

2015-2016 Business Plan

ONTARIO
SCIENCE
CENTRE

An agency of the
Government of Ontario

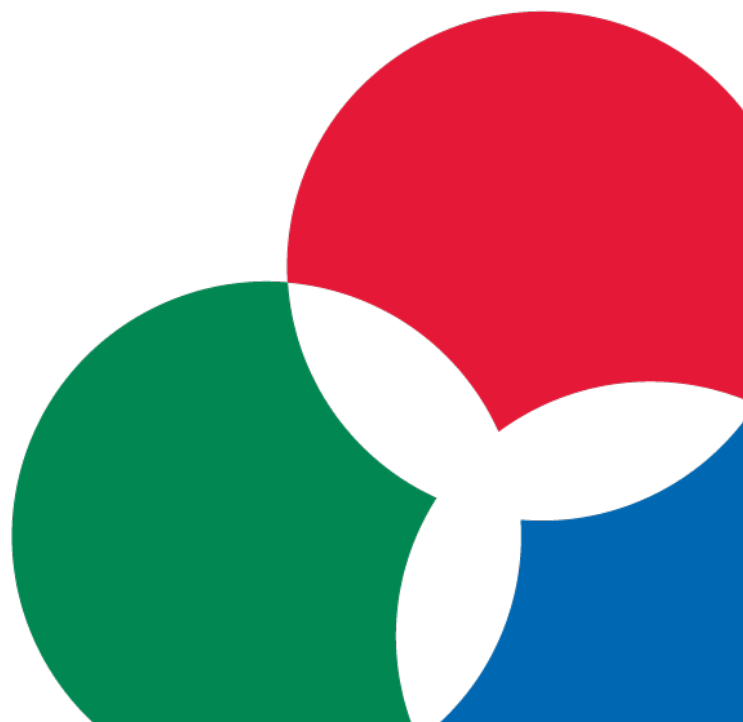


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EXECUTIVE SUMMARY

The Centre's strategic objective is to be a premier global science experience provider and Canada's most visited cultural attraction. The 2015-16 business plan represents the fourth full year of alignment with the strategic plan that was adopted in fall 2011 with particular focus on how the strategic directions in the plan align against the Centre's primary areas of focus; relevance, innovation and sustainability.

Visitor attendance at science centres, natural history museums and art galleries has decreased to varying degrees in recent years. There are many explanations for the decline (changing demographics, impact of technology, difficult economic climate, busy lives, and increased competition) but there are no quick or easy solutions. When the Centre opened in 1969 it was one of two interactive science centres in the world. Since then much has changed but most notably in the last decade driven primarily by the introduction of new technologies. The internet provides consumers with instantaneous content *when they want it* and *where they want it*. The advent of social media created communities of interest that provided a forum for discussion and sharing of content. At December 31, 2014 total attendance was 6% behind plan but admission related revenues were on plan primarily due to a higher than planned average ticket price (ATP). Though admission revenues to date are positive, other earned revenues were not realized and as result the OSC is projecting an earned revenue shortfall of \$1,300,000.

In light of all of the changes and in order to ensure the long term relevance of the Centre for future generations, the Centre is committed to mapping out the future direction on the foundation of relevance, innovation and sustainability. Work has begun in 2014 but will continue in 2015-16 thus marking a year of transition for the organization. Current and future plans are being developed around the following areas of focus:

RELEVANCE – Supporting the values as outlined in the Strategic Plan, the Centre will implement a discipline of a visitor first approach in guiding business decisions. Visitors are at the heart of all we do.

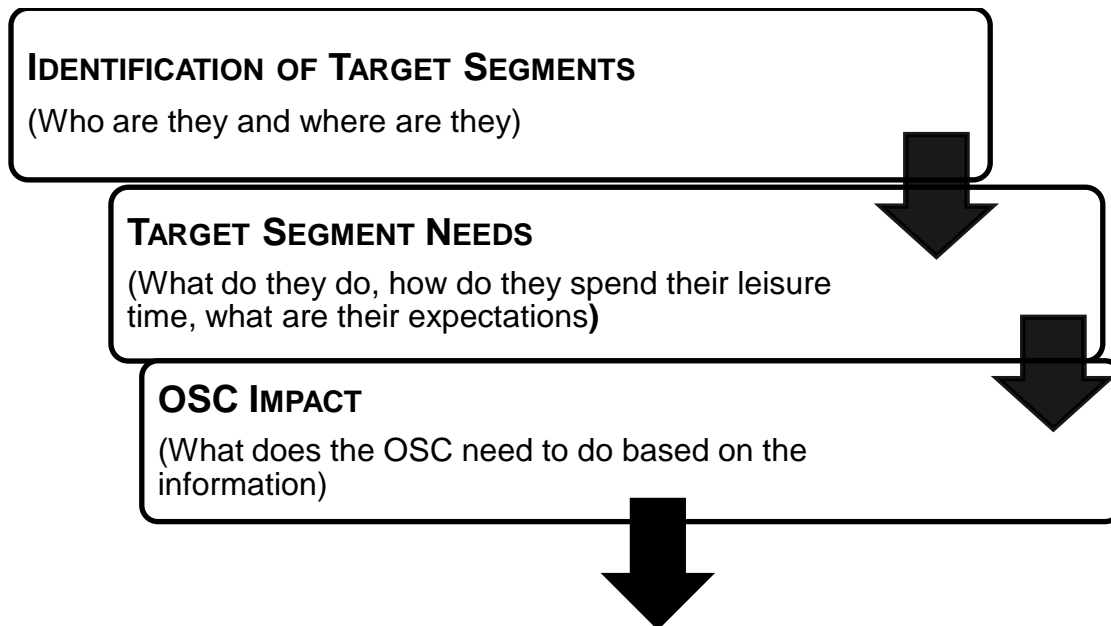
INNOVATION – Supporting our purpose as outlined in the Strategic Plan, the Centre will work to become the public centre for innovative thinking and proactive dialogue in science and technology.

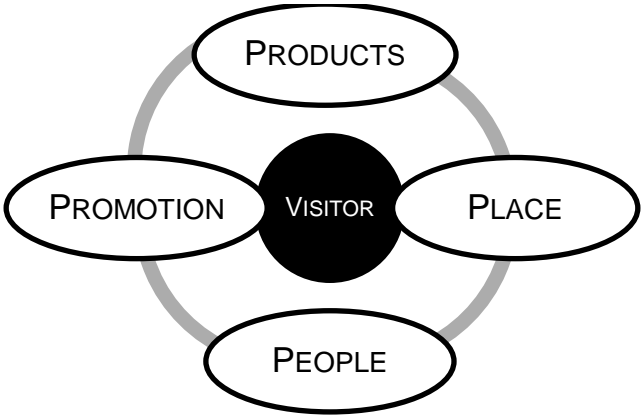
SUSTAINABILITY – Supporting the goals and strategies outlined in the Strategic Plan, the Centre will work toward implementing a science engagement business model is successful and viable.

The three strategic directions in large part need to work together in order to ensure the long-term success of the Centre. For example, being innovative but not responding to the needs of visitors will not help to reverse the current trend. The Centre needs to rethink its offerings through the lens of the visitor and the lens of sustainability while acknowledge and embracing the role that the Centre needs to play in Ontario's innovation ecosystem.

As indicated earlier, 2015-16 fiscal will represent a year of transition for the Centre as it embarks on implementing the operational shifts that are required in order to ensure its relevance, position in the innovation ecosystem and sustainability. In 2014, work was undertaken to identify Centre's visitor target segments and begin to learn how to align the Centres programs, experiences and services to meet their needs. The diagram below describes the systematic approach that the Centre is taking to reinforce its place as a centre for innovation in science and technology while at the same time ensuring its relevance to visitors and its financial sustainability.

The Road to Relevance





1. CORPORATE OVERVIEW

The Ontario Science Centre opened in 1969 as a pioneering interactive science museum, a gift from the Province of Ontario to mark Canada's Centennial. Today, with more than 2,000 interactive science centres around the world, the Centre needs to continually work on ensuring its relevance, innovation and sustainability in order to be a leader within the industry. Since its opening, the Ontario Science Centre has welcomed over 49 million visitors and has been a favorite school-trip destination for generations of students.

The Centre's original mandate to increase public understanding of science and technology is more relevant than ever. As our society and economy are more than ever based on knowledge, science and innovation and the Science Centre has an important role to play in enabling the public's participation in today's knowledge based society, in public education and engagement with science and in promoting a culture of innovation.

Although scientific discoveries and technological advances multiply incessantly, the basic skills that make them possible are relatively few: curiosity, observation, experimentation, challenging the status quo, connection, reframing, and innovation. By focusing on the skills and habits of mind that make scientific discoveries and technological advances possible the Ontario Science Centre has retained currency in the rapidly obsolescing world of science and technology. As for enduring attraction, exhibits that are relevant, fun, challenging and interactive continue to appeal to the curious and inquisitive mind. Interactivity also provides an immediately rewarding tactile experience and it makes experimentation and collaboration possible.

Placed by foresighted design at the nexus between science and society, the Ontario Science Centre can and should play a larger role in fostering a culture of science and innovation and in curating the public dialogue between science and society, both critical functions for our economic and social well-being. This requires continuous innovation, fresh investment, and closer connectivity among the different pieces of the innovation ecosystem.

Who We Serve

The Centre considers a broad and constantly-evolving range of stakeholders and visitors as it sets its directions and priorities.

Stakeholders

- The people of Ontario as represented by the Government of Ontario, its Ministers and Ministries
- Education and science research organizations
- Public, private and individual supporters
- Science centres and museums around the world
- Organizations and communities – such as local cultural and tourism attractions – with shared interests

- Employees
- Volunteers

Visitors

- Individual and group visitors
- Members
- Business clients and partners, including science centres and museums, travel and tour companies and facility rental clients

Priority Visitor Segments (in order of priority)

Families

At the core of the Centre's visitors are families with children. The Centre's brand of joyful learning and the multigenerational, social experience of a science centre visit appeals to all members of a family: children are engaged and actively discovering the world around them, while parents enjoy watching their children learn as they themselves learn. With insight gained through Environics Prizm research, the Centre has identified the following target segments that are further defined in the environmental scan found in the next section of the document:

Urban Singles and Couples –represents 13% of GTA general admissions visitors

Older Affluent Families –represents 11% of GTA general admissions visitors

Young Ethnic Families – currently represents 17% of GTA general admissions visitors

School Groups

The Centre's interactive approach to science learning provides teachers and students from K to 12 with strong support and an alternative to classroom learning. In a recent national survey, 94% of Canadian university students said that trips to science centres and museums increased their interest in science and technology. At a time when educators are concerned about students' declining interest in science and technology, the survey revealed that student interest in these subjects' increases with the hands-on experiences that science centres offer.

Adults Visiting without Children

Adults of all ages want to know more about science in and behind the headlines. A science centre visit is an enjoyable social experience which equips them to better understand the context of scientific discoveries and research and to continue to dialogue, debate and decision making on science related issues from climate, to research funding, to their own health.

Strategic Plan: Our Way Forward 2011-2016

In 2011 a strategic plan was developed to set the course for the Centre's future growth and in the context of the sustainability challenge facing the Centre. The plan established a renewed vision, purpose, values, business filters and overall objectives, goals and strategies.

The annual corporate business plan links the longer term strategies and the shorter-term goals that drive each fiscal business planning cycle. Linkages between the Strategic Plan and this plan are established in Section 3 (Corporate Business Plan 2015-16). In addition, in 2015-16, the Centre will focus on three principles that flow from the Strategic Plan:

Relevancy – Adoption of an “outside-in” evaluation and benchmarking of visitor experience, programmatic offerings, and development approaches to formulate compelling value propositions for the Centre offerings to visitors, clients and stakeholders.

Innovation – Position the Centre as a key player in the provincial innovation ecosystem, developing partnerships with other institutions with a focus on creating linkages between science and society.

Sustainability – Conduct business process reviews to inform the sustainable allocation of resources, revenue growth and expense management.

Our Mandate

The *Centennial Centre of Science and Technology Act* states the following objectives for the Centre:

- (a) to depict to the public and to conduct a program of education in the origins, development and progress of science and technology, and their relationship to society;
- (b) to depict the role of Ontario in the furtherance of science and technology;
- (c) to stimulate the interest of the public in matters depicted by the Centre;
- (d) to collect, manufacture, market, exhibit and sell objects and displays; and
- (e) to maintain and operate a science centre and related facilities for the furtherance of the objects set out in clauses (a) to (d) and to provide consulting services in relation to all the matters set out in this section.

Our Vision

Inspiring a lifelong journey of curiosity, discovery and action to create a better future for the planet.

Our Purpose

The Ontario Science Centre delights, informs, and challenges the communities we serve. We enrich people's lives and their understanding through engagement with science of local, national, and global relevance. We are the public centre for innovative thinking and provocative dialogue in science and technology.

Our Values

- Accountability – to all stakeholders including the people of Ontario
- Collaboration – both inside the Centre and among the Centre’s staff and beyond the walls of the Centre with stakeholders and visitors
- Creativity – in addressing the Centre’s purpose, challenges and opportunities
- Customer First – customers are at the heart of all the Centre does
- Inclusivity – to draw from diverse communities of interest and expertise
- Integrity – commitment to scientific relevance and accuracy and responsible stewardship of the Centre
- Passion – through personal and professional commitment to our purpose
- Risk-taking – continual exploration of new tools and processes to fulfill the Centre’s purpose

Our Business Filters

All activities are screened and evaluated against these questions. Will this activity:

- Relevance (to the visitors, clients and stakeholders?)
- Innovation
- Sustainability

Supporting Ontario’s Priorities

As an agency of the Government of Ontario reporting into the Ministry of Tourism, Culture and Sport (MTCS), the Centre is committed to fulfill its own corporate strategic objectives, and to foster the broader goals of the provincial government and MTCS. Building on the provincial commitment to optimize Ontario’s economic, cultural and social vitality, the Centre will do its part by offering dynamic and broadly-appealing science and technology programming that engages diverse audiences from around the Province and beyond. Specifically, the Centre echoes some of the Province’s core objectives by making the Centre accessible to everyone, by nurturing a culture of innovation, by supporting student success, by providing a safe and dynamic environment where families can learn and play together, by promoting healthier lifestyles, by attracting tourists to the region, and by developing programming inspired by and focused on current science news and topics including the environment and ecology, health and wellness, technology and diversity.

Governance and Leadership

The Centre is governed by a Board of Trustees, Chair and Vice-Chair appointed by the Lieutenant Governor in Council. Under the *Centennial Centre of Science and Technology Act*, the Board may have as few as sixteen and as many as twenty-six trustees. Members of the Board are appointed for a term not exceeding three years. They may be reappointed for an additional term. The Chair of the Board is Brian Chu and the Vice-Chair is Ann Louise Vehovec.

The Centre is an agency of MTCS. The Centre is classified as an operational enterprise agency, a former Schedule 1 agency. There are regular discussions

between the Centre and the MTCS regarding corporate powers necessary for the Centre to pursue its business priorities.

The Board is accountable to the Minister of Tourism, Culture and Sport. This relationship is detailed in a Memorandum of Understanding, updated in 2011. The Board is a governing board focussed on organizational strategy and priority setting, as well as on strategic issues related to programming, exhibit development, and major financial or operational policy items.

An orientation is provided to all Board members including discussion of the vision, strategic directions and priorities, business plan, fundraising activities, responsibilities of the Chair and CEO, executive limitations, conflict of interest, delegation of financial authority and responsibility to the Minister of Tourism, Culture and Sport. Information is updated regularly.

The Board operates with an Executive Committee and four program committees: *Finance and Operations*; *Development*; *Long-Term Experience Planning*; and, *Governance and Government Relations*. The Board committees make recommendations to the full Board. The Board and its subcommittees meet quarterly. Board minutes are filed regularly with MTCS and an annual report including audited financial statements is tabled in the Legislature each year.

The CEO is directly accountable to the Board for ensuring the implementation of Board policy and directing and managing the organization to achieve its objectives. The CEO also reports to the Deputy Minister of Tourism, Culture and Sport to ensure that the Centre operates within the provincial government's approved framework for operational enterprises and agencies including adherence to all Directives and Policies of the Management Board of Cabinet (MBC).

The Centre is organized into five branches with approximately 242 full time equivalents (FTEs) responsible for carrying out the seven days a week operations. An organization chart can be found on page 28. Five Vice Presidents report directly to the CEO:

- Vice President, Corporate Services and Operations and Chief Operating Officer
- Vice President, Science Experience and Chief Science Officer
- Vice President, External Relations and Chief Customer Relationship Management Officer
- Vice President, Science Education
- Vice President, Marketing and Strategic Communications

2. ENVIROMENTAL SCAN

Ontario's Economic Outlook

Slow but steady continued growth is forecast for Ontario's economy with real GDP predicted to rise to 2.5 per cent in 2015. While there is evidence to support the projected growth there are some risks that need to be considered as the 2015-16 business priorities and budget are developed, most notably the risk that the economy could underperform as a result of unfolding world issues. Unrest in parts of Europe and the Middle East could impact financial markets and any related market volatility could pose a significant risk to the economy and therefore to the Centre's financial performance. Growth in the U.S. economy through 2014 is expected to be realized in the Ontario economy in late 2014 and into 2015 mainly as the outlook for trade is strengthened with a more competitive Canadian dollar making it easier for exporters to take advantage of improving U.S. demand.

Job creation in Ontario is expected to strengthen through the remainder of this year and forecast to grow 1.5 per cent in 2015 and beyond. Ontario's unemployment rate is expected to decrease from 7.4 per cent in 2014 to 7.1 per cent in 2015. In Ontario, consumer spending decreased during the early part of 2014 as a result of an unusually harsh winter but a rebound was seen in the spring/summer mostly related to retail sales. Consumer spending is forecast to be 2.5 per cent over the next 18 months. Statistics Canada data for consumer spending as a percentage of total spend since 2002 shows that there has been a steady and significant decline in consumer spending on fun; fun being defined as recreation, culture, restaurants and hotel. On the flip side, percent of spending on housing has increased steadily and significantly. In 2015, household spending is projected to remain flat as household debt remains high and housing markets soften.

Local Economic Outlook

Toronto, in particular, and the Kitchener-Waterloo-Barrie region will continue to set the pace and lead other regions in overall economic growth in Ontario. These regions have an industry mix more oriented to growth industries and less dependent on industries facing more difficult market conditions, such as the auto manufacturing or natural resource-based regions.

Tourism - Current Year Outlook

Visits to the Centre by people within Canada but outside Ontario represents 4% of the Centres general admission revenues; visits from outside Canada represents 18% of general admissions attendance.

The Ministry of Tourism, Culture and Sport (MCTS) reports that the two key factors affecting travel are the *economic environment* and *proximity of destination*. From a purely visitation perspective, domestic travel is far more important than international travel. For Toronto, Ontario residents accounted for 52% of overnight visits to Toronto, with the remainder of Canada representing approximately 14%, the U.S. 21% and

overseas approximately for 14%. Toronto benefits from three types of major travellers: business, pleasure and visiting friends and relatives. Spending by all three segments is nearly equal in proportion. Overnight visitors were more likely to visit museums and art galleries, and stay with friends and relatives.

Consumer Trends

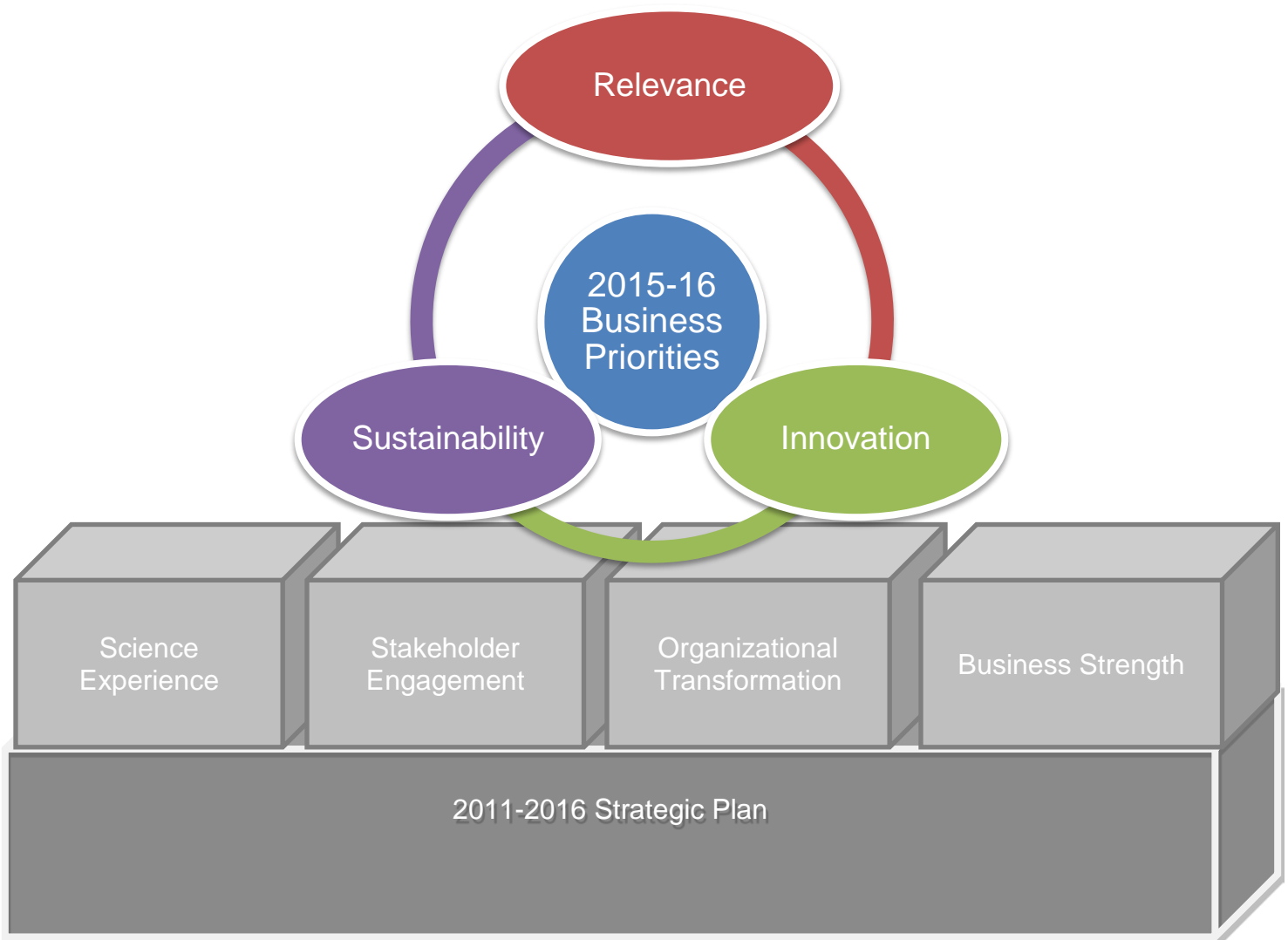
Reduced household spending and looking for the “deal” continues to dominate consumer behaviour not only in Ontario but around the world. In a global survey done by Nielsen Holdings, more than two-thirds (67%) of respondents indicated that compared to the same time period last year, they changed their spending habits to save on expenses. Among the top three responses, fifty-one per cent of consumers surveyed said they spend less on new clothes, 48 percent cut down on out-of-home entertainment and 47 percent said they try to save on gas and electricity. These trends have and will continue to have significant impact on the Centre.

Visits from the GTA represent 58% of the Centre General Admission (paid, promotion, group, free) attendance. The Centre’s sustainability is anchored in having in-depth understanding, clear insights and compelling promises and consistent experiences to respond to the target visitor segments.

3. CORPORATE BUSINESS PLAN 2015-16

The Centre uses an evolving framework for guiding and prioritizing its corporate goals and strategies, including a clear process for establishing fiscal year goals. The Centre's Senior Management Team uses this framework when setting priorities related to long-range strategic plans and operational plans for each fiscal cycle. The strategic directions in ***Our Way Forward 2011-2016*** are aligned around the three pillars of Relevance, Innovation and Sustainability providing a greater focus to the strategic plan to ensure that the Centre continues to play an important role in Ontario's innovation ecosystem for decades to come.

Alignment with Strategic Plan 2011-2016



Strategic Plan – Key Areas of Focus

The operating environment for place based institutions has been changing at a rapid pace for the past decade but its effects on institutions such as the Science Centre have only begun to be fully realized. In an ever changing environment where technology has created both opportunities and challenges, the Centre is working to position itself as an important part of Ontario's innovation ecosystem. The Centre's focus over the next twelve months is ensure that it is relevant to its visitors, clients and stakeholders and will achieve this by adopting an "outside in" view of all of its offerings. A visitor first approach will be applied to business priorities along with ensuring that offerings are innovative and developed and delivered in a financially sustainable manner.

2015-16 Business Priorities

The four strategic directions outlined in the 2011-16 Strategic Plan will continue to provide the foundation for the business plan.

Science Experience

- Set the standard for free choice science learning experiences locally, nationally and globally;
- Be an essential resource for extended classroom learning.

Stakeholder Engagement

- Create a culture that values stakeholder engagement.

Organizational Transformation

- Build a values based culture and a performance driven organization.

Business Strength

- Drive attendance and revenues that enable growth in new markets and enhanced productivity in established ones.

The strategic priorities will be further focused against through the lenses of relevance, innovation and sustainability.

Relevance

This speaks to the user experience, the relevance or programming experiences, programmatic offerings and the development of our approach and value propositions for each of the Centre's target audiences, clients and stakeholders.

2015-16 Business Priority(ies)

- Close the gap between visitor, client and stakeholder expectations and the Ontario Science Centre's programs, experiences and services.
- Priority will to build on the research undertaken in 2014 and look to address how the Centre can:

- a. Ensure that its offerings will be more relevant and attractive to different demographics
- b. Maintain its relevance in a rapidly changing scientific and technological environment
- c. Maintain its relevance for its core audience of families
- d. Ensure a strong and valued relationship with teachers
- e. Make itself more relevant and compelling to the corporate world and to philanthropists

Innovation

Innovation needs to be at the cornerstone of everything that the Centre does in terms of programs, experiences and services as well as how delivers its offerings. Innovation lies in the nexus between science, technology, society and culture which is the arena in which the Centre should be most visible and relevant. The Centre needs to be viewed as an important part of Ontario's innovation ecosystem. Innovation does not start at the post-secondary level; it starts much earlier and how children learn to think about science, technology and society. The Centre is well positioned to increase its contribution to Ontario's knowledge economy by actively engaging in the innovation ecosystem.

2015-16 Business Priority

- Position the Centre as a key player in Ontario's innovation ecosystem, develop partnerships with other institutions with similar goals and interests and link the Centres programs, experiences and services to those of other innovation players.

Sustainability

The ongoing operational and financial sustainability of the organization is a key priority over the next twelve to eighteen months. The 2013-14 audited financial statement for the Centre note a liquidity risk due to insufficient cash balances to address all current liabilities. The situation has not improved through 2014; the Centre's cash balances have decreased even further. The Centre is committed to taking the steps to ensure that the organization is able to deliver programs, experiences and services to its target segments and clients to ensure its relevance but this cannot be achieved independently. A plan is being developed that will required the support of the Ministry and key suppliers in order to implement long term sustainability measures.

2015-16 Business Priority

- Identify an organizational structure and business processes that support relevance and innovation and that are sustainable. Focus on improved profitability in order to support priority programs, experiences and services.
- Identify opportunities to maximize existing revenue centres and identify new sources of earned revenues and/or funding.

4. PERFORMANCE MEASURES 2015-16

Strategy	Objective	Desired Outcome	Performance Measure
Science Experience	Set the standard for free choice learning science learning experiences locally, nationally and globally	Visitors are inspired with the energy and excitement that drives scientific and technological innovation	Visitor engagement index ¹ (A composite score of three measures: Overall Satisfaction, Likelihood to Recommend and Value for Money) OSC scored 86.2 on the 2013-14 G6 On-Site Visitor Satisfaction Survey.
			Overall Perception of the OSC (Percentage of 9 and 10 ratings): OSC scored 27% in the 2013 G6 Syndicated Perception Study.
			Value Perception Index ² (A composite score of four measures: uniqueness, desirability, relevance, quality. OSC scored 71.9 in the October 2013 Syndicated Perception Study.
			Innovation Index ³ (Percentage of respondents who rate key innovation attributes a 9 or 10 on a 10 point scale) OSC scored 50% on October 2013 G6 Syndicated Perception Study.
			Member households: 18,391 in 2013-14 (11% behind 2012-13 fiscal)
Science Experience (Education)	Be an essential resource for extended classroom learning	The OSC is the first place teachers think of to bring their students	OSC's market share of 2013-14 school visits to G6 attractions was 38%. [*] Previous years' attendance from these attractions is being gathered to understand this trend year over year, and a process is being put in place to gather the data from these attractions on a regular basis going

Strategy	Objective	Desired Outcome	Performance Measure
			<p>forward. *OSC's school attendance is comparable to 4 of the G6 attractions.</p> <p>The number of unique visits from schools in the TDSB; TCDSB; and the GTA was gathered to understand the market penetration by district year over year and level of repeat visitation.</p> <p>With a baseline year of 2010-11, data shows that the market penetration in all boards has remained relatively unchanged with roughly the same number of schools visiting year over year.</p> <p>On average, almost two thirds of all schools in the Toronto District School Board (the largest board in the country) have visited the Science Centre annually since the baseline year. For the same period of time and looking at all schools within the Greater Toronto region, over 40% of the schools visit the OSC annually.</p>
Organizational Transformation	Build a values based culture and performance driven organization	Our employees are engaged and motivated	<p>The turnover rate for regular employees: the 2013-14 turnover rate was 8.7%:</p> <ul style="list-style-type: none"> • 16 regular employees left the Science Centre either temporary or permanently (includes both resignation and retirement)

Strategy	Objective	Desired Outcome	Performance Measure
			<ul style="list-style-type: none"> 4 MCP/Excluded, 1 AMAPCEO and 11 OPSEU 197 staff attended at least one training session (457 participants in total for 26 training sessions and 19 courses).
Business Strength	Drive attendance and revenues that enable growth in new markets and enhanced productivity in established ones	Our science engagement business model is successful and viable	<p>Total Attendance: 2013-14 attendance was 983,169 (3.7% or 37,407 below plan)</p> <p>Total Self-Generated Revenues: 2013-14 self-generated revenues were \$16,230,000</p> <p>% of attendance from targeted groups through the OSC Access Programs: 10.3% in 2013-14</p> <p>OSC's Market Share of G6 in 2013-14 was 20.9%</p> <p>Productivity/Efficiency Index (Ratio of visitors to staff (quantity) for 2013-14 was $983,169:255.05=3,854.8$</p>
Stakeholder Engagement	Create a culture that values stakeholder engagement	Deeper, stronger relationships are negotiated with more Stakeholders	<p>Each year, the Centre develops relationships with a range of different stakeholders and partners who contribute to our goals and success. These relationships provide a range of benefits including: funding, expertise, promotional support and, reach into various communities of interest.</p> <ul style="list-style-type: none"> In 2013-14 fiscal, the OSC had active relationships with over 35 corporate sponsors and donors (including 8 major multi-year relationships), 5 government project funders and 30 major gift donors (members of our Innovators Circle). More than 120 neuroscience,

Strategy	Objective	Desired Outcome	Performance Measure
			<p>physiology, bio-mechanics and sports medicine experts provided input for the AstraZeneca Human Edge exhibition and many contributed to the exhibition launch and ongoing promotion. Education partners, including the Toronto District School Board and Toronto Catholic School Board, helped provide access for our Adopt-a-Class schools and contributed to the success of our new Career Day programs.</p> <ul style="list-style-type: none"> • Media and Community Partners such as Toronto Star, Cineplex, Canadian Arab Institute and the Noor Community Centre provided promotional support and reach into new communities of interest.

¹Visitor Engagement Index Attributes – a place the whole family can enjoy; provides engaging experiences; offers something that I am interested in; is a fun place to visit

²Value Perception Index Attributes – unique experiences that other attractions don't offer (uniqueness); a place that visitors want to visit or revisit (desirability); attraction offering specific experiences for visitor (relevance); attraction worth paying a little more to visit (quality)

³Innovation Index Attributes – a place to learn or discover something new; ignites curiosity, imagination & creativity; is innovative

5. FINANCIAL PLAN FY 2015-16; Forecast FY 2016-17, FY 2017-18

Introduction and Assumptions

The financial plan and forecast includes the three fiscal years 2015-2016 to 2017-2018 with comparative audited results for fiscal 2013-14 and a projection for the current 2014-15 year.

The fiscal 2014-15 financial projection is based on management's review and forecast of visitor attendance and related revenues, a review and estimate of other non-visitor related revenues and an across the board review of salaries, benefits and other direct expenditures.

The major assumptions in the fiscal 2015-16 financial plan are:

- The current level of provincial operating and occupancy grant is the result of a 1% reduction applied in the spring 2012 budget and continued for the balance of the planning horizon. No further Provincial grant reductions are included in the fiscal years 2015-17.
- The Provincial capital funding level for priority projects has been maintained through the planning period consistent with the 2014-15 allocation of \$1.0 million. It is recognized that capital works undertaken in any year will be subject to available funds.

Statement of Operations

For 2015-16, projected visitor attendance and related revenue has been aligned with actual results over the past three years. Other revenues are at the previous budget level if appropriate or adjusted to the actual experience.

The financial plan is based on 242 FTEs. No inflationary increases are provided for salary, wages and benefits consistent with Ministry guidelines. The Charge for Accommodation has been lowered to \$3,888,000 consistent with occupancy funding by the Ministry and conversations with Infrastructure Ontario. Overall Other Direct Operating Expenses have been reduced for 2015-16.

Table 1. Statement of Operations (\$000's)

Statement Of Operations For the Year Ended March 31st	Audited 2013-14	Project ed Actual 2014-15	Plan 2015-16	Foreca st 2016-17	Forecast 2017-18
Revenue					
Province of Ontario Grants					
Operating	15,476	15,476	15,476	15,476	15,476
Occupancy	3,888	3,888	3,888	3,888	3,888

Statement Of Operations For the Year Ended March 31st	Audited 2013-14	Project ed Actual 2014-15	Plan 2015-16	Foreca st 2016-17	Forecast 2017-18
Other Grants	239	8	200	0	200
	19,603	19,372	19,564	19,364	19,564
AOC Revenue	159	183	116	94	73
Business Operations Revenue	16,071	15,033	16,020	16,020	16,020
Total Revenue	35,833	34,588	35,700	35,478	35,657
Direct Operating Expenses					
Salaries, Wages and Benefits	19,222	20,813	21,683	20,183	20,687
Other Direct Operating Expenses (ODOE)					
Occupancy	5,043	4,824	3,888	3,888	3,888
Business & General Operations	8,599	9,205	8,852	8,852	9,170
AOC Expenses	159	183	116	94	73
Total Expenses	33,023	35,025	34,539	33,017	33,818
Net Income (Loss) Before Amortization and Undernoted Item	2,810	(437)	1,161	2,461	1,839
Less:					
Amortization of Deferred Capital Contributions	5,925	5,475	4,797	1,659	1,400
Amortization of Capital Assets	(7,220)	(6,913)	(6,791)	(2,772)	(2,412)
	(1,295)	(1,438)	(1,994)	(1,113)	(1,012)
Net Income (Loss) Before Undernoted Item	1,515	(1,875)	(833)	1,348	827
Add: Undernoted Item - Forgiveness of Provincial Debt	5,300	0	0	0	0
Net Income (Loss) for the Year	6,815	(1,875)	(833)	1,348	827

1. RISK ASSESSMENT AND MANAGEMENT

The Centre maintains a risk management stance with respect to relevant business, financial and legal risks. These can be summarized as follows:

Risk to Revenue Streams (*Impact: High; Likelihood: High*)

Unexpected decreases in forecast revenues – either provincial grants or self-generated – will have a significant negative impact on the Centre’s operating budget and its ability to carry through with its operational commitments. The Centre’s attendance and revenues can be negatively impacted by market conditions beyond the immediate control of the Centre, including increased competition, changing consumer preferences, public health emergencies (flu pandemic), economic factors, weather, labour unrest in the education sector or OPS, and security issues (terrorism).

Mitigating strategies:

The Centre’s planning assumptions for the 2014-15 business plan and associated budget reflect the change the Centre has seen in visitor mix (decline in general paid and growth in member visits and discounts) which is directly impacting self-generated revenues. Planning assumptions for 2015-16 capture this shift and are reflected in the earned revenue projections outlined in the budget. The Centre has developed a budget that reflects current operational realities and includes conservative revenue projections and controlled expenditures. As is the case with the business plan as a whole, the 2015-16 budget reflects a transition year for the Centre and is predicated on making shifts that align its programs and experiences against the pillars of relevance, innovation and sustainability. A detailed transition plan will be developed in the latter half of 2014-15 and will provide a detailed roadmap for implementation. Though the Centre is projecting lower revenue, the Centre will continue to aggressively pursue growth in both attendance and revenues. The Centre will continue to conduct monthly budget reviews by management and quarterly budget variance reviews with the Finance and Operations Committee of the Board.

Risk from Reputation Loss (*Impact: High; Likelihood: Low*)

The Centre is a media resource for information, opinions and interpretation of science and technology issues. False statements, errors or opinions not based on facts could impact the Centre’s credibility.

Mitigating strategies:

The Centre maintains a roster of experts in disciplinary and multi-disciplinary science and technology related areas that are authorized to respond to media inquiries on behalf of the Centre. Requests are coordinated through the Strategic Communications department. Depending on the request, media interviews may be escalated to senior management or the CEO.

Risk from Unexpected Building Conditions (*Impact: High; Likelihood: Medium*)

The Centre's 45 year old building requires ongoing upkeep of obsolete or failed infrastructure. Capital costs to replace current aging infrastructure is \$55.0M (not including asbestos remediation). Upgrades are required to ensure compliance with local building and fire codes. There is low risk of shutdowns due to building issues that could impact visitation to the Centre. The Centre also has significant amounts of asbestos within the building that continues to pose both operational and financial challenges.

Mitigating strategies:

The Centre responsibility for capital is captured in the Ministry's asset management system and the Centre work closely with the Ministry to address capital needs. The bigger issue for the building conditions is the areas that Infrastructure Ontario is responsible for and the degree to which the Centre is able to influence decisions related to building improvements. The Centre has an open dialogue with Infrastructure Ontario and CBRE on the current challenges and impact of the current state of the building on visitor perception and satisfaction.

Risk from Product Liability and Operations (*Impact: Medium; Likelihood: Low*)

The Centre is exposed to potential liabilities and claims such as bodily injury, damage to property and financial loss with respect to visitors to the Centre, visitors to international installations of the Centre's exhibits and contracted parties.

Mitigating strategies:

The Centre carries a comprehensive commercial general liability insurance specific to the Centre to cover its worldwide risks under the guidance of the Risk Management and Insurance Services of the Shared Services Bureau. Each year Centre discloses the full scope of its business operations to the insurer including any material changes in operations that may impact coverage. Additionally, Centre uses standardized contract templates for all procurement and sales. Centre also retains the services of professional licensed consultants (including engineers, architects and accountants) as necessary to provide advice in the development of exhibits, programs and support infrastructure. The Centre's contracts are reviewed by legal counsel prior to finalization.

Risk from Major Construction Activities (*Impact: High; Likelihood: High*)

Next fiscal the LRT construction at the corners of Don Mills and Eglinton will impact traffic flow (reduced lanes and closures) and to and from the Centre. This is likely to have a negative impact on visitor attendance as well.

Mitigating strategies:

Work with Metrolinx and various stakeholders to avoid closures during peak attendance periods and minimize impact of construction activity.

Risk from Labour Disruption (*Impact: High; Likelihood High*)

The OPSEU Collective Agreement expires in December 2014. The bargaining process may result in a strike or a lockout. In the event of a strike, the delivery of Centre services to visitors and clients may be reduced or significantly impacted.

Mitigating strategies:

The Centre has detailed contingency plans to respond to various types of labour action.

Risk from Physical Security Breach (*Impact: Medium; Likelihood: Low*)

As a public institution, the Centre is vulnerable to acts of public nuisance up to and including criminal and/or terrorist activity. This has the potential to disrupt normal operations, tarnish the public image of the Centre and result in short and long-term revenue losses to business areas such as general admissions, facility rentals and school programs.

Mitigating strategies:

Consult with Municipal and Federal law enforcement agencies to ensure current procedures and plans properly address identified risks and/or threats. These plans and procedures are reviewed annually or more frequently as needed. On-site security staff is trained in multiple aspects of emergency response. Emergency plans are updated, rehearsed and reviewed annually. A Threat Risk Assessment was developed in late 2013 and is currently in process of being implemented. This document identifies OSC's risk exposure, encompassing Physical Site Security, Workplace Violence and Civil Liability.

In the 2014-15 FY two significant upgrades were undertaken: replacement of access control infrastructure and closed circuit tv system.

Risk from Information Technology Equipment failures (*Impact: High; Likelihood: Low*)

Our reliance on Information Technology to enable us to work efficiently exposes us to the risk of equipment failures which may result in unexpected business disruptions.

Mitigating strategies:

Use a Virtualized server environment so that the work of any one file server will automatically shift to another in the event that a server is no longer functional. Maintain a set cycle for the replacement of equipment, to reduce the risk of equipment failure. Utilize redundancy on key systems to provide immediate fail-over in the event of a system failure. Use uninterruptible Power Supplies to provide short-term back-up power and power conditioning while the diesel generators are used to power mission critical systems when alternate long term power sources are required. Also all network switches, firewall and IPS, and server infrastructure was replaced with Cisco products. Replacement of PBX telephone system planned for 2015-16 FY.

Operational Contingency Plans

The Centre maintains a *Business Continuity Plan*, which provides a broad-based response strategy for emergencies and operational incidents and disruptions of varying scope and length. There are also specific procedures and protocols for a variety of scenarios including fire evacuation, system shutdowns, suspicious packages, and emergency response.

Fire Safety – The Centre has an approved *Fire Plan* that is fully coordinated with Infrastructure Ontario and Toronto Fire Services. The Plan provides guidance on all of the Centre's operations and programs. The Fire Plan is reviewed annually as per Ontario Fire Code. A Fire Safety e-learning course was developed and implemented throughout the Centre. A new Emergency Evacuation Plan was completed and shared with staff in 2014. Two annual fire drills were conducted in 2014 to test and evaluate evacuation procedures. Preventive maintenance is undertaken annually.

Health and Safety – The Centre maintains an employer-employee JHSC that ensures that all aspects of the Centre's operations are reviewed and operated according to applicable legislation. Regular inspections of the site are conducted. Potential hazards are identified at Management and staff level. Engineering and administrative controls are developed and implemented as per OPS guidelines, OHS legislation and specific site safety needs. Recent Centre procedures and training include: Confined Space and Respirator procedures and training and Health Safety Certification for identified Managers, Lead Hands and Supervisors.

Visitor Health and Safety – The Centre ensures its operations meet Provincial and Federal standards and provide a safe and secure environment for visitors through monitoring and inspections. All new exhibits and programs are reviewed by Management to ensure compliance with regulations and Centre policy. All visitor injuries are recorded by the Centre's Security staff and investigated to determine root cause and corrective action to prevent reoccurrence.

Department-specific Plans – Many departments delivering outward facing visitor communication and delivery services, or inward facing core operation services have developed procedures and protocols to ensure risks are mitigated.

Third Party Relationships

The following third parties (specifically identified or groups) are relevant during 2015-16.

Name/Type	Nature of Relationship	Governed by
MTCS	Governance, primary funder	MOU
Infrastructure Ontario (IO)	Building Operation and Renew	Accommodation Agreement
Compass Group Canada Ltd.	Food Service Operations	Contract; expires 2016
Mastermind Educational Tech	Retail Service Operations	Contract; expires 2015
Eurest Services	Cleaning Service Operations	Contract; expires 2016
Cleansheet	Advertising Agency of Record	Contract; expires 2014
Various suppliers	On-site services	RFB/Tender and Contract
International Sales clients	Purchaser of exhibit services	Contract
Sponsors	Funding for sponsor benefits	Contract

APPENDIX A – INTERIM PERFORMANCE RESULTS 2014-15

The annual business plan articulates how the longer terms strategy will be achieved through a series of annual priorities and activities. The 2014-15 business plan represented the third full year of the alignment of the annual priorities and activities with the strategic plan with the goal of ensuring that future plans are fully aligned with the strategy.

The 2014-15 business plan committed to maintaining a strong attendance base with priority audiences (families, schools and adults) during a difficult economic period while at the same time supporting the Ministry of Tourism, Culture and Sport (MTCS) in delivering on key government priorities.

Science Experience

Business Priority	Status
<p>1) Deliver and present, under the guidance of the Thematic Plan, layered science-based programs and experiences for our priority audiences in traditional and unexpected places including:</p> <ul style="list-style-type: none"> a) Temporary exhibits – Sesame Street Presents the Body, Sultans of Science, Science of Rock ‘N’Roll, Brain: The Inside Story b) Permanent exhibits – The AstraZeneca Human Edge (TAZHE), stairwell Artifact Project, Cohon Family Nature Escape c) Programs d) Films e) Exhibits and programs for International Sales 	<p>1a) Delivered Sesame Street Presents the Body (Jan-May 14), Sultans of Science (Mar-Jun 14), Science of Rock ‘N’Roll (Jun-Oct 14), Brain: The Inside Story on track (Nov 14-Mar 15)</p> <p>b) TAZHE and stairwell project – completed. Cohon Family Nature Escape on track, Q3 completion) c)Delivered programs as planned as well as 3 individually themed Thursday night adult only ScienceROCKS! events held Jul 24, Aug 21 & Sept 18 featuring the Science of Rock ‘N’ Roll, the IMAX film, Rolling Stones at the Max and special programming).</p> <p>d) Delivered a series of films including new releases: Jerusalem and Island of the Lemurs: Madagascar).</p> <p>e) Completed International Sales projects including: exhibit build for Chennai, India and consulting work (scheduled for completion in Q4) for Kortright Centre (to be completed in Q2).</p>
<p>2) Research, design and begin development of a sustainable new capital initiative that delivers on our strategy to actively engage visitors in a dialogue about the role of science in our society today</p>	<p>In content/development discussions with MRS on new travelling exhibition, Strange Matter Green Earth (working title).</p>

Stakeholder Engagement

Business Priority	Status
1) Continue to enhance communications and relationship building with existing and potential stakeholders and customers to build the OSC's profile and drive visitation and support.	Collaboration with Cisco for significant ICT (Information and Communications Technology) renewal and first ever museum-based Cisco Science Fellow for Innovative Learning Technologies underway. Secured Ontario Brain Institute as "Knowledge Partner" for the fall exhibition, Brain: The Inside Story , OBI providing funding and expertise for programming.
2) Support provincial commitments and priorities through various initiatives including supporting youth development and healthy lifestyles through involvement with the 2015 Parapan/Pan American Games and the new The AstraZeneca Human Edge(TAZHE) exhibition.	Exhibition opened in Q3 as planned. Worked with MTCS to submit request to replicate TAZHE Single Breath exhibit for the 2015 Parapan/Pan Am Games. Working with MTCS to ensure OSC connection to 2015 Games. Planning work in 2014-15 fiscal, implementations in 2015-16 fiscal.

Organizational Transformation

Business Priority	Status
1) Alignment of financial and human resources through the implementation of the next phase of the business process reviews.	International Sales business process review is underway.
2) Continue to foster a performance driven environment where employees are engaged and motivated to deliver on organizational goals. Continued implementation of the employee engagement and corporate values initiatives.	Priorities to be identified in Q3 following the results of the 2014 Employee Engagement Survey.

Business Strength

Business Priority	Status
1) Attract on-site attendance of 1.02 million visitors or better.	Year to date attendance to end of Q2 is 455,150, projected year-end attendance is tracking at 3% behind Plan.
2) Generate a minimum of \$16.8 million in earned and contributed revenues.	Year to date earned revenue to end of Q1 is \$3.4M which is tracking about 8% behind Plan.

APPENDIX B – IMPLEMENTATION PLAN

The key differentiating feature of the OSC is its renowned exhibits, exhibitions, on-line experiences, and programs. In fiscal year 2013-14, the OSC opened **The AstraZeneca Human Edge**. This new space builds on interactive elements from **Sport** and unique artifacts from the **Human Body** hall, and introduces exciting new elements that explore the limits of human abilities and engage our public in bodies-on experiences, is the most significant exhibit hall installation since the *Agents of Change* project was mounted in 2005.

In 2015-16, the goals and strategies in the OSC's strategic plan will influence the experiences in a number of ways. Uses of new technologies include the development and implementation of tablet-based programs for adults, and of the next stage of layered experiences using smart phone related apps; staff-moderated tablets; and connections into our Website for caregivers and educators will be further developed and implemented in **KidSpark** and initiated for **The AstraZeneca Human Edge**. Supporting the goal of 'science in unexpected places' the capital funding used for the infrastructural changes to stairwell areas in previous years will allow for installation of exhibit experiences into 2014-15. Linking to curriculum beyond science and technology continues with expanding mathematics offerings to the secondary school level, and programming related to careers offered to elementary grade students.

In addition to in-year program delivery, work will include early research and design investigations with our Materials Research Society partner to further the conceptual development of a project currently entitled *The Environmental Initiative*. This initiative also includes an Urban Nature Experience that will capitalize on the OSC's unique Toronto location and provide offerings for all our priority audiences.

Further work will also take place in our permanent exhibition areas including a review of **The Living Earth** live exhibits with minor changes and updates to design; a research and design review of possible changes to areas of **KidSpark**; research and design of a new Electricity Demo and extended stage area for other staged demos and events in the *Rock Paper Science Hall*; and a future "Roots of Science" **Science Arcade** rejuvenation.

The OSC also annually plans temporary, seasonal and special offerings including exhibitions, films and programs. Taking advantage of our 14,000 sq ft Special Exhibition Hall, the OSC will host four temporary shows in this fiscal year:

- **Sesame Street Presents The Body** opened in February 2014 will continue until May
 - Primary target priority audience of families and school groups
- **Sultans of Science** March – June 2014
 - Primary target priority audience of families, school groups and adults visiting without children
- **The Science of Rock 'N' Roll** June – October 2014

- Primary target priority audience of families and adults visiting without children
- **Brain: The Inside Story** November 2014 – January 2015
 - Primary target priority audience of families, school groups and adults visiting without children

Appealing to all our priority audiences, the following IMAX films will be featured in the OMNIMAX Theatre:

- *Jerusalem*
- *Great White Shark*

Complementing these experiences, the OSC will host, in partnership with students, teachers and artists, small temporary installations in the *Idea Gallery*. In the **Weston Family Innovation Centre's Hot Zone**, OSC will continue to engage visitors with science in the headlines through regular presentations, demonstrations, special events, and multimedia including online video – all linked to a renewed science content platform on the OntarioScienceCentre.ca website.

Just as with the special exhibitions and films, the programming offered throughout the year will focus on extending the visitor experience; driving attendance from our identified priority audiences of families, school groups, and adults visiting without children; and creating opportunities to actively engage visitors in a dialogue about the role of science in our society today.

Other implementation strategies include:

- Demonstrations, school programs, birthday parties, membership events and various public programs such as Star Parties will occur throughout the year both inside the OSC and outdoors in *TELUSCAPE* and the adjacent wetlands.
- National Science and Technology and National Engineering Weeks; Environment Month; and school holiday periods in February, March and the summer, will be supported by special programs.
- Programming to complement temporary exhibitions, including **Sesame Street Presents The Body** and the **Science of Rock 'N' Roll** will start in Q1 and continue throughout the year.
- A commitment to engage our visitors in science at their earliest entry point and throughout their visit will be demonstrated through related communications and experiences in *TELUSCAPE*, our entrance lobby and the Procter and Gamble Great Hall.
- *Café Scientifique* (off-site) events and *Sci Fri* public programs (for high school aged visitors) will continue throughout the year.
- Programs for families will include drop-in activities in **KidSpark**, *Creative Science Sundays*; March Break and PA Day camps; and a variety of programs throughout our exhibition halls.
- Themed to complement our other summer offerings, programming in July and August will include experiences in the Procter and Gamble Great Hall, day camp

and weekend activities. Traditional holiday programming centred on the OSC's Emetts collection will occur in December.

- Targeted work with the broader community through events (in the GTA and beyond) such as Caribana, Pride and others will continue to bring the science centre experience to new audiences.

APPENDIX C – MARKETING & COMMUNICATIONS PLAN

Marketing and Communications (MarCom) strategies, plans and tactics will continue to be driven by OSC's Strategic Plan. OSC will base its MarCom strategies in all channels on best practices as well as address the profiles and needs of its priority audiences. Initiatives will utilize the findings of internal and external research as well as business intelligence. The core driver of the marketing plan will be the Brand Strategy that was developed in 2013-14 and its link to feature exhibitions (***The Science of Rock 'N' Roll*** and ***Brain: The Inside Story***) as well as the continuing support of ***The AstraZeneca Human Edge*** and other OSC experiences. The OSC will use this strategy and tactics to reinforce its profile as a relevant and dynamic attraction as well as build awareness and drive attendance from all visitor categories (General Public, Members and School Groups/Teachers). A comprehensive mix of channels will be employed, including media relations, social media, digital media, paid media, ambient tactics and on-site collateral. As a key touch point, OSC's website communication and content will be guided by Brand Strategy to deliver consistent messaging to the priority audiences identified in Strategic Plan.

Key Deliverables:

- Continue to roll out the brand campaign
- Continue to support ***The AstraZeneca Human Edge*** as part of the brand campaign as well as other OSC experiences (***KidSpark, Weston Family Innovation Centre, TELUS Rain Forest, Space, etc.***)
- Leverage the diversity and breadth of the 2014-15 temporary exhibitions, ***The Science of Rock 'N' Roll*** and ***Brain: The Inside Story*** to drive attendance from existing, lapsed and new audiences as well as advance the OSC's brand promise
- Target a 30 per cent level of advertising awareness for ***The Science of Rock 'N' Roll*** based upon learnings and benchmarks established from recent surveys as well as 3:1 ROI on paid media
- Strengthen public perception of the OSC as a place that offers layers of experiences for all audiences, including our defined priority audiences: families, school groups and adults visiting without children
- Increase the ability to develop and maintain strong customer relationships with key visitor and stakeholder segments
- Nurture stakeholder involvement and cultivate relationships with the media
- Extend the OSC's reach further into Ontario communities and beyond
- Continue to introduce market research and business intelligence to inform and direct MarCom strategies and tactics

