

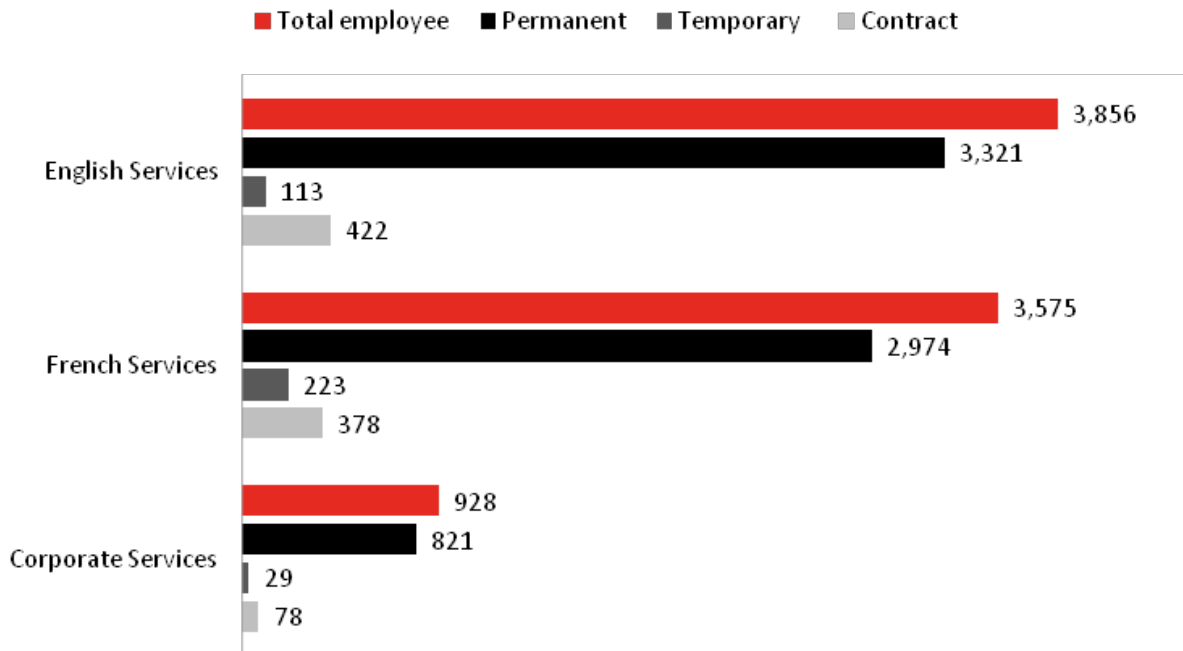
## 3. Capability to Deliver Results

### 3.1 People and Leadership

Our people are a key priority, and in 2012–2013, People and Culture introduced a new strategic three-year plan focused on enabling and accompanying our people to lead and support the ongoing transformation of CBC/Radio-Canada. We’ll achieve this through focused and aligned initiatives and further collaboration within teams and across services.

#### Workforce Profile

As of March 2013, CBC/Radio-Canada employed a total of 8,359 full-time equivalent employees (FTEs) of whom 7,116 are permanent, 365 are temporary and 878 are contract:



Under the *Employment Equity Act*, CBC/Radio-Canada is committed to providing equal employment opportunities to the four designated groups: women, Aboriginal peoples, persons with disabilities and members of visible minority groups.

As of March 31, 2013, women made up 46.7 per cent of the total population of permanent employees, while Aboriginal peoples represented 1.2 per cent, persons with disabilities represented 1.4 per cent and visible minorities represented 6.9 per cent.

## Workforce Adjustment

The financial pressures faced by the Corporation in 2012–2013 have had a significant impact on our workforce. In April 2012, as a result of the Government of Canada’s Budget 2012, we announced that up to 650 full-time equivalent positions would be eliminated over three years.

In 2012–2013, 479 positions were eliminated. The remaining workforce reductions will occur over the next two years, with the elimination of approximately 100 positions in 2013–2014 and 55 in 2014–2015. The reduction of these positions requires additional one-time spending to cover severance packages.

## Employee Support

Throughout the workforce adjustment process, employees were provided with the tools and support to help them navigate this time of transition and uncertainty. All employees who were laid off because of the elimination of their positions were offered the opportunity to participate in a career transition program.

As always, our Employee Assistance Program (EAP) continued to offer employees and their families counselling and career and financial advice, as well as other confidential support, 24 hours a day, 7 days a week. Services remain available to those who leave the organization for six months following their departure. A one-hour workshop and webinar on the fundamentals of change and transition was also made available to all employees. CBC/Radio-Canada’s 2012–2013 year-end EAP utilization rate is 16.8 per cent (1,510 cases, including employees, retirees and family members), demonstrating confidence in the program.

## Update on the Joint Committee Process as of March 31, 2013

The joint committee process involves unions and management from CBC/Radio-Canada working together to minimize the impact on people affected by workforce adjustments. The focus is to place qualified individuals into suitable positions according to the rights afforded by their respective collective agreements and to keep the number of involuntary layoffs as low as possible. The joint committee’s work is mostly complete as it relates to the reductions of 2012–2013; however, the process will be ongoing for the next two years for the respective reductions related to the 2012 Federal Budget.

## Dialogue Survey

In the fall of 2012, CBC/Radio-Canada conducted a corporate-wide employee pulse survey – Dialogue 2012. The purpose of the survey was to evaluate our progress against actions taken since Dialogue 2010 (with a focus on our top two priorities: employee recognition and development), to ensure that we maintain our high levels of employee engagement and to gather feedback on key areas pertinent to our current context, such as change, innovation and well-being.

Overall results indicate that employee engagement remains very high and, since our last survey, we’ve made important progress in areas that will support the Corporation’s ongoing transformation as a modern public broadcaster, such as challenging the status quo, inviting employees’ opinions and finding innovative solutions. This was achieved thanks to everyone’s commitment and efforts, which we will maintain and build upon.

The survey also highlighted areas where we need to continue to improve. These areas include recognition and development as well as improving the way we help employees navigate change.

## Employee Development

CBC/Radio continues to see employee development as key to our successful evolution and fundamentally important to our employees' satisfaction with us as an employer. It's essential to ensure our workforce has the skills required to thrive amid constant change. We will continue to expand learning solutions and ensure that we deliver highly pertinent and accessible learning opportunities to enable our employees to absorb the changes we are experiencing, while maintaining a healthy environment.

## Inclusion and Diversity

### *Accountability*

Following the 2011–2012 employment equity audit conducted by the Canadian Human Rights Commission (CHRC), an employment systems review was conducted. This formed the basis of our new *Inclusion and Diversity Corporate Plan 2012–2015*, which we began implementing in June 2012. This plan focuses our efforts to remove employment barriers and expand our pools of candidates for the four designated employment equity groups.

CBC/Radio-Canada's President and CEO communicated his 2012–2013 organizational priorities to all employees through our employee portal. One of these priorities is inclusion and diversity and the importance of having a workforce more representative of the Canadian population.

### *HELP Fund*

Every year, we invite managers to apply for the HELP (Help Energize Local Projects) Fund. This \$200,000 fund helps managers reach their hiring targets through recruitment from the four designated groups (women, Aboriginal peoples, persons with disabilities, and members of visible minority groups) for internships, development opportunities and workplace accommodations. In 2012, we received close to 40 proposals, 31 of which were approved for funding.

## Labour Relations and Talent Agreements

In 2012–2013, CBC/Radio-Canada renewed its collective agreements with the *Syndicat des technicien(e)s et artisan(e)s du réseau français de Radio-Canada* (STARF), from April 1, 2013 to April 1, 2014, the *Syndicat Canadien de la fonction publique* (SCFP), until September 20, 2015 and *l'Association des réalisateurs* (AR), December 13, 2012 to December 15, 2013.

In May 2012, Radio-Canada filed an application with the Canada Industrial Relations Board (CIRB) to review the bargaining structure for employees working in the province of Quebec and in Moncton, New Brunswick. A simplified structure will help the Corporation attain the flexibility and versatility needed to address business changes. It will also help create an environment that offers employees stimulating development and career opportunities.

## Leaders' Forum 2012

The 2012 Leaders' Forum was held in Ottawa on May 23 and 24. Bringing together VPs and their direct reports along with other employees involved in the strategic planning process, the Forum gave participants the opportunity to discuss issues and suggest innovative solutions. The Forum attendees identified the following as major drivers of success at CBC/Radio-Canada: the importance of taking risks, forging ties with our colleagues and with Canadians and driving efficiencies throughout the organization.

## Employee Awards

Award ceremonies were held in Montreal, Toronto and Regina in 2012 in recognition of the outstanding contributions and accomplishments of the winners of the 2011 President's Awards. The 2012 edition of the President's Awards received 190 nominations; more than 700 nominations have been submitted over the last four years. The 12 awards are based on the President and CEO's three priorities – people, programs and pushing forward.

## Changes to the Board of Directors

In 2012–2013, Rémi Racine was appointed as Chair of the CBC/Radio-Canada Board of Directors for a term of five years. Terrence Anthony Leier, Vivian Bercovici, Marni Larkin and Maureen McCaw were appointed as members of the CBC/Radio-Canada Board of Directors for terms of five years. Brian Mitchell and George T.H. Cooper were reappointed to the Board for another five-year term and a two-year term, respectively. Members whose terms expired in 2012–2013 are Timothy W. Casgrain, former Chair of the Board, as well as directors Linda Black, Edna Turpin and John Fitzgerald Young.

## Changes in Executive Management

In October 2012, the Honourable James Moore, Minister of Canadian Heritage and Official Languages [announced](#) Hubert T. Lacroix's reappointment for a second five-year term as President and CEO of CBC/Radio-Canada.

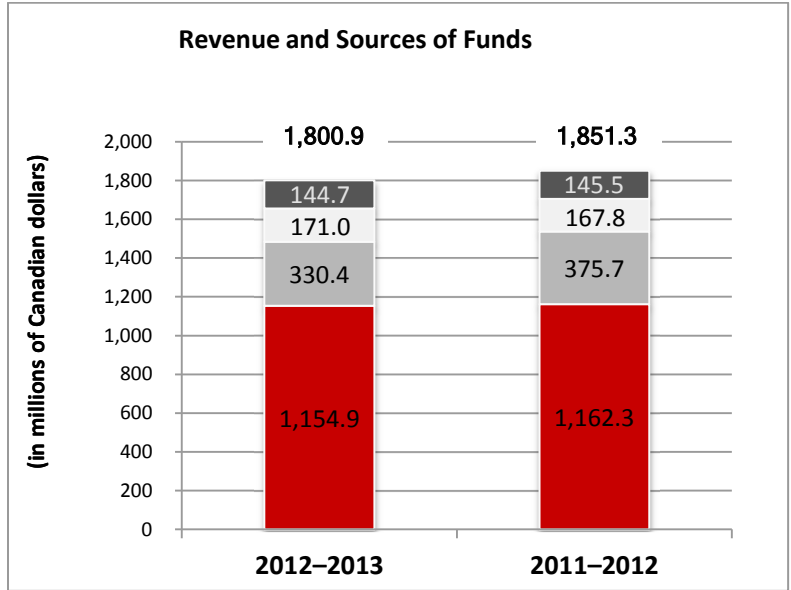
Esther Enkin, previously the Executive Editor of CBC News, was appointed as the Corporation's new Ombudsman for English Services, effective January 1, 2013.

Michel Tremblay, Senior Vice-President, Corporate Strategy and Business Partnerships, left the Corporation at the end of June, 2012. Mr. Tremblay made a significant contribution during his almost 14 years with us, including the development of a number of corporate partnerships and assisting in the development of Strategy 2015, *Everyone, Every Way*.

Kirstine Stewart, Executive Vice President English Services, left the Corporation at the end of April, 2013. Ms. Stewart was instrumental in establishing CBC as a modern public broadcaster. A recruitment process has been launched. In the meantime, Ms. Stewart's responsibilities have been taken up on an interim basis by Neil McEaney, General Manager, English Services, Finance and Strategy.

### 3.2 Resource capacity

We have four sources of direct funding: government operational and capital funding, advertising revenue, specialty services revenue, and financing and other income.



Government Funding
  Advertising
  Specialty Services
  Financing and Other income

For year-to-date variance analysis, see Section 4. Results and Outlook.

#### Government Funding

For the year ended March 31, 2013, government funding recognized in income represented approximately 64 per cent of total revenue and sources of funds. The federal government announced funding reductions in its Federal Budget 2012. CBC/Radio-Canada’s share of this reduction will be \$115 million annually by 2014–2015. This includes the elimination, over that same period, of the \$60 million in one-time funding received since 2001 for Canadian programming. By the end of the current fiscal year, the total parliamentary appropriations recognized as revenue decreased by \$7.5 million relative to 2011–2012. This reflects the Federal Budget 2012 decrease of \$27.8 million, partly offset by higher capital funding recognized in income this year for accounting purposes following the shutdown of our analogue TV and shortwave transmitters.

### *Advertising Revenue*

We generate revenue by selling advertising on our conventional television broadcasts and on other platforms. In the year ended March 31, 2013, advertising accounted for approximately 18.4 per cent of our total revenue and sources of funds.

### *Specialty Services Revenue*

Specialty services revenue, which includes subscription revenue and advertising from CBC News Network, **bold**, *documentary*, Explora, ARTV and the Réseau de l'information de Radio-Canada (RDI), generated approximately 9.5 per cent of total revenue and sources of funds in the year ended March 31, 2013.

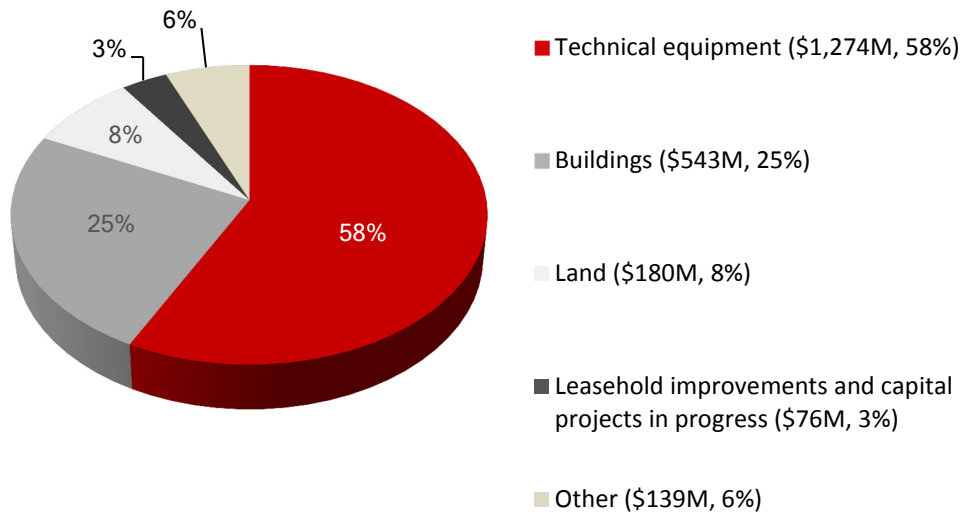
### *Financing and Other Income*

Financing and other income, which includes contributions from the LPIF and the Canadian Media Fund (CMF) and from activities such as program sales, merchandising activities, rental of mobile broadcasting vehicles to external parties, rental of real estate assets and leasing of space at our transmission sites, accounted for approximately 8 per cent of total revenue and sources of funds in the current year. Included in these funds were \$37.5 million of LPIF contributions, a reduction of \$8.2 million over last year, reflecting the decreased LPIF rate; this fund will be completely eliminated by August 31, 2014.

## Capital Budget

CBC/Radio-Canada has a base capital appropriation from the Government of Canada of \$92.3 million per year. For 2012–2013, self-generated revenue and a transfer from the operating appropriation supplemented funds available for capital expenditures, resulting in total spending of \$131.5 million. As required by subsection 54(4) of the *Broadcasting Act*, we present our capital budget to the Minister of Canadian Heritage and Official Languages in our Corporate Plan and then submit it to the Treasury Board for approval.

Breakdown of CBC/Radio-Canada's \$2.2 billion (cost) of Assets



We currently use \$2.2 billion of assets in our operations. We operate one of the world’s largest broadcast transmission and distribution systems, with 529 transmission sites located throughout Canada. During the year, we shut down our analogue over-the-air television transmission network. In addition to these transmission and distribution-related structures, we are responsible for a real estate portfolio of more than 4million square feet, including 24 buildings owned across Canada. We are also highly dependent on technology and technology-based assets in the production and delivery of our services.

Accordingly, we use the majority of our capital budget in any given year to maintain our assets, address obsolescence and undertake strategic projects. In all instances, the capital spending plan supports the attainment of CBC/Radio-Canada’s priorities and strategies and is in line with Strategy 2015.

## Borrowing Plan

The Broadcasting Act, section 46.1, confers on CBC/Radio-Canada the authority to borrow up to \$220 million, or such greater amount as may be authorized by Parliament, subject to approval of the Minister of Finance. Section 54 (3.1) of the Act requires that our borrowing plan be included in our corporate plan for the approval of the Minister of Finance.

When the Corporation sold long-term accounts receivable in 2009 as part of its Financial Recovery Plan to address the impact of the global economic slowdown and declining television advertising revenue, it provided a guarantee to the investors in order to obtain the best possible value for selling the receivables. This guarantee was deemed to be borrowing. The outstanding amounts against the borrowing authority are:

<i>(in thousands of dollars)</i>	
Total borrowing authority available:	220,000
Authority used as at March 31, 2012:	
Guarantee on accounts receivable monetization	(164,577)
Remaining authority as at March 31, 2013	55,423

However, guidelines established by the Department of Finance limit our borrowing activities to short-term initiatives with a payback period of six years or less. Borrowing to meet working capital purposes is prohibited.

Under the *Broadcasting Act*, section 47 (1), we are an agent of the Crown and therefore have the constitutional immunities, privileges and prerogatives that are enjoyed by the Crown. The Crown is also fully liable and financially exposed for all our actions and decisions while we are operating within our mandate. In other words, our assets and liabilities are the assets and liabilities of the Government of Canada.