

1. Core Business and Strategy

1.1. Mandate

We are Canada's national public broadcaster, and we are guided by the *Broadcasting Act*.

Established in 1936, this past year CBC/Radio-Canada celebrated 75 years of service to Canadians by being at the centre of the democratic, social and cultural life of the country.

The *Broadcasting Act* states that "...the Canadian Broadcasting Corporation, as the national public broadcaster, should provide radio and television services incorporating a wide range of programming that informs, enlightens and entertains. The programming provided by the Corporation should:

- Be predominantly and distinctively Canadian, reflect Canada and its regions to national and regional audiences, while serving the special needs of those regions;
- Actively contribute to the flow and exchange of cultural expression;
- 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;
- Strive to be of equivalent quality in English and French;
- Contribute to shared national consciousness and identity;
- Be made available throughout Canada by the most appropriate and efficient means and as resources become available for the purpose; and,
- 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, Radio-Canada International (RCI). As noted in last year's annual report, the Corporation planned to review RCI in relation to our strategic plan. The service was also reviewed within the context of the Federal budget 2012, which led to the decision to transform the service to provide audiences with content on the web only as described in section 4.4 Outlook.

Our vision is to be the recognized leader in expressing Canadian culture and to enrich the democratic life of all Canadians. No other Canadian broadcaster – commercial or public – has the responsibility to provide the same breadth of mandate or the same scale and scope of operations as CBC/Radio-Canada.

In establishing and operating its broadcasting activities, CBC/Radio-Canada is expected to comply with licencing and other regulatory requirements established by the CRTC, as well as any requirements under the *Radio Communication Act* that may apply to the Corporation's use of the radiocommunication spectrum.

1.2. Services












We are the leader in reaching Canadians on new platforms and delivering a comprehensive range of radio, television, Internet, mobile and satellite-based services, increasingly on new platforms. Deeply rooted in the regions, CBC/Radio-Canada is the only domestic broadcaster to offer diverse regional and cultural perspectives in English, French and eight Aboriginal languages, as well as five languages for international audiences. The Corporation's broadcasting reach extends across Canada and around the world, offering high-quality, distinctive content by, for and about Canadians, wherever and however they want it. We have more than 30 services, as follows:

CBC/Radio-Canada Services

Radio

		
<p>CBC Radio One News, current affairs, arts and culture via radio and Sirius Satellite Radio Channel 159.</p>	<p>CBC Radio 2 Classical, jazz and popular music via radio and four online channels: Classical, Jazz, Canadian Songwriters and Canadian Composers.</p>	<p>CBC Radio 3 Emerging Canadian music via the Internet, podcast and Sirius Satellite Radio Channel 152.</p>
		
<p>Première Chaîne News, current affairs, arts and culture</p>	<p>Espace musique Classical, jazz, vocal, world and emerging music via radio and Sirius Satellite Channel 153.</p>	<p>Bande à part Popular and alternative French-language music via Espace musique, the Internet, podcast and Sirius Satellite Radio Channel 161.</p>
		
<p>Première plus News, current affairs and culture, in partnership with Radio Canada International and Radio France International, via Sirius Satellite Radio Channel 160.</p>	<p>Sports extra Sports information and analysis via Sirius Satellite Radio Channel 156.</p>	

Digital

		
<p>CBC.ca News, information, streaming video and audio, sports highlights, Web features and multimedia archives.</p>	<p>cbcnews.ca Local, national and international breaking news and in-depth reporting, streaming audio and video, and web-only interactive features.</p>	<p>cbcsports.ca Canadian and international breaking news and special reports from the world of sports, access to live streaming of major events including CBC's Hockey Night in Canada.</p>
		
<p>CBC Music Free digital music service with 40 web radio stations, 12 genre-based music communities plus CBC Radio 2 and CBC Radio 3, music news by Canada's top music journalists, hundreds of concerts, playlists and more.</p>	<p>CBC Books All of CBC's rich literary content across all platforms – audio, video and digital.</p>	<p>CBC Hamilton CBC.ca/Hamilton provides a robust, up-to-date experience with content tailored to the residents of Hamilton and the neighbourhoods in which they live. It is one of five new local services being rolled out as part of CBC/Radio-Canada's Strategy 2015: <i>Everyone, Every way.</i></p>
		
<p>Radio-Canada.ca News, information, streaming video and audio, and Web features.</p>	<p>Tou.tv On-demand Web television, created by Radio-Canada, featuring programming from almost 50 national and international producers and broadcasters.</p>	<p>Espace.mu Customized and mostly French-language music via the Internet in seven genres: pop, jazz, classical, hip-hop, rock, country-folk and world music.</p>
		
<p>Rive Sud/Rive Nord Provides Montreal's off-island residents with dedicated spaces to get their news, plan their commutes and daily activities, and discuss the issues that matter to them.</p>	<p>Radio Canada International Canadian information and culture in five languages via the Internet, digital and analogue shortwave, satellite and partner stations worldwide.</p>	

Other



CBC Records / Les disques SRC

A label recording Canadian musicians and releasing about eight CDs annually.



CBC Mobile Productions / Productions mobiles de Radio-Canada

Services for in-house production and generating programming revenue by selling to the third-party market.



CBC Shop / Boutique Radio-Canada

On-site and online shop selling CBC/Radio-Canada audio and audio-visual recordings of programs, as well as related merchandise.

1.3. Business Model

We operate using several sources of funds, including government appropriations and self-generated revenues. CBC/Radio-Canada is a Crown corporation with 62.8 per cent of its budget funded by government appropriations approved by Parliament on an annual basis.

These appropriations have remained relatively constant over the past 10 years in a broadcasting environment where costs have increased significantly. However, through the Deficit Reduction Action Plan, the federal government has reduced CBC/Radio-Canada's appropriation by \$115 million over three years.

The remaining 37.2 per cent of the budget originates from advertising, specialty service and other revenues. CBC/Radio-Canada is not profit oriented and all sources of funds are used to fulfill its public broadcasting mandate.

Advertising revenue	20.3%
Specialty services revenue	9.1%
Other revenue	7.8%
Total:	37.2%

To stay abreast of the broadcasting marketplace and our role within it, as well as to inform our business model, CBC/Radio-Canada undertakes and commissions various studies. These studies provide objective measures to help inform our decisions and ensure we continue to fulfill our mandate with the best information available. Examples of subjects studied include advertising, Canadian content and the economic impact of the public broadcaster. Many of these studies are available [here](#). To ensure that the value of our research and reference information – which includes reports and analysis on audience ratings, industry competitors, external industry research, and the Media Technology Monitor – is amplified internally, it is accessible to all employees via the corporate intranet.

For example, through a study released in November 2011, Deloitte and Touche LLP (Deloitte) measured CBC/Radio-Canada's impact on the economy. Input included data from the CRTC, Statistics Canada, industry reports and CBC/Radio-Canada. Deloitte concluded that we had substantial impact on the Canadian economy in 2010, supporting jobs and businesses across the country – CBC/Radio-Canada's expenditure of \$1.7 billion generated an estimated \$3.7 billion gross value-added contribution to the Canadian economy.

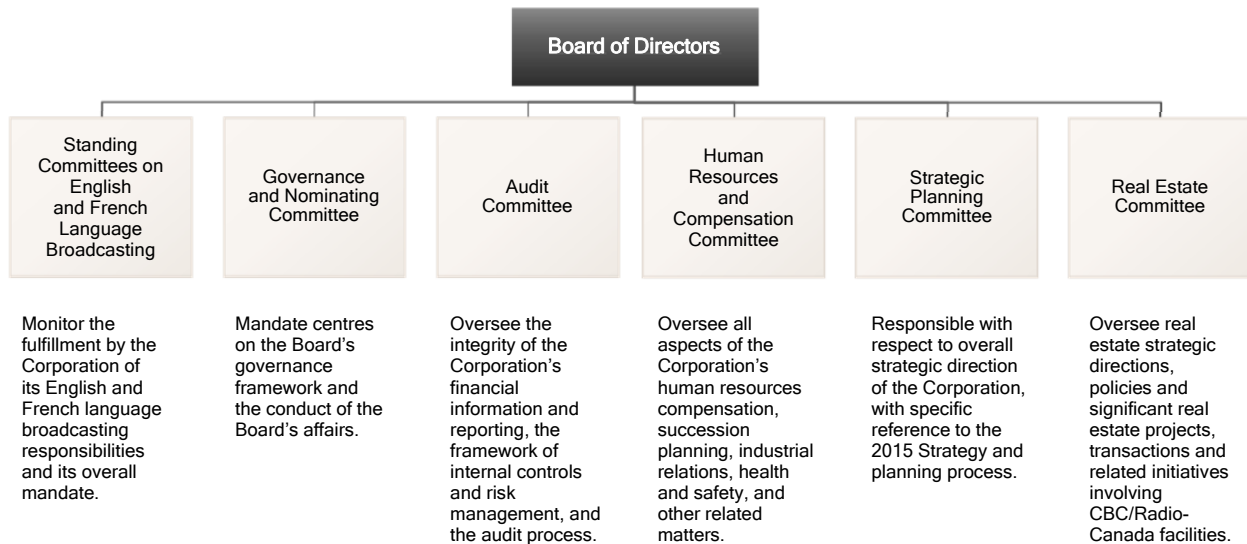
The Corporation also released a new study by Nordicity Group Ltd. that looked at advertising and the public broadcaster. The study concluded that advertising does not detract from the public broadcaster's mandate and that there is no good public policy reason to eliminate it from its television services. Removing ads from CBC/Radio-Canada's services would result in a significant reduction of Canadian content and have serious consequences for both the independent production sector and advertisers.

1.4. Board and Management Structure

CBC/Radio-Canada accounts for its activities to Parliament through the Minister of Canadian Heritage and Official Languages and its Annual Report and Corporate Plan Summary, to the CRTC through year-end reports and annual financial returns, and to stakeholders through ongoing dialogue and interaction and CBC/Radio-Canada websites.

CBC/Radio-Canada’s Board of Directors is responsible for the oversight of the Corporation. The Board is composed of 12 members, including the Chair and the President and CEO, who are appointed by the Government.

The Board has six sub-committees as shown below.



The Corporation’s organizational structure reflects its broadcasting, infrastructure and administrative requirements and related activities. The Senior Executive Team includes the President and CEO and eight component heads with responsibilities as defined below.

<p>President and CEO</p>	<p>Responsible for overseeing the management of CBC/Radio-Canada to ensure that Canada's national public broadcaster can deliver on the various aspects of its mandate and continue to offer Canadians a broad spectrum of high quality programming that informs, enlightens and entertains, and that is created by, for and about Canadians.</p>
<p>Executive Vice-President, French Services</p>	<p>Oversees all aspects of CBC/Radio-Canada's French-language programming services, which include, among other things, Télévision de Radio-Canada, Réseau de l'information de Radio-Canada (RDI), ARTV, Radio de Radio-Canada, Radio Canada International (RCI), Radio-Canada.ca, Espace.mu and Tou.tv.</p>
<p>Executive Vice-President, English Services</p>	<p>Oversees all aspects of CBC/Radio-Canada's English-language programming services, which include, among other things, radio one, radio 2, CBC Television, CBC News Network, <i>documentary</i> and digital operations.</p>
<p>Senior Vice-President, Corporate Strategy and Partnerships</p>	<p>Responsible for ensuring that CBC/Radio-Canada is prepared for the major strategic planning challenges it faces. Oversees corporate business development activities and audience research.</p>
<p>Vice-President and CFO, Finance and Information Technology</p>	<p>In addition to being responsible for all aspects of financial management and corporate information technology for Canada's national public broadcaster, plays an instrumental role in helping to achieve a sustainable economic model for the future of the Corporation.</p>
<p>Vice-President and Chief Regulatory Officer</p>	<p>Responsible for developing and implementing television and radio regulatory policies across the Corporation, pursuant to the <i>Broadcasting Act</i>, and for all representations before the CRTC. Also responsible for the transmission and distribution of the Corporation's programming and all Media Technology Services.</p>

<p>Vice-President, Brand, Communications and Corporate Affairs</p>	<p>Responsible for the corporate communications strategy, internal and external communications functions and the promotion and marketing of programs. Also, oversees the Government Relations group.</p>
<p>Vice-President, People and Culture</p>	<p>Responsible for developing and delivering the Corporation's human resources and labour relations strategies. Helps lead the “people” component of the Corporation’s five-year strategic plan, Strategy 2015, ensuring that CBC/Radio-Canada is a rewarding, progressive and diverse workplace that builds professional teams of innovative and highly skilled people dedicated to accomplishing the plan.</p>
<p>Vice-President, Real Estate Services, Legal Services and General Counsel</p>	<p>Responsible for CBC/Radio-Canada’s real estate portfolio across Canada and abroad, as well as for the General Counsel’s offices, for the Corporate Secretariat and for the administration of access to information and privacy laws.</p>

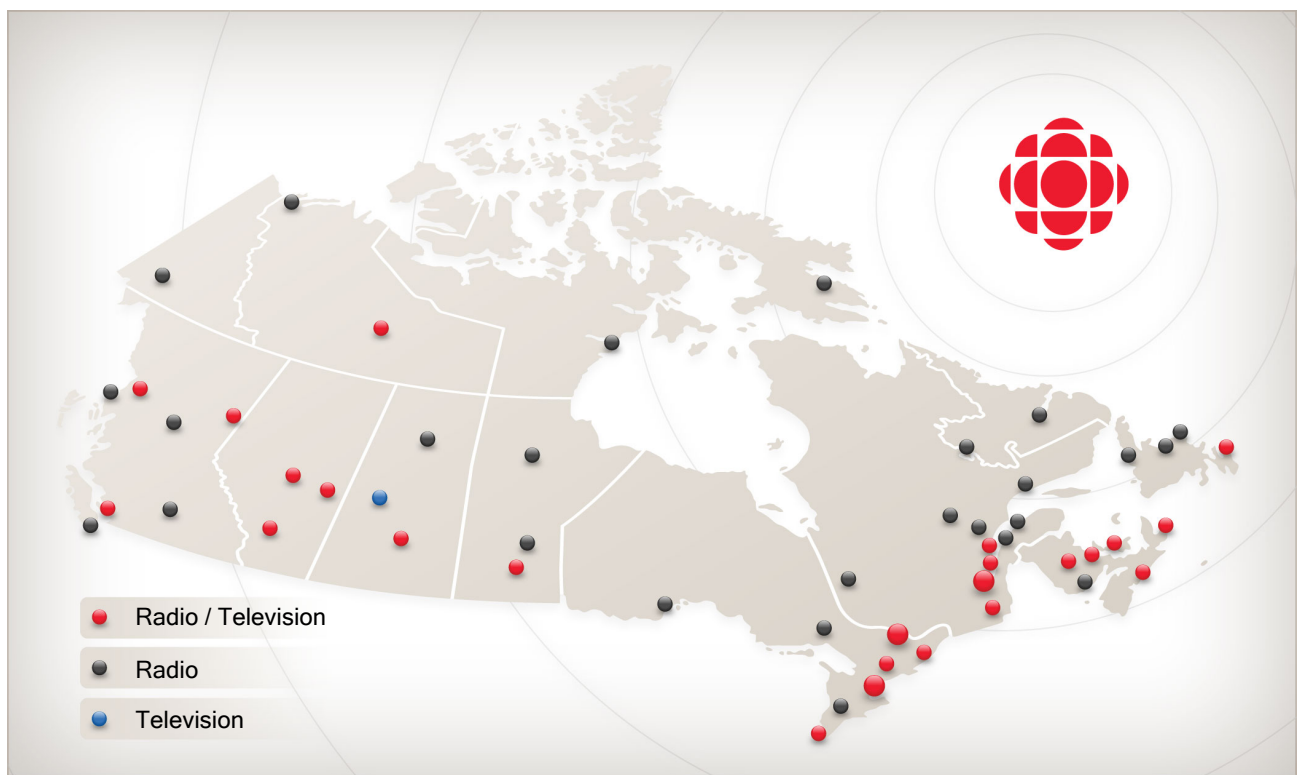
Operating across the eight divisions is the Technology Strategy Board (TSB), established in 2009 to ensure that the Corporation’s technology strategy is aligned with the business strategy. TSB is a unique centre of expertise that determines the Corporation’s technology priorities and is responsible for overseeing the implementation of key technological projects. Its Chair reports directly to the President and CEO.

1.5. Operations

As of March 2012, CBC/Radio-Canada employed 7,304 permanent full-time equivalent employees (FTEs), 469 temporary FTEs and 1,002 contract FTEs.

CBC/Radio-Canada's head office is located in Ottawa, with main network operations in Toronto and Montreal, and 27 television and 82 radio stations where we originate local programming. We have two main television networks, one in English and one in French, seven speciality television channels and the only Canada-wide radio network, operating four Canada-wide radio networks, two in each official language. Internationally, CBC/Radio-Canada News has 11 foreign bureaus. We integrate these operations with multiple websites.

CBC/Radio-Canada's Stations



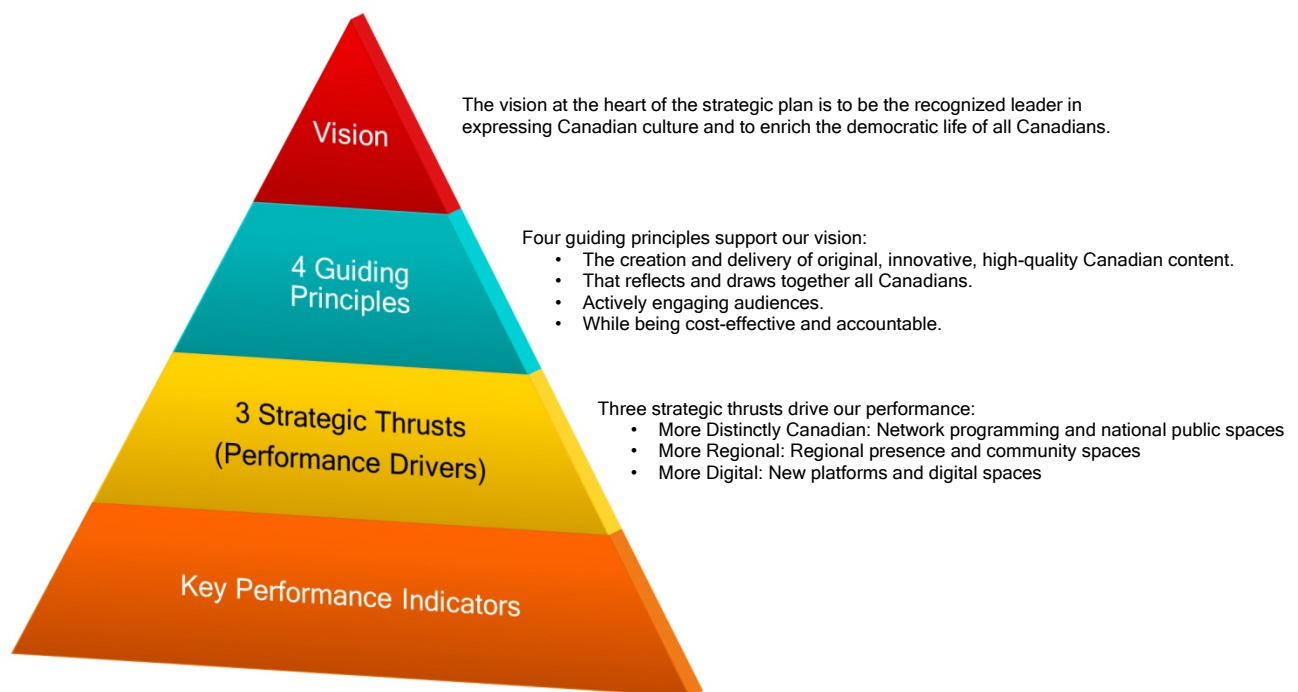
1.6. Corporate Strategy: 2015: *Everyone, Every way*

The Corporation's strategic plan, *Strategy 2015: Everyone, Every way*, was launched in February 2011. Implementation officially began during the first quarter of 2011–2012.

- The plan includes three components:
- A CBC/Radio-Canada vision
- Four guiding principles supporting the vision
- Three strategic thrusts for achieving our objectives



Its success will be measured against key strategic and operational indicators.



As presented in the next section, our key performance indicators fall into two categories.

Strategic Indicators include survey results regarding fulfillment of our mandate and the degree to which our programming adheres to the Guiding Principles above. They also include measures of our Canadian content on television.

Operational Indicators include measures of audience share, website visits, subscriber counts, and revenue generation for each of English and French Services.