A CREATIVE CANADA:
STRENGTHENING CANADIAN CULTURE
IN A DIGITAL WORLD
CBC/Radio-Canada's submission in support of the Government’s public consultation on the future of Canadian content in a digital world.
This country is an extraordinary triumph of hope over experience.

We don’t have a single unifying language, a homogenous culture or a tightly connected geography. We are a small population spread across one of the largest spaces of any country in the world. We are a grand experiment in plurality, inviting people from all parts of the world to make their homes here and to celebrate what makes them different, yet at the same time asking them to embrace an idea of what it means to be Canadian. We cherish a collective national identity built not only on our diversity and uniqueness but also on the values and beliefs that bind us. We take pride in the world’s interest in who we are. This is Canada.

As Canada’s public broadcaster, CBC/Radio-Canada has always played a vital role in the lives of Canadians. We champion Canadian culture, connecting and amplifying the many voices that make this country so special. We’re a forum for sharing our citizens’ beliefs and values, enabling democratic discourse and engagement, and an advocate for a shared national consciousness, linking communities across the country. We promote great Canadian talent and content to Canadians and to the world.

This is who we are. And why we exist.

The Government of Canada has set out ambitious objectives for Canadian culture: that it should strengthen Canadian identity, support the Canadian economy and tell the world what Canada is about. These ambitions are set against the backdrop of significant disruption in Canada’s cultural and broadcasting sectors in the ever-changing digital era. New and rapidly evolving technologies, ongoing shifts in audience behaviours, and the global dominance of intermediary foreign-owned technology platforms such as Google and Facebook are formidable examples. In this new world, giving Canadian content the support to thrive is critical.

At CBC/Radio-Canada, we are transforming to meet the challenges and opportunities of digital. We are evolving our platforms, reach and content to meet the needs of Canadians in communities across the country, offering programming in English, French and eight Indigenous languages. We share our government’s ambitions for a strong, vibrant cultural sector, and agree that Canada has the potential to be one of the most competitive creative economies in the world.

Canada’s public broadcaster has an important role to play in helping realize these ambitions. We welcome the opportunity to share CBC/Radio-Canada’s vision for supporting the creation, discovery and export of Canadian content in a digital world.

Sincerely,

Hubert T. Lacroix
President and CEO
CBC/Radio-Canada
EXECUTIVE SUMMARY

The government has launched public consultations to develop a modern cultural policy framework for a digital age centred on three principles: it should focus on citizens and creators, reflect Canadian identity and promote democracy, and support social and economic innovation.

These principles are deeply embedded in the work that we do at CBC/Radio-Canada and are central to our evolution.

CBC/Radio-Canada has long been an important part of Canada’s cultural fabric. Our award-winning news and current affairs programming, talk radio, popular made-in-Canada comedies and dramas, support for Canadian music, and robust coverage of important international events like the Olympic Games regularly engage and inspire Canadians and bring us together as a nation. Our work allows francophones in particular to connect with their language and culture in a way that would otherwise be very difficult in a world where English is so dominant.

Our work shapes our collective Canadian identity, grows our economy, and supports a thriving artistic and creative sector. We have transformed in recent years, through our five-year strategic plan Strategy 2020: A Space For Us All (Strategy 2020), to embrace the new ways in which Canadians now discover, consume and experience information and entertainment, and we are evolving still.

But for Canadian content to flourish in today’s world of borderless, limitless content, Canada needs a radically different approach to supporting culture in this country. If Canada wants a strong creative sector at the heart of a strong cultural ecosystem, its model for supporting public broadcasting must also change.

CBC/Radio-Canada is at a critical juncture, recovering from deep funding cuts in recent years that destabilized our organization. We operate under a business model and cultural policy framework that is profoundly broken. Advertising revenues for conventional television are declining, shifting to global technology platforms such as Facebook and Google, which have established dominant positions. Subscription revenue from specialty channels is decreasing as Canadians turn to unregulated online streaming services such as Netflix. The funds used to support Canadian content creation are also under threat.

At the same time, CBC/Radio-Canada – and all Canadian conventional broadcasters – operate under the constraints of a dated policy and regulatory model that online competitors such as YouTube, Netflix and Apple TV/iTunes simply don’t have.

All of this is eroding our ability to deliver on our public service mandate, support our artists and creators, and be the strong and stable force at the heart of Canada’s cultural ecosystem that we can be.

The potential for Canada to become a cultural powerhouse is very real. Technology is evolving rapidly, the world is increasingly connected and there is a vast global marketplace for great Canadian content. Our Canadian brand is strong and growing. The world wants more of Canada, and CBC/Radio-Canada is poised to bring more of Canada to the world.

This position paper offers a vision for what a strong public broadcaster, fuelling the growth of a strong cultural
sector, looks like. The example of Britain, which is reaping the rewards of a cohesive culture strategy and sustained investment in culture and public broadcasting over many years, is instructive. Often compared to the BBC, Britain’s public broadcaster, CBC/Radio-Canada is funded at a significantly lower level – $34 vs. $114 (per person per year). In fact, Canada’s public broadcaster is funded much lower than virtually all other comparable countries. Indeed, the BBC offers a compelling model of how an advertising-free public broadcaster with a strong public service mandate can serve the interests of domestic audiences and, at the same time, support the global ambitions of the country’s creative and cultural sectors.

CBC/Radio-Canada has the potential to play a similar role – to build on our already strong legacy in Canada to drive our country’s cultural agenda forward and strengthen our creative economy. But, to do this, we need to make some changes of our own.

In this paper we outline our vision and recommendations for the future.

**Our Vision**

**Four Priority Areas**

Our future builds upon our successful Strategy 2020 and is centred around four priority areas: Digital Innovation; Contributing to a Shared National Consciousness and Identity; Creating Quality Canadian Content; and Promoting Canada to the World. The transformation of our organization is well underway, but we need to deepen and intensify our work in these areas. They will define our future.

**An Ad-Free Public Broadcaster**

In this paper, we make the case for stable, long-term, sustainable funding of Canada’s public broadcaster and examine the benefits of moving away from advertising on all platforms as one of our sources of revenue. This new model would allow us to build our future on a much stronger foundation.

Our studies show that an ad-free CBC/Radio-Canada would yield substantial economic benefits, among them a net total GDP gain of $488M, a total labour income impact of $355M and the creation of 7,200 jobs in the Canadian economy. Moreover, two-thirds of the CBC/Radio-Canada advertising revenue (approximately $158M) would migrate to other Canadian media companies, giving them an additional influx of revenue as they adapt to industry changes.

Well beyond the financial benefits of this model, it would allow us to put even more focus on our public service mandate, provide a more distinct and engaging offering for Canadians, and become a stronger and more valued partner to communities, individual artists and creators, universities, cultural organizations, and the sector’s commercial players, with a view to increasing the diversity and richness of the Canadian media ecosystem.

Making this vision a reality – completing our transformation and moving to an ad-free model – requires a new commitment to, and stable investment in, CBC/Radio-Canada. Our studies show that the annual per-person impact of such an investment would be equivalent to $12 per Canadian, bringing our total funding to $46 per Canadian, still well below comparable countries. Interestingly, this is the (inflation adjusted) per
Recommendations

Public broadcasting will become a true driver of Canadian culture and a key source of social and economic strength for this country if a number of critical issues related to our broken system are addressed. Canada has an opportunity now, as part of these consultations, to reboot Canadian culture and public broadcasting.

Our recommendations include the following:

1. Develop a cohesive cultural investment strategy. This strategy would include:
   - A Canadian cultural industries council, using Creative Britain as an inspiration;
   - A coherent policy framework to regulate conventional broadcasters and new media entrants evenly, including a mechanism for new media entrants to support Canadian content; and
   - The flexibility to allow CBC/Radio-Canada to invest in Canadian creators and promote Canada globally, including more opportunities for investment in content and distribution.

2. Increase per person funding to CBC/Radio-Canada to $46 – an increase of $12 per Canadian. This is consistent with the (inflation adjusted) per person funding amount recommended by the Standing Committee on Canadian Heritage in 2008. This will enable CBC/Radio-Canada to make the necessary long-term investments to complete our transformation, move away from advertising as a source of revenue on all platforms and be a strong anchor for our cultural ecosystem.

3. Depoliticize CBC/Radio-Canada funding so that it is predictable and stable, tied to the existing five-year licence cycle, indexed to inflation, and separated from the election and annual government budget cycles. This would be similar to how the BBC now operates. Indexation is critical – without it, inflation of just 1.5% per year would erode the new government funding of $150 million to zero in just six years.

This is an important consultation for Canada. The stakes in getting a new cultural policy framework right are high. These consultations will determine the future impact of culture and public broadcasting for this country. The potential for both is remarkable – if we harness our collective cultural strength. We welcome the opportunity to contribute to this discussion and look forward to helping to shape this important work.

I. WHO WE ARE
AND WHY WE EXIST

CBC/Radio-Canada’s mandate to inform, enlighten and entertain Canadians is even more relevant now, in a world of limitless global content, than it was when we were founded in the 1930s – at a time when Canada worried about a wave of American culture overwhelming our own unique identity. Since that time we’ve had the privilege to be given a place in Canadians’ homes and on their desktops, tablets and smartphones; to offer them a Canadian perspective on news, current affairs and world affairs, distinct drama, uniquely Canadian humour, and a commitment to arts, music and documentary programming not found anywhere else. We meet our mandate in English, French and eight Indigenous languages. Our work enables francophones to connect with their language and culture in a world dominated by English.

But our value to the country goes well beyond informing and entertaining; we’re at the very heart of Canada’s cultural ecosystem. Culture is a major contributor to the Canadian economy, generating almost $93 billion annually. Our work supports a thriving Canadian artistic community and creative sector, including the many artists, filmmakers, writers and producers in our country. Every incremental dollar invested in CBC/Radio-Canada creates an economic multiplier of 2.11 in gross value added (GVA) to the Canadian economy by generating broader economic activity through our predominantly Canadian suppliers.

Our work supports job creation in the creative sector, contributing to stronger local economies. In television alone, our investment in independent Canadian productions supports more than 10,000 jobs in the Canadian economy.

Beyond our direct contribution to the economy, we also nurture local talent. We have been an important stepping stone for many Canadian artists, often at a critical moment early in their careers, providing a forum to showcase Canadian talent to the country and to the world.

This is our legacy. But it’s also our future. The world is changing, and so are we.

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Like other media organizations, CBC-Radio/Canada has faced unprecedented disruption in the communications and media industries. In 2014, we launched our five-year strategic plan *Strategy 2020: A Space for Us All (Strategy 2020)* to address our many challenges and opportunities, and strengthen the public broadcaster for the digital age.

It came at a critical time in our evolution. It was designed to transform the organization and put us on sound financial footing in the face of deep funding cuts. It has been an important step in making us more nimble, more reflective of our communities, and more interactive and engaged with Canadians.

Our plan included three core priorities: become a digital-first organization, create more distinctive quality Canadian content for all Canadians and become more local to better serve communities. We developed clear, public performance measurements to track and assess the perception of our performance by Canadians and how we are meeting the corporate-wide objectives of our strategic plan. Our focus on measuring our results demonstrates our accountability to Canadians. Our investments are closely tied to specific performance indicators in a range of areas that have shaped our transformation.

More Digital than Ever Before

Today, we are becoming a digital-first organization. Canadians don't just watch and listen to programs any more, they engage directly through comment and social media and they share across multiple platforms.

These behaviour shifts have disrupted existing media business models and fuelled the success of global technology platforms such as Google, YouTube and Facebook – platforms that have also allowed CBC/Radio-Canada to expand our reach and introduce our content to a broader audience.

But while Canadians have access to more information than at any time in history, much of it is now curated by a small number of companies that are using sophisticated data analytic capabilities and broad platforms of influence to meet – and shape – the demands of their audiences.

These global technology companies are the new gatekeepers of content.

In the face of these realities, CBC/Radio-Canada has focused on maintaining, expanding and improving our own strong, successful Canadian-owned and operated multiplatform service, with a direct connection to Canadians.

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We have also focused on digital innovation, bringing new, creative approaches to strengthen what we offer Canadians. Radio-Canada realized the potential of “over the top” (OTT) capabilities early on, launching Tou.TV in 2010 and Tou.TVextra in 2014, both of which have found a strong subscriber base. CBC Music, launched in 2012 after more than a year spent securing unprecedented online licensing deals with nearly 1,000 major and independent labels, was a Canadian music streaming pioneer. This 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. CBC Radio is the Canadian leader in podcasting, with its podcasts being downloaded 1.7 million times per week. Vote Compass has brought a unique and innovative digital political experience to millions of Canadians, and has been used successfully in both federal and provincial elections since 2011. Similarly, our acclaimed election tracker feature brought Canadians an opportunity for a detailed and personalized view of the results across the country and close to home.

And we are constantly adapting to new technologies and emerging media formats through our in-house innovation incubators such as Accélérateur d’idées, focused on digital innovation, and our new initiative “Prochaine Génération,” which is helping define the next generation of news and current affairs programming.

Our digital efforts are paying off.

We now reach over 16 million Canadian users each month through our own desktop, mobile and native apps. This is 2.5 million more than in 2015, and 4 million more than in 2014, when we launched Strategy 2020. We are closing in on our goal of 18 million monthly Canadian users by 2020.

Our digital reach in Canada now consistently rivals some of the best-known digital companies in the world, such as Google, Facebook and Microsoft.

Perhaps most significantly, CBC/Radio-Canada is using these digital services to engage audiences across all age groups and demographics. We are reaching 60 per cent of online millennials each month, and we’re the top digital news/information source for Canadian millennials.

We are more digital than ever before and we have no intention of slowing down – because we are responding to what our audiences want.

More Quality Canadian Content

We are also focused on creating more quality Canadian content than ever before – to inform, entertain and bring Canadians together.

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CBC/Radio-Canada’s news teams provide citizens with the information they need to make informed choices in their lives and to understand themselves relative to their communities, their country and the world. We address national issues of concern and engage citizens in conversations about these issues – like the future of their health system or our country’s response to climate change.

Through our network of foreign correspondents and journalists on special assignment, CBC/Radio-Canada also provides Canadians with a unique and firsthand window to the world. Our correspondents have been with the refugees as they trek towards Europe, on the ground in Syria to bear witness to the plight of its people and in America’s rustbelt towns to understand the political dynamics at play in the U.S. election.

Our current affairs teams bring Canadians the stories that matter most, leading conversations that challenge and provoke debate, reflect the diversity and complexity of Canadian society, and encourage democratic engagement. These include stories such as Metro Morning’s reporting on the practise of “Carding” and our Thunder Bay news team’s report on the funding gap faced by First Nations schools.

Our investigative journalism shines a light on issues that raise our collective consciousness and often motivates action. Radio-Canada’s signature program Enquête has become an icon of investigative journalism in this country. Its work on corruption in the Québec construction industry led to the Charbonneau Commission. Its stories on the alleged abuse of Indigenous women at the hands of the police won the highest journalism award for public service journalism – The Michener Award.

Our Indigenous Unit’s recent work around the unsolved cases of missing and murdered Indigenous women drew out the human dimension behind each story, creating content for all of our platforms, including interactive digital sites for each missing woman. It shaped people’s understanding of this national tragedy, but it also brought new insight to the investigations for the RCMP.

We are now deepening the impact of this work with a virtual reality documentary through our award-winning radio program The Current, which is taking this virtual reality experience across Canada with five town hall discussions.

Our journalists collaborate with the International Consortium of Investigative Journalists on important international stories like the “Panama Papers,” which uncovered a concerted effort by some companies and individuals to move money offshore and avoid paying taxes.

Through our excellent work in these areas, we continue to be one of Canada’s most trusted and influential news brands.

Entertainment Programming

Our popular and uniquely Canadian entertainment programming draws audiences from across the country. Radio-Canada’s comedy programs – Les pêcheurs and Infoman – and drama series – Unité 9, Les Pays D’en Haut, as well as the recently launched District 31 – have attracted massive audiences at a time when even the French market is showing signs of decline in viewership for Canadian programming. When Radio-Canada
launched its new programs in September, five of the top 10 most-watched French programs in Canada that week were ours. Radio-Canada places a special emphasis on supporting and promoting French Canadian creators and artists, which in turn ensures we appeal to our audience.

CBC’s distinctly Canadian offerings, including Kim’s Convenience, Murdoch Mysteries, Schitt’s Creek, Still Standing, Heartland and more, stand apart from the largely American or American-format content offered by other Canadian broadcasters. CBC takes special pride in providing a home for Canadian comedy and satire, such as The Rick Mercer Report, This Hour Has 22 Minutes and the recently launched Baroness von Sketch, comedy that is deeply cultural and connects Canadians in unique ways.

Programming That Brings Canadians Together

Our work connects, inspires and gathers Canadians around important Canadian moments.

During the Olympic and Paralympic Games in Rio, we brought Canadians the stories and achievements of their athletes. These were the most-watched Summer Games in Canadian history, with over 32 million Canadians experiencing the Olympic Games and 10 million the Paralympics. They engaged with us through television, radio and apps, as well as through our presence on broader technology platforms such as YouTube, Twitter, Instagram and Facebook.

We united Canadians around the historic and emotional celebration of The Tragically Hip, Canada’s unofficial poet laureates. For nearly three hours on a summer Saturday night, almost 12 million Canadians at home and around the world paused to pay tribute together. They gathered around screens and radios and at hundreds of public viewing events in theatres, parks and pubs. The Tragically Hip: A National Celebration was broadcast nationally and streamed live and commercial-free across all CBC radio, television and digital platforms. Few shared national experiences have carried the weight and impact of this event.

Last December, Radio-Canada’s iconic gathering – Bye, Bye, (one of the most anticipated annual shows in French Canada that bids the year farewell) – was watched by nearly 90 per cent of all francophones watching TV that night – something it does year over year. Similarly, for 13 years, Radio-Canada’s wildly popular Tout le monde en parle has ignited passionate conversations, drawing a third of all francophone Canadians watching TV on Sunday.

CBC/Radio-Canada has made a significant investment in showcasing signature events like The Gillers, The Canadian Screen Awards, les prix Gémeaux, le Gala de l’ADISQ, Canada Day and the Country Music Awards. Over the years, we also created a number of original events that have become important and ongoing contributors to recognizing Canadian talent, events like Canada Reads, our CBC Music Festival and Searchlight, our national talent competition for musicians. CBC/Radio-Canada’s role in discovering and developing musical talent is critical to meeting the interests of our varied audience. Radio-Canada’s annual contest Révélations has launched many musical careers, including artists such as Karim Ouellet, Lisa Leblanc, Louis-Jean Cormier and Charles Richard-Hamelin. Our Polaris Music Prize, a partnership between CBC Music and Blue Ant Media, celebrates the top 10 musical artists across the country every year.
We are also planning a range of inspiring programming to celebrate Canada's 150th anniversary next year.

Our efforts to make these important Canadian moments available to all Canadians, across multiple platforms, are yielding results. Our performance measurements show that we are reaching more Canadians on more platforms with content that is more relevant to them. We are evolving with Canadians, connecting with them in new ways, with a unique Canadian offering that is resonating.

More Local than Ever Before

Today, CBC/Radio-Canada reaches communities across the country through our 88 radio stations, 27 television stations and 41 regional websites. We share local news, shine a light on local cultural and creative industries, and contribute to local economies.

Our established presence across the country, and our ongoing focus on digital, provides a remarkable platform to share the voices, issues and ideas that reflect Canada's unique communities. This is particularly true in official language minority communities where we are important amplifiers for language and culture. We are strengthening that commitment. Radio-Canada has recently created two national reporter positions in Alberta and Acadia to share local news across Canada's francophone communities.

As part of our "digital and mobile platforms first" approach to creating and sharing content, we now offer 18 hours of continuously updated digital local news each day.

Our local coverage is often compelling and powerful, connecting with Canadians across the country. A good example is our coverage of the fires in Fort McMurray, which received 20 million page views on our website. Another is CBC Halifax’s ongoing coverage of a Syrian refugee family’s journey in Canada. From the time they landed at the Halifax airport, to settling in Antigonish and opening up a chocolate shop, to donating a portion of their sales to the relief efforts in Fort McMurray, we have connected Canadians to their experience. In September of this year, in a speech at the United Nations, this family was recognized as a symbol of what Canada represents.

The world is starting to notice Canada. Today, as large global news organizations are using their size and strong global brand to set up “outposts” in Canada in an effort to grab audiences and advertising revenues, our local presence is more important than ever. Our teams live in these communities. They know these communities. They are personally connected to the stories and issues that are driving local conversations. They care about what happens.

As part of prioritizing "local", we are also transforming our local stations – from Halifax to Rimouski, to Matane, to Sudbury, to Moncton – so that our teams have the technological tools to support the great work they do. When we had the inaugural opening of our new station in


Moncton last September, over 2,500 people showed up to celebrate with us.

We are proud of the talent, creativity and commitment of our CBC/Radio-Canada employees who have helped to transform our organization during the last few years. We cherish our privileged role in working directly with almost 400 Canadian independent producers, as well as artists and creators across the country to create incredible Canadian content together.

Their work is delivering value to Canadians.

And we are looking to the future, imagining the potential for Canada’s public broadcaster to grow stronger and evolve to best meet Canadians’ need for a vital, relevant public broadcaster in a sector where no one seems to be able to predict the future.
III. FACING AN UNCERTAIN FUTURE

CBC/Radio-Canada is at an important juncture.

In 2015, after years of deep and destabilizing funding cuts, the government started to reverse these cuts. This commitment is ensuring the transformation of the public broadcaster into the digital public space.

It is ensuring we maintain our momentum on key initiatives like hiring new digital creators and preserving existing programs like the one-hour Indigenous radio program, *Unreserved*.

It is allowing us to create new Canadian content, including programming for Canada’s 150th anniversary and new digital content for *ICI Tou.tv*; high-profile dramas like the six-part *Alias Grace*; additional episodes for the popular maritime TV show *Méchante Soirée*; launch of *Prochaine generation/ Next generation*: a lab for creation of journalism content by young millennials; and increased investment in Canadian feature films. Our new *Breaking Barriers Film Fund* is creating new opportunities for under-represented Canadian creators.

And we are also enhancing our services with investments in digital services in select local markets with no current CBC service, starting in London, Ontario; reinvesting in regions where previous cuts went too deep to ensure that we tell local stories in a very multiplatform way; creating new radio programs to reduce the number of repeats on our schedules; increasing our international coverage with scalable “pocket bureaus” beginning with Istanbul; and doubling our investment in the digitization of our archives, including our Indigenous language archives, so that more Canadians can access them.

This reinvestment is an important sign of the government’s commitment to Canada’s cultural sector and to public broadcasting. And it has given us some much-needed breathing room. But it is not enough to secure our future.

**Broken Business Model for Conventional Television**

The business model and cultural policy framework in which CBC/Radio-Canada operates and carries out its public mandate is profoundly and irrevocably broken. Advertising revenues for conventional television are down as audiences become more fragmented, ad-free content becomes more available, and alternate content providers such as YouTube, Netflix, Amazon and Apple TV/iTunes continue to make inroads.

In the meantime, the advertising revenue that once helped fund Canadian programs is going to new competitors; large, global technology platforms like Facebook and Google have established a dominant position.
ADVERTISING DOLLARS ARE SHIFTING TO GLOBAL TECHNOLOGY PLATFORMS FROM CONTENT CREATORS

Last year, in Canada alone, advertising revenue for conventional television dropped three per cent – $55 million in one year. The year before it dropped $270 million.¹¹

In addition to the advertising challenge, the other primary source of self-generated funding for the public broadcaster, subscription revenue from our small number of specialty channels, is under pressure. The trend of cable cord-cutting, coupled with policy and regulatory changes like "Pick and Pay," mean that traditionally secure sources of funding are also under threat.

Canadians are turning to unregulated online streaming and OTT services, which have experienced significant growth in a short period. In just five years, Netflix has been adopted by nearly half of the Canadian population.

Sources: TVB and Statscan GDP at market prices (* 2015 uses IAB and CRTC data)

FIG 1: Advertising revenues are shifting from Canadian media companies to global technology companies.

HOW CANADIANS GET TV IS CHANGING
Penetration of Subscription TV and Netflix in Canada.

Subscription revenues for Internet connectivity are also growing fast.

SUBSCRIPTION REVENUES

Source: Media Technology Monitor

FIG 2: Subscription TV revenues are down as Canadians shift to Netflix

FIG 3: Subscription revenue growth in Canada since 2001
But the problem is that none of these new revenue growth areas are supporting Canadian content creation.

The challenge for a public broadcaster like CBC/Radio-Canada is that it does not have other business interests or sources of revenue, like other Canadian vertically integrated broadcasting distribution companies, to mitigate the impact of these changes. We are uniquely damaged by this loss of revenue, and are the least well-positioned to respond.

The planned government reinvestment of $150 million per year will help contain our funding challenges for a period. But it will not solve the problems over the long term. Inflation of just 1.5% has an impact of $24 million dollars per year to the CBC/Radio-Canada budget, meaning the positive benefit of the new investment would be eroded and completely eliminated in under six years.
Canadian Content Funding is Declining

In addition to our revenue challenges as a broadcaster, CBC/Radio-Canada also faces declining financial support for the creation of Canadian content. In addition to our own self-generated commercial revenues, the funding for this content comes from three sources: the Canada Media Fund (CMF), CBC/Radio-Canada government funding, and a system of production tax credits and other incentives. Currently, we invest almost $700 million each year in creating Canadian television content. And, unlike our private-sector competitors in Canada, we air close to 90 per cent Canadian content in prime time, Fall 2016 (below).

The CMF is co-funded by Heritage Canada and Canadian cable companies that contribute five per cent of their cable revenues. When cable revenue goes down, so does funding for Canadian content. This hurts the public broadcaster more than our competitors because of our prime time Canadian content commitment.

Continued revenue decline in all of these areas is eroding our ability to deliver on our mandate.

CANADIAN CONTENT IN PRIME TIME (REGULAR FALL 2016 SCHEDULES)
Dated Policy Framework

As Canadian broadcasters focus on operating successfully in this new and fiercely competitive business reality, they must do so under the constraints of a dated policy model that requires investment in, and broadcast of, Canadian content, something their online competitors – such as Netflix, Amazon, Apple TV/iTunes and YouTube – simply don’t face.

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 media entrants that operate without those restrictions and contribute nothing to the funding of the Canadian cultural sector.

Similarly, now that Canadians are shifting to mobile first to consume their news, the traditional approach of measuring the hours of local TV content programmed by Canadian broadcasters in exchange for a licence is problematic.

The Broadcasting Act is from 1991. It does not reflect today’s realities, as is plainly obvious from the fact that half the sector is currently regulated and the other half is not. The Broadcasting Act needs to be updated to allow for a new governance framework for broadcasters so we can evolve in a timely way to the changes and disruptions that are occurring routinely in our sector. We need to frame the expectations and commitments of participants in the ecosystem in relation to the country’s cultural policy objectives. Then we need to connect the funding to those commitments and expectations to make the ecosystem viable.

We also need the flexibility and rights to invest in and distribute great Canadian content globally.

The Canadian financing rules (CMF and other funds) further widen the gulf between Canadian broadcasters and foreign digital distributors like Netflix. The existing rules often set a limit on the rights which Canadian broadcasters can obtain even though the Canadian broadcaster is frequently the driving force behind the creation of a production and the only significant non-government financier. These limits include a requirement to take rights in Canada only and a term fixed at six to seven years. Such limits make unattainable any meaningful involvement in foreign sales activity or in building a library of Canadian content to compete with a foreign digital distributor like Netflix.

Competition for Quality Content is Intensifying

At the same time as our policy and funding mechanisms are breaking down and financial support for the creation of Canadian content is declining, the competition for quality content around the globe is ever fiercer. Netflix and Amazon are no longer simply distributors sharing content. They are now major investors in programming worldwide.

The recently announced proposed acquisition of Time Warner by AT&T speaks to the value of original content. These large global companies no longer want to merely distribute content. They want to create it. They want to own it.

For example, Netflix spent about U.S. $100 million (C $130 million) to create two seasons of the critically acclaimed program House of Cards. To put that into
perspective, this investment represents close to the entire annual budget for each of CBC and Radio-Canada’s non-news programming.

We are exploring opportunities to partner with these large global companies, to invest in quality and to bring Canadian stories to a global audience. A good example of this is our upcoming six-hour screen adaptation of Margaret Atwood’s Alias Grace, written and produced by Canadian Sarah Polley and co-commissioned by CBC and Netflix.

But these kinds of partnerships are a small part of the solution to the quality challenge. Global companies do not have an interest in Canadian culture, no reason to privilege Canadian creators among the vast global ocean of content and no particular motivation beyond commercial gain. CBC/Radio-Canada’s sole intention is to create, share and champion Canadian content, creators and artists. Our ability to create distinct, compelling Canadian programming will require our own substantial investment in our programming and in programming we create with independent producers going forward. For Canadian culture to thrive, it has to be good enough to stand with the best of the world.

Our focus is not only on the high end of the content business. In French Canada, in particular, the strong interest in French-language Canadian content requires many genres to respond to demand, which challenges us to find cost-effective ways of delivering different types of local programming. This provides opportunities to bring stories to screens that resonate with specific communities and allows us to nurture emerging talent. It’s important for developing tomorrow’s creative leaders, especially for francophone and minority communities.

In the face of all of these challenges – broken business model, out-of-date policy framework, declining support for Canadian content, and increased global competition for content and audiences – we need a new approach to supporting culture in Canada. This new approach must include:

- a cohesive, sustained and meaningful cultural investment strategy;
- greater support for public broadcasting to anchor a strong and vibrant cultural economy in Canada; and
- a consistent approach requiring new media entrants and conventional media to contribute to Canadian content.

We know this strategy can work. Britain has done much of this over the last 25 years, with remarkable results.
IV. WHEN CULTURE IS A PRIORITY: THE BBC VS. CBC/RADIO-CANADA

In 1997, the British government identified the creative industries as vital to Great Britain’s future and committed to reversing 18 years of funding cuts. The then-Prime Minister, Tony Blair, declared his government’s “aim must be to create a nation where the creative talents of all the people are used to create a true enterprise economy for the twenty-first century.”¹²

The government established a Creative Industries Task Force (Creative Britain), which included a wide range of organizations from the creative and cultural industries, to assess the economic value of these industries, analyze policy and funding needs, and identify ways to maximize their potential. The results of the work of the Task Force and the subsequent government investments were impressive.

CREATIVE BRITAIN INITIATIVE CONTRIBUTED TO THE GROWTH OF THE UK’S CREATIVE INDUSTRIES

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<tr>
<th>UK Creative Industries</th>
<th>1997</th>
<th>2013</th>
<th>% Change</th>
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<tr>
<td>Employment</td>
<td>931,000</td>
<td>1,708,000</td>
<td>+85%</td>
</tr>
<tr>
<td>% of total UK employment</td>
<td>3.4%</td>
<td>5.6%</td>
<td></td>
</tr>
<tr>
<td>Gross Value Added (GVA)</td>
<td>£31.2 billion</td>
<td>£76.9 billion</td>
<td>+146%</td>
</tr>
</tbody>
</table>
| (Measure of economic contribution) |       |       |          |%
| % of total UK GVA           | 4.0%  | 5.0%  |          |
| Service exports*            | £9 billion (2004) | £17.3 billion (2012) | +92% |
| % of total UK service exports* | 7.9% (2004) | 8.8% (2012) |          |

Source: UK Department of Culture, and Sport (DCMS) - Creative Industries Economic Estimates, January 2015

*Note: Export values for software publishing were not available in 1997, and as a result, 1997 data is not directly comparable to 2012. The oldest comparable year to 2012 is 2004.

¹² Tony Blair, foreword to All Our Futures, 1999.
The BBC lies at the heart of Creative Britain, and public funding for Britain’s public broadcaster has increased significantly in the last 25 years, fuelling its success. Meanwhile, public funding for CBC/Radio-Canada has flat-lined – and declined in real dollars (Fig 4).

PUBLIC FUNDING FOR BBC HAS GROWN SIGNIFICANTLY WHILE CBC/RADIO-CANADA’S HAS REMAINED FLAT

![Graph: Public funding for BBC vs. CBC/Radio-Canada](image)

Sources: Annual Reports and 2015 exchange rate

FIG 4: Public funding for BBC vs. public funding for CBC/Radio-Canada
Moreover, CBC/Radio-Canada has always been funded at a per person level that is significantly lower than the BBC and almost all other comparable public broadcasters (Fig 5).

**LOWER FUNDING VS OTHER PUBLIC BROADCASTERS - CANADA WELL BEHIND**

Per capita public funding for public broadcasters, 2014

![Graph showing per capita public funding for public broadcasters, 2014](image)

In 2017-18, including the Government's reinvestment in CBC/Radio-Canada and salary inflation funding the annual per capita funding will be $34

Average - 86

Sources: Nordicity, Analysis of Government for Public Broadcasting, April 2016 and CBC Finance

**FIG 5: Public funding for CBC/Radio-Canada compared to other broadcasters**
The gap between Britain’s approach to cultural investment and Canada’s is even more pronounced when we consider that Canada’s spending on culture and broadcasting as a share of the overall economy has steadily declined over twenty-five years. (Fig 6)

DIRECT PUBLIC INVESTMENT IN DECLINE
Federal Spending on Culture and Broadcasting as Share of Economy

Canada can learn much from Britain’s approach to funding culture.

The BBC offers a compelling example of how a strong, stable, well-funded public broadcaster can serve the interests of domestic audiences and diverse communities, support the global ambitions of its creative and cultural sectors, and provide a strong foundation for Britain’s creative economy.

Through a combination of a cohesive culture strategy and sustained culture investment over many years, “Creative Britain” is now a crucial part of the British economy, British culture is stronger than ever and the BBC is a global symbol of quality.
V. REALIZING THE FULL BENEFITS OF A PUBLIC BROADCASTER: OUR VISION

We want to be ambitious for Canadians.

Public broadcasting has the potential to fuel our cultural ecosystem, deliver on Canada’s cultural policy goals and make Canada a cultural powerhouse.

CBC/Radio-Canada wants to be able to deliver what Canadians want to see more of, and what we know they value in their public broadcaster: more non-news programming, more information to help them develop a better understanding of their world, more local programming, more investment and diversity in our radio programming, and more of the kind of nation-building events where Canadians come together to celebrate the achievements of our top creative talent.

We want to listen to and collaborate closely with Canada’s artistic and creative communities to help define a future for CBC/Radio-Canada that fully leverages our value within our cultural ecosystem. We will ask our creators what they want in CBC/Radio-Canada going forward to support them in producing great Canadian content and strengthening the impact of our collective work for the benefit of Canadians.

And we will listen to Canadians to produce Canadian content that resonates with them and reflects our country’s diversity. We have a vision for how we can do this by using data more effectively, in our product development, decision making, journalism and performance measurement. Unlike TV and radio, digital platforms allow us to gather real-time data on individual user behaviours, insights that will help us convert our connections with millions of Canadians into deeper and more meaningful engagement with Canadian content. This capability will inform and validate our creative output. We will place deep audience understanding at the centre of our decisions, allowing us to take greater risks and push boundaries. We will develop our products, services and content informed by how our audience reacts to them. Our news content will always be driven by independent editorial decision making and adherence to our world class Journalistic Standards and Practices and not simply “chasing clicks.” But by incorporating this data capability as an additional input to our creative process and programming, we can ensure that we are delivering our distinctive public service in a way that is most relevant to each Canadian.

But to do this we need to be able to invest in the critical areas that will define our future. And we need stable, long-term, sustainable funding.

We put forward below a vision for our future that will establish a strong foundation for Canadian culture and our artists and creators to unlock the full potential of culture for the benefit of all Canadians.
Our Vision

I. Four Priority Areas

We have started our transformation with our *Strategy 2020* plan. We have made significant progress in the right areas, but we need to significantly deepen and intensify our efforts in the critical areas that will define our future. Our focus will be on four priority areas that will guide our work and our investments:

1. Digital innovation
2. Contributing to a shared national consciousness and identity
3. Creating quality Canadian content
4. Promoting Canada to the world

Strength in these areas is how we will become even more relevant for Canadians. It is how we will anchor Canada’s cultural ecosystem to deliver on a modern cultural policy framework.

Digital Innovation

CBC/Radio-Canada will continue to transform into an innovative, digital organization.

This includes investing more in our digital infrastructure and digital content to meet the needs of Canadians with more tools at our disposal. One example is Hamilton. Residents wanted a local CBC presence but there were no radio frequencies available. So we created our first-ever fully online local station, serving the community in a new way. Similarly, our groundbreaking accessibility services make our content available to the four million Canadians living with disabilities that restrict their access to our content. And, we’re creating a more personalized and interactive user experience, with products designed for rapid continuous iteration on multiple platforms and adaptable to emerging media formats.

We need to do more of this. Our plans are exciting and ambitious: we will have a strong Canadian-owned and operated multiplatform service that prioritizes Canadian content, artists, creators and independent producers in a world of abundant choice and enables rich contribution, participation and engagement with our audiences. We will continue to expand our reach by sharing our digital content on third-party platforms such as YouTube and Facebook, where audiences can now watch programs like *The National* or *Téléjournal (Ottawa-Gatineau)* live each evening.

We will create a range of digital content that meets the needs of Canada’s diverse populations and work with an ever-broadening range of independent creators to ensure a plurality of voices. An example of this is the [CBC Creator Network](https://www.cbc.ca/creators) where Canadian YouTube creators are collaborating with CBC to develop and amplify their content and brand.

We will grow the innovation economy. Our vast audience and data sets and our digital platform can be used for rapid testing, insight gathering, and deployment of new content and features, generated both internally and in partnership with independent and diverse creators, start-ups and educational institutions. Canadians will see more examples like Radio-Canada’s *Première Plus*, a digital radio destination that offers all partners and creators a unique broadcast space.
Contributing to Shared National Consciousness and Identity

We will continue to be the catalyst and facilitator of relevant conversations in Canada. We are committed to being a "gatherer", bringing Canadians together around community issues and local cultural experiences, and to being at the heart of Canadian conversations.

There are fewer and fewer institutions of social cohesion in this country. Across the world, individual communities of interest increasingly share their time and views with others whose views are similar. In this environment, Canadians risk becoming increasingly isolated from broader conversations that shape our sense of who we are. We can’t take social cohesion and a shared national consciousness for granted – we must work at it every day.

CBC/Radio-Canada will continue to be an enabler of social cohesion, giving Canadians unparalleled access to information and programming that reflects a diversity of voices and perspectives.

We will also create and showcase more local and national events; cover more issues of national interest; and provide the virtual meeting place for Canadians to listen to one another, to be heard and to reflect on our society.

Creating Quality Canadian Content

In the future, content will be found in either short digitally produced and distributed form or longer-form audio and audio-visual content that meets the standard of premium content being set by the world’s best. Its distribution will be multiplatform and in many forms, and it will be enhanced via virtual reality or a significantly more intense audio-visual experience. Initiatives like Radio-Canada’s La route des 20 and ibook Charlebois, par-delà Lindberg are already moving in that direction.

CBC/Radio-Canada will create, produce and partner with Canadian cultural entrepreneurs to offer more quality Canadian content than ever before, in both official languages and a spectrum of Indigenous languages and in a range of content and formats that can be shared with the world. We will shine a brighter spotlight on our great Canadian music talent. We will invest in our future audiences, creating more programming for young Canadians – children, teenagers and young adults – who are more diverse than any previous generation in our country.

Projects like Radio-Canada’s “Prochaine Génération” are shaping the form, content and platforms for the news and current affairs programming of tomorrow.

The “Espace Autochtones” digital portal provides a unique window to a broad audience on the realities of Indigenous communities in Canada and a platform to hear from, and engage with, Indigenous people.

The stronger the CBC/Radio-Canada platform and brand, the more content can be amplified to audiences across demographics and borders. We are well positioned to support content creators across the country, supporting innovation and risk taking. In fact, it has become the trademark of Radio-Canada to challenge expectations, shake up genres and create surprises – even social phenomena – with prime-time drama series, most recently, District 31 and Unité 9. This was also true for CBC’s newest hit, Kim's Convenience, with its uniquely Canadian take on the immigrant experience and our prime time and commercial free broadcast of Secret Path. Lastly, we did this with our International Emmy® nominated short documentary series Interrupt this.
Program, about the role of the arts as a tool for social change in different countries, and with CBC’s Oscar® shortlisted Frame 394 – an original short digital documentary about the police shooting of a black man in the U.S.

We’re committed to supporting Canadian film too, as seen in our newly announced Breaking Barriers Film Fund, where we are striving to make a meaningful difference by supporting under-represented creators directly and investing in their feature films. We’ve created a new funding model that will offer vital support to writers and directors who have historically been at a disadvantage in accessing financing: women, Indigenous people, persons with disabilities and visible minorities. We will ensure their films are promoted to a much broader audience in Canada through distribution on CBC’s multiplatforms.

As part of the value we bring, we are able to make our audience insights available to creators to inform and validate their creative decisions. This, in turn, can help to create more Canadian content that reflects more diverse voices.

**Promoting Canada to the World**

Canadians are incredibly proud of this country and its strong global brand. At a time when the world is increasingly interested in Canada, CBC/Radio-Canada is poised to champion the promotion of world-class Canadian content and cultural entrepreneurs to the world.

Working with independent producers and with other cultural organizations in Canada – from our screen-based partners like Telefilm, the CMF and the National Film Board (NFB), to our museums, galleries and performing arts organizations – we will combine our strengths to promote Canadian content. We want to develop a collective approach to leverage the power of our culture and creative sectors to grow our global culture brand.

The international marketplace for content is more crowded than ever. We can do more to help promote Canada and Canadian creativity on the global stage. Indeed, we are currently involved in discussions and partnerships with other public broadcasters like Australia’s ABC and France Télévision to create a global digital Business to Business (B2B) marketplace that will allow us to reach each other’s content and distribution platforms. We have already shown, with our successful public broadcaster’s global conference in Montreal this September, that we can play a leadership role within this community. We are a natural bridge between Canadian producers and creators and an international network of broadcasters who share a set of values around quality, distinctiveness and public service.

With over 10,000 hours of francophone and anglophone TV and radio programs distributed every year to hundreds of clients and partners nationally and internationally, we are well-established in the distribution marketplace. Around the world, documentary is known as “Canada’s art form,” just one example of the international respect for one of the genres we do so well. Under the brand of CBC/Radio-Canada, and in partnership with other content distributors, we will drive efforts to ensure our creators are showcased to audiences around the world. We will do this with both content and original formats, such as our initiative with Warner Brothers to create original Canadian formats that can be exported worldwide.
CBC/Radio-Canada’s digital platform and our partnership strategies already enable us to reach audiences around the world. Eighteen CBC Radio programs, including Piya Chattopadhyay’s new show, *Out in the Open,* which tackles the tough issues of our time, are distributed widely to public radio across the U.S. With additional flexibility, including additional global digital rights and resources to market outside of Canada, we can deliver on the government’s ambition to bring the best of Canadian content to the global stage.

II. An Ad-Free Funding Model

CBC/Radio-Canada needs to build its future on a strong and stable foundation.

This summer’s *Tragically Hip concert,* one of the most powerful shared Canadian experiences ever, lauded nationally and internationally, offers a compelling vision of what an ad-free public broadcaster provides Canadians.

The idea of an ad-free public broadcaster in Canada has long been discussed and debated; indeed, in February 2008, the Standing Committee on Canadian Heritage recommended that CBC/Radio-Canada negotiate with government a transition to an ad-free business model. More recently, it has been a focal point in the cultural consultations.

There is an important financial element to this model. It would provide stability for CBC/Radio-Canada and for our cultural ecosystem. At a time when the interest in and the excitement around Canadian culture at home and globally is as strong as it has ever been, it would strengthen the momentum we are creating through our transformation.

But beyond the financial benefits of this model, it would allow us to put even more emphasis on our public service mandate, provide a more distinct and engaging offering for Canadians, and become a stronger and more valued partner to communities, individual artists and creators, universities, culture organizations, and the sector’s commercial players.

Our focus would be more firmly on the needs of citizens, creators and our industry partners without the constant preoccupation of monetizing each of our initiatives.

It would create greater opportunities to find and nurture new talent. It would create more room for distinct Canadian programming, made by Canadians, featuring Canadians and telling the stories Canadian creators want to tell.

We would focus less on commercial return and more on cultural impact, exploring more ways to help Canadian content and creators thrive and grow. We would be able to commission programming that takes risks and has the time to find an audience without being overly driven by the need to deliver immediate success.

We would tackle stronger and more distinctive content, including the kind of complex storytelling that is difficult within a format that includes advertising interruptions. It would increase our creative appeal to Canadian directors, writers and producers.

This is the kind of viewing experience that Canadians have come to expect with premium content and that has driven the high engagement we have seen in ad-free services like Netflix.

For our Canadian audience, in an age of information
overload, where content and marketing can become intertwined, we also see great value in the opportunity to create an advertising-free environment for our journalism and to strengthen the public trust in our independence and impartiality.

Beyond the creative benefits and better audience experience, working with noted media policy and economic analysts Nordicity, CBC/Radio-Canada fully explored the economic impact of an ad-free model for CBC/Radio-Canada, for the broadcast and creative sectors, and for Canadians, with important and thought-provoking results.

The Economic Impact of an Ad-Free CBC/Radio Canada

**Economic Upside**

The economic upside of moving to an ad-free model would be a net total GDP gain of $488M, a total labour income impact of $355M and the creation of 7,200 new jobs.

The gains are as a result of CBC/Radio-Canada’s strong support of Canadian production talent. CBC/Radio Canada’s spending benefits independent producers and other Canadian third-party suppliers, and also creates a ripple effect of spending throughout the economy.

Impact on CBC/Radio-Canada and the Sector

In terms of costs, the ad-elimination model would yield a net loss in advertising revenue of $253M to CBC/Radio-Canada. However two-thirds of this revenue would migrate to other Canadian media, including private TV and digital, for a net gain to them of $158M.

[13] This ad-free model contemplates having no advertising on conventional TV, radio and digital. It does not factor in the Olympic Games, which, based on existing agreements and business model, would continue to have advertising.


ELIMINATION OF ADVERTISING REVENUE

The Nordicity study revealed that nearly two-thirds of CBC/Radio-Canada ad revenue ($158M) would migrate to other Canadian media.

**CBC/Radio-Canada Ad Revenue Migration ($253M)**

- **Canadian Media** $158M (63%)
- **Foreign Media** $86M (34%)
- **Unspent** $9M (3%)

1 Other is comprised of private radio ($4M); Digital ($3M); and other media such as newspapers ($13M)
2 Foreign media is comprised entirely of digital

REPLACEMENT FUNDING

In order to exit advertising, CBC/Radio-Canada would require $318M in replacement funding. This figure takes into account the lost advertising revenue ($253M), the cost to produce and procure additional Canadian content ($105M) that is required to replace the advertising programming and the cost savings associated with the reduced cost of sales ($40M).

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
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<tbody>
<tr>
<td>Lost conventional and speciality television and digital advertising</td>
<td>$253M</td>
</tr>
<tr>
<td>Costs to produce or procure additional Canadian content to replace the advertising time</td>
<td>$105M</td>
</tr>
<tr>
<td>Less the cost savings associated with the reduced cost of sales</td>
<td>($40M)</td>
</tr>
<tr>
<td><strong>Total net required replacement funding</strong></td>
<td>$318M*</td>
</tr>
</tbody>
</table>

* Does not include one-time costs associated with transition out of advertising sales
Funding a Better Future

The Investment

CBC/Radio-Canada’s vision involves a new approach to funding Canada’s public broadcaster, one that we believe is crucial to growing our creative economy. This includes an investment in our priority areas along with replacement funding to move away from advertising as a source of revenue. In total, we propose an increase in our government funding of $12 per person to bring our funding to $46 per Canadian from the current amount of $34. This amount is consistent with the 2008 recommendation of $40 per person by the Standing Committee for Canadian Heritage, adjusted for inflation.

While this would represent a meaningful investment in our future, it is important to remember that for every incremental increase of $100M in CBC/Radio-Canada funding, $211M in gross value (GVA) is added to the Canadian economy through the economic activity it generates. This investment would yield benefits for public broadcasting, for the broadcast and media sectors in Canada, for the cultural and creative sectors, and for the Canadian economy.

FUNDING PROPOSAL

<table>
<thead>
<tr>
<th></th>
<th>$ per person</th>
<th>$ millions</th>
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</thead>
<tbody>
<tr>
<td>Government funding today</td>
<td>34</td>
<td>1,215</td>
</tr>
<tr>
<td>Add: Replacement of advertising revenue</td>
<td>9</td>
<td>318</td>
</tr>
<tr>
<td>Add: Additional funding of new investments to face consumer and technology disruption</td>
<td>3</td>
<td>100</td>
</tr>
<tr>
<td>Total proposed government funding</td>
<td>$46</td>
<td>$1,633M</td>
</tr>
</tbody>
</table>

Assumptions:

1. Ongoing inflation adjustment mechanism
2. Excludes subscriber and other self-generated revenue
3. Replacement of Advertising revenue is estimated as 2014-15 Ad Revenue of $253M + cost of replacement programming of $105M less the reduction in cost of sales of $40M

VI. OUR RECOMMENDATIONS

We have outlined in this paper the value of our work for Canadians, the challenges as global companies and consumer trends dramatically alter the broadcast and media landscape, and the remarkable opportunities for our cultural and creative industries and public broadcasting to make Canada a cultural powerhouse.

Our recommendations below address the critical issues that need to be solved if we want Canadian culture and public broadcasting to become a true source of social and economic strength for this country.

Recommendations

1. Develop a cohesive cultural investment strategy. This strategy would include:
   - A Canadian cultural industries council, using Creative Britain as an inspiration;
   - A coherent policy framework to regulate conventional broadcasters and new media entrants evenly, including a mechanism for new media entrants to support Canadian content; and
   - The flexibility to allow CBC/Radio-Canada to invest in Canadian creators and promote Canada globally, including more opportunities for investment in content and distribution.

2. Increase per person funding to CBC/Radio-Canada to $46 – an increase of $12 per Canadian. This is consistent with the (inflation adjusted) per person funding amount recommended by the Standing Committee on Canadian Heritage in 2008. This will enable CBC/Radio-Canada to make the necessary long-term investments to complete our transformation, move away from advertising as a source of revenue on all platforms and be a strong anchor for our cultural ecosystem.

3. Depoliticize CBC/Radio-Canada funding so that it is predictable and stable, tied to the existing five-year licence cycle, indexed to inflation, and separated from the election and annual government budget cycles. This would be similar to how the BBC now operates. Indexation is critical – without it, inflation of just 1.5% per year would erode the new government funding of $150 million to zero in just six years.

VII. CONCLUSION

The government’s desire to strengthen Canadian content creation, discovery and export in a digital world and to modernize how it supports Canadian culture is timely and critically important. Canada has the potential to be a global cultural powerhouse and to grow Canada’s economy and quality of life, but bold action is required to realize this ambition.

As Canada’s public broadcaster, CBC/Radio-Canada has long been at the very heart of Canada’s cultural ecosystem. Our contribution to Canadian culture is significant already, and we embrace the opportunity to do much more to ensure that strong, distinctive Canadian content thrives amongst a sea of choice, and that Canadians discover the unique voices, perspectives and creative talents of our nation’s people.

But we are at a critical juncture in our evolution, continuing to operate under a business model and cultural policy framework that is profoundly broken. At the same time, other nations are moving their cultural agendas forward successfully – and reaping the benefits of strong, stable, well-funded public broadcasters.

With support for our ambitions as outlined in this paper, we can drive the creative sector and the creative economy in Canada more effectively and more widely than any other government intervention. We can become an exceptional partner within the creative community, working with both private and publically funded organizations to create and champion Canadian content and creators. We can better leverage our vast reach and the success of our digital network and data insights.

We urge the government to accept and adopt CBC/Radio-Canada’s vision and recommendations for Canada’s own public broadcaster. We have an important role to play in serving cultural needs and the interests of all Canadians and in helping drive the global ambitions of our great nation. We are poised to support the realization of Canada’s cultural agenda.

The world is changing, and we are ready.