



2017-2018 OPERATING BUDGET

TO:	Board of Directors	
MEETING:	March 22-23, 2017	
FROM:	Hubert Lacroix, President and CEO Judith Purves, EVP & CFO Michel Bissonnette, EVP French Services Heather Conway, EVP, English Services	Steven Guiton, EVP, MTIS Monique Marcotte, VP, People and Culture Alex Johnston, VP, Strategy and Public Affairs Sylvie Gadoury, VP, Legal Services
DECISION SOUGHT:	Approval of 2017-2018 Operating Budgets	
NEXT STEPS:	Ongoing monitoring of financial developments by Management and presentation of budgetary reports to the Board on a quarterly basis.	
DATE:	March 10, 2017	

The budget material is organized in two documents:

- The main document (**red deck**) contains the information that will be presented at the Board meeting for approval
- The other document (**blue deck**) is a book of appendices that provides additional detail

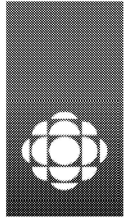


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1. FINANCIAL OVERVIEW



BUDGET HIGHLIGHTS

s.18(a)
s.18(b)
s.21(1)(b)
s.20(1)(b)

- ❑ The budget includes the additional funding of \$75M received in 2016-2017 growing to \$150M in 2017-2018. As approved in last year's business plan, a portion of that funding is used to offset financial pressures and the remainder is used to strengthen our transformation and reinvest in services.
- ❑ The proposed 2017-2018 Budget is balanced with
- ❑ Without changes to our business model as outlined in our proposal to government, *A Creative Canada: Strengthening Canadian Culture in a Digital World*, declining revenues and inflation increases beyond 2017-2018 will result in reduced spending in order to balance our budgets.
- ❑
- ❑ The capital budget was approved by the Board on January 26 and reflects the full cost of the MRC project. This was achieved by re-profiling projects in order to balance within existing capital funding.
 - Next year, we are proposing to change the schedule for the approval of the capital budget (see Section 7 for details).



2017-2018 OPERATING BUDGET: KEY ASSUMPTIONS

The business plans and budgets for 2017-2018 have been prepared based on the following, with Strategy 2020 providing the framework for priority setting:

1) Government Funding:

- The budget includes the additional government funding of \$150M in 2017-2018.
- At this time, it is expected that the approval and release of 2016-2017 salary inflation funding will be delayed to 2017-2018. This reduces our 2016-2017 net position, however it will have no impact on the net position over time as we will receive the funding, along with a retroactive amount for 2016-2017, in 2017-2018.
- The budget assumes that salary inflation funding at _____ for 2016-2017 and 2017-2018 and at _____ for future years. These rates have yet to be confirmed and depend on negotiated increases of public sector unions.



2017-2018 OPERATING BUDGET: KEY ASSUMPTIONS

s.18(a)
s.18(b)
s.21(1)(b)
s.68.1

2) Revenues (see section 2 for Media Solutions revenue assumptions included in this budget):

- **Conventional TV advertising: CBC/Radio-Canada is expected to**
- **Specialty Services TV advertising: CBC/Radio-Canada is expected to**
- **Digital advertising**
- **Subscriber Revenue:**
- **Rogers partnership:**

¹ Zenith Optimedia Advertising Expenditure Forecasts, December 2016



2017-2018 OPERATING BUDGET: KEY ASSUMPTIONS (CONT'D)

s.18(a)
s.18(b)
s.21(1)(b)
s.68.1

Expenditures:

- Expenditures reflect budget reductions and reinvestments arising from Strategy 2020 for the next four years.
- Expenditures also reflect all budget investments related to the new government funding and salary inflation at 1.5%.

Olympics:

- Expected revenues and expenditures for the Pyeongchang 2018 Winter Olympics (2017-2018) and the Tokyo 2020 Summer Olympics (2020-2021) are included in the four-year overview. Budgets have been adjusted to reflect the Rio Olympic experience. See Appendix C for more detail.

Reserves

A cash forecast is included on page 16 that forecasts a cash balance of _____ as at March 31, 2018

A slide is included on page 17 that presents the FTE counts by budget component for 2016-2017 at December 31, 2016 compared to expected FTEs in 2017-2018.



CORPORATE RESERVE

(SEE PAGE 81 FOR MORE DETAILS ON RESERVES)

s.18(a)
s.18(b)
s.21(1)(b)
s.68.1

- There is risk to advertising revenue ongoing. the trend is downward
- Similarly there is risk to subscription revenue ongoing. the trend is downward - with cord cutting, shaving and another potential round of CRTC interventions
-
-
-
- We are exposed to salary funding risk from the government - we are committed to fund our employees' increases but have no guarantee what government funding will be available to pay for it - this is approximately per year
-
-
-



CORPORATE RESERVE (CONT'D)

s.18(b)
s.21(1)(b)

Use of the Corporate Reserve



2017-2018 OPERATING BUDGET: EXTERNAL ENVIRONMENT

- Potential changes coming out of the Government's public consultation on the Future of Canadian Content in a Digital World have not been reflected in this budget.





2017-2018 OPERATING BUDGET: INVESTMENTS FROM NEW GOVERNMENT FUNDING

s.18(a)
s.18(b)
s.21(1)(b)
s.68.1

In March 2016, the government announced new funding of \$75M in 2016/17, growing to \$150M annually starting in 2017/18.

Below is a table showing the investment allocations approved by the Board in March 2016 and the amounts included in the current business plans.

	BOD Approved - March 2016		Included in 2017-2018 Business Plans	
	2016-2017	2017-2018	2016-2017	2017-2018
New Investments from Government Funding:			Q3 Forecast	

COMMENTS ON VARIANCES

New investments remain substantially similar to Board approved amounts.

Variances in 2016-2017 were explained at the November Board meeting.

Key drivers of the variances in 2017-2018 are:



2017-2018 OPERATING BUDGET: UPDATE ON STRATEGY 2020 INVESTMENTS

s.18(a)
s.18(b)
s.21(1)(b)

- The following chart provides an update to the total Strategy 2020 investments (English and French Services).
-

Incremental Investments in \$M's

Strategy 2020 Planned Investments	2016- 2017	2017- 2018	2018- 2019	2019- 2020	2020- 2021

in \$M

Remaining Strategy 2020 investments in 2017-2018 business plan



2017-2018 OPERATING BUDGET: UPDATE ON REDUCTIONS

s.18(a)
s.18(b)
s.21(1)(b)

Strategy 2020 Budget Reductions - Forecast as of Q3 2016-2017

2016-2017		2017-2018		2018-2019		2019-2020		2020-2021	
\$M	FTE	\$M	FTE	\$M	FTE	\$M	FTE	\$M	FTE



FOUR-YEAR FINANCIAL OUTLOOK

s.18(a)
s.18(b)
s.21(1)(b)
s.68.1

	2016-2017 Current Budget (\$000's)	2016-2017 Forecast (\$000's) <small>(December 31, 2016 forecast)</small>	2017-2018 Proposed Budget (\$000's)	2018-2019 Forecast (\$000's)	2019-2020 Forecast (\$000's)	2020-2021 Forecast (\$000's)
SOURCES OF FUNDS						
Parliamentary Operating Appropriation						
Additional Government Funding						
Expected Salary Funding						
<i>Total Parliamentary Appropriation</i>						
Advertising Revenue (TV, Radio, Internet, Contrats and Specialty)						
Olympics						
Subscriber Revenue						
Other Revenue						
TOTAL SOURCES OF FUNDS						
APPLICATION OF FUNDS						
English Services						
French Services						
Olympics						
Media Technology and Infrastructure Services (MTIS)						
General and Administrative Services						
Corporate Expenses						
Reserves						
TOTAL APPLICATION OF FUNDS						
NET POSITION for the Fiscal Year						
Estimated Severance Costs						
Prior Year Carryover						
NET POSITION *						



CONTINGENCY PLANNING

- The budget was developed to provide flexibility to respond to revenue risks while still utilizing our resources to enhance our programming and deliver on our strategy.

- In addition to the reserves already listed on page 81, the following items must be considered when determining our ability to face potential shortfalls:



2017-2018 CASH FORECAST

s.18(a)
s.18(b)
s.21(1)(b)

	2017/2018 Forecast					2016/2017 Actuals / Forecast				
	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Total	Apr - Jun	Jul - Sep	Oct - Dec	Jan - Mar	Total
Opening balance ⁽¹⁾						149,135	80,623	91,667		
Inflows										
Appropriations received ^(2,4)						220 000	335 000	250 000		
Salary Inflation Funding ⁽³⁾										
Revenues ⁽⁴⁾						151 705	144 041	172 722		
Outflows										
Expenditures ⁽⁴⁾						(440 217)	(467 997)	(420 919)		
Ending balance ⁽¹⁾						80,623	91,667	93,470		
<small>a = actuals; f = forecast</small>		f	f	f	f	a	a	a		

Note 1: The bank balances include the corporate bank accounts in Canadian and US dollars as well as short-term investments, as the case may be. Foreign bureau accounts and production and petty cash funds are not included since they are funded from the corporate accounts.

Note 2: Appropriation drawdowns are planned with the objective of keeping a bank balance sufficient to meet the requirements of the Corporation's activities.

Note 3: Salary inflation funding for the cumulative 2016-2017 impact (2 years worth) and for 2017-2018 is expected through Supplementary Estimates B in December 2017.

Note 4:

Note 5: Cash inflows and outflows are projected to increase this year in response to the increase in federal funding of \$150M.

Note 6: The forecasted inflows include the proceeds for the balance of the sale of the investment in Sirius XM Canada Holdings Inc.

Note 7:

Note 8:

Note 9: The forecasted amounts of inflows and outflows for the remainder of the year are derived from the business forecasts and capital plan for the 2017-2018, adjusted for non-cash and special transactions (changes in prepaid expenses and deferred revenues for example), for the effect of commodity taxes and for historical trends.

Note 10: For the months of April to December 2016, the amounts presented are actual results.

The forecast amounts from January to March 2017 were obtained from the following sources:

Cash Inflows: Revenues are forecasted by Shared Services - accounts receivable and French and English Services. They include advertising and subscriber revenues as well as other

Cash Outflows: Forecasts are provided by English Services, French Services, Shared Services - Payroll, Corporate Finance, Real Estate Division and other components.



FULL-TIME EQUIVALENT (FTE) STAFF UPDATE

s.18(a)
s.18(b)
s.21(1)(b)

	As at December 31st, 2016			Expected Movements from January 1st, 2017 to March 31, 2018		
	FTE Filled	FTE Vacant	TOTAL	Additions *	Reductions *	TOTAL
English Services						
French Services						
MTIS						
Office of the President and CEO						
Office of the Chairperson and Board of Directors						
Ombudsmen - English and French Services						
Ethics and Values						
Strategy and Public Affairs						
General Counsel, Corporate Secretariat and Compliance						
People and Culture						
Dental Plan and EAP						
Training and Development						
Finance						
Shared Services						
Total						

	Permanent	Contractual	Temporary	Total
English Services				
French Services				
MTIS				
Media Partners				
Total				

* These columns also include expected staff movements between components



2. REVENUE FORECAST

NOTE: Media Solutions 2017-2018 Strategic Priorities are included in Appendix D



MEDIA SOLUTIONS – REVENUE PLAN SUMMARY

(\$000's)		2016-2017 Forecast	2017-2018 Proposed Budget	2018-2019 Proposed Budget	2019-2020 Proposed Budget	2020-2021 Proposed Budget
English Services	Conventional TV					
	Specialty TV*					
	Digital					
	Subscriber Revenue**					
	Distribution Revenue					
	Subtotal Total					
	Year over Year Change					
French Services	Conventional TV					
	Specialty TV*					
	Digital					
	Subscriber Revenue**					
	Distribution Revenue					
	Subtotal Total					
	Year over Year Change					
Total	Total Both Services					
	Year over Year Change					

*ES Specialty is Only News Net, FS Specialty is RDI, ARTV & Explora

**Subscriber includes Curio for ES, includes Curio and Tou.tv Extra for FS



FISCAL 2017-2018 MEDIA SOLUTIONS REVENUE

s.18(a)
s.18(b)
s.21(1)(b)

CBC AND RADIO-CANADA HAVE VERY DIFFERENT REVENUE COMPOSITION
ES CONVENTIONAL IS OF REVENUE, FS CONVENTIONAL IS
ES DIGITAL IS OF REVENUE AND FS DIGITAL IS

English Services

French Services

- Conventional Ad
- Specialty Ad*
- Digital Ad
- Subscriber
- Distribution

- Conventional Ad
- Specialty Ad*
- Digital Ad
- Subscriber
- Distribution

*ES Specialty is Only News Net and it is
FS Specialty includes RDI, ARTV & Explora and it accounts for



TV SPENDING VS MARKET* (APR-DEC 2016)

s.21(1)(b)
s.18(a)
s.18(b)
s.68.1

French TV Spending

■ Market Conv. ■ R-C Conv. ■ Specialty Market ■ R-C Spec. ■ Total French Market ■ Total R-C

English TV Spending

■ Market Conv. ■ CBC Conv. ■ Specialty Market ■ CBC Spec. ■ Total English Market ■ Total CBC

*ThinkTV Industry Advertising spends, December 2016



TV ADVERTISING REVENUE ASSUMPTIONS – ENGLISH SERVICES: 2016-2017 TO 2017-2018

s.18(a)
s.18(b)
s.21(1)(b)

(\$000'S)	2016-2017 Forecast	2017-2018 Proposed Budget
Conventional TV		
Year over Year Variance		
Pan Am One Time event		
Other		
*Market		
in Adults 25-54 Inventory Value		
Olympic Impact on regular programming inventory		
in inventory value from Government reinvestment		
CBC News Network		
Year over Year Variance		
*Market		

*Zenith Optimedia Advertising Expenditure Forecasts, December 2016



TV ADVERTISING REVENUE ASSUMPTIONS – FRENCH SERVICES: 2016-2017 TO 2017-2018

s.18(a)
s.18(b)
s.21(1)(b)
s.68.1

(\$000's)	2016-2017 Forecast	2017-2018 Proposed Budget	
Conventional TV			➤
Year over Year Variance			
Other			
*Market			
in Adults 25-54 Inventory value			➤
Olympic Impact on regular programming			
in inventory value from Government reinvestment			
RDI			
Year over Year Variance (*Market			➤
ARTV			
Year over Year Variance (*Market			
Explora			
Year over Year Variance (1% Growth)			

*Zenith Optimedia Advertising Expenditure Forecasts, December 2016



TV ADVERTISING REVENUE STRATEGIES FOR BOTH SERVICES

s.18(a)
s.18(b)
s.21(1)(b)
s.68.1





DIGITAL ADVERTISING REVENUE ASSUMPTIONS – BOTH SERVICES: 2016-2017 TO 2017-2018

s.18(a)
s.18(b)
s.21(1)(b)
s.68.1

(\$000'S)		2016-2017 Forecast	2017-2018 Proposed Budget
English Services	Digital		
	Year over Year Variance		
	Video (With Pan Am)		
	Video (Without Pan Am)		
	Display		
	Programmatic (Display)		
	Fullscreen		
French Services	Digital		
	Year over Year Variance		
	Video		
	Display		
	Programmatic (Display)		

Canadian Internet Industry from Zenith Optimedia Advertising Expenditure Forecast, December 2016							
In Millions	CBC Competes			CBC Does Not Compete			Total Market
	Display	Video	Subtotal	Classified	Search & E-mail	Subtotal	Total Digital
Calendar Year 2016							
Calendar Year 2017							
Year over Year Growth							

*Zenith Optimedia Advertising Expenditure Forecasts, December 2016



MARKET-DIGITAL ADVERTISING TRENDS



Notes:

Source: Zenith Optimedia Advertising Expenditure Forecasts, December 2016

(1) Total Internet revenue includes Classified, Search, Email, Video and Display

(2) CBC and Radio Canada only complete in the Video/Display categories



DIGITAL ADVERTISING REVENUE STRATEGIES FOR BOTH SERVICES

s.18(a)
s.18(b)
s.21(1)(b)
s.68.1

Programmatic

Innovation

Feed

Video



ENGLISH SERVICES SUBSCRIBER REVENUE

s.18(a)
s.18(b)
s.21(1)(b)
s.68.1

in thousands			2016-2017	2017-2018
			Forecast	Proposed Budget
English Services	News Network	Base		
		Price variance		
		Volume variance		
		Budget		
	Year Over Year			
	Digital: Curio	Budget		
		Year Over Year		

Assumptions

Strategies

* Base for Fiscal 2016-2017 is the Budget from March 2016



FRENCH SERVICES SPECIALTY SUBSCRIBER REVENUE

s.18(a)
s.18(b)
s.21(1)(b)

in thousands		2016-2017	2017-2018
		Forecast	Proposed Budget
French Services	RDI	Base	
		Price variance	
		Volume variance	
		Budget	
		Year Over Year	
	ARTV	Base	
		Price variance	
		Volume variance	
		Budget	
		Year Over Year	
	Explora	Base	
		Price variance	
		Volume variance	
		Budget	
		Year Over Year	



FRENCH SERVICES DIGITAL SUBSCRIBER REVENUE

s.18(a)
s.18(b)
s.21(1)(b)
s.68.1

in thousands		2016-2017	2017-2018
		Forecast	Proposed Budget
Tou.tv Extra	Budget		
	Year Over Year		
Curio	Budget		
	Year Over Year		

Assumptions

Strategies



DISTRIBUTION REVENUE: BOTH SERVICES

s.18(a)
s.18(b)
s.21(1)(b)
s.68.1

		(\$000'S)	2016-2017 Forecast	2017-2018 Proposed Budget
English Services	Distribution Revenue			
	Distribution Expense			
	Distribution Net			
	Year over Year Variance			
French Services	Distribution Revenue			
	Distribution Expense			
	Distribution Net			
	Year over Year Variance ⁽³⁾			
Distribution Net (Both Services)				

1)

2)

3)



DISTRIBUTION REVENUES FOR BOTH SERVICES



PYEONGCHANG OLYMPICS (\$000'S)

s.18(a)
s.18(b)
s.21(1)(b)
s.68.1

Revenue By Type	Budget
Sponsorship TV	
Sponsorship Digital	
Subtotal Sponsorship	
Participation TV	
Participation Digital	
Subtotal Participation	
Distribution Net	
Sublicensing	
Total Revenue	



3. ENGLISH SERVICES

NOTE: Action Plans by Genre and Signature Events are included in Appendix E



ENGLISH SERVICES – STRATEGIC PRIORITIES

- ❑ Transform and modernize CBC as Canada’s Public Broadcaster: more content, more digital, more local, more connected, more distinctive and more financially sustainable
- ❑ Our key organizational priorities for Fiscal Year 2017-2018 are as follows:
 - Offer Canadians high-quality and impactful content that informs, enlightens and entertains across many different platforms, screens and devices including those which we own and operate and those we serve through partnerships
 - Successfully incorporate organizational change in News & Local Services (begun late in FY 2016-2017), including enhanced local content and a new radio station in London, Ontario
 - Make new and strategic investments to grow our audiences and engagement as well as increase Canadians’ support for CBC in line with our 2020 Strategy as well as through effective allocation of incremental government funding
 - Demonstrate financial rigour and control by updating plan assumptions and managing both cost and revenue pressures throughout the year
 - Make progress against inclusion and diversity targets and employee engagement



ENGLISH SERVICES – BUSINESS PLAN OBJECTIVES IN 2017-2018

s.18(a)
s.18(b)
s.21(1)(b)

Distinctive Content

CONTENT & SERVICES

- Providing smart, unique and distinctly Canadian programming is at the core of our mission to deepen our engagement with individual Canadians, which will be achieved by being creatively ambitious, sometimes risky and continuing to build on reflecting the diversity of Canada
 - Create a balanced entertainment programming offer with returning hits, the addition of more single-camera comedies, premium dramas and factual entertainment content with broad audience appeal
 - Continue to develop fresh, modern arts programming through partnerships with the arts community
 - Continue commitment to signature events including development of programming to celebrate Canada 150



ENGLISH SERVICES – BUSINESS PLAN OBJECTIVES IN 2017-2018

s.18(a)
s.18(b)
s.21(1)(b)
s.68.1

Distinctive Content

CONTENT & SERVICES (continued)

- Inform Canadians through fearless and independent reporting that's national & international in scope and deeply personal in relevance on all platforms
- Redevelop *The National* flagship news property and grow emphasis on original reporting
- Increase the CBC Audio/Talk and CBC Music content consumed across more platforms (both traditional and digital), including focusing on audio “on demand” by maintaining leadership in producing Canadian original podcasts
- Continued international coverage including a presence in Turkey and Moscow and a
- Maintain CBC Sports as the recognized home of high performance and Olympic sport through a deepened relationship with audiences, including coverage of the 2018 Winter PyeongChang Olympic Games which includes rights, production and sales/marketing costs)



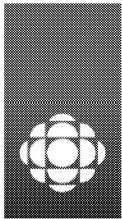
ENGLISH SERVICES – BUSINESS PLAN OBJECTIVES IN 2017-2018

s.18(a)
s.18(b)
s.21(1)(b)

CONTENT & SERVICES – LOCAL

- Deepen our presence in, and connection with, the communities we serve, in keeping with the Digital First strategy
 - Refine newsgathering and presentation to achieve “continuous local news” and enhance relevance to specific “time-of-day” for audiences
 -
 - Sustain reporting emphasis and where possible grow capabilities in enterprise, investigative and data journalism
 - Launch initiatives that make community events our “fifth platform” for engagement with local audiences
 - Open a new local radio station in London, Ontario

Distinctive Content



ENGLISH SERVICES – BUSINESS PLAN OBJECTIVES IN 2017-2018

CONTENT & SERVICES – DIGITAL

Distinctive Content

- Our digital transformation is a multi-year strategy led by a focus on increasing both reach and retention and demonstrating growth in audience engagement
 - Build a stronger relationship with Canadians through understanding their digital preferences and behaviours and responding to changing behaviours through continuous learning and improvement (Agile work practices)

 - Focus on content that's relevant, accessible and delivered in the form that makes sense to our audiences
 -
 -

 - Continue to develop a content optimization strategy for distributing content on owned-and-operated (eg. CBC.ca) and third party (Facebook, YouTube, Google, Netflix) platforms
 -



ENGLISH SERVICES – BUSINESS PLAN OBJECTIVES IN 2017-2018

INDIGENOUS

Distinctive Content

- ❑ Investment in programming across all genres for broadcast in 2017-2018
 - Television and digital content:
 - ◆ 2 acquired scripted series: All Our Relations & Blackstone series 5
 - ◆ 2 commissioned unscripted series: Taken & True North Calling
 - ◆ 2 CBC Kids programs: &
Canadoodaday (musical; commissioned)
 - ◆ Digital-first initiatives: approx. 20 short docs Stay Calm and
Decolonize - 10 short films curated by host Jesse Wenthe (internally produced) and a series of videos focusing on Indigenous filmmakers, artists and musicians
 - Sponsorship of National Screen Institute Indigenous Voices Program

- Radio highlights include “Unreserved”, a radio program for Indigenous culture, community & conversation with host Rosanna Dearchild; Podcasts in support of CBC Docs’ Emerging Indigenous Filmmakers series;



ENGLISH SERVICES – BUSINESS PLAN OBJECTIVES IN 2017-2018

s.18(a)
s.18(b)
s.21(1)(b)

Distinctive Content

INDIGENOUS – continued

- CBC News Indigenous Unit has a core team of with emphasis on but not limited to digital space
 - ◆ Recent events include live FB coverage of Standing Rock, interview with Hon. Carolyn Bennett, Minister of Indigenous Affairs
 - ◆ Current projects include “What Does Reconciliation Mean?”, “Caribou Legs - Raising Awareness for MMIW”, National Youth Town Hall from Winnipeg, on FB live
- CBC Sports is premier media partner for 9th Annual North American Indigenous Games (NAIG), July 16-23 in Toronto area
 - ◆ Sporting and cultural programming (primarily but not exclusively digital content) consistent with the recommended call to action of the Truth and Reconciliation Commission (“#88”)
- Archive project (5 year) initiated in April 2016 to conserve, catalogue, digitize and curate Indigenous language content
 - ◆ Infrastructure is based in Yellowknife and includes hiring of Indigenous staff when possible



ENGLISH SERVICES – BUSINESS PLAN OBJECTIVES IN 2017-2018

s.18(b)
s.21(1)(b)

Infrastructure

INFRASTRUCTURE

- ❑ Reduce or eliminate infrastructure not related to core business
 - Partner with MTIS to identify opportunities that reduce infrastructure and cost in Real Estate and technology

 - Ongoing execution, with Radio-Canada, of the Mass Digitization Project
 - ◆ Archive and safeguard our content
 - ◆ Continue Indigenous Archives project





ENGLISH SERVICES – BUSINESS PLAN OBJECTIVES IN 2017-2018

FINANCIAL

- Achieve financial sustainability with an ability to invest in the future
 - Prudently manage financial resources in a volatile economic and media environment
 - Maximize the investment in programming per Strategy 2020
 -
 - Share risks and benefits through partnerships (eg. Olympics)
 -

Financial Sustainability



ENGLISH SERVICES REVIEW OF KEY PERFORMANCE INDICATORS

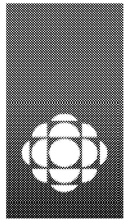
During the target setting process in June, we will do a deeper KPI assessment for continued relevance

Legend:	
	Tracking to exceed target
	Tracking to meet target
	Tracking not to meet target

Notes:	
(1)	Numeris, Personal People Meter (PPM), Regular Season Prime-time audience share. Results to date 2016-2017 (Weeks 6-23).
(2)	Adult 25-54 share is not a public KPI and no target is set. Actuals are reported as they are used in the industry for selling purposes.
(3)	Numeris, Personal People Meter (PPM), Fiscal Year All-day audience share. Results to date 2016-2017 (Weeks 31-52 Broadcast Year 2015-16, Weeks 1-23 Broadcast Year 2016-17).
(4)	As at Dec. 31, 2016.
(5)	Numeris, Fall 2016 survey (diary), 12+, Full-day audience share.
(7)	Numeris, Fall 2016 survey (diary), 12+, Morning shows share, Monday-Friday 6:00-8:30 a.m. See also note (5) above re: methodology.
(8)	Numeris, Personal People Meter (PPM), 2+, Average minute audience, Monday-Friday 6:00-6:30 p.m., Regular season. Results to date 2016-2017 (Weeks 1-23).
(9)	comScore, 2+, Multiplatform monthly average unique visitors, Fiscal Year. Results to date 2016-2017 (April-December average).
(10)	Regional Online measurement is for all regional content.
(11)	comScore, 2+, Multiplatform monthly average unique visitors, Fiscal Year. Results to date 2016-2017 (April-December average).
(12)	As at Jan. 31, 2017.
(13)	Estimated trend is dependent on changes in consumer patterns and regulatory environment.
(14)	Trend estimate pending outcome of impact assessment (see note (6) above).
(15)	Per Budget 2017-18

Key Performance Indicator				Annual Target 2016-17	Results to Date 2016-17	Year End Forecast 2016-17	Estimated Trend into 2017-18 *
Network Programming	Conventional TV	CBC TV Prime / Reg. Season 6-day Share (Mon-Fri, Sun) <i>excluding Hockey & Olympics</i>	2+ note 1	6.0%			
			25-54 notes 1,2	Not Applic.			
	Specialty TV	CBC-NN All Day / Fiscal Year Share	2+ note 3	1.5%			
			25-54 notes 2,3	Not Applic.			
		CBC News Network Subscribers note 4		10.0 M			
	documentary Subscribers note 4		2.0 M				
	CBC Radio One & Radio 2	Radio Share All Day / Fall Survey 12+ note 5		18.7%			
Regional	Radio One – Morning Shows	Share in Fall Survey 12+ note 7		20.4%			
	CBC TV – 6pm News	Average Minute Audience 2+ note 8		345 K			
	Regional Content	Multiplatform Monthly Average Unique Visitors notes 9, 10		10.1 M			
Online	CBC.ca	Multiplatform Monthly Average Unique Visitors note 11		14.1 M			
Fin	Revenue	Revenue per KPI definition note 12		\$211 M			

* Estimated trend compared to 2016-17 annual target



ENGLISH SERVICES STRATEGIC AND FINANCIAL CONTEXT

s.18(a)
s.18(b)
s.21(1)(b)

English Services is presenting a balanced plan for 2017-2018 with government funding

- Plan assumes full additional government funding of _____ in 2017-2018

\$'millions	FY 2017-2018
-------------	--------------

- Implementation of initiatives under Strategy 2020 have resulted in annual _____ for budget year 2017-2018
 - _____ support continued incremental investment in _____
 - _____ content of _____ included in the 2017-2018 operating budget
 - _____



ENGLISH SERVICES – UPDATE ON INVESTMENTS FROM NEW GOVERNMENT FUNDING

s.18(a)
s.18(b)
s.21(1)(b)
s.68.1

2016-2017

2017-2018

2018-2019

2019-2020

New Investments from Government Funding:

* More detail provided in Appendix E



ENGLISH SERVICES – UPDATE ON STRATEGY 2020 INVESTMENTS

s.18(a)
s.18(b)
s.21(1)(b)

- The following chart provides an update to the Strategy 2020 investments.
- No change in investments for the 2017-2018 budget year





ENGLISH SERVICES REDUCTIONS AT A GLANCE

❑ The chart below provides an update to the Strategy 2020 planned reductions.

❑

❑ No changes since Q3 2015-2016

English Services Budget Reductions/Savings - Forecast as of Q3 2016/17							
2016/17		2017/18		2018/19		2019/20	
<u>\$000's</u>	<u>FTE</u>	<u>\$000's</u>	<u>FTE</u>	<u>\$000's</u>	<u>FTE</u>	<u>\$000's</u>	<u>FTE</u>



2017-2018 APPLICATION OF FUNDS OPERATING BUDGET – ENGLISH SERVICES

s.18(a)
s.18(b)
s.21(1)(b)
s.68.1



2017-2018 OPERATING BUDGET – ENGLISH SERVICES

(REVENUE DETAILS IN APPENDIX G AND REGIONAL BUDGETS IN APPENDIX H)

s.18(a)
s.18(b)
s.21(1)(b)

	2016-2017 Current Budget (\$000's)	2016-2017 Forecast (\$000's) <small>(December 31, 2016 forecast)</small>	2017-2018 Proposed Budget (\$000's)	2018-2019 Forecast (\$000's)	2019-2020 Forecast (\$000's)	2020-2021 Forecast (\$000's)
SOURCES OF FUNDS						
Share of Parliamentary Appropriation						
Share of New Government Funding						
Expected salary funding						
Transfers to MTIS						
<i>Total Share of Parliamentary Appropriation</i>						
Advertising Revenue - TV Main Channel						
Advertising Revenue - Radio						
Olympics (2016-17, 2017-18 and 2020-21)						
Digital Platforms						
Value-added / Contra Revenue						
Rogers MK						
Advertising Revenue - CBC News Network						
Subscriber Revenue - CBC News Network						
Subscriber Revenue - Cuno						
Other Revenue						
TOTAL SOURCES OF FUNDS						
APPLICATION OF FUNDS						
Sports (excluding hockey)						
Rogers MK						
Olympics (2016-17, 2017-18 and 2020-21)						
Arts and Entertainment						
News and Current Affairs						
CBC News Network						
Regions						
Talk Radio						
Music						
Media Library and Archives						
Technical Services						
Communications and Research						
Media Solutions						
General Administration						
Programming and Other Commitments						
TOTAL APPLICATION OF FUNDS						
NET POSITION for the Fiscal Year						
Prior Year Carry over *						
NET POSITION - Cumulative						



4. FRENCH SERVICES

NOTE: Action Plans by Genre and Signature Events are included in Appendix F



FRENCH SERVICES: 2017–2018 STRATEGIC PRIORITIES

The 2017–2018 French Services plan is aligned with the strategic direction undertaken in response to *Strategy 2020*. It builds on the positive 2016-2017 performance shown by the KPIs, both with audiences and with the organization, moving forth with its visionary transformation.

The government reinvestment provides fresh impetus, in some cases helping accelerate the various French Services initiatives, which still aim to:

- ❑ Invest in **content**, with the underlying, ongoing objective of expanding our **digital footprint**;
- ❑ **Transform** the public broadcaster by changing **production methods** and **infrastructure**, as well as by evolving **jobs** and the **organization**.
- ❑ Navigate an **ever-changing** competitive environment, address the resulting **financial pressures**, and develop **adapted, responsible** business models and operations.

These initiatives are described in more detail in the following pages



FRENCH SERVICES: 2017–2018 KEY PRIORITIES AND INITIATIVES

s.18(a)
s.18(b)
s.21(1)(b)

- ❑ Invest in **content**, with the underlying, ongoing objective of expanding our **digital footprint**
- ❖ Following up on 2016–2017 audience successes, continue to build schedules across all services and platforms – including conventional television, specialty channels, talk and music radio, and all digital services – with an offering that continues to be crowd-pleasing and that also succeeds at attracting and engaging new ones.
- ❖ Evolve the specialty offering and positioning against a backdrop of increasing digital consumption and the impact of *Let's Talk TV*, in particular for
 - ICI RDI
 - ICI ARTV
- ❖ Strengthen content appeal and discoverability primarily through
 - an in-depth knowledge of audiences, taking a clear stand on developing BI expertise
 - the pursuit and refinement of our multi-windowing strategy , including social networks, to deliver content to audiences
- ❖ Drive communications strategies in the digital environment, with a greater emphasis on marketing and a 360° approach.



FRENCH SERVICES: 2017–2018 KEY PRIORITIES AND INITIATIVES

- ❑ Invest in **content**, with the underlying, ongoing objective of expanding our **digital** footprint (cont'd)
- ❖ News and Current Affairs: pursue the so-far successful major digital shift.

- ❖ Continue the positive momentum from 2016–2017 in transforming “conventional” news offerings, such as radio newscasts and flagship TV news programs.
- ❖ Expand international coverage making the most of a light, adaptable production model.
 - Focus on US politics and other driving international news events
 - New assignments

- ❖ *Continue consolidating the local 2020 strategy: “More Local, More Often, on More Screens”*
 - Deliver on the “complete local service” promise in all markets.
 - Develop news content along the two focus areas of continuous news and impact journalism.
 - Deepen, through non-news programming, the engagement as well as the development and vitality of French-language minority communities.



FRENCH SERVICES: 2017–2018 KEY PRIORITIES AND INITIATIVES

s.18(a)
s.18(b)
s.21(1)(b)
s.68.1

- ❑ Invest in **content**, with the underlying, ongoing objective of expanding our **digital footprint** (cont'd)
- ❖
- ❖
- ❖ Continue defining Radio-Canada's distinctive sports personality with a twofold focus on impact and consistency.
 - Create the digital destination (*Podium*) to enhance Radio-Canada sports' offering and distinctive content
- ❖ For the two anniversaries, Canada's 150th (jointly with CBC) and Montreal's 375th, deliver content that will appeal to audiences while showcasing the public broadcaster's relevance, quality and community engagement.



FRENCH SERVICES – BUSINESS PLAN OBJECTIVES IN 2017-2018

s.18(b)
s.21(1)(b)
s.68.1

- ❑ Invest in **content**, with the underlying, ongoing objective of expanding our **digital footprint** (cont'd)

INDIGENOUS

- ❖ Pursue or launch various initiatives with the dual strategic objective of broadening access to / asserting First nations' presence and culture within Radio-Canada's offering, for those indigenous communities who choose French when using one of Canada's official languages.
- ❖ Key initiatives:
 - Continue enhancing the *Espaces autochtones* web portal
 - A second edition of the News internship program
 -
 -



FRENCH SERVICES: 2017–2018 KEY PRIORITIES AND INITIATIVES

- ❑ **Transform** the public broadcaster by changing **production methods** and **infrastructure**, as well as by developing jobs and the organization

- ❖ To help accelerate Radio-Canada’s digital transformation, organize and deliver Digital Media’s new strategic service delivery model (resources, skills, project schedule, etc.), working closely with all content creation departments.
 - Development of the In-depth Knowledge of Audiences (Business Intelligence) hub
 - Development of horizontal teams (e.g., Project Office) and management of dedicated vertical teams (e.g., Sports project *Podium*; Regional Services digital shift; Tou.TV; Première Plus and ICI Musique app; News app and Prochaine Génération; etc.).

- ❖ Continuously improve, and seek to optimize, regional station operations – the pillars of the “complete local service” offering.
 - Catalyze the emergence of local talent and unlock creative potential.
 - Actively support engaging partnerships.

- ❖ Accelerate the archives digitization project in order to support programming and other improvement initiatives



FRENCH SERVICES: 2017–2018 KEY PRIORITIES AND INITIATIVES

- ❑ **Transform** the public broadcaster by changing **production methods** and **infrastructure**, as well as by developing jobs and the organization (cont'd)

- ❖

- ❖ Refresh, procure and adjust the skills required in programming and any other service to accelerate the digital transformation.

- ❖ Develop the skills and resources needed to tell the stories of Indigenous Canada and reflect its diversity.

- ❖ Continue planning for the new MRC in line with Radio-Canada's programming, transformation and business vision and goals.

- ❖ Pursue the Idea Accelerator initiative, evolving it with agility.



FRENCH SERVICES: 2017–2018 KEY PRIORITIES AND INITIATIVES

- ❑ **Navigate an ever-changing** competitive environment, address the resulting financial pressures, and develop **adapted, responsible** business models and operations.



- ❖ Seek and maximize partnership opportunities (e.g. with BDUs, social networks, etc.) supported by solid business plans that take into account all potential benefits that could derive from the full range of partnerships.





FRENCH SERVICES REVIEW OF KEY PERFORMANCE INDICATORS

During the target setting process in June, we will do a deeper KPI assessment for continued relevance

* Predicted Trend compared to 2016-17 Annual Target

Legend:

- Tracking to exceed target or Exceeded target
- Tracking to meet target or Met target
- Might meet target
- Tracking not to meet target

Notes :

(1) Numeris, Personal People Meter (PPM), Francophones in Québec aged 2 years and older. Results –to-date: as of February 5.

(2) Adult 25-54 share is not a public KPI and no target is set. Actuals are reported as they are used in the industry for selling purposes.

(3) Results-to-date as of December 31st.

(4) Numeris, (BBM Canada), Francophones aged 12 years and older. Results for Francophone radio stations, in markets served by Radio-Canada base station.

(6) Numeris, (BBM Canada), Monday-Friday, Francophones aged 12 years and older. Results for all Francophones in markets served by a Radio-Canada base station.

(7) Numeris (BBM Canada), Personal People Meter (PPM), Weekly average, Mon-Fri 6-6:30 pm, Francophones in Quebec aged 2 years and older. Results-to-date: as of February 5.

(8) comScore, April-March. Results-to-date: April-October.

(9) Results-to-date: as of January 31st.

(10) Trend estimate pending outcome of impact assessment (see note (5) above).

Key Performance Indicators			2016-17 Annual Target	2016-17 Results-to-Date	2016-17 EoY Forecast	2017-2018 Predicted Trend *
Network	Conventional TV	ICI R-C Télé Share 7-11 pm / Reg. Season	2+ ⁽¹⁾		19.5 %	
			25-54 ⁽²⁾		Not applicable	
	Specialty TV	ICI RDI + ICI ARTV + ICI EXPLORA Share All-day / Fiscal Year	2+ ⁽¹⁾		4,7 %	
			RDI		Not applic.	
		25-54 ⁽²⁾		Not applic.		
		Subscribers ICI RDI ⁽³⁾			10 M	
	Subscribers ICI ARTV ⁽³⁾			1.7 M		
	Subscribers ICI EXPLORA ⁽³⁾			0.8 M		
	Radio	ICI R-C Première + ICI Musique Share 5-1 am / Fall Survey, 12+ ⁽⁴⁾			21.8%	
Regional	ICI R-C Première – Morning shows	Share, 6-9 am / Fall Survey, 12+ ⁽⁶⁾			18.9 %	
	ICI R-C Télé – 6 pm <i>Téléjournal</i>	Average Minute Audience, 2+ ⁽⁷⁾			0.319 M	
	ICI R-C.ca – Regional pages	Monthly Unique Visitors Average, 2+ ⁽⁸⁾ <i>Desktop Only - 2016-17: will also include mobile dev.</i>			1.2 M* *revised in Oct. 2016	
Num	Radio-Canada's digital offering	Monthly Unique Visitors Average, 2+ ⁽⁸⁾ <i>Desktop+Mobile Devices</i>			3.4 M* *revised in Oct. 2016	
Fin	Revenue	Conv., Specialty, Online Services ⁽⁹⁾			201.4 M\$	



FRENCH SERVICES – STRATEGIC AND FINANCIAL CONTEXT

s.18(a)
s.18(b)
s.21(1)(b)

French Services is presenting a balanced financial plan in the context of additional government funding

- The plan assumes additional government funding from _____ million in 2016–17 to _____ million in 2017–18.

\$M	2016-2017	2017-2018
Use of additional government funding		

- Implementation of initiatives under Strategy 2020 have resulted in annual savings of _____ for budget year 2017-2018
 - Savings implemented support continued incremental investment in content of _____ included in the 2017-2018 operating budget.
 -



FRENCH SERVICES – INCREMENTAL INVESTMENTS

French Services is fully committed to reinvesting *Strategy 2020* savings and new government funding into content, acquiring leading-edge expertise, and building digital capabilities.

	2016-2017	2017-2018	2018-2019	2019-2020
New Investments from Government Funding:				

* More detail provided in Appendix F



FRENCH SERVICES – UPDATE ON STRATEGY 2020 INVESTMENTS

s.18(a)
s.18(b)
s.21(1)(b)

□ The following chart provides an update to the Strategy 2020 investments.





FRENCH SERVICES – COST REDUCTION INITIATIVES

Achieve *Strategy 2020* cost reduction initiatives, resulting in cumulative annual savings of **in 2017–2018.**

□ The chart below provides an update to the *Strategy 2020* planned reductions.

French Services Budget Reductions/Savings - Forecast as of Q3 2016/17									
2016/17		2017/18		2018/19		2019/20		2020/21	
\$000's	FTE	\$000's	FTE	\$000's	FTE	\$000's	FTE	\$000's	FTE

s.18(a)
s.18(b)
s.68.1
s.21(1)(b)



IN-HOUSE TV PRODUCTION UPDATE

s.18(a)
s.18(b)
s.21(1)(b)

-
-
-
-

(in \$000's)	2015-2016		2016-2017		2017-2018		2018-2019		2019-2020		2020-2021	
	\$	FTE	\$	FTE	\$	FTE	\$	FTE	\$	FTE	\$	FTE



2017-2018 APPLICATION OF FUNDS OPERATING BUDGET – FRENCH SERVICES

s.18(a)
s.18(b)
s.21(1)(b)
s.68.1



2017-2018 OPERATING BUDGET - FRENCH SERVICES

(REVENUE DETAILS IN APPENDIX G AND REGIONAL BUDGETS IN APPENDIX H)

s.18(a)
s.18(b)
s.21(1)(b)

	2016-2017 Current Budget (\$000's)	2016-2017 Forecast (\$000's) <small>(December 31, 2016 forecast)</small>	2017-2018 Proposed Budget (\$000's)	2018-2019 Forecast (\$000's)	2019-2020 Forecast (\$000's)	2020-2021 Forecast (\$000's)
--	--	---	---	------------------------------------	------------------------------------	------------------------------------

SOURCES OF FUNDS

Share of Parliamentary Appropriation
Share of New Government Funding
Expected salary funding

Transfer from MTIS
Transfers to MTIS

Total Share of Parliamentary Appropriation

Advertising Revenue - TV Main Channel
Advertising Revenue - Ici musique
Digital Platform Revenues
Value-added / Contra Revenues (advertising)
Advertising Revenue - Réseau de l'information
Advertising Revenue - Explora
Advertising Revenue - ARTV
Subscriber Revenue - Réseau de l'information
Subscriber Revenue - Explora
Subscriber Revenue - ARTV
Subscriber Revenue - TOU.tv extra
Subscriber Revenue - Curio
Other Revenues

TOTAL SOURCES OF FUNDS

APPLICATION OF FUNDS

Sports
Arts and Entertainment
ARTV
News and Current Affairs
Réseau de l'information
Regions
Talk Radio
Music
Explora
Media Library and Archives
Technical and Digital Production
Communication and Research
Media Solutions
Expenses related to non-advertising revenue-generating activities
General Administration
Programming and Other Commitments

TOTAL APPLICATION OF FUNDS

NET POSITION for the Fiscal Year

Prior Year Carryover *

NET POSITION - Cumulative

* Prior year carryover in 2017-2018 includes



5. MEDIA TECHNOLOGY AND INFRASTRUCTURE SERVICES (MTIS)

- MTIS' priorities for 2017-2018 are included in Appendix I.



MTIS – ACTIVITIES

s.18(a)
s.18(b)
s.21(1)(b)

Media Technology and Infrastructure Services budget in 2017-2018, budget and forecast in 2016-2017)

MTIS will establish a Media Convergence Fund to facilitate innovation in new and emerging technologies. This fund could be directed to any aspect of technology, with a view to creating efficient and consistent media platforms across the enterprise. The

its mandate. This type of fund is a recognised approach to IT innovation in a technology driven business.

- ❑ **Real Estate** operates and maintains 4,200,000 sq.ft. of owned and leased production, technical and office space,
- ❑ Fixed costs represent approximately of the total Real Estate budget
 - Building management represents of the budget.
 - Rent, water and municipal taxes represent of the budget
 - Interest expense on TBC bonds represents of the budget



MTIS – ACTIVITIES

s.18(a)
s.18(b)
s.21(1)(b)

- ❑ **Production Solutions** works behind the media scenes to ensure our audiences can seamlessly enjoy CBC/Radio-Canada content when and how they want and transmits our content to Canadians.
 - Service contracts provided by external suppliers represents
 - Operates 27 digital TV transmitters and 717 radio transmitters at 529 active owned and leased sites

- ❑ **Engineering Solutions** is a team of engineers, designers and system architects who develop and deploy our media production systems and keep our finger on the pulse of what's happening in the world of media technology.

- ❑ **Application Solutions** provides information technology services across the Corporation.



2017-2018 OPERATING BUDGET REDUCTIONS - MTIS

s.18(a)
s.18(b)
s.21(1)(b)

The chart below provides an update to the Strategy 2020 planned reductions.

MTIS Budget Reductions - Forecast as of Q3 2016/17									
2016/17		2017/18		2018/19		2019/20		2020/21	
\$000's	FTE	\$000's	FTE	\$000's	FTE	\$000's	FTE	\$000's	FTE



2017-2018 OPERATING BUDGET

MTIS

s.18(a)
s.18(b)
s.21(1)(b)

	2016-2017 Current Budget (\$000's)	2016-2017 Forecast (\$000's) (December 31, 2016 forecast)	2017-2018 Proposed Budget (\$000's)	2018-2019 Forecast (\$000's)	2019-2020 Forecast (\$000's)	2020-2021 Forecast (\$000's)
SOURCES OF FUNDS						
Share of Parliamentary Appropriation						
TBC capital lease repayment						
Expected Salary Funding						
Transfers from / (to) ES and FS						
Transfers -						
Transfer to French Services						
Transfers to capital						
Adjustment to appropriation for expected decline / (increase) in revenue						
Regular transfers from reserve						
MRC rent						
MRC rent						
MRC and TBC project costs						
Funding for creation of MTIS Media Convergence Fund						
Funding for inflationary cost increases						
<i>Total Share of Parliamentary Appropriation</i>						
Other Revenues:						
Real Estate Services						
Transmission and Distribution						
TOTAL SOURCES OF FUNDS						
TOTAL APPLICATION OF FUNDS (Details on the next page)						
NET POSITION for the Fiscal Year						
Prior Year Carryover						
NET POSITION - Cumulative						



2017-2018 OPERATING BUDGET MTIS – APPLICATION OF FUNDS

s.18(a)
s.18(b)
s.21(1)(b)

	2016-2017 Current Budget (\$000's)	2016-2017 Forecast (\$000's) (December 31, 2016 forecast)	2017-2018 Proposed Budget (\$000's)	2018-2019 Forecast (\$000's)	2019-2020 Forecast (\$000's)	2020-2021 Forecast (\$000's)
APPLICATION OF FUNDS						
Real Estate Solutions						
Building Management						
Rent, Water & Municipal Taxes						
Toronto Broadcast Centre Interest Expense						
Maintenance, Projects & Administration						
Total - Real Estate Solutions						
Production Solutions						
Technology Maintenance						
Media Presentation Centre						
Transmission & Distribution						
Telecommunications & Mobility Operations						
Media Support & Business Continuity						
Total - Production Solutions						
Application Solutions						
Engineering Solutions						
Media Convergence Fund						
Other MTIS						
TOTAL APPLICATION OF FUNDS						



6. MEDIA PARTNERS

- Media Partners' priorities for 2017-2018 are included in Appendix J.



MEDIA PARTNERS – ACTIVITIES

s.18(a)
s.18(b)
s.21(1)(b)

General and Administrative Services forecast in 2016-2017)

budget in 2017-2018,

budget and

Provides support services to media and meet external compliance requirements.

a) Strategy and Public Affairs in 2016-2017)

budget in 2017-2018,

budget and

forecast

- Provides internal and external corporate communications services, government relations, corporate affairs, and translation services
- Leads enterprise strategy development in coordination with FS and ES. Manages audience ratings and survey contracts, provides research services and reporting on our key indicators

b) General Counsel, Corporate Secretariat and Compliance budget and forecast in 2016-2017)

budget in 2017-2018,

- Provides legal advice on commercial transactions and media liability issues, corporate policy administration, regulatory affairs, Board of Directors administration, privacy and Access to Information request management



MEDIA PARTNERS – ACTIVITIES

c) People and Culture budget in 2017-2018, budget and forecast in 2016-
2017)

- Provides Human Resources services including labour relations, training and development, compensation, workforce planning, recruitment, performance appraisal and benefits administration for all components

d) Finance and Administration budget in 2017-2018, budget and
forecast in 2016-2017)

- Provides financial reporting, budgeting, procurement, treasury, internal control, insurance and taxation services

e) Shared Services Centre budget in 2017-2018, budget and forecast in
2016-2017)

- Provides payroll and HR transaction services, accounts payable, billing and collections and Information Technology support services

f) Internal Audit budget in 2017-2018, budget and forecast in 2016-2017)

- Internal Audit is an outsourced service that audits processes and activities to measure compliance to internal controls, policies and best practices



MEDIA PARTNERS – ACTIVITIES

s.18(a)
s.18(b)
s.21(1)(b)

Corporate Expenses **budget in 2017-2018,** **budget and** **forecast in 2016-2017)**

☐ Represents personnel and financial service costs that relate to all components

a) Severance Pay and Other Personnel Costs budget in 2017-2018, budget and
forecast in 2016-2017)

Includes corporate wide personnel costs such as severance on normal retirements of supplemental pension plan payments of executive incentives of and Worker’s Compensation of

b) Dental Plan and EAP budget in 2017-2018, budget and forecast in 2016-2017)

Includes the union dental plan premium budget of and Employee Assistance Plan budget of !

c) Training and Development budget in 2017-2018, budget and forecast in 2016-2017)

Training budget is centralized. The budget also includes funding relating to corporate-wide training programs and training administration

d) Insurance, Taxes, and Travel Agency budget in 2017-2018, budget and forecast in
2016-2017)

Includes property and casualty insurance premiums of . and a provision for claims expenses of
Also includes letter of credit fees of the pension solvency deficit letter of credit fee of paid to
government, Ottawa administration services of and travel agency fees of



2017-2018 OPERATING BUDGET REDUCTIONS - MEDIA PARTNERS

s.18(a)
s.18(b)
s.21(1)(b)

- The chart below provides an update to the Strategy 2020 planned reductions.
- It is consistent with the Transformation Progress Report provided to the Board in November 2016.
-

Media Partners Budget Reductions - Forecast as of Q3 2016/17

2016/17		2017/18		2018/19		2019/20	
\$000's	FTE	\$000's	FTE	\$000's	FTE	\$000's	FTE



2017-2018 OPERATING BUDGET MEDIA PARTNERS

s.18(a)
s.18(b)
s.21(1)(b)

	2016-2017 Current Budget (\$000's)	2016-2017 Forecast (\$000's) (December 31, 2016 forecast)	2017-2018 Proposed Budget (\$000's)	2018-2019 Forecast (\$000's)	2019-2020 Forecast (\$000's)	2020-2021 Forecast (\$000's)
SOURCES OF FUNDS						
Share of Parliamentary Appropriation						
Expected Salary Funding - Retroactive 2016-2017 funding						
Expected Salary Funding - General and Administrative Services and Corporate Expenses						
Expected Salary Funding - un(over)allocated and kept in reserves						
<i>Total Share of Parliamentary Appropriation</i>						
Other Revenues:						
Interest Revenue						
Capital Recoveries						
Canadian Retransmission Rights Association (CRRA)						
Canadian Claimants Group Rights (CCG)						
Corporate Research						
<hr/>						
TOTAL SOURCES OF FUNDS						
<hr/>						
APPLICATION OF FUNDS						
General and Administrative Services (see details on next page)						
Corporate Expenses (see details on next page)						
Reserves						
<hr/>						
TOTAL APPLICATION OF FUNDS						
<hr/>						
NET POSITION for the Fiscal Year						
Prior Year Carryover - to components and committed reserves						
Prior Year Carryover - to fund priorities, financial pressures and downsizing						
NET POSITION - Cumulative						



2017-2018 OPERATING BUDGET

MEDIA PARTNERS (APPLICATION OF FUNDS)

s.18(a)
s.18(b)
s.21(1)(b)

	2016-2017 Current Budget (\$000's)	2016-2017 Forecast (\$000's) (December 31, 2016 forecast)	2017-2018 Proposed Budget (\$000's)	2018-2019 Forecast (\$000's)	2019-2020 Forecast (\$000's)	2020-2021 Forecast (\$000's)
APPLICATION OF FUNDS						
General and Administrative Services:						
Office of the President and CEO						
Office of the Chairperson and Board of Directors						
Ombudsmen - English and French Services						
Ethics and Values						
Strategy and Public Affairs						
General Counsel, Corporate Secretariat and Compliance						
People and Culture						
Finance						
Shared Services						
Internal Audit						
Total - General and Administrative Services						
Corporate Expenses:						
Severance Pay and Other Personnel Costs						
Dental Plan (CMG) and EAP						
Training and Development						
Insurance, Travel Agency, etc.						
Total - Corporate Expenses						
TOTAL APPLICATION OF FUNDS						



2017-2018 OPERATING BUDGET RESERVES

s.18(a)
s.18(b)
s.21(1)(b)

2016-2017 Budget (\$000's)	2016-2017 Forecast (\$000's)	2017-2018 Proposed Budget (\$000's)	2018-2019 Forecast (\$000's)	2019-2020 Forecast (\$000's)	2020-2021 Forecast (\$000's)
----------------------------------	------------------------------------	---	------------------------------------	------------------------------------	------------------------------------

(December 31,
2016 forecast)



7. CHANGE IN CAPITAL BUDGET APPROVAL SCHEDULE



CHANGE IN CAPITAL BUDGET APPROVAL SCHEDULE

- ❑ In accordance with the Broadcasting Act, each year, the Corporation must submit the capital budget to the Minister in a corporate plan for approval of the Treasury Board (TB).
- ❑ In previous years CBC/RC's Board of Directors approved the Corporate Plan, which included the capital budget at the January Board. Then by the end of January the Corporate plan was sent to the Minister for information and the Capital budget was submitted to Treasury Board for approval. In March, the Board approved the capital budget along with the operating budget.
- ❑ At its December 2016 meeting, the Board approved shifting approval of the Corporate Plan from January to March to reduce workload and better align the approval process with CBC/RC's business planning cycle. Canadian Heritage confirmed that both they and TB agreed with the change.
- ❑ This change to the Corporate Plan process did not impact the process for the Capital budget which was still presented at the January Board before it's submission to Treasury Board .
- ❑ Having now gone through the new process, we have identified a further opportunity for improvement.
- ❑ TB will accept draft versions of the capital budget submission so that it can begin its review process prior to the Corporation's Board approval of the Corporate Plan and operating and capital budget in March.
- ❑ This will offer the following benefits:
 - It will ensure the alignment of the operating and capital budgets
 - The Corporate Plan will be presented to the Board at the same time in March as the operating and capital budgets, providing better context and continuity
 - TB review process of the capital budget will not be delayed
 - Final capital budget will be submitted for TB approval only after approval by the Board of Directors in March.
- ❑ The Board resolution in the following section provides for the approval of this schedule change.



8. BOARD RESOLUTION



BOARD RESOLUTION

That the 2017-2018 Operating Budget be approved and that the Senior Executive Team be authorized to give effect to the measures contained therein; and

That the Corporate Secretary be authorized to modify the Terms of Reference of the Board and of its committees to reflect the proposed changes to the Capital budget process.