

PRESIDENT AND CEO AND ACTING CHAIR'S MESSAGE

Robert Rabinovitch



WHENEVER I'M ASKED WHAT DEFINES CBC | RADIO-CANADA AND ITS PROGRAMMING, THREE QUALITIES IMMEDIATELY JUMP TO MIND: INTELLIGENT. INNOVATIVE. AUDACIOUS.

I BELIEVE THESE ATTRIBUTES BEST REFLECT WHO AND WHAT WE ARE AND WHAT WE STRIVE TO BE AS CANADA'S NATIONAL PUBLIC BROADCASTER. THEY ARE REFLECTED IN THE PROGRAMMING WE PRODUCE AND BROADCAST. THEY ALSO ENABLE US TO MANAGE THE TREMENDOUS CHANGE AND CHALLENGES THAT CHARACTERISE TODAY'S BROADCASTING INDUSTRY. I AM VERY PROUD THAT DESPITE SIGNIFICANT CHALLENGES IN 2004-2005 - THE CANCELLED NATIONAL HOCKEY LEAGUE SEASON, TO NAME ONLY THE MOST OBVIOUS ONE - WE CONTINUED TO DELIVER MORE HIGH-QUALITY PROGRAMMING, IN MORE WAYS, TO MORE CANADIANS. AND, CBC | RADIO-CANADA DEMONSTRATED REMARKABLE RESILIENCE, PROVING THAT IT REMAINS A HIGHLY CREATIVE, FLEXIBLE ORGANISATION.



TAKING RISKS, CHALLENGING AUDIENCES

This year, CBC | Radio-Canada produced dozens of examples of exceptional programming, proving once again that when it's done well, Canadians will seek out Canadian programming, often in large numbers.

Our websites, *CBC.ca* and *Radio-Canada.ca*, were the number one news sites in Canada • CBC Radio's *World Report* is Canada's number one newscast • Télévision de Radio-Canada's repositioning strategy continued to show results with programs like *Les Bougon - c'est aussi ça la vie!* and *Tout le monde en parle* drawing tremendous audiences and, in keeping with the role of a public broadcaster, inspiring public discussion and debate • CBC Television launched the third phase of its Transformation initiative to increase the viewership and value of the service through more high-impact Canadian drama and entertainment programming, improved information programming responding to viewers' needs, and stronger regional presence and programs • Radio de Radio-Canada launched Espace musique, a new distinctive music service reflecting the breadth of Canadian diversity and musical genres. The Fall 2004 BBM numbers show that Canadians are embracing this exciting new network • CBC Radio, along with CBC Television and *CBC.ca*, launched an ambitious arts and culture study - the largest of its kind in the Corporation's history - to provide us with the most up-to-date perspective on the state of Canadian arts and culture, and to help inform our cultural programming • CBC Radio continued to diversify its airwaves, ensuring that Canada's cultural makeup is reflected in its programming and on-air personalities • CBC created the Prairie Aboriginal Content Unit to provide content to both Radio and Television as part of a wider approach to developing First Nation's storytelling on the Prairies.

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These successes stem from our willingness to take risks, to challenge our audiences and to think about new ways of reaching them with the News, information and stories they want. These examples also demonstrate CBC | Radio-Canada's ability to evolve to meet the changing needs and interests of Canadians.

But producing quality programming is expensive and stable funding remained a key challenge for CBC | Radio-Canada in 2004–2005. In recent years, we have made tremendous strides in our efforts to operate more efficiently and to find savings and revenues that we can put back into programming. This past year was no different. For example, for the 2004 Summer Olympic Games in Athens, we employed groundbreaking technology – including high bandwidth fibre optic feeds and video server technology – to cover the Games more efficiently, in terms of resources, while enhancing the viewing experience for Canadians. Also in 2004–2005, we moved all of our Ottawa media operations under one roof in the heart of the city, as we did last year in Edmonton and Quebec City. These consolidations not only allow for more efficient use of real estate assets, but they also create opportunities for us to better connect with the community and for employees to collaborate in new, more productive and creative ways. We have already begun exploring options for a similar project for our Vancouver operations.

We continue to look for new ways of doing business more efficiently, but we know that our efforts, alone, will not be sufficient to cover increasing costs. CBC | Radio-Canada's 2004–2005 Parliamentary appropriation was worth over \$400 million less, in constant dollars, than it was in 1990. And every year, CBC | Radio-Canada must find another \$12 million in savings and revenues simply to deal with rising costs of program production, inflation, and runaway health care costs. We will continue to make the case to the federal Government for stable multi-year funding while working very hard to use our resources as efficiently as possible.

REACHING CANADIANS WHEN, WHERE AND HOW THEY WANT TO BE REACHED

Audience fragmentation continued to be a challenge for all broadcasters in 2004–2005. Despite the ongoing funding pressures facing CBC | Radio-Canada, we are staying relevant by reaching audiences through emerging technologies and broadcasting platforms.

In November 2004, we appeared before the Canadian Radio-television and Telecommunications Commission (CRTC) with our partners Standard Radio, Inc. and SIRIUS Satellite Radio, as part of our application to bring satellite radio to Canada. And in early March 2005, we began broadcasting High Definition Television (HDTV) in Toronto and Montreal, with plans to expand to other regions. We also began to experiment with podcasting – a technology that allows audiences to download audio files to their computers or personal media players to listen to when and where they choose.

Reflecting Canada's diversity and regions remains a priority for CBC | Radio-Canada. We offer this content on a national stage so that Canadians have a place where they can hear from, and learn about, one another. But we believe that Canadians would like even more local and regional programming from their national public broadcaster. To that end, we fulfilled our commitment to the House of Commons Standing Committee on Canadian Heritage to develop a fully costed plan to enhance local and regional programming. We have submitted our plan and look forward to further discussions with the federal Government about how to move the plan ahead. Given the financial pressures under which the Corporation is operating, CBC | Radio-Canada will be able to proceed with its local and regional strategy only if it receives adequate additional Government funding for it.

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ACCOUNTABLE TO CANADIANS

This past year, Canada's Crown Corporations entered a new era of stringent accountability and transparency. Understandably, Canadians want to know that the money they invest in their public institutions is well spent. In keeping with its commitment to enhancing transparency, accountability, financial responsibility, and ethical conduct, CBC | Radio-Canada has been proactive in implementing a Corporate policy on disclosure of wrongdoing.

The year 2004-2005 saw another media mis-step - this time at a major US network - following last year's crisis at the BBC and other major media outlets in France and the United States. Incidents like these only serve to erode the public's confidence in their news sources. As the national public broadcaster, CBC | Radio-Canada occupies a unique position of trust with regard to its role as a News organisation. With a view to further strengthening its own journalistic practices, which already are spelled out very clearly in a Corporate manual, CBC | Radio-Canada tabled with its Board of Directors, *Lessons from a Crisis* - a new report from the Corporation's Committee on Journalistic Standards and Practices. In addition to updating our Journalistic Standards and Practices policy we have conducted workshops on the findings of the report in our newsrooms across the country.

MY THANKS

Looking ahead, we are fortunate to have several new directors bringing exciting new perspectives and ideas to our Board of Directors. As we welcome them, we also extend thanks to our departing Board members for their hard work and commitment. We extend a special thanks to Carole Taylor, O.C., Board Chair from 2001 to March 2004, for her deep commitment to public broadcasting and her strong leadership. During her tenure, Carole Taylor championed inclusiveness and diversity, was always open to new opportunities for the Corporation, and believed in the importance of a public broadcaster taking risks with its programming.

Finally, it is my great pleasure to offer a heartfelt thanks to the people behind the successes of CBC | Radio-Canada - our employees. With their outstanding creativity, flexibility and innovation, CBC | Radio-Canada is well positioned to continue serving all of Canada and Canadians in the year ahead.

A handwritten signature in black ink, appearing to read 'Robert Rabinovitch', is positioned above the printed name.

ROBERT RABINOVITCH
PRESIDENT AND CEO AND ACTING CHAIR,
BOARD OF DIRECTORS