

Isabelle Richer, Simon Durivage, Yves Boisvert, *Justice*, French Television.

Strategic Priorities

As Canada's national public broadcaster, CBC/Radio-Canada aims to provide high-quality, distinctive Canadian programming through the most efficient technology available and in a fiscally responsible manner.

Three years ago, we launched a new strategic course to strengthen our capacity to serve and connect Canadians through our programming. At the heart of this renewal work are a number of key priorities that reflect our role and responsibilities and guide the way we do business:

High-quality, Distinctive Canadian Programming

1) Ensure distinctive programming of the highest quality.

We are supporting change initiatives in all media lines to enhance our distinctiveness in the new competitive broadcasting environment. We are also reinforcing regional presence and reflection across all media lines; showcasing new talent, new voices and new faces; safeguarding our journalistic leadership; creating a dependable, educational and entertaining viewing environment for children; and taking risks and confronting challenges in the creation of innovative high-impact Canadian programming.

English Television is consolidating and extending its transformation, begun two years ago, to become a more clearly defined public service broadcaster. The network will continue to put major emphasis on Current Affairs, documentaries, high-impact drama, children's programming, and regional reflection and production.

French Television this year announced a bold plan for its own transformation in the coming years, in order to better serve Francophone audiences in Canada. In Autumn 2003, our audiences will begin to see the results of this transformation: open, appealing, credible, innovative, and exciting new programs.

English Radio made considerable strides in program development this year, launching new shows and revising others, in order to be more responsive to breaking News stories and reach new audiences and a wider demographic. The combined Radio One and Radio Two audience share for Spring 2002 was a record 13 per cent.

French Radio continued its successful efforts to strengthen its programming in an increasingly competitive environment, receiving its best audience shares since 1984. French Radio also intensified synergies between its network, Radio Canada International and New Media for the purpose of producing more and better programming in an efficient and fiscally responsible manner. New transmitters allowed the Chaîne culturelle to



open three new stations this year, in Vancouver, Matane and Fredericton, and to reach many more Canadians.

Our New Media services continued to enhance the programming of our networks and to present original programming, as well. CBC/Radio-Canada continues to be a leading Canadian provider of News and information online, with an average of over two million visitors (at home users only, aged 2+) per month to *CBC.ca* and *radio-canada.ca*. New Media's numerous partnerships provide brand extension, promotion of our websites and revenue sharing. Its Affiliates Program, which provides free CBC/Radio-Canada headlines, has 895 active affiliates – up 450 per cent in one year.

2) Recognise the importance of regional reflection and of the changing face of Canada.

This year we added a strategic priority to emphasise regional production and reflection and create programming that appeals to Canada's culturally diverse population. Our goal is to help all Canadians connect with each other.

The changing face of Canada was more clearly seen in the subject matter of our programming and in our choice of on-air hosts, actors and journalists. Our programming is developed and produced to allow audiences to see the positive contribution of diverse characters and groups to Canadian society. Regular and special News and Current Affairs programming continued to examine issues such as racism and discrimination, while certain Arts and Entertainment programming explored multicultural situations, featured culturally diverse characters, and broadcast a wider selection of music. On-air and behind-the-scenes, we are attracting more women, Aboriginal people, visible minorities, and persons with disabilities.

Our media lines pursued regional presence and production, and increased the amount of regional programming seen on our national networks. Over half of our Canadian programming, across all of our media lines, has a regional connection. Here are some examples of regional reflection this year: in Autumn 2002, our Atlantic Provinces media lines together produced *Leaming Curves* examining why students in Atlantic Canada receive low academic test scores. French Television's *Le Garage* featured the music of Franco-Ontarians. English Radio's *Sounds Like Canada* broadcast *First Voices*, three half-hour programs about Aboriginal culture, history and life in Saskatchewan. *The CBC Winnipeg Comedy Festival* was a collaboration between our English and French media services for regional and national broadcast. And, English Radio broadcast, regionally and nationally, *True North Concert* from Fort Smith, as well as the *Dawson Music Festival*.

3) Ensure the sustainability of CBC/Radio-Canada's Canadian schedules.

CBC/Radio-Canada's ability to deliver high-quality, distinctive Canadian programs and to fulfil its legislative mandate is largely linked to its ability to secure appropriate levels of public funding which will remain its primary source of funds.

The Government of Canada showed its confidence in our renewal work by providing an additional \$60 million of one-time funding in 2001-2002 and in 2002-2003. With increased production costs and competition, and with a television production cycle that requires adequate and predictable multi-year funding, the continuing success of our strategy can only be maintained if the \$60 million is added permanently to our base budget.



The Canadian Television Fund (CTF) and the independent producers it funds continue to play a critical role in sustaining CBC/Radio-Canada's English and French schedules. In 2002-2003, programs destined for broadcast on CBC/Radio-Canada's airwaves received a total of \$103 million in CTF funding, which translates into more than 500 hours of Canadian programming. While essential to the creation and broadcasting of Canadian programming, that funding is far from guaranteed. CBC/Radio-Canada will continue to advocate for the future a funding model that is more effective, predictable and stable.

■ Efficiency

4) Demonstrate that CBC/Radio-Canada is a well-managed company and generate cash flow to re-invest in programming

Leveraging and efficiently managing our assets are fundamental to our strategy to generate value and new cash flow for re-investment in our programming.

In Ottawa, Edmonton and Québec City, we are bringing all media lines under one roof and achieving savings by optimising our space, dramatically reducing space needs, sharing technological investments, and fundamentally changing the way we produce News programming. These projects are proceeding on schedule and on budget.

We are also examining certain internal processes and activities, such as Information Technology, Human Resources and Financial Administration, to ensure that levels of efficiency are consistent with best business practices. The outcome of this research may result in internal re-engineering, a shared services approach, and/or outsourcing certain activities.

Our new Vision Project, a major undertaking of CBC Technology, English Television and French Television, will bring dramatic improvements to the way we do business and to the quality of information on which key decisions are based. Using new systems and creating new business processes, the Vision Project will provide a single, integrated way to manage contracts and content, program inventory and schedules, broadcast and media management, revenue management, marketing and sales, promotions, and air time analysis. In so doing, the Vision Project will allow us to leverage our assets and pursue efficiencies, and increase our capacity to work as an integrated conglomerate.

In September 2002, we created a Merchandising Division to improve our merchandising and licensing activities in order to extend the CBC/Radio-Canada brand and generate revenues for re-investment in programming. The success of other public broadcasters around the world in this enterprise makes it clear that there is significant opportunity for growth in this area given CBC/Radio-Canada's vast programming resources.

Looking at broadcasting technology this year, we identified several new ways to pursue efficiencies in infrastructure, systems and operations. For instance, we are centralising master control operations in Toronto and Montréal, saving more than \$5 million annually. We are also beginning to feed all of our transmissions via satellite with the expectation of a \$6 million annual reduction in distribution costs. In Windsor, we are using Parker Vision technology to integrate studio production activities under the control of a single operator. The result is a seamless, more efficiently produced on-air product.

Luis Oliva, *Tag*, French Television.

Our Centre de l'information, opened just last year in Montréal, is an exciting example of how we are taking advantage of new technology and new work methods to bring greater value to Canadians. By combining and digitising resources for the gathering and production of News for both French Television and RDI, this new facility enables us to leverage maximum value from shared resources.

Creative and Human Resources

5) Strengthen CBC/Radio-Canada's commitment to all its employees – to those who create and those who support them.

In today's competitive environment, we are seeking ways of addressing our business objectives while fulfilling the needs and aspirations of our employees.

We have instituted a number of initiatives to strengthen our commitment to our creative and human resources, including more and better employee communications; employee development; and improved relations with unions.

Employee Communications

Our Employee Communication strategy provides for two-way communication between management and employees. Our revamped Intranet services make information easily accessible and we are providing more information to employees about key events through vehicles such as townhalls, briefing kits, and announcements. In addition, senior management is committed to meeting on a regular basis with small groups of employees in order to provide a forum for the exchange of information and ideas. The Board of Directors now issues a note to staff about decisions taken at its meetings.

Employee Development

We are dedicated to the development of employee skills, investing in training, secondments, and employment equity. Training is better linked to performance management and the development and career objectives of employees.

Union-Management Leaders Forum

In Autumn 2002, we held a Union-Management Leaders Forum which was an important first step in terms of sharing information, and initiating and sustaining dialogue between senior management, unions and employees. A prominent element over the two days was everyone's passion for, and commitment to public broadcasting of the highest quality.

Strategic Partnerships

6) Position CBC/Radio-Canada to enhance its ability to fulfil its mandate through selective alliances and partnerships.

We are extending our audience reach, optimising our investment, mitigating our risk, and creating new revenue streams through strategic partnerships and alliances.

CBC/Radio-Canada continues to be actively involved in several recent partnerships, such as the specialty channels *ARTV* and *The Documentary Channel*. In 2002, CBC/Radio-Canada acquired 100 per cent of the shares of, and as a result complete control of, the specialty digital channel *Country Canada*, which is aimed at serving Canadians in rural markets. We also continue to supply the US with the *NewsWorld International* channel, delivering our News programming and extending the CBC/Radio-Canada brand to over 17 million US households. We contract to provide this service through NWI Networks, which is owned by Vivendi-Universal Entertainment.



The Seán Cullen Show, English Television.

In addition to a number of partnerships, in October 2002, we reached an agreement with Alliance Atlantis Communications to jointly commission and develop Canadian television projects, ranging from dramatic series to children's shows, for broadcast on both Alliance Atlantis and our English Television channels. This agreement strengthens our ability to cultivate these kinds of exceptional Canadian programs.

CBC/Radio-Canada also continued efforts to re-define its relationship with its television affiliates, particularly in the English market, with a view toward increasing Canadians' access to its full schedule. In October 2002, English Television acquired transmission assets in Northern Ontario and Saskatchewan. Acquiring these assets puts CBC/Radio-Canada in a position to reach more Canadians with the full English Television schedule. Discussions are underway with all affiliates in an effort to better serve all Canadians.

Collaboration

7) Reinforce the capacity of CBC/Radio-Canada to work as one integrated company.

Our English and French Radio, Television and New Media services are increasingly working together, sharing resources, skills and ideas, to produce more in-depth, meaningful programming for Canadians. Our News coverage at home and abroad has greatly benefited from this approach, with many of our foreign correspondents reporting in English and French for more than one medium, and allowing the employment of more journalistic resources to cover more stories. This was particularly evident this year in our coverage of the crisis in Iraq, as well as our examination of health care issues and the Romanow Report, in November 2002.

Cross-media sports broadcasting at national and international events also permits us to extend our coverage to more venues. And we have produced exciting high-impact dramas (such as this year's second series of *The Last Chapter/Le Dernier chapitre*) that have employed the best Canadian actors and technicians, telling Canadian stories and attracting large audiences.

An example of CBC/Radio-Canada employees and services working together as one integrated company will be seen in our Ottawa Broadcast Centre, now under construction. All of our services will move into the new building in Autumn 2004 in order to create improved programming and use space and equipment more efficiently. Digital technology will allow better content management of our News and information programming, and community visibility and interaction will be significantly enhanced by moving into the heart of downtown Ottawa.



Strong Stakeholder Relations

8) Enhance/strengthen CBC/Radio-Canada's stakeholder relationships.

One of our key priorities is to promote a sustained dialogue with our key stakeholders and to strengthen our stakeholder relationships. We are making concerted efforts to build and maintain strong relations with Canadians, Government, the business and broadcast communities, and cultural agencies.

Once again this year, the Chair of our Board of Directors pursued a comprehensive and successful outreach program in many different regions of the country, meeting with as many people as possible. The President and CEO was invited to address numerous business and media groups this year. Senior representatives of the Corporation contributed to national and international panels. They also participated in many important events such as the outreach activities associated with our 50th anniversary of English and French Television in Canada, and The Museum of Television & Radio's tribute to our history of programming, *O Canada! A Salute to the Canadian Broadcasting Corporation*, held in New York and Los Angeles this year.

Government Relations

We have re-oriented our Government Relations activities to focus more concretely on enhancing the company's accountability and transparency to the public through their representatives – parliamentarians, and their shareholder – the Federal Government. Of particular focus is maintaining a strong relationship with the Standing Committee of Canadian Heritage and its individual members, and with other Committees of the House of Commons and Senate.

Government Relations also emphasises the Corporation's relationships with Members of Parliament in their roles as representatives of the concerns of their constituents related to CBC/Radio-Canada's programming and operations, providing a venue for quick response to their inquiries and an avenue for the relay of their suggestions to media lines.

This year, Government Relations launched its first consultation with MPs and Senators to gauge their views on the Corporation and its issues. The survey was received positively with no negative feedback. It also initiated contact with Members who had no prior awareness of Corporate positions.

Audience Relations

In October 2002, and in line with its commitment to more fully connect Canadians to their public broadcaster, the Corporation introduced a national toll-free telephone service [1-866-306-INFO (4636)], including a special toll-free number for the hearing impaired, providing quick access to our audience services for our English and French Radio and Television networks, specialty channels, and our digital and New Media services.

More Information

We present additional detailed information about how our programming is built around these strategic priorities in the following pages of our 2002-2003 Annual Report.

Chantal Jolis, *Bachibouzouk*,
French Radio.

