

BEHIND THE SCENES

Our year in review



BETTER PROGRAMMING THROUGH NEW TECHNOLOGY AND EFFICIENCIES

IN THE CHALLENGING CONTEXT OF A LIMITED BUDGET, DRAMATICALLY INCREASING PRODUCTION COSTS, AND FRAGMENTED AUDIENCES AND MEDIA COMPETITION, CBC | RADIO-CANADA IS OPTIMISING ASSETS AND STRATEGICALLY DEPLOYING AVAILABLE FUNDS TO DELIVER ON ITS PROGRAMMING MANDATE. WE CONTINUALLY REVIEW OUR BUSINESS APPROACHES AND PRODUCTION TECHNOLOGY, TO IDENTIFY SAVINGS AND POTENTIAL REVENUES FOR INVESTMENT IN PROGRAMMING.



During 2004-2005, the Corporation undertook some 185 internal projects to achieve greater efficiency, boost flexibility or generate additional revenue. In addition to one-time savings of \$102 million, initiatives are generating \$65 million a year in savings and revenues, allowing us to increase the value of our services and to further our strategic priority – **DEMONSTRATE THAT CBC | RADIO-CANADA IS A WELL-MANAGED COMPANY AND GENERATE CASH FLOW TO RE-INVEST IN PROGRAMMING.**

REAL ESTATE One main objective of the Real Estate Division is to maximise the Corporation's use of buildings and assets in order to free-up or generate monies for investment in programming.

This year, the Division helped complete an important project in Ottawa, integrating our French and English Radio, Television and New Media networks and newsrooms, for collaboration and better use of assets; making more efficient use of real estate; and bringing us into the heart of the community – all to support the production of excellent programming. Similar projects are being considered for other locations.

To operate more efficiently, the Division utilises best-industry practices across the Corporation. This year, it completed an energy management program providing approximately \$2 million in recurring annual savings. Since 2000, initiatives have freed up more than \$53 million, of which approximately \$13 million is annually recurring.

MERCHANDISING CBC | Radio-Canada is one of the most recognised brands in the country. To leverage our programming assets and achieve all possible revenues for investment in programming, the Corporation created its Merchandising Division in 2002, to license, sell and distribute our content in North America.

During 2004-2005, the Division brought in \$5.5 million in revenue. In 2005-2006, the Division will build on successes; bolster its product offering; open a store in Montreal, while maintaining its very successful Toronto venue and online stores (cbcshop.ca and boutiqueradio-canada.ca); and pursue innovative retail partnerships.

TECHNOLOGY CBC | Radio-Canada continues to invest in state-of-the-art technology to increase efficiency and quality in the Corporation's production and business processes and to allow the introduction of new means of production and distribution.



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In 2004-2005, CBC Technology began to implement new telecom and broadcast technologies, resulting in approximate annual savings of \$1 million initially, and \$3.7 million in annual savings upon full implementation in 2005-2006. The Distribution Relay Optimization Project (DROP), which replaced terrestrial networks with satellite, generated annual savings of \$5.2 million for our Television networks, with an additional \$1.1 million in annual savings beginning in 2005-2006, overachieving its savings target.



CBC | Radio-Canada Transmission increased revenue by more than \$930,000 by renting space on our towers, sites and buildings to private broadcasters, cellphone companies and government services; and selling shortwave transmission services and providing technical maintenance services to other broadcasters.

Various technologies allow us to achieve savings, and create and deliver a larger number and range of high-quality News stories. These include iNEWS, for greater sharing of production material between our French, English, Radio and Television services; ParkerVision, for reducing the number of studio employees required to produce newscasts; and Desktop Television, for improving the workflow in newsrooms. We will introduce the second generation of Desktop Radio next year, as well as more elements of our Vision Project which will ultimately replace 45 aging and obsolete computer systems with three new, fully integrated systems to manage contracts, program inventory, broadcast schedule, marketing and sales activities, promos, media management, and CRTC reporting.



Sophisticated technology allowed the Corporation to employ remote production methods to cover the 2004 Summer Olympic Games in Athens and the 2005 ISU World Figure Skating Championships in Moscow. Efficient compression technologies, low-cost, high-speed and high-capacity optical fibre, and servers with extensive online storage capacity permitted much of the editing and production to occur in our network production centres in Montreal and Toronto. Fewer staff and less equipment on location resulted in significant savings. The Corporation will cover the 2005 IAAF Games in Helsinki and the 2006 Winter Olympic Games in Turin using this remote production model.

DIGITAL AND HIGH DEFINITION TELEVISION After experiments in 2003-2004, we began the transition to digital high definition transmission. Our first HD studio was launched in Montreal, and four transmitters now offer digital and high definition (HD) services there and in Toronto. Next year, similar services will be offered in Vancouver and Quebec.

CBC Television's Video on Demand (VoD) service was expanded this year; where available, digital cable subscribers have access to over 200 hours of programming on their own schedule. Distribution and programming will be expanded in 2005-2006.

Photo top left:
New Ottawa Broadcast Centre

Photos top right to bottom right:

1. Thales Transmitters
2. Monitors for remote Olympics broadcast

MOBILE DIVISION Our Mobile Division was created last year to make more efficient use of our mobile production equipment; to ensure that programs have access to the material and expertise they need; and to generate revenue, for investment in programming, by aggressively marketing excess capacity.

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In January 2005, the Division assumed full responsibility for maintenance and deployment of all of our Television mobile fleet. Our first High Definition Mobile Truck will help us make spectacular Television programming next year.

For increased local and regional reflection, multi-track Radio mobiles are now on the road in Toronto and Vancouver, as well as a cruiser allowing remote Radio broadcasts from anywhere in Ontario.

SHARED SERVICES Last year we created our Shared Services Organization (SSO), to update delivery of transactional and administrative services in Human Resources, Information Technology and Finance and Administration. The SSO has worked to standardise processes, leverage investments in leading-edge technology, and achieve economies of scale in transaction-intensive services. In its first full year, the SSO relocated most of its employees into one integrated facility, and streamlined services related to information technology support, vendor payments, collection, payroll, leave reporting, records management, and many other areas.



CONTENT MANAGEMENT Again in 2004-2005, the Corporation successfully expanded use of programming and revenue from our archives, and made advances in rights management to obtain and exploit rights for program content.

REGIONAL REFLECTION, DIVERSITY, AND SERVING THE COMMUNITY

AS CANADA'S NATIONAL PUBLIC BROADCASTER, CBC | RADIO-CANADA CREATES AND BROADCASTS HIGH-QUALITY PROGRAMMING THAT REFLECTS THE COUNTRY'S DIFFERENT REGIONS, BROADENING DIVERSITY AND EVOLVING CULTURE; AND MAINTAINS A STRONG PRESENCE IN COMMUNITIES. THESE ACTIVITIES ARE SUPPORTED BY THE CORPORATION'S STRATEGIC PRIORITIES.

CBC | Radio-Canada invests in the regions by posting journalists in nearly 70 Canadian communities and covering, in-depth, the local and regional stories that matter to audiences; featuring local speakers and perspective; and sharing stories with national audiences, to connect citizens across the country. We are the only Canadian broadcaster to air programs in English and French across the country, in eight Aboriginal languages in the North, and in nine languages around the world on Radio Canada International. We evaluate our programming to ensure that it meets Canadians' expectations, innovating and improving, wherever funding allows. For instance, next year, CBC Television's *CBC News: Canada Now* will pilot regional shows in Montreal, St. John's and Edmonton to speak directly to regional needs. We look forward to meeting with the federal Government to discuss our strategy for improving Canadians' access to local and regional public broadcasting, developed following a request from the House of Commons Standing Committee on Canadian Heritage.



To ensure that we reflect contemporary Canada on-screen and behind-the-scenes, we have a number of initiatives, including: CBC Television's Express Diversity (whose recent results comprise a nationwide competition for a new Canadian serial drama; changes in hiring practices and story selection within News and Current Affairs; and the requirement for approved internal diversity plans); CBC Radio's New Voices

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strategy (which has introduced thousands of new voices and perspectives in programs such as *Outfront*, *Global Village*, and *Legends*); Télévision de Radio-Canada's strengthened regional content in News and information; and Radio de Radio-Canada's newly launched Espace musique (which is dedicated to encouraging musical diversity, artistic creation and homegrown talent).

Our networks have a number of joint diversity-related initiatives with Human Resources, as well, including diversity/cultural awareness training for senior managers, which began in February 2005.

For nearly 70 years, CBC | Radio-Canada has been a vital member of the communities we serve. Everyday, we are part of Canada's experience, and not just on our airwaves. We seek out programming opportunities by playing an active role in hundreds of community events, festivals, literary and artistic competitions, and fundraising events all over the country.

In the last two years, we have worked to strengthen our integration into the community even more fully, and to boost professional collaboration, resource-sharing and efficiency, by bringing together all of our media lines under one roof in the heart of three communities: Edmonton, Quebec City and Ottawa. Similar downtown moves for our media lines in other communities are being considered.

We will continue to build strategic partnerships to extend our reach and enhance the range of our services to Canadians. We will also continue to listen to citizens across the country in order to strengthen relationships with our audiences and to provide programming that remains relevant to them.




BUILDING AND STRENGTHENING OUR TEAM

ONE OF THE CORPORATION'S EIGHT STRATEGIC PRIORITIES, **STRENGTHEN CBC | RADIO-CANADA'S COMMITMENT TO ALL ITS EMPLOYEES – TO THOSE WHO CREATE AND THOSE WHO SUPPORT THEM**, ARTICULATES THE IMPORTANT PLACE OF EMPLOYEES IN THE COMPANY AND THE NEED TO SHAPE A WORKING ENVIRONMENT THAT CONTINUES TO ENCOURAGE AND FACILITATE THE PRODUCTION OF EXCELLENT PROGRAMMING FOR OUR AUDIENCES.

To create such a supportive environment, the Corporation has put forward strategies that focus on improving internal communications to enable employees to understand the Corporate direction and equip them to meet current and future challenges. Professional development and training continues to be one of our top priorities. In today's competitive media environment, we need to provide employees with the right tools to fulfill their job requirements to the highest standards.



Canada's Top 100 Employers 
 Palmarès des 100 meilleurs employeurs au Canada

Photos top left to bottom left:

1. Ottawa Broadcast Centre Studio
2. Jessica Heafey, Louis Philippe Dandenault, Carl Alacchi, Claudia Ferri, Ellen David, Tony Calabratto, *Ciao Bella*, CBC Television and Télévision de Radio-Canada

Photo top right:

The Great Plains Dance Troupe, National Aboriginal Achievement Awards, CBC Television

Also in support of fostering conditions that promote creative programming is the Corporation's annual tradition of holding a Leaders Forum. In April 2004, CBC | Radio-Canada held its fourth such forum to celebrate our successes, to discuss positioning the Corporation for the challenging future, to look for new ways of doing business, and to help make the company a cohesive whole. Management and Union leaders also met for the third Union-Management Leaders Forum.

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Another initiative supporting the evolving Corporation is the employee survey. Since 2001, we have undertaken two employee surveys to measure attitudes and opinions, the latest being in January 2004. We were encouraged to see that the overall results had improved significantly since 2001, a reflection of the hard work that has been done to bring about changes to the work environment. Especially encouraging is a 20 per cent growth, since 2001, in the number of employees who believe CBC | Radio-Canada's current direction and goals are the right ones. The results also highlight other strengths and improvements, since 2001, in such areas as employee recognition and involvement, supervision, and working conditions. Based on the results, Senior Management also identified priority areas for continuous improvement. These include employee communication, performance management and leadership training and development. Action plans have been developed and are currently being implemented to address these priorities.

AWARDS

We are very pleased that our efforts to improve the work environment in recent years have been recognised again this year. CBC | Radio-Canada was selected for the 2005 edition of Canada's Top 100 Employers for a second consecutive year. We believe that retaining this accolade for 2005 underscores our concerted efforts to better the workplace and relations with our employees.

The Corporation was also included in the second annual ranking on Corporate Social Responsibility, by *The Globe and Mail's Report on Business* magazine, as the top-ranked media company, capturing first place in a number of areas: diversity, health and safety management, and the environment.

HR @ my fingertips, our new online service enabling employees to have easier access to view and change their Human Resources information and transactions, also received an award, for Excellence in Online Communications - Web Site, at the Dalton Pen Communications Awards in March 2005. Since its launch in November 2004, nearly 70 per cent of the Corporation's employees have logged on to *HR @ my fingertips*.

A STRATEGIC APPROACH TO INDUSTRIAL RELATIONS

To facilitate the creation and broadcast of high-quality programming, for the last six years the Corporation has taken a strategic approach to industrial relations with the intention of rationalising our complex labour environment. Following a 2003-2004 Canadian Industrial Relations Board (CIRB) decision, three bargaining units were amalgamated into one to allow CBC English Services to more effectively and efficiently manage its business, with more flexibility, which is a crucial requirement in a highly competitive and evolving media environment. In 2004-2005, the Corporation began negotiations with the Canadian Media Guild (CMG). This is the first time that the Corporation is negotiating one collective agreement for three formerly separate bargaining units, for the purpose of crafting an agreement that meets the needs of employees and the CMG, while supporting the Corporation's goals as the national public broadcaster and a well-managed company.

Using an interest-based negotiations model for the second time, the Corporation and STARF successfully reached an agreement in 2004.

Employment equity, official languages, health and safety, workforce diversity, and contingency planning were also among our Corporate priorities this year.

Overall, CBC | Radio-Canada's strategy is designed to help us shape a workplace where creativity, programming and service to Canadians will flourish in fiscally responsible ways.