



## **CORPORATE PLAN SUMMARY** **2017-2018 to 2021-2022**

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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 are 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.

## Note Regarding Performance Measurement

We rely on data from both internal tools and third parties to measure our performance metrics. While these data are based on what we believe to be reasonable calculations for the applicable periods of measurement, there are inherent challenges in collecting this information, particularly as the media industry undergoes a digital transformation. For example, Canadians now consume media content on multiple devices from an ever-growing array of content providers. As media consumption habits change, audience measurement suppliers and the Corporation are refining methodologies and introducing new measurement technologies to ensure the accuracy and completeness of data gathered. As a result, changes in the way data are collected could result in certain information provided in future periods not being comparable with information disclosed in prior periods. Since some of these data are used to measure our strategic and operational indicators, we may be required to make adjustments to targets and historical results to enhance comparability of the data and follow industry best practices.

# 1 MESSAGE FROM THE PRESIDENT AND CEO

In a time of limitless global content, CBC/Radio-Canada's mandate to inform, enlighten and entertain is all the more relevant. The public broadcaster's role in speaking with a uniquely Canadian voice has evolved from simple radio broadcasts in 1936, to a multiplatform presence eighty years later.



At CBC/Radio-Canada, we are unwavering in our commitment to provide Canadians with the services they want, in the way that they want them. As the ground continues to shift, the strongest tool we can give ourselves is the flexibility to adjust as necessary while still fulfilling our mandate to Canadians. That's why we are so pleased to see that [Strategy 2020: A space for us all](#), our strategy to modernize the public broadcaster, is showing results. We are also looking ahead, to what a comprehensive and cohesive culture strategy could do for the country with the release of our proposal to the federal government: *A Creative Canada: Strengthening Canadian Culture in a Digital World*.

## Reality on the Ground

We have known for some time that the business model for the traditional broadcasting system is broken. Shifts in advertising revenue streams continue to place the long-established funding model under pressure, and while demand for content is stronger than ever, the platforms that host content are shifting.

A key problem is that advertising revenues for conventional television are down as audiences become more fragmented and ad-free content becomes more available via alternative content providers. This means advertising revenues are shifting from Canadian media companies to global technology companies such as YouTube, Google, Facebook and others. In fact, between 2014 and the latest data available to us, television ad revenue in Canada dropped by \$290 million dollars.<sup>1</sup>

## Progress in Strategy 2020

With our strategic plan, we are addressing this digital shift. As we approach the halfway mark of the strategy, we are deepening our engagement with Canadians by helping them discover, consume and share their information and entertainment where they want to be reached.

We have made strong progress to date, particularly in terms of our multiplatform capabilities. For instance, the Rio 2016 Olympic Games were the most-watched Summer Games in our country's history, with almost 92% of Canadians tuning in to our coverage.<sup>2</sup> Our digital-specific results per day were impressive, with 13.3 million page views and 2.2 million video views.<sup>3</sup> In August 2016, more than 11 million Canadians tuned in to The Tragically Hip concert broadcast and live-streamed by CBC, commercial free.<sup>4</sup> Meanwhile, traditional radio is finding ways to reach new audiences. CBC Radio is the Canadian leader in podcasting, with its podcasts being downloaded 1.7 million times per week.<sup>5</sup> And this past year, Radio-Canada launched *Première PLUS*, which was recognized for its groundbreaking approach to thematic discovery of digital audio content, giving users access to a world of original content, available anywhere, anytime. In 2016-2017, close to 17 million Canadians used our digital services each month, which puts us well on our way to our 2020 target of 18 million.<sup>6</sup>

With the federal government's recent reinvestment, we are able to accelerate our progress in areas like local coverage, digitizing our archives, expanding our international coverage through pocket bureaus abroad, and more. This reinvestment is an important sign of the government's commitment to Canada's cultural sector and to public broadcasting, and we appreciate it greatly. But while we now have breathing room, our future is not yet secure.

## Our Vision for the Future

Last spring, the federal government asked Canadians for their views on how to strengthen Canadian culture in a digital world.

Canadians from across the country participated through online surveys, roundtables and submissions. In November 2016, we provided our thoughts on how to strengthen Canadian culture, with a proposal that can anchor a modern culture policy framework and place broadcasting at the centre of a strong culture sector. The proposal contains three key recommendations:

1. Canada should develop its own cohesive cultural investment strategy; one that engages all of the country's creators and creative industries.
2. Remove advertising from all of our platforms, so an ad-free CBC/Radio-Canada can focus on long-term cultural impact rather than short-term commercial return. To do this, there would be an increase in per-person funding to CBC/Radio-Canada to \$46 annually – an increase of \$12 per Canadian.
3. Depoliticize CBC/Radio-Canada funding so that it is predictable and stable, tied to the existing five-year license cycle, indexed to inflation, and separated from the election and annual government budget cycles.

[The full submission is available to the public on our corporate website.](#)

CBC/Radio-Canada is proud of its role as the country's public space. And we'll be at the heart of the 150th anniversary celebrations throughout 2017. In January, we launched the New Year with our broadcasts, celebrating with Canadians and them together around special programming and events. Throughout the year, we will continue enabling conversations about our collective national identity, our diversity and what binds us together. I encourage you to bookmark the [CBC/Radio-Canada 2017 Programming Guide](#) so you can tune in to all that we offer during this special anniversary year.

We will continue to push the boundaries of what is possible to enhance the national conversation – about our lives, about our culture, about our place in the world. We look forward to sharing that journey with all Canadians, from coast to coast to coast.



**Hubert T. Lacroix**  
*President and CEO*

<sup>1</sup> Source: Communications Monitoring Report 2016.

<sup>2</sup> Source: Numeris TV PPM, Friday August 5 to Sunday August 22, Total TV, Monday-Sunday 2am to 2am, Total Canada AMA and Cumulative Reach.

<sup>3</sup> Source: Adobe Analytics, August 3-22, 2016.

<sup>4</sup> Source: Numeris.

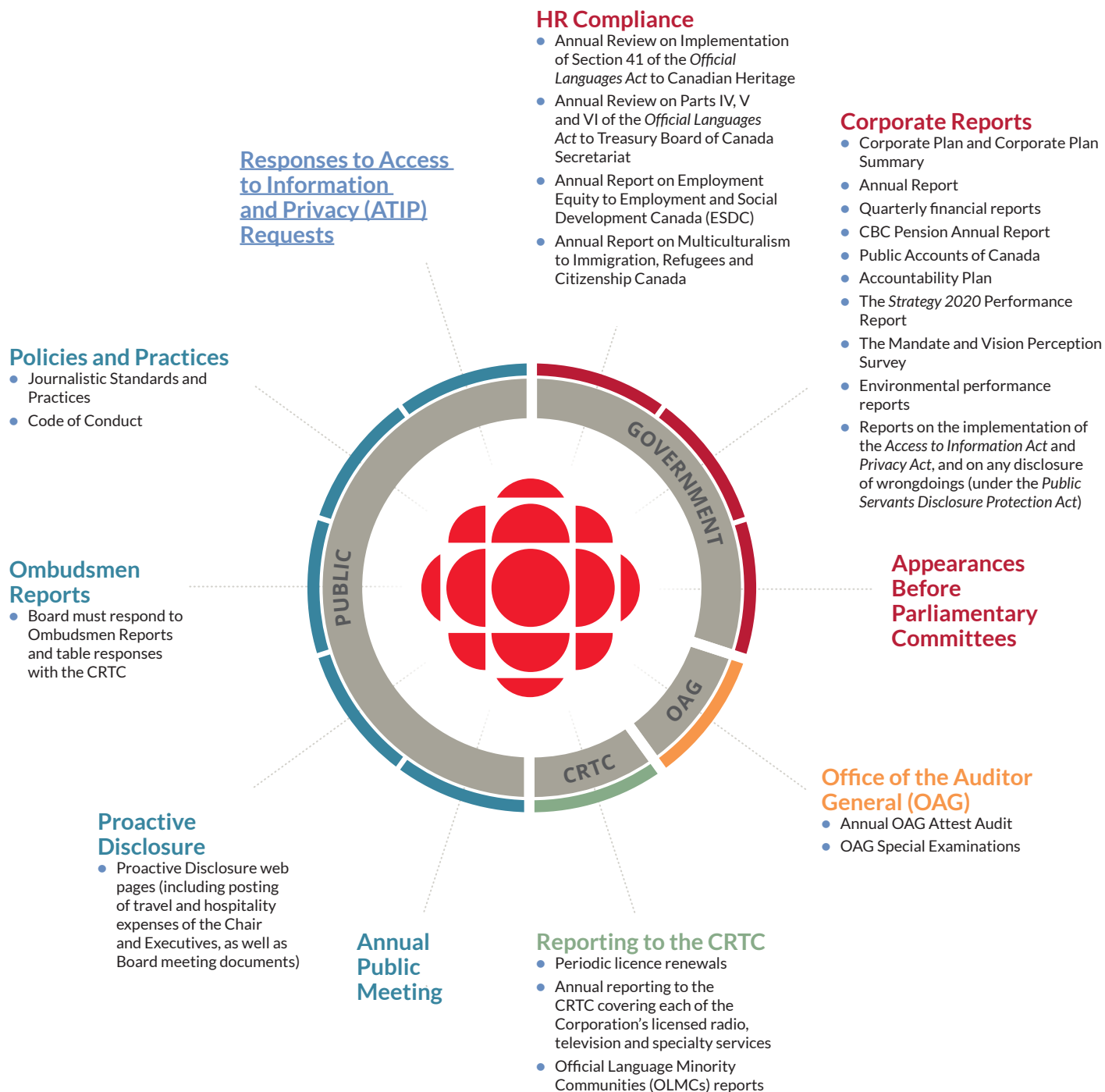
<sup>5</sup> Source: Sumo Logic, Public Broadcasters Podcasting Guidelines, September 6, 2015-September 3, 2016.

<sup>6</sup> Source: comScore, multiplatform measurement, monthly average unique visitors.



## 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'S SERVICES

As of March 2017, we employed 6,626 permanent full-time equivalent employees (FTEs), 313 temporary FTEs and 616 contract FTEs.

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-only 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 digital platforms. 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.



As part of transforming our offering to Canadians in the digital age, our approach is to fully integrate digital across the range of CBC/Radio-Canada brands. Deeply rooted in the regions, we are the only national broadcaster to offer diverse regional and cultural content in English, French and eight Indigenous 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.



<sup>1</sup> Source: Map of CBC/Radio-Canada stations (including affiliates) (September 2016). Note that digital services are also offered in the other stations. The map does not include our additional newsgathering locations and international news bureaus, whether permanent or pop-ups.

## 4 OUR STRATEGIC CONTEXT: THE ENVIRONMENT IN WHICH WE OPERATE

The media environment in Canada continues to change. Traditional platforms are facing erosion. Online services are growing, resulting in a variety of new content on various platforms with fragmented audiences. Alternate content providers such as YouTube and Netflix continue to make inroads. Dated broadcast policies are further challenging the Canadian media landscape. Finding the right path to address these changes is a constant challenge for media companies. CBC/Radio-Canada is no exception.

### The Current Broadcasting Policy Framework is Broken

A strong and diverse Canadian broadcasting system is a primary objective of Canada's 1991 *Broadcasting Act*, which states that "each element of the system must contribute to the creation and presentation of Canadian programming."

However, we now have two different realities in Canada: traditional broadcasters that are closely regulated and that contribute to the Canadian content production industry, and new entrants that operate without those restrictions.

In 2015, the CRTC introduced changes to the traditional regulated system in an attempt to respond to a fast-changing technological environment that has upended the television business model. Through its *Let's Talk TV* process, the CRTC introduced more choice for television subscribers, lowered Canadian content requirements for private television stations and many specialty services, and eliminated genre protection. At the same time, however, the CRTC has elected not to regulate the broadcasting activities of online content platforms.

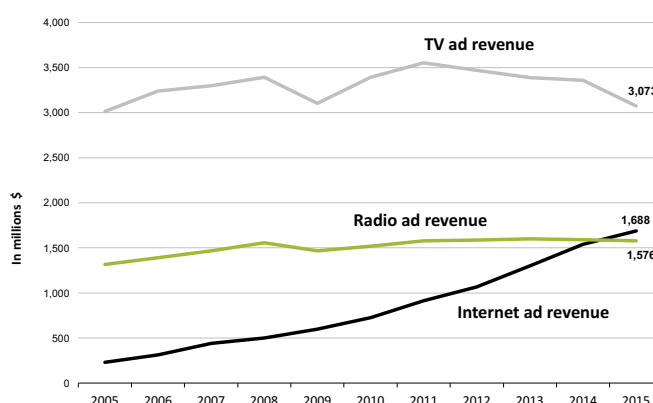
In 2016, the government, through the Department of Canadian Heritage, launched a public consultation to develop a modern cultural policy framework centred on strengthening the creation, discovery and export of Canadian content for the digital age.

CBC/Radio-Canada recognizes that the current business model is broken and the cultural policy framework in which we operate needs to be reviewed to address the changing media environment.

### A Changing Business Model

Canada has an opportunity now, as part of the government's consultations on Canadian content in a digital world, to reboot Canadian culture and public broadcasting to benefit all Canadians. The announced reinvestment in CBC/Radio-Canada is an important sign of the government's commitment to Canada's cultural sector and to the value of public broadcasting. The government's reinvestment of \$75 million this year, increasing next year to an ongoing \$150 million annually, will help contain our funding challenges for a certain period. But it will not solve our problems over the long term.

Combined Revenues<sup>1</sup>



<sup>1</sup> Source: CRTC/IAB. Internet advertising revenues for the purposes of this graphic only include display and video since these are the categories in which CBC/Radio-Canada competes. As a result, Internet revenues from classified, search and email categories are excluded from this analysis.

Advertising is one of the major vehicles that support traditional media services. A structural shift is happening as advertisers are increasing their spending online where American digital companies dominate. This poses a significant challenge to traditional broadcasters that continue to offer high-quality programs while the value attributed to these offerings is in decline.

Traditional advertising streams that fund Canadian programs are declining, and those streams are moving to new competitors: large, global companies like Facebook and Google that have established dominant positions in the Canadian market yet are not required to contribute to support the system.

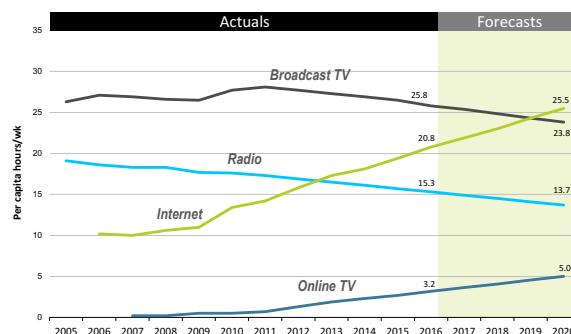
And so we must evolve. We've proposed a vision for what a strong public broadcaster looks like – one that is ad-free, has increased/stable, depoliticized funding and has a cohesive cultural investment strategy. For more information regarding our vision for the future, see our [proposal](#).

## Content Demand is as Strong as Ever, but Consumption is Shifting Platforms

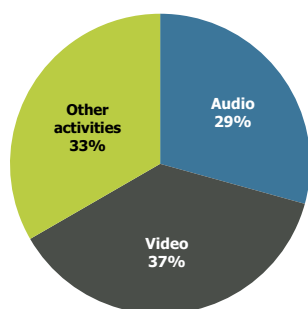
We are witnessing an upheaval in the way media is being consumed. It is not a change in Canadians' appetite for content, rather, it's the platforms of preference and the manner in which the audiences consume content that's changing.

Traditional media platforms still attract the vast majority of audiences, yet more and more viewers are now using the Internet to watch television, particularly in the English market. In the French market, however, broadcast television remains strong. Despite these market differences and audiences that are in decline, traditional media will continue to remain significant for the foreseeable future.

**Media Usage<sup>1</sup>**



**Time Spent on the Internet by Activity<sup>2</sup>**



Canadians now spend over 20 hours per week with the Internet.<sup>3</sup> While not all online activities are media-related, two thirds of self-reported time spent is on audio or video activities, such as services like YouTube, Facebook, Netflix or the many other audio and video services that provide attractive alternatives to traditional media offerings.

Additionally, consumers continue to adopt devices and services that give them more control over when they access content and on which screen. Mobile devices are driving growth in this area.

Understanding how Canadians are accessing content is key to providers' future success. There is extensive online content (including new original content) available to subscribers and in direct competition with traditional services. This is not only increasing content availability, but creating challenges for discoverability. To maintain relevance in this environment, content needs to be available to Canadians how, when and where they want it. The challenge remains balancing innovation and staying relevant while not leaving behind those using more traditional platforms.

<sup>1</sup> Source: CBC/Radio-Canada estimates (Numeris and Media Technology Monitor).

<sup>2</sup> Source: Media Technology Monitor (MTM). Canadians aged 18 years and older. Doesn't add to 100 due to rounding.

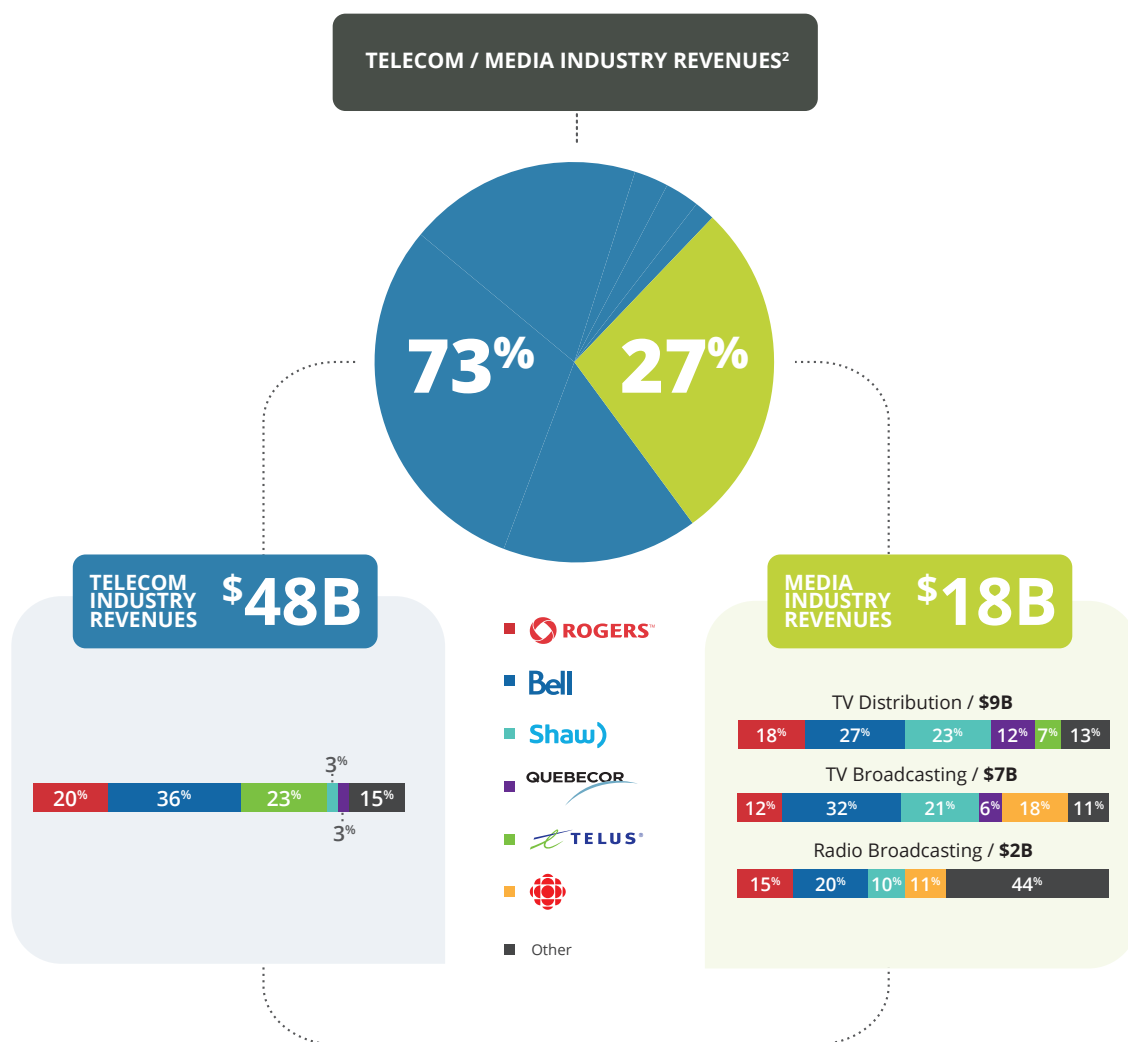
<sup>3</sup> Source: Media Technology Monitor (MTM), fall 2016.



## CBC/Radio-Canada: Finding its Place

CBC/Radio-Canada offers a large variety of services to Canadians. Operating in both official languages and eight Indigenous languages, with radio, television and digital platforms, CBC/Radio-Canada services are extensive and available to Canadians wherever, however and whenever they want.<sup>1</sup>











Canada has one of the most integrated media markets in the world, with most big players involved in virtually all aspects of the media value chain. As highlighted in the chart below, we are a small player within a large Canadian telecom and media market.



<sup>1</sup> For more information regarding CBC/Radio-Canada's services, refer to page 6.

<sup>2</sup> Source: Estimates based on Communications Monitoring Report 2016 and company reports. Includes all sources of revenue and funding.

And moving to the digital environment, the Internet opens a range of new, bigger and more disruptive competitors. These companies are global giants such as Facebook and Google. They can leverage resources across multiple markets to develop economies of scale far beyond our borders.

NEWS	AUDIO	VIDEO
		
		
		
		

Yet even in this environment, CBC/Radio-Canada continues to make important contributions to the Canadian ecosystem. The public broadcaster is a major partner for the Canadian independent production sector – our television, radio and digital services reach 84% of Canadians on a monthly basis.<sup>1</sup> We are a Canadian leader in digital, with one of the most visited websites in Canada. Four of five (81%) Canadians believe that it is very important for Canada to have a public broadcaster, and over seven in ten (72%) strongly agree that there is a clear need and role for CBC/Radio-Canada in the future.



CBC/Radio-Canada has and will continue to work hard to address these changes in consumption, to engage more deeply with our audiences and to deliver our content to Canadians in new ways to meet their needs. But, as a smaller player in a market full of titans, we are looking more and more to partnerships with domestic and international players to allow Canadians and international audiences greater access to CBC/Radio-Canada. This way of working will also help us be more financially sustainable.

<sup>1</sup> Source: Mission Metrics Survey, 2016-2017, TNS Canada (1,000 Anglophones and 1,000 Francophones per survey). Surveys are conducted in fall and spring of each year. Scored 8, 9 or 10 on a 10-point scale. When looking at scores 6 to 10 on a 10-point scale, we get 88% for important for Canada and 84% for a clear need and role in the future.

## 5 STRATEGIC INITIATIVES

At CBC/Radio-Canada, we have been transforming the way we engage with Canadians. Since we launched our strategic plan – *Strategy 2020* – in June 2014, we have come a long way in making the public broadcaster more local, more digital and financially sustainable, 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, making our connections with Canadians more personal and more relevant. Our continued commitment is that CBC/Radio-Canada will remain a vibrant public space for Canadians.



As we move ahead with the strategy, our goal is to increase our value to Canadians by not only making the public broadcaster more digital and more local, but also by being more ambitious in our Canadian programming.

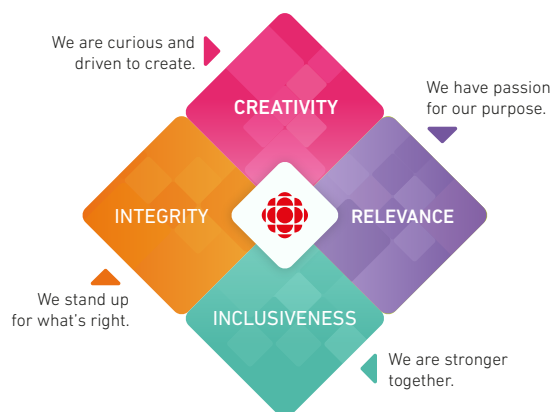
To guide our way, we have set out the following mission and vision statements, rooted in the *Broadcasting Act* that enshrines our mandate:

**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.

Our new organizational values are at the core of how we work. They support our strategic plan, and underpin the behaviours and culture needed to achieve our mission and vision. These values are not just words. They articulate the best of what we are already and how we want to be recognized by Canadians, and they guide the implementation of our strategic initiatives.



### Progress on the Implementation of *Strategy 2020* Initiatives in 2016-2017

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 24.

The following section shows the expected outcomes and results for 2016-2017 initiatives, as well as the strategic focus for 2017-2018.

## 2016-2017 Strategic Initiatives – Expected Outcomes and Results

We've made good progress toward achieving the goals of *Strategy 2020*. We've enhanced our programming and expanded the ways that Canadians can access it, successfully covered the Rio 2016 Olympic and Paralympic Games, 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

Entertainment (English Services) / Arts and Entertainment (French Services)			
English Services		French Services	
Expected Outcomes for 2016-2017	2016-2017 Results	Expected Outcomes for 2016-2017	2016-2017 Results
Continue implementation of key objectives of <i>Strategy 2020</i> : create distinct and creatively ambitious content.	Developed programming that is distinctly Canadian, creatively ambitious and risky, reflecting Canadian values, sensibilities, stories and landscape.	Fast track the French Services' multiplatform/multiscreen strategy to keep pace with audiences' changing consumption habits.	Leveraged distinctive content and technological development to build a strong digital presence that harnesses all channels and platforms (e.g., enhanced the youth offering on Radio-Canada's web portal and launched a mobile application; introduced the original thriller <i>Fatale-Station</i> exclusively on ICI TOU.TV).
Demonstrate that our content connects with audiences.	Brought Canadians together through uniquely Canadian content on broadcast and digital, and also through participation and discussion (e.g., The Tragically Hip 'Man Machine Poem' live concert).	Also fast track the multiplatform/multiscreen strategy to expand the reach and impact of all schedules and services.	Expanded the reach of the music offering through an integrated multiplatform strategy (e.g., broadcasted <i>Virtuose</i> and <i>Crescendo</i> on ICI RADIO-CANADA TÉLÉ, launched the ICI MUSIQUE app).
Strengthen the distinctiveness of the CBC brand for audiences.	Showcased under-represented voices (e.g., <i>The Secret Path</i> ) and talent in unconventional roles (e.g., all female sketch comedy troupe in <i>Baroness von Sketch</i> ; introduced <i>Breaking Barriers Film Fund</i> ).	Continue to support and develop a balanced, multi-genre TV schedule that gives priority to original Canadian programming, especially during prime time.	Continued refreshing our TV and multiplatform content with an audience-driven offering (e.g., <i>Véro.tv</i> , <i>District 31</i> , <i>L'ascenseur</i> and <i>Info, sexe et mensonges</i> ).
Receive critical acclaim from the industry.	Received critical acclaim for risk-taking, audacious programming (e.g., <i>Kim's Convenience</i> , <i>Pure</i> , <i>Workin' Moms</i> , <i>Schitt's Creek</i> , <i>Still Standing</i> ).		Enhanced the value perception of our specialty channels.
Fulfill cultural mandate to provide uniquely Canadian content.	Supported our commitment to multiplatform "event-making" programming, such as for Canada's 150th, including new collaboration with Radio-Canada (e.g., launched the web portal for Canada's 150th).  Offered thought-provoking and national conversation-starter programming in documentaries and science.  Digital connections enhanced through new Arts Feed, Lifestyle Feed, Comedy Feed and new video player.		Supported our commitment to multiplatform "event-making" programming, such as for Canada's 150th and Montreal's 375th, including new collaboration with CBC (e.g., launched the web portal for Canada's 150th).  Developed expertise and optimized data to assess the performance of the multiplatform strategy.

News			
English Services		French Services	
<b>Expected Outcomes for 2016-2017</b>	<b>2016-2017 Results</b>	<b>Expected Outcomes for 2016-2017</b>	<b>2016-2017 Results</b>
<p>Increase in audience, including digital consumption.</p> <p>Increase in diversity evident in programming.</p> <p>More partnerships and collaboration with content distributors and providers.</p>	<p>Grew digital consumption of news.</p> <p>Provided leading coverage of key Canadian news events (e.g., Fort McMurray fires) and international events (e.g., U.S. presidential election) from a Canadian perspective.</p> <p>Achieved greater breadth and originality in content, including on broadcast, original-to-digital and interactive platforms (e.g., <i>Face-to-Face with the Prime Minister</i>).</p> <p>Developed best-in-class storytelling on digital, including original-to-digital and interactive (e.g., The Tragically Hip Interactive).</p> <p>Greater emphasis on breaking news at CBC News Network, including a programming and identity refresh, new content units, adding dedicated reporters in Halifax and Toronto.</p> <p>Increased diversity of talent on-air with host positions on both network and local programs.</p> <p>Expanded CBC News presence in third-party digital platforms (e.g., <i>The National</i> on Facebook Live).</p>	<p>Continue developing the digital news offering, particularly with an eye to attracting younger audiences.</p> <p>Secure the resources and conditions needed to produce impact journalism as part of a multiplatform/multiscreen strategy.</p>	<p>Launched a new mobile, integrated application based on the knowledge of audiences' news and information consumption behaviours.</p> <p>Organized production of the overall offering (including ICI RDI) around two fundamental thrusts: continuous news and impact journalism.</p> <p>Expanded international coverage, leveraging the newest production methods so as to deploy quickly (e.g., Syria, U.S., France, India).</p> <p>Evolved shows and formats (e.g., <i>Le Téléjournal 22 h</i>), and continued developing a digital presence to provide fact-checking journalism, exploring background information with a focus on stakes and solutions.</p>
Local			
English Services		French Services	
<b>Expected Outcomes for 2016-2017</b>	<b>2016-2017 Results</b>	<b>Expected Outcomes for 2016-2017</b>	<b>2016-2017 Results</b>
<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>Offered seven day local news output to audiences, including programming relevant to different parts of the day.</p> <p>Re-invested more resources in local services.</p> <p>Grew digital consumption of local programming and content.</p> <p>Announced and commenced start-up planning for new London (Ontario) radio station to launch in 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>Stabilized the basic digital content offering: 18 hours/7 days/12 months.</p> <p>Pursued the transformation of multiplatform production workflows.</p> <p>Maintained the thrust of local radio programming.</p> <p>Created events through non-news, multiplatform programming initiatives that promote culture, community and identity (e.g., Canada's 150th anniversary projects; <i>la Soirée des Éloizes 2016</i>; pre-launch in western Canada of the mini documentary series <i>Stanley Volland : de Compostelle à Kuujuaq</i>).</p>



Talk Radio			
English Services		French Services	
Expected Outcomes for 2016-2017	2016-2017 Results	Expected Outcomes for 2016-2017	2016-2017 Results
Maintain, broaden and grow audiences for CBC Radio One and digital.	Refreshed the CBC Radio One schedule and launched new shows for audiences.	Keep pace with diverse audiences' changing consumption habits.	Rolled out the new Francophone Canadian digital audio space Première PLUS.
Reduce repeats in content offered to audiences.	Increased broadcast reach and grew digital audiences.	Embed radio in the digital world.	Initiated new, distinctive, one-off event-making productions, such as for Canada's 150th (e.g., <i>ICI 2017</i> live from Parliament Hill in Ottawa on New Year's Eve; <i>Aujourd'hui l'histoire's</i> special programming on Canada's history).
Improve user experience and efficiency.	Reduced repeats with the addition of new original summer programming.	Manage change to promote engagement in pursuing the transformation.	Optimized Greater Montreal programs to position them in a highly competitive environment.
Increase in diversity evident in programming.	Created new original podcasts and developed new digital products to maintain CBC's leadership in digital/ social media.		Continued developing the schedule, reducing the number of repeats, building a succession pool and training talent (e.g., daily show <i>On dira ce qu'on voudra</i> ).
	Enhanced reflection and connection through building diversity and inclusion into all programs, mission and mandate (e.g., <i>Unreserved</i> , <i>Out in the Open</i> , <i>Murdered and Missing Indigenous Women</i> Virtual Reality initiative).		

Music			
English Services		French Services	
Expected Outcomes for 2016-2017	2016-2017 Results	Expected Outcomes for 2016-2017	2016-2017 Results
Maintain, broaden and grow audiences for Music (CBC Radio 2 and CBC Music.ca).	Increased broadcast reach and grew digital audiences.	Strategically broadcast our music content via all touchpoints with audiences, and showcase Francophone and Canadian music/ artists.	Rolled out Radio-Canada's integrated multiplatform music strategy.
Differentiate CBC Music as a leader in developing new Canadian talent.	Re-invested in live music performance recording of Canadian artists (e.g., <i>CBC Music Festival</i> , <i>Polaris Music Prize</i> ).		Supported and strengthened over-the-air radio (e.g., weekly show <i>Pénélope aime</i> on ICI MUSIQUE; daily show <i>On dira ce qu'on voudra</i> on ICI RADIO-CANADA PREMIÈRE).
Improve user experience and efficiency.	Made CBC Music a place of discovery for Canadian content by Canadians.		Launched the ICI MUSIQUE app.
Increase in diversity evident in programming.	Introduced more innovation in digital music functionality and personalization of choice.		Promoted the ICI MUSIQUE brand.
	Enhanced reflection and connection through building diversity and inclusion into all programs, mission and mandate (e.g., <i>Marvin's Room</i> , the re-launched "q").		

Sports			
English Services		French Services	
Expected Outcomes for 2016-2017	2016-2017 Results	Expected Outcomes for 2016-2017	2016-2017 Results
Grow audiences to CBC broadcast and digital platforms.	Presented a highly successful Olympic Games experience deepened by the positive relationships with the IOC and COC.	Expand multiplatform sports news coverage.	Continued developing the value-added multiplatform sports news offering within News and Current Affairs.
Maintain and grow the working relationship with the International Olympic Committee (IOC) and the Canadian Olympic Committee (COC).	Produced and delivered distinctive, visually compelling programming for the Rio 2016 Olympic Games across all platforms, which delivered exceptional audience results with CBC/Radio-Canada and partners' coverage, including a television reach of 32 million Canadians (92%) and 13.3 million page views per day on websites and apps.	Contribute to Olympic initiatives through a collaborative approach with CBC and external partners.	Implemented a continuous Olympic digital offering to drive interest in the Olympics 365 days a year (e.g., web broadcast of promising PyeongChang 2018 athletes' competitions on Radio-Canada's mobile application and social media).
Achieve CBC/Radio-Canada's Olympic Business Plan financial target for the Rio 2016 Olympic Games.	Added a variety of high-performance sport offerings to broadcasts and grew digital presence considerably since the previous year.  Increased audiences for <i>Road to the Olympic Games</i> .		Produced and delivered distinctive, visually compelling programming for the Rio 2016 Olympic Games across all platforms, which delivered exceptional audience results with CBC/Radio-Canada and partners' coverage, including a television reach of 32 million Canadians (92%) and 13.3 million page views per day on websites and apps.

## 1.2 Content Support Strategy

### Production

Adapt In-House Production			
Project Objective: The Corporation will focus on content commissioning and significantly adapt internal production, excluding News, Current Affairs and Radio.			
English Services		French Services	
Expected Outcomes for 2016-2017	2016-2017 Results	Expected Outcomes for 2016-2017	2016-2017 Results
Status quo – continue to evaluate production capacity plans in light of programming needs and costs of external outsourcing.	Maintained rigorous evaluation of programming opportunities and options (i.e., internal versus external) and preserved efficiencies achieved from prior years.	Contribute to the advancement of the Maison de Radio-Canada project.  Continue to optimize production resources and workflows.  Maximize return on investment.  Protect business relationships, programming and revenue streams.	Planned for building the new Maison de Radio-Canada (MRC) and made specific provisions for housing the future strategic and adaptive in-house production capacity.  Ended the production of <i>L'auberge du chien noir</i> , Radio-Canada's last in-house produced drama series (the final episode aired on ICI RADIO-CANADA TÉLÉ in March 2017).  Maintained level of offer and increased revenues stemming from production services supply to independent producers.

### 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 2016-2017

Scalable and adapted digital infrastructure and tools continually evolving to support the coordinated content strategies of each media line.

###### 2016-2017 Results

Successfully launched the newest evolution of both CBC Music.ca and ICI MUSIQUE.ca, supported and enhanced by the common digital front end (audience view) and back end (infrastructure).

Successfully implemented the infrastructure and evolved the front-end offering (web and mobility) against this new backdrop.

French Services continued optimizing the user experience; English Services added the semi-interactive functionality (e.g., skipping songs) needed to keep pace with user expectations.

## 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 2016-2017

Provide a plan and budget for the optimization of the data centre infrastructure.

###### 2016-2017 Results

An independent data centre infrastructure study by an external consultant was completed. A strategic and tactical plan has been prepared that outlines the continued optimization of the data centre infrastructure. In addition, based on the study recommendations, selective application and infrastructure outsourcing initiatives will be undertaken on a project-by-project basis. Outsourcing initiatives could include moving from the use of internal data centre infrastructure to host applications to the use of external Software-as-a-Service (SaaS), Platform-as-a-Service (PaaS) or Infrastructure-as-a-Service (IaaS) providers, depending on whether the outsourcing option generates cost savings and meets the Corporation's business continuity and information security requirements.

## Real Estate

### Real Estate Footprint Reduction

Project Objective: Reduce real estate portfolio.

#### Expected Outcomes for 2016-2017

Move into new Calgary premises in fall of 2017: footprint reduction of 46,000 RSF.

Move into new Iqaluit premises in spring 2017.

Combined footprint reduction of approximately 125,000 RSF for Halifax, Moncton and Matane.

Proceed with the MRC project consistent with the *Strategy 2020* priorities and the strategic/business priorities of French Services.

Implement new space requirements for the Canadian Broadcast Centre in Toronto following the completion of a Functional and Technical Program (FTP).

#### 2016-2017 Results

Construction of the new Calgary station on Veteran's Place is now underway. The old building at Westmount NW Boulevard is on the market for sale.

Staff moved into the new facility in Iqaluit in December 2016.

Negotiations are underway for the sale of the old Halifax TV building on Bell Road.

The Matane building (St-Sacrement Street) was demolished in October 2016 following an asbestos removal operation that left the building unsuitable for sale. The Moncton building (Université Avenue) was sold in November 2016.

In November 2016, CBC/Radio-Canada's Board of Directors selected the Broccolini group to build a new Maison de Radio-Canada and Groupe Mach Inc. to purchase the western part of the property currently occupied by the facility. Both transactions were approved by the government in April 2017.

A Functional and Technical Program (FTP) for the Canadian Broadcast Centre in Toronto was completed in the spring of 2016. The Real Estate Solutions team is currently developing a strategy to optimize occupancy and capitalize on opportunities to lease excess space to third parties.

## 2.2 People and Culture Strategy

### Change Management

Project Objective: Provide effective change programs to help leaders and individuals manage the significant change that *Strategy 2020* will bring.

#### 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.

Work 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.

#### 2016-2017 Results

New organizational structure was rolled out and implemented.

To ensure continued positive change, an integrated culture change strategy was developed and approved by the Senior Executive Team. It sets out the goals of becoming an engaged, less reactive and more outcome-focused culture through multi-pronged, integrated and progressive talent practices and Human Resources support to the business.

Also, a second annual engagement survey was conducted in partnership with Gallup, garnering an all-time high participation rate of 71% and showing organization-wide improvement and momentum.

95 leaders were trained through the Evolving Leadership Development System, which has garnered very positive feedback for its practical and relevant approach.

## 2017-2018 Strategic Initiatives

We will continue to focus on achieving the goals and objectives of *Strategy 2020* in 2017-2018. 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 high-impact content that informs, enlightens and entertains on all platforms: be creatively ambitious, sometimes risky, and continue to build on diversity and inclusion.

Programming				
Objective: 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.				
	2017-2018 Strategic Focus		Long-Term Expected Outcomes	
	English Services	French Services		
Entertainment and Arts	Produce and present event-making programming around Canada’s 150th anniversary.		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.	
	Maximize the audience use of content on all platforms.  Commission premium scripted entertainment.  Offer documentaries that are bold, thought-provoking, point-of-view programs.  Provide factual entertainment programming that focuses on revealing and reflecting Canadians to each other.	Produce and present event-making programming around Montreal’s 375th.  Implement Radio-Canada’s cultural strategy, maximizing the use of all available platforms.  Enhance ICI TOU.TV and ICI TOU.TV EXTRA offering, strengthening their positioning as the cornerstone of the multiplatform strategy.  Develop Radio-Canada’s strategic data analysis capacity to propose the best experience to audiences.		
News	Evolve TV offering with the view on the latest TV News and Information consumption trends.  Enhance international in-the-field coverage.			
	Inform Canadians through fearless and independent reporting that’s national in scope and deeply personal in relevance.  Extend CBC News service and international coverage.  Continue the focus on digital content production and distribution.	Continue designing an integrated digital offering, based on detailed knowledge of audiences, particularly with an eye to attracting younger audiences.		



Programming (cont.)			
Objective: 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.			
	2017-2018 Strategic Focus		Long-Term Expected Outcomes
	English Services	French Services	
Local	<p>Deepen presence in and connection with the communities we serve, including the use of community events as our “fifth platform.”</p> <p>Embed the 2020 local strategy for mobile first in local markets.</p> <p>Extend local services where financially feasible.</p>	<p>Provide a consistent, core service for all communities.</p> <p>Offer content specific to the needs of each region.</p> <p>Accelerate the shift to digital and mobile, reflecting audience needs.</p>	<p>Preserve CBC/Radio-Canada’s geographic presence to be even more local, but at a reduced cost.</p> <p>Lighten CBC/Radio-Canada’s technology and real estate footprint across the country, focusing efforts and resources on content rather than infrastructure.</p>
Talk Radio	<p>Develop new forms of storytelling to connect with audiences on multiple platforms.</p> <p>Offer content in new and relevant ways, including digital audio on demand.</p> <p>Improve reflection and connection through diversity and inclusion.</p>	<p>Continue developing the schedule, reducing the number of repeats, building a succession pool and training talent.</p>	<p>Intensify CBC/Radio-Canada’s relationship with Canadians through the delivery of relevant, distinctly Canadian content and services, offered through modern distribution methods, with an emphasis on digital and mobile services.</p>
Music	<p>Celebrate and privilege Canadian music artists with Canadian audiences.</p> <p>Align and grow audiences with an emphasis on digital and mobile first while keeping terrestrial radio strong.</p>	<p>Evolve and support the digital offering, in particular for mobility.</p> <p>Renew the classical music offering.</p>	
Sports	Continue building on the collaborative partnership approach between Radio-Canada and CBC to bring a unique Olympic/Paralympic Games’ (PyeongChang 2018) experience to Canadians.		Make CBC/Radio-Canada the recognized home of high-performance and Olympic sport.
	Continue to be a world-class Rights Holding Broadcaster (RHB) on traditional broadcast platforms and with a significant digital presence, pioneering partnerships with Canadian sports organizations, and the ability to adapt with the necessary tools, resources and people to deliver the strategy.	Further develop multiplatform sports journalism by introducing a new, Radio-Canada distinctive digital offering.	Become scalable, adaptable and flexible, with the appropriate tools, resources and people to deliver the strategy.

## 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		
Project Objective: The Corporation will focus on content commissioning and significantly adapt internal production, excluding News, Current Affairs and Radio.		
2017-2018 Strategic Focus		Long-Term Expected Outcomes
English Services	French Services	
Status quo – continue to evaluate production capacity plans in light of programming needs and costs of external outsourcing.	<p>Continue to optimize production resources and workflows.</p> <p>Maximize return on investment and protect business relationships, programming and revenue streams.</p> <p>Continue maximizing hosting of programs without adding to infrastructure costs.</p> <p>Start executing the new MRC building project, controlling and mitigating impacts and risks on production – current and planned – as well as business partnerships.</p> <p>Strategically develop, through mobilization of employees' creativity and expertise, the layout of the new MRC building to maximize space and production functionalities.</p>	<p>Significantly reduce in-house production, while continuing to promote acquired or commissioned entertainment content from Canada's independent creative sector.</p> <p>Lighten the technology and real estate footprint across the country, focusing efforts and resources on content rather than infrastructure.</p> <p>Become scalable, adaptable and flexible, with the appropriate tools, resources and people to deliver the strategy.</p> <p>Develop long-term, sustainable ways to manage financial health and the ability to invest in the future, as market conditions and audience habits evolve.</p>

### 1.3 Music Digital Infrastructure Consolidation

While focusing on creating a strong digital future, English Services and French Services are collaborating to build a joint digital platform.

Music Digital Infrastructure Consolidation	
Project Objective: Develop a consolidated infrastructure for CBC Music.ca and ICI MUSIQUE.ca.	
2017-2018 Strategic Focus	Long-Term Expected Outcomes
English and French Services	
Continue deploying and optimizing existing and new functionalities, back-end and front-end, in order to keep pace with audiences' highest and newest expectations.  Pursue the work of the governance committee for prioritization and allocation of joint and separate media-specific resources in line with business objectives.	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 is:

- driving collaboration between technology experts,
- making the Corporation more adaptable to change,
- facilitating the consistent implementation of technology strategies and new systems that support our media businesses,
- ensuring consistent technological decision-making across the Corporation, and
- helping to reduce operating costs.

It also enables the Corporation to keep pace with the rapid evolution of the media landscape.

MTIS Infrastructure Consolidation	
Project Objective: Identify potential infrastructure synergies within the Corporation.	
2017-2018 Strategic Focus	Long-Term Expected Outcomes
The strategic focus for MTIS is to continue with the infrastructure optimization strategy that was developed in 2016-2017. In addition, based on the data centre study recommendations, selective application and infrastructure initiatives will be undertaken on a project-by-project basis.	Modernize and make the Corporation's infrastructure more suited to meet the changing needs of the business.  Ongoing optimization or initiatives will continue to contribute to the goal of costs savings.

## Real Estate

When *Strategy 2020* was launched, CBC/Radio-Canada's real estate portfolio totalled approximately four million square feet. The real estate strategic plan aims at reducing the Corporation's footprint by 50 per cent by 2020, transferring whenever possible the risks associated with real estate ownership to third parties and maximizing proceeds from its existing properties through the sale of assets.

As we complete the second year of our strategic plan, the number of properties owned by the Corporation has been reduced from 18 to 16 thanks to the completion of the Moncton and Matane projects. The Iqaluit relocation project has also been completed, with staff moving to a newly built, right-sized, modern facility at the end of November 2016. The area reduction represented by these three projects combined is approximately 55,000 rentable square feet.

Surplus space available in selected buildings is also marketed to generate revenues. Most of the leasing activity for the 2016-2017 fiscal year occurred in Vancouver and Toronto, for a total of approximately 12,000 rentable square feet. Surplus space has been identified in Toronto and Regina and is being marketed for lease in the respective markets.

For more information on how we're meeting our real estate footprint reduction targets, see the *Strategy 2020* Performance Report on page 27.

Real Estate Footprint Reduction	
Project Objective: Reduce real estate portfolio.	
2017-2018 Strategic Focus	Long-Term Expected Outcomes
<p>Maison de Radio-Canada: obtain government approval, close transactions for the sale with both bidders (sale of property and building solution), and obtain appropriate approvals and permits from the City of Montreal.</p> <p>Take the opportunity provided by space consolidation projects to implement new workplace solution standards in selected stations.</p> <p>Consolidate our space and lease or surrender surplus space in selected stations.</p> <p>Close sale transactions for the Halifax building (Bell Road) and the Calgary building (Westmount Boulevard NW).</p>	<p>Implement a reduction of two million square feet of space in the overall portfolio by 2020.</p> <p>Implement a new workplace solution standard (open plan and collaborative) across the Corporation.</p> <p>Reduce total cost of occupancy in all locations.</p> <p>Transfer risk (leasing solutions).</p> <p>Maximize proceeds from existing assets.</p>

## 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.

To learn more about our employee indicator progress, see the *Strategy 2020* Performance Report on page 27.

Culture Change	
Objective: Provide effective change programs to help leaders and individuals manage the significant change that <i>Strategy 2020</i> entails.	
2017-2018 Strategic Focus	Long-Term Expected Outcomes
<p>Enable the transformation of the business.</p> <p>Simplify structures, systems and processes to add value and improve efficiency and effectiveness.</p> <p>Build a diverse and high-performance workforce, enabling people to be and do their best.</p> <p>Fuel a values-driven, psychologically healthy culture that cares and that motivates and recognizes performance.</p>	<p>An engaged and outcome-focused culture that is values-driven, strengths-based, engagement-oriented and outcome-focused to drive business strategy and performance.</p>

## 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.

In its Budget 2016, the government proposed to invest an additional \$75 million in CBC/Radio-Canada for 2016-2017, rising to \$150 million in the following years. We have also developed performance indicators specific to the additional reinvestment, which we have provided to the government. The CBC/Radio-Canada Accountability Plan is now posted on our corporate [website](#) and can be found in our Annual Report.

This reinvestment is an important 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 the necessary investments in the future.



# 6 MEASURING OUR PERFORMANCE

## Measuring our Success

An important part of our *Strategy 2020* is the tools that measure and assess CBC/Radio-Canada's performance. We do this in two ways: by measuring the perceptions of Canadians and by tracking our success against specific measurable targets. The performance measurement framework covers three areas: Mandate and Vision (perception survey indicators), *Strategy 2020* (strategic indicators), and Media Lines (operational indicators).

The Mandate and Vision perception survey is conducted by an independent research firm, in both official languages, twice a year. The *Strategy 2020* performance indicators measure specific 2020 targets, including visitors to our digital sites and employee engagement. These performance measurements are updated each year, included in our Annual and Quarterly Reports and Corporate Plan Summary, and are available on our [website](#).

We have also developed performance indicators specific to the additional reinvestment that we have provided to the government. These will measure the incremental impact of new funding on two key priorities: expanding our digital presence and increasing services to local markets. We will report these results to government and to Canadians at the end of each year in our Corporate Plan Summary and Annual Report. We will also report on the Canadian programming we have been able to create. All of these measurements are in addition to the specific performance targets set each year for our English and French Services.

## Our Performance – 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 allows us to monitor how well Canadians believe our services fulfill the Corporation's mandate under the 1991 *Broadcasting Act*, as well as 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 surveys conducted among representative samples of Anglophone and Francophone Canadians.<sup>1</sup>




















The 2016-2017 survey results and highlights follow. Each result represents the percentage of Canadians who gave CBC/Radio-Canada top marks (i.e., 8, 9 or 10 on a 10-point scale). For those interested in more detailed results, they have been published in an interactive dashboard on our corporate [website](#).

Overall, the perception of Canadians toward CBC/Radio-Canada in 2016-2017 remained positive. Key highlights compared to last year's results are as follows:

- The top three perception scores show that Canadians continue to strongly believe that CBC/Radio-Canada's programming is of *high quality* (68%), *reflects regions of Canada* (66%) and *is informative* (65%).
- Our regional indicator, *reflects my region*, recorded a statistically significant increase of three points to its highest result (46%), indicating that more Canadians than ever strongly believe that CBC/Radio-Canada's regional content reflects their community.
- Four indicators saw a softening in perception compared to a year ago and recorded a statistically significant decrease of three points: *covers major issues in a fair and balanced way* (55%), *is enlightening* (54%), *reflects a diversity of opinions* (51%) and *reflects my culture* (43%).

<sup>1</sup> Source: Mission Metrics Survey, TNS Canada (1,000 Anglophones and 1,000 Francophones per survey). Surveys are conducted in fall and spring each year.

## Percentages of Canadians Who Gave CBC/Radio-Canada Top Marks (8, 9 or 10 on a 10-point scale)<sup>1</sup>

 Broadcasting Act Performance Indicators	CBC/Radio-Canada's Programming...	2014-2015	2015-2016	2016-2017
	 is informative	68%	67%	65%
	 is enlightening	57%	57%	54%
	 is entertaining	54%	51%	50%
	 is available on new platforms	67%	60%	62%
	HQ is of high quality	66%	68%	68%
	 is different from others	45%	46%	45%
	 reflects regions of Canada	66%	66%	66%
	 reflects my region	44%	43%	46%
	 reflects the diversity of Canada	53%	55%	55%
	 reflects my culture	47%	46%	43%
	CBC/Radio-Canada's Information Programming...			
	 reflects a diversity of opinions	55%	54%	51%
	 covers major issues in a fair and balanced way	58%	58%	55%
 Vision Performance Indicators	CBC/Radio-Canada...			
	 is personally important for me	59%	57%	55%
	 is listening to its audiences	46%	45%	44%
	 supports the creation of original Canadian content	65%	61%	62%
	 is actively interacting with its audiences	48%	48%	47%
	 is the leader in Canadian content	61%	60%	59%
	 provides a place for Canadians to share their ideas and views with others	55%	55%	56%

<sup>1</sup> Source: Mission Metrics Survey, TNS Canada (1,000 Anglophones and 1,000 Francophones per survey). Surveys are conducted in fall and spring each year.

## Our Performance – Strategy 2020

The *Strategy 2020* Performance Report is used to ensure we are meeting the corporate-wide objectives of our current strategic plan. We established long-term targets we aim to meet by 2020. Each year, we track our progress toward them with short-term annual targets. Nine key indicators are used to measure the building blocks of our current strategy: audience, infrastructure, people and financial sustainability.<sup>1</sup>

The goal of our strategy is to increase our value to all Canadians and to deepen our relationship with them. With this in mind, four of the nine indicators measure our audience success. By 2020, we want:

- Three out of four (75%) Canadians to consider one or more of our services to be very personally important to them (indicator 1).
- Canadians to continue to strongly agree that CBC/Radio-Canada's information programming reflects a diversity of opinions and covers issues in a fair and balanced way (indicator 2).
- To increase our digital reach so that 18 million Canadians will use our digital platforms each month and to grow the number of digital interactions they have with our services (indicators 3 and 4).

To support our audience goals, we will need to transform our infrastructure, including reducing our real estate footprint by 50% (indicator 6).<sup>2</sup> We will also need our employees to be more engaged (indicator 7) and to better reflect the diverse society we serve (indicator 8). We are aiming to achieve these objectives while becoming more financially sustainable through cost reductions (indicator 9).

<sup>1</sup> As of 2016-2017, the indicator for Investment Fund (formerly indicator 10) is no longer relevant due to the government's reinvestment in CBC/Radio-Canada. It will not be included in the *Strategy 2020* Performance Report.

<sup>2</sup> Indicator 5 - Overall time spent with CBC/Radio-Canada measured time spent across our TV, radio and digital platforms. In fall 2016, Numeris introduced a change in its radio survey methodology by offering respondents the option to report their listening hours with an online diary instead of a traditional paper diary. Numeris recognizes that this methodological enhancement has significantly affected results in the Anglophone markets. Our radio results form a material portion of this indicator. Therefore, time spent results for 2016-2017 are not comparable to our target or prior year figures. In addition, the ongoing digital transformation of the media industry has reduced the ability of this indicator to measure the performance of our services across platforms. As a result of this latter change, this measure is being removed from the *Strategy 2020* Performance Report.

The *Strategy 2020* Performance Report – shown below – is also available on our corporate [website](#).

<b>Strategy 2020 Indicators</b>	Results 2014- 2015	Results 2015- 2016	Targets 2016- 2017	Results 2016- 2017	Targets 2017- 2018	Targets 2020
<b>Audience / Market</b>						
1. Personal importance to Canadians (% very important) <sup>1</sup>	58.6%	56.6%	57.6%	<b>54.5%</b> ○	58.0%	75.0%
2. Information programming has diverse opinions and is objective (% who strongly agree) <sup>1</sup>	56.8%	56.2%	56.5%	<b>53.2%</b> ○	57.0%	57.0%
3. Digital reach of CBC/Radio-Canada (millions) <sup>2</sup>	12.4	14.6	16.5	<b>16.9</b> ●	18.8	18.0
4. Monthly digital interactions with CBC/Radio-Canada (millions) <sup>3</sup>	79.7	103.8	117.2	<b>140.4</b> ●	159.5	95.0
5. Overall time spent with CBC/Radio-Canada (millions hrs / week) <sup>4</sup>	177	171	177	- <sup>4</sup>	- <sup>4</sup>	- <sup>4</sup>
<b>Infrastructure</b>						
6. Reduce real estate footprint (millions of rentable square feet) <sup>5</sup>	4.0	3.9	3.9	<b>3.9</b> ●	3.8	2.0
<b>People</b>						
7. Employee engagement (% proud to be associated) <sup>6</sup>	N/A	69.0%	74.2%	<b>82.0%</b> ●	84.0%	90.0%
8. Employee diversity (% new employees) <sup>7</sup>	16.1%	18.5%	23.2%	<b>23.0%</b> ●	23.2%	23.2%
<b>Financial</b>						
9. Active cost reduction target (\$ millions)	N/A	\$62.0	\$85.1	<b>\$87.5</b> ●	\$93.1	\$117.0
N/A = not available or not applicable						
● Target met or exceeded      ● Target partially met      ○ Target not met						

Our performance metrics are evolving as the media industry continues to undergo a digital transformation. Canadians consume media content on multiple devices (e.g., smartphones, tablets, smart TVs) from an ever-growing array of content providers. As media consumption habits change, audience measurement suppliers and the Corporation are refining methodologies and introducing new measurement technologies to ensure the accuracy and completeness of data gathered. Since some of these data are used to measure our strategic and operational performance, we may be required to make adjustments to targets and historical results to enhance comparability of the data.

**Audience/Market** – CBC/Radio-Canada’s digital reach (indicator 3) increased throughout the year, surpassing its 2016-2017 target, with nearly 17 million Canadians turning to CBC/Radio-Canada’s digital offerings, more than ever before. Monthly digital interactions (indicator 4) exceeded its 2016-2017 target, driven by the success of our coverage of the Rio 2016 Olympic Games and the U.S. presidential election.

<sup>1</sup> Source: Mission Metrics Survey, TNS Canada. This is the percentage of Canadians who give us top marks (i.e., 8, 9 or 10 on a 10-point scale). Information programming (indicator 2) is the average of two questions: CBC/Radio-Canada’s information programming “reflects a diversity of opinions on a wide range of issues” and “covers major issues in a fair and balanced way”.

<sup>2</sup> Source: Unduplicated reach of CBC and Radio-Canada digital platforms. comScore, multiplatform measurement, monthly average unique visitors.

<sup>3</sup> Source: comScore, multiplatform measurement, monthly average visits.

<sup>4</sup> Indicator 5 - Overall time spent with CBC/Radio-Canada. This indicator measured time spent across our TV, radio and digital platforms. In fall 2016, Numeris introduced a change in its radio survey methodology by offering respondents the option to report their listening hours with an online diary instead of a traditional paper diary. Numeris recognizes that this methodological enhancement has significantly affected results in the Anglophone markets. Our radio results form a material portion of this indicator. Therefore, time spent results for 2016-2017 are not comparable to our target or prior year figures. In addition, the ongoing digital transformation of the media industry has reduced the ability of this indicator to measure the performance of our services across platforms. As a result of this latter change, this measure is being removed from the *Strategy 2020* Performance Report.

<sup>5</sup> 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).

<sup>6</sup> Source: Gallup Consulting, Dialogue 2016 Survey. This is the percentage of employees who are proud to be associated with CBC/Radio-Canada. This is measured as the percentage who respond 4 to 5 on a scale of 1 to 5 in a representative survey of employees.

<sup>7</sup> This indicator is made up of three groups: Indigenous peoples, persons with disabilities and visible minorities. It is calculated as a percentage of new external hires for positions of 13 weeks or more.

An overall softening in Canadians' perceptions was observed this year as both survey indicators (1 and 2) performed below their 2016-2017 targets and prior year results. That being said, results are still positive, with close to six Canadians out of 10 who strongly believe that CBC/Radio-Canada is personally important to them (indicator 1). In fact, according to the 2016 Ipsos brand study, CBC/Radio-Canada continues to be recognized as Canada's most influential media company.<sup>1</sup> Also of note for the future, we will continue to closely monitor the perception towards CBC/Radio-Canada's information programming (indicator 2) as repeated discussions and spread of fake news on social media could influence how Canadians perceive information programming in general.

**Infrastructure** – Our real estate footprint (indicator 6) met its target for 2016-2017. A sizeable reduction in our real estate footprint is expected following the sale of the existing Maison de Radio-Canada and the move into a new leased facility, currently scheduled for fiscal year 2019-2020.

**People** – Employee engagement (indicator 7) surpassed its annual target by almost eight percentage points, driven by significant improvements in organizational climate and work environment.



Employee diversity (indicator 8) saw a significant increase in 2016-2017, with CBC/Radio-Canada almost achieving its target. In the fourth quarter, we reached our best performance since launching the indicator due to an acceleration in the pace of new diverse hires. While close to reaching our target, we will continue our increased focus on diversity and inclusion in order to attract a broader pool of external candidates and improve retention and advancement of diverse employees to include an increasing range of faces, voices, experiences and perspectives in our workplace.

Also of note this year for our People strategy, both Retention Rate (97.3%) and Training Dollars Per Headcount (\$1,243) exceeded their 2016-2017 targets of 96.4% and \$1,225, respectively.<sup>2</sup>

**Financial** – Cost reductions (indicator 9) exceeded target for 2016-2017.

## New Performance Indicators

Two additional performance indicators have been chosen to measure the incremental impact of the government's reinvestment on two key areas of interest – expanding our digital presence and increasing services to local markets.

Reinvestment Impact Indicators	Targets 2016-2017	Results 2016-2017	Targets 2020
1. Additional monthly digital interactions with CBC/Radio-Canada <sup>3</sup>	3.0 M	21.3 M 	5.1 M
2. Local service - Additional monthly interactions with CBC/Radio-Canada <sup>4</sup>	750 K	4.3 M 	3.8 M

 Target met or exceeded  Target partially met  Target not met

*Our performance metrics are evolving as the media industry continues to undergo a digital transformation. Canadians consume media content on multiple devices (e.g., smartphones, tablets, smart TVs) from an ever-growing array of content providers. As media consumption habits change, audience measurement suppliers and the Corporation are refining methodologies and introducing new measurement technologies to ensure the accuracy and completeness of data gathered. Since some of these data are used to measure our strategic and operational performance, we may be required to make adjustments to targets and historical results to enhance comparability of the data.*

### Additional monthly digital (#1) and local service (#2) interactions with CBC/Radio-Canada:

Overall, we had a strong digital performance and exceeded our 2016-2017 incremental growth targets. For our main sites (indicator 1), we outperformed our expectations, with more Canadians visiting our sites more often.

Local digital services (indicator 2) also exceeded incremental growth expectations, although in a smaller proportion. We will continue to monitor these key performance indicators closely in the future.

<sup>1</sup> Source: Ipsos: The Most Influential Brands in Canada, 2016. In 2016, CBC and Radio-Canada both ranked as the most influential media brand in their market (across all categories, CBC ranked 11 in English Canada and Radio-Canada ranked 8 in Quebec).

<sup>2</sup> This is the last year that we will be presenting our "Retention Rate" and "Training Dollars per Headcount" indicators in the Corporate Plan Summary, as we have People and Culture indicators included in the Strategy 2020 Performance Report. Retention Rate source: (Permanent Headcount - Departures) / Permanent Headcount (excludes retirements and Workforce Adjustment (WFA) cuts). Training Dollars per Headcount source: Total National Learning and Development Fund / Headcount.

<sup>3</sup> Source: comScore, multiplatform measurement, monthly average visits.

<sup>4</sup> Source: comScore, multiplatform measurement, monthly average visits; Adobe SiteCatalyst, monthly average visits.



## Our Performance – Media Lines

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 on the following pages. These indicators are essential to measuring our progress and they relate directly to our strategic priorities. Targets are formulated each year as part of the media lines' business plans. 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.

All but one of Radio-Canada's KPIs for radio, TV and digital met or exceeded their 2016-2017 targets.

<b>French Services' Results</b>	Results 2014-2015	Results 2015-2016	Targets 2016-2017	Results 2016-2017	Targets 2017-2018
<b>Radio Networks</b>					
<b>ICI RADIO-CANADA PREMIÈRE and ICI MUSIQUE</b> All-day audience share <sup>1</sup>	21.4%	21.8%	21.8%	<b>23.3%</b> ●	22.9%
<b>Television</b>					
<b>ICI RADIO-CANADA TÉLÉ</b> Prime-time audience share <sup>2</sup>	19.8%	19.9%	19.5%	<b>20.9%</b> ●	20.2%
<b>ICI RDI, ICI ARTV and ICI EXPLORA</b> All-day audience share <sup>3</sup>	4.8%	4.7%	4.7%	<b>4.8%</b> ●	4.6%
<b>Regional</b>					
<b>ICI RADIO-CANADA PREMIÈRE</b> Morning show audience share <sup>1</sup>	19.2%	19.9%	18.9%	<b>18.7%</b> ●	19.0%
<b>Téléjournal 18 h</b> Average minute audience <sup>3</sup>	325 K	319 K	319 K	<b>324 K</b> ●	320 K
<b>Regional Digital Content</b> Monthly average unique visitors <sup>4</sup>	0.722 M <sup>5</sup>	0.712 M <sup>5</sup>	1.2 M	<b>1.4 M</b> ●	1.5 M
<b>Digital</b>					
<b>Radio-Canada's Digital Offering</b> Monthly average unique visitors <sup>6</sup>	1.9 M	3.0 M	3.4 M	<b>3.8 M</b> ●	4.0 M
<b>Specialty Television Channels</b>					
<b>ICI RDI Subscribers</b>	10.8 M <sup>7</sup>	10.7 M <sup>7</sup>	- <sup>8</sup>	- <sup>8</sup>	- <sup>8</sup>
<b>ICI ARTV Subscribers</b>	1.8 M	1.8 M	- <sup>8</sup>	- <sup>8</sup>	- <sup>8</sup>
<b>ICI EXPLORA Subscribers</b>	0.6 M	0.8 M	- <sup>8</sup>	- <sup>8</sup>	- <sup>8</sup>
<b>Revenue<sup>9</sup></b>					
<b>Conventional, Specialty, Online</b>	\$234 M	\$216 M	\$201 M	<b>\$211 M</b> ●	\$207 M

● Target met or exceeded    ● Target partially met    ○ Target not met

*Our performance metrics are evolving as the media industry continues to undergo a digital transformation. Canadians consume media content on multiple devices (e.g., smartphones, tablets, smart TVs) from an ever-growing array of content providers. As media consumption habits change, audience measurement suppliers and the Corporation are refining methodologies and introducing new measurement technologies to ensure the accuracy and completeness of data gathered. Since some of these data are used to measure our strategic and operational performance, we may be required to make adjustments to targets and historical results to enhance comparability of the data.*

<sup>1</sup> Source: Numeris, fall survey (diary), Francophones in Quebec, aged 12 years and older. Morning Show: Monday-Friday, 6:00-9:00 AM.

<sup>2</sup> Source: Numeris, Portable People Meter (PPM), Francophones in Quebec, aged two years and older. ICI RADIO CANADA TÉLÉ regular season (September-March).

<sup>3</sup> Source: Numeris, Portable People Meter (PPM), Francophones in Quebec, aged two years and older, April to March.

<sup>4</sup> Source: comScore, Media Metrix, unique visitors, desktops (aged two years and older) and mobile devices (aged 18 years and older), April-March. Prior to 2015-2016, the Radio-Canada.ca regional offering 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 regional metric will be multiplatform starting 2016-2017.

<sup>5</sup> Prior to 2016-2017, the Radio-Canada.ca regional offering measure was desktop only.

<sup>6</sup> Source: comScore Media Metrix, unique visitors, desktops (aged two years and older) and mobile devices (aged 18 years and older), April to March. Radio-Canada digital offering: Radio-Canada.ca, ICI.TOU.tv, ICI.MUSIQUE.ca, RCInet.ca, ICI.ARTV.ca and ICI.EXPLORA.ca.

<sup>7</sup> 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.

<sup>8</sup> Not published due to competitive reasons.

<sup>9</sup> Includes advertising revenue, subscription revenue and other revenue (e.g., content distribution). Excludes revenue from the Olympics. 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.

**Radio** – ICI RADIO-CANADA PREMIÈRE's and ICI MUSIQUE's combined audience share set a new record at 23.3%, which is significantly above this year's target and last year's record result of 21.8%. This strong performance was driven by our reinvestment in content, which translated into 15 additional hours of original programming Monday to Saturday on ICI RADIO-CANADA PREMIÈRE, and also by the fact that it was well received by Francophones.

**ICI RADIO-CANADA TÉLÉ** – ICI RADIO-CANADA TÉLÉ reached record levels in 2016-2017. The average prime-time audience share for the regular programming season scored higher than its target at 20.9%. These positive results are due in part to the new daily drama series *District 31*, which garnered an average audience of 1.2 million throughout both the fall and winter television seasons, thus impacting performance by adding a 1.3 percentage point in audience share for the network as a whole in prime time. Other new additions to the lineup such as *Deuxième chance*, *Lâcher prise* and *Feux*, as well as new seasons of existing shows like *Tout le monde en parle*, *Unité 9*, *Mémoires vives* and *Les pays d'en haut* outperformed and contributed to the strong performance.







**ICI RDI, ICI ARTV, ICI EXPLORA** – The three speciality channels recorded a combined audience share of 4.8%, in line with last year's result (4.7%) and this year's target. ICI RDI benefited from the coverage of the U.S. presidential election, while other events on the Quebec political and social scenes boosted audience levels. Original Canadian content added to our schedule contributed to the performance of both ICI ARTV and ICI EXPLORA. ICI ARTV's audiences still rally around the nostalgia series *Le temps d'une paix*, but the network also benefited from the return of Marc Labrèche as a TV show host on *Info, sexe et mensonges*. ICI EXPLORA continued its growth in viewership, with a mix of new shows such as *Les aventures du Pharmachien*, and new seasons of returning good performers like *Sexplora*.

**Regional** – The regional morning radio shows' results tracked close to target. The weekly supper-hour newscast slightly surpassed its target, exceeding last year's result.


**Digital** – Canadians continue to turn in large numbers to our digital offering, with average unique monthly visitors of 3.8 million this year. More than half (53%) are now accessing content through mobile devices – from 47% in 2016.<sup>1</sup> Content made available on Radio-Canada.ca for the Olympic Games and the U.S. election drew significant attention. Other factors that explained the strong performance are the launch of the new ICI MUSIQUE mobile application and the major revamp of ICI RADIO-CANADA PREMIÈRE and ICI RADIO-CANADA information apps. The gain in popularity of our digital television service ICI TOU.TV, to which original and exclusive content was added throughout the fiscal year, also contributed to reaching Canadians. It is worth mentioning that the reach of our regional offering also surpassed its target with 1.4 million unique visitors.

**Revenue** – Despite a challenging TV advertising market, revenue exceeded its target. Advertising revenues on all platforms recorded better levels than expected. Partnerships and services to independent producers also contributed to the strong performance, while revenues from subscriptions to our TV services and educational portal Curio.ca were higher than expected.

<sup>1</sup> Source: comScore, Media Metrix.

English Services' Results	Results 2014-2015	Results 2015-2016	Targets 2016-2017	Results 2016-2017	Targets 2017-2018
<b>Radio Networks</b>					
CBC Radio One and CBC Radio 2 All-day audience share <sup>1</sup>	18.1%	18.5%	18.7%	- <sup>2</sup>	- <sup>2</sup>
<b>Radio - New indicators starting 2017-2018</b>					
CBC Radio One and CBC Radio 2 5-PPM Market Share, All-day audience share in the 5-PPM markets <sup>3</sup>	-	-	-	-	11.1%
CBC Radio One National Reach Monthly average national reach <sup>4</sup>	-	-	-	-	7.7 M
CBC Radio 2 National Reach Monthly average national reach <sup>4</sup>	-	-	-	-	4.5 M
<b>Television</b>					
CBC Television Prime-time audience share <sup>5</sup>	6.0%	5.8%	6.0%	5.5% 	5.8%
CBC News Network All-day audience share <sup>5</sup>	1.5%	1.7%	1.5%	1.6% 	1.5%
<b>Regional</b>					
CBC Radio One Morning show audience share <sup>1</sup>	19.5%	20.4%	20.4%	- <sup>2</sup>	- <sup>2</sup>
Television Local 6 PM News Average minute audience <sup>5</sup>	375 K	345 K	345 K	313 K 	335 K
CBC.ca Regional Offering Monthly average unique visitors <sup>6</sup>	4.0 M <sup>7</sup>	4.3 M <sup>7</sup>	10.1 M	10.6 M 	10.8 M
<b>Regional - New indicators starting 2017-2018</b>					
CBC Radio One 5-PPM Market Share Morning show audience share in the 5-PPM markets <sup>3</sup>	-	-	-	-	14.5%
CBC Radio One National Reach Morning show audience, monthly average national reach <sup>4</sup>	-	-	-	-	3.5 M
<b>Digital</b>					
CBC Digital Offering Monthly average unique visitors <sup>6</sup>	10.6 M	12.4 M	14.1 M	14.8 M 	16.3 M
<b>Speciality Television Channels</b>					
CBC News Network Subscribers	11.2 M	11.0 M	- <sup>8</sup>	- <sup>8</sup>	- <sup>8</sup>
documentary Subscribers	2.7 M	2.5 M	- <sup>8</sup>	- <sup>8</sup>	- <sup>8</sup>
<b>Revenue<sup>9</sup></b>					
Conventional, Specialty, Online	\$321 M	\$260 M	\$211 M	\$228 M 	\$303 M

 Target met or exceeded

 Target partially met

 Target not met

Our performance metrics are evolving as the media industry continues to undergo a digital transformation. Canadians consume media content on multiple devices (e.g., smartphones, tablets, smart TVs) from an ever-growing array of content providers. As media consumption habits change, audience measurement suppliers and the Corporation are refining methodologies and introducing new measurement technologies to ensure the accuracy and completeness of data gathered. Since some of these data are used to measure our strategic and operational performance, we may be required to make adjustments to targets and historical results to enhance comparability of the data.

<sup>1</sup> Source: Numeris, fall survey (diary), persons aged 12 years and older. Morning shows: Monday-Friday, 6:00-8:30 AM.

<sup>2</sup> In fall 2016, Numeris introduced a change in its survey methodology by offering respondents the option to report their radio listening hours with an online diary instead of a traditional paper diary. Numeris recognizes that this methodological enhancement has significantly affected results in the Anglophone markets. Therefore, results for 2016-2017 are not comparable to our targets or prior year figures. As a result of this methodology change, this measure is being replaced by new indicators that use the Numeris Portable People Meter (PPM). Targets for 2017-2018 using these new indicators are included above.

<sup>3</sup> Source: Numeris, Portable People Meter (PPM), persons aged two years and older, in the Toronto, Vancouver, Calgary, Edmonton and Montreal-Anglophone markets, Local Morning Shows Monday-Friday 6:00-8:30am.

<sup>4</sup> Source: Numeris, Portable People Meter (PPM), persons aged two years and older.

<sup>5</sup> Source: Numeris, Portable People Meter (PPM), persons aged two years and older. CBC Television: regular season; CBC News Network: April-March; CBC Television local 6 PM news: regular season (September-March). In 2015-2016, the regular season started in October upon introduction of the new program.

<sup>6</sup> Source: comScore, Media Metrix, unique visitors, on a multiplatform basis [desktops (aged two years and older) and mobile devices (aged 18 years and older)], April to March. The CBC.ca digital offering has been multiplatform since July 2014 and the regional offering since 2016-2017 (in prior years it was desktop only). Because of limited availability of multiplatform data from April 2016 through July 2016, the 2016-2017 result will be the monthly average unique visitors from August 2016 to March 2017.

<sup>7</sup> Prior to 2016-2017, the CBC.ca regional offering measure was desktop only.

<sup>8</sup> Not published due to competitive reasons.

<sup>9</sup> Includes advertising revenue, subscription revenue and other revenue (e.g., content distribution). Excludes revenue from arrangements 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 in 2015-2016 results reflects joint English and French Services revenue. Revenue for documentary is reported at 100%, although CBC/Radio-Canada owns 82% of this channel. As of 2017-2018, revenues will include the Olympics.

**CBC Television** – CBC TV audience share ended the year below target due to weaker programming performance in the fall (especially in the early weeks when Sports and News audiences were particularly high) and the December holiday period. There was an upward trend in share performance this winter, driven by the success of new and returning series, including *Pure*, *Schitt's Creek*, *Murdoch Mysteries* and *Anne*.

**CBC News Network (CBCNN)** – It was a strong year for CBC News Network, with results exceeding target, largely due to high-profile events of national and international interest such as the coverage of the Fort McMurray wildfire in spring 2016 and the U.S. presidential election.

**Regional: TV supper news** – Audience levels for the TV local 6 PM news were just below target and lower than last year's results.

**Regional digital content** – Favourable results in digital regional content when compared to target and prior year's results reflected the success of our new local digital-first strategy, including comprehensive local news output and programming tailored to specific parts of the day.

**Digital** – We saw a strong performance on the digital front, with the number of monthly average unique visitors continuing to outperform prior year's results and target, and with much of the success attributed to new digital content and resource enhancements enabling a new online video player, a new CBCMusic.ca site and app, and a new live and on-demand audio service.

**Revenue** – Results exceeded target due to strong digital advertising and subscriber revenue.

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

Providing Canadian programming is key for the public broadcaster. Regulatory requirements for Canadian content on television are specified by the CRTC, which sets conditions of licence for ICI RADIO-CANADA TÉLÉ and CBC Television. For the whole broadcast day, a minimum of 75% of Canadian content is required. For prime time, 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 2015-2016 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 five percentage points or more.

Canadian Content Results - September 1 to August 31							Yearly Conditions of Licence
	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016		
ICI RADIO-CANADA TÉLÉ							
Broadcast day (Mon-Sun, 6:00 AM—12:00 AM)	86%	84%	89%	82%	84%	●	75%
Prime time (Mon-Sun, 7:00 PM—11:00 PM)	93%	91%	90%	91%	94%	●	80%
CBC Television							
Broadcast day (Mon-Sun, 6:00 AM—12:00 AM)	85%	93%	94%	92%	84%	●	75%
Prime time (Mon-Sun, 7:00 PM—11:00 PM)	81%	86%	91%	87%	85%	●	80%
							● Conditions met or exceeded      ○ Conditions not met

● Conditions met or exceeded

○ Conditions not met

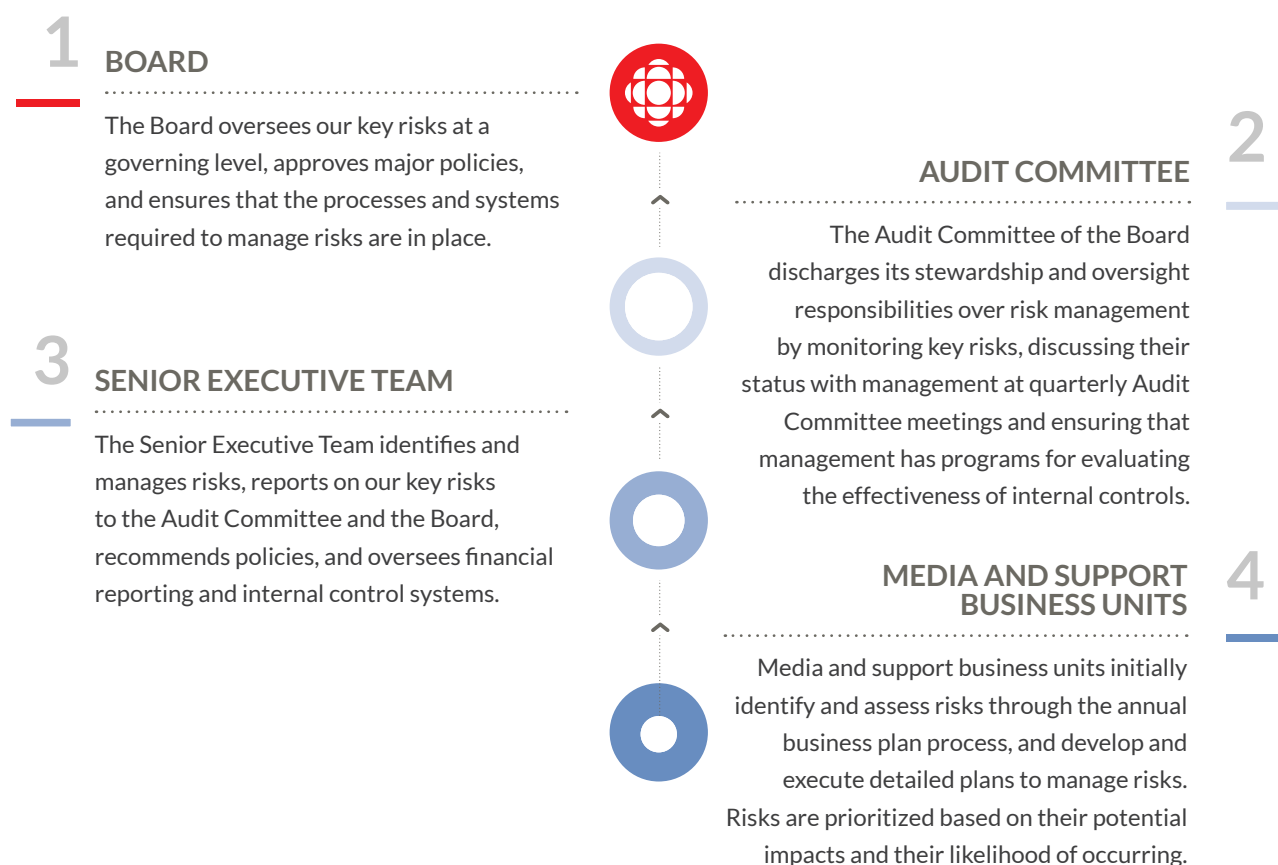
<sup>1</sup> As defined in CBC/Radio-Canada's new licences, effective since September 1, 2013, Canadian content levels are conditions of licence. In the previous regulatory framework, Canadian content levels were expectations.

# 7 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 2016-2017 and the ongoing impact into 2017-2018.

Key Risks	Risk Mitigation	Future Impact
<b>1. Outcome of Government's Consultation on Canadian Content in a Digital World and Related Industry Reports</b>		
<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>CBC/Radio-Canada's position paper in response to the government's consultation on how to strengthen Canadian culture in a digital world explains the benefits of exiting all advertising platforms and receiving replacement funding of \$318 million.</p> <p>Competing priorities may lead the government to narrow our mandate and/or change our business model, which would have a profound impact on the future of the organization and impact our opportunity to fix our broken business model.</p>	<p>Continue to promote and share strategic plan information with stakeholders both internally and externally.</p> <p>Continue to promote CBC/Radio-Canada's position paper and the benefits of exiting all advertising platforms and receiving replacement funding with stakeholders both internally and externally. Reinforce the need for adequate stable funding of Canada's public broadcaster with all levels of government.</p> <p>Retain flexibility when making operating decisions, with alternative plans associated with a potential advertising-free environment.</p> <p>Develop pro-active and reactive communication plans, as required.</p> <p>Pursue partnership arrangements to extend the reach of our news programs.</p>	<p>The strategic framework positions 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> <p>The uncertainty of the future direction of the Corporation may impact self-generated revenues, operating decisions, morale and the retention of key staff.</p>
<b>2. New Distribution Methods / Industry Disruption</b>		
<p>New distribution methods can lead to industry disruption and new revenue models. CBC/Radio-Canada must adapt to new realities, often outside traditional industry relationships.</p>	<p>Continue focus on content on digital platforms, either content shared with broadcast or with digital original content.</p> <p>Continue and expand partnerships with experienced and successful OTT providers (as long as branding is assured).</p> <p>Align performance measurement to incent optimal decisions by adapting KPIs to audience content consumption patterns.</p> <p>Continually evolve the technology to meet audience expectations.</p> <p>Negotiate rights agreements to ensure access to popular content on feasible financial terms.</p> <p>Begin to develop data management tools and strategies to enhance our ability to track, personalize and customize content for audiences.</p>	<p>The ability to serve audiences on the platforms or through the distribution channels they want will impact overall consumption of CBC/Radio-Canada content and influence the public value of our services, our advertising and subscription revenue, and our relevance.</p>

Key Risks	Risk Mitigation	Future Impact
<b>3. Budget Concerns</b>		
<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.</p> <p>The implementation of the CRTC's <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.</p> <p>Audience consumption patterns such as cord cutting and cord shaving are reducing broadcast distribution undertakings (BDU) cable and satellite subscriptions.</p> <p>Financial performance of the various Canadian media groups is putting downward pressure on prices and leading to a more aggressive approach to advertising volumes.</p> <p>Changes to independent production funds' eligibility rules and declining BDU contributions may impact the availability and pricing of independent productions to CBC/Radio-Canada.</p>	<p>Continue to invest primarily in prime-time television, which is the biggest driver of audience and conventional television revenue.</p> <p>Develop additional compelling, distinctly Canadian programming.</p> <p>Maximize multiplatform/multiscreen strategy when broadcasting, acquiring or distributing content.</p> <p>Leverage new kinds of partnerships or deals to grow new revenue streams or offer new value to existing customers.</p> <p>Continue to implement cost containment measures established in <i>Strategy 2020</i>.</p>	<p>Further advertising weakening and reduced subscriber revenue may require changes to our strategic plan.</p> <p>A reduction in independent production funds means less original programming.</p>
<b>4. Morale, Recruitment and Retention</b>		
<p>The retention and engagement of a strong workforce is essential to achieve strategic objectives.</p> <p>There is a risk that negative workplace culture incidents, controversy and uncertainty may erode gains around staff engagement and morale and create challenges in recruiting and retaining talent.</p> <p>Challenge of meeting 2020 diversity targets.</p>	<p>Continue with enterprise change management plan, including support activities linked to major projects that enable <i>Strategy 2020</i>.</p> <p>Rollout 2016 engagement results and implement action plans to address areas of concern. Follow up with annual engagement survey to monitor engagement levels and address areas of concern.</p> <p>Implement Joint Working Group with all unions on workplace culture to address common issues.</p> <p>Implement Year 2 of the Culture Roadmap, including an awareness campaign for the cultural census.</p> <p>Develop and implement the 2015-2018 Inclusion and Diversity 3-Year Plan for 2018.</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
<b>5. Union Relations and Negotiations</b>		
<p>Negotiations are underway for the collective agreement for the new merged French union represented by the Syndicat des Communications de Radio-Canada (SCRC), and the discussions are ongoing with the Canadian Media Guild (CMG) to address key issues during the life of the current agreement.</p> <p>There is a risk that prolonged proceedings to negotiate the first collective agreement could negatively affect the working relationship between management and employees.</p> <p>There is a risk of disruption to operations due to labour stoppage.</p>	<p>Continue transparent communications to employees and unions, as well as the involvement of employees in the development of strategic initiatives.</p> <p>Implement a clear negotiation mandate that ensures flexibility in working conditions and the reduction of jurisdictional barriers between bargaining units.</p> <p>Update contingency plans in case of labour disruption.</p>	<p>Continue negotiations and discussions with the bargaining units.</p>
<b>6. Reputation and Brand Management</b>		
<p>CBC and Radio-Canada are among the most prominent and most discussed brands in the country. In addition, they are brands on which every Canadian feels rightly justified in having and expressing an opinion. 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 a comprehensive issue management system that:</p> <ul style="list-style-type: none"> <li>• Monitors the environment;</li> <li>• Identifies potential issues and the stakeholder groups they could affect;</li> <li>• Prepares for them; and</li> <li>• Provides messaging and guidance to senior leaders, line managers and communications staff across the system.</li> </ul> <p>Ensure a strong crisis management response that stresses transparency and decisive action is implemented to address critical issues.</p> <p>Continue to invest in our brand equity (e.g., Canada's Public Broadcaster campaign, building community programming, Olympic programming, Canada's 150th programming).</p> <p>The Office of the Values and Ethics Commissioner will:</p> <ul style="list-style-type: none"> <li>• Review the Code of Conduct, conflict of interest policy and certain other related policies to ensure adequacy and efficiency.</li> <li>• Develop and roll out ethics training.</li> </ul>	<p>Clear and transparent action plans to deal with critical issues will improve credibility and stakeholder support.</p>

Key Risks	Risk Mitigation	Future Impact
<b>7. Maison de Radio-Canada (MRC) Project</b>		
<p>In November 2016, CBC/Radio-Canada's Board of Directors approved the Broccolini proposal for the new MRC solution and the purchase offer by Groupe Mach for the existing MRC site. Government approval was obtained in April 2017.</p> <p>There is a risk that the project may not achieve expected operational efficiencies, meet construction timelines, meet technical requirements or stay within budget, leading to increased costs.</p>	<p>Develop and maintain constructive business relationships with partners.</p> <p>Ensure tight project management: proactively monitor, assess and control risks, and establish realistic schedules and budgets, contingency plans, and adequate planning in order to minimize changes during execution.</p> <p>Develop alternate execution scenarios.</p> <p>Enhance consultation and coordination with staff to help them prepare for the move to the new building.</p>	<p>The transactions will be closed upon receiving necessary City of Montreal approvals, and construction is expected to begin in the fall of 2017.</p>
<b>8. Information Security</b>		
<p>Despite heightened awareness and attention to cyber security, the number, cost and complexity of cyber incidents for all companies worldwide continue to grow. While CBC/Radio-Canada is investing in managing information security risks, evolving cyber threats have the potential to significantly disrupt operations (e.g., capacity to be on air, 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, the Crisis Management Response Plan for information security incidents.</p>	<p>Continue and refine identified strategies.</p>
<b>9. Governance Leadership Changes</b>		
<p>The Board of Directors currently has three vacancies. In addition, during calendar 2017, the terms of five members, including the President and the Chair of the Board, expire.</p> <p>There is a risk that a high turnover of directors within a 12-month period or change in leadership at the Senior Executive Team may negatively impact decision-making processes, continuity and stability.</p>	<p>A selection criterion that reflects specific qualifications of ideal candidates to serve on our Board (Members, Chair and President) were developed and submitted to the Minister's Office.</p> <p>Engage with the Minister's Office to ensure there is awareness of our need that qualified candidates be identified and appointed in a timely manner.</p> <p>Continue rigorous onboarding process for new members, such as structured orientation sessions.</p> <p>Develop transition plan and overlap with current President and any change in leadership at the Senior Executive Team.</p>	<p>A high number of turnovers may negatively impact the <i>Strategy 2020</i> implementation plan and achievement of targets.</p> <p>In June, the government announced the creation of an advisory committee to provide the Heritage Minister with a list of qualified candidates for each current and upcoming vacant position on the Board of Directors, including the Chairperson of the Board and the President of CBC/Radio-Canada.</p>

# 8 FINANCIAL PLAN

## Financial Overview

The *Financial Overview* in Appendix A presents the Corporation's financial picture for 2016-2017 through 2021-2022. The balanced position presented for 2017-2018 to 2021-2022 in Appendix A is achieved by matching expenditures to expected resources. Items of interest impacting, or that could impact, this *Financial Overview* are discussed below.

On March 22, 2016, the Government of Canada announced an important reinvestment in Canada's public broadcaster: an additional \$75 million in 2016-2017, growing to \$150 million in the following years. This is an important 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.

As we move ahead with *Strategy 2020*, our goal is to make the public broadcaster more digital, more local and more ambitious in its Canadian programming, and in doing so to increase our value to Canadians. To do that, we will continue to develop new content and new ways to share that content with them. We will continue our transformation toward digital. 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 Indigenous programming, and we will invest in new projects and experiments.

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 and we will ensure we can get our journalists in hot spots faster and for longer periods. 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. The receipt of this funding was delayed to 2017-2018 and, since this funding has yet to be confirmed, 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 will affect our specialty channel revenue.

The revenue uncertainties threatened some of the content creation and digital initiatives planned under *Strategy 2020*. As such, about 23% 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.

The government launched public consultations to develop a modern cultural policy framework for the digital age. In November 2016, CBC/Radio-Canada issued its submission, *A Creative Canada: Strengthening Canadian Culture in a Digital World*, in the context of the government's public consultation. Potential changes to CBC/Radio-Canada's business model and/or mandate could have a profound impact on the future of the organization and are not reflected in the *Financial Overview*.

Without a solution for declining advertising and subscription revenues, program spending in future years will have to be reduced to match available resources.

## Looking Forward

On May 13, 2016, SiriusXM Canada Holdings Inc. announced its intention to recapitalize the company by way of a go-private transaction. Shareholders voted in favour of the proposed plan. The recapitalization go-private transaction was approved by the Canadian Radio-television and Telecommunications Commission (CRTC) on April 26, 2017. For CBC/Radio-Canada, the transaction involves the sale of its 10.15% stake at \$4.50 a share, generating proceeds of approximately \$58 million. The financial impact of this transaction is reflected in the *Financial Overview* in Appendix A. Most of the proceeds from the sale of the shares will be used in our capital budget to implement the Maison de Radio-Canada project. The remainder will be allocated to general corporate purposes.

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 four Olympic Games, including Pyeongchang 2018 and Tokyo 2020, along with our broadcast partners Bell Media and Rogers Media. This will significantly increase both revenue and expenses in 2017-2018, 2020-2021 and 2021-2022; 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 31st, 2017	
Guarantee on long-term receivables	\$(118,108,000)
Remaining authority	\$101,892,000

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 (\$ 000)<sup>1</sup>

	2016-2017	Projection 2017-2018	Projection 2018-2019	Projection 2019-2020	Projection 2020-2021	Projection 2021-2022
<b>SOURCES OF INCOME</b>						
Parliamentary appropriation for operating expenditures	1,002,307 <sup>7-8</sup>	1,076,203 <sup>7-8</sup>	1,075,015 <sup>7-8</sup>	1,073,735 <sup>7-8</sup>	1,072,357 <sup>7-8</sup>	1,070,874 <sup>7-8</sup>
Amortization of deferred capital funding and working capital funding <sup>2</sup>	96,778	100,000	100,000	100,000	100,000	100,000
Advertising <sup>3</sup>	300,591	318,831	240,527	237,153	315,016	309,217
Financing and other income <sup>4</sup>	256,329	255,026	233,338	230,146	233,771	233,775
<b>TOTAL SOURCES OF INCOME</b>	<b>1,656,005</b>	<b>1,750,060</b>	<b>1,648,880</b>	<b>1,641,034</b>	<b>1,721,144</b>	<b>1,713,866</b>
<b>EXPENDITURES</b>						
Television, radio and digital services costs <sup>5</sup>	1,620,038	1,645,676	1,544,414	1,536,418	1,616,313	1,608,755
Transmission, distribution and collection	68,502	69,530	70,573	71,632	72,706	73,797
Corporate management	9,964	10,113	10,265	10,419	10,575	10,734
Finance costs	25,907	24,741	23,628	22,565	21,550	20,580
<b>TOTAL EXPENDITURES</b>	<b>1,724,411</b>	<b>1,750,060</b>	<b>1,648,880</b>	<b>1,641,034</b>	<b>1,721,144</b>	<b>1,713,866</b>
<b>NON-OPERATING ITEMS</b>						
Net (loss)/gain on disposal of assets	(2,362)	-	-	-	-	-
<b>TOTAL NON-OPERATING ITEMS</b>	<b>(2,362)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET POSITION<sup>6</sup></b>	<b>(70,768)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<sup>1</sup> Results are based on International Financial Reporting Standard (IFRS) and exclude Other Comprehensive Income items such as actuarial gains and losses.

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

<sup>3</sup> Reflects advertising revenues from television, digital and radio services, and includes revenues from the Rio 2016 Olympic Games, the PyeongChang 2018 Olympic Winter Games, the Tokyo 2020 Olympic Games and the Beijing 2022 Olympic Winter Games. Includes advertising revenue from specialty services (CBC News Network, ICI RDI, *documentary*, ICI ARTV, ICI EXPLORA, ICI TOUTV EXTRA and Curio.ca).

<sup>4</sup> Includes subscriber revenues from specialty services, miscellaneous revenues and financing income. In 2017-2018, financing and other income also includes a portion of the expected proceeds from the sale of the remaining SiriusXM shares. The other portion of these proceeds, along with the proceeds from the sale of the Montreal facility, are reflected in the capital budget in Appendix B.

<sup>5</sup> Expenditures (including amortization of property, equipment and intangibles) related to CBC/Radio-Canada's main services and specialty services. Reflects expenditures related to the Rio 2016 Olympic Games, the PyeongChang 2018 Olympic Winter Games, the Tokyo 2020 Olympic Games and the Beijing 2022 Olympic Winter Games.

<sup>6</sup> Reflects the net results before Other Comprehensive Income or Loss. IFRS results include non-cash expenses not expected to require operating funds in the short term. As indicated in our 2016-2017 Annual Report, the loss on a Current Operating Basis is \$22.3 million. This planned loss is offset by reserves from prior years. A balanced net position is assumed for future years.

<sup>7</sup> Excludes salary inflation funding increases from Treasury Board that have not yet been announced for fiscal years 2016-2017 to 2021-2022. 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.

<sup>8</sup> Additional government funding of \$75 million in 2016-2017, growing to \$150 million in the following years, 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 3.9 million square feet, including 16 owned buildings and 60 leased properties in locations across Canada. In total, the Corporation employs \$935 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 toward 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 \$935 million in net assets as at March 31, 2016, 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 17 and 22.

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

### MRC Project Update

CBC/Radio-Canada's Board of Directors has selected the Broccolini group to build the new Maison de Radio-Canada, which will be fit-up and leased to CBC/Radio-Canada. Groupe Mach is to purchase the western part of the large property currently occupied by the public broadcaster's facilities. As part of this extensive revitalization project, Groupe Mach's current plan calls for the Radio-Canada tower to be preserved, but converted for new use. These two transactions were approved by the Government of Canada in April 2017. The construction of the new Maison de Radio-Canada should be completed by early 2020. The five-year capital plan reflects the cost of the new facility fit-up for our use and acquiring technical equipment.

## 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 government for approval. As such, the Corporation's 2017-2018 Capital Budget was approved by the government on May 11, 2017, for \$132.2 million. A summary of the 2017-2018 five-year Capital Investment Plan follows.

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

AVAILABLE CAPITAL FUNDING	Budget 2017- 2018	Forecast			
		2018- 2019	2019- 2020	2020- 2021	2021- 2022
Base Capital Appropriation	92,331	92,331	92,331	92,331	92,331
Capital Leases (from operating to capital transfers and operating revenues)	25,771	17,233	18,526	19,916	21,412
Carryover	10,000				
Funding from sales of fixed assets	4,083	52,800	1,500	9,000	
Funding from self-generated revenues		40,381	25,933		
<b>TOTAL AVAILABLE CAPITAL FUNDING</b>	<b>132,185</b>	<b>202,745</b>	<b>138,290</b>	<b>121,247</b>	<b>113,743</b>

CAPITAL INVESTMENT PLAN	Budget 2017- 2018	Forecast			
		2018- 2019	2019- 2020	2020- 2021	2021- 2022
Production Infrastructure	33,793	71,665	45,173	60,747	68,055
Television Services	26,688	70,795	43,223	59,547	66,605
Radio Services	7,105	870	1,950	1,200	1,450
Enterprise Systems and Technology Infrastructure	19,694	15,113	11,136	10,146	8,255
Presentation, Collection, Distribution and Delivery	33,783	21,163	19,317	20,284	7,286
Property Management	40,680	91,069	58,929	25,835	25,912
Fleet and Minor Capital Purchases	4,235	3,735	3,735	4,235	4,235
<b>TOTAL AVAILABLE CAPITAL FUNDING</b>	<b>132,185</b>	<b>202,745</b>	<b>138,290</b>	<b>121,247</b>	<b>113,743</b>

Following are highlights of the larger and more strategic initiatives in 2017-2018. Some of these initiatives are currently underway following previous years' approvals.

### Production Infrastructure

Project Description	2017-2018 Expenditure
<ul style="list-style-type: none"> <li>Continued replacement of obsolete mission-critical production equipment with new digital standards.</li> </ul>	\$15.8 million
<ul style="list-style-type: none"> <li>Control room and regional News infrastructure refresh to support centralized remote production workflow and conversion to High Definition.</li> </ul>	\$7.8 million
<ul style="list-style-type: none"> <li>La Maison de Radio-Canada (pre-planning and media presentation expenses).</li> </ul>	\$4.3 million
<ul style="list-style-type: none"> <li>Investments to improve services through production facility improvements.</li> </ul>	\$5.9 million
<b>TOTAL</b>	<b>\$33.8 million</b>

### Enterprise Systems and Technology Infrastructure

Project Description	2017-2018 Expenditure
<ul style="list-style-type: none"> <li>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.</li> </ul>	\$5.8 million
<ul style="list-style-type: none"> <li>Critical infrastructure and network upgrades (Cyber Security, Storage, Local Area Network refresh and Infrastructure hardening for disaster recovery).</li> </ul>	\$7.3 million
<ul style="list-style-type: none"> <li>Update various business applications and technical upgrades.</li> </ul>	\$6.6 million
<b>TOTAL</b>	<b>\$19.7 million</b>

### Presentation, Collection, Distribution and Delivery

Project Description	2017-2018 Expenditure
<ul style="list-style-type: none"> <li>Current portion of the long-term Telesat lease for transponders.</li> </ul>	\$9.7 million
<ul style="list-style-type: none"> <li>Projects related to radio centralized presentation, distribution, and improving English and French radio coverage.</li> </ul>	\$8.6 million
<ul style="list-style-type: none"> <li>Various projects related to transmitter and tower investments needed to maintain the coverage of our TV and radio services, maintain infrastructure, and comply with codes and regulations.</li> </ul>	\$13.9 million
<ul style="list-style-type: none"> <li>La Maison de Radio-Canada (pre-planning on acquisition and implementation for presentation, collection, distribution and delivery equipment).</li> </ul>	\$1.6 million
<b>TOTAL</b>	<b>\$33.8 million</b>

## Property Management

Project Description	2017-2018 Expenditure
<ul style="list-style-type: none"><li>• Current portion of Canadian Broadcast Centre in Toronto and Halifax Broadcast Centre long-term lease payments.</li></ul>	\$16.0 million
<ul style="list-style-type: none"><li>• La Maison de Radio-Canada (pre-planning on new facility fit-up).</li></ul>	\$8.1 million
<ul style="list-style-type: none"><li>• Consolidation/Relocation projects (Moncton, Halifax, Iqaluit and Calgary).</li></ul>	\$4.7 million
<ul style="list-style-type: none"><li>• Various building maintenance projects required to comply with building codes, regulations, health and safety, and replacement of obsolete and failing assets.</li></ul>	\$11.9 million
<b>TOTAL</b>	<b>\$40.7 million</b>

## Fleet and Minor Capital Purchases

Project Description	2017-2018 Expenditure
<ul style="list-style-type: none"><li>• Annual refresh of the Corporation's vehicle fleet.</li></ul>	\$2.0 million
<ul style="list-style-type: none"><li>• Minor capital purchases to address unforeseen and urgent operational equipment.</li></ul>	\$2.2 million
<b>TOTAL</b>	<b>\$4.2 million</b>

# APPENDIX C

## CBC/RADIO-CANADA'S MANDATE

### REQUIREMENTS OF THE 1991 BROADCASTING ACT

#### Corporate Mandate

The Canadian Broadcasting Corporation/Société Radio-Canada ("CBC/Radio-Canada" or the "Corporation") was established by an Act of Parliament in 1936. The Corporation's current legislative mandate, corporate powers and governance mechanisms are set out in the 1991 *Broadcasting Act* (the *Act*). Each year, pursuant to section 54 of the *Act*, the Corporation must submit to the Minister of Canadian Heritage a Corporate Plan regarding the businesses and activities, including investments, of the Corporation and its wholly-owned 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 objects and powers of the Corporation are spelled out in section 46(1). Section 46(1) reiterates that CBC/Radio-Canada's purpose 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 secure programs, enter into associated contracts, acquire copyright and trademarks, and do any other things deemed incidental or conducive to achieving its 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)) expenditure 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 the 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., discretionary television 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 discretionary services for a five-year licence term that runs from September 1, 2013 until August 31, 2018. The decision maintains CBC News Network's and ICI RDI's mandatory distribution orders in their respective Official Language Minority Communities and grants the public broadcaster programming flexibility across all its regulated platforms to evolve to meet Canadians' needs. The decision endorsed 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. The President and CEO has supervision over and direction of the work and staff of the Corporation.

Pursuant to section 45 of the *Act*, the Board is required by statute to establish two standing committees, one with 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. Section 52(2) of the *Act* 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). Appointed in 2016, the Values and Ethics Commissioner’s Office is the first point of contact for all concerns or complaints relating to values and ethics from employees. The Commissioner’s mandate also includes providing advice on values and ethics, developing and managing CBC/Radio-Canada’s ethics program, and serving as the central point of contact for questions and concerns regarding the *Code of Conduct* both from the public and from employees.

The Corporation has an extensive code of *Journalistic Standards and Practices*. The Ombudsmen act as an appeal authority when complainants are dissatisfied with responses at the program level. 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, Winnipeg, 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
2. English Services
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

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 as illustrated below.

