

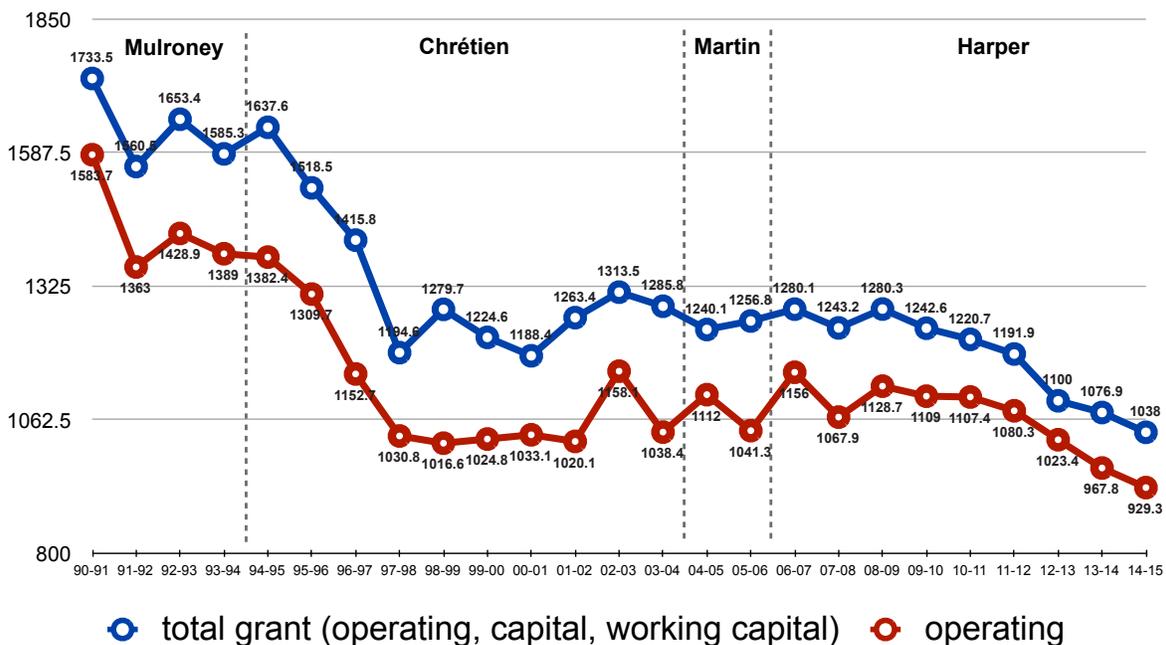
CBC Briefing Note

The Harper government has cut \$115 million from CBC's budget since 2012 after promising during the last election to maintain or increase support for the CBC. (www.friends.ca/moore)

As a result, CBC is being forced to shed 2000 of its talented creative staff – the heart and soul of our national public broadcaster, including some of its most well-known personalities – and cancel or diminish radio and TV programs.

The Harper government is not the first to cut the CBC's funding.

Change in Parliamentary Appropriation to the CBC (in 2014 \$)



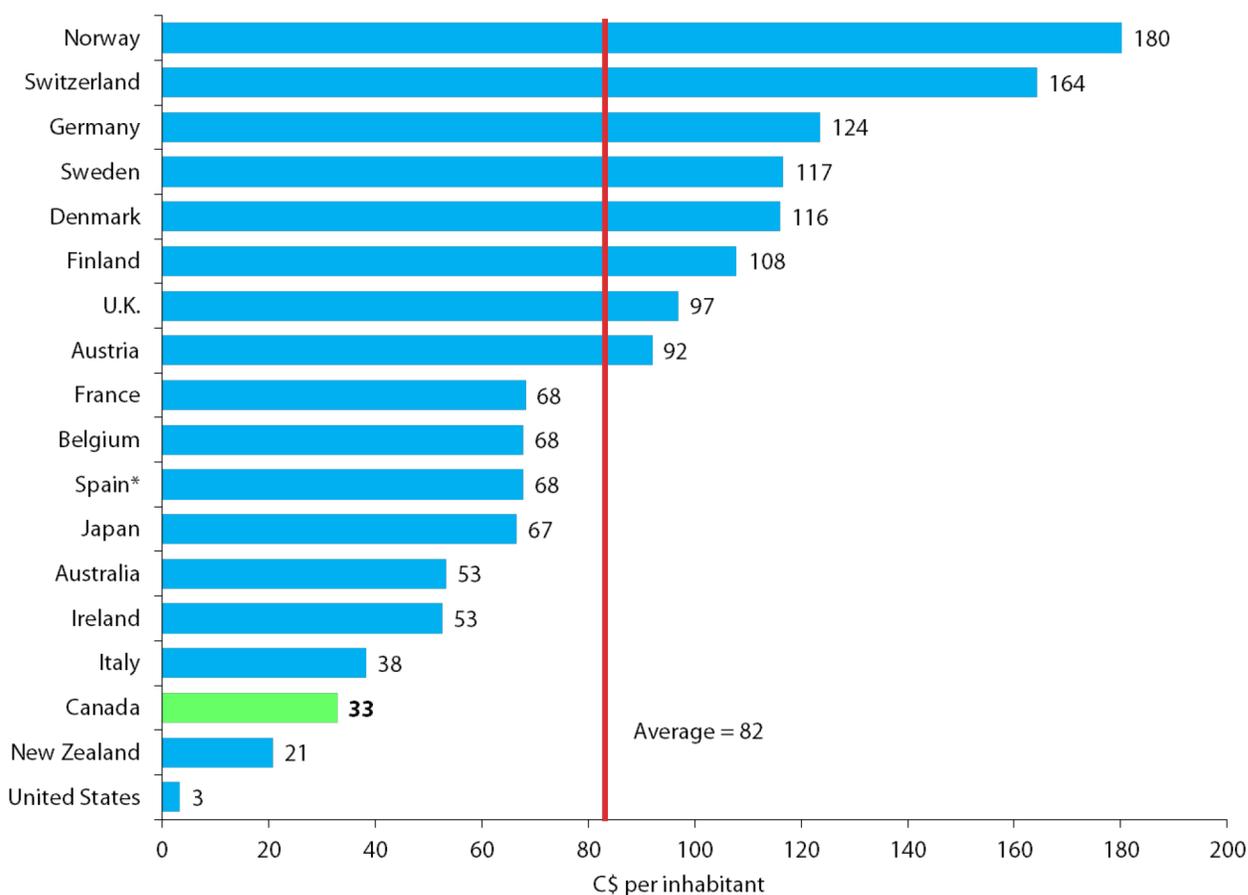
Sources: Treasury Board Main Estimates and Annual Reports to Parliament; CBC Annual Reports. Figures are in C\$millions adjusted to year 2014 dollars using 1914-2014 Statistics Canada Consumer Price Index data (V41690973 series, April 2014). Years reflect the Government of Canada fiscal year ending March 31. Figures include annual supplementary funds of \$60 million received between 2001-02 and 2012-13, when they were reduced, and 2013-14 and following, when they were eliminated completely. Appropriation figures do not reflect production fund or tax credit contributions to CBC productions.



Today, CBC funding is approximately \$29 per capita, down from \$33 per capita prior to the Harper cuts.

This level of funding the CBC places Canada almost at the bottom compared to other OECD countries that invest an average of \$82 per capita in their public broadcasters.

Per capita public funding for public broadcasters, 2011



Source: Nordicity analysis of annual reports of public broadcasters; see References and Data Sources and Appendix A for additional detail. * Statistics for Spain include an estimate for the autonomous region public broadcasters.

In 2007, the House of Commons Standing Committee on Canadian Heritage recommended CBC funding be increased to one half of the average invested in public broadcasting by OECD countries. (<http://bit.ly/report-cbc-funding>)

Increasing Canada's per capita investment in the CBC by just 3¢ a day would achieve the Heritage Committee's recommendation.

CBC Leadership & Direction

The negative impact of Mr. Harper's funding cuts has been magnified by poor management on the part of those the Prime Minister has appointed to lead the CBC.

All members of the CBC Board of Directors and the President and CEO have been appointed by the Prime Minister, a practice that dates from the 1930s.

Mr. Harper has used this power to reward party supporters. Among CBC Board members appointed by Harper, 75% have been financial contributors to the Conservative Party of Canada. (www.friends.ca/patronage)

Hubert Lacroix, the current CEO and President of the CBC, is a mergers and acquisitions lawyer who had no experience in running a broadcasting organization of any size, nor did he have any radio or television production or scheduling experience when Harper appointed him in 2007.

This means that the CBC is being managed by people who do not have an understanding of or experience in running a public service broadcaster.

This is reflected in the CBC's current strategic plan, that calls for further commercialization of the CBC's television, radio and online services, ending over the air broadcasting and a near-total dependence on digital delivery – an approach that has led CBC to the crisis it faces today.



Local broadcasting

It is much cheaper to produce one program and feed it to stations across the country than for each local station to produce its own programs. As a result, CBC's regional services are among the first to be cut, turning CBC into a Toronto Broadcasting Corporation.

As the CBC cuts back its regional presence, the disconnect increases with audiences that consider local news the most important kind of TV programming.

FRIENDS' view

FRIENDS is seeking a commitment from the opposition party leaders to undo the damage Harper has done to the CBC through funding cuts, political appointments and measures to undermine the CBC's independence from government.

At the same time, Friends advocates a different funding model to make the CBC less reliant on government funding and money from commercial activity.

See paragraphs 97 to 115 in this Friends' submission to the CRTC:
www.friends.ca/different-model.

