



## **CBC/Radio-Canada needs more funding and true independence: CMG proposals**

The cuts to CBC/Radio-Canada this year alone amount to one of the biggest layoffs of content creators and journalists in Canadian history. The reckless dismantling of a major cultural resource in a vast, diverse country like ours – next to the U.S. powerhouse with its big commercial broadcasters – must be stopped and the longer-term trend at CBC reversed so that our public broadcaster can continue to produce local and national programming on all platforms that is in the public interest.

Here is what CMG is urging be done to reverse the damage:

1. **Reverse the \$115-million Deficit Reduction Action Plan (DRAP) cut to CBC**
2. **Increase CBC funding to about half the average of what other developed countries invest in their public broadcaster or \$43.5 per capita annually** over the next five years, and adjust CBC's parliamentary appropriation for inflation.
3. **Ask the CRTC to reinstate a fund that is dedicated to programming by public service media** (CBC, TVO, APTN, Tfo, community media) as well as independent producers on all platforms that meet the diverse and evolving programming needs of Canadians.
4. **Repeal Division 17 of omnibus budget bill C-60** – in the interest of our country and of our reputation as a mature democracy – to remove government's interference in CBC's day-to-day operations.
5. **Protect CBC/Radio-Canada's independence** by instituting a more public mechanism for selecting the national public broadcaster's Board and CEO.

### **UNESCO's definition of public broadcasting:**

*“Neither commercial nor State-controlled, public broadcasting's only raison d'être is public service. It is the public's broadcasting organization; it speaks to everyone as a citizen. Public broadcasters encourage access to and participation in public life. They develop knowledge, broaden horizons and enable people to better understand themselves by better understanding the world and others.*

*Public broadcasting is defined as a meeting place where all citizens are welcome and considered equals. It is an information and education tool, accessible to all and meant for all, whatever their social or economic status. Its mandate is not restricted to information and cultural development — public broadcasting must also appeal to the imagination, and entertain. But it does so with a concern for quality that distinguishes it from commercial broadcasting.*

*Because it is not subject to the dictates of profitability, public broadcasting must be daring, innovative, and take risks. And when it succeeds in developing outstanding genres or ideas, it can impose its high standards and set the tone for other broadcasters. For some, such as British author Anthony Smith, writing about the British Broadcasting Corporation — seen by many as the cradle of public broadcasting — it is so important that it has “probably been the greatest of the instruments of social democracy of the century.”*

## **Why these commitments are necessary:**

### **CBC/Radio-Canada is a major Canadian cultural resource**

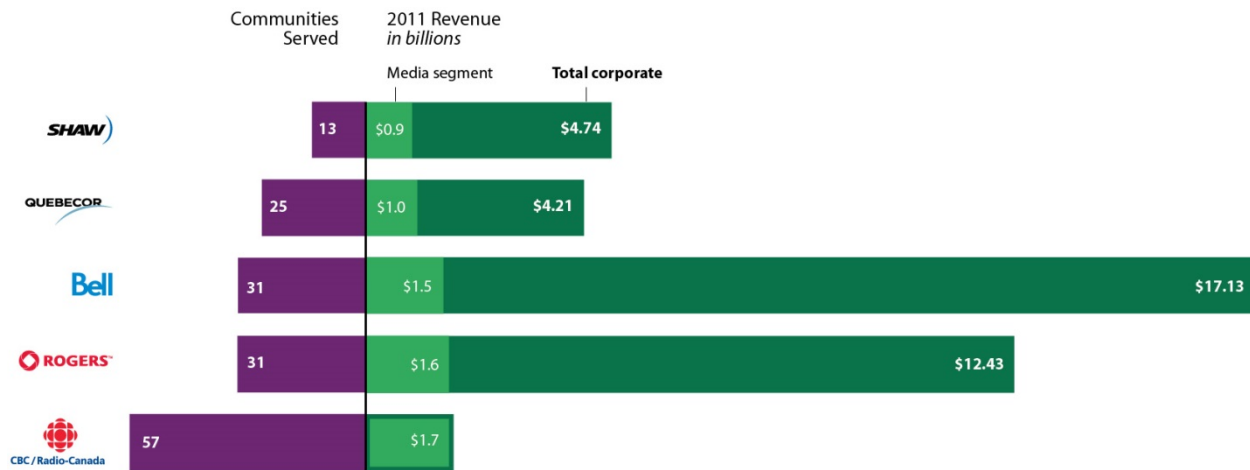
CBC/Radio-Canada allows us to hear, see and listen to each other across this vast land. Its presence in communities large and small across the country with service in both official languages and in eight indigenous languages, a singular focus on the public interest, telling Canadians' stories, and bringing us the world's stories from a Canadian perspective – makes the national public broadcaster a valued resource with an 80-year track record.

And Canadians agree:

- ❖ 83% said the CBC is important in protecting Canada's identity and culture; 81% said the CBC is one of the things that helps distinguish Canada from the United States (Pollara 2009).
- ❖ More than 90% of Canadians who took part in the Reimagine CBC project in 2012 said they value and strongly support courageous reporting from CBC; over 83% said they appreciate the Canadian perspective provided by CBC.
- ❖ Despite increased access to more and more content from more and more sources and places – or perhaps because of it – 81% of Canadians recently told the CRTC that local news, a huge part of what CBC/Radio-Canada delivers in communities across the country, is important to them.
- ❖ Two-thirds (69%) of Canadians said in February 2014 that they would like to see CBC's funding increased or preserved (Ekos 2014).

CBC serves the biggest news audience in Canada, providing local/regional, national and international news, in English and French, on TV, radio, Web and mobile, from coast to coast to coast. No other media organization in the country does this. In fact, no other national media company has a station in the North or French-language stations outside Québec.

## # OF COMMUNITIES SERVED WITH DAILY LOCAL PROGRAMMING VS. REVENUE



Sources: Corporate financial reports for 2011, CMG

Created by the Canadian Media Guild | www.cmga.ca | November 2012

Recent prime time schedules on Canadian television showed CBC at 94% Canadian content, Global television at 8%, City TV at 12%, CTV2 at 8% and CTV1 at 0% between 8 p.m. and 10 p.m.

Former CBC President Al Johnson said the national public broadcaster means “equal time for Canada”. Canadians value CBC’s role in their lives as citizens, not just consumers.

### **CBC/Radio-Canada is a vital economic asset**

In addition to its value to us as a cultural institution, CBC/Radio-Canada is vital for a healthy media industry in Canada.

In 2011, a Deloitte study showed that CBC contributes \$3.7 billion to the Canadian economy, a substantial return for a public investment of \$1.1 billion. The study cites CBC's contributions to local economies, a vibrant production sector, creative clusters and competitiveness. The research also highlights CBC's role as an innovator which pioneers new technologies later adopted by other broadcasters and the broader creative sector.

These findings are consistent with recent research by the Reuters Institute for the Study of Journalism and the BBC Trust (2013) about the role of public broadcasters around the world. In the case of the UK, the researchers found that "the BBC is able to invest in areas that are not commercially viable in the short run but that have strategic long-term potential for audiences and the UK’s creative industry."

### **Ongoing cuts to CBC/Radio-Canada are having harmful impacts**

With the June 26, 2014 announcement of more cuts due to lack of funding and a seemingly improvised strategy for the next five years, the CBC risks being too weakened to do the things Canadians rely on it to do. The impact has been damaging:

- Watering down news reporting and current affairs coverage
- Diminishing local programming across the country
- Shrinking local newscasts
- Damaging a critical cultural incubator
- Abandoning sports
- Losing diversity

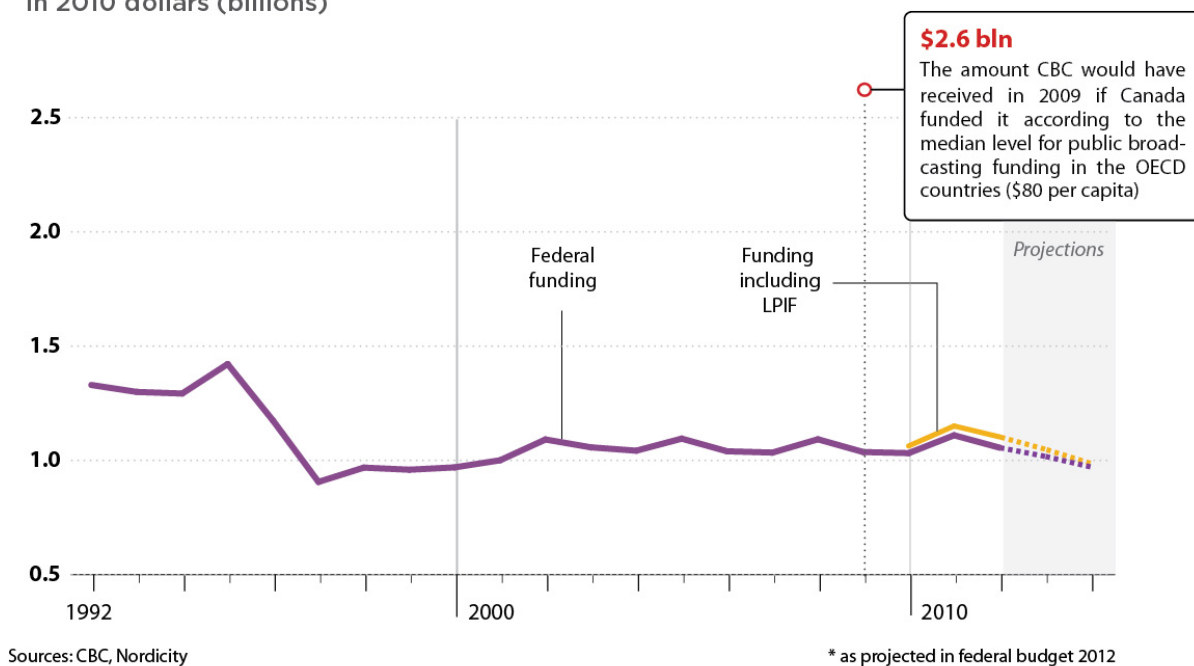
The details of CBC's 2020 plan are unclear and we therefore do not know its full effects. If as many fear, it is a plan to reduce CBC into a conduit for programming that is not expressly grounded in the precepts of public broadcasting, the consequences would be devastating.

## Why more money:

### Current situation:

CBC receives \$29 per Canadian per year. This is to be compared with an average of \$87 per capita funding in other industrialized countries (\$111 per capita in the UK; \$78 per capita in France)

### **FEDERAL GOVERNMENT AND LPIF FUNDING TO CBC 1992-2014\*** in 2010 dollars (billions)

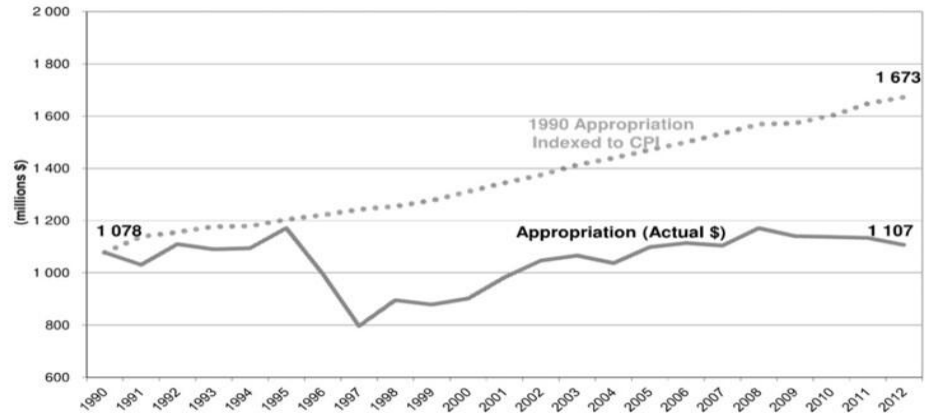


Created by the Canadian Media Guild [www.cmg.ca](http://www.cmg.ca) November 2012

CBC funding is provided on a yearly basis, and it has been cut regularly over the past decades. There are no adjustments for inflation, which makes the budget cuts in real dollars deeper than official figures indicate. This approach makes planning unnecessarily difficult, and places the organization in a vulnerable position.

# CBC/Radio-Canada Has Been Doing More with Less

**CBC/Radio-Canada's Parliamentary Appropriation Indexed to Growth of the Consumer Price Index (CPI)**



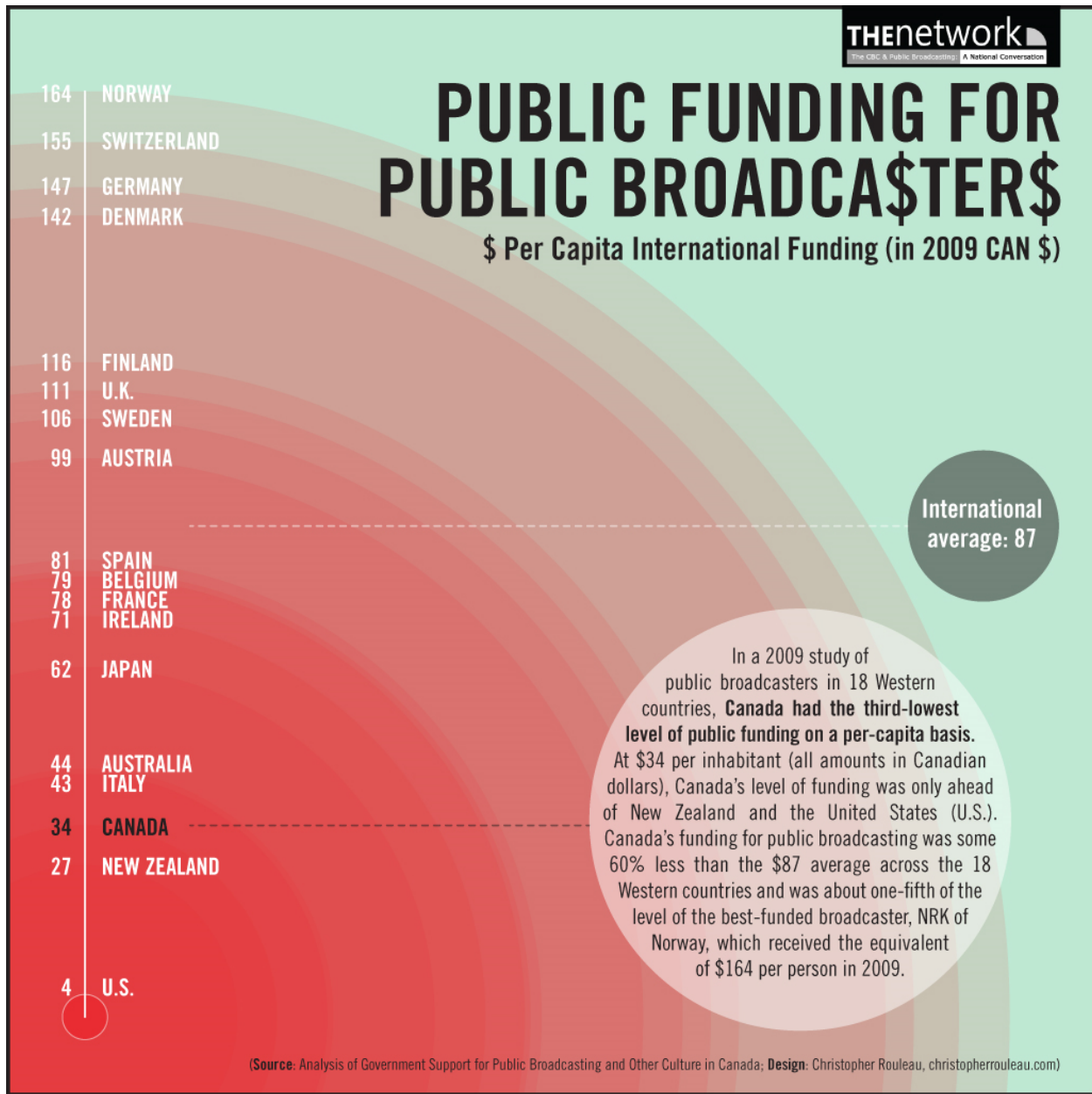
2013 M... ENVIRONMENT

Source: Statistics Canada Catalogue 62-001-XPE, Table 5 and CBC/Radio-Canada Annual Reports

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Recent reductions include \$115 million cut related to the Deficit Reduction Action Plan (DRAP); the disappearance of the Local Programming Improvement Fund (LPIF) and the consequences of the loss of NHL hockey.

As a result of the federal government DRAP cut, CBC/Radio-Canada funding has now fallen to \$29 per capita.



## **CMG proposal – Funding:**

- **Reverse the \$115 million cut related to the Deficit Reduction Action Plan (DRAP)**

### **Where the money comes from:**

The federal government has announced it expects a surplus in 2015. Part of the additional revenue is from proceeds from the sale of valuable spectrum (\$5.3 billion). Scheduled sale of more spectrum (AWS3 this year and 2500 MHz next year) will bring in new revenue to government coffers – similar sales in the U.S. yielded \$10 billion.

Given that these are public airwaves, CMG supports the idea of setting some of this money aside to support Canada's major cultural institutions including CBC. We propose that half of the proceeds from this and future spectrum sales be invested for CBC/Radio-Canada and other key cultural institutions.

- **Ask the CRTC to reinstate a fund that's dedicated to programming by public service media (CBC, TVO, APTN, Tfo, community media) as well as independent producers on all platforms that meet the diverse and evolving programming needs of Canadians.**  
CBC made great use of the previous fund (Local Programming Improvement Fund). The Fund would support innovative programming and French-language local programming outside of Québec, English-language local programming inside Québec and all forms of local programming in the North.

### **Where the money comes from:**

A very small percentage of gross revenues generated by BDUs (Broadcast Distribution Undertakings) and ISPs (Internet Service Providers) per year as a contribution for their use of public airwaves, from which they draw great revenues, and in support of the health and diversity of Canada's broadcasting ecosystem regardless of platform. At the same time these organizations must continue to contribute to the system they are part of through Canadian content programming consistent with the requirements of the *Canadian Broadcasting Act*.

- **Increase funding to about half the average of what developed countries invest in their public broadcaster or \$43.5 per capita annually over the next five years.** Index CBC's parliamentary appropriation for inflation.

### **Where the money comes from:**

There is enough money in government coffers to provide for this long overdue adjustment to the funding of a valuable Canadian cultural resource. In 2008, the all-party Heritage Committee recommended that the CBC's funding go to at least \$40 per capita.

Former CBC President Tony Manera recently told a Senate Committee that he believes "that unless the CBC can be funded at a level of \$50 per capita per annum, it cannot do its job effectively."

We also recommend that the appropriation take inflation into account, and that funding be reviewed regularly (five-seven years) based on serious analysis of Canadians' needs in communities across the country, CBC/Radio-Canada's mandate and international trends.

## **Why an independent Board and CEO:**

### **Current situation:**

CBC Board and president are appointed by PMO. All indications are that these are highly partisan appointments – How else to explain that virtually all current board members are Conservative party donors and activists, and have all been appointed by Prime Minister Stephen Harper?

The governance flaw could very well be at the root of the dismantling of CBC/Radio-Canada we are witnessing.

This was made clear at an all-staff town hall in June. In answering an employee's question about CBC governance, CEO Hubert Lacroix said:

*"Our shareholder is the government"*. Note he did not say "our shareholder" is Parliament OR the real stakeholders of the public broadcaster, Canadians.

### **CMG proposal – Independence:**

The 2008 Heritage Committee review (*CBC/Radio-Canada: Defining Distinctiveness in a changing media landscape*) heard many witnesses who recommended improvements to the process by which CBC/Radio-Canada's Board and CEO are selected.

- **We urge that the process by which the Board and CEO are selected be fixed.** The Canadian Media Guild has proposed that an all-party parliamentary committee be in charge of the selection, based on an approved set of qualifications related to arts, culture, journalism and broadcasting. Another suggestion is that an organization such as the CRTC establish and run a public process designed to ensure a non-partisan selection process based on clearly stated competencies.

### **Why ensure an arm's-length relationship from government:**

#### Current situation:

In 2013, the Conservative government through omnibus Budget Bill C-60, Division 17 introduced political interference at CBC/Radio-Canada, the largest news organization in the country – an unprecedented measure in democracies.

The new powers allow the government to be present when CBC/Radio-Canada and its employees' unions discuss what constitutes news, news programming, how assignments are made and the role of producers. This is an attack on CBC's independence.

### **CMG proposal – Remove government interference:**

- In the interest of our country, our public broadcaster and of our reputation as a mature democracy, we request a guarantee that **Division 17 of Bill C-60 will be repealed.**