



# 2016-2017 BUSINESS PLANS, OPERATING AND CAPITAL BUDGETS

<b>TO:</b>	Board of Directors	
<b>MEETING:</b>	March 22-23, 2016	
<b>FROM:</b>	Hubert Lacroix, President and CEO Judith Purves, EVP & CFO Louis Lalande, EVP French Services Heather Conway, EVP, English Services	Steven Guiton, EVP, MTIS Josée Girard, VP, People and Culture Alex Johnson, VP, Strategy and Public Affairs Sylvie Gadoury, VP, Legal Services
<b>DECISION SOUGHT:</b>	Approval of 2016-2017 Business Plans, Operating and Capital Budgets	
<b>NEXT STEPS:</b>	Ongoing monitoring of financial developments by Management and presentation of budgetary reports to Board on a quarterly basis.	
<b>DATE:</b>	March 11, 2016	

The budget material is organized in two documents:

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



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# 1. FINANCIAL OVERVIEW



# CURRENT BUDGET STATUS HIGHLIGHTS

- ❑ The budget assumes that CBC/Radio-Canada will receive additional funding of \$75M in 2016-2017, growing to \$150M in 2017-2018. A portion of that funding will be used to offset financial pressures, and the remainder will be used to strengthen our transformation and reinvest in services.
- ❑ The budget also contains contingency plans should the new government funding not be available.
- ❑ The proposed 2016-2017 Budget is balanced \_\_\_\_\_ in 2016-2017 and between \_\_\_\_\_ and \_\_\_\_\_ to 2020. This represents between \_\_\_\_\_ of total sources of funds.
- ❑
- ❑

We will continue to pursue new revenue sources and strive to further streamline operations and reduce costs,

It is therefore imperative that we resume discussions with government, stakeholders and the public about a new government funding model.



# 2016-2017 OPERATING BUDGET: KEY ASSUMPTIONS

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

The business plans and budgets for 2016-2017 have been prepared based on the following, with Strategy 2020 providing the framework for priority setting:

## 1) Government Funding:

- The budget assumes that additional government funding of \$75M in 2016-2017, growing to \$150M in 2017-2018 will be approved.
- Contingency plans are identified should this funding not be available
- The budget assumes the return of government salary inflation funding at \_\_\_\_\_ which represents \_\_\_\_\_ in 2016-2017

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

- **Advertising Revenue:** The revenue targets included in this budget reflect the impact of increased audiences from schedule reinvestments from new government funding.
- **Conventional TV advertising (industry outlook<sup>1</sup>: \_\_\_\_\_ per year)**
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  - 
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rd

<sup>1</sup> Zenith Optimedia Advertising Expenditure Forecasts, September 2015



# 2016-2017 OPERATING BUDGET: KEY ASSUMPTIONS

- Advertising Revenue (cont'd):

- ◆ Specialty Services TV advertising (industry outlook<sup>1</sup>: per year)
- ◆ Digital advertising (industry outlook<sup>1</sup>: per year/CBC-RC
- 
- 

- Subscriber Revenue:

- ◆

- Rogers partnership:

- ◆

<sup>1</sup> Zenith Optimedia Advertising Expenditure Forecasts, September 2015



# 2016-2017 OPERATING BUDGET: KEY ASSUMPTIONS (CONT'D)

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

- Expenditures:
  - Expenditures reflect budget reductions and reinvestments arising from Strategy 2020 for the next four years.
  - Expenditures also reflect all budget investments related to the new government funding and salary inflation at
  
  - Budget realignments from media to MTIS and Finance from Organizational Design changes are not reflected as work is still ongoing to identify and transfer appropriate budget amounts.
  - Reflects the availability of a 2015-2016  
the proceeds from the sale of Sirius shares (\$33.5M) in July 2014). See Appendix B For more detail.
  -
  
- Olympics:
  - Expected revenues and expenditures for the Rio 2016 Summer Games (2016-2017) and for the PyeongChang 2018 Winter Olympics (2017-2018) are included in the four-year overview. A comparison of the current Olympic budget for the Rio Olympics to the original plan is included in Appendix C.
  
- Reserves
  - 
  
  - 
  
  - 
  
  -
  
- A cash forecast is included in Appendix D that forecasts a cash balance of \_\_\_\_\_ as at March 31, 2017.



# 2016-2017 OPERATING BUDGET: EXTERNAL ENVIRONMENT

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

- Regulatory
  - 
  - Less stringent regulations by CRTC for OTT and hybrid VOD services such as Netflix
  - CRTC is examining a redistribution of funding to support local TV news programming
- Consolidation and restructuring: Industry players are gaining scale & improving operational efficiency
  - 
  - Increases competition for program acquisitions and advertising dollars
- Foreign exchange: Depreciation of Canadian dollar
  - Areas impacted include foreign bureaus, content acquisitions and other operating costs denominated in foreign currency
  - U.S. advertisers with Canadian subsidiaries may cut advertising spend in Canada



# 2016-2017 OPERATING BUDGET: EXTERNAL ENVIRONMENT

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

- The allocation of new government funding is provided below in the format provided to the Minister of Heritage.
- 

## Allocation of New Government Funding in \$ millions

	2016-2017			2017-2018		
	<u>Total</u>	<u>ES</u>	<u>FS</u>	<u>Total</u>	<u>ES</u>	<u>FS</u>
<b>Total New Government Funding</b>	<b>75.0</b>			<b>150.0</b>		



# 2016-2017 OPERATING BUDGET: UPDATE ON STRATEGY 2020 INVESTMENTS

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

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

Strategy 2020 Planned Investments	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
			<i>in \$M</i>		
Incremental Strategy 2020 planned investments per 2015-2016 business plans					
Remaining Strategy 2020 investments in 2016-2017 business plan					





## 2016-2017 OPERATING BUDGET: UPDATE ON REDUCTIONS

- The chart below provides an update to the Strategy 2020 total planned reductions (English, French and Other Services).
- It is consistent with the Transformation Progress Report provided to the Board in February 2016.

Strategy 2020 Budget Reductions - Forecast as of Q3 2015/16

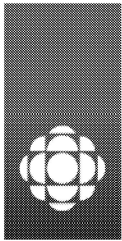
2015/16		2016/17		2017/18		2018/19		2019/20	
SM	FTE	SM	FTE	SM	FTE	SM	FTE	SM	FTE



# FOUR-YEAR FINANCIAL OUTLOOK

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

	2015-2016 Current Budget (\$000's)	2015-2016 Forecast (\$000's) <small>(December 31, 2015 forecast)</small>	2016-2017 Proposed Budget (\$000's)	2017-2018 Forecast (\$000's)	2018-2019 Forecast (\$000's)	2019-2020 Forecast (\$000's)
<b>SOURCES OF FUNDS</b>						
Parliamentary Operating Appropriation						
Additional Government Funding						
Expected Salary Funding						
<i>Total Parliamentary Appropriation</i>						
Advertising Revenue (TV, Radio, Internet, Contrats and Specialty)						
PanAm (2015-16), Olympics (2016-17 and 2017-18))						
Subscriber Revenue						
Miscellaneous Revenue						
<b>TOTAL SOURCES OF FUNDS</b>						1
<b>APPLICATION OF FUNDS</b>						
English Services						
French Services						
PanAm (2015-16), Olympics (2016-17 and 2017-18)						
Media Technology and Infrastructure Services (MTIS)						
General and Administrative Services						
Corporate Expenses						
Committed Reserves						
<b>TOTAL APPLICATION OF FUNDS</b>						1
<b>NET POSITION for the Fiscal Year</b>						
Estimated Severance Costs						
Prior Year Carryover *						
<b>NET POSITION *</b>						



# CONTINGENCY PLANNING

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

- Knowing that we face a volatile economy in a highly competitive media environment, the budget was developed to provide flexibility to respond to revenue risks while still utilizing our resources to enhance our programming and deliver on our strategy.
- In addition to the reserves already listed on page 7, the following items must be considered when determining our ability to face potential pressures:

- 
- 



and 4 include the media contingency plans.

Sections 3



## 2. REVENUE FORECAST



# MEDIA SOLUTIONS GROUP-Revenue Assumptions – 2015-2016 to 2019-2020

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

Platform	Industry Outlook*	CBC/RC Variance	Comments
Conventional TV advertising			
Specialty TV advertising			
Digital platforms advertising			
Radio advertising			

\*Zenith Optimedia Advertising Expenditure Forecasts, September 2015

\*\*Excludes Documentary Channel



# DIGITAL INNOVATION DRIVES GROWTH IN ADVERTISING REVENUE, SUBSCRIPTIONS AND PARTNERSHIPS

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

Category	English Services Digital 2016-2017 Forecast	French Services Digital 2016-2017 Forecast
Direct Sales		
Video		
Programmatic		
<b>Total Digital Advertising Revenue</b>		
<b>Total Advertising Revenue</b>		

***Success and Innovation to Date***

- 1.
- 2.
- 3.

***Notes***

- 1.
- 2.
- 3.
- 4.

English Services Digital normalized for Pan Am, target excludes Olympics for both services



# MEDIA SOLUTIONS GROUP-Revenue Assumptions 2015-2016 to 2019-2020

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

Platform	Industry Outlook*	CBC Variance	Radio-Canada Variance	Comments
Subscription Revenue				
Distribution (program sales)				

\*Zenith Optimedia Advertising Expenditure Forecasts, September 2015

\*\*Excludes Documentary Channel



# NUMBER OF SUBSCRIBERS YEAR END FORECAST - 2017 TO 2020

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

(in thousands)	F2016	F2017	F2018	F2019	F2020
News Network					
RDI					
ARTV					
Explora					

## Notes

- 1.
- 2.
3. « Pick n pay » was established in Québec more than 10 years ago. Now more than 60% of the French marketplace has a « Pick n pay » package
4. Explora is a much newer channel and continues to grow.
5. ARTV is stable and has been living in a « pick n pay » for over 10 years





# MEDIA SOLUTIONS - DISTRIBUTION GROWTH INSIGHTS

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

(\$000's)	2015-2016		2016-2017	Comments 2016-2017	Strategic Initiatives
	Budget	Forecast	Proposed Budget		
<b>Distribution Margin</b>					
Video on dem and					
News Syndication					
Program Sales					
Tou.tv Extra					
Archival Sales					
Consumer sales					
Curio.ca					
Operating costs					

*Excludes Olympics Sales, Pan Am sales, "Contra" sales, Overhead for Specialty & Distribution*



### 3. ENGLISH SERVICES

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



## ENGLISH SERVICES – STRATEGIC PRIORITIES

- ❑ We're Transforming and Modernizing the Public Broadcaster: More Local, More Digital and Financially Sustainable.
- ❑ In line with Strategy 2020, our key priorities for Fiscal Year 2016-2017 are as follows:
  - Continuing our investment in content. Our audiences will be offered a dynamic range of high-quality and impactful content that informs, enlightens and entertains across many different platform, screens and devices
  - A strong digital focus for investment & development across English Services, building on the successful roll-out of our mobile first strategy in local
  - Underpinning the delivery of this promise is a commitment to financial rigour and smart decision making to ensure the future is sustainable
  - Revising 2020 assumptions to reflect new pressures & realities



# ENGLISH SERVICES – BUSINESS PLAN OBJECTIVES IN 2016-2017

Distinctive Content

## CONTENT & SERVICES

- Providing smart, unique and distinctly Canadian programming is at the core of our mission to deepen our engagement with individual Canadians, which will be achieved by being creatively ambitious, sometimes risky and continuing to build on diversity and inclusion
  - Strengthen and increase offering in key programming genres including high quality, high impact Canadian drama, comedy and factual series
  - Further develop fresh & modern Arts programming
  - Position CBC documentary as Canada's top commissioner and curator across all platforms
  - Continue commitment to signature events including development of programming to celebrate Canada 150
  - In National and International news, inform Canadians through fearless and independent reporting that is deeply personal in relevance, including increasing the number of foreign pop-up bureaus
  - Increase investigative and data journalism



# ENGLISH SERVICES – BUSINESS PLAN OBJECTIVES IN 2016-2017

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

Distinctive Content

## CONTENT & SERVICES (continued)

- Providing smart, unique and distinctly Canadian programming is at the core of our mission to deepen our engagement with individual Canadians, which will be achieved by being creatively ambitious, sometimes risky and continuing to build on diversity and inclusion
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# ENGLISH SERVICES – BUSINESS PLAN OBJECTIVES IN 2016-2017

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

s.68.1

## CONTENT & SERVICES – LOCAL

- Deepen our presence in, and connection with, the communities we serve, in keeping with the Mobile First strategy

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Distinctive Content



# ENGLISH SERVICES – BUSINESS PLAN OBJECTIVES IN 2016-2017

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

## CONTENT & SERVICES – DIGITAL

- Focus on improving loyalty and retention of our digital audience:



- Enhance Aboriginal content including Documentary , digital, Aboriginal month, increase development of Aboriginally focused content

Distinctive Content



# ENGLISH SERVICES – BUSINESS PLAN OBJECTIVES IN 2016-2017

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

## INFRASTRUCTURE

- Reduce or eliminate infrastructure that is not related to our core business or where savings can be found

Infrastructure







# ENGLISH SERVICES – BUSINESS PLAN OBJECTIVES IN 2016-2017

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

s.68.1

## FINANCIAL

- Achieve financial sustainability with an ability to invest in the future
  - Prudently manage financial resources in a volatile economic and media environment
  - Maximize the investment in programming per Strategy 2020
  - Continue to pursue organizational transformation initiatives
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Financial Sustainability



# ENGLISH SERVICES – BUSINESS PLAN OBJECTIVES IN 2016-2017

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

s.68.1

Financial Sustainability

## COLLABORATIVE CBC/RADIO-CANADA ACTIVITIES

- The following are examples of CBC and Radio-Canada working together:
  - 2016 Rio Olympic Games and associated programming as a shared showcase of Canada’s elite athletes at the top of their game.
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# ENGLISH SERVICES REVIEW OF KEY PERFORMANCE INDICATORS

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

<i>KPI as at January 2016</i>				<i>Annual Target 2015-16</i>	<i>Results to Date 2015-16</i>	<i>Year End Forecast 2015-16</i>	<i>Estimated Trend into 2016-17</i>
<b>Network Programming</b>	Conventional TV	CBC TV Prime / Reg. Season Share ( <i>Excludes Saturday Hockey</i> )	2+ note 1	6.2%			
			25-54 note 1,2	<i>Not Applic.</i>			
	Specialty TV	CBC-NN All Day / Fiscal Year Share	2+ note 3	1.4%			
		CBC News Network Subscribers note 4		11.2 M			
		documentary Subscribers note 4		2.7 M			
CBC Radio One & Radio 2	Radio Share All Day / Fall Survey 12+ note 5		17.5%				
<b>Regional</b>	Radio One – Morning Shows	Share in Fall Survey 12+ note 6		19.6%			
	CBC TV – Supper News	Average Minute Audience 2+ note 7		360 K			
	Regional Content	2015-16: <i>Desktop</i> Monthly Avg. Unique Visitors notes 8,9 2016-17: Will be Multiplatform measure		4,240 K			
<b>Online</b>	CBC.ca	Multiplatform Monthly Average Unique Visitors note 10		11.2 M			
<b>Fin</b>	Revenue	Revenue per KPI definition		\$237 M			

**Legend:**

- Tracking to exceed target
- Tracking to meet target
- Might meet target
- Tracking not to meet target

**Notes:**

(1) Numeris , Personal People Meter (PPM), Regular Season Prime-time audience share. Results to date 2015-2016 (Weeks 6-22).

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

(3) Numeris , Personal People Meter (PPM), Fiscal Year All-day audience share . Results to date 2015-2016 (Weeks 31-52 Broadcast Year 2014-15, Weeks 1-22 Broadcast Year 2015-16).

(4) As at Jan. 31, 2016.

(5) Numeris , Fall 2015 survey (diary), 12+, Full-day audience share.

(6) Numeris, Fall 2015 survey (diary), 12+, Morning shows share, Monday-Friday 6:00-8:30 a.m.

(7) Numeris, Personal People Meter (PPM), 2+ , Average minute audience, Monday-Friday 6:00-6:30 p.m., Regular season. Results to date 2015-2016 (Weeks 6-22).

(8) Source: comScore, 2+, Monthly average unique visitors Fiscal Year. Results to date 2015-2016 (April-January average). Desktop measure only.

(9) Regional Online measurement is for all regional content.

(10) Source: comScore, 2+, Monthly average unique visitors Fiscal Year. Results to date 2015-2016 (April-January average). Multiplatform measure.

(11) Estimated trend is dependent on changes in consumer patterns and regulatory environment.



# ENGLISH SERVICES STRATEGIC AND FINANCIAL CONTEXT

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

**English Services is presenting a balanced plan for 2016-2017 with government funding**

- The Plan assumes additional government funding of \_\_\_\_\_ in 2016-2017, growing to \_\_\_\_\_ in 2017-2018.

\$'millions	FY 2016-17	FY 2017-18

- Implementation of initiatives under Strategy 2020 have resulted in annual \_\_\_\_\_ for budget year 2016-2017
- Savings implemented support continued incremental investment in content of \_\_\_\_\_ included in the 2016-2017 operating budget
- The remaining \_\_\_\_\_ was re-directed to offset cost pressures within English Services



# ENGLISH SERVICES INCREMENTAL INVESTMENTS

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

**English Services is fully committed to Content Investments from Strategy 2020 savings and new government funding**

	2016-2017	2017-2018	2018-2019	2019-2020
	in \$000's			
New Investments from Government Funding:				



# ENGLISH SERVICES – UPDATE ON STRATEGY 2020 INVESTMENTS

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

s.68.1

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

□

<b>Strategy 2020 Planned Investments</b>	<b>2015-2016</b>	<b>2016-2017</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>
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*in \$000's*

Incremental *Strategy 2020* planned investments per 2015-2016 business plans



# ENGLISH SERVICES REDUCTIONS AT A GLANCE

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

s.68.1

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

English Services Budget Reductions/Savings - Forecast as of Q3 2015/16											
2014/15		2015/16		2016/17		2017/18		2018/19		2019/20	
\$000's	FTE	\$000's	FTE	\$000's	FTE	\$000's	FTE	\$000's	FTE	\$000's	FTE



# 2016-2017 OPERATING BUDGET – ENGLISH SERVICES (REGIONAL BUDGETS IN APPENDIX G)

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

s.68.1

	2015-2016 Current Budget (\$000's)	2015-2016 Forecast (\$000's) <small>(December 31, 2015 forecast)</small>	2016-2017 Proposed Budget (\$000's)	2017-2018 Forecast (\$000's)	2018-2019 Forecast (\$000's)	2019-2020 Forecast (\$000's)
<b>SOURCES OF FUNDS</b>						
Share of Parliamentary Appropriation						
Share of New Government Funding						
Expected salary funding						
<i>Total Share of Parliamentary Appropriation</i>						
Advertising Revenue - TV Main Channel						
Advertising Revenue - Radio						
PanAm (2015-16), Olympics (2016-17 and 2017-18)						
Digital Platforms						
Value-added / Contra Revenue						
Rogers MK						
Advertising Revenue - CBC News Network						
Subscriber Revenue - CBC News Network						
Subscriber Revenue - Curio						
Miscellaneous Revenue						
<b>TOTAL SOURCES OF FUNDS</b>						
<b>APPLICATION OF FUNDS</b>						
Sports (excluding hockey)						
Rogers MK						
PanAm (2015-16), Olympics (2016-17 and 2017-18)						
Arts and Entertainment						
News and Current Affairs						
CBC News Network						
Talk Radio						
Music						
Media Library and Archives						
Technical Services						
Mobiles						
Communications and Research						
Revenue Group						
Distribution and licensing related to non-advertising revenue						
Finance, Administration and Strategy						
General Administration						
Programming and Other Commitments						
<b>TOTAL APPLICATION OF FUNDS</b>						
<b>NET POSITION for the Fiscal Year</b>						
Prior Year Carryover						
<b>NET POSITION - Cumulative</b>						





# ENGLISH SERVICES – ADVERTISING REVENUE

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

(\$000's)	2015-2016 Budget	2015-2016 Forecast	2016-2017 Proposed Budget	2017-2018 Forecast	2018-2019 Forecast	2019-2020 Forecast
<b>Conventional TV:</b>						
Base - 2015-2016						
PanAm						
Olympics		Rio				
Olympics		PyongCheng				
Sports Strategy						
Audience impact						
Schedule reinvestment						
Post Rogers/VIK deal						
Other adjustment						
<b>Total - Conventional TV (excl. PanAm)</b>	---					
PanAm revenue (incl. FS share)	---					
<b>Total - Conventional TV (incl. PanAm)</b>						
						<i>% increase/decrease from previous year</i>
<b>Digital Services (incl. PanAm):</b>						
Base - 2015-2016						
Full screen						
Olympics						
<b>Total - Digital</b>	---					
PanAm revenue	---					
<b>Total - Digital (incl. PanAm)</b>						
						<i>% increase/decrease from previous year</i>
<b>Radio 2:</b>						
Base - 2015-2016						
Election revenue						
<b>Total - Radio 2</b>	---					
						<i>% increase/decrease from previous year</i>
<b>CBCNN:</b>						
Base - 2015-2016						
<b>Total - CBCNN</b>	---					
						<i>% increase/decrease from previous year</i>
<b>Advertising Revenue - Value-added/Contra Revenues</b>						
<b>Total - Advertising Revenue - English Services</b>						
						<i>% increase/decrease from previous year</i>



# ENGLISH SERVICES – SUBSCRIBER REVENUE

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

(\$000's)	2015-2016 Budget	2015-2016 Forecast	2016-2017 Proposed Budget	% decrease vs base	2017-2018 Forecast	% decrease vs base	2018-2019 Forecast	% decrease vs base	2019-2020 Forecast	% decrease vs base
<b>CBCNN:</b>										
Base - 2015-2016										
Let's Talk TV										
<b>Total - CBCNN</b>										
<i>% increase/decrease from previous year</i>										
<b>Curio</b>										
Base - 2015-2016										
Other										
<b>Total - Curio</b>										
<i>% increase/decrease from previous year</i>										
<b>Total - Subscriber Revenue - English Services</b>										
<i>% increase/decrease from previous year</i>										



# ENGLISH SERVICES – MISCELLANEOUS REVENUE

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

(\$000's)	2015-2016 Budget	2015-2016 Forecast	2016-2017 Proposed Budget	2017-2018 Forecast	2018-2019 Forecast	2019-2020 Forecast
Mobiles						
Distribution & Program Sales						
Facility Rentals						
Program Subsidies						
Canada Media Fund (CMF)						
Doc Channel management fee & profit share						
Glenn Gould studio rental						
Radio International sales						
CORUS program deal						
Others						
<i>Subtotal - Miscellaneous Revenue (before PanAm and Rogers VIK)</i>						
PanAm						
Rogers VIK						
<b>Total - Miscellaneous Revenue - English Services</b>						
<i>% increase/decrease from previous year</i>						

**Related expenditures:**

Mobiles	
Distribution & Program Sales	
Facility Rentals	
Program Subsidies	
Canada Media Fund (CMF)	
PanAm	
Rogers VIK	
Doc Channel management fee & profit share	
Glenn Gould studio rental	
Radio International sales	
CORUS program/affiliate deal	
Others	
<b>Total expenditures</b>	



# CONTINGENCY PLAN (ASSUMING NO ADDITIONAL GOV'T FUNDING)

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

s.68.1

- In order to achieve a balanced net budget position without new government funding, English Services:
  - Would not be in a position to reinvest in content from savings related to 2020 Strategy costs reduction initiatives in 2016-17 and in 2017-18)
  -

\$'millions	FY 2016-17	FY 2017-18



## 4. FRENCH SERVICES

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



## FRENCH SERVICES - 2016-2017 STRATEGIC PRIORITIES

In 2016-2017, CBC/RC French Services will sustain their engagement towards Strategy 2020, along the four strategic priorities of:

- Investing in **content** to strengthen the relationship with Canadians with a digital-first mindset
- Evolving **production methods and infrastructure** to create venues that will be home to the transformed public broadcaster
- Evolving **jobs and the organization** to transform the public broadcaster
-



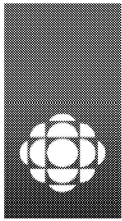
## FRENCH SERVICES - 2016-2017 KEY INITIATIVES

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

Investing in **content** to strengthen the relationship with Canadians with a digital-first mindset

- Accelerate Radio-Canada's multiplatform | multiscreen strategy with
  
- ✓ *Develop measurement tools (data analytics) that allow assessment of multiplatform | multiscreen impact, monitoring performance of earlier multiplatform | multiscreen initiatives and educating on-going strategic decision-making.*
  
- 

*Note to the reader: joint initiatives CBC/RC or projects bridging the two media lines are identified in the following pages with ✓ signs and appear in red italics*



# FRENCH SERVICES - 2016-2017 STRATEGIC PRIORITIES AND KEY INITIATIVES

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

Investing in **content** to strengthen the relationship with Canadians with a digital-first mindset

- Sustain investment in specialty channels
  - ◆ In ICI ARTV to complete its integration and positioning within Radio-Canada strategy

Integration objectives <sup>1</sup>	Current status
Multiplatform strategy amplification	In 15-16, many programs have been aired over ARTV from Conv. TV and Tou.TV Extra
Rights management full centralization	
Efficiency gains through org structure redesign	

<sup>1</sup>: From June 17, 2014 ARTV Board Deck





# FRENCH SERVICES - 2016-2017 STRATEGIC PRIORITIES AND KEY INITIATIVES

Investing in **content** to strengthen the relationship with Canadians with a digital-first mindset

- ☐ Sustain investment in specialty channels
  - ◆ In ICI Explora to support growth :

Explora financial plan	12-13	13-14	14-15	15-16	16-17	17-18	18-19	19-20
	Actual	Actual	Actual	Forecast	← 4-Year Plan →			
<b>Revenues</b>								
Ad revenues								
Subscriber revenues								
<b>Expenses</b>								
Programming								
Others								
<b>Margin</b>								
<i>Ad revenues</i>								
<i>Subscriber revenues</i>								
<i>Expenses</i>								
<b>Margin (Initial Business Plan)</b>								
<b>Subscription details:</b>								
Subscribers	Actual	Actual	Actual	Forecast	← 4-Year Plan →			
Yearly average subs								
<b>Initial Business Plan</b>								

- ◆ 15-16 subs. revenues forecast are business plan figures
- ◆ 15-16 ad. revenues forecast are business plan figures
- ◆ reinvestment in content over next 4 years maintaining a positive net margin position



# FRENCH SERVICES - 2016-2017 STRATEGIC PRIORITIES AND KEY INITIATIVES

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

Investing in **content** to strengthen the relationship with Canadians with a digital-first mindset

- ❑ Aim at discoverability through diverse means such as mobility for ICI RDI, free «à la carte» digital radio ICI Première Plus, digital-first evolution of local services, etc.
- ❑ Reposition ICI Radio-Canada.ca
  - ◆
  - ◆ Pursue the accessibility workstream to provide better access to all Canadians
- ❑ Sustain investment and the development of Tou.tv and Tou.tv Extra
  - ◆
  - ◆
  - ◆
  - ◆
  - ◆
  - ◆
  - ◆ Financial plan presented on the next page



# FRENCH SERVICES - 2016-2017 STRATEGIC PRIORITIES AND KEY INITIATIVES

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

Investing in **content** to strengthen the relationship with Canadians with a digital-first mindset

Tou.tv & Tou.tv Extra financial plan	14-15 Actual	15-16 Forecast	16-17	17-18	18-19	19-20
	← 4-Year Plan →					
<b>Revenues</b>						
Ad revenues - desktop						
Ad revenues - mobility						
Subscriber revenues - B2B						
Subscriber revenues - B2C						
<b>Expenses</b>						
Programming						
Others						
<b>Margin</b> (						
<i>Ad revenues</i>						
<i>B2B revenues</i>						
<i>B2C revenues</i>						
<i>Total revenues</i>						
<i>Expenses</i>						
<b>Margin (Initial Business Plan)</b>						
<b>Subscription details:</b>						
Subscribers - B2C	14-15	15-16	16-17	17-18	18-19	19-20
Year's end subs						
Yearly average subs						
<i>Initial Business Plan</i>						

◆ 16-17 budgeted margin is compared to initial business case, mainly explained by :



## FRENCH SERVICES - 2016-2017 KEY INITIATIVES

Investing in **content** to strengthen the relationship with Canadians with a digital-first mindset

- ❑ Invest in talk radio developing and leveraging renewed offering and talent
- ❑ Embed talk radio in the digital world
  - ◆ with original content and formats
  - ◆ Launch Première Plus, free «à la carte» digital radio
- ✓ *Strengthen the local 2020 strategy: «More Local, More Often, on More Screens»*
  - ◆ Meet the 18 hours/7 days commitment with additional multiplatform journalistic resources
  - ◆ Invest in original, digital first non news content
  - ◆
  - ◆
- ✓ *In collaboration with CBC, build multiplatform, digital-first events (e.g. 150th of Canada; Rio Olympic Games) that bring Canadians together*



## FRENCH SERVICES - 2016-2017 KEY INITIATIVES

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

Evolve **production methods** and **infrastructure** to create venues that will be home to the transformed public broadcaster

- Complete the transformation to multiplatform for production methods (Regions) and, in some instances, optimize media-specific production methods (e.g. Radio; News & Information, etc.)
- Advance the shaping of a core, strategic in-house TV production capacity, consistent with the Strategy 2020 in-house TV production initiative.



- Pursue and support the MRC project





## FRENCH SERVICES - 2016-2017 KEY INITIATIVES

Evolve **jobs** and the **organization** to transform and sustain public broadcasting



- Support the work of innovation units such as *Comités d'innovation régionaux*, *RCLab* and *Accélérateur d'idées* (ex. 2015 output: SOURCE ANONYME, Radio-Canada's secured communication platform/dropbox)



## FRENCH SERVICES - 2016-2017 KEY INITIATIVES

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

- ❑ For each production project in which we engage
  - ◆ Ensure rigorous cost control
  - ◆ Scrutinize every investment, financing, timing, partnership, content distribution (etc.) aspect to maximize opportunities
  - ◆ Allow for some innovation (eg partnering) and risk-taking
- ❑ Based on a collaborative approach, develop all aspects of the marketing of content and services in order to yield maximum revenue
- ✓ *Pursue various opportunities to diversify revenue*
- ✓



# FRENCH SERVICES REVIEW OF KEY PERFORMANCE INDICATORS

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

s.68.1

As of Dec. 31, 2015

Assuming additional government funding

Key Performance Indicators				2015-16 Annual Target	2015-16 Results-to-Date	2015-16 EoY Forecast	2016-17 Predicted Trend
Network	Conventional TV	ICI R-C Télé Share 7-11 pm / Reg. Season	2+ <sup>(1)</sup>	19.7%			
			25-54 <sup>(2)</sup>	Not applicable			
	Specialty TV	ICI RDI + ICI ARTV + ICI EXPLORA Share All-day / Fiscal Year	2+ <sup>(1)</sup> <i>RDI</i>	4.7% <i>Not applic.</i>			
			25-54 <sup>(2)</sup>	<i>Not applic.</i>			
		Subscribers ICI RDI <sup>(3)</sup>		11.1 M			
		Subscribers ICI ARTV <sup>(3)</sup>		1.8 M			
	Subscribers ICI EXPLORA <sup>(3)</sup>		0.8 M				
Radio	ICI R-C Première + ICI Musique Share 5-1 am / Fall Survey, 12+ <sup>(4)</sup>		21.2%				
Regional	ICI R-C Première – Morning shows	Share, 6-9 am / Fall Survey, 12+ <sup>(5)</sup>		18.1%			
	ICI R-C Télé – 6 pm <i>Téléjournal</i>	Average Minute Audience, 2+ <sup>(6)</sup>		0.310 M			
	ICI R-C.ca – Regional pages	Monthly Unique Visitors Average, 2+ <sup>(7)</sup> <i>Desktop Only - 2016-17: will also include mobile dev.</i>		0.758 M			
Num	Radio-Canada's digital offering	Monthly Unique Visitors Average, 2+ <sup>(7)</sup> <i>Desktop+Mobile Devices</i>		2.8 M			
Fin	Revenue	Conv., Specialty, Online Services <sup>(8)</sup>		227.1 M\$			

**Legend:**

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

**Notes:**

(1) Numeris (BBM Canada), Personal People Meter (PPM), Francophones in Quebec aged 2 years and older. Results-to-date: as of January 3.

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

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

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

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

(6) Numeris (BBM Canada), Personal People Meter (PPM), Weekly average, Mon-Fri 6-6:30 p.m., Francophones in Quebec aged 2 years and older. Results-to-date: as of January 3.

(7) comScore, April-March. Results-to-date: April-December average.

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





## FRENCH SERVICES STRATEGIC CONTEXT AND FINANCIAL

**French Services are presenting a balanced financial plan in the context of a new government funding**

- The Plan assumes additional government funding of :

\$M	2016-2017	2017-2018

- Achieve costs reduction initiatives under Strategy 2020,
- 
- Reinvestment in content from :
- Remain focus on building a more flexible, cost oriented business model



# FRENCH SERVICES INCREMENTAL INVESTMENTS

French Services being fully committed in content reinvestments from 2020 savings and new government funding

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

s.68.1

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

in \$000's



# FRENCH SERVICES - UPDATE ON STRATEGY 2020 INVESTMENTS

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

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

Strategy 2020 Planned Investments	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020
<i>in \$000's</i>					
Incremental <i>Strategy 2020</i> planned investments per 2015-2016 business plans					





# 2016-2017 OPERATING BUDGET – FRENCH SERVICES (REGIONAL BUDGETS IN APPENDIX G)

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

	2015-2016 Current Budget (\$000's)	2015-2016 Forecast (\$000's) <small>(December 31, 2015 forecast)</small>	2016-2017 Proposed Budget (\$000's)	2017-2018 Forecast (\$000's)	2018-2019 Forecast (\$000's)	2019-2020 Forecast (\$000's)
<b>SOURCES OF FUNDS</b>						
Share of Parliamentary Appropriation						
Share of New Government Funding						
Expected salary funding						
<i>Total Share of Parliamentary Appropriation</i>						
Advertising Revenue - TV Main Channel						
Advertising Revenue - ICI musique						
Digital Platform Revenues						
Value-added / Contra Revenues (advertising and misc.)						
Advertising Revenue - Réseau de l'information						
Advertising Revenue - Explora						
Advertising Revenue - ARTV						
Subscriber Revenue - Réseau de l'information						
Subscriber Revenue - Explora						
Subscriber Revenue - ARTV						
Subscriber Revenue - TOU.tv extra						
Subscriber Revenue - Curio						
Miscellaneous Revenues						
<b>TOTAL SOURCES OF FUNDS</b>						
<b>APPLICATION OF FUNDS</b>						
Sports						
Arts and Entertainment						
ARTV						
News and Current Affairs						
Réseau de l'information						
Talk Radio						
Music						
Explora						
Media Library and Archives						
Technical Services						
Communication and Research						
Revenue Group						
Expenses related to non-advertising revenue-generating activities						
Finance and Administration						
General Administration						
Programming and Other Commitments						
<b>TOTAL APPLICATION OF FUNDS</b>						
<b>NET POSITION for the Fiscal Year</b>						
Prior Year Carryover						
<b>NET POSITION - Cumulative</b>						



# FRENCH SERVICES ADVERTISING REVENUE

(\$000's)	2015-2016 Budget	2015-2016 Forecast	2016-2017 Proposed Budget	2017-2018 Forecast	2018-2019 Forecast	2019-2020 Forecast
<b>Conventional TV:</b>						
Base - 2015-2016						
Olympics - Rio						
Olympics - PyongCheng						
Audience impact						
Schedule reinvestment						
<b>Total - Conventional TV</b>						
Contras managed by Media Solutions						
<b>Total - Conventional TV (incl. above contras)</b>						
						<i>% increase/decrease from previous year</i>
<b>Digital Services:</b>						
Base - 2015-2016						
<b>Total - Digital</b>						
						<i>% increase/decrease from previous year</i>
<b>ICI musique:</b>						
Base - 2015-2016						
Election revenue						
<b>Total - ICI musique</b>						
						<i>% increase/decrease from previous year</i>
<b>RDI:</b>						
Base - 2015-2016						
<b>Total - KLI</b>						
Contras managed by Media Solutions						
<b>Total - RDI (incl. above contras)</b>						
						<i>% increase/decrease from previous year</i>
<b>ARTV:</b>						
Base - 2015-2016						
<b>Total - ARTV</b>						
						<i>% increase/decrease from previous year</i>
<b>Explora:</b>						
Base - 2015-2016						
<b>Total - Explora</b>						
Contras managed by Media Solutions						
<b>Total - Explora (incl. above contras)</b>						
						<i>% increase/decrease from previous year</i>
<b>Advertising Revenue - Value-added/Contra Revenues</b>						
<b>Total - Advertising Revenue - French Services</b>						
						<i>% increase/decrease from previous year</i>



# FRENCH SERVICES SUBSCRIBER REVENUE

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

(\$000's)	2015-2016	2015-2016	2016-2017	vs base	2017-2018	vs base	2018-2019	vs base	2019-2020	vs base
	Budget	Forecast	Proposed Budget		Forecast		Forecast		Forecast	
<b>RDI:</b>										
Base - 2015-2016										
2015-2016 :										
Let's Talk TV										
<b>Total - RDI</b>										
<i>% increase/decrease from previous year</i>										
<b>ARTV:</b>										
Base - 2015-2016										
2015-2016										
Let's Talk TV										
<b>Total - ARTV</b>										
<i>% increase/decrease from previous year</i>										
<b>Explora:</b>										
Base - 2015-2016										
2015-2016										
<b>Total - Explora</b>										
<i>% increase/decrease from previous year</i>										
<b>Tou.tv extra:</b>										
Base - 2015-2016										
2015-2016										
<b>Total - Tou.tv extra</b>										
<i>% increase/decrease from previous year</i>										
<b>Curio</b>										
Base - 2015-2016										
<b>Total - Curio</b>										
<i>% increase/decrease from previous year</i>										
<b>Total - Subscriber Revenue - French Services</b>										
<i>% increase/decrease from previous year</i>										



# FRENCH SERVICES MISCELLANEOUS REVENUE

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

(\$000's)	2015-2016 Budget	2015-2016 Forecast	2016-2017 Proposed Budget	2017-2018 Forecast	2018-2019 Forecast	2019-2020 Forecast
Services to independent producers						
Canada Media Fund (CMF)						
ICI ARTV						
Distribution revenue						
Commercial production						
Others						
<i>Subtotal - Miscellaneous Revenue (before contras)</i>						
Value-added / contras						
<b>Total - Miscellaneous Revenue - French Services</b>						
<i>% increase/decrease from previous year</i>						

**Related expenditures:**

Services to independent producers  
Canada Media Fund (CMF)  
ICI ARTV  
Distribution revenue  
Commercial production  
Others  
Value-added / contras

**Total expenditures**





# FRENCH SERVICES CONTINGENCY PLAN - WITHOUT GOVERNMENT FUNDING

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



## 5. MEDIA TECHNOLOGY AND INFRASTRUCTURE SERVICES (MTIS) AND MEDIA PARTNERS

- Budget realignments from media to MTIS and to Finance from Organizational Design changes are not reflected as work is still ongoing to identify and transfer appropriate budget amounts.
- MTIS' and Media Partners' priorities for 2016-2017 are included in Appendix H.



# MTIS – ACTIVITIES

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

## Media Technology and Infrastructure Services budget and forecast in 2015-2016)

budget in 2016-2017,

### a) Real Estate Services ( budget in 2016-2017, budget and forecast in 2015-2016)

- Operates and maintains 4,300,000 sq.ft. of owned and leased production, technical and office space, from which 370,000 sq. ft are currently leased to third parties, in 78 facilities across Canada and 7 foreign locations
- Fixed costs represent approximately 90% of the total Real Estate budget
  - Building operations and maintenance represent of the budget.
  - Rent and taxes<sub>(1)</sub> represents of the budget
  - Interest expense on TBC bonds represents of the budget

(1) Realty Taxes at the TBC are gradually being transferred to tenants for direct payment as per Ontario Assessment Act, retroactive to 2013.



## MTIS – ACTIVITIES

b) Technology Solutions ( budget in 2016-2017, budget and forecast  
in 2015-2016)

- Provides information technology, transmission, distribution, collection and telecommunications services across the Corporation
- Operates 27 digital TV transmitters and 717 radio transmitters at 529 owned and leased sites. The transmission division represents of the Technology Solutions budget and generates in site-sharing and co-location revenues
- Provides software and computing services for media and enterprise systems
- Hardware and software maintenance provided by external suppliers represents of the Technology Solutions budget
- Budget realignments from media to MTIS from Organizational Design changes are not reflected as work is still ongoing to identify and transfer appropriate budget amounts



(see details on page 64)



# 2016-2017 OPERATING BUDGET

## MTIS

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

	2015-2016 Current Budget (\$000's)	2015-2016 Forecast (\$000's)  (December 31, 2015 forecast)	2016-2017 Proposed Budget (\$000's)	2017-2018 Forecast (\$000's)	2018-2019 Forecast (\$000's)	2019-2020 Forecast (\$000's)
<b>SOURCES OF FUNDS</b>						
Share of Parliamentary Appropriation						
Expected Salary Funding						
<i>Total Share of Parliamentary Appropriation</i>						
Miscellaneous Revenues:						
Real Estate Services						
Transmission and Distribution						
<b>TOTAL SOURCES OF FUNDS</b>						
<b>APPLICATION OF FUNDS</b>						
Real Estate Services						
Data Centre Outsourcing/Centralisation						
Technology Solutions						
<b>TOTAL APPLICATION OF FUNDS</b>						
<b>NET POSITION for the Fiscal Year</b>						
Prior Year Carryover						
<b>NET POSITION - Cumulative</b>						



# 2016-2017 BUDGET

## MTIS – INFORMATION SECURITY INITIATIVE

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

Description	FTEs	\$000's
-------------	------	---------

Total



# MEDIA PARTNERS – ACTIVITIES

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

General and Administrative Services | budget in 2016-2017, | budget and  
forecast in 2015-2016)

Provides support services to media and meet external compliance requirements. The 2016-2017 proposed budgets are than 2015-2016 budgets,

a) Strategy and Public Affairs | budget in 2016-2017, | budget and | forecast  
in 2015-2016)

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

b) General Counsel, Corporate Secretariat and Compliance | budget in 2016-2017,  
budget and | forecast in 2015-2016)

- Provides legal advice on commercial transactions and media liability issues, corporate policy administration, Board of Directors administration, and Access to Information request management
- Creation of an Ethics Office



## MEDIA PARTNERS – ACTIVITIES

c) People and Culture | budget in 2016-2017, | budget and | forecast in 2015-  
2016)

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





## MEDIA PARTNERS – ACTIVITIES

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

d) Finance and Administration      budget in 2016-2017,      budget and      forecast  
in 2015-2016)

- Provides financial reporting, budgeting, procurement, treasury, internal control, insurance and taxation services
- Budget realignments from media to Finance from Organizational Design changes are not reflected as work is still ongoing to identify and transfer appropriate budget amounts.

e) Shared Services Centre      budget in 2016-2017,      budget and      forecast in  
2015-2016)

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

f) Internal Audit      budget in 2016-2017,      budget and      forecast in 2015-2016)

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



# MEDIA PARTNERS – ACTIVITIES

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

**Corporate Expenses**                      **budget in 2016-2017,**                      **budget and**                      **forecast in 2015-2016)**

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

a) Severance Pay and Other Personnel Costs (                      budget in 2016-2017,                      budget and  
forecast in 2015-2016 )

Includes corporate wide personnel costs such as severance on normal retirements of                      supplemental pension plan payments of                      , group life insurance of                      and Worker’s Compensation of

b) Dental Plan and EAP                      budget in 2016-2017,                      budget and                      forecast in 2015-2016)

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

c) Training and Development                      budget in 2016-2017,                      budget and                      forecast in 2015-2016)

Training budget allocations that were previously reflected in media budgets related to specific training requirements have now been centralized. The budget also includes funding relating to corporate-wide training programs and training administration

d) Insurance, Taxes, and Travel Agency                      budget in 2016-2017,                      budget and                      forecast in  
2015-2016)

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



# 2016-2017 OPERATING BUDGET MEDIA PARTNERS

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

	2015-2016 Current Budget (\$000's)	2015-2016 Forecast (\$000's)	2016-2017 Proposed Budget (\$000's)	2017-2018 Forecast (\$000's)	2018-2019 Forecast (\$000's)	2019-2020 Forecast (\$000's)
		(December 31, 2015 forecast)				
<b>SOURCES OF FUNDS</b>						
Share of Parliamentary Appropriation						
Expected Salary Funding						
<i>Total Share of Parliamentary Appropriation</i>						
Miscellaneous Revenues:						
Interest Revenue						
Canadian Retransmission Rights Association (CRRA)						
Canadian Claimants Group Rights (CCG)						
Corporate Research						
Sirius - Program Sales						
Sirius - Dividends						
<b>TOTAL SOURCES OF FUNDS</b>						
<b>APPLICATION OF FUNDS</b>						
General and Administrative Services (see details on next page)						
Corporate Expenses (see details on next page)						
Committed Reserves						
<b>TOTAL APPLICATION OF FUNDS</b>						
<b>NET POSITION for the Fiscal Year</b>						
Prior Year Carryover - to components and committed reserves						
Prior Year Carryover - to fund priorities, financial pressures and dow						
<b>NET POSITION - Cumulative</b>						



# 2016-2017 OPERATING BUDGET MEDIA PARTNERS (APPLICATION OF FUNDS)

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

	2015-2016 Current Budget (\$000's)	2015-2016 Forecast (\$000's) (December 31, 2015 forecast)	2016-2017 Proposed Budget (\$000's)	2017-2018 Forecast (\$000's)	2018-2019 Forecast (\$000's)	2019-2020 Forecast (\$000's)
<b>APPLICATION OF FUNDS</b>						
<b>General and Administrative Services:</b>						
Office of the President and CEO						
Office of the Chairperson and Board of Directors						
Ombudsmen - English and French Services						
Strategy and Public Affairs						
General Counsel, Corporate Secretariat and Compliance						
People and Culture						
Finance and Administration						
Shared Services						
Internal Audit						
<b>Total - General and Administrative Services</b>						
<b>Corporate Expenses:</b>						
Severance Pay and Other Personnel Costs						
Dental Plan and EAP						
Training and Development						
Insurance, Travel Agency, etc.						
<b>Total - Corporate Expenses</b>						
<b>TOTAL APPLICATION OF FUNDS</b>						



# 2016-2017 OPERATING BUDGET COMMITTED RESERVES

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

---

2015-2016 Budget (\$000's)	2015-2016 Forecast (\$000's) <small>(December 31, 2015 forecast)</small>	2016-2017 Proposed Budget (\$000's)	2017-2018 Forecast (\$000's)	2018-2019 Forecast (\$000's)	2019-2020 Forecast (\$000's)
----------------------------------	---	---	------------------------------------	------------------------------------	------------------------------------



# 2016-2017 OPERATING BUDGET REDUCTIONS - MTIS AND MEDIA PARTNERS

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

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

Non-Media Services Budget Reductions - Forecast as of Q3 2015/16											
2014/15		2015/16		2016/17		2017/18		2018/19		2019/20	
\$000's	FTE	\$000's	FTE	\$000's	FTE	\$000's	FTE	\$000's	FTE	\$000's	FTE



## 6. CAPITAL BUDGET



# CAPITAL BUDGET 2016-2017 OVERVIEW

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

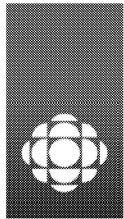
- Capital spend over next 5 years, excluding capital leases,
- The Capital budget for 2016-2017 is aligned with the strategic plan
- Consistent with the 5-Year financial plan approved by the Board in March 2015,
  
- Capital plan focus is on next 3 years with majority of projects tied to real estate initiatives, maintaining / refreshing core business assets / addressing codes & regulations and health & safety issues
- The 2016-2017 Capital Budget was prepared and is endorsed by the Capital Round Table members and Capital Executive Team.
- Major risk to the plan are the timing and magnitude of approved Real Estate projects
- Plan will need to be revisited as MRC and TBC projects evolve.





# CAPITAL BUDGET 2016-2017 OVERVIEW *(CONTINUED)*

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



# RECOMMENDED CAPITAL BUDGET

(IN \$000'S)

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

	Budget	Forecast			
<b>AVAILABLE CAPITAL FUNDING</b>	2016-17	2017-18	2018-19	2019-20	2020-21
Base Capital Appropriation					
Capital Leases					
Carryover (as per forecast December 31, 2015)					
Net funding from sales of fixed assets					
<b>TOTAL AVAILABLE CAPITAL FUNDING</b>					

	Budget	Forecast			
<b>CAPITAL INVESTMENT PLAN</b>	2016-17	2017-18	2018-19	2019-20	2020-21
Production Infrastructure					
Television Services					
Radio Services					
Enterprise Systems & Technology Infrastructure					
Presentation, Collection, Distribution & Delivery					
Real Estate Projects and Property Management					
Fleet and Minor Capital Purchases					
<b>TOTAL CAPITAL INVESTMENT PLAN</b>					



# 5-YEAR CAPITAL INVESTMENT PLAN

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

**Note :** Real Estate projects and Property Management includes technical and real estate costs for approved relocation projects. Technical costs for unapproved Real Estate relocations are included in Production Infrastructure category.



# RISK & MITIGATION

RISK	MITIGATION
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# CAPITAL BUDGET BACKGROUND INFORMATION

**Additional background on the Capital Plan is provided in Appendix I:**

Capital Budget Investment Highlights for 2016-2017

Capital Budget Projects greater than \$3M

Real Estate Projects



## 7. BOARD RESOLUTION



# BOARD RESOLUTION

## **IT IS RESOLVED THAT:**

That the 2016-2017 Operating and Capital Budgets be approved and that the Senior Executive Team be authorized to give effect to the measures contained therein.

## **MOTION CARRIED**