communications de Radio-Canada (SCRC) and the Syndicat des Technicien(ne)s et Artisan(ne)s du réseau français de Radio-Canada (STARF). In both cases, agreement was reached before the collective agreements had expired and in an atmosphere of mutual respect throughout the bargaining process. These agreements will be in effect for three years.

CBC | Radio-Canada also reached agreement on a new contract with the Association of Professionals and Supervisors (APS) this year in a calm and productive process.

To facilitate the creation and broadcast of high-quality programming, for the last seven years the Corporation has taken a strategic approach to industrial relations with the intention of rationalising our complex labour environment. Following a 2003-2004 Canadian Industrial Relations Board (CIRB) decision, three bargaining units were amalgamated into one to allow CBC English Services to more effectively and efficiently manage its business with more flexibility, which is a crucial requirement in a highly competitive and evolving media environment. In 2004-2005, the Corporation began negotiations with the Canadian Media Guild (CMG) to achieve one collective agreement for three formerly separate bargaining units. The objective was to craft an agreement that meets the needs of employees and the CMG, while supporting the Corporation's goals as the national public broadcaster and a well-managed company.

Negotiations did not go as smoothly as hoped this fiscal year, and after 15 months in pursuit of a negotiated contract settlement, Management came to the conclusion that an agreement would not be reached without a work stoppage and made the difficult decision to lock out its CMG employees in order to force the negotiations to a conclusion. While this decision most certainly caused short-term difficulties for employees and inconvenience for our audiences, it was necessary for the longer term health of public service broadcasting in Canada. An agreement between Management and the CMG was ratified in October 2005. To help CMG's effective return to work, Management provided numerous information and reintegration sessions across the country for both CMG employees and Management. This year's difficult events have encouraged the Corporation to review its employee relations strategy, with particular attention to the management of organisational change as it affects the workforce and the work we do.

Employment equity, official languages, health and safety, workforce diversity, and business continuity planning were also among our Corporate priorities this year.

Overall, CBC | Radio-Canada's strategy is designed to help us shape a workplace where creativity, programming and service to Canadians will flourish in fiscally responsible ways.



PUBLIC ACCOUNTABILITY

CBC/RADIO-CANADA HAS AN OBLIGATION TO REPORT TO CANADIANS ON THE FULFILMENT OF ITS COMMITMENTS. THIS IS ACCOMPLISHED USING A VARIETY OF COMMUNICATION CHANNELS AND VEHICLES.

OPEN AND TRANSPARENT

FOR EXAMPLE, CBC | RADIO-CANADA ACCOUNTS FOR ITS ACTIVITIES THROUGH THE MINISTER OF CANADIAN HERITAGE TO PARLIAMENT, THROUGH ITS ANNUAL REPORT AND CORPORATE PLAN SUMMARY; TO THE CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION (CRTC) THROUGH YEAR-END REPORTS AND ANNUAL FINANCIAL RETURNS; AND TO STAKEHOLDERS THROUGH ONGOING DIALOGUE AND INTERACTION AND CBC | RADIO-CANADA WEBSITES.

Here are examples of reporting instruments:

- ▶ ANNUAL REPORT OF CBC | RADIO-CANADA TO THE CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION (CRTC)
- ▶ CBC | RADIO-CANADA CORPORATE PLAN AND CORPORATE PLAN SUMMARY
- ▶ CBC | RADIO-CANADA ANNUAL REPORT
- ▶ AUDITOR GENERAL SPECIAL EXAMINATION REPORT
- ▶ AUDITOR GENERAL ANNUAL ATTEST AUDIT
- ▶ ANNUAL REPORT TO THE DEPARTMENT OF HUMAN RESOURCES AND SKILLS DEVELOPMENT CANADA (HRSDC) EMPLOYMENT EQUITY
- ▶ IMPLEMENTATION OF SECTION 41 OF THE OFFICIAL LANGUAGES ACT REPORT
- ▶ PUBLIC ACCOUNTS OF CANADA

JOURNALISTIC STANDARDS AND PRACTICES

CBC | Radio-Canada has an extensive code of Journalistic Standards and Practices and solid mechanisms to guide its employees and to ensure that those working on its programming remain balanced in their on-air perspectives and reporting. Complaints from the public that are not resolved at the program level to the satisfaction of the complainants are examined and dealt with by the Corporation's two independent Ombudsmen, each of whom is completely independent of CBC | Radio-Canada programming staff and programming management and is reporting directly to the President of the Corporation and, through the President, to the Corporation's Board of Directors. The role of each Ombudsman is pivotal in strengthening the national public broadcaster's accountability and transparency to Canadians. The Ombudsmen can be reached at: The Ombudsman, English Networks, CBC | Radio-Canada, PO Box 500, Station A, Toronto ON M5W 1E6 (ombudsman@cbc.ca); and Bureau de l'ombudsman, Services français, CBC | Radio-Canada, CP 6000, Montréal QC H3C 3A8 (ombudsman@radio-canada.ca).

CODES OF CONDUCT

CBC | Radio-Canada employees at all levels and across the Corporation are expected to adhere to policies governing their behaviour in such areas as: conflict of interest and ethics; whistleblowing; official languages; harassment; and political activity. A selection of the Corporation's Human Resources policies is available for viewing online at: <http://www.cbc.radio-canada.ca/docs/policies/index.shtml>.



GOVERNANCE

HIGHLIGHTS

BOARD OF DIRECTORS' COMPOSITION

Significant change in the membership of the Board of Directors occurred just as the previous fiscal year ended and the new year began, with a total of eight new Directors appointed during the months of February and April 2005.

In addition, a new Chairman of the Board, Guy Fournier, was appointed in October 2005 to replace Carole Taylor who resigned in March 2005. Pursuant to the provisions of the *Broadcasting Act*, the President and CEO served as Acting Chair during the intervening period.

COMPREHENSIVE REVIEW OF GOVERNANCE AT CBC/RADIO-CANADA

Developments proliferated in 2005 on the topic of corporate governance, especially with respect to Crown Corporations. To assist the Board in identifying the priorities for CBC/Radio-Canada, Management compiled a report card on the current state of governance at CBC/Radio-Canada, examining both external and internal developments affecting the Corporation from a corporate governance perspective, including:

REVIEW OF THE GOVERNANCE FRAMEWORK FOR CANADA'S CROWN CORPORATIONS –

MEETING THE EXPECTATIONS OF CANADIANS – TREASURY BOARD SECRETARIAT

REPORT (FEBRUARY 2005)

THE OFFICE OF THE AUDITOR GENERAL 2005 REPORT: CHAPTER 7 – GOVERNANCE
OF CROWN CORPORATIONS (FEBRUARY 2005)

REPORT OF THE OFFICE OF THE AUDITOR GENERAL ON THE CBC 2005 SPECIAL
EXAMINATION (NOVEMBER 2005)

The Report Card generated a number of recommendations for Board and Management action during 2006-2007 to ensure that CBC/Radio-Canada keeps pace with new developments.

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GOVERNANCE

BOARD EVALUATION

In 2004, the Board, with the assistance of outside expertise retained specifically for this purpose, developed and implemented an evaluation process to assess its effectiveness as a Board. Due to the major change in the composition of the Board that occurred early in calendar year 2005, the Board concluded that it would be premature to undertake a Board evaluation before March 31, 2006. An evaluation will be conducted early in the 2006–2007 year.

BOARD RENEWAL

The Board continues to affirm its ongoing commitment to encourage the selection of Board members whose skills, experience and qualifications are responsive to the needs of the Corporation and who, as a group, reflect CBC|Radio-Canada's critical and unique role as Canada's national public broadcaster. Consistent with this, in 2005, the Board undertook a review of its selection criteria for the Chairperson and for individual Directors and approved further refinements to both. These criteria have been submitted to the Government for consideration in the selection process for new Board members.

In addition, development of current Board members is supported through both internal and external training programs to ensure that governance and other topical issues are brought to the Board's attention.

BOARD COMPENSATION

The Board reviewed its compensation practices in March 2005 and adopted certain changes to align compensation with legislative requirements, Government guidelines and other governance objectives. Pursuant to the provisions of the *Broadcasting Act*, changes to Directors' compensation are subject to approval by the Minister of Canadian Heritage and Status of Women. At the time of writing the 2005–2006 Annual Report, the changes had been submitted to the Minister for ratification.

BOARD ATTENDANCE

Board Members' attendance is recorded and reported each year to the Nominating and Governance Committee. With very few exceptions, attendance was uniformly high for both Board and Committee meetings.

WHISTLEBLOWER POLICY

In September 2004, CBC|Radio-Canada introduced a whistleblower policy, the Corporate Policy on Disclosure of Wrongdoings, as part of its corporate policy framework. Information sessions were conducted for business units across Canada during Spring/Summer.

**Pages 1827 to / à 1836
are withheld pursuant to section
sont retenues en vertu de l'article**

18(b)

**of the Access to Information Act
de la Loi de l'accès à l'information**

**Pages 1837 to / à 1886
are withheld pursuant to section
sont retenues en vertu de l'article**

68.1

**of the Access to Information Act
de la Loi de l'accès à l'information**