



CORPORATE PLAN

SUMMARY

2016-2017 TO 2020-2021

CBC  Radio-Canada

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Note Regarding Forward-Looking Statements

The Corporate Plan Summary contains forward-looking statements regarding objectives, strategic initiatives and expected financial and operational results. Forward-looking statements are typically identified by words such as “may,” “should,” “could,” “would” and “will,” as well as expressions such as “believe,” “expect,” “forecast,” “anticipate,” “intend,” “plan,” “estimate” and other similar expressions. Forward-looking statements are based on the following broad assumptions: CBC/Radio-Canada’s government funding remains consistent with amounts announced in the federal budget, and the broadcasting regulatory environment will not change significantly. Key risks and uncertainties are described in the *Risk Management* section of this report. However, some risks and uncertainties are by definition difficult to predict and beyond our control. They include, but are not limited to, economic, financial, advertising market, technical and regulatory conditions. These and other factors may cause actual results to differ substantially from the expectations stated or implied in forward-looking statements.

1 Message from the President and CEO

It all starts with a simple premise: CBC/Radio-Canada exists for Canadians. From our very beginnings, we've been offering them fearless reporting and analysis about their country and their world; compelling drama that showcases their country; and brilliant comedy and biting political satire. We believe that sharing stories that inform, enlighten and entertain enriches the cultural lives of all Canadians.



Our Context Today

Our continued commitment to connecting with Canadians is essential today, especially in a digital age of limitless choice, increasingly dominated by giant, digital players like Google, Facebook and Netflix, and here at home by large vertically integrated media companies like Bell, Quebecor and Rogers. Canadians are engaging with content, and looking for information about their community and their world, all day long across every device they own. Almost one in ten TV viewing hours is now online, nearly double from just two years ago.¹ Consumers want greater control over when they access content and on which screen. What's more, recent research indicates that millennials still love TV, but the way they use it has changed forever.

Our challenge, therefore, is to move fast enough to be meaningful to a digital generation, while making sure we don't leave other Canadians behind, those who still spend some 27 hours a week watching TV.² We are not alone in this; it's a reality that every public broadcaster in the world is facing. As a result, we exercised leadership in transforming the way CBC/Radio-Canada engages with Canadians.

In June 2014, we launched our strategic plan, *Strategy 2020*. Our goal is to increase our digital reach so that one out of two Canadians will use our digital services each month by 2020. In 2015-2016, we reached almost 15 million Canadians on a monthly basis, so we are well on our way;³ in addition, almost three out of five Canadians told us CBC/Radio-Canada is very important to them personally.⁴ By 2020, we want three out of every four Canadians to feel that way.

Our Strategy in Action

Since launching our strategy, we've been making tremendous progress on our goals, in large part because of the commitment, imagination and determination of the people who choose to work here. They are creating new ways to develop and deliver our content, and better ways to run our operations.

The 2016 federal election and the campaign leading up to it set the stage for CBC/Radio-Canada's enhanced digital news coverage, in addition to its traditional television and radio offerings. On election night, both CBC and Radio-Canada set record audience numbers, with over 8.6 million Canadians using our CBC and Radio-Canada online services.⁵

The evolution of our regional services also reflects the changing patterns of audience consumption, with mobile and digital services telling stories in new ways and engaging with our audiences. By leveraging web and digital platforms, and adjusting the length of TV supper-hour news shows, we were able to find resources to provide audiences with news updates at different times throughout the day, segments from local morning radio shows simultaneously broadcast on TV, and more news coverage on regional sites and social media.

As important as web and digital platforms have become, TV continues to be the place where the majority of Canadians watch content, especially in the evening. In *Strategy 2020*, we promised that we would not leave TV and radio behind as we transform ourselves into a modern, more relevant public broadcaster.

Our Financial Sustainability

At CBC/Radio-Canada, we want to do more, not less. And, to make that possible, we're changing the way we operate, modernizing our structure to become a much more efficient organization. By 2020, we will reduce our costs by \$117 million a year. We are transforming our internal operations, merging finance and technology operations across the Corporation to reduce our costs and streamline our decision making. We continue to become more flexible and more scalable. Production studios can be opened – as was the case for the Toronto 2015 Pan American Games – and then closed again depending on our programming requirements.

Across the country, we're moving from being an owner of real estate to being a tenant in smaller, more effective, modern spaces. The fact is that we currently have too much space, and many of the buildings we own are old, in need of repair, cost too much to maintain and, in many cases, simply don't suit the needs of a modern broadcaster. As a result, we've been looking at our facilities on a location-by-location basis to evaluate the costs and benefits for each. By 2020, we will reduce our space by half.

So far, we've moved into new multimedia spaces in Moncton, Sudbury, Corner Brook, Sydney, Windsor, Gander and Halifax. And, in January 2016, we announced the sale of our building in Calgary. We're committed to renting out excess space at the Canadian Broadcast Centre in Toronto and in our facility in Vancouver, and we're well along in the process of reimagining the new Maison de Radio-Canada in Montreal.

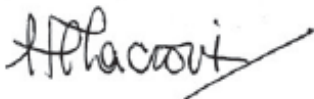
Our Next Steps

Over the course of the next year, we'll continue to develop fresh, distinctive content across all of our platforms, with a strong focus on digital. We are also working to develop new programs in time to celebrate Canada's 150th anniversary in 2017. And the Olympic Games are continuing to provide us, through to at least 2024, with the opportunity to connect Canadians and showcase new technological advancements in broadcasting. We look forward to bringing the best coverage of the Games to Canadians once again with the Rio 2016 Olympic and Paralympic Games, August 5-21 and September 7-18 respectively.

In March 2016, the federal government confirmed its campaign commitment to increase CBC/Radio-Canada's parliamentary appropriations by \$75 million in 2016-2017 and \$150 million per year on an ongoing basis. This commitment allows us to accelerate our plans to transition the organization to where it needs to go – richer, modern content and the digital expertise and platforms we need for the future. Our 2015-2016 Annual Report provides more in-depth information about how this reinvestment will be used. We will also report to the Government and to Canadians on our use of these new funds.

We now have the opportunity to develop a new model that will meet Canada's cultural goals as we continue to transition from a traditional broadcasting model to the digital age. The Government's consultation on the future of Canadian Content in a Digital World, announced in April, is a very important step in addressing this challenge. We look forward to providing whatever support we can.

For our part, we believe it is also time to involve Canadians in a conversation about how their needs are changing and how we can continue to improve the services we provide them. So, as we work towards this, we'll continue to transform, to learn and to innovate. Canadians will have a better public broadcaster, one that is more relevant, more valued, and better connected to their community and the information that matters to them.



Hubert T. Lacroix

President and CEO

¹ Source: Media Technology Monitor, Canadians aged 18 years and older.

² Source: Numeris, Broadcast Year 2014-2015, total Canada, persons aged two years and older.

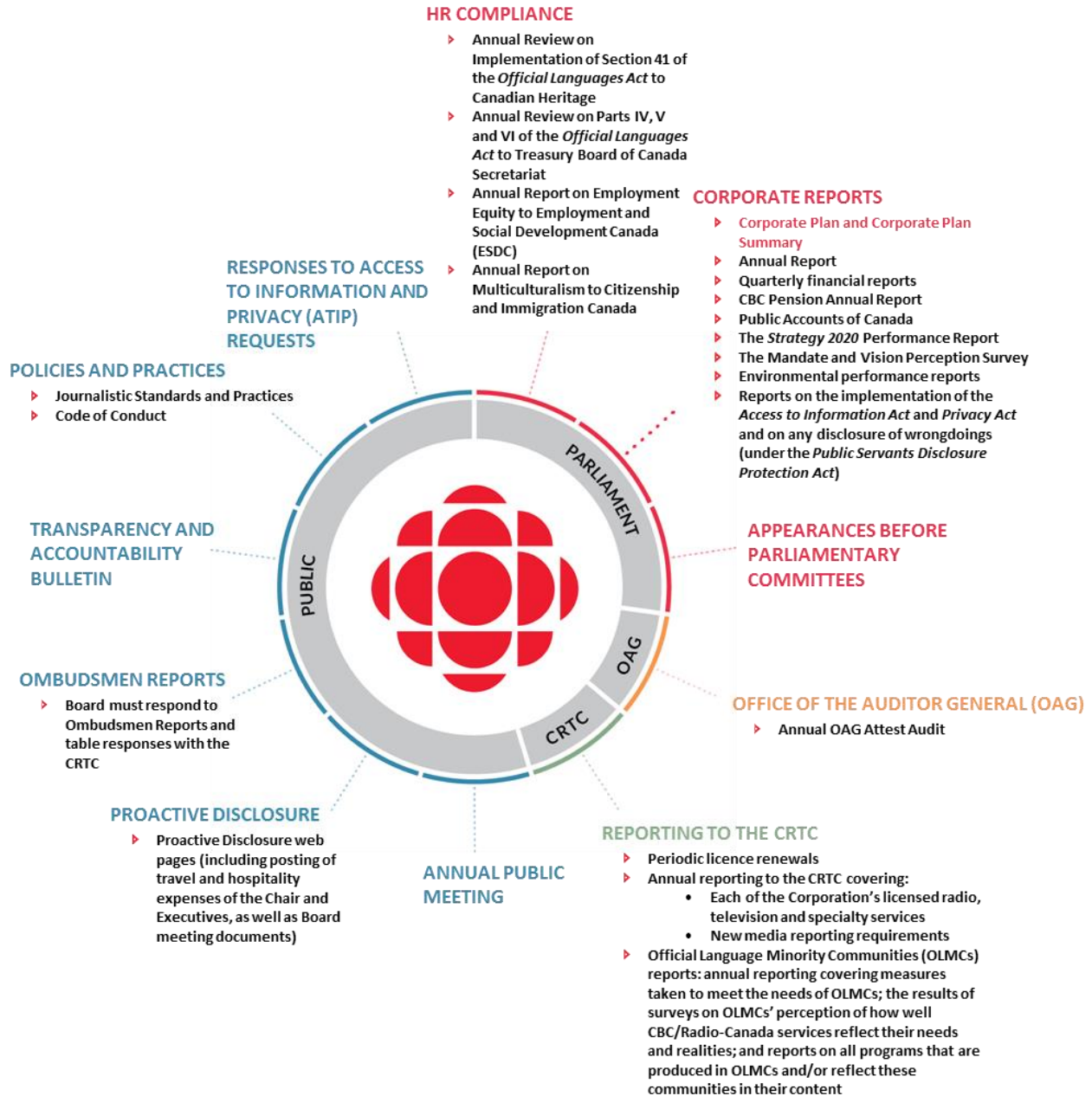
³ Source: comScore, multiplatform measurement, monthly average unique visitors, April 2015-March 2016.

⁴ Source: Mission Metrics Survey, TNS Canada, 2015-2016.

⁵ Source: Adobe Omniture.

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

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



3 CBC/Radio-Canada Services

CBC/Radio-Canada delivers a comprehensive range of television, radio and digital services. As part of our transformation, "digital" is no longer considered a separate element; rather, it is integrated across the full range of our services. Deeply rooted in the regions, we are the only national broadcaster to offer diverse regional and cultural content in English, French and eight Aboriginal languages (*Chipewyan, Cree, Dogrib, Gwich'in, Inuktitut, Inuvialuktun, North Slavey and South Slavey*) via CBC North, as well as five languages (*French, English, Arabic, Mandarin and Spanish*) for international audiences via RCInet.ca (Radio Canada International). In addition, we currently partner with SiriusXM Satellite Radio to offer six channels of CBC/Radio-Canada content.

Our head office is located in Ottawa, with main network operations in Toronto and Montreal. We originate local programming from 27 television stations, 88 radio stations and one digital station. We have two main television networks – one in English and one in French – five specialty television channels and four Canada-wide radio networks, two in each official language. We integrate content across multiple websites. Internationally, CBC/Radio-Canada has nine permanent foreign bureaus. We also have the capacity to set up pocket bureaus in key locations if we determine the international situation warrants it.



This map denotes the locations of our CRTC-licensed and affiliated radio and television stations across Canada, as well as our designated digital station.¹ Note that digital services are also offered in the other stations, as a matter of course. The map does not include our newsgathering locations and international news bureaus.

¹ Source: Map of CBC/Radio-Canada stations (including affiliates) (February 2016).

4 Our Strategic Context: The Environment in Which We Operate

CBC/Radio-Canada launched *Strategy 2020*, its five-year strategy, in June 2014, to address the challenges and opportunities for the public broadcaster in a shifting media environment. This section looks at our financial outlook and our role in the changing media environment.

Our Financial Outlook

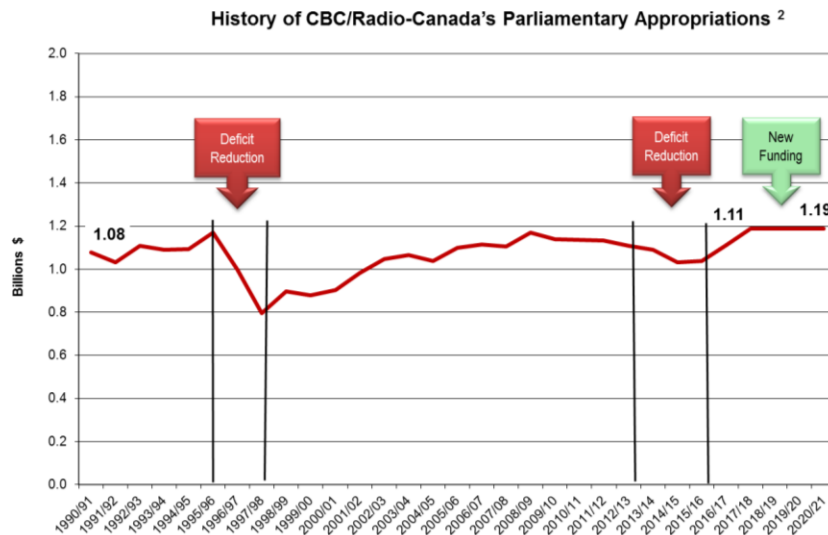
At the core of our strategy is a realistic assessment of our financial outlook. We have three principal sources of revenue: public funding, advertising and subscriptions.

Public Funding

Parliamentary appropriations are by far CBC/Radio-Canada’s largest source of funding. In fiscal year 2015-2016, government funding equaled \$1.027 billion (of which the operating parliamentary appropriations represented \$928 million), representing 66% of the Corporation’s total revenue and sources of funds.¹

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

On March 22, 2016, the Government of Canada announced an important reinvestment in Canada’s public broadcaster; an additional \$75 million in 2016-2017 and \$150 million per year on an ongoing basis. This reinvestment is a clear vote of confidence by government and by Canadians in our programs and services. This multi-year funding commitment will provide the stability to continue our digital transformation and invest in the programs and services important to Canadians. We will report to the Government and to Canadians on our use of these new funds.

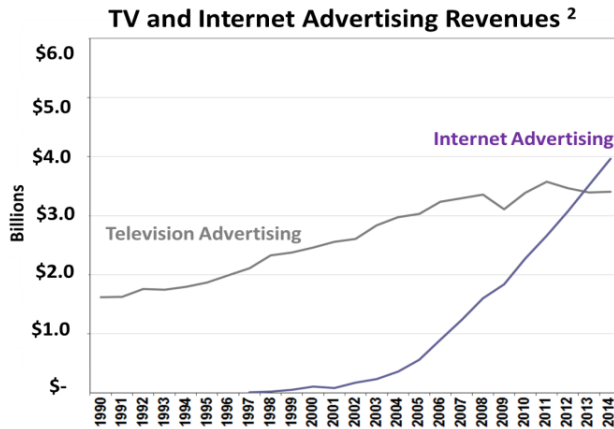


Outlook: For the first time in decades, the Government has made a commitment to reinvest in public broadcasting.

¹ Source: CBC/Radio-Canada Annual Report 2015-2016.
² Source: CBC/Radio-Canada Finance.

Advertising

Advertising is CBC/Radio-Canada’s second largest source of revenue. In fiscal year 2015-2016, it generated \$253.2 million, or 16% of total revenue and sources of funds.¹ We are witnessing some profound shifts in the advertising market that are negatively affecting the outlook for traditional media companies like CBC/Radio-Canada.

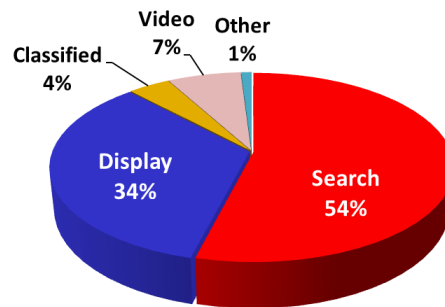


Advertising is one of the major vehicles that support traditional media services, and current trends are posing big challenges. A structural shift is happening as advertisers are increasing their spending online where digital companies dominate. The digital era has expanded companies’ direct marketing possibilities to include both owned (e.g., websites, apps) and earned (e.g., social media mentions) media.

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

Traditional media companies like CBC/Radio-Canada have limited access to Internet advertising, since close to 60 % of Internet advertising is in categories in which we do not compete (i.e., search, classified). CBC/Radio-Canada has popular news, video and audio online services that compete for display and video advertising, however giants like Google and Facebook dominate the industry. In addition, there is virtually unlimited advertising inventory online, and advertisers are driving rates down since they increasingly prefer purchasing banner ads in bulk on RTB (real-time bidding) platforms. This trend of lower rates is growing, and it is limiting the growth of CBC/Radio-Canada’s Internet advertising revenues.

Internet Advertising Revenue by Category ³



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

¹ Source: CBC/Radio-Canada Annual Report 2015-2016.

² Source: Statistics Canada, Interactive Advertising Bureau and Zenith Optimedia.

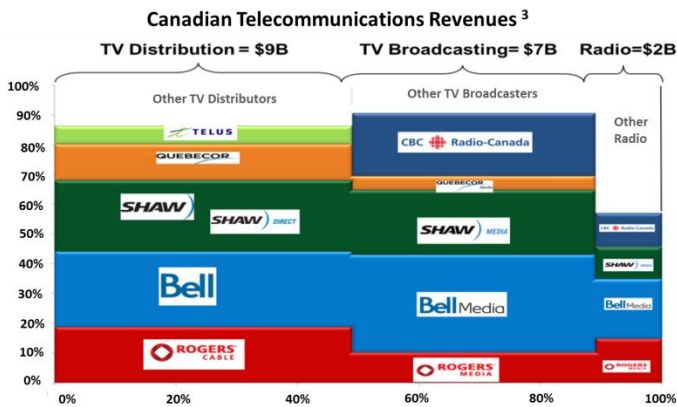
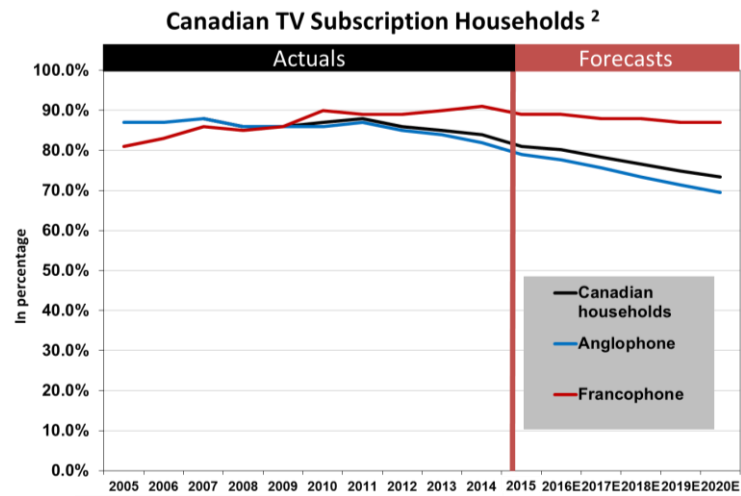
³ Source: Interactive Advertising Bureau (June 2015).

Subscription Revenue

CBC/Radio-Canada generated \$134.5 million in subscription revenues in 2015-2016, or 9% of our total revenue and sources of funds.¹

The traditional subscription TV market (e.g., cable TV, satellite TV) is mature and is facing pressure from new technologies and changing consumption habits. The number of TV subscribers is declining as light TV viewers, particularly younger Canadians, increasingly choose online TV sources. This is resulting in declines in the penetration rate of subscribers, notably in the English market.

Stemming from the *Let's Talk TV* hearings, the CRTC has recently implemented a series of decisions affecting the subscription TV industry. This follows a policy review to develop a regulatory framework for the future of television in Canada. The introduction of small basic, pick-and-pay options and genre protection elimination may have a substantial effect on the subscription TV environment. Though difficult to quantify yet due to their recent implementation, these changes are expected to exert additional financial pressure on specialty services and the TV environment as a whole.



Successive waves of consolidation in the distribution market have created a handful of large, vertically integrated communications and media providers. Bell, Rogers, Shaw and Quebecor capture close to 80% of total TV subscribers in Canada. These same companies are also the dominant specialty TV broadcasters, controlling over 66% of subscription fee revenues.⁴ They also own the backbone of our country's Internet and mobile networks. These advantages will give conglomerates an upper hand managing shifts in technology and policy changes.

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

Outlook: The subscription TV market is expected to be under pressure as pick-and-pay is introduced and as consumers increasingly move to online viewing.

¹ Source: CBC/Radio-Canada Annual Report 2015-2016.
² Source: CBC/Radio-Canada Research and Analysis estimates (Media Technology Monitor).
³ Source: CRTC.
⁴ Ibid.

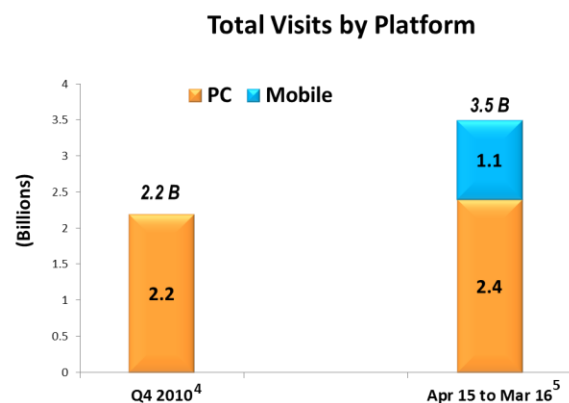
Media Habits are Changing

Much of the change in the broadcasting industry is coming from advances in technology and the resulting shifts in consumer behaviour and expectations. *Strategy 2020* recognizes that we, like all broadcasters, must transform to meet the needs of Canadians.

Technology is Enabling New Behaviour

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

- Canadians spend on average about 21 hours a week on the Internet. Over 70% of that time is spent with audio or video content, rather than with text and still images.¹
- Not only are we spending more time on the Internet, we are doing more of it on mobile devices. 75% of Canadians have a smartphone and 54% have a tablet.² According to comScore, there are around 1.1 billion visits a month to services online originating from a mobile device in Canada.³
- And, not surprisingly, given their love of Internet-connected devices, younger Canadians are turning to online services the most. They have grown up with these devices that offer communications, social media, entertainment and numerous other services directly to their fingertips. These Canadians embrace and align themselves with technology to meet their personal needs.
- The Internet has given Canadians new ways to communicate with each other. A majority of Canadians (70%) are now social networking. Six in ten are doing it daily, and they are doing it increasingly on their mobile devices (57%).⁶
- Internet TV services have changed viewer expectations. In little over four years, 42% of Canadians have become Netflix subscribers; regular viewers spend eight hours a week using the service. Even 20% of Francophones subscribe to Netflix, which offers primarily English-language content. Many subscribers to Netflix and similar services don't want to wait until next week – they want the next episode now. 55% of Canadians are now binge viewing (watching three or more episodes of the same show in one sitting).⁷



But We Need to Be Grounded in Facts

Consumer behaviour does not often change as fast as technology advances. This fact requires media companies to continue to meet the needs of audiences for traditional platforms as they introduce services for new platforms.

¹ Source: Media Technology Monitor (spring 2016).

² *Ibid.*

³ Source: comScore, multiplatform measurement, April 2015-March 2016.

⁴ Source: comScore, Media Metrix, all locations, persons aged 15 years and older, three month average, Q4 2010.

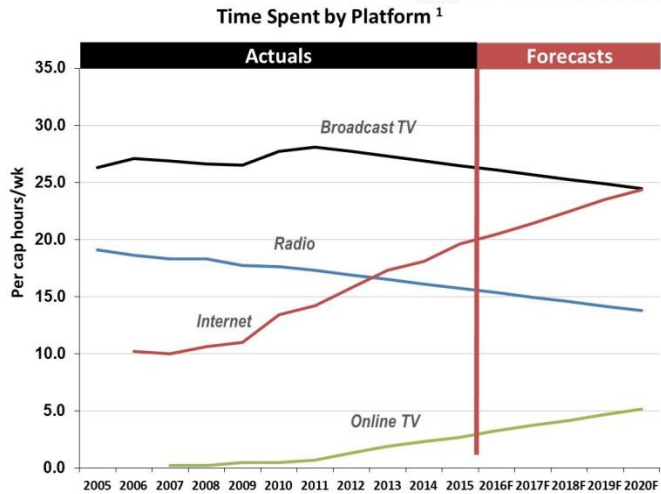
⁵ Source: comScore, multiplatform measurement, persons aged 15 years and older, 12 month average, April 2015-March 2016.

⁶ Source: Media Technology Monitor (spring 2016).

⁷ *Ibid.*

TV is Still Alive

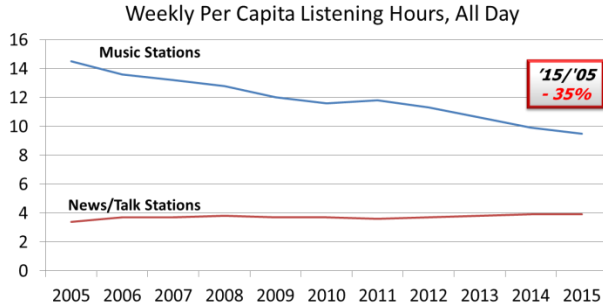
TV is unquestionably still the king of media – time spent with it far surpasses time spent with any other media, and we expect it to remain sizeable for the foreseeable future. However, some viewers are now watching TV on the Internet, which is becoming particularly evident in the English market. Over time we expect time spent with Internet and online TV to grow.



Radio's Audience Decline is Not Equally Distributed

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

Time Spent Listening to AM/FM Radio by Format, 2005-2015²

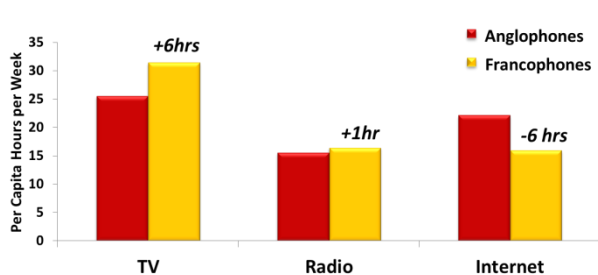


"Consumers are paralyzed by choice"
 Anthony Mullen from on the state of the music streaming business

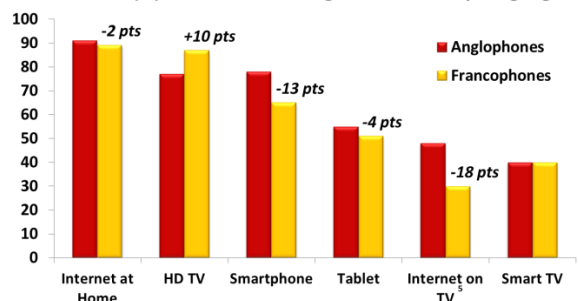
All Markets Are Not the Same

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

Time Spent with TV, Radio and the Internet in Canada by Language³



Penetration (%) of Select Technologies in Canada by Language⁴



¹ Source: CBC/Radio-Canada Research and Analysis estimates, Media Technology Monitor, BBM Nielsen, Numeris.
² Source: Numeris (fall diary), persons aged 12 and older. This chart should be used only to illustrate the longitudinal trend of radio use, since Numeris's diary is consumer recall research. It significantly overestimates radio use as measured electronically and passively by Numeris's PPM.
³ Source: TV (Numeris, broadcast year 2014-2015); Radio (Numeris, fall 2015 diary), Internet (Media Technology Monitor (spring 2016)).
⁴ Source: Media Technology Monitor (spring 2016), persons aged 18 and older.
⁵ Accessed the Internet on a TV set in the past month.

Outlook: The Internet has changed consumer expectations forever. However, TV is still critical, even as online forms of delivery become increasingly popular. Radio isn't going away, but its role in music delivery is diminishing.

CBC/Radio-Canada's Strengths Going Forward

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

Strong Brand

As well as being Canada's largest cultural institution, CBC/Radio-Canada is one of the most influential brands in Canada across all industries, and is the highest-ranked media brand.¹

A recent tracking survey shows that 57% of Canadians consider one or more of CBC/Radio-Canada's services to be very personally important to them. And 73% of Canadians strongly agree that there is a clear need and role for CBC/Radio-Canada in the future.²

Strong Public Support For CBC/Radio-Canada²

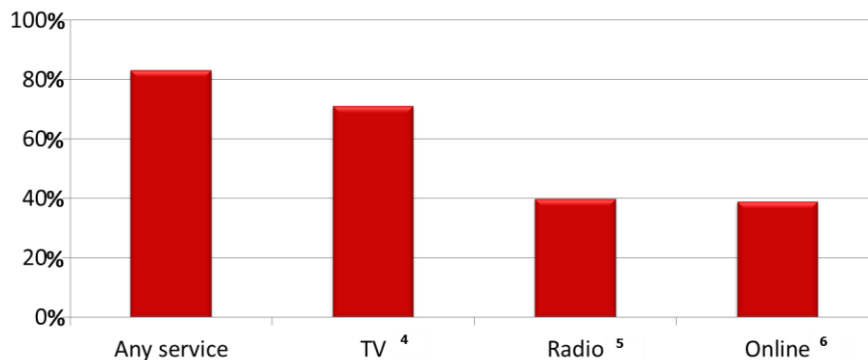
73% Canadians **strongly agree** that there is a clear need and role for CBC/Radio-Canada into the future.

57% CBC/Radio-Canada is **very personally important** to Canadians.

Canadians Embrace Our Services

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

Unduplicated Monthly Reach of CBC/Radio-Canada's Services among Canadians³



¹ Source: Ipsos Reid, 2015. *The Most Influential Brands*.

² Source: Mission Metrics Survey, TNS Canada, 2015-2016.

³ *Ibid.*

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

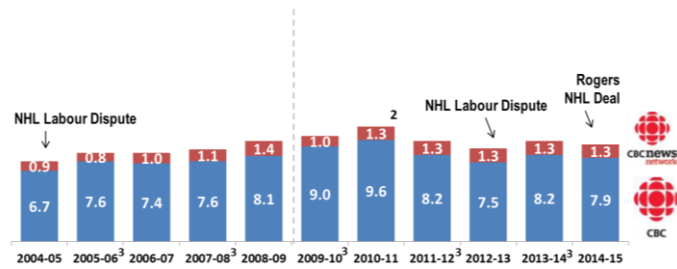
⁵ Radio Services include CBC Radio One, CBC Radio 2, ICI Radio-Canada Première and ICI Musique.

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

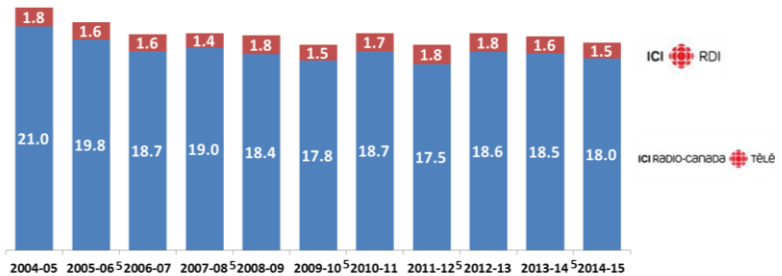
Television

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

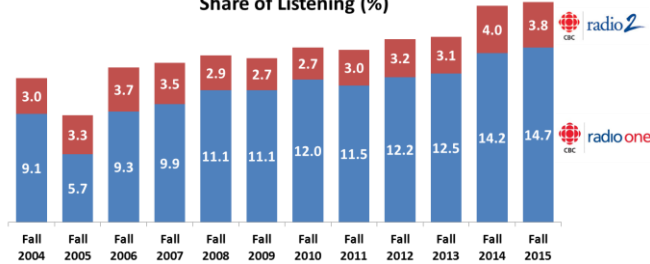
Performance of CBC Television and CBC News Network in Prime Time ¹
Share (%)



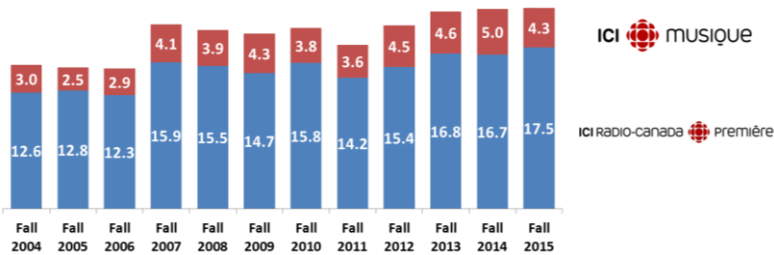
Performance of ICI Radio-Canada Télé and ICI RDI in Prime Time ⁴
Share (%)



CBC Radio One and CBC Radio 2 ⁶
Share of Listening (%)



ICI Radio-Canada Première and ICI Musique ⁷
Share of Listening (%)



Radio

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

¹ Source: Numeris, broadcast year 2004-2005 to 2014-2015 (total English TV - total Canada, persons aged two years and older) (PPM). Note: The line indicates a methodological change. This graphic shows CBC's share over the last decade, in prime time only. For information on CBC's current performance indicators, see the *Measuring Our Performance* section starting on page 28.

² Vancouver Canucks' appearance in the Stanley Cup finals.

³ Excluding Olympic Game weeks.

⁴ Source: Numeris, broadcast year 2004-2005 to 2014-2015 (total TV - Québec Francophones aged two years and older) (PPM). This graphic shows ICI Radio-Canada's share over the last decade, in prime time only. For information on ICI Radio-Canada's current performance indicators, see the *Measuring Our Performance* section starting on page 28.

⁵ Excluding Olympic Game weeks.

⁶ Source: Numeris, diary, Anglophones aged 12 years and older in CBC areas in which a CBC-owned station is located.

⁷ Source: Numeris, diary, Francophones aged 12 years and older in Radio-Canada areas in which a Radio-Canada owned station is located.

Digital

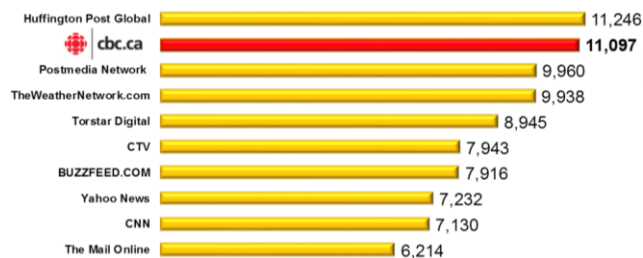
We are also successful on digital platforms. Both CBC.ca and ICI Radio-Canada.ca were pioneers in the online world and have built large followings. CBC/Radio-Canada’s Internet services reach, on average, close to 15 million Canadians each month with attractive and innovative digital offerings:¹

- CBC/Radio-Canada is a top-10 property on mobile in Canada, across all types of services and in competition with global digital giants and Canadian conglomerates.
- CBC and Radio-Canada are leaders among news and information properties available on digital platforms, including mobile.

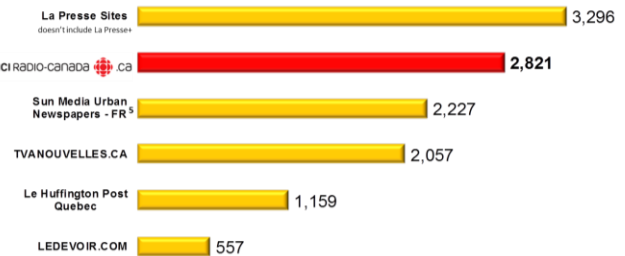
Top Ten Mobile Properties ²

Number	Properties	Total Audience (000)
1	Google Sites	18,550
2	Facebook	18,146
3	Apple Inc.	13,081
4	Bell Media	12,551
5	eBay	11,787
6	Yahoo Sites	11,627
7	Amazon Sites	10,778
8	Microsoft Sites	10,677
9	Linkedin	10,575
10	CBC/Radio-Canada Sites	10,416

Total Unique Visitors/Viewers to Media and News and Information Digital Properties (000s) ³

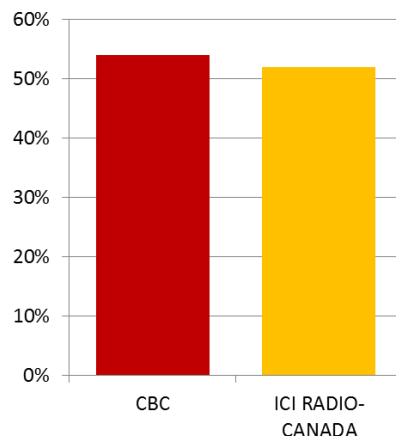


Total Unique Visitors/Viewers to Media and News and Information Digital Properties (000s) ⁴



- Digital platforms permit us to reach younger audiences. Over half of all millennials (18-34 year olds) in Canada are users of our digital platforms.

Average Monthly Reach of 18-34 Year Olds ⁶



¹ Source: comScore, multiplatform measurement, monthly average unique visitors, April 2015-March 2016.

² Source: comScore, Mobile Metrix, key measures, March 2016, total mobile, total audience, persons aged 18 years and older.

³ Source: comScore, multiplatform measurement, total Canada, persons aged two years and older, PC and Mobile, September 2014-August 2015. Please note that mobile measurement is currently underestimated since not all websites and mobile applications have been tagged.

⁴ *Ibid.*

⁵ Includes Journal de Montréal, Journal de Québec and 24 Heures Montréal.

⁶ Source: comScore, multiplatform measurement, persons aged 18-34 years old, September 2014-August 2015. Reach percentages for CBC sites and Radio-Canada sites are calculated against Numeris's 2014-2015 18-34 population estimates for Canada minus Quebec Francophones and for Quebec Francophones, respectively. Radio-Canada sites includes ICI Tou.tv, RCinet.ca, ICI ARTV.ca, ICI EXPLORAtv.ca and ICI Musique.ca.

5 Strategy 2020

At CBC/Radio-Canada, we have been transforming the way we engage with Canadians. In June 2014, we launched our strategic plan, *Strategy 2020*, a plan to make the public broadcaster more local, more digital and financially sustainable. We have come a long way since then, and Canadians are seeing the difference. Many are engaging with us, and with each other, in ways they could not have imagined a few years ago. Our connection with the people we serve is more personal, more relevant, more vibrant. Our commitment to Canadians is that, by 2020, CBC/Radio-Canada will be Canada’s public space where these conversations live.

When we began *Strategy 2020*, more than half of Canadians told us that CBC/Radio-Canada was very important to them personally.¹ By 2020, we want three out of every four Canadians to feel that way. We also want to increase our digital reach to 18 million Canadians – one out of two – by 2020. We are well on the way, with three million new digital users in the past year across CBC/Radio-Canada platforms, and an average of almost 15 million digital users per month in 2015-2016.²

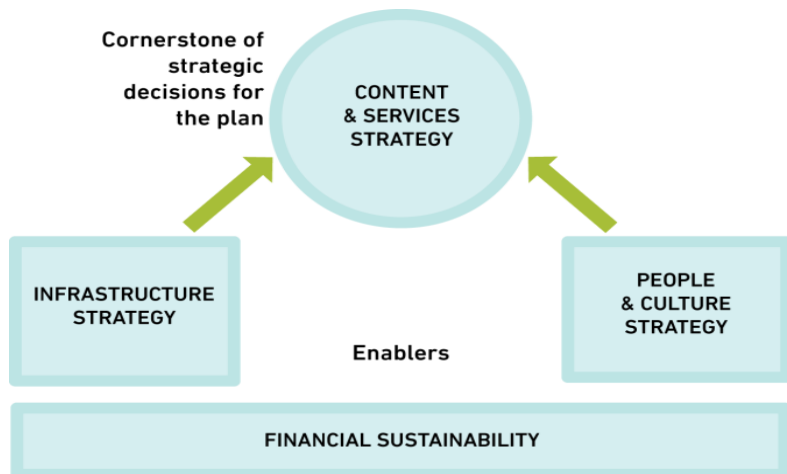
As we move ahead with the strategy, our goal is to make the public broadcaster more digital, more local and even more ambitious in its Canadian programming, and, in doing so, increase our value to Canadians.

To guide our way, we have set out the following mission and vision statements, rooted in the *Broadcasting Act* that enshrines our mandate:

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

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

Our mission and vision will be achieved through a focus on distinctive content and services that mirror Canadians’ changing media consumption. We will do that by reducing infrastructure, transforming our people and culture, and increasing our financial stability.



¹ Source: Mission Metrics Survey, TNS Canada, 2013-2014. This is the per cent of Canadians who give us top marks (8, 9 or 10 on a 10-point scale).

² Source: comScore, multiplatform measurement, monthly average unique visitors, April 2015-March 2016.

Almost two years after we first announced *Strategy 2020*, the Government of Canada announced an important reinvestment in the public broadcaster as part of its Budget 2016.

The additional \$75 million in funding for 2016-2017, and \$150 million per year on an ongoing basis, is a vote of confidence by government and by Canadians in our programs, our people and our vision for the future. It is also recognition that CBC/Radio-Canada faces some significant financial challenges. The funding will provide an element of flexibility as we assess the progress of our digital strategy and make necessary investments in the future.

In April, we announced details of how that funding would be used, specifically addressing how the \$75 million earmarked for 2016-2017 will be applied in support of *Strategy 2020*. This includes one third of the funding to maintain our momentum for key, strategic programming and initiatives already planned this year; approximately half of the funding for the creation of new content across all of our platforms as we continue our transformation towards digital; and the remainder to support existing services. This includes areas that are central to our mandate, but in which cuts were deeply felt, including reviving plans to open a radio and digital station in London, Ontario; reducing radio repeats; and improving our international coverage with new pocket bureaus.



Progress on the Implementation of *Strategy 2020* Initiatives in 2015-2016

The success of the strategy is being measured against key strategic and operational indicators. Further details on how performance and progress will be measured can be found in the next section, *Measuring our Performance*, on page 28.

The following section shows the expected outcomes and results for 2015-2016 initiatives, as well as the initiatives to be implemented in 2016-2017; initiatives that will kick-start the transformation and ensure our relevance, now and for future generations.

2015-2016 Strategic Initiatives – Expected Outcomes and Results

We've made good progress towards achieving the goals of *Strategy 2020*. We've enhanced our programming and expanded the ways that Canadians can access it, successfully covered the Toronto 2015 Pan American and Parapan American Games and obtained additional Olympic broadcast rights, formed new partnerships across the industry, consolidated our infrastructure and reduced our space, and implemented leadership development programs. These achievements – among others – are presented in the following tables.

1. Content and Services: The Cornerstone of *Strategy 2020*

1.1 Engaging Canadians in the Public Space

Programming

News			
English Services		French Services	
<p>Expected Outcomes for 2015-2016</p> <p>Offer quality journalistic coverage that is credible and balanced.</p> <p>Offer programming and coverage that reflect and represent the cultural and regional diversity of modern Canadian society.</p> <p>Greater focus on digital offer.</p>	<p>2015-2016 Results</p> <p>Enhanced investigative and original journalism through multiple projects and programs, including digital.</p> <p>Continued digital integration in content creation and audience offer.</p> <p>Launched new updated apps and a responsive mobile site.</p> <p>Expanded newsgathering capacity in Alberta and Quebec.</p> <p>Licensed content to third parties such as outdoor and digital screens and airport locations.</p> <p>Pursued and deepened collaboration with Radio-Canada investigative journalism and foreign reporting (e.g., <i>the fifth estate</i> and <i>Enquête</i>, foreign offices in Beirut and Jerusalem).</p>	<p>Expected Outcomes for 2015-2016</p> <p>Secure the resources and conditions needed to produce impact journalism as part of a multiplatform/multiscreen strategy.</p> <p>Continue to expand the digital news offering.</p>	<p>2015-2016 Results</p> <p>Successfully implemented automated control rooms for news and information programming.</p> <p>Pursued and deepened collaboration with CBC on investigative journalism and foreign reporting (e.g., <i>the fifth estate</i> and <i>Enquête</i>, foreign offices in Beirut and Jerusalem).</p> <p>Increased production of digital news, with priority on mobile content (e.g., 2015 federal election, update to Radio-Canada Information's mobile app).</p> <p>Drafted a plan for developing magazine-style digital destinations.</p>

Local			
English Services		French Services	
<p>Expected Outcomes for 2015-2016</p> <p>Baseline service levels achieved.</p> <p>Greater connection with audiences on mobile and digital platforms throughout the day.</p> <p>Implement "Mobile-First" offer.</p>	<p>2015-2016 Results</p> <p>Maintained baseline services for existing geographical footprint, with new supper-hour programs; reinforced local presence and "Visual Radio" for morning shows.</p> <p>Expanded and enhanced Mobile-First local strategy launched in all markets across different dayparts.</p> <p>Introduced new local branding with a heavy emphasis on the local community.</p>	<p>Expected Outcomes for 2015-2016</p> <p>Produce even more impact journalism in regional centres.</p> <p>Reconfigure the infrastructure to allow increased simplicity and collaboration.</p> <p>Strengthen our roots in communities.</p>	<p>2015-2016 Results</p> <p>Our "Telling the Country's Stories" strategy, which consists of broadcasting regionally produced stories to illustrate nation-wide stakes, is in progress (e.g., the "<i>Fabriqu� au Canada</i>" ("Made in Canada") segments on <i>RDI �conomie</i>).</p> <p>New regional websites rolled out across the country with geolocated French-language content adapted to all screen sizes and mobile devices.</p> <p>Developed and tested innovative production methods (e.g., visual radio).</p> <p>Relocated the Moncton and Sudbury stations and continued building multiplatform production spaces (e.g., Windsor, radio and web production).</p> <p>Consolidated the regional morning and drive-home radio offering. Very positive audience response (see the <i>Measuring Our Performance</i> section, page 28).</p> <p>Increased the number of audience outreach opportunities to strengthen mutual engagement.</p>

Entertainment (English Services) / Arts and Entertainment (French Services)			
English Services		French Services	
<p>Expected Outcomes for 2015-2016</p> <p>Offer programming that is contemporary and distinctively Canadian, smart, unique, distinctive from the private broadcasters, ambitious and risky.</p> <p>Share national consciousness and identity through Canadian storytelling and Canadian experience.</p>	<p>2015-2016 Results</p> <p>Investments made consistent with <i>Strategy 2020</i>.</p> <p>Launched the new documentary strand <i>Firsthand</i>.</p> <p>Launched a CBC Arts brand with <i>Crash Gallery</i>, <i>Interrupt This Program</i> and <i>The Exhibitionists</i>, as well as a digital Arts “feed.”</p> <p>Confirmed new leadership at CBC Kids with a mandate to refresh and modernize program development.</p> <p>Delivered signature events, such as the Giller Prize, Canadian Country Music Awards and the Canadian Screen Awards, as well as CBC/Radio-Canada collaborations such as <i>Wainwright Noel Nights</i> and Canada Day.</p> <p>Continued to focus on digital as an important priority in all entertainment programming, including launching the CBC/Fullscreen Multichannel Network partnership and original digital content.</p>	<p>Expected Outcomes for 2015-2016</p> <p>Expand the reach and impact of schedules and services.</p> <p>Fast track the French Services’ multiplatform/multiscreen strategy to keep pace with audiences’ changing consumption habits.</p> <p>Develop a balanced, multi-genre TV schedule that gives priority to original Canadian programming, especially during prime time.</p>	<p>2015-2016 Results</p> <p>Invested in high-profile drama series (e.g., <i>Le clan</i>, <i>Les pays d’en haut</i>, <i>Ruptures</i>, <i>Série noire</i>).</p> <p>Developed “event-making” programming delivered in new broadcast sequences, as per the multiplatform/multiscreen strategy (e.g., <i>Le nouveau show</i>, <i>Série noire</i>).</p> <p>Positioned ICI ARTV as an “arts and variety” partner within the multiscreen strategy: <i>Esprit critique</i> and <i>La soirée est (encore) jeune</i> shows; partnership between ICI ARTV and ICI Musique.</p> <p>Produced original distinctive content (e.g., <i>Alexandre et les conquérants</i>, <i>Monsieur Homme</i>, <i>On s’aime en chien</i>, <i>Sexplora</i>) to support ICI EXPLORA’s growth.</p> <p>Formed new youth-programming partnerships (e.g., <i>Code Max</i>).</p> <p>Offered a strong, compelling lineup on ICI Tou.tv’s free and subscription (Extra) services (e.g., <i>Ça fait un bye</i>, <i>Le nouveau show</i>, <i>Série noire</i>).</p> <p>Rolled out initiatives aligned with the multiplatform literary strategy: <i>ICI on lit</i> web portal; extended time slot (+30 minutes) for <i>Plus on est de fous</i>, <i>plus on lit!</i>, <i>Les incontournables</i> project.</p>

Sports			
English Services		French Services	
<p>Expected Outcomes for 2015-2016</p> <p>Promote relevant, nation-building experiences to the Canadian public and showcase Canadian talent.</p> <p>Lead Canada’s sports conversation with trusted sports journalism.</p> <p>Maintain Sports and Olympic financial position.</p>	<p>2015-2016 Results</p> <p>Produced the highly successful Toronto 2015 Pan American and Parapan American Games, resulting in record broadcast and digital audiences and engagement.</p> <p>Focused sports programming on Olympic high-performance events, including rebranding weekend programming as “Road to the Olympics.”</p> <p>Developed an innovative sports sponsorship strategy.</p> <p>Engaged in preparations for the Rio 2016 Olympic Games.</p> <p>Obtained Canadian broadcast rights for the Beijing 2022 Olympic Winter Games and the 2024 Olympic Games.</p>	<p>Expected Outcomes for 2015-2016</p> <p>Expand sports news coverage.</p> <p>Guarantee a sound financial position for Olympic initiatives.</p>	<p>2015-2016 Results</p> <p>Successfully covered the Toronto 2015 Pan American and Parapan American Games in Toronto:</p> <ul style="list-style-type: none"> - Greater cooperation between CBC and Radio-Canada. - Solid revenue generation and audience results. <p>Provided relevant, distinctive sports journalism, integrated within the multiplatform/multiscreen offering (e.g., segments incorporated into major news programs, blogs by Canadian personalities).</p> <p>Engaged in preparations for the Rio 2016 Olympic Games.</p> <p>Obtained Canadian broadcast rights for the Beijing 2022 Olympic Winter Games and the 2024 Olympic Games.</p>

Talk Radio			
English Services		French Services	
<p>Expected Outcomes for 2015-2016</p> <p>Maintain our leadership position and record audiences.</p> <p>Increase awareness of our programming and brand.</p> <p>Increase reach and engagement, particularly with new and younger audiences.</p>	<p>2015-2016 Results</p> <p>Achieved record audience shares with Talk Radio programming.</p> <p>Introduced three new original programs to enhance the audience experience, including the Aboriginal- focused <i>Unreserved</i>.</p> <p>Launched a new CBC Radio App and original podcasts.</p> <p>Very positive audience response (see the <i>Measuring Our Performance</i> section, page 28).</p>	<p>Expected Outcomes for 2015-2016</p> <p>Expand the reach and impact of schedules and services to keep pace with audiences' changing consumption habits.</p>	<p>2015-2016 Results</p> <p>Achieved record audience shares with Talk Radio programming (see the <i>Measuring Our Performance</i> section, page 28).</p> <p>Delivered new one-off productions with a strong digital component (e.g., <i>24 heures, Bienvenue chez les Numéricains, Charlebois, par-delà Lindberg</i>).</p> <p>Expanded the daytime schedule by building on our strengths: informative programming, current affairs and literature (e.g., <i>Bien dans son assiette, Midi info, Plus on est de fous, plus on lit!</i>).</p> <p>Recorded new shows as live events (e.g., <i>Parasol et grelot</i>, launch of <i>Les incontournables : portraits d'auteurs</i>).</p>

Music			
English Services		French Services	
<p>Expected Outcomes for 2015-2016</p> <p>Continue to connect Canadian artists with Canadian audiences.</p> <p>Position CBC Music as a leader in Canadian music across platforms.</p>	<p>2015-2016 Results</p> <p>Achieved second best-ever broadcast fall audience share on CBC Radio 2.</p> <p>Continued to create musical engagement with audiences through revamped morning and afternoon playlists on CBC Radio 2, music special events and a digital focus.</p> <p>Continue to integrate the infrastructure for music with ICI Musique.ca.</p>	<p>Expected Outcomes for 2015-2016</p> <p>Establish ICI Musique as a "talent promoter and event creator."</p>	<p>2015-2016 Results</p> <p>Introduced a radio and digital music offering focused on fun, content discovery and accessibility.</p> <p>Showcased hosts at live events: DJ set for the Francofolies and <i>On se la joue avec Fehmiu</i> at Centre Phi.</p>

1.2 Content Support Strategy

Production

Adapt In-House Production				
<p>Project Objective: The Corporation will focus on content commissioning and significantly adapt internal production, excluding news, current affairs and radio.</p>				
English and French Services				
<p>Expected Outcomes for 2015-2016</p> <p>Move ahead with the real estate footprint reduction plan.</p> <p>Optimize production resources and workflows.</p> <p>Maximize return on investment.</p> <p>Protect business relationships, programming and revenue streams.</p>	<p>2015-2016 Results</p> <table border="0"> <tr> <td> <p>English Services</p> <p>Exited in-house documentary production.</p> <p>Sold mobile-production business.</p> <p>Right-sized in-house production capacity with ability to monetize where opportunities exist.</p> </td> <td> <p>French Services</p> <p>Transformation of operations and processes in sync with multi-year business requirements.</p> <p>Closing of costume and scenography workshops.</p> </td> </tr> </table>		<p>English Services</p> <p>Exited in-house documentary production.</p> <p>Sold mobile-production business.</p> <p>Right-sized in-house production capacity with ability to monetize where opportunities exist.</p>	<p>French Services</p> <p>Transformation of operations and processes in sync with multi-year business requirements.</p> <p>Closing of costume and scenography workshops.</p>
<p>English Services</p> <p>Exited in-house documentary production.</p> <p>Sold mobile-production business.</p> <p>Right-sized in-house production capacity with ability to monetize where opportunities exist.</p>	<p>French Services</p> <p>Transformation of operations and processes in sync with multi-year business requirements.</p> <p>Closing of costume and scenography workshops.</p>			

1.3 Music Digital Infrastructure Consolidation

Music Digital Infrastructure Consolidation	
Project Objective: Develop a consolidated infrastructure for CBC Music.ca and ICI Musique.ca.	
English and French Services	
Expected Outcomes for 2015-2016 Define a plan and initiate first steps towards the development of a consolidated infrastructure.	2015-2016 Results Delivery of a consolidated digital infrastructure and tools with basic functionalities to support migration of existing sites to the new framework.

2. The Strategy Enablers

2.1 Infrastructure Strategy: Modernize, Optimize and Scale

Infrastructure

IT Data Centres	
Project Objective: Identify potential cost savings within the Corporation's two main IT data centres in Montreal and Toronto.	
Expected Outcomes for 2015-2016 Produce a report on the Corporation's IT data centre inventory, services and future requirements. Prepare a business case and road map for the Corporation's IT data centres.	2015-2016 Results A data centre infrastructure inventory study was completed. This includes the analysis of the current environment and recommendations for the optimization/consolidation and evolution of the current data centre infrastructure. A decision on the recommendations for the optimization/consolidation of the current data centre infrastructure will be taken in the 2016-2017 fiscal year.

Real Estate

Real Estate Footprint Reduction	
Project Objective: Reduce real estate portfolio.	
Expected Outcomes for 2015-2016 Receive the approval of CBC/Radio-Canada's Board of Directors for the modernization of the Corporation's main presence in Montreal. Establish the programming and production needs of the Canadian Broadcast Centre in Toronto. Conduct an analysis of Toronto's market. Initiate regional projects for Charlottetown, Iqaluit, Calgary and Winnipeg.	2015-2016 Results The Board of Directors and its reporting Infrastructure Committee have been regularly informed of the progress regarding the Request for Proposals (RFP) process for the Maison de Radio-Canada (MRC) Development Project in Montreal. A first RFP process was concluded in May 2015 with the refusal of a proposal from a consortium. The Corporation hired a brokerage firm, and alternate scenarios were pursued by the project team. In May 2016, the Board of Directors accepted recommendations to further pursue the process. A space-planning firm was hired to assist CBC/Radio-Canada in the analysis of the space requirements for the Canadian Broadcast Centre in Toronto. A Functional and Technical Program (FTP) is being completed that will allow the Corporation to identify a potential footprint reduction of approximately 50%. Iqaluit is currently in its implementation phase. Calgary entered the planning phase in December after Board approval. Charlottetown, Winnipeg, Ottawa and Québec City are currently in the initiation phase (space requirement assessment or market evaluation).

2.2 People and Culture Strategy

Workforce Planning and Sourcing Strategy		Change Management	
<p>Project Objective: Ensure that people resources are available to deliver the strategy and better reflect Canada in our workforce. An improved sourcing strategy that utilizes predictive workforce planning to provide workforce analytics, forecast resources, identify future talent and key roles, and identify gaps and risks.</p>		<p>Project Objective: Provide effective change programs to help leaders and individuals manage the significant change that <i>Strategy 2020</i> will bring.</p>	
<p>Expected Outcomes for 2015-2016</p> <p>Better position management and increased internal recruiting.</p> <p>Better understanding of our workforce, which will allow for better planning to address the resource needs of <i>Strategy 2020</i>.</p> <p>Better understanding of the needs of the business and reduce the time to hire and provide candidates a better and simpler experience.</p> <p>Better reflect the Canadian landscape in our workforce.</p>	<p>2015-2016 Results</p> <p>While Workforce Planning and Strategic Sourcing continue to be critical parts of the People and Culture strategy, there was an emphasized focus on change management and leadership development in support of <i>Strategy 2020</i>. This objective will continue to be a part of the People and Culture three-year plan.</p>	<p>Expected Outcomes for 2015-2016</p> <p>More effective management of the people side of change; help to overcome resistance and inspire employee engagement in the change.</p>	<p>2015-2016 Results</p> <p>The main components of the new leadership development program (Evolving Leadership Development System - launched spring 2015) are <i>Leading the people side of change</i> and <i>Pivotal conversations</i> (Working with others effectively during change): 58 mid-level leaders have participated in the program to date.</p> <p>Provided extensive consultation and coaching on effective change management and leading teams in transition with senior team leads of the Organizational Design project.</p>

2016-2017 Strategic Initiatives

We will continue to focus on achieving the goals and objectives of *Strategy 2020* in 2016-2017. As shown in the following tables, its initiatives cover programming, production, infrastructure, and people and culture.

1. Content and Services: The Cornerstone of *Strategy 2020*

1.1 Engaging Canadians in the Public Space

Programming

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

News			
English Services		French Services	
<p>Key 2016-2017 Initiatives</p> <ol style="list-style-type: none"> 1. Focus and improve programming by leveraging CBC News's core strengths. 2. Continue the focus on digital. 3. Extend CBC News service and international coverage. 	<p>Expected Outcomes for 2016-2017</p> <ul style="list-style-type: none"> Increase in audience, including digital consumption. Increase in diversity evident in programming. More partnerships and collaboration with content distributors and providers. 	<p>Key 2016-2017 Initiatives</p> <ol style="list-style-type: none"> 1. Begin designing an overall, integrated digital offering, based on a detailed knowledge of audiences. 2. Organize production of the overall offering (including ICI RDI) around two fundamental thrusts: continuous news and impact journalism. 3. Expand international coverage. 4. Continue to develop useful journalism by providing fact-checking and background information. 5. Introduce constructive journalism, focused on exploring solutions. 	<p>Expected Outcomes for 2016-2017</p> <ul style="list-style-type: none"> Continue developing the digital news offering, particularly with an eye to attracting younger audiences. Secure the resources and conditions needed to produce impact journalism as part of a multiplatform/multiscreen strategy.
<p>Long-Term Expected Outcomes/Targets</p> <ul style="list-style-type: none"> - Intensify CBC/Radio-Canada's relationship with Canadians through the delivery of relevant, distinctly Canadian content and services, offered through modern distribution methods, with an emphasis on digital and mobile services. 			

Local			
English Services		French Services	
<p>Key 2016-2017 Initiatives</p> <ol style="list-style-type: none"> 1. Deepen presence in, and connection with, communities within the Community. 2. Embed the 2020 local strategy for Mobile-First in local markets. 3. Extend local service initiatives (where possible). 4. Create events through non-news, multiplatform programming initiatives that promote culture, community and identity (including Canada's 150th anniversary projects). 	<p>Expected Outcomes for 2016-2017</p> <p>Increase in local service provided to Canadians on mobile and digital.</p> <p>Increase in digital consumption.</p> <p>New digital/radio locations opened where financially feasible (funding dependent).</p>	<p>Key 2016-2017 Initiatives</p> <ol style="list-style-type: none"> 1. Stabilize the basic digital content offering: 18 hours/7 days/12 months. 2. Maintain the thrust of local radio programming. 3. Create events through non-news, multiplatform programming initiatives that promote culture, community and identity (including Canada's 150th anniversary projects). 	<p>Expected Outcomes for 2016-2017</p> <p>Continue transforming the regional offering – more local, more frequent, on more screens and at a lower cost.</p> <p>Strengthen our roots in communities.</p>
<p>Long-Term Expected Outcomes/Targets</p> <ul style="list-style-type: none"> - Preserve CBC/Radio-Canada's geographic presence, to be even more local, but at a reduced cost. - Lighten CBC/Radio-Canada's technology and real estate footprint across the country, focusing efforts and resources on content rather than infrastructure. 			

Entertainment (English Services) / Arts and Entertainment (French Services)			
English Services		French Services	
<p>Key 2016-2017 Initiatives</p> <ol style="list-style-type: none"> 1. Partner with Canada's best independent creators. 2. Strengthen and build on CBC's reputation in the documentary field. 3. Continue to develop fresh, modern Arts programming. 4. Revitalize CBC Kids with both entertaining and meaningful children's content. 5. Continue recurring signature events, including potential new collaboration with Radio-Canada. 6. Continue to produce cross-platform content in all sub-genres. 	<p>Expected Outcomes for 2016-2017</p> <p>Continue implementation of key objectives of <i>Strategy 2020</i>: create distinct and creatively ambitious content.</p> <p>Demonstrate that our content connects with audiences.</p> <p>Strengthen the distinctiveness of the CBC brand for audiences.</p> <p>Receive critical acclaim from the industry.</p> <p>Fulfill cultural mandate to provide uniquely Canadian content.</p>	<p>Key 2016-2017 Initiatives</p> <ol style="list-style-type: none"> 1. Leverage distinctive content and technological development to build a strong digital presence that harnesses all channels and platforms. 2. Expand the reach of the music offering through an integrated multiplatform strategy. 3. Continue refreshing our TV and multiplatform content. 4. Enhance the value perception of our specialty channels. 5. Support our commitment to multiplatform "event-making" programming, such as for Canada's 150th and Montreal's 375th, including potential new collaboration with CBC. 6. Develop expertise and optimize data to assess the performance of the multiplatform strategy. 	<p>Expected Outcomes for 2016-2017</p> <p>Fast track the French Services' multiplatform/multiscreen strategy to keep pace with audiences' changing consumption habits.</p> <p>Also fast track the multiplatform/multiscreen strategy to expand the reach and impact of all schedules and services.</p> <p>Continue to support and develop a balanced, multi-genre TV schedule that gives priority to original Canadian programming, especially during prime time.</p>
<p>Long-Term Expected Outcomes/Targets</p> <ul style="list-style-type: none"> - Intensify relationship with Canadians through the delivery of relevant, distinctly Canadian content and services, offered through modern distribution methods, with an emphasis on digital and mobile services. 			

Sports			
English Services		French Services	
<p>Key 2016-2017 Initiatives</p> <ol style="list-style-type: none"> 1. Make CBC Sports the recognized home of Olympic sport. 2. Maintain Olympic self-sustaining financial position. 3. Support the CBC Television schedule with affordable, original and engaging content related to sports strategy. 	<p>Expected Outcomes for 2016-2017</p> <p>Grow audiences to CBC broadcast and digital platforms.</p> <p>Maintain and grow the working relationship with the International Olympic Committee (IOC) and the Canadian Olympic Committee (COC).</p> <p>Achieve CBC/Radio-Canada's Olympic Business Plan financial target for the Rio 2016 Olympic Games.</p>	<p>Key 2016-2017 Initiatives</p> <ol style="list-style-type: none"> 1. Continue developing the value-added multiplatform sports news offering within News and Current Affairs. 2. Implement a continuous Olympic digital offering to drive interest in the Olympics 365 days a year. 3. Produce and deliver distinctive, visually compelling programming for the Rio 2016 Olympic Games across all platforms. 	<p>Expected Outcomes for 2016-2017</p> <p>Expand multiplatform sports news coverage.</p> <p>Contribute to Olympic initiatives through a collaborative approach with CBC and external partners.</p>
<p>Long-Term Expected Outcomes/Targets</p> <ul style="list-style-type: none"> - Make CBC/Radio-Canada the recognized home of Olympic sport. - Become scalable, adaptable and flexible with the appropriate tools, resources and people to deliver the strategy. 			

Talk Radio			
English Services		French Services	
<p>Key 2016-2017 Initiatives</p> <ol style="list-style-type: none"> 1. Target mornings for strengthening and growth on CBC Radio One. 2. Freshen the content offer with new broadcast and digital programming. 3. Maintain foreign distribution and associated revenue. 	<p>Expected Outcomes for 2016-2017</p> <p>Maintain, broaden and grow audiences for CBC Radio One and digital.</p> <p>Reduce repeats in content offered to audiences.</p> <p>Improve user experience and efficiency.</p> <p>Increase in diversity evident in programming.</p>	<p>Key 2016-2017 Initiatives</p> <ol style="list-style-type: none"> 1. Roll out the new Francophone Canadian digital audio space, Première PLUS. 2. Initiate new, distinctive, one-off event-making productions, such as for Canada's 150th. 3. Continue developing the schedule by building a succession pool and training talent. 	<p>Expected Outcomes for 2016-2017</p> <p>Keep pace with diverse audiences' changing consumption habits.</p> <p>Embed radio in the digital world.</p> <p>Manage change to promote engagement in pursuing the transformation.</p>
<p>Long-Term Expected Outcomes/Targets</p> <ul style="list-style-type: none"> - Intensify relationship with Canadians through the delivery of relevant, distinctly Canadian content and services, offered through modern distribution methods, with an emphasis on digital and mobile services. 			

Music			
English Services		French Services	
Key 2016-2017 Initiatives	Expected Outcomes for 2016-2017	Key 2016-2017 Initiatives	Expected Outcomes for 2016-2017
<ol style="list-style-type: none"> 1. Concentrate on development of key programs. 2. Introduce semi-interactive streaming functionality to improve audience experience. 	<p>Maintain, broaden and grow audiences for Music (CBC Radio 2 and CBC Music.ca).</p> <p>Differentiate CBC Music as a leader in developing new Canadian talent.</p> <p>Improve user experience and efficiency.</p> <p>Increase in diversity evident in programming.</p>	<ol style="list-style-type: none"> 1. Roll out Radio-Canada’s integrated multiplatform music strategy. 2. Support and strengthen over-the-air radio. 3. Launch a new web platform. 4. Promote the ICI Musique brand. 	<p>Strategically broadcast our music content via all touchpoints with audiences, and showcase Francophone and Canadian music/artists.</p>
<p>Long-Term Expected Outcomes/Targets</p> <ul style="list-style-type: none"> - Intensify relationship with Canadians through the delivery of relevant, distinctly Canadian content and services, offered through modern distribution methods, with an emphasis on digital and mobile services. 			

1.2 Content Support Strategy

Production

CBC/Radio-Canada’s production infrastructure was established at a time when only broadcasters had the financial means to both produce and distribute content. For the last 20 plus years, public policy and public funding has encouraged the development of a vast number of independent producers. As such, CBC/Radio-Canada plans to significantly adapt in-house production across the organization, excluding news, current affairs and radio.

Adapt In-House Production	
<p>Project Objective: The Corporation will focus on content commissioning and significantly adapt internal production, excluding news, current affairs and radio.</p>	
English and French Services	
Key 2016-2017 Initiatives	Expected Outcomes for 2016-2017
<p>English Services</p> <ol style="list-style-type: none"> 1. Continue the current situation in which English Services is effectively out of comedy, drama and documentary production, with limited production in sports and factual entertainment (always subject to a financially responsible business case). <p>French Services</p> <ol style="list-style-type: none"> 1. Move ahead with the 2016-2017 plan for adapting television studio production capacity, in close consultation with programming departments, Media Technology and Infrastructure Services, and the Media Solutions team. 	<p>English Services</p> <p>Status quo – continue to evaluate production capacity plans in light of programming needs and costs of external outsourcing.</p> <p>French Services</p> <p>Contribute to the advancement of the Maison de Radio-Canada project.</p> <p>Continue to optimize production resources and workflows.</p> <p>Maximize return on investment.</p> <p>Protect business relationships, programming and revenue streams.</p>
<p>Long-Term Expected Outcomes/Targets</p> <ul style="list-style-type: none"> - Significantly reduce in-house production, while continuing to promote acquired or commissioned entertainment content from Canada’s independent creative sector. - Lighten the technology and real estate footprint across the country, focusing efforts and resources on content rather than infrastructure. - Become scalable, adaptable and flexible with the appropriate tools, resources and people to deliver the strategy. - Develop long-term, sustainable ways to manage financial health and the ability to invest in the future, as market conditions and audience habits evolve. 	

1.3 Music Digital Infrastructure Consolidation

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

Music Digital Infrastructure Consolidation	
Project Objective: Develop a consolidated infrastructure for CBC Music.ca and ICI Musique.ca.	
English and French Services	
Key 2016-2017 Initiatives 1. Stabilize, adjust and execute further improvements to the common digital infrastructure and tools to ensure continued optimal performance and to offer the best user experience in French and English.	Expected Outcomes for 2016-2017 Scalable and adapted digital infrastructure and tools continually evolving to support the coordinated content strategies of each media line.
Long-Term Expected Outcomes/Targets - Lighten the technology and real estate footprint across the country, focusing efforts and resources on content rather than infrastructure. - Become scalable, adaptable and flexible with the appropriate tools, resources and people to deliver the strategy.	

2. The Strategy Enablers

2.1 Infrastructure Strategy: Modernize, Optimize and Scale

CBC/Radio-Canada’s current infrastructure was established at a different time, with different market factors and with a different view of service offerings. As part of *Strategy 2020*, the Corporation will reimagine how it works, as well as the tools and infrastructure required to build flexibility, transfer risk and leverage technology to reduce costs and ensure consistent decision making across the Corporation.

Infrastructure

In November 2015, the Corporation announced the creation of a new component: Media Technology and Infrastructure Services (MTIS). By consolidating critical technology and infrastructure functions and decision making into a single group, MTIS will drive collaboration between technology experts, make the Corporation more adaptable to change, facilitate the implementation of technology strategy and new systems, ensure technological consistency across the Corporation, and help to reduce overall operating costs. It will also allow the Corporation to make more efficient and more strategic technology decisions, which will help keep pace with the rapid evolution of the media landscape.

IT Data Centres	
Project Objective: Identify potential cost savings within the Corporation’s two main IT data centres in Montreal and Toronto.	
Key 2016-2017 Initiatives 1. Undertake the ongoing financial and risk analysis associated with the recommendations for the optimization and evolution of the data centre infrastructure.	Expected Outcomes for 2016-2017 Provide a plan and budget for the optimization of the data centre infrastructure.
Long-Term Expected Outcomes/Targets - Modernize and make the Corporation’s information technology infrastructure more scalable. - Generate potential savings of up to one million dollars annually.	

Real Estate

CBC/Radio-Canada’s real estate portfolio totals approximately four million square feet. The real estate strategic plan aims at reducing cost (footprint), transferring risk (leasing as procurement method) and maximizing proceeds from its existing assets (sale of properties and lease of right-sized facilities or sale-leaseback in existing buildings).

The fact is that we currently have too much space, and many of the buildings we own are old, in need of repair, cost too much to maintain and, in many cases, don’t suit our needs. As a result, we’ve been looking at our facilities on a location-by-location basis to evaluate the costs and benefits of selling and moving into new, modern, leased, multimedia facilities. By 2020, we will reduce our space by half.

Approximately 90% of the Corporation’s real estate footprint is now distributed over 18 properties, the Toronto and Montreal network stations totalling about two-thirds of that footprint. Over the last year, the Sudbury, Gander and Grand Falls buildings were sold, bringing the number of properties from 21 down to 18.

The reduction of leased square footage has also contributed to the reduction of the global portfolio. More than 40,000 rentable square feet (RSF) were subtracted from our portfolio. Right-sizing of international bureaus such as Paris, New York and Washington DC, as well as our satellite office in Québec City, has contributed to half of the reduction effort (19,500 RSF). The closing of surplus locations, mostly composed of warehouses and storage (Ottawa, Burlington, Markham), has contributed the other half (23,750 RSF).

Excess space available in selected buildings is also marketed to generate revenues. During the 2015-2016 fiscal year, the Canadian Broadcast Centre in Toronto welcomed Bensimon Byrne (aka Tadiem) as a new tenant. The communication agency signed a lease for approximately 45,000 RSF, bringing the total of square footage leased to third parties to more than 370,000 RSF across the entire portfolio.

Real Estate Footprint Reduction	
Project Objective: Reduce real estate portfolio.	
<p>Key 2016-2017 Initiatives</p> <ol style="list-style-type: none"> 1. Complete project for Calgary. 2. Execute project for Iqaluit. 3. Market properties of Halifax (Bell Road), Moncton and Matane. 4. Initiate new projects: Charlottetown, Winnipeg, Ottawa and Vancouver. 5. Define and implement a project charter in line with the Board of Directors’ decision regarding the future of Maison de Radio-Canada (MRC). 6. Continue to market the Canadian Broadcast Centre building in Toronto to third-party tenants and prepare a business plan related to its future ownership. 	<p>Expected Outcomes for 2016-2017</p> <p>Move in to new Calgary premises fall of 2017: footprint reduction of 46,000 RSF.</p> <p>Move in to new Iqaluit premises in spring 2017.</p> <p>Combined footprint reduction of approximately 125,000 RSF for Halifax, Moncton and Matane.</p> <p>Proceed with the MRC project consistent with the <i>Strategy 2020</i> priorities and the strategic/business priorities of French Services.</p> <p>Implement new space requirements for the Canadian Broadcast Centre in Toronto following the completion of a Functional and Technical Program (FTP).</p>
<p>Long-Term Expected Outcomes/Targets</p> <ul style="list-style-type: none"> - Implement a reduction of two million square feet of space by 2020 in the overall portfolio. - Implement a new workplace solution standard (open plan and collaborative) across the Corporation. - Reduce total cost of occupancy in all locations. - Transfer risk (all leased solutions). - Maximize proceeds from existing assets. 	

2.2 People and Culture Strategy

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

To continue delivering the programs and services Canadians expect, the public broadcaster will open itself to increased collaboration and partnerships. As *Strategy 2020* aims to develop the internal culture, skills and structure needed to continue to be successful, the focus will be on continuing to break down silos and enhancing collaboration; being more efficient and simplifying processes; and being clear on expectations of leaders and holding them accountable.

Change Management¹	
Project Objective: Provide effective change programs to help leaders and individuals manage the significant change that <i>Strategy 2020</i> entails.	
Key 2016-2017 Initiatives 1. Provide change management support for the Organizational Design Initiative. 2. Through our development programs, teach leaders how to manage change more effectively.	Expected Outcomes for 2016-2017 Ensure People and Culture resources are optimized to deliver targeted support for the Organizational Design in the areas of Human Resources, Industrial Relations and Change Management. Working with leaders, provide change planning, coaching and support to enable delivery of the benefits of the Organizational Design. Improve change management awareness with an additional 60 leaders through our Evolving Leadership Development System.
Long-Term Expected Outcomes/Targets - Employees understand and support the Organizational Design changes. Leaders build the skills to help themselves and their teams to navigate change more effectively.	

2.3 Financial Sustainability

CBC/Radio-Canada’s future success is tied to our financial sustainability. And to be financially sustainable, we must create a viable financial model with a manageable cost structure, adequate and reliable income streams, and enough free-cash flow to invest in the future, as well as more efficient and streamlined operations. *Strategy 2020’s* initiatives, listed above, lay out the direction CBC/Radio-Canada needs to take in order to be financially sustainable in the long term.

As noted earlier in the document, in March 2016, the federal government announced an important reinvestment in the public broadcaster: an additional \$75 million in 2016-2017 and \$150 million per year on an ongoing basis. Our plans for this reinvestment are all about content: creating new content and making it more accessible than ever across our platforms. This is fully aligned with our strategic plan, and stable, multi-year funding will enable us to carefully map out how to best use these additional funds in the years ahead.

¹ While Workforce Planning and Strategic Sourcing continue to be critical parts of the People and Culture strategy, there was an emphasized focus on change management and leadership development in support of *Strategy 2020*. This objective will continue to be a part of the People and Culture three-year plan.

6 Measuring Our Performance

Strategic Indicators

Measuring our Success

A central feature of *Strategy 2020* is the establishment of metrics to track and assess our performance. Building on existing measurement tools, CBC/Radio-Canada has developed a streamlined performance measurement framework to assess our strategic plan. This performance measurement framework consists of three separate reports: the Mandate and Vision Perception Survey, the *Strategy 2020* Performance Report and the Media Lines Performance Report.

The first report presents perception survey indicators linked to the Corporation's mandate and vision and monitors how well our services fulfill the Corporation's mandate under the 1991 *Broadcasting Act*, based on the perceptions of Canadians. The data are collected via high-quality surveys conducted among representative samples of Anglophone and Francophone Canadians. These indicators were developed for the previous strategy and will continue under *Strategy 2020*, with the addition of new vision indicators.

The *Strategy 2020* Performance Report is the second tool in the Corporation's performance measurement framework, and it is tailored to monitoring our strategic plan. It contains 10 key indicators that cover audience, infrastructure, people and financial sustainability.¹ The *Strategy 2020* Performance Report includes long-term 2020 targets and tracks progress against them with short-term annual targets starting with 2015-2016.

The third performance measurement tool is the Media Lines Performance Report, which presents operational indicators for both French and English Services. These key performance indicators (KPIs) include measures of audience share and reach, digital unique visitors, specialty services' subscriber counts and revenue generation, and they are used to demonstrate the audience and financial performance of English and French Services. They are presented to our Board of Directors and published in our Quarterly Financial Reports and Annual Report.

¹ As of 2016-2017, the indicator for *Investment Fund* (Indicator 10) is no longer relevant due to the Government's reinvestment in CBC/Radio-Canada and it will not be included in the *Strategy 2020* Performance Report.

Measuring our Mandate and Vision

As Canada's national public broadcaster, the establishment of metrics to track and assess the perception of our performance is essential to demonstrate our accountability to Canadians. The Mandate and Vision Perception Survey is a reporting tool that allows us to monitor how well Canadians believe our services fulfill the Corporation's mandate under the 1991 *Broadcasting Act*, as well as to measure the performance of our programming with respect to quality, distinctiveness, and our ability to reflect and draw Canadians together. The report also includes vision indicators, which present the Corporation's role in fulfilling the vision of *Strategy 2020*. The data are collected via high-quality surveys conducted among representative samples of Anglophone and Francophone Canadians.¹





















The latest survey results and highlights follow. These results are based on Canadians who gave CBC/Radio-Canada top marks (i.e., an 8, 9, or 10 on a 10-point scale). For those looking for more detailed results, we are moving reporting into the digital age and we have published the data online in an interactive dashboard for all Canadians to access on our [corporate website](#).

Survey Highlights

- For most metrics, the 2015-2016 results remained stable compared to the previous year's results.
- The top three perception scores show that CBC/Radio-Canada's programming *is of high quality* (68%), *is informative* (67%) and *reflects the regions of Canada* (66%).
- Canadians typically perceive us as a leader in *making our programming available on new platforms*, however, the 2015-2016 result decreased seven points to 60% compared to last year.
- The *supporting the creation of original Canadian content* and *entertaining* scores also dropped slightly, by four and three percentage points respectively, since last year.

¹ TNS Canada has been conducting the Mission Metrics tracking survey since 2010. Two methodological changes were made starting in fall 2015: 1. Sample sizes were reduced from 1,400 per wave per language to 1,000 to lower the cost of the survey; and 2. Mobile-only homes were added to address changes in the Canadian population. Despite these methodological changes, results are comparable with previous years. The differences between the national 2015-2016 results and 2014-2015 results is about 2.0%.

Results – Percentages calculated amongst the Canadians Who Gave CBC/Radio-Canada Top Marks (8, 9 or 10 on a 10-point scale)¹

		2014-2015	2015-2016	
 <p>Broadcast Act Performance Indicators</p>	CBC/Radio-Canada's Programming...	 is informative	68%	67%
		 is enlightening	57%	57%
		 is entertaining	54%	51%
		 is available on new platforms	67%	60%
		 is of high quality	66%	68%
		 is different from others	45%	46%
		 reflects regions of Canada	66%	66%
		 reflects my region	44%	43%
		 reflects the diversity of Canada	53%	55%
		 reflects my culture	47%	46%
CBC/Radio-Canada's Information Programming...	 reflects a diversity of opinions	55%	54%	
	 covers major issues in a fair and balanced way	58%	58%	
 <p>Vision Performance Indicators</p>	CBC/Radio-Canada...	 is personally important for me	59%	57%
		 is listening to its audiences	46%	45%
		 supports the creation of original Canadian content	65%	61%
		 is actively interacting with its audiences	48%	48%
		 is the leader in Canadian content	61%	60%
		 provides a place for Canadians to share their ideas and views with others	55%	55%

¹Source: Mission Metrics Survey, TNS Canada (1,000 Anglophones and 1,000 Francophones per survey). Surveys are conducted in November and March each year.

Measuring our *Strategy 2020*

The *Strategy 2020* Performance Report is used to ensure that we are meeting the corporate-wide strategic objectives of our current strategic plan. We established long-term 2020 targets and track progress against them with short-term annual targets starting with 2015-2016. A set of 10 key indicators was developed to measure the four elements of the new strategy: audience, infrastructure, people and financial sustainability.¹ The *Strategy 2020* Performance Report – shown below – is also available online for all Canadians to access on our [corporate website](#).

For audience success, we selected five indicators:

- By 2020, we want three out of four Canadians to consider one or more of our services to be very personally important to them (indicator 1).
- With respect to the diversity and objectivity of our information programming (indicator 2), we set a goal to maintain Canadians’ high perceptions even in the face of a fragmenting public opinion and the transformation of our news offering.
- In order to change Canadians’ perceptions so significantly, we will need to launch new digital services and grow our digital reach and interactions with Canadians (indicators 3 and 4).
- We will also need to maintain the level of time Canadians spend with our services, even as competition for Canadians’ attention continues to increase (indicator 5).

To support our audience goals, we will need to transform our infrastructure, including reducing our real estate footprint by 50% (indicator 6). We will need our employees to be more engaged (indicator 7) and to better reflect the diverse society we serve (indicator 8). Lastly, we will need to meet our cost reduction (indicator 9) and investment fund targets (indicator 10) to be financially sustainable.¹

We met or exceeded our 2015-2016 targets on all but one indicator. Our digital reach and interactions indicators performed well above their targets and our remaining audience, infrastructure and financial indicators met their targets. Our employee diversity indicator improved significantly compared to 2014-2015, yet did not meet its target due to the lower attraction and hiring of external candidates than labour force availability.

Indicator	Fiscal Year 2014-2015	Target 2015-2016	Fiscal Year 2015-2016	Target 2016-2017	Expected Shape of Growth	2020 Target
Audience/Market						
1. Personal importance to Canadians (% very important) ²	58.6%	57.7%	56.6%	57.6%		75%
2. Information programming has diverse opinions and is objective (% who strongly agree) ²	56.8%	56.7%	56.2%	56.5%		57%
3. Digital Reach of CBC/Radio-Canada (millions) ³	12.4	12.7	14.6	16.5		18
4. Monthly Digital Interactions with CBC/Radio-Canada (millions) ⁴	79.7	77	103.8	117.2		95
5. Overall Time Spent with CBC/Radio-Canada (millions hrs/week) ⁵	177	173	171	177		173
Infrastructure						
6. Reduce Real Estate Footprint (millions of rentable square feet) ⁶	4.0	3.9	3.9	3.9		2.0
People						
7. Employee Engagement (% proud to be associated) ⁷	n/a	n/a	69%	74.2%		90%
8. Employee Diversity (% of new employees) ⁸	16.1%	23.2%	18.5%	23.2%		23.2%
Financial						
9. Achieve Cost Reduction Target (\$ millions)	n/a	\$62	\$62	\$85.1		\$117
10. Achieve Investment Fund Target (\$ millions) ¹	n/a	\$5	\$5	n/a		\$20

¹ As of 2016-2017, the indicator for *Investment Fund* (Indicator 10) is no longer relevant due to the Government’s reinvestment in CBC/Radio-Canada and it will not be included in the *Strategy 2020* Performance Report.

² Source: Mission Metrics Survey, TNS Canada. This is the per cent of Canadians who give us top marks (8, 9 or 10 on a 10-point scale).

³ Source: comScore, multiplatform measurement, monthly average unique visitors.

⁴ Source: comScore, multiplatform measurement, monthly average visits.

⁵ Source: Numeris, time spent with our TV and Radio services; Adobe SiteCatalyst and comScore, time spent with our Internet services.

⁶ Our rentable square feet (RSF) results exclude foreign offices (e.g., bureaus), transmission sites, parking lots and leases for the sole purpose of storage (i.e., no broadcasting activity).

⁷ Source: Gallup Consulting, Dialogue 2015 Survey. This is the per cent of employees who are proud to be associated with CBC/Radio-Canada. This is measured as the per cent who respond 4 to 5 on a scale of 1 to 5 in a representative survey of employees. The last employee survey was conducted in 2012, so the 2015-2016 target could not be set last March.

⁸ This indicator is made up of three groups: Aboriginal peoples, persons with disabilities and visible minorities. It is calculated as a per cent of new external hires for positions of 13 weeks or more.

Measuring our Media Lines

French and English Services' Performance

In addition to monitoring the overall performance of *Strategy 2020*, key performance indicators (KPIs) have been developed for CBC/Radio-Canada's French and English Services and are presented in the Media Lines Performance Reports.

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

French Services

The majority of Radio-Canada's key performance indicators for radio, TV and digital met or exceeded the targets set for 2015-2016. As for financial indicators, self-generated revenue and ICI RDI's subscriber levels fell short of expectations.

Radio – Includes the combined share of our two main radio networks – ICI Radio-Canada Première and ICI Musique – and the share for ICI Radio-Canada Première's regional morning shows. The 21.8% fall 2015 combined share broke the prior year record of 21.7%.

ICI Radio-Canada Télé – Highly competitive market, where our continued support of the conventional prime-time television schedule appears to be paying off. New successful shows (e.g., *Les pays d'en haut*, *Ruptures*, *Les dieux de la danse*), in addition to strong multi-genre lineup and high-profile returning programs (e.g., *Unité 9*, *Mémoires vives*, *Tout le monde en parle*). These audience successes are all the more critical since, as we leverage our multiplatform/multiscreen strategy, we face the challenge of not sacrificing successes traditionally measured through TV audience share.

ICI RDI, ICI ARTV, ICI EXPLORA – ICI RDI recorded high ratings, boosted by its continuous coverage of major news events (e.g., federal election, Paris attacks). ICI EXPLORA's audience share increased during free preview periods throughout the year.

Téléjournal 18h – After a slow start during fall 2015, the average minute audience (AMA) rose during the winter, a period that has seen higher viewer ratings historically.

Digital – Canadians turned in large numbers to our regional, national and international digital content to make sense of key events and major breaking news stories (e.g., federal election, Paris and Brussels attacks, deaths of René Angélil and Jean Lapierre).

Subscribers to Specialty Television Channels – Performance is subject to favourable factors (e.g., programming, promotional efforts) and structural challenges (e.g., consumption trends, regulatory environment).

Revenue – Impact of the persistent softening of the TV advertising market (3% decrease year-over-year in the Francophone market) especially for conventional television.¹

French Services		Actual Performance			Future
		Annual Results 2014-2015	Annual Targets 2015-2016	Annual Results 2015-2016	Annual Targets 2016-2017
Radio Networks					
ICI Radio-Canada Première and ICI Musique	All-day audience share ²	21.4%	21.2%	21.8%	21.8%
Television					
ICI Radio-Canada Télé	Prime-time audience share ³	19.8%	19.7%	19.9%	19.5%
ICI RDI, ICI ARTV and ICI EXPLORA	All-day audience share ³	4.8%	4.7%	4.7%	4.7%
Regional					
ICI Radio-Canada Première	Morning show audience share ²	19.2%	18.1%	19.9%	18.9%
Téléjournal 18 h	Average minute audience ³	0.325 M	0.310 M	0.319 M	0.319 M
Regional Digital Content	Monthly average unique visitors ⁴	0.722 M	0.758 M	0.712 M	- ⁴
Digital					
Radio-Canada's Digital Offering	Monthly average unique visitors ⁴	1.9 M	2.8 M	3.0 M	3.4 M
Specialty Television Channels					
ICI RDI	Subscribers	10.8 M ⁵	11.1 M⁵	10.7 M⁵	- ⁶
ICI ARTV	Subscribers	1.8 M	1.8 M	1.8 M	- ⁶
ICI EXPLORA	Subscribers	0.6 M	0.8 M	0.8 M	- ⁶
Revenue⁷					
Conventional, Specialty, Online		\$234 M	\$227 M	\$216 M	\$201 M

¹ Source: ThinkTV.

² Source: Numeris, fall survey (diary), Francophones aged 12 years and older. Morning Show: Monday-Friday, 6:00-9:00 AM.

³ Source: Numeris, Portable People Meter (PPM), Francophones in Quebec aged two years and older. ICI Radio-Canada Télé: regular season; ICI RDI, ICI ARTV, ICI EXPLORA: April-March; Téléjournal 18h: regular season, Monday-Friday, 6:00-6:30 PM.

⁴ Source: comScore, Media Metrix, unique visitors aged two years and older, April-March. Prior to 2015-2016, the measure was desktop only. Starting in 2015-2016, the measure for Radio-Canada's digital offering is multiplatform, but desktop only for regional digital content. The comScore measurement basis for 2016-2017 regional digital content is being finalized and the target will be published once this is confirmed.

⁵ In November 2014, one of our partners informed us of an error in the subscriber count for ICI RDI. The error had affected 2014-2015 annual results and was identified after we had set the annual target for 2015-2016. ICI RDI's annual subscriber target for 2016-2017 is established in light of the now-known actual values.

⁶ Not published due to competitive reasons.

⁷ Includes advertising revenue, subscription revenue and other revenue (e.g., content distribution). Revenue for ICI ARTV is reported at 100%, although Radio-Canada owned only an 85% share prior to March 31, 2015. Since that date, Radio-Canada has been the sole owner of ICI ARTV.

English Services

By year-end, English Services met or exceeded most of its performance targets, while experiencing challenges on two specific television indicators.

Radio – A fall record high for the combined share of our broadcast radio networks was achieved. CBC Radio One’s usage also increased at a time where the overall Anglophone market consumption declined. CBC Radio 2 achieved its second highest fall share since the programming changes introduced late in the last decade.

CBC Television – Results reflect the weaker performance of some of our shows, particularly new shows, and was more pronounced in the fall season. Moreover, many viewers were attracted away from conventional TV in the early part of the regular season to the playoff run of Major League Baseball’s Toronto Blue Jays.

CBC News Network – The share increased with the favourable audience impact of unique, non-recurring events such as the extended federal election campaign (late summer to October 2015) and the Paris attacks (November 2015).

Regional:

CBC Radio One Morning Shows – A higher audience share was achieved over the prior year while increasing overall usage, despite the overall decline in English-language radio consumption.

Television Supper News – Lower audiences were experienced in the fall when the new supper news show format was introduced, with audiences growing through the winter.

Regional Digital Content – Favourable results were driven by coverage of events such as provincial elections (e.g., Alberta, Newfoundland and Labrador), a high profile murder trial in Hamilton and the earthquake in British Columbia.

Digital – Favourable results were driven by recent usability and presentation enhancements to the platform, as well as events of major international, national and local interest.

Subscribers to Specialty Television Channels – A decline in subscriber levels was experienced within the year. Subscriptions will be further challenged by the continuing cord-cutting trend and the effects of recent regulatory changes in the industry associated with the *Let’s Talk TV* initiative.

Revenue – Results exceeded target and compared favourably to the Anglophone market’s 4% decrease during the same period, partially driven by one-time events such as CBC’s coverage of and host broadcaster activities for the Toronto 2015 Pan American and Parapan American Games.

English Services		Actual Performance			
		Annual Results 2014-2015	Annual Targets 2015-2016	Annual Results 2015-2016	Annual Targets 2016-2017
Radio Networks					
CBC Radio One and CBC Radio 2	All-day audience share ¹	18.1%	17.5%	18.5%	18.7%
Television					
CBC Television	Prime-time audience share ²	6.0%	6.2%	5.8%	6.0%
CBC News Network	All-day audience share ²	1.5%	1.4%	1.7%	1.5%
Regional					
CBC Radio One	Morning show audience share ¹	19.5%	19.6%	20.4%	20.4%
Television Supper News	Average minute audience ²	0.375 M	0.360 M	0.345 M	0.345 M
Regional Digital Content	Monthly average unique visitors ³	4.0 M	4.2 M	4.3 M	- ³
Digital					
CBC’s Digital Offering	Monthly average unique visitors ³	10.6 M	11.2 M	12.4 M	14.1 M
Specialty Television Channels					
CBC News Network	Subscribers	11.2 M	11.2 M	11.0 M	- ⁴
<i>documentary</i>	Subscribers	2.7 M	2.7 M	2.5 M	- ⁴
Revenue⁵					
Conventional, Specialty, Online		\$321 M	\$246 M	\$260 M	\$211 M

¹ Source: Numeris, fall survey (diary), persons aged 12 years and older. Morning shows: Monday-Friday, 6:00-9:00 AM.

² Source: Numeris, Portable People Meter (PPM), persons aged two years and older. CBC Television: regular season; CBC News Network: April-March; TV Supper News: regular season, Monday-Friday, 6:00-6:30 PM.

³ Source: comScore, Media Metrix, unique visitors aged two years and older, April-March. Prior to 2015-2016, the measure was desktop only. Starting in 2015-2016, the measure for CBC’s digital offering is multiplatform, but desktop only for regional digital content. The comScore measurement basis for 2016-2017 regional digital content is being finalized and the target will be published once this is confirmed.

⁴ Not published due to competitive reasons.

⁵ Includes advertising revenue, subscription revenue and other revenue (e.g., content distribution). Revenue for *documentary* is reported at 100%, although CBC/Radio-Canada owns 82% of this channel. This excludes revenue from the arrangement with Rogers Communications Inc. for the continued airing of *Hockey Night in Canada* for Saturday night and playoff hockey. Toronto 2015 Pan American Games revenue included reflects joint English and French Services revenue.

Canadian Content and Results¹

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

During the 2014-2015 broadcast year, both ICI Radio-Canada Télé and CBC Television continued to exceed the conditions of licence set by the CRTC for Canadian programming by seven percentage points or more.

Canadian Content	Yearly Conditions of Licence	Results Sept. 1, 2010 to Aug 31 2011	Results Sept. 1, 2011 to Aug 31 2012	Results Sept. 1, 2012 to Aug 31 2013	Results Sept. 1, 2013 to Aug 31 2014	Results Sept. 1, 2014 to Aug 31 2015
ICI Radio-Canada Télé						
Broadcast day (Mon-Sun, 6:00 a.m.—12:00 a.m.)	75%	86%	86%	84%	89%	82%
Prime time (Mon-Sun, 7:00 p.m.—11:00 p.m.)	80%	93%	93%	91%	90%	91%
CBC Television						
Broadcast day (Mon-Sun, 6:00 a.m.—12:00 a.m.)	75%	84%	85%	93%	94%	92%
Prime time (Mon-Sun, 7:00 p.m.—11:00 p.m.)	80%	82%	81%	86%	91%	87%

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

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

Strategy 2020 signals transformative change in CBC/Radio-Canada's strategy, structure and culture. People remain a priority of the Corporation, and it is the talent, passion and commitment of our people that continue to drive our success. People and Culture strives to ensure that CBC/Radio-Canada is a rewarding, progressive and diverse workplace, enabling a high-performance culture of dedicated, innovative and highly skilled professionals.

Our People and Culture strategy was further improved to align with *Strategy 2020*, so that its key drivers enable change and promote a vibrant, agile workforce as we look towards 2020. In addition, the launch of a new three-year Inclusion and Diversity plan is one of our commitments to achieving the Corporation's vision.

Aligning Our Strategy With *Strategy 2020*

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

Core

- Enable the digital transformation of the business.
- Simplify structures, systems and processes to improve efficiency and effectiveness.

Capability

- Build a high-performance workforce enabling people to be and do their best.

Culture

- Fuel a psychologically healthy culture that cares and that motivates and recognizes performance.

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

Furthermore, we communicated our action plan for building a respectful work environment and dealing with recommendations stemming from the independent investigation, led by Janice Rubin B.A., LL.B., into the circumstances and facts related to Jian Ghomeshi and the shows with which he had been associated. We continue to make progress on our areas of focus, and a variety of initiatives have been completed to date, including new mandatory training for both managers and employees, as well as the introduction of a bullying and harassment helpline. In addition, we conducted an organization-wide employee engagement survey, which further reflects management's commitment to ensuring a healthy, engaging and high-performing working environment. Managers across the organization are currently developing and implementing individual action plans to improve employee engagement, and we will continue to conduct employee surveys on a recurring basis to track our progress.

Our Compensation Program

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

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

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

As the national public broadcaster, CBC/Radio-Canada continues to look for ways to increase our accountability and transparency with Canadians, including through proactive disclosure. Since September 2014, the Corporation provides a summary that outlines the compensation for senior management, as well as our on-air talent, keeping in mind the requirement to respect existing federal privacy law pertaining to specific individual salaries.

Our Pension Plan

CBC/Radio-Canada's defined benefit pension plan continues to be among the best funded plans in the country. Guided by the overall objective of meeting the pension obligations and reflecting the level of maturity of the Plan, it follows a liability-driven investment strategy that results in a lower-risk Plan for CBC/Radio-Canada as compared to peers. The CBC Pension Plan's lower-risk investment strategy provides a more stable funding ratio and reduces the likelihood of CBC/Radio-Canada having to make additional contributions. This provides more stability to CBC/Radio-Canada and helps make the Plan more sustainable over the longer term. The Plan's investment strategy has worked again very successfully, such that on December 31, 2015, the Plan was fully funded on a going-concern basis and 99% funded on a solvency basis. For the fifth consecutive time, as allowed under the legislation governing our Plan, CBC/Radio-Canada has elected not to make any additional special contribution to the Pension Plan. The actuarial valuation is conducted annually as at December 31 and filed with government authorities no later than June 30 of the following year.

In 2012, we began increasing the employee share of pension contribution. Accordingly, the employee share of pension contribution is set to increase to 46.66% on July 1, 2016, from its current level of 43.33%, and to 50% on July 2, 2017. We will continue to work to manage costs and reduce risks so that the Plan remains financially viable and sustainable well into the future.

Our Learning Commitment

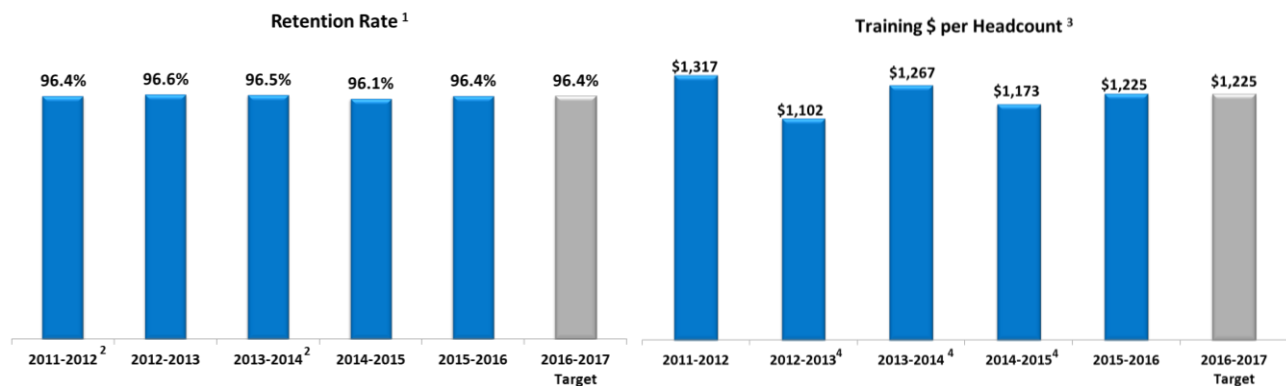
As CBC/Radio-Canada transforms towards *Strategy 2020*, our leaders and managers face new challenges. We are committed to ensuring our employees develop the skills and behaviours necessary to successfully navigate the changing work environment, and we have renewed our focus on ensuring that training is in place to enable a respectful work culture. We continue to deliver the smart, effective learning solutions needed to enable employees to quickly adapt to the changing technology and business landscape (e.g., Mobile-First). We will also roll out a robust leadership offering for leaders at all levels, building on our existing programs (e.g., Evolving Leadership Development System, Business Skills). Change and organizational development offerings support the organization to deliver on our goal of transformation. And, more than ever, we focus on developing and retaining our key talent, who are critical to the overall success of *Strategy 2020*, through a strengthened approach to talent management (i.e., performance, succession and engagement).

Measuring Our Success

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

The targets set take into consideration the impact on the organization outlined in *Strategy 2020*, the business priorities and the financial pressures.

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



¹ (Permanent Headcount - Departures) / Permanent Headcount (excludes retirements and Workforce Adjustment (WFA) cuts).

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

³ Total National Learning and Development Fund / Headcount.

⁴ Slight variance due to headcount changes throughout the year.

Our Labour Environment

Our workforce is comprised of approximately 84% unionized employees, who are represented by the bargaining units identified below. We also work with an additional seven talent unions, which represent independent contractors and artists within the media and entertainment industry.¹

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

CBC/Radio-Canada filed an application with the Canada Industrial Relations Board (CIRB) on May 31, 2012 to review our bargaining structure for employees (covered at the time by SCRC, STARF, SCFP and AR) working in the province of Quebec and in Moncton, New Brunswick (French File). In the first phase of hearings, which began in November 2012 and concluded in April 2014 (a total of 36 hearing dates), the CIRB was asked to determine whether the current structure of the four bargaining units remained appropriate for collective bargaining. The CIRB's decision, rendered on September 19, 2014, granted CBC/Radio-Canada's motion declaring that the current union structure no longer met our collective bargaining needs. The second phase of determining the future structure was undertaken immediately thereafter, and a decision was rendered on May 15, 2015 establishing that the bargaining structure would be comprised of two units: one representing the producers and the second representing all other unionized employees. Considering that the reasons were not provided by the CIRB at the time of rendering the decision, CBC/Radio-Canada filed a motion for judicial review on June 15, 2015 to preserve its rights with respect to the reasons provided by the CIRB. Pursuant to the decision of May 15, 2015, a vote was held June 15-26, 2015 to determine the bargaining agent of the employees (with the exception of producers). It determined the SCRC as the newly certified union. Bargaining commenced in May 2016 and is well underway. Bargaining with the Association of Professionals and Supervisors (APS) commenced in April 2016 and an agreement in principle was reached at the end of June, which will be ratified in the fall.

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

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

National Union¹



APS

Association of Professionals and Supervisors

Represents supervisory and professional employees, and those who perform similar or comparable functions

July 1, 2013 – June 30, 2016

* 662 members

CBC – English File¹



CMG

Canadian Media Guild

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

April 1, 2014 – March 31, 2019

* 3,970 members

Radio-Canada – French File¹



AR

Association des réalisateurs

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

December 16, 2013 – December 15, 2014

* 254 members



SCRC

Syndicat des Communications de Radio-Canada

Represents all employees in the province of Quebec and the city of Moncton, N.B. except for those covered by other bargaining certificates, as well as producers, supervisors and staff regarded as such (formerly SCFP 675, STARF and SCRC).

* 2,808 members

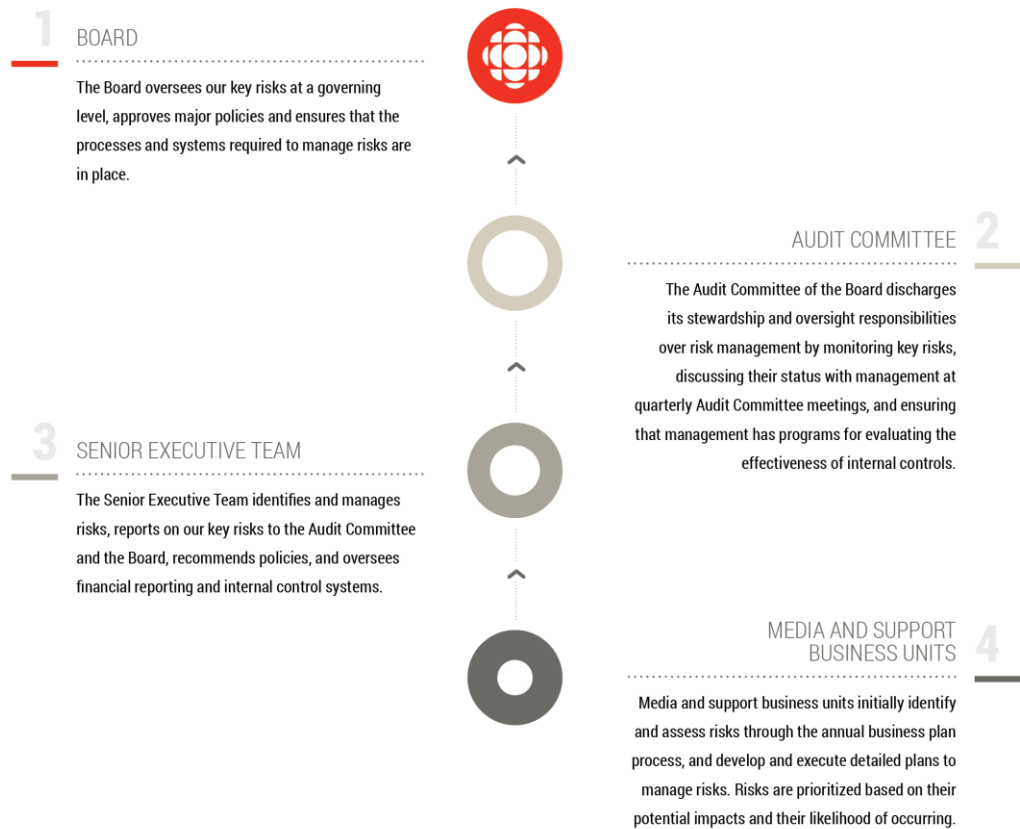
¹ Number of members shown as at March 31, 2016.

8 Risk Management

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

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

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



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

The following table discusses the key risks faced by CBC/Radio-Canada during fiscal year 2015-2016 and the ongoing impact into 2016-2017.

Corporate Plan Summary 2016-2017 to 2020-2021

KEY RISKS	RISK MITIGATION	FUTURE IMPACT
1. Strategy 2020 Implementation		
<p>Our ability to deliver our mandate is challenged by a shift from traditional television to specialty television and digital platforms, rapid technology evolution, changing media consumption habits, and industry fragmentation.</p> <p><i>Strategy 2020</i> is a framework within which the Corporation can make strategic choices, even as market conditions and audience habits evolve. The ability to execute the strategy will determine achievement of plan objectives.</p> <p>The Government has pledged reinvestments in CBC/Radio-Canada (\$75 million in 2016-2017 and \$150 million per year on an ongoing basis), and we have developed spending priorities for this reinvestment consistent with <i>Strategy 2020</i>.</p>	<p>Update implementation plans of <i>Strategy 2020</i> by incorporating the amount, timing and impact of the new incremental government funding into the strategic plan.</p> <p>Participate in the Government's public consultation on the future of Canadian Content in a Digital World.</p> <p>Continue to promote and share strategic plan information with stakeholders both internally and externally. Emphasize context and shifts in the media landscape that demonstrate a need for our plan. Continue to reaffirm that changes associated with the strategy are needed to ensure that we are better positioned to meet the evolving needs of Canadians and the fundamental shifts transforming the media landscape.</p> <p>Take leadership in bringing together international public broadcasters to reflect on strategic challenges.</p> <p>Develop and implement change management strategies.</p> <p>Monitor implementation closely to ensure adherence to plan.</p>	<p>The strategic framework will position the Corporation to succeed now, as well as in an age beyond traditional broadcasting. It will ensure that the services we provide, and the operating model that supports those services, evolve in tandem with the changing expectations of Canadians and the movements of our industry.</p>
2. Budget Concerns		
<p>We face financial challenges that include an industry-wide softening of the advertising market and a shift of advertising dollars from traditional television to digital platforms. The implementation of the <i>Let's Talk TV</i> decisions, such as small basic packages and discretionary services being offered on a stand-alone basis or in small packages, may negatively impact subscriber and advertising revenue. The potential impact of such decisions will become clearer in the coming months.</p>	<p>Reductions required to finance <i>Strategy 2020</i> have been identified and incorporated into the five-year financial plan developed to support the new strategy. Detailed monitoring is required to ensure expected outcomes are achieved.</p> <p>Assess potential ramifications of CRTC decisions to CBC/Radio-Canada revenues and operations, and develop, implement or modify strategies as required.</p>	<p>Further advertising weakening and reduced subscriber revenue may require changes to implementation plans.</p>
3. Workforce Challenges – Recruiting, Training, Retaining and Empowering a Skilled Workforce		
<p>The degree to which staff is aligned with our strategic plan will have an impact on engagement, retention and our ability to achieve objectives. Managers and employees require the necessary skill set to adapt to an accelerated pace of change and the transformation needs of <i>Strategy 2020</i>.</p> <p>Staff reductions create a climate of uncertainty and stress that may lead to reduced morale, lower productivity and increased turnover.</p>	<p>Develop and implement an enterprise change management plan, including support activities linked to major projects that enable <i>Strategy 2020</i>.</p> <p>Change management activities will include the following: transparent communication to employees and unions; involvement of employees in change; continued investment in learning and development (including digital skills); and increased efforts to recognize employee contributions.</p> <p>Implement action plans to address recommendations of the Rubin Report and our commitment to a respectful work environment for all employees.</p> <p>Implement action plans to address the 2015 Employee Dialogue Survey results, as well as perform an Employee Dialogue Survey in fall 2016 to ascertain the effectiveness of the action plan.</p>	<p>The retention and engagement of a strong workforce is essential to achieve strategic objectives.</p> <p>We will maintain our momentum to train people for this new digital world, train leaders to even better support their teams, and continue building a strong foundation of business skills across the Corporation.</p>

KEY RISKS	RISK MITIGATION	FUTURE IMPACT
4. Reputation and Brand Management		
<p>CBC and Radio-Canada are among the most prominent and most discussed brands in the country. In addition, they are brands that every Canadian feels rightly justified in having and expressing an opinion on. At any time, an event or an incident, large or small, can touch a nerve and instigate a controversy of national proportions.</p> <p>There is a risk that negative perceptions of CBC/Radio-Canada may undermine credibility and stakeholder support.</p>	<p>Use of a comprehensive issue management system that:</p> <ul style="list-style-type: none"> ▶ monitors the environment; ▶ identifies potential issues and the stakeholder groups they could affect; ▶ prepares for them; and ▶ provides messaging and guidance to senior leaders, line managers and communications staff across the system. <p>Ensure that a strong crisis management response that stresses transparency and decisive action is implemented to address critical issues.</p>	<p>Clear and transparent action plans to deal with critical issues will improve credibility and stakeholder support.</p>
5. Union Relations and Negotiations		
<p>There are a number of agreements that are expired or expiring in the upcoming months. Negotiations underway include the collective agreement for the new merged French union represented by the Syndicat des Communications de Radio-Canada (SCRC), Association des réalisateurs (AR), Canadian Media Guild (CMG), Association of Professionals and Supervisors (APS), Union des Artistes (UDA) and Alliance of Canadian Cinema, Television and Radio Artists (Performers) (ACTRA).</p> <p>There is a risk that prolonged proceedings to resolve the Radio-Canada union structure will make the negotiation of the first collective agreement long and difficult. This could negatively affect the working relationship between management and employees, and negatively affect implementation plans of <i>Strategy 2020</i> and the attainment of plan objectives.</p> <p>There is a risk of disruption to operations due to labour stoppage(s) triggered during multiple negotiations.</p>	<p>Continue transparent communications to employees and unions and involvement of employees in the development of strategic initiatives.</p> <p>Develop clear negotiation mandates that ensure flexibility in working conditions and reduction of jurisdictional barriers between bargaining units.</p> <p>Pending a Court of Appeal hearing on merging the two Radio-Canada bargaining units into one, commence negotiation with the new bargaining unit SCRC for its first collective agreement and AR members.</p> <p>Update contingency plans in case of labour disruption.</p>	<p>Continue negotiations with the bargaining units.</p>

KEY RISKS	RISK MITIGATION	FUTURE IMPACT
6. Real Estate Replacement and Optimization		
<p>There are risks that infrastructure replacement and optimization projects may be delayed or are unsuccessful, leading to:</p> <ul style="list-style-type: none"> ▶ continued risk of ownership (capital and operating costs and management of excess space); and ▶ inability to achieve stated real estate footprint reduction target of approximately two million square feet by 2020. 	<p>Sell or reduce space in non-functional or under-utilized buildings when positive business case exists. Continue competitive leasing strategy for surplus facilities.</p>	<p>Continue with initiatives to sell or rent excess capacity in our facilities.</p> <p>We are working to review potential scenarios on the Maison de Radio-Canada redevelopment project reinitiated in November 2015. On May 18, 2016, the Board of Directors shortlisted two proposals, both of which would see the public broadcaster's Montreal home remain on a portion of the same site. The proposals will be assessed to determine the one that best suits our needs (functional, technical and financial). Regarding the sale of the existing facility, the final phase of the process will continue with four proponents. The final choice of proposal, both for the new MRC and the sale of the existing facility, is expected in fall 2016 and will need to be approved by the Treasury Board.</p> <p>A project is underway to consider our options with respect to the Canadian Broadcast Centre in Toronto.</p>
7. Information Security		
<p>There is a risk that CBC/Radio-Canada is not sufficiently prepared to manage cyber threats that have the potential to significantly disrupt operations (capacity to be on air and availability of our digital services) and/or damage our brand.</p>	<p>Monitor and assess network security and system vulnerabilities.</p> <p>Implement enhanced Information Security rules, guidelines and procedures and increase staff awareness and training on Information Security topics.</p> <p>Review and augment, as necessary, Crisis Management Response Plan for Information Security incidents.</p>	<p>Continue and refine identified strategies.</p>

9 FINANCIAL PLAN

Financial Overview

The Financial Overview in Appendix A presents the Corporation's financial picture for 2015-2016 through 2020-2021.

The balanced position presented for 2016-2017 to 2020-2021 in Appendix A is achieved by matching expenditures to expected resources.

In June 2014, we unveiled *Strategy 2020*, which will allow us to continue to adapt and keep pace in a volatile environment. It is a framework within which the Corporation can make strategic choices, even as market conditions and audience habits evolve. The three priority areas are relevance, organizational agility and financial sustainability.

The financial plan supports *Strategy 2020* through four objectives:

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

On March 22, 2016, the Government of Canada announced an important reinvestment in Canada's public broadcaster; an additional \$75 million in 2016-2017 and \$150 million per year on an ongoing basis. This reinvestment is a clear vote of confidence by government and by Canadians in our programs and our services. This multi-year funding commitment will provide the stability to continue our digital transformation and invest in the programs and services important to Canadians. We will report to the Government and to Canadians on our use of these new funds.

Our goal is that even more Canadians value the programs we offer, and use our services more often throughout their day. To do that, we will continue to develop new content and new ways to share that content with them. We will strengthen our transformation to the digital environment. We will reinvest in key areas, like creating more original programs so we can reduce the number of repeats on all platforms. We'll also do more to support important events that bring Canadians together. We will build on our award-winning Aboriginal programming, and we will invest in new projects.

We will look to strengthen our regional coverage, including creating a digital presence in select local markets with no current CBC/Radio-Canada service, so that Canadians can be better informed about what's going on in their communities. We will enhance our international coverage in news, including scalable "pocket bureaus", and we will ensure we can get our journalists in hot spots faster and for longer. This will improve our ability to provide a Canadian perspective on world events. In order to preserve CBC/Radio-Canada's valuable legacy content, we will begin to digitize our archives.

The resumption of salary inflation funding in 2016-2017 is a critical component of our financial strategy. However, since this funding has yet to be announced, it is not reflected in the *Financial Overview* in Appendix A.

Material Risks to Financial Plan and Outlook

Our revenue continues to be exposed to the industry-wide softening of advertising markets and the shift of advertising away from traditional television to digital platforms. We are closely monitoring the situation, as we expect the advertising market to remain challenged.

We are also continuing to monitor and assess the broadcasting industry following decisions made from the CRTC's *Let's Talk TV* review of the television industry in Canada. Changes resulting from these regulatory decisions could affect our specialty channel revenue. Plans have been developed to mitigate any negative changes to our specialty channel distribution and revenues, including negotiating the channel carriage of our specialty channels with our Broadcast Distribution Undertaking partners.

These uncertainties threatened some of the content creation and some digital initiatives planned under *Strategy 2020*. As such, about 35% of the new funding will go to ensuring our momentum and the work underway in order to continue moving forward with the transformation of CBC/Radio-Canada into the digital space, while we work with government and other stakeholders to reinvent our business model.

Looking Forward

On May 13, 2016, SiriusXM Canada Holdings Inc. announced its intention to recapitalize the company by way of a go-private transaction. CBC/Radio-Canada intends on voting in favour of the proposed plan. The transaction would involve the sale of its 10.2% stake at \$4.50 a share, generating proceeds of approximately \$58 million. As this transaction is not yet completed, its financial impact has not been included in the *Financial Overview* in Appendix A. Proceeds from the sale of the shares would be used to implement the redevelopment of Maison de Radio-Canada.

On October 21, 2015, the International Olympics Committee (IOC) announced that we had been awarded the Canadian broadcast rights for the Beijing 2022 Olympic Winter Games and the 2024 Olympic Games. We're now Canada's Olympic Network and Official Broadcaster for the next five Olympic Games, including Rio 2016, Pyeongchang 2018 and Tokyo 2020, along with our broadcast partners Bell Media and Rogers Media. This will significantly increase both revenue and expenses in 2016-2017, 2017-2018 and 2020-2021; we expect to at least break even on this premier international sporting property.

Borrowing Plan

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

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

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

Total borrowing authority	\$220,000,000
Authority used as at March 31, 2016	
Guarantee on long-term receivables	<u>\$(129,725,000)</u>
Remaining authority	\$90,275,000

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

APPENDIX A

Financial Overview (\$ 000s)¹

	2015-2016	Projection 2016-2017	Projection 2017-2018	Projection 2018-2019	Projection 2019-2020	Projection 2020-2021
SOURCES OF INCOME:						
Parliamentary appropriation for operating expenditures	928,332 ⁷	1,002,307 ⁸⁻⁹	1,076,203 ⁸⁻⁹	1,075,015 ⁸⁻⁹	1,073,735 ⁸⁻⁹	1,072,357 ⁸⁻⁹
Amortization of deferred capital funding and working capital funding ²	98,597	100,000	100,000	100,000	100,000	100,000
Advertising ³	253,220	313,898	339,476	245,408	245,735	331,161
Financing and other income ⁴	275,166	240,634	234,762	232,310	217,737	208,430
TOTAL SOURCES OF INCOME	1,555,315	1,656,839	1,750,441	1,652,733	1,637,207	1,711,948
EXPENDITURES:						
Television, radio and digital services costs ⁵	1,509,503	1,546,814	1,640,378	1,542,559	1,526,851	1,601,341
Transmission, distribution and collection	71,869	72,947	74,041	75,152	76,279	77,423
Corporate Management	10,061	10,212	10,365	10,520	10,678	10,838
Finance costs	28,132	26,866	25,657	24,502	23,399	22,346
TOTAL EXPENDITURES	1,619,565	1,656,839	1,750,441	1,652,733	1,637,207	1,711,948
NON-OPERATING ITEMS:						
Net gain/(loss) on disposal of assets	257	-	-	-	-	-
TOTAL NON-OPERATING ITEMS	257	-	-	-	-	-
NET POSITION ⁶	(63,993)	-	-	-	-	-

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

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

(3) Reflects advertising revenues from television, digital and radio services and includes revenues from the Toronto 2015 Pan American Games in 2015-2016, from the Rio 2016 Olympic Games, the PyeongChang 2018 Winter Olympic Games and the Tokyo 2020 Olympic Games. Includes advertising revenue from Specialty Services (CBC News Network, ICI RDI, *documentary*, ICI ARTV and ICI EXPLORA).

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

(5) Expenditures (including amortization of property, equipment and intangibles) related to CBC/Radio-Canada's main services and specialty services. Reflects expenditures related to the Toronto 2015 Pan American Games in 2015-2016, to the Rio 2016 Olympic Games, the PyeongChang 2018 Olympic Winter Games and the Tokyo 2020 Olympic Games.

(6) Reflects the net results before Other Comprehensive Income or Loss. A balanced net position is assumed for future years.

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

(8) Excludes salary inflation funding increases from Treasury Board that have not yet been announced for fiscal years 2016-2017 to 2020-2021. It is assumed that salary inflation funding received will match the actual increase in salary expenditures. The small reductions in Operating Appropriations in future years reflect the annual transfer to the Capital Appropriation for bond payments and do not represent a reduction in government funding.

(9) Additional Government funding of \$675 million over five years announced in the 2016 Federal Budget and approved by Treasury Board is reflected.

APPENDIX B

Capital Budget

CBC/Radio-Canada is highly dependent on technology and technology based assets in the production and delivery of its various services. In addition, the Corporation operates one of the world's largest broadcast transmission and distribution systems, with 529 active transmission sites located throughout Canada (190 of these sites are owned, with the remaining 339 sites leased). The Corporation also manages a real estate portfolio of approximately four million square feet, including 18 owned buildings and 56 leased properties in locations across Canada. In total, the Corporation employs \$902 million of net assets for its operations.

Capital assets are essential to the production and delivery of CBC/Radio-Canada services. The Corporation is committed to ensuring that these assets are acquired, managed and eventually disposed of in the most strategic and cost-effective manner possible. Achieving this goal in today's world of rapid technological change, shifting demographics and fast-evolving economic realities calls for new ideas and approaches. The capital budget investment plan is consistent with *Strategy 2020*.

Capital Governance and Process

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

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

- **Capital Executive Team** – Responsible for strategic planning and governance of the overall capital process.
- **Capital Round Table** – Responsible for the development, execution and management of an integrated Corporation-wide project plan that responds to priorities within available resources.

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

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

Context for the Capital Investment Plan

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

Methods of Production and Delivery of Service

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

Real Estate Strategy

Representing 57% of the \$902 million in net assets as at March 31, 2015, the Corporation has developed a strategy to optimize management of its real estate facilities. The real estate asset base is aging and has a growing maintenance deficit. The key goals of the strategy are to reduce operational costs, transfer real estate risk and maximize proceeds from the portfolio. The target, under *Strategy 2020*, is to reduce the real estate footprint by two million square feet by 2020. Further details on CBC/Radio-Canada's real estate objectives for *Strategy 2020* are discussed on pages 19 and 26.

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

Following a competitive process, on May 18, 2016, the Board of Directors shortlisted two proposals, both of which would see the public broadcaster's Montreal home, Maison de Radio-Canada (MRC), remain on a portion of the current site. The proposals will be assessed to determine the one that best suits our needs (functional, technical and financial). Regarding the sale of the existing facility, the final phase of the process will continue with four proponents. The final choice of proposal, both for the new MRC and the sale of the existing facility, is expected in fall 2016 and will need to be approved by the Treasury Board. The Corporation will also be exploring options to make better use of the Canadian Broadcast Centre in Toronto.

Capital Plan Overview

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

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

Capital Investment Plan

Subsection 54(4) of the *Broadcasting Act* requires that CBC/Radio-Canada submit its capital budget to the Minister of Canadian Heritage in its Corporate Plan, and that the Capital Budget for the upcoming year be submitted to the Treasury Board for approval. As such, the Corporation's 2016-2017 Capital Budget was approved by the Treasury Board on May 13, 2016, for \$133.5 million. A summary of the five-year Capital Investment Plan follows.

Sources and Use of Funds (\$ 000s)

AVAILABLE CAPITAL FUNDING	Budget	Forecast			
	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Base Capital Appropriation	92,331	92,331	92,331	92,331	92,331
Capital Leases	25,849	25,771	17,233	18,526	19,916
Carryover	15,320				
Funding From Sales of Fixed Assets		2,173	12,607	3,296	5,688
TOTAL AVAILABLE CAPITAL FUNDING	133,500	120,275	122,171	114,153	117,935

CAPITAL INVESTMENT PLAN	Budget	Forecast			
	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Production Infrastructure					
Television Services	48,352	38,683	45,774	50,810	53,344
Radio Services	5,615	5,010	6,560	9,000	5,500
Enterprise Systems and Technology Infrastructure	15,200	13,563	16,950	12,825	11,175
Presentation, Collection, Distribution and Delivery	25,664	23,719	15,563	9,800	7,855
Property Management	34,634	35,065	33,089	27,483	35,826
Fleet and Minor Capital Purchases	4,035	4,235	4,235	4,235	4,235
TOTAL CAPITAL INVESTMENT PLAN	133,500	120,275	122,171	114,153	117,935

Following are highlights of the larger and more strategic initiatives in 2016-2017. Some of these initiatives are currently underway following previous years' approvals.

Production Infrastructure

Project Description	2016-2017 Expenditure
- Continued replacement of obsolete mission-critical production equipment with new digital standards.	\$21.6 million
- Centralization and automation of control rooms.	\$14.4 million
- Regional News infrastructure refresh, conversion to high definition.	\$4.3 million
- Investments in infrastructure and systems for improving program production workflow and content collaboration across all platforms.	\$8.0 million
- Investments to improve our local services in radio through service extension and production facility improvements.	\$5.6 million
TOTAL	\$53.9 million

Enterprise Systems and Technology Infrastructure

Project Description	2016-2017 Expenditure
- Updates to major systems, including Broadcast Management Systems and the migration of an aging phone system to a less costly Internet protocol-based telephony solution.	\$4.8 million
- Critical infrastructure and network upgrades.	\$5.4 million
- Update various business applications and server storage.	\$5.0 million
TOTAL	\$15.2 million

Presentation, Collection, Distribution and Delivery

Project Description	2016-2017 Expenditure
- Current portion of the long-term Telesat lease for transponders (required to be reported as capital under International Financial Reporting Standards).	\$10.9 million
- Projects related to centralized presentation and distribution, and improving English and French radio coverage.	\$4.3 million
- Various projects related to transmitter and tower investments needed to maintain the coverage of our radio services, maintain infrastructure, and comply with codes and regulations.	\$10.5 million
TOTAL	\$25.7 million

Property Management

Project Description	2016-2017 Expenditure
- Current portion of Canadian Broadcast Centre long-term lease payments.	\$14.4 million
- Consolidation projects in Moncton and Halifax and relocation projects in Iqaluit, Calgary, Winnipeg/St. Boniface and Charlottetown.	\$12.5 million
- In addition, there are more than 14 building-maintenance projects and changes required to comply with building codes, regulations, health and safety, and replacement of obsolete and failing assets.	\$7.7 million
TOTAL	\$34.6 million

Fleet and Minor Capital Purchases

Project Description	2016-2017 Expenditure
- Annual refresh of the Corporation's vehicle fleet.	\$1.8 million
- Minor capital purchases to address unforeseen and urgent operational equipment.	\$2.2 million
TOTAL	\$4.0 million

APPENDIX C

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

Corporate Mandate

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

The Role of the Corporation in the Canadian Broadcasting System

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

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

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

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

Corporate Powers

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

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

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

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

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

Regulatory Requirements

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

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

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

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

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

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

Governance

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

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

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

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

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

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

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

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

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

The Corporation also has an extensive code of Journalistic Standards and Practices. Complaints from the public that are not resolved at the program level are referred to one of the Corporation's two independent Ombudsmen. With the passage of the *Federal Accountability Act*, CBC/Radio-Canada became subject (on September 1, 2007) to the provisions of the *Access to Information Act* and the *Privacy Act*.

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

Managerial and Organizational Structure

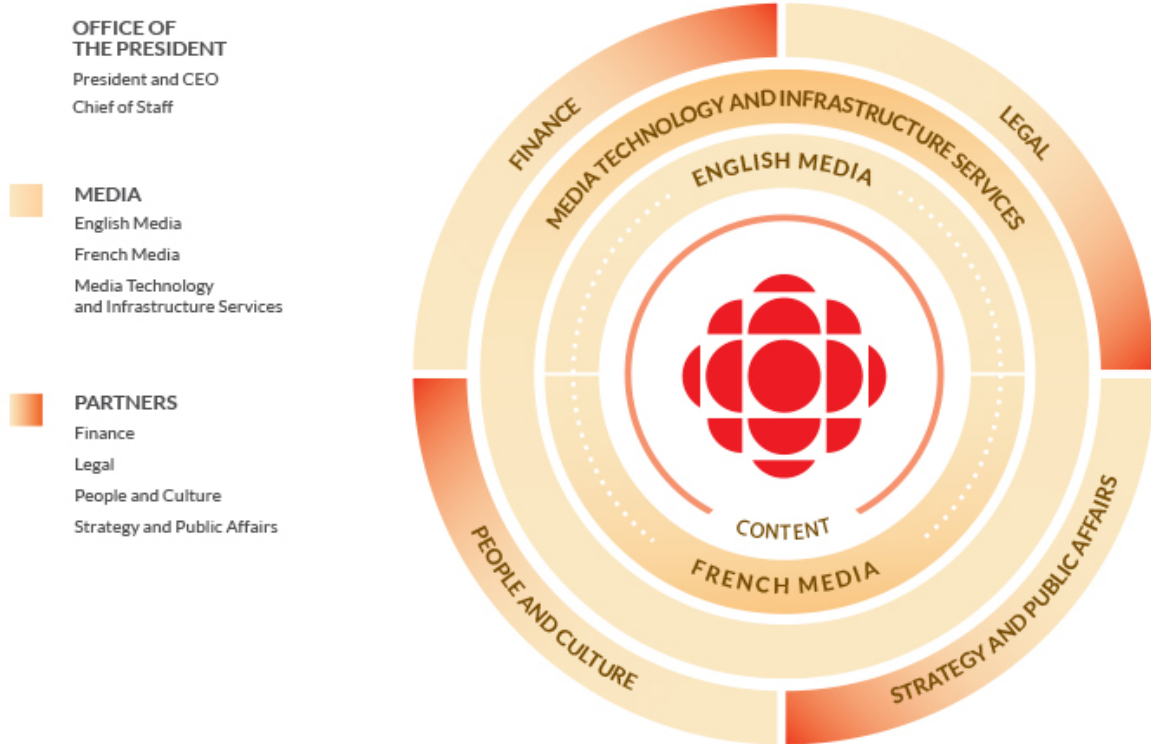
CBC/Radio-Canada's head office is located in Ottawa, with two main network offices in Toronto and Montreal and regional offices across the country in major cities such as Halifax, Quebec City, Calgary and Vancouver.

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

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

Senior Executive Team

ORGANIZATIONAL DESIGN



These seven components report to the President and CEO through their respective component heads. The Senior Executive Team is responsible for ensuring that the Corporation delivers on its mandate effectively, efficiently and responsibly by working together to continually assess best practices in order to ensure that the maximum amount of the Corporation’s overall funding be applied to the creation of content.

The Senior Executive Team of the Corporation includes the President and CEO, his chief of staff and the seven component heads.

Organizational redesign is an important part of the broader transformation occurring within CBC/Radio-Canada. Following the executive level redesign announced in the summer of 2015, we have continued to challenge and change the Corporation’s organizational structure to ensure we are positioned to work effectively together to meet our future strategic needs. One of the major outcomes of this process was the amalgamation of our technology and infrastructure groups from across the organization to form Media Technology and Infrastructure Services (MTIS). This component touches every element of work at the public broadcaster as they collaborate with their media partners to deliver great Canadian content. An anticipated result of this decision will be to bring a more effective, more coordinated approach to all areas of the Corporations’ media technology and infrastructure. This is just one example of how we are changing the way we operate, reducing our costs and streamlining our decision-making processes.