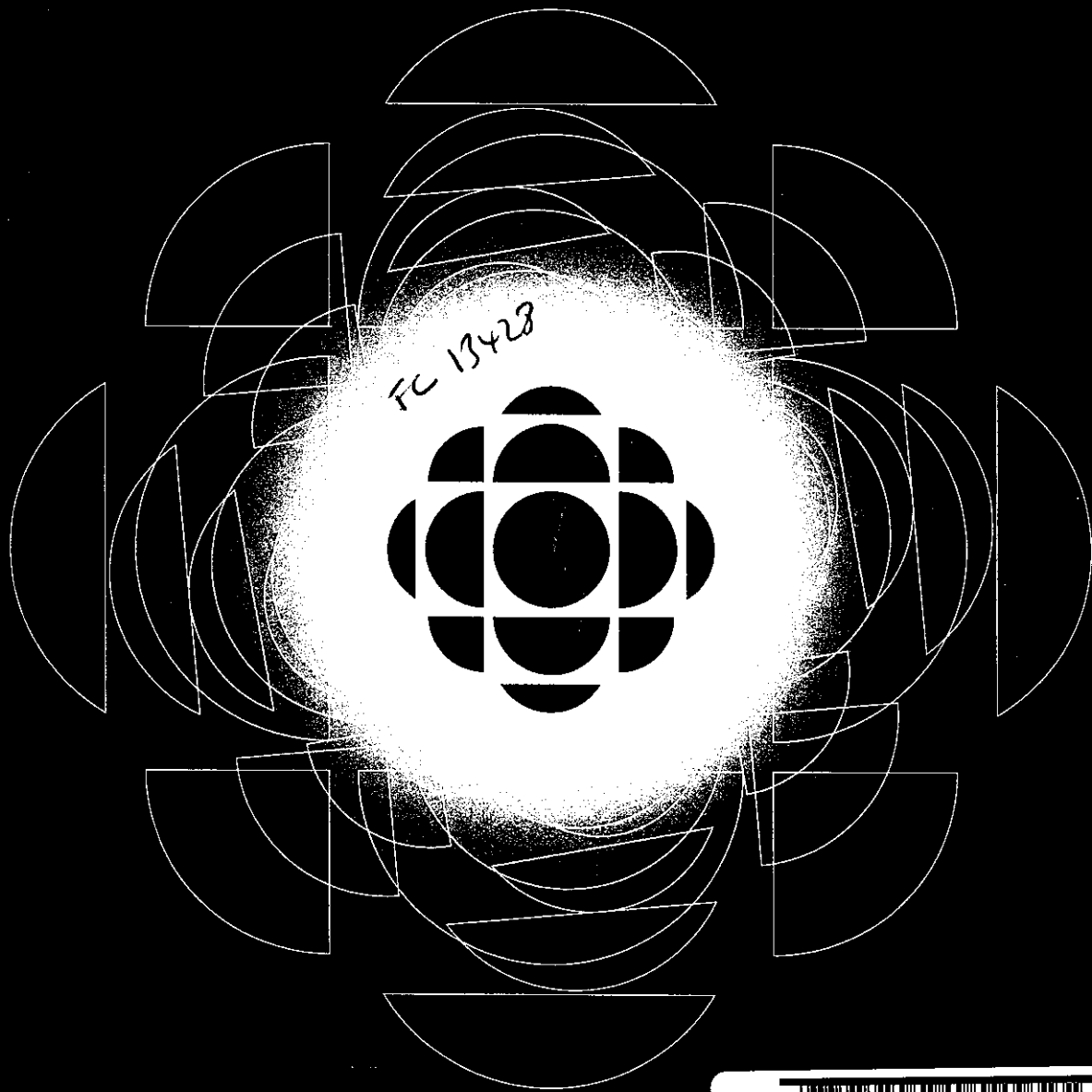


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COMPANIES HOUSE 13/09/01

CBC  Radio-Canada

## Main Addresses

### HEAD OFFICE

250 Lanark Avenue  
PO Box 3220, Station C  
Ottawa, Ontario K1Y 1E4  
(613) 724-1200  
(613) 724-5173 (TDD\*)  
[commho@ottawa.cbc.ca](mailto:commho@ottawa.cbc.ca)

### CBC/RADIO-CANADA OMBUDSMEN

#### English Services:

David Bazay  
Canadian Broadcasting Centre  
205 Wellington Street West  
PO Box 500, Station A  
Toronto, Ontario M5W 1E6  
(416) 205-2978  
[ombudsman@cbc.ca](mailto:ombudsman@cbc.ca)

#### French Services:

Renaud Gilbert  
1400 René-Lévesque Blvd. East  
PO Box 6000  
Montreal, Quebec H3C 3A8  
(514) 597-4757  
[ombudsman@radio-canada.ca](mailto:ombudsman@radio-canada.ca)

### ENGLISH NETWORKS

Canadian Broadcasting Centre  
205 Wellington Street West  
PO Box 500, Station A  
Toronto, Ontario M5W 1E6  
(416) 205-3311  
(416) 205-6688 (TDD\*)  
[cbcinput@toronto.cbc.ca](mailto:cbcinput@toronto.cbc.ca)

### CBC NEWSWORLD

Canadian Broadcasting Centre  
205 Wellington Street West  
PO Box 500, Station A  
Toronto, Ontario M5W 1E6  
(416) 205-6300  
(416) 205-6688 (TDD\*)  
[newsworld@toronto.cbc.ca](mailto:newsworld@toronto.cbc.ca)

### FRENCH NETWORKS

1400 René-Lévesque Blvd. East  
PO Box 6000  
Montreal, Quebec H3C 3A8  
(514) 597-6000  
(514) 597-6013 (TDD\*)  
[auditoire@fr.radio-canada.ca](mailto:auditoire@fr.radio-canada.ca)

### RÉSEAU DE L'INFORMATION

1400 René-Lévesque Blvd. East  
Montreal, Quebec H3C 3A8  
(514) 597-7734  
[rdi@montreal.radio-canada.ca](mailto:rdi@montreal.radio-canada.ca)

### RADIO CANADA INTERNATIONAL

1400 René-Lévesque Blvd. East  
PO Box 6000  
Montreal, Quebec H3C 3A8  
(514) 597-7500

### GALAXIE

PO Box 3220, Station C  
Ottawa, Ontario K1Y 1E4  
1-877-GALAXIE  
[information@galaxie.ca](mailto:information@galaxie.ca)

### CBC/RADIO-CANADA PENSION FUND

99 Metcalfe Street, Suite 1204  
Ottawa, Ontario K1P 6L7  
(613) 724-5529

## Regional Offices

### NEWFOUNDLAND (English)

Radio: 25 Henry Street  
Television: 95 University Street  
PO Box 12010, Station A  
St. John's, Newfoundland  
A1B 3T8  
(709) 576-5000

### MARITIMES (English)

Radio: 5600 Sackville Street  
Television: 1840 Bell Road  
PO Box 3000  
Halifax, Nova Scotia B3J 3E9  
(902) 420-8311

### ATLANTIC PROVINCES (French)

250 Université Avenue  
PO Box 950  
Moncton, New Brunswick E1C 8N8  
(506) 853-6666

### PROVINCE OF QUEBEC (English)

1400 René-Lévesque Blvd. East  
PO Box 6000  
Montreal, Quebec H3C 3A8  
(514) 597-5970

### QUEBEC CITY AND EASTERN QUEBEC (French)

2505 Laurier Blvd.  
PO Box 10400  
Sainte-Foy, Quebec G1V 2X2  
(418) 654-1341

### ONTARIO (English)

Canadian Broadcasting Centre  
205 Wellington Street West  
PO Box 500, Station A  
Toronto, Ontario M5W 1E6  
(416) 205-3311

### ONTARIO (French)

Radio: Château Laurier Hotel  
Television: 250 Lanark Avenue  
PO Box 3220, Station C  
Ottawa, Ontario K1Y 1E4  
(613) 724-1200

### MANITOBA (English and French)

541 Portage Avenue  
PO Box 160  
Winnipeg, Manitoba R3C 2H1  
(204) 788-3222

### SASKATCHEWAN (English and French)

2440 Broad Street  
PO Box 540  
Regina, Saskatchewan S4P 4A1  
(306) 347-9540

### ALBERTA (English and French)

Radio: 7909 - 51st Street  
Edmonton, Alberta T6E 5L9  
Television: 8861 - 75th Street  
Edmonton, Alberta T6C 4G8  
PO Box 555  
Edmonton, Alberta T5J 2P4  
(780) 468-7500

### BRITISH COLUMBIA (English and French)

700 Hamilton Street  
PO Box 4600  
Vancouver, British Columbia V6B 4A2  
(604) 662-6000

### CBC NORTH

5002 Forrest Drive  
PO Box 160  
Yellowknife, Northwest Territories X1A 2N2  
(867) 920-5400

## Main Websites

[www.cbc.ca](http://www.cbc.ca)  
[www.radio-canada.ca](http://www.radio-canada.ca)  
[www.cbc.radio-canada.ca](http://www.cbc.radio-canada.ca)

\* TDD: Telephone Device for the Deaf

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Corporate Communications and Public Affairs  
CBC/Radio-Canada  
250 Lanark Avenue  
PO Box 3220, Station C  
Ottawa, Ontario K1Y 1E4  
(613) 724-5721  
[commho@ottawa.cbc.ca](mailto:commho@ottawa.cbc.ca)  
Website: [cbc.radio-canada.ca](http://cbc.radio-canada.ca)

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## Table of Contents

The Annual Report of CBC/Radio-Canada for the year ended March 31, 2001, is published in accordance with the provisions of the 1991 *Broadcasting Act*, Part III, Section 71.

Message from the President and CEO .....	2
CBC/Radio-Canada: Serving Canadians in Unique Ways .....	6
Financial Highlights .....	8
A More Challenging Media Environment .....	9
Strengthening Our Programming .....	10
A Great Success Story: <i>Canada: A People's History / Le Canada : Une histoire populaire</i> .....	14
News, Current Affairs, Information on Which Canadians Rely .....	16
Dynamic Arts, Performance and Entertainment Programming .....	22
Improved Services for Children and Youth .....	30
Rebalancing Amateur and Professional Sports .....	34
National and International Awards .....	36
Greater Efficiencies .....	38
Public Accountability .....	40
Board of Directors .....	41
Financial Overview .....	42
Financial Statements .....	44
CBC/Radio-Canada Owned and Affiliated Stations .....	I
Senior Management Committee .....	IV

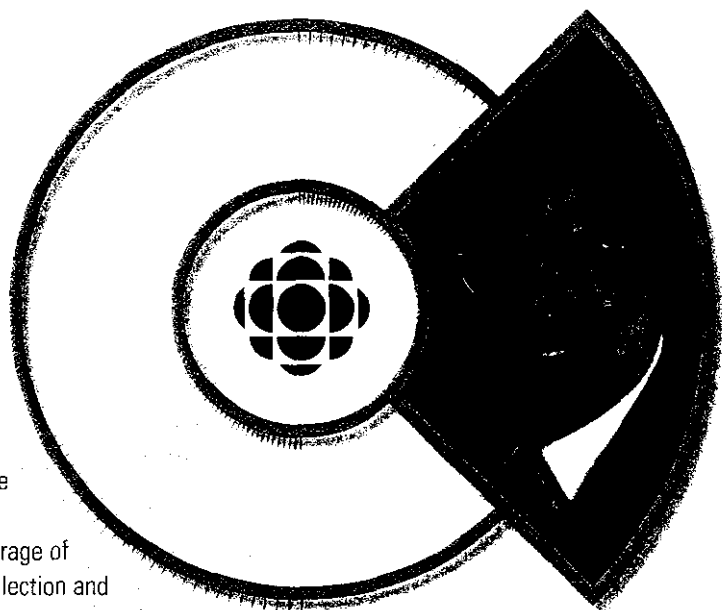


## Message from the President and CEO

**The year 2000-2001 has been a momentous one at CBC/Radio-Canada.** This

year we returned to our roots as Canada's national public broadcaster, and experienced the kinds of high points in high-quality distinctive programming that define the best of CBC/Radio-Canada.

Programming such as the live coverage of the Sydney Olympics, the federal election and the homage to Pierre Elliott Trudeau, as well as the launching of our epic bilingual documentary series, *Canada: A People's History / Le Canada : Une histoire populaire* – which has reached 15 million Canadians – characterises a revitalised and strengthened CBC/Radio-Canada and illustrates the fundamental role public broadcasting plays in Canada.



National public broadcasting is of utmost importance in the building and strengthening of a country's society and culture. When I accepted the post of President and CEO of CBC/Radio-Canada, I knew that I would encounter the perennial question that faces every President of every public broadcaster worldwide: Do we still need a public broadcaster? My answer is, emphatically, yes, *especially* in the multi-platform universe of 2001.

In today's globalised environment where traditional national boundaries have disappeared, public broadcasters are even more important than ever. The argument for maintaining public broadcasting is all about taking the kinds of risks and demonstrating innovation in programming that only a public broadcaster can do; about encouraging and promulgating diverse expression, and creating space for a fair reflection of the world's different cultures and values. CBC/Radio-Canada does all these things with a **Canadian** voice across all of its media platforms.

Public broadcasters have a singular role to play, very different from that chosen by private broadcasters. The role of public broadcasters is to reflect the values and culture of their country; to nurture and support genuine indigenous programming; and to provide accessible platforms for a variety of voices and ideas.

Public broadcasters define their audiences as citizens rather than consumers. They devise programming that tells the stories of those citizens and can make a positive difference to people's lives.

As Canada's national public broadcaster, CBC/Radio-Canada must provide Canadians with high-quality, distinctive Canadian programming through the most efficient technology available and in a fiscally responsible manner. Our focus is to strengthen our ability to be a more distinct public service broadcaster and to provide Canadians with a unique experience. In the context of limited resources and an increasingly competitive environment, the Corporation has set out the following priorities to achieve that key objective.

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

Focusing on our core business and leveraging all of our assets is key to our strategy. To increase CBC/Radio-Canada's financial flexibility, we have implemented several new initiatives that will help us reach this objective.

In May 2000, we sold our two US-based cable television channels, Trio and Newsworld International (co-owned with Power Broadcasting Inc.), to USA Networks for \$153 million CDN. CBC/Radio-Canada's share of approximately \$76 million will help support high-quality Canadian programming on our networks. CBC/Radio-Canada remains, however, the packager and primary supplier of news, public affairs and documentaries of Newsworld International. This allows CBC/Radio-Canada to continue to extend its brand in the US market.

We created a distinct, stand-alone Real Estate Division in order to maximise our revenue through selling or renting surplus space. Economies in building operating and capital costs are also a priority of this new Division. Any new revenue achieved from this process can be put into the production and airing of high-quality Canadian programming. The Real Estate Division will also act as landlord for all CBC/Radio-Canada space and will implement ongoing benchmarking of industry best practices.

We also announced that we are exploring the possibility of selling our transmission and distribution assets, a move that other public broadcasters have made recently in order to concentrate their efforts on programming. In July 2000 we issued a Request for Information (RFI) seeking a private sector company or consortium interested in acquiring CBC/Radio-Canada's 608 transmission towers, 750 transmission sites and 2500 transmitters, and the ongoing business of providing broadcasting delivery and other voice/data transmission services to broadcasters and other businesses.

**2) Ensure distinctive programming of the highest quality.**

We are significantly transforming English Television and supporting change initiatives in all media to enhance distinctiveness in the new competitive environment. We are also reinforcing regional presence and reflection across all media, including New Media; showcasing new talents, new voices and new faces; safeguarding our journalistic leadership; creating a dependable, educational and entertaining viewing environment for children; and focusing on high-quality Canadian content.

In a year where we made great efforts to transform our programming Canadians moved in tandem with us, watching in record numbers the new special series, *Canada: A People's History / Le Canada : Une histoire populaire*. Our audiences proved that Canadians have a keen appetite for the kind of programming that only a public broadcaster would offer. We are very proud of the success of this series and pleased with viewers' response to this type of distinctive, high-quality Canadian programming.

**3) Pave the way for a debate on the funding of CBC/Radio-Canada based on achieving greater efficiencies.**

We will use all opportunities to accelerate discussion with the public, Government and key stakeholders to promote the importance of the national public broadcaster. We will demonstrate that CBC/Radio-Canada is being managed efficiently as a business, and that an adequate stable funding level translates into a more distinctive voice and increases the perceived value of our service to Canadians.



**4) Ensure the sustainability of our Canadian schedules.**

Our ability to deliver high-quality Canadian television programs rests in large measure on Canadian Television Fund support for CBC/Radio-Canada programs. The CTF has been renewed by Government for a period of one year and changes to its governance have been introduced. CBC/Radio-Canada must ensure that it can maximise its access to the Fund to maintain and enhance its Canadian schedules.

**5) Position CBC/Radio-Canada to enhance our ability to fulfill our mandate through selective alliances and partnerships.**

We are strengthening CBC/Radio-Canada's position through strategic alliances that will maximise our audience reach and create new revenue streams.

We take pride in the three new specialty television licences awarded by the CRTC in 2000 in which CBC/Radio-Canada is a key partner. These services will play a key role in extending our service to Canadians. All three services will begin operations in Autumn 2001.

*artv* (formerly called *Télé des Arts*) will be a nationally distributed analogue French-language service devoted to arts and culture involving five shareholders: CBC/Radio-Canada (37 per cent), Télé-Québec (25 per cent), BCE Media (16 per cent), ARTE France (15 per cent) and Spectra (7 per cent).

*The Canadian Documentary Channel* will reinforce the leading role CBC/Radio-Canada and the National Film Board have played in the development of the Canadian documentary, and will encourage new Canadian filmmakers. This service involves Corus (53 per cent), CBC/Radio-Canada (29 per cent), the National Film Board (14 per cent) and four independent production companies (1 per cent each).

*Land & Sea* will collect rural and resource-based information and will provide news and information programming anchored from Winnipeg and St. John's. Corus (70 per cent) and CBC/Radio-Canada (30 per cent) are partners in Land & Sea.

We have signed a Joint Marketing Agreement with Corus Entertainment concerning the distribution of Galaxie, our pay audio service. Most major cable operators, and the satellite service Star Choice, now offer a package of 40 music channels, of which half are from Galaxie and half from DMX.

We also reached an agreement with *La Presse* to take advantage of synergies resulting from our complementary activities, notably with the Internet, special events and promotion. CBC/Radio-Canada has also entered into several agreements to extend the reach of our news by providing service to several wireless communications operators.

**6) Reinforce the capacity of CBC/Radio-Canada to work as one integrated conglomerate.**

We are ensuring that synergies are maximised between media. We are strengthening cross-promotion between media; fostering cross-media program initiatives; and ensuring consistent branding throughout the Corporation.




With these priorities as well as our strategic approaches for meeting our goals, we expect to better serve our Canadian audiences and reach new ones. Our goal is to ensure that in a multi-channel universe CBC/Radio-Canada can provide a unique experience to Canadians.

I want to reiterate my belief in the importance of a strong national public broadcaster for Canada. CBC/Radio-Canada can be strong if it is efficient and it can be efficient if it works as an integrated Corporation. In keeping with this philosophy, we have redesigned our Annual Report this year to reflect the new integrated organisation of CBC/Radio-Canada and placed the emphasis on our core business: providing distinctive Canadian programming.

This year has been characterised by the constant search for better ways to do business and to improve the perceived value of the services we deliver to Canadians. The ongoing and full support of the CBC/Radio-Canada Board of Directors was essential in making these changes possible and I am thankful for that. Broadcasting is a people-intensive creative business. Without the support of staff, the new CBC/Radio-Canada that is emerging could not become a reality.

In closing, I want to pay tribute to Guylaine Saucier, a great Canadian who served as Chair of the CBC/Radio-Canada Board of Directors from April 1, 1995 to December 8, 2000. During her time as Chair, Mme Saucier faced the most challenging years CBC/Radio-Canada has ever experienced, and she did so with aplomb and determination. Because of her tenacity and her vision, she managed to steer CBC/Radio-Canada during unprecedented budget cuts while protecting the integrity of CBC/Radio-Canada services to Canadians. Thank you for a job well done and for paving the way for our current efforts to revitalise and strengthen CBC/Radio-Canada's programming.



Robert Rabinovitch  
President and CEO, and  
Acting Chair, Board of Directors



## CBC/Radio-Canada: Serving Canadians in Unique Ways

**The Canadian Broadcasting Corporation, Canada's national public broadcaster, was created by an Act of Parliament on November 2, 1936, and now operates under the 1991 Broadcasting Act.** It is accountable to the Parliament of Canada through the Minister of Canadian Heritage, to whom it reports annually. CBC/Radio-Canada is financed mainly through public funds, supplemented by revenue from various sources including television advertising. CBC/Radio-Canada distributes its programs via satellite, microwave and landline, feeding 97 CBC/Radio-Canada-owned stations, 1,164 CBC/Radio-Canada rebroadcasters, 27 private affiliates and 292 affiliated or community rebroadcasters.

### CBC/Radio-Canada reaches out to Canadians through a multitude of platforms:

CBC Radio One, CBC Radio Two, the Première Chaîne and the Chaîne culturelle: four commercial-free national Radio networks with 73 regional stations, broadcasting coast-to-coast-to-coast, in French and in English, offering a unique mix of information, general-interest, music and cultural Radio programs;

English Television and French Television: two national Television networks whose 24 regional stations and 24 affiliated stations deliver English and French services across the country, offering general and special-interest programs;

Radio and Television services to northern Canada, offering programming in English, French and eight Aboriginal languages;

CBC Newsworld and the Réseau de l'information (RDI): Canada's leading all-news Television services, offering 24-hour news and information, financed entirely by cable subscriptions and advertising revenue;

*www.cbc.ca* and *www.radio-canada.ca*: two multi-layered Internet services carrying CBC/Radio-Canada's Radio and Television productions, unique New Media programming and corporate information;

Radio Three: English interactive programming for youth on the Internet (*www.120seconds.com*, *www.newmusiccanada.com*, *www.justconcerts.com*);

*Bandeapart.fm*: French interactive programming for youth on the Internet (*www.bandeapart.fm*);

Galaxie: a digital pay audio service offering 30 continuous music channels, 24 hours a day without talk nor commercials, reaching 1.8 million subscribers;

Radio Canada International (RCI), one of the most respected shortwave radio services in the world, broadcasting internationally in seven languages; and,

Beginning in Autumn 2001, artv, The Canadian Documentary Channel, and Land & Sea will extend our service to Canadians.





## CBC/Radio-Canada: Key Support to the Canadian Artistic Community

CBC/Radio-Canada is the country's most important vehicle for showcasing Canadian arts and culture including orchestras, theatre, and dance ensembles on both national and regional levels.

During 2000-2001, CBC/Radio-Canada's direct contributions to artists were in the order of \$36 million.

The cultural community also benefits from payments that CBC/Radio-Canada makes to independent producers. Last year, these payments totaled \$64 million.

Four of the top 10 bestsellers in English Canada during the months of November and December 2000 were books related to

CBC/Radio-Canada programs. They were: *Canada: A People's History*; *Vinyl Café: Unplugged*; *Wanted Words* (from *This Morning*); and, *The Rights Revolution* (from *Ideas*).

Sales figures for the first series of videos of *Canada: A People's History / Le Canada : Une histoire populaire* (English and French, VHS and DVD combined) were approximately 135,000 units, or 27,000 per episode, a best-seller by Canadian standards.

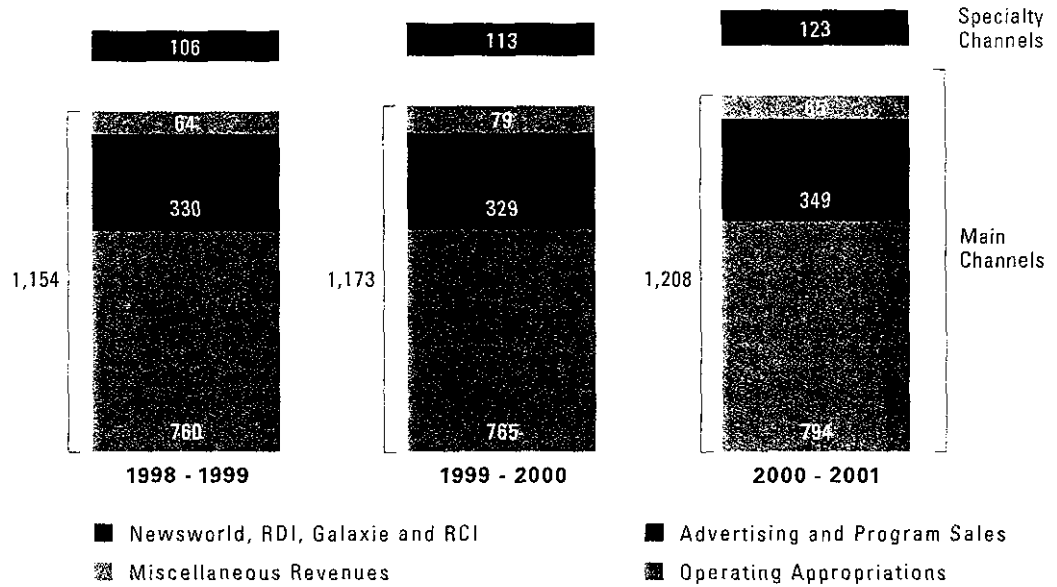
## CBC Records/Les disques SRC

CBC Records/Les disques SRC is a leading label in Canada for Canadian classical music. There are 20 new Canadian performances released each year. Last year, CBC Records/Les disques SRC sold more than 90,000 CDs.



## Financial Highlights

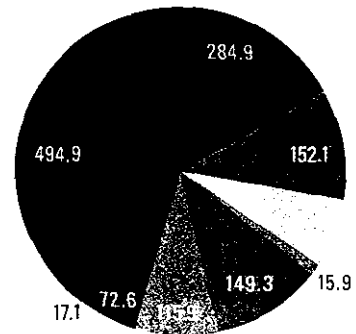
### CBC/Radio-Canada's Sources of Operating Funds (in millions of \$)



The increase in advertising revenues in 2000-2001 is due primarily to the coverage of the Sydney Olympics and is offset by a decline in advertising revenues generated from regular programming. Despite fragmentation in the advertising market, competitive pressures and de-commercialisation of English Television evening News, CBC/Radio-Canada has continued to offer high-quality distinctive Canadian programs.

### 2000-2001 Operating Expenses\* – \$1,396.3 million (in millions of \$)

- English Television \$494.9 (35.5%)
- French Television \$284.9 (20.4%)
- English Radio \$152.1 (10.9%)
- French Radio \$93.6 (6.7%)
- Corporate Management \$15.9 (1.1%)
- Amortisation of Capital Assets \$149.3 (10.7%)
- Specialty Services & RCI \$115.9 (8.3%)
- Distribution & Affiliates \$72.6 (5.2%)
- New Media \$17.1 (1.2%)



\* Excluding provision for income and large corporations taxes

## A More Challenging Media Environment

### **CBC/Radio-Canada now operates in a more challenging environment than ever before.**

The digital revolution, globalisation of the economy and changes in the communication sector are major drivers of change. At the same time, increased audience fragmentation from new services reinforces the need for a strong public service broadcaster in Canada.

The past year has seen the emergence of powerful media conglomerates in Canada. Most have opted for a strategy oriented towards vertical integration while at the same time reinforcing their position in acquiring more broadcasting assets and expanding their activities by integrating key national newspapers and production companies.

With these deals, the concentration in the Canadian media industry has reached new heights. There are far fewer but much stronger key players who now compete for Canadian audience and advertising dollars.

In addition, the ownership of program rights is becoming a critical issue in the multi-platform environment. Broadcasters are now seeking Internet broadcast rights to supplement conventional, specialty and pay television windows for their programming. The technological convergence and increasing penetration of the Internet, including high-speed Internet, are gradually allowing content producers to distribute their product directly to the consumer, thus bypassing the intermediaries in the value chain. In this new environment, those who will not be able to secure long-term access to content in high demand run the risk of losing their competitive advantage. As a result, broadcasters have sought to reduce the uncertainty regarding the supply of Canadian programming and to expand business opportunities by acquiring production houses.

Audience fragmentation resulting from the increased number of specialty television services available in Canada will continue to exert pressures on the industry. The Canadian Radio-television and Telecommunications Commission (CRTC) policy for digital pay television and specialty channels provides very liberal entry conditions for new services. More than 280 digital television services were approved by the CRTC in November 2000, many of which are expected to become available to the public as soon as Autumn 2001.

Given the new competition, it will be more difficult and more costly for CBC/Radio-Canada to acquire program rights to high-quality Canadian programming. Greater demands on the Canadian Television Fund (CTF) will also put pressure on CBC/Radio-Canada's ability to get access to a level of financing essential to maintaining a truly distinctive Canadian program schedule and to achieve the transformation of English Television and the strengthening of French Television.

The emergence of media powerhouses will also have an impact on the advertising market. The larger the conglomerate, the more niches and the more opportunities for high-impact media placement and cross-promotion.

The broadcasting industry continues to go through unprecedented changes. With much stronger and vertically integrated competitors and new competition from both domestic and international sources, the need to preserve a public broadcasting space in Canada becomes critical.



## Strengthening Our Programming

**Change and revitalisation are not new to CBC/Radio-Canada.** For nearly 65 years, we have considered innovation and the provision of excellence in programming an integral part of our mandate. In the context of increased competition, globalisation, media mergers and reduced budgets, our media platforms are making significant changes to their programming, technical, and administrative practices. Key goals include reinvesting in our core strengths and taking the kinds of innovative risks that distinguish CBC/Radio-Canada from private broadcasters.

### English Television

English Television is in the midst of a comprehensive transformation that will differentiate it clearly from all other television services in Canada. Over the past few years, despite great financial constraints, "Canadianisation" has been largely achieved. This past year saw an increased emphasis on the "public service" aspects of making English Television Canada's national English-language public broadcaster: making it more distinctive, less commercial, providing a strong nation-binding force through high-impact programming, and reflecting all regions of Canada to the country as a whole.

Many of the priorities of transformation achieved last year can be seen in the program schedules. Children's and youth programming were increased by one third. A major News program, *CBC News: Canada Now*, was launched. *The National* was revitalised, and News operations were integrated across the country. *Opening Night* introduced a prime-time showcase for the performing arts and amateur sports were given a new emphasis.

To enhance productivity and operational efficiency, English Television is utilising benchmarking techniques to promote continuous improvement in production methods and measures to streamline business processes and administrative support.

Other changes this year include the conversion of English Television's satellite network distribution signals from analog to digital format (Digital Video Compression, DVC) to improve the efficiency of internal network distribution operations. And on January 8, 2001, new satellite channels opened, allowing CBC North to adopt the same format and timing for supper hour shows as in the rest of the country.



### English Television Stations with the Best Canadian Programs (%)

■ CBC<sup>1</sup> ■ CTV<sup>2</sup> ■ Global ■ All Others

Anglophones 18+

50 17 6 27

Anglophone  
Cable Subscribers/  
Satellite Dish Owners 18+

48 18 6 28

<sup>1</sup> Includes CBC Newsworld

<sup>2</sup> Includes CTV News Net

Base: Respondents who watch Canadian programs

Source: QRS 2000

### French Television Stations with the Best Canadian Programs (%)

■ Radio-Canada<sup>1</sup>   ■ TVA<sup>2</sup>   ■ CBC/Newsworld   ■ TQS   ■ TQ  
 ■ CTV/NN   ■ Canal D   ■ Others (English)   ■ Others (French)



<sup>1</sup> Includes RDI

<sup>2</sup> Includes LCN

Base: Respondents who watch this type of program and who identified a particular station

Total may not add up to 100 because of rounding

Source: QRS 2000

## French Television

French Television is a public, general interest, popular television service with roots in every region of the country and a commitment to reflect the culture of all Francophones. Its mission is to produce high-quality programs in French for the greatest number of Canadians possible. With 16.6 per cent of the Francophone market share, it contributes significantly to the dynamism and quality of French-language television throughout the country.

French Television produces and broadcasts accessible, diversified programming of high quality in terms of production values and content. Emphasis is placed on Information (News and Current Affairs), Drama, Culture, and Youth programming.

In recent years, French Television has been renewing its program schedule and focusing on its public mandate. The 2000-2001 Television season was marked by the broadcasting of seven first-run Canadian drama series. Cultural and variety programming underwent various major changes: several new programs were introduced and others returned in a new format. In youth programming, there was more drama, including a new regionally produced program; weekdays, from 6:30 to 7:30 a.m., the emphasis was shifted from news to children with the addition of a half-hour youth program package. In sports, French Television kept its audience abreast of the Sydney Olympics with exhaustive coverage of the events.

## English Radio

English Radio provides high-quality information, cultural and music programming on Radio One and Radio Two in 48 communities across Canada.

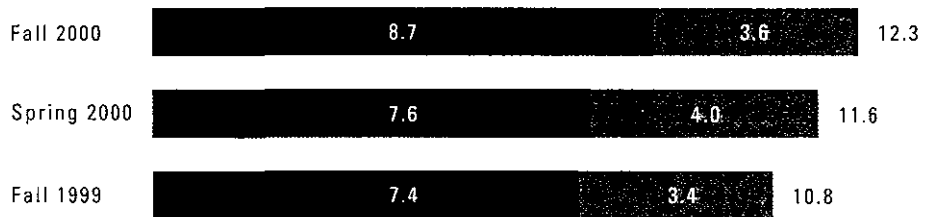
Radio One, which can be received by 98 per cent of English-speaking Canadians, is focusing on increased quality, more pilot series developed across the country, and further development of network and regional information programming. Radio Two, committed to 80 per cent-plus national coverage, this year extended its service to Kelowna, Sudbury and Swift Current, and will further extend its service next year. Radio Three's websites, launched in 2000, will be expanded to attract more young Canadians.

CBC Radio One and Radio Two experienced historically high audience shares with a combined share of over 12 per cent according to BBM in Fall 2000 and Spring 2001. CBC Radio has some of the highest user satisfaction levels for any media in the country, with over 95 per cent of listeners to both Radio One and Radio Two expressing themselves as being "satisfied" or "very satisfied" (QRS 2000).



**Audience Shares, English Radio (%)\***

■ CBC Radio One  
 ■ CBC Radio Two



\* In areas in which a CBC Radio One owned station is located  
 Source: CBC Research (BBM)

**French Radio**

Our unique French Radio service, the Première Chaîne and the Chaîne culturelle, reaches 98 per cent and 80 per cent of Francophones across the country, respectively. The key objective of French Radio is to maintain and protect French-language public radio space. French Radio offers high-quality information programming and diverse music programming.

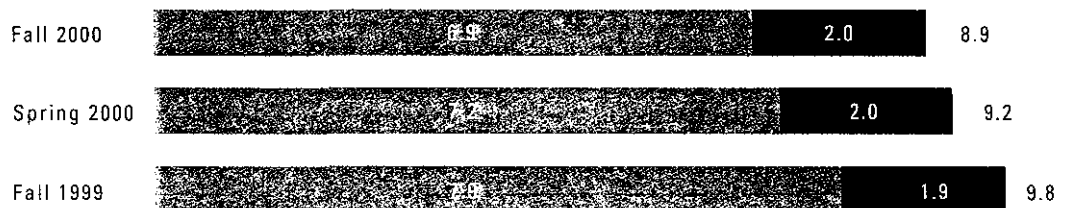
French Radio's plan is to make national and regional programming more open to the world by encouraging exchanges between national and regional

programming, and strengthening international radio partnerships. It also plans to strengthen its regional presence by originating local programming from Trois-Rivières, extending the Chaîne culturelle to Winnipeg and Vancouver. As well, Radio-Canada intends to enhance the quality of its regional productions, among other things. French Radio is further promoting and developing Canadian talent by adopting quality standards and programming rules for broadcasting Canadian music, implementing a unified strategy for developing and promoting Canadian talent, and strengthening the website, *bandeapart.fm*.



**Audience Shares, French Radio (%)\***

■ Première Chaîne  
 ■ Chaîne culturelle

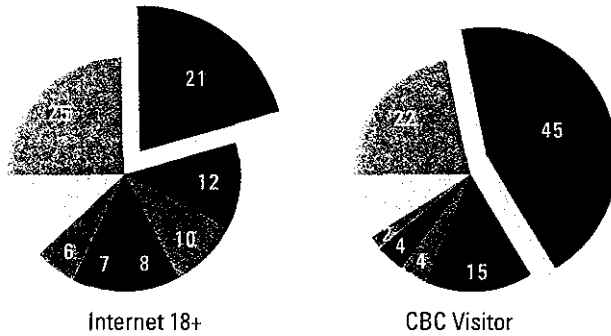


\* Compared to French Radio listening among Francophones in areas served by a CBC/Radio-Canada owned and operated station  
 Source: CBC Research (BBM)

**English Website Most Likely to Be Believed if Conflicting News Stories are Heard About the Same Event**

**Current Internet Users\* – Anglophones 18+ (%)**

- CNN
- Yahoo
- CBC
- Global TV
- Globe and Mail
- Sympatico
- CTV
- Others



\* "Others" includes The Toronto Star, Canada.com, Canoe and MSNBC.  
 \* Current Internet users who have accessed the Internet in the past 3 months  
 Total may not add up to 100 because of rounding  
 Source: QRS 2000

**New Media**

Teams from English and French Radio and Television work together on New Media activities to deliver news and public affairs, cultural content, children and youth programming and information about CBC/Radio-Canada programs. CBC/Radio-Canada intends to be the prime provider of appealing, impartial, non-commercial Canadian content on the Web.

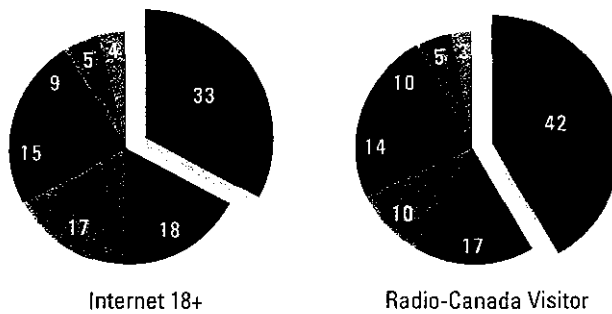
CBC/Radio-Canada has established numerous New Media partnerships with other websites. Portals such as Sympatico, AOL, MontrealPlus.ca, Excite Canada and MSN extend the reach of CBC/Radio-Canada content for the benefit of Canadians. We are also reaching Canadians on new platforms such as Palm Pilots and PCS telephones. CBC/Radio-Canada has also partnered to create new content with The Canadian Film Centre and Historica for *The Great Canadian Story Engine* website and with Canadian Heritage and Industry Canada for *Francomania.ca*.



**French Website Most Likely to Be Believed if Conflicting News Stories are Heard About the Same Event**

**Current Internet Users\* – Francophones 18+ (%)**

- Radio-Canada
- Le Devoir
- La Presse
- InfiNiT
- TVA/LCN
- Others
- Canoe



\* "Others" includes Le Soleil, LeDroit, Matinternet et Mes nouvelles  
 \* Base: Current Internet users who have accessed the Internet in the past 3 months and who identified a specific Canadian website  
 Total may not add up to 100 because of rounding  
 Source: QRS 2000

## **A Great Success Story: *Canada: A People's History / Le Canada : Une histoire populaire***

**This year, CBC/Radio-Canada launched its landmark documentary series, *Canada: A People's History / Le Canada : Une histoire populaire*.** Several years in the making, and establishing a new model for cooperation between our English and French Television services, this project is the exemplar for public broadcasting at its finest: programming that is distinctive, high-quality and high-impact. Only CBC/Radio-Canada could risk dedicating the resources to develop a bilingual epic history of Canada. It is a prime example of our contribution to national consciousness and identity.

*Canada: A People's History / Le Canada : Une histoire populaire* chronicles the rise and fall of empires, the clash of great armies and epoch-making rebellions, and the everyday struggles of the women and men who lived through it, as told through their personal testimonies.

The series, to be broadcast commercial-free over two years, comprises 32 hours of stunning documentary programming produced using entirely digital technology. The first episode was aired simultaneously in French and English on Sunday, October 22, 2000, and by the close of the fiscal year, nine of the total 17 episodes had been broadcast.

Audience and critical reaction has been extremely positive and audience sizes have outstripped all expectations. An astounding 15 million Canadians – one out of two – tuned in to the series.

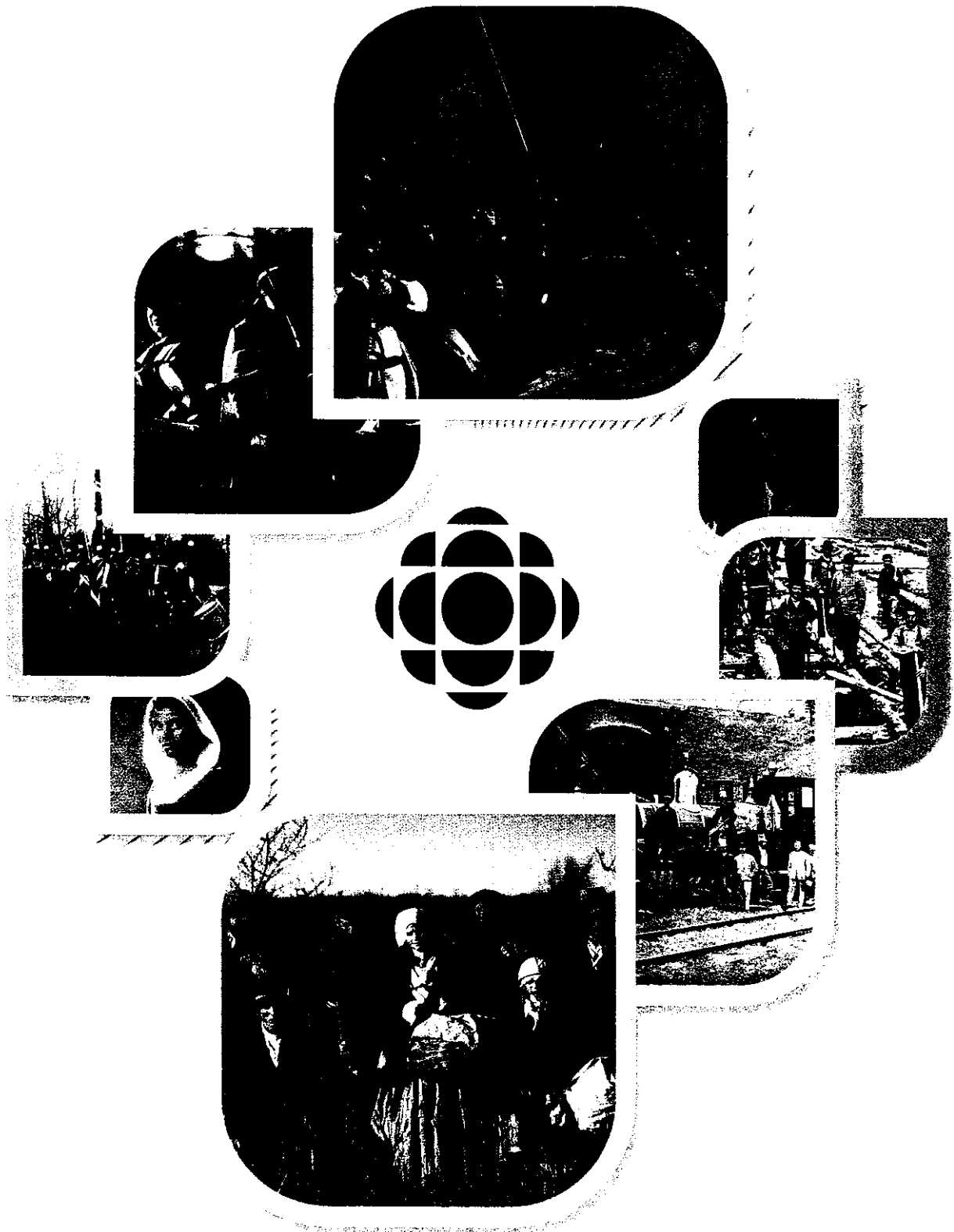
To accompany the series are two richly illustrated books (one already a number-one nonfiction bestseller in English Canada), videocassettes and DVDs, radio fora and comprehensive websites containing biographies, photographs and video excerpts. There were three million pages viewed on the accompanying *cbc.ca* website this year.

Demand for the videos and books, and use of the website, educational cassettes and teacher guides have also far exceeded expectations. By the end of 2002, we anticipate that the series will be available in 90 per cent of Canadian schools.

A SUCCESS STORY







## News, Current Affairs, Information on Which Canadians Rely

**CBC/Radio-Canada News, Current Affairs and Information Programming, across all our media platforms, is the largest news organisation in Canada.** International and national awards annually attest to our journalists' credibility and professionalism, and public broadcasters worldwide recognise our strong contributions to the field.

### A Year of Important Changes: Integration, Rationalisation, Service

This year, CBC/Radio-Canada made important changes to its services. These were designed within the context of our new integrated business model with a view to improving services to Canadians. Staff from different departments and across all media are increasingly working together and sharing facilities in order to cover more stories in more places, while creating flexibility and reducing costs. This is evident in the successful integration of English Television's News, Current Affairs and Newsworld operations across the country.

After amalgamating *Le Téléjournal* and *Le Point*, French Television Information tackled another major project, namely the Centre de l'information, an entirely digital facility where all newscasts and information programs on French Television and on RDI will be produced and aired beginning in the Autumn of 2001. All resources dedicated to the gathering and production of news will be combined in a digital environment in order to free up journalistic resources and redirect them to improved coverage and more in-depth analysis.

In the Gaspésie, French and English Radio collaborated to provide better service and in Sudbury, journalists covered the news for both English and French Radio. English Radio, with a journalistic presence in 48 communities across Canada, worked with CBC Television News to provide additional coverage and sharing of resources in smaller centres. Local Toronto CBC Radio News and

Information was integrated into the Network Radio News operations, resulting in considerable savings to be reinvested in programming.

CBC/Radio-Canada's websites (*cbc.ca* and *radio-canada.ca*) deliver up-to-date information on local, regional, national and international events 24-hours a day. News and information can also be received instantly on Palm Pilots through various media partnerships.

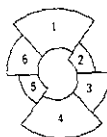
An example of CBC/Radio-Canada's news, current affairs and information programming on the Web is seen in the English and French regional sites which now provide access to local information from all regions of the country as well as regional CBC/Radio-Canada Radio and Television programming.

Radio Canada International (RCI) signed agreements with the Beijing People's Broadcasting Station, Radio Guangdong, Voice of Vietnam, National Radio of Ukraine, Voice of Lebanon, Radio Havana Cuba, and Canal EF (French programs to Africa) for co-productions, daily or weekly RCI current affairs programs, and training and exchange of staff.

### New Programs and Hosts

During 2000-2001, English Television launched two high-profile evening news programs: *CBC News: Canada Now* and a revitalised *The National*, a seamless, integrated package of national and international news and information. *Canada Now* (6-7:00 p.m. weekdays) features a half-hour of national news hosted by Ian Hanomansing in Vancouver, paired with a half-hour of local news originating in 14 CBC/Radio-Canada stations across the country. *The National* (10-11:00 p.m. weekdays), hosted by Peter Mansbridge, consists of extended, high-quality coverage of the day's top stories, followed by provocative, insightful analyses, documentaries and features. The first half-hour of *The National* and the national news portion of *CBC News: Canada Now* are presented without commercial interruption, a remarkable achievement in North America. Overall, commercials broadcast during the hour have been reduced from twelve to six minutes.

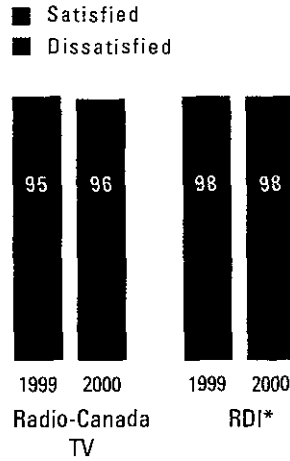




1. Alison Smith, host of *Sunday Report*, English Television and *Newsworld*; 2. Yannick Villedieu, host of *Les années-lumière*, Première Chaîne (French Radio); 3. Ian Hanomansing, host of *CBC News: Canada Now*, English Television; 4. Bob McDonald, host of *Quirks & Quarks*, Radio One; 5. Stéphan Bureau, host of *Le Téléjournal/Le Point*, French Television; 6. [www.cbc.ca](http://www.cbc.ca) and [www.radio-canada.ca](http://www.radio-canada.ca)

**Viewer Satisfaction with Radio-Canada TV and RDI**

Francophones 18+ (%)



\* Among cable subscribers  
Total may not add up to 100 due to the exclusion of "don't know/not stated"  
Source: QRS 1999-2000



The number of viewers tuning in to the news segment of the revitalised *The National* increased by five per cent, while the number of viewers tuning in to the current affairs segment of the same program increased by 10 per cent, compared to the number of viewers during the same weeks a year previously.

French Television offered four daily newscasts covering regional, national and international stories, in addition to weekly public affairs programs, while *Zone libre* presented investigative national and international reports, and *Enjeux* looked at social, economic and cultural issues.

To better serve its viewers the Réseau de l'information (RDI) began in Autumn 2000 to air the first edition of *Le Téléjournal/Le Point*, hosted by Stéphan Bureau. And Newsworld expanded *Newsworld Today*, live from Toronto and Calgary, from two to four-and-a-half hours weekdays.

English Radio added a foreign bureau in Jerusalem to those in London, Moscow, Bangkok and Washington. There were major reinvestments in regional news reporting and information programming this year. Over 50 new documentaries

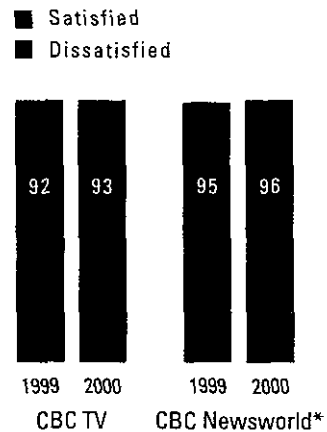
were produced for *This Morning*, *The Sunday Edition*, *Quirks and Quarks* and *Tapestry*, and more original programming was added to *Ideas* and *Richardson's Roundup*. Staff secondments were made between New Media and CBC Radio Information program units to boost expertise in content development.

In September, Shelagh Rogers became host of Radio One's *This Morning*, while Michael Enright moved to *The Sunday Edition*. Radio One's morning, noon and afternoon current affairs programs continued from almost 40 locations across Canada, while CBC Radio Windsor celebrated 50 years of current affairs coverage. Launched this year was *Dispatches*, a weekly international affairs program hosted by veteran foreign correspondent, Rick MacInnes-Rae.

On French Radio's Première Chaîne, two popular programs became national broadcasts this year: *Indicatif présent*, hosted by Marie-France Bazzo, and *Pourquoi pas dimanche ?*, hosted by Joël Le Bigot. French Radio also improved its news coverage by opening two regional bureaus in

**Viewer Satisfaction with CBC TV and CBC Newsworld**

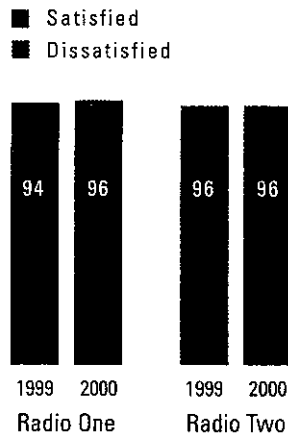
Anglophones 18+ (%)



\* Among cable subscribers  
Total may not add up to 100 due to the exclusion of "don't know/not stated"  
Source: QRS 1999-2000

### Listener Satisfaction with Radio One and Radio Two

Anglophones 18+ (%)



Total may not add up to 100 due to the exclusion of "don't know/not stated"  
Source: QRS 1999-2000

St. John's (Newfoundland) and New-Liskeard (Ontario). There was also new local programming in the Sherbrooke region and, in Calgary, for broadcast throughout Alberta, the *Première Chaîne* launched a weekend program entitled *Samedi l'dimanche*.

The *Chaîne culturelle* expanded its reach with new transmitters in Rouyn, Val-d'Or and Campbellton and, as of March 2001, the *Chaîne culturelle* is broadcast in Sudbury, as well.

RCI hired correspondents in Ottawa and Toronto, bringing the total of regional reporters to seven, and added Mandarin and Russian to its list of Cyberjournals in English, French and Spanish. Cyberjournals consist of news, sent free daily via e-mail to subscribers around the world.

### The Big News Events of the Year

CBC/Radio-Canada covered the big news stories of the year. *Newsworld* and RDI provided live coverage unparalleled in this country, allowing Canadians to witness ceremonies surrounding the Return of the Unknown Soldier, the unveiling of the monument to the Famous Five, the funeral of Maurice Richard, *Tail Ships 2000* from Halifax, and the Queen Mother's 100th birthday. In 2000-2001, RDI

broadcast nearly 1,000 specials – and *Newsworld* more than 1,200 – on social, economic and political happenings at home and abroad. Two important Canadian events are noted here.

### The Federal Election

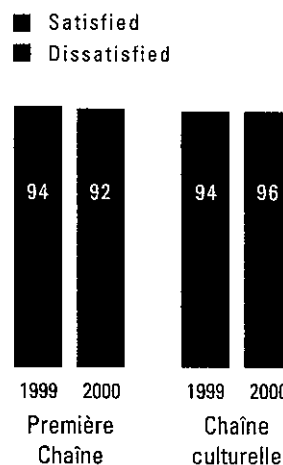
All of CBC/Radio-Canada's media lines worked together to provide Canadians with thorough coverage and analysis of the issues, candidates and parties in the federal election campaign in Autumn 2000. Local, regional and national staff demonstrated the best in national public broadcasting and the effectiveness of an integrated media Corporation. We are very proud of the professional and logistical accomplishments of our journalists and technicians in this challenge.

CBC/Radio-Canada's outstanding coverage of the federal election distinguished us from private broadcasters. On Election Night, Radio-Canada's coverage, hosted by Bernard Derome, garnered 35 per cent of the Francophone audience, and English Television's coverage, hosted by Peter Mansbridge, attracted the largest English-language audience – an average of 1.9 million viewers, peaking at 2.6 million.



### Listener Satisfaction with the *Première Chaîne* and the *Chaîne culturelle*

Francophones 18+ (%)



Total may not add up to 100 due to the exclusion of "don't know/not stated"  
Source: QRS 1999-2000

## The Passing of the Rt. Hon. Pierre Elliott Trudeau

CBC/Radio-Canada was the first to report the passing of the Rt. Hon. Pierre Elliott Trudeau. From September 28 to October 3 special programming and documentaries were presented entirely without commercials, even pre-empting some of CBC/Radio-Canada's own Olympic broadcasts.

CBC/Radio-Canada's journalistic leadership and credibility motivated 350,000 unique visitors to turn to our websites for this story. Prompted by great public appreciation of the coverage, CBC/Radio-Canada has compiled and released a commemorative video entitled *Pierre Elliott Trudeau: 1919-2000* as part of this nation-binding moment in Canada's history. Proceeds from the sale of the video went to a charity of the family's choice.

## Special Programming

CBC/Radio-Canada created numerous specials this year, some concerning unique happenings or anniversaries and others focusing on important topics. We note a few.

In April 2000 Radio One's *As It Happens* marked the 25<sup>th</sup> anniversary of the fall of Saigon with *The Helpful Fixer: Canada and the Vietnam War*. *As It Happens* has a weekly reach of 900,000. In January 2001, Radio One's *This Morning*, with a weekly reach of 1.7 million, provided special coverage from Baghdad of the 10<sup>th</sup> anniversary of the start of the Gulf War.

Also in January, Radio One throughout Nunavut celebrated Inuktitut Language Week with daily Inuktitut lessons and discussions with elders and youth about the future of the language. Radio One also carried *Great Canadian Story Engine*, a partnership between Radio, New Media and the Canadian Film Centre, hosted by David Gutnick who traveled across Canada collecting Canadian stories (700 to date) for regional programs and *This Morning*. Radio One and Newsworld aired the celebrated *Massey Lectures*, this year delivered by Michael Ignatieff who spoke of *The Rights Revolution*. Newsworld also presented the *Lafontaine-Baldwin Symposium* with Alain Dubuc.

Among French Television's special programming this year was a 90-minute debate concerning the future of Quebec, during which moderator Jean-François Lépine heard the views of Alain Dubuc, Jean-François Lisée and Guy Laforest. In May 2000, there were also numerous special presentations commemorating the life of Maurice Richard.

Our English services this year introduced a series of special programs focusing on topical subjects. Over one or more days on Radio, Television and New Media, *The Big Picture* examined issues such as reproductive technology, road safety, and the economy. On March 20, 2001, *Ready for Retirement?* presented stories on English Television's *The National*, *Marketplace*, and *Canada Now*, as well as on Radio One's *This Morning* and *Metro Morning* (in Toronto), and complementary coverage in *The Toronto Star*.

English Television staged and televised various *National Townhall* programs, including *Canadian History: Turning Points*, hosted by Peter Mansbridge with a studio audience and panel of experts.

## A True Cross-cultural Program

Newsworld and RDI this year commissioned 23 new episodes of *Culture Shock/Culture-choc*, the only regular program on Canadian television seen simultaneously in English and French Canada. *Culture Shock/Culture-choc* follows the cross-country travels of young video journalists as they explore the different traditions and lifestyles of Canadians.

## Science, Technology, Health

We live in an age highly influenced by advances in our knowledge of science, technology and health. Canadians deserve accurate and timely information in order to understand these disciplines and to make informed decisions about their lives. For this reason, CBC/Radio-Canada reports related discoveries in the daily news as well as in longer analytical features and programs.



Two of CBC/Radio-Canada's most renowned and long-running programs celebrated not only excellence but also longevity this year. *The Nature of Things with David Suzuki* marked its 40<sup>th</sup> anniversary on English Television, and Radio One's *Quirks and Quarks*, with a weekly reach of 500,000, celebrated its 25<sup>th</sup> anniversary in October 2000.

English Television's *The National* regularly featured in-depth scientific and medical stories presented by award-winning reporter, Eve Savory. This year Eve Savory discussed, among other topics, *Genome Day*; *Cost of Survival* (the effects of cancer-beating radiation and chemotherapy on children's growing organs); *Reproductive Technology*, and *A Whale for the Watching*.

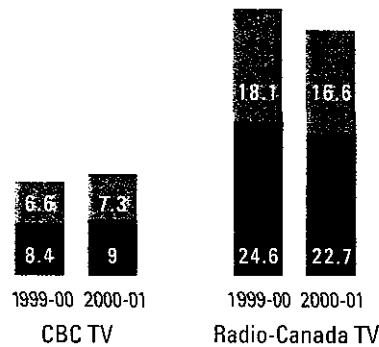
Newsworld provided *Health Matters* daily, to help viewers make sense of the complex and often contradictory health information now in our society. This year *Health Matters*, hosted by Norma Lee MacLeod, examined such topics as cerebral palsy treatment, Alzheimer's drugs, prostate cancer, and multiple sclerosis, and also relayed recent doctors' warnings concerning "light" cigarettes, laser surgery, and iron supplements for senior citizens, to name a few. *Health Matters'* website at [cbc.ca](http://cbc.ca) contains reports from current and previous shows.

French Television aired the 13th consecutive season of *Découverte*, a weekly show about pure and applied science and technology and their impact on health and the environment. *Découverte* won two Prix Gémeaux 2000. French Television also presented a special, hosted by Bernard Derome, entitled *Votre santé... mais à quel prix!* looking at the Canadian health care system. RDI broadcast *Branché* concerning new information technology, and French Radio provided *La minute Internet* on Radio as well as on the Internet.

### CBC/Radio-Canada Television, Audience Shares

(%)

- All Day (24 hours)
- Prime Time (7-11:00 p.m.)



September to March  
Source: Nielsen Media Research

Weekdays this year, the Première Chaîne and the Chaîne culturelle simultaneously broadcast two-minute science and technology bulletins entitled *Info-science*. In May 2000, *Les années-lumière*, on the Première Chaîne, broadcast the annual colloquium of the Association canadienne-française pour l'avancement des sciences at the University of Montreal.

*to radio.com* premiered this season as a regular weekly program on Radio One. From Studio R3 in the CBC Broadcast Centre in Vancouver, *to radio.com* is an interactive live program with an emphasis on the implications of new technology. Listener-participants tune in via Radio One, Internet ([to radio.com](http://to radio.com)), and digital radio DAB (in Vancouver).





## Dynamic Arts, Performance and Entertainment Programming

**An important aspect of CBC/Radio-Canada's mandate is to entertain Canadians through reflective, inspiring or amusing programs.**

For nearly 65 years CBC/Radio-Canada has presented national and international music, drama, variety and comedy, contributing in a fundamental way to the nurturing and exposure of Canadian performers and the building of production teams to record and air their works.

CBC/Radio-Canada leads Canadian broadcasters in regularly exceeding the CRTC's Canadian content requirements. For example, in recent years, English Television has been "Canadianising" its schedule, such that this year we can boast of its 94 per cent Canadian content during peak evening hours from October to March 2001, even reaching 100 per cent some weeks. By contrast, the CRTC's minimum Canadian content requirement is 80 per cent in prime time.

English Radio's commitments to Canadian music are the highest in the Canadian radio industry, and French Radio's long-standing celebration of Francophone music is a mainstay of its audiences.

### The Year in Review

French Television has had one of its most productive years, creating seven new Canadian series for the 2000-2001 season. French Television broadcast over 260 hours of original dramatic Canadian productions, and dramatic programs aired by French Television won 21 Prix Gémeaux 2000 in all categories. French Television also broadcast numerous Canadian films, including *Le Violon rouge*, *C'tà ton tour*, *Laura Cadieux*, *Les Boys* and *Le Coeur au poing*.

English Television continued to develop a thematic grouping of programs during prime-time on different nights, as part of its transformation to a more distinctly public Television network. For instance, on Monday and Friday nights a block of great Canadian humour was presented, capped off by

drama. Thursdays were reserved for *Opening Night*, a new, regular two-hour commercial-free showcase for arts performance, and Saturdays, traditionally, have been reserved for *Hockey Night in Canada*.

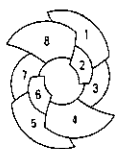
English Television was the presenter of eight of the 10 most popular Canadian entertainment series aired on English television during the 2000-2001 season. *Royal Canadian Air Farce* was the top-ranked program, with an average audience close to 1.2 million Canadians. *Talking to Americans* with Rick Mercer was by far the most popular Canadian entertainment special on English Television this season with 2.7 million viewers. It is no wonder that programs appearing on English Television this year won 32 Gemini Awards.

### Outstanding Performing Arts Programming

French Television continued its tradition of presenting cultural performances each Sunday night on *Les Beaux Dimanches*. During Spring and Summer of 2000, this exceptional showcase for the performing arts featured concerts and made-for-television plays under the themes, *Rendez-vous au théâtre* and *L'Été de la musique*, broadcasting such programs as *Une maison, un jour* (1970) by Françoise Loranger, and *L'Échéance du vendredi* (1971) by Marcel Dubé.

*Les Beaux Dimanches* also presented music festivals from different parts of the country: the *Festival international de jazz de Montréal*, the *Festival d'été international de Québec*, *L'Acadie en couleurs*, and *De Fête et de fierté : le 25<sup>e</sup> Festival franco-ontarien*. Other productions shown were *Les Femmes savantes*, from Théâtre du Trident in Quebec City, *Don Quichotte*, from the Théâtre du Nouveau Monde in Montreal, as well as concerts by the Orchestre symphonique de Montréal, Bach's *Christmas Oratorio* and Handel's *Messiah*.





1. Lorne Elliott, host of *Madly Off in All Directions*, Radio One; 2. Marc-André Doran, host of *Concert et compagnie*, Chaîne culturelle (French Radio); 3. "Beatrice Chancey", Canadian opera featured on *Opening Night*, English Television; 4. Mark Mondesir and Mark Taylor, *Drop the Beat*, English Television; 5. Normand Daneau, Macha Limonchik, Patrick Labbé, Julie McClemens and Vincent Graton, *La Vie la vie*, French Television; 6. Jimena Vergara, host of *Brio*, French Television; 7. Eleanor Wachtel, host of *The Arts Today*, Radio One; 8. Stéphane Breton and Macha Grenon, *Mon meilleur ennemi*, French Television

## Top 10 Canadian Entertainment Series in English, 2000-2001

RANK	NETWORK	PROGRAM	AMA <sup>1</sup> (000)
1	CBC	RCAF	1192
2	CBC	This Hour Has 22 Minutes*	977
3	CBC	Red Green Show*	782
4	CBC	Da Vinci's Inquest <sup>1</sup> *	752
5	CTV	The Associates	705
6	CBC	Wind At My Back*	694
7	CBC	RCAF ( r )	581
8	CBC	Made In Canada*	562
9	Global	Popstars	552
10	CBC	Halifax Comedy Fest	519

\* Program received CTF funding

<sup>1</sup> Average audience in previous time slot = 718 (Da Vinci's Inquest)

Note: Prime time series only, weeks 6-32

Source: CBC Research (Nielsen Media Research)



In February, English Television introduced *Opening Night*, a commercial-free prime-time showcase for Canadian and international performing arts. *Opening Night*, which regularly presents two uninterrupted hours of the best in ballet, opera, jazz, modern dance and classical music, confirms English Television's strong commitment to the arts in Canada. *Opening Night* has already presented *The Four Seasons* (the North American première of the National Ballet of Canada's production); the acclaimed contemporary Canadian opera, *Beatrice Chancey*, a concert by Canadian tenor Ben Heppner with the National Arts Centre Orchestra; twenty years of jazz legends at the Montreal International Jazz Festival, narrated by Diana Krall; and *Don Quixote: The Impossible Dream*, a film directed, choreographed and danced by Rudolf Nureyev.

### Specials

This year, English Television gave the spotlight to Gordon Lightfoot, The Guess Who, Bruce Cockburn, and Cathy Jones, and presented a tribute to veteran CBC actor, Al Waxman, following his unexpected death. Movies and mini-series included *Heart: The Marilyn Bell Story*, *Scorn*, *Virtual Mom*, and *Revenge of the Land*. French Radio's the Chaîne culturelle presented a documentary on John Nugent as part of the 10th anniversary of *Silence... on jazz !*, airing Saturday nights.

Numerous popular award shows were also presented this year. French Television broadcast the Prix Gémeaux, while English Television broadcast the 15<sup>th</sup> Gemini Awards, the Genie Awards, the National Aboriginal Achievement Awards, the Governor General's Performing Arts Awards, the East Coast Music Awards, and the 30<sup>th</sup> Juno Awards (watched by 1.1 million viewers this year). Preceding the awards shows, English Television broadcast a special presentation of groups featured on the popular *Music Works* series which had been nominated for Juno awards. French Radio provided live coverage, from the Salon du livre de Paris, of the awarding of the Prix littéraire Anne-Hébert; this prize is co-sponsored by the Centre culturel de Paris and CBC/Radio-Canada's French Radio.

Our popular online *iCulture/Info-culture* sites covered the Geminis/Gémeaux, Genies and Junos/ADISQ. Leading up to the live broadcasts, the sites featured reviews, profiles and interviews with actors, filmmakers, producers, musicians and artists. During the shows there were exclusive live interviews and audio-video clips of the action backstage.

### Top 10 Canadian Drama and Entertainment Series in French, 2000-2001

RANK	NETWORK	PROGRAM	AMA <sup>1</sup> (000)
1	Radio-Canada	4 et demi	1774
2	Radio-Canada	Mon meilleur ennemi	1471
3	Radio-Canada	Un gars, une fille*	1344
4	Radio-Canada	La Vie la vie*	1341
5	Radio-Canada	La petite vie – reprises	1191
6	Radio-Canada	La fureur	1124
7	Radio-Canada	Virginie	1089
8	Radio-Canada	Tag*	1067
9	Radio-Canada	Bouscotte	1001
10	Radio-Canada	Caserne 24*	845

\* Program received CTF funding

<sup>1</sup> Average of weeks 2 to 31

Source: CBC Research (Nielsen Media Research)

## Drama

CBC/Radio-Canada has a long and distinguished tradition of presenting Canadian drama and this season's offerings were no exception. On English Television, *Da Vinci's Inquest*, an award-winning ratings hit, returned to its huge and loyal audience for a third season. *Drop the Beat*, the critically acclaimed hip-hop drama, ran its first full season, along with the innovative new multi-media program, *Our Hero*, and *Edgemont*, a weekly teen drama series from Vancouver.

French Television is always on the lookout for new talent: among the seven new drama series shown during the season (*Tag*; *Haute surveillance*; *Mon meilleur ennemi*; *La Vie la vie*; *Sous le signe du Lion II*; and *Fred-Dy*), several were by newcomers to television scriptwriting.

English Radio offered nearly 100 original Canadian radio dramas this year, and in May and June 2000, Radio One and Radio Two ran the Bank of Montreal Stratford Festival Series. The majority of dramas presented on French Radio's the Chaîne culturelle were created in different regions of Canada and broadcast on the program *Alexis Martin présente*.

New Media introduced chat sessions on *cbc.ca* and *radio-canada.ca* with a number of CBC/Radio-Canada actors and personalities this year, which proved to be very popular amongst our audiences.

## Comedy

On Monday and Friday nights, English Television presented distinctive Canadian humour in regular programs such as *This Hour Has 22 Minutes*, *Royal Canadian Air Farce* (both in their eighth seasons), *Made in Canada*, *The Red Green Show* (both in their third seasons), and newcomer, *The Broad Side* (originally a very successful Radio One series).

French Television featured two new sitcoms which helped to renew the genre: *La Vie la vie*, about a group of thirty-something friends, and *Le Monde de Charlotte*, spotlighting an eight-year-old girl and her family. It also offered a new series, *Infoman*, which took a humorous look at news events.

Comedy is also very popular on Radio One. *Madly Off in All Directions* has for years provided a platform for Canadian comedians and musicians in different locales across the country, while *Muckrakers* is a new political satire about investigative Web reporters.



## Culture and Variety

CBC/Radio-Canada regularly runs programs informing Canadians on activities, awards and personalities in the arts. Radio Two's *The Arts Report* has been heard weekdays since 1977, while locally focused *The Arts Update* is heard each day on Radio Two. Radio One also airs *The Arts Today*, hosted by veteran reporter Eleanor Wachtel. Newsworld provides *On the Arts*, and *Hot Type*, a program looking at contemporary books and authors.

In 2000-2001, French Television added a new cultural magazine, *MC* – a program concerned with culture in the broadest sense of the word and in all areas of artistic and cultural expression – to its existing programs describing cultural life in Canada. The other programs were: *Jamais sans mon livre*; *Expresso* (on Ontario's culture); and *Trajectoires* (replaced by *Brio* in January and covering Acadian culture). French Radio broadcast cultural programs such as *Info culture* and *Multimédi'art*, and also posted a cultural magazine on [radio-canada.ca/culture](http://radio-canada.ca/culture).

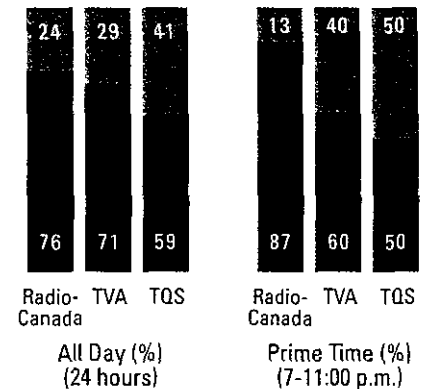


CBC/Radio-Canada's electronic magazines, *iCulture/Info-culture*, contain a wealth of information on the arts in Canada and around the world. This year the English *iCulture* site provided special sites for both the Giller Prize and the Governor General's Performing Arts Awards. Following Pierre Elliott Trudeau's death, there was extended coverage in the Cultural Politics section with Canadian artists reflecting on the former Prime Minister's legacy.

Radio One continued its award-winning variety programs this year. *Richardson's Roundup*, weekday afternoons, increased its episodes and original material; its weekly reach was over 900,000. *Definitely Not the Opera* on Radio One Saturday afternoons reached about half a million people each week. *Vinyl Café* heard on both Radio One and Radio Two reached about 600,000 listeners. *Basic Black* on Radio One Saturday mornings had a reach of about 650,000. The latter two programs are often recorded live on locations across Canada to large and enthusiastic audiences.

## French Television, Canadian Content Provider

■ Foreign  
■ Canadian



September 1998 to August 1999  
Source: Nielsen Media Research

On French Television, the variety program *L'Ecuyer* was considerably revamped. Daytime cultural programming was renewed with a new 90-minute service magazine show, *C'est simple comme bonjour !*, and *Liza*, back on the air in a new format allowing more room for discussion of social issues as well as audience participation.

English Television's *Life & Times* presented its 100th episode, a profile of astronaut Chris Hadfield. For the last six years, this popular program has delivered biographies of interesting Canadians.

## Documentaries

The documentary is another form in which CBC/Radio-Canada has a long history of excellence.

English Television this year presented documentaries on such diverse subjects as, *Star-Spangled Canadians* (about Canadians who have moved to the United States); *Black October* (on the FLQ crisis); *Oedipus Unmasked* (about the Stratford Festival); and *10 seconds to Eternity*.

True to its commitment, French Television premiered numerous Canadian documentaries in prime time, notably on the *Docs en stock* series and on *Zone libre*, the weekly current affairs program which occasionally shows original documentaries.

Featured were documentaries such as *Anticosti au temps des Menier*; *La fièvre du samedi matin*; *La technologie mangeuse de chair*; *Frenchkiss : la génération du rêve Trudeau*; *Barbeau, libre comme l'art*, and, *Grandir dans la rue, 12 ans plus tard*. Regional stations also broadcast in their own viewing areas documentaries from regional independent producers, among them: *Moi, Émile Petitot, missionnaire et explorateur arctique*, and *Voyage au nord du monde*, seen on stations in the West; and *Question de taille*, broadcast by our Ottawa station.

Newsworld's investment in the independent film community increased this year with 26 compelling and provocative documentaries commissioned for *Rough Cuts* and *The Passionate Eye*. Newsworld and RDI also co-produced six documentaries hosted in both languages by award-winning Michaëlle Jean.

Newsworld continued to produce *Moral Divide*, a weekly window on spiritual, religious and ethical issues behind the news stories, in cooperation with Vision TV.

French Radio's the Chaîne culturelle presented documentaries on *Des idées plein la tête*, hosted by Bernard Derome, while *Entretiens et confidences* featured interviews with personalities such as Pierre Morency and Françoise Faucher.

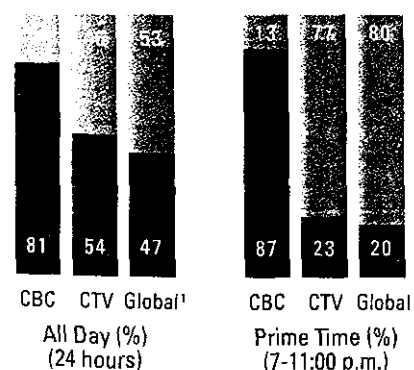
### Music

Music programming, especially that featuring Canadian performers and compositions, is a staple of CBC/Radio-Canada's offerings. English Radio offers at least 50 hours per week of original performance programming, heard on such continuing programs as Radio One's *On Stage*, *Radio Two's Symphony Hall*, *Choral Concert* and *In Performance*. *Music and Company*, *Take Five*, and *Disc Drive*, also on Radio Two, all reached almost 600,000 listeners each week this year. *Music for a While* had a reach of over 300,000 listeners each week, while the long-running *Saturday Afternoon at the Opera* reached over 200,000 listeners each week.



### English Television, Canadian Content Provider

Foreign  
Canadian



September 1998 to August 1999  
Global is Ontario Network Only  
Source: Nielsen Media Research

There were also new programs: *I Hear Music*, a weekend program launched in September 2000; and *Northern Lights*, a weekday classical music program broadcast out of Winnipeg on Radio One and Radio Two with an audience reach of over 300,000.

CBC Radio Two collaborated with the Chaîne culturelle in September 2000 to record and broadcast a series of four concerts held at the Canadian Centre for Architecture in Montreal. In November 2000, Radio Two celebrated *Mahler Week* with original performances and documentaries across a range of programs.

Earlier, in May 2000, Radio Two – in partnership with the Chaîne culturelle and the Canada Council for the Arts – broadcast the finals of the CBC Radio Competition for Amateur Choirs 2000 featuring choirs performing live-to-air in six CBC/Radio-Canada centres across Canada. In late March 2001, CBC/Radio-Canada's French Juveness and English Radio, in collaboration with Jeunesses musicales du Canada and the Canada Council, ran the 14<sup>th</sup> CBC/Radio-Canada National Competition for Young Composers. An international jury awarded \$43,000 to composers in three categories. The *Breaking the Sound Barrier* concerts will be broadcast on Radio Two's *Two New Hours* and *In Performance*, as well as on the Chaîne culturelle. CBC Radio also organises the Canadian Literary Awards and in partnership with French Radio, the National Competition for Young Performers. Through such competitions, CBC/Radio-Canada discovers, encourages and promotes Canadian talent.

English Television broadcast two series of *Music Works*, a program featuring some of Canada's hottest bands and performers as well as talent new to the music scene. The program, which showcases bands in front of a live audience, is part of the network's strategy to encourage young musicians from across the country.

The Première Chaîne is regularly associated with at least 20 festivals across the country, including *Chant'ouest*, *Ontario pop*, festivals in Granby and Petite-Vallée, the *Festival de la chanson de Caraquet*, the *Francopholies* of Montreal and the *Francouvertes*. This year, the Chaîne culturelle presented *Concert et compagnie* from Rimouski

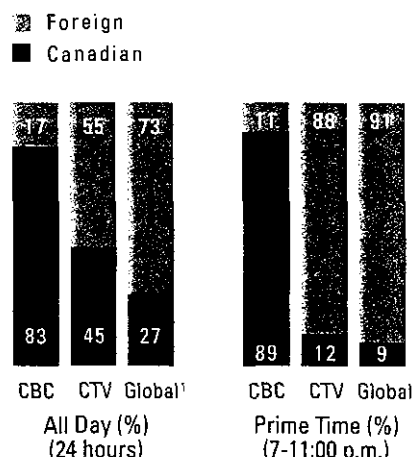
and the *Festival international du cinéma en Acadie* from Moncton. As well, the network released the CD of the Orchestre symphonique de Trois-Rivières playing the music for Cirque Éloize's *Cirque Orchestra*.

The Première Chaîne this year added three new offerings: *C'est du Jolis*, a national program of Francophone song; *Les techno mutants*, live from Moncton, featuring new sounds; and a new website for *Les refrains d'abord*. Continuing programs on French Radio included: *Concert aux beaux-arts*, *Concert et compagnie*, *Escale jazz*, *L'opéra du samedi*, *L'opéra du Métropolitain*, and *Radioconcerts*. From Quebec City and Winnipeg, Francophone song was broadcast on the Première Chaîne's weekly *Sur un air d'aller*.

New websites were developed to support Radio Two activities this year: *Music and Company*, *Take Five*, *I Hear Music*, *Mahler Week*, *Landmines Concert*, the CBC/Radio-Canada National Competition for Young Composers, and CBC Records/ Les disques SRC.



### English Television, Viewing to Canadian Programming



<sup>1</sup> September 1998 to August 1999  
 Global is Ontario Network Only  
 Source: Nielsen Media Research

## Galaxie

Another important source of music is found on Galaxie, CBC/Radio-Canada's continuous music network. After only three-and-a-half years of operation, Galaxie is by all measure a success story. It already has 1.8 million subscribers and its list is still growing. Run as a commercial venture, Galaxie has a double mission: to generate revenue for the public broadcaster and to provide an extension to the cultural mandate of CBC/Radio-Canada by presenting quality programming to the public and contributing to the development of Canadian talent.

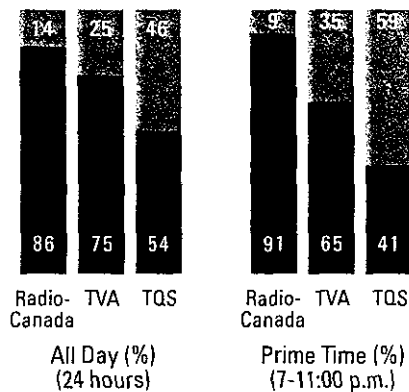
By hiring the best programmers available from across the country, Galaxie has been able to offer consistently high-quality music programming, in 30 different genres, through satellite, cable and microwave digital distribution systems. For two years in a row, Galaxie has registered satisfaction indexes of 95 per cent amongst its listeners across Canada.

Galaxie is more than a commercial venture, however, because it provides an important and growing platform for Canadian artists, well beyond what is offered by commercial radio, confirming the importance of CBC/Radio-Canada in the promotion of Canadian talent.

Proud to spotlight homegrown musicians and performers on the vast selection of non-stop music channels it offers Canadian listeners, Galaxie has developed a new approach to the CRTC condition of licence to foster music in Canada through its creation of the Rising Stars Program. This program, which is developed and managed in collaboration with several partners nationwide, consists of two

### French Television, Viewing to Canadian Programming

■ Foreign  
■ Canadian



September 1998 to August 1999  
Source: Nielsen Media Research

main features: cash grants, which are awarded to rising stars and managed by Galaxie's various Star Partners; and, promotions or sponsorships, which encourage organisations or Star Partners to develop new platforms for up-and-coming artists.

Since its launch in 1997, Galaxie has dedicated over \$600,000 to the development of Canadian talent. Amounts available to the Galaxie Rising Stars Program keep growing each year, with Galaxie dedicating 4 per cent of its annual gross revenue to this end.



## Improved Services for Children and Youth

### **CBC/Radio-Canada is proud of its long tradition of excellence in children's programming.**

We value children's learning and entertainment needs, and understand the importance of providing a Canadian perspective on the world while nurturing future audiences for high-quality Canadian public broadcasting.

English Television added 750 hours of additional programming for young people this year, an increase of nearly one-third over last year. This expanded block of innovative and commercial-free programming for young viewers and their parents is an important part of the English Television transformation plan. Thirteen new series (including *Edgemont*, *Daring and Grace: Teen Detectives*, and *Back to Sherwood*) were launched this season, bringing the total number of hours of programming for children and youth on English Television to 40.5 hours over seven days each week. Here are some highlights of the new schedule.

*Get Set for Life* (8:30 a.m. to noon weekdays), for preschoolers and their parents, provides educational commercial-free programming focusing on the social, intellectual and emotional development of children aged 2-5. *Get Set for Life* has attracted significant new audiences, increasing the nationwide share in the 2-11-year-old demographic to 24 per cent, an almost 50 per cent increase over last year. English Television has the largest children's audience in Canada during this time.

*CBC4Kids* (7:00-8:30 a.m. and 4:00-5:00 p.m. weekdays; 7:30-9:00 a.m., Sundays), a cooperative effort between English Radio and Television, presents entertaining, challenging, provocative programs for children aged 6-11. *CBC4Kids* will offer such new shows as Scholastic's *Horrible Histories*, *Zoboomafoo*, *CBCNews. Real*, a five-minute newscast for children, and *The Magic School Bus*. *CBC4Kids* and *Get Set for Life* are complemented by the award-winning website, [www.cbc4kids.ca](http://www.cbc4kids.ca).

The *cbc4kids* website provides original Canadian content, including exclusive interviews with Canadian authors, musicians and athletes, as well as a safe place on the Internet to chat and publish stories, essays, poems and jokes. Traffic to the site increased tremendously this year: monthly page views tripled from January 2000 to January 2001, and membership in the Kids Club increased by one-third between September and December 2000. *CBC4Kids* provided extensive coverage of the Harry Potter mania, including *Hot Type's* interview with J.K. Rowling – the only interview the author granted on her Canadian tour. The grand finale was a live webcast of the author's news conference with reporters young and old.

In February 2001, the *cbc4kids* website launched *Behind the Bands*, a new monthly feature profiling Canadian pop groups; and English Television's award-winning weekly program, *Street Cents*, the only consumer show for young people in North America, hosted an online entrepreneurial chat with three business advisors.

French Television improved its service to young people this year, as well. In 2000-2001, there was an average of 20 hours per week of programming for children and youth. Of these 20 hours, 14 were Canadian productions.

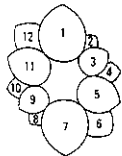
Launched this year, *Au m@x*, for 9-12-year-olds, portrays young people in the 10-20 age range who exemplify perseverance, self-confidence and commitment. *Science point com*, a dramatic series produced in Ottawa for 9-12-year-olds, explores aerospace, robotics, electronics, information technology, and palaeontology.

Weekday mornings, children's programming is framed in a new block of animation, *La Dimension jeunesse*, which suggests to children a magical and spectacular entry into a virtual universe.

CHILDREN & YOUTH







1. Alyson Court and Michael Clarke of *Get Set for Life*, English Television; 2. *Zoboofafo*, English Television; 3. *Fd6*, French Television; 4. *CBC4Kids*, English Television; 5. Ken Lima-Coelho and Kristina Barnes, hosts of *CBC News.Real*, English Television; 6. Andrew Bush, Kim D'Eon and Connie Walker, host-reporters of *Street Cents*, English Television; 7. Kristen Kreuk and Dominic Zamprogna, *Edgemont*, English Television; 8. Élyse Marquis, host of *0340*, French Television; 9. France Parent and Charles Gaudreau, *Bouledogue Bazar*, French Television; 10. The lizard, Youth programming, French Television; 11. *Arthur*, English Television; 12. Steeve Diamond, host of *Au m@x*, French Television

*Clan Destin*, for 10-13-year-olds, produced and broadcast in the four French Television stations in Western Canada, began its fifth season in January 2001, and the popular youth "téléroman" *Watatadow*, not only celebrated its 10th season but also won the Prix Gémeaux for best youth series, all categories.

Daily news programs for 9-12-year-olds are available on RDI (*RDI Junior* – new this year), French Radio (*275-ados*) and *CBC4Kids (CBC News.Real)*. A longer version of *CBC News.Real*, for teachers and students, is part of the Cable-in-the-Classroom Program. Interested teachers can now receive the *Guide d'exploration de la zone Jeunesse de Radio-Canada.ca pour profs* in order to help their students navigate valuable offerings. For foreign students RCI this year presented pilots, in Russian and Chinese, of English lessons for children.

From April 1, 2000 to March 31, 2001, there was an average of 500,000 frequent visitors and eight million page views each month to Radio-Canada's website for children. This year again, there were new features added to this site. Throughout the Television season, a very successful chat session, with up to 250 simultaneous participants, was held with popular stars. In addition, a virtual card mailing centre was developed for youngsters; more than 62,000 cards were sent over a six-month period.

One of Radio-Canada's most popular youth websites is *Fd6 (Filière des 6)*, which has 155,000 subscribers. Youth subscribers choose a best buddy from amongst six virtual characters with distinct personalities and interests.

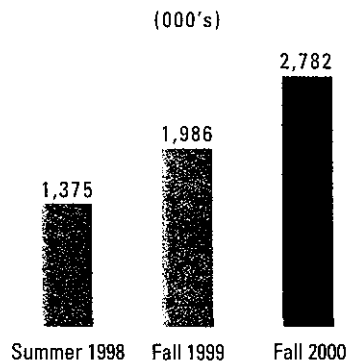
Following the popular success of *275-allô*, French Radio this year launched *Ados-radio*. In Autumn 2000, this program ran a contest entitled, *Fou, fou, fou de mon prof*. Students sent in an unprecedented 10,000 texts for this contest, which was organised with the Fédération des syndicats de l'enseignement and the Fédération des commissions scolaires du Québec.

Radio One moved its program, *Out Front*, to a regular weekday morning prime-time slot. *Out Front* invites young freelancers and newcomers to tell their stories on Radio. In April 2000, *Out Front* featured winners to its *Audio Art 2000* competition for Canadians under 25, and in June 2000, *Out Front* presented *Reality Check*, based on programming by Canadians aged 13-18. Over 600 youth responded to the *Reality Check* contest. *Out Front* also broadcast the *Festival of Comedy* from Edmonton, Whitehorse, Regina and St. John's in March 2001.

This year, English Radio launched three new websites as part of the Radio Three youth initiative. *120seconds.com*, for 15-24-year olds, features youth-inspired New Media storytelling.



**Reach of CBC/Radio-Canada Websites**  
**Current Internet Users 18+ who have Accessed a CBC/Radio-Canada Website\***

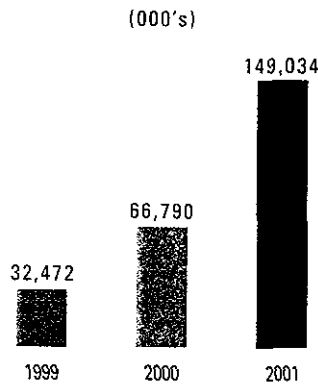


\* In 1998, respondents were asked if they "ever" accessed a CBC/Radio-Canada website; in 1999, they were asked if they accessed one "in the past year"; in 2000, they were asked if they accessed one "in the past 3 months"  
 Source: QRS 1998-2000

*justconcerts.com* (studio sessions and concerts recorded especially for CBC Radio and Radio3) and *newmusiccanada.com* (recordings produced by young indie bands) celebrate music composed and performed by young Canadians. These sites have received very favourable critical review and will be expanded and marketed to attract more young Canadians to Canadian public radio programming delivered conventionally and via New Media.

French Radio launched *bandeapart.fm* (for 13-21-year-olds) on the Internet and Galaxie, as a place for emerging talent and new musical styles. This is an exciting multi-platform initiative involving Radio, the Internet, print (a chronicle printed in *La Presse*) and, in the future, Television. Since its January 2001 launch, *bandeapart.fm* has garnered great acclaim, and is a good example of a partnership that allows CBC/Radio-Canada to better reach youth.

**Total Page Requests to  
CBC/Radio-Canada Websites  
4th Quarter – January to March**



Source: WebTrends, *cbc.ca* log files



## Rebalancing Amateur and Professional Sports

**CBC/Radio-Canada has a long tradition of presenting Canadians with broadcasts of the best in national and international sport.** CBC/Radio-Canada has broadcast seminal moments in our own athletes' careers, which have become part of defining the Canadian spirit to ourselves and to others.

This year again, CBC/Radio-Canada delivered on its promise to emphasise the coverage of amateur sports in Canada on all its media platforms. As one of the goals of English Television transformation and a commitment to the CRTC, English Television has increased its considerable coverage of amateur sports by 50 per cent over the past two years, increased the number of sports covered, and increased its commitment to sports journalism and documentaries. Likewise, this year, as part of their commitment to amateur sport, French Television and New Media have launched a website presenting news, interviews and biographical information about Canadian amateur athletes.

### Olympics

From September 15<sup>th</sup> to October 1, 2000, CBC/Radio-Canada was the Sydney Olympics presenter in Canada. Despite the 15-hour time difference between Australia and Canada, CBC/Radio-Canada chose to provide live coverage of the Games. This decision won widespread praise from the press and public, at home and abroad, particularly since audiences in the United States received only taped and delayed coverage.

Our coverage involved unprecedented cooperation amongst CBC/Radio-Canada's English and French Television, Newsworld and RDI, English and French Radio, English and French New Media, and our specialty channel partners, TSN and RDS. By the end of the Games, this had resulted in 1320 hours of Olympic programming. More than 85 per cent of all Canadians had watched at least some of English Television's coverage, and 95 per cent of Canadians had tuned in to CBC/Radio-Canada's coverage across the various media platforms. English Television followed its Olympic coverage with in-depth attention to the Sydney Paralympics (November 11-26) for disabled athletes.

During the Olympic Games, French Television and New Media partnered with Bell to create the very successful website, *AllôSydney*, which received 2.6 million page views, as well as a Paralympic section which received an unprecedented number of viewers. English Television also partnered with Bell on the *HelloSydney* website.

The excellence of CBC/Radio-Canada's coverage of the Sydney Olympics was made possible, in large measure, by the use of new signal technologies on the Sydney to Toronto path. Our Corporate Engineering group ensured that high-quality, reliable circuits – at substantially lower cost – were available.

### Hockey Day in Canada

English Television's emphasis on amateur sports and its long association with hockey came together in the second annual *Hockey Day in Canada*, a program that seemed to touch a chord with Canadian families and communities. Broadcast on February 24, 2001 and anchored from the Bower Ponds in Red Deer, Alberta, *Hockey Day in Canada: Celebrating the Game* took viewers to 11 different locations around the country to highlight hockey's prominent place in Canadian communities. The *Day* was rounded off with three games featuring the six Canadian NHL teams.

### Grey Cup

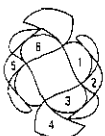
In November 2000, 3.2 million Canadians watched English Television for the 49<sup>th</sup> consecutive *Grey Cup Championship Game* – this year live from Calgary – the most popular Canadian sports event on the network. A special website at *cbc.ca* offered fans information about the players, as well as history, photographs and features in the weeks leading up to the game. The game itself was webcast on the site.

### Other Sports

Radio-Canada's regional New Media team assisted the zone Sports in covering, on *radio-canada.ca*, the Jeux du Québec held in Rimouski. In July 2000, English Television celebrated the Calgary Stampede with *Prime Time Showdown* featuring the world's top four cowboys competing in six events. CBC Sports, the original broadcaster of Blue Jays' games, broadcast 40 games this season. Very large audiences were again drawn to English Television's coverage of the finals of curling's *Brier* and the *Scott Tournament of Hearts*. *CBC Sports Saturday* anticipated its own coverage of the 2002 Winter Olympics by showcasing freestyle and alpine skiing, snowboarding, bobsleigh, and speed skating championships from around the world during January and February 2001. Other important sports specials covered riding, golf and downhill skiing this year.

SPORTS





1. Robin Brown, host of *Inside Track*, English Radio; 2. Joanne Smith, analyst, *Sydney Paralympic Games*, *Newsworld*; 3. Brian Williams and John Cerutti, hosts of the Blue Jays Baseball games, English Television; 4. François Faucher, Jean Pagé, Marie-José Turcotte and Pierre Dufault, *Sydney 2000*, French Television; 5. Joan McCuster, curling analyst, English Television; 6. Ron MacLean and Don Cherry, hosts of *Hockey Night in Canada*, English Television

## National and International Awards

**Once again this year, CBC/Radio-Canada programs and people were honoured at home and abroad with hundreds of awards.** Among them were the following:

English Television won 32 Gemini Awards from the Academy of Canadian Cinema and Television, including three for the comedy series, *This Hour Has 22 Minutes*, and four for *the fifth estate*, an investigative journalism program.

The prestigious New York Festivals gave some 20 prizes to English Television, emphasising the quality of such current affairs programs as *Venture*, *Marketplace* and *the fifth estate*.

in Nancy, France; and the prize for best report (10-25 minutes) from the Canadian Science Writers' Association, for "La musique et le cerveau." The report, "Vétérinaire Hi-tech," aired on *La Semaine verte*, won the Agrofilm Prize and the prize given by the Director of the Research Institute of Animal Production, at the Nitra International Agricultural Film Festival in the Slovak Republic.

The report, "Un hommage à la liberté et à la démocratie," by Azeb Wolde-Ghiorgis, ranked second in the Prix Bayeux for war correspondents. Another journalist, Michaëlle Jean, was awarded the Prix Raymond-Charette by the Conseil de la langue française for



CBC dramatic programming dominated the Writers' Guild of Canada Top Ten Awards for Excellence in screenwriting with wins for *Da Vinci's Inquest*, *Made in Canada*, *Our Hero*, and *Scorn*.

The Canadian Nurses Association awarded two prizes to English Television programs, namely *The National* and *Life & Times*, for their outstanding stories on health care.

French Television garnered 21 Prix Gémeaux, including six for the drama series, *Chartrand et Simonne*, and four for the series, *Un gars, une fille*, in addition to 25 Métrostars, three of which were for the series, *4 et demi*...

The popularised science program, *Découverte*, won three awards from the Canadian Nurses Association; the people's prize at the Festival du film de chercheur,

her work on *Grands Reportages* and *RDI à l'écoute*. Ms. Jean also won a Galaxi Award from the Canadian Cable Television Association, in the best screen performance category.

*Zone libre* won two of the three prizes awarded to French Television by the New York Festivals, for its reports on "Le suicide assisté" and "Tragédie en mer/Mayday."

English Radio garnered some 60 national and international awards. Among the most significant were two Gabriel Awards, seven New York Festivals awards and the Deutsche Welle Music Award. Five prizes from the Canadian Nurses Association were awarded to Radio One, including three for outstanding health care coverage. The "Quiz Master" segment of *Saturday Afternoon at the Opera*, aired on Radio Two, won the Opera Educator Award.

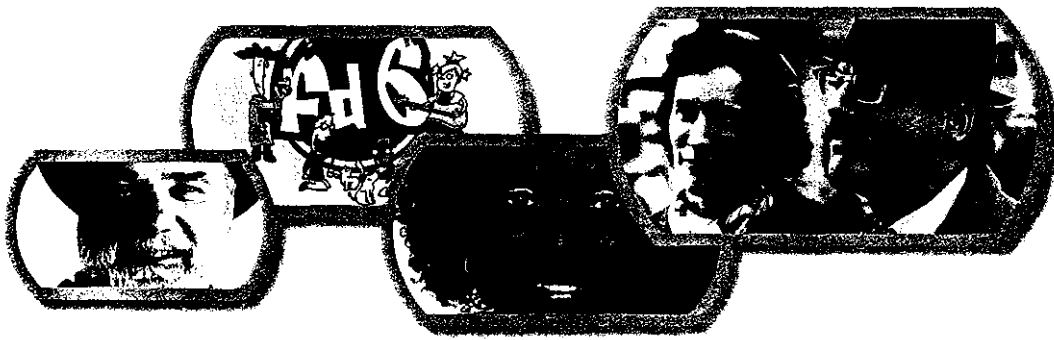
Radio One earned a Prix Italia in the best cultural radio documentary category, for "The Change in Farming." In addition, it won 15 awards from the Radio Television News Directors Association. The host of *Basic Black*, Arthur Black, was awarded the Stephen Leacock Medal for Humour for his book, *Black Tie and Tales*.

In December, the Chaîne culturelle received the special Paul-Gilson award from the Communauté des radios publiques de langue française (CRPLF) for its participation in the 52-part series, *Musiques d'un siècle*. The Chaîne culturelle also distinguished itself in New York with the recording, *Fête galante* (Riche Lieu label), which won the Chamber Music America/WQXR Award.

CBC/Radio-Canada websites earned numerous awards over the year. *cbc.ca* won two awards of excellence in the WebAward Web Site competition, namely the Standard of Excellence, and the Outstanding Web Site. The English Radio Webmaster earned a MICAM Award for his outstanding role in bringing the *cbc.ca* website online and for his ongoing efforts to develop the complex technical infrastructure needed to keep the site first-rate.

The youth site, *120seconds.com*, won numerous awards, including the Internet Tonite, in the TechTV Network Feature category, and a Bandies prize for best visual interface.

The Youth section of *radio-canada.ca* also won prizes, including a Boomerangs for its "Site Internet, version électronique d'un média traditionnel," and a Web d'or



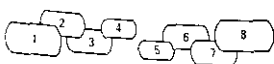
At the 3<sup>rd</sup> grand gala MIMI 2001, *Bande à part* won the prize for best radio program. A gold disc from the Canadian Recording Industry Association was awarded to the Première Chaîne for its contribution to the success of *Dix mille matins*, recorded by Daniel Boucher.

French Radio won the Boomerangs Grand Prize in the interactive terminal category for its project, "Soyez radio actif," which enables visitors to Montreal's Interactive Science Centre to experiment with the various aspects of producing a radio show. The Moisson Grand Prize for recreation journalism was given to *Macadam Tribus*, for its story, "Perdre la boule pour la pétanque."

from the Marché international du multimédia (MIM) in the "jeu, jeunesse" category for La Ville de Caumbourg. A Boomerangs was also awarded to the *AllôSydney* site in the sports category. *bandeapart.fm* was named website of the month in the March 2001 edition of *Guide Internet*. Again in March, the Office de la langue française gave a special mention to Radio-Canada for its news website in the annual ceremony for "Mérites de la langue française" in the IT category.

*Winter Poems: Music of Glenn Buhr*, produced by CBC Records/Les disques SRC, won the Prairie Music Award for Outstanding Classical Recording of the Year.

The IT team won the Grand prix des OCTAS in the "Innovation technologique, 201 employés et plus" category from the Fédération de l'informatique du Québec for its broadcast management system.



1. Mary Walsh, Greg Thomey, Cathy Jones and Rick Mercer of *This Hour Has 22 Minutes*, English Television; 2. Jacques Bertrand, host of *Macadam Tribus*, Première Chaîne (French Radio); 3. Youth website *120seconds.com*; 4. Anna Maria Tremonti, *the fifth estate*, English Television; 5. Arthur Black, host of *Basic Black*, Radio One; 6. *Fd6*, French Television; 7. Michaëlle Jean, host of *Grands Reportages* and *RDI à l'écoute*, Réseau de l'information, and *Rough Cuts* and *The Passionate Eye*, Newsworld; 8. Geneviève Rioux and Luc Picard, *Chartrand et Simonne*, French Television

## Greater Efficiencies

**A key priority of CBC/Radio-Canada is to demonstrate the improvements made to the management of the Corporation.** We present here a few highlights of recent changes aimed at achieving greater efficiencies in our organisation.

### Re-engineering Task Force

CBC/Radio-Canada's Re-engineering Task Force was created in December 1999 for the purpose of conducting an extensive examination of the business and programming practices at the Corporation. Looking first at English Television, Transmission and Distribution Assets, Property Management, and Sports, the Task Force is finding ways to use CBC/Radio-Canada's limited resources as efficiently as possible in order to focus on our core competencies and content – distinctive, high-quality Canadian programming.

The motivating spirit which led to the creation of the Task Force has now become a philosophy throughout the Corporation, where efficiencies and improvements are pursued as a matter of course.

### Program Distribution Improvements

This year CBC/Radio-Canada launched digital radio services in Vancouver, following previous launches in Windsor, Montreal and Toronto. Digital services now reach a potential audience of well over ten million people. The potential to deliver high-speed data using digital radio transmission has created the opportunity for cross-industry ventures and new strategic alliances.

Corporate Engineering implemented the National Satellite DVC Project which compressed and revamped the entire English Television satellite network internal distribution. This resulted in both savings and cost avoidance of over \$4.0 million annually related to reduced requirements for satellite transponders and associated transmission facilities.

### Risk Management

While an established process for risk management and control had been in existence at CBC/Radio-Canada, changes within the annual planning cycle have been introduced this year to improve the identification, evaluation and development of action plans to address key risks. The annual planning cycle commences in the spring with a management strategic review. Business strategies are presented to the Board of Directors in the Autumn, and business plans are presented to the Board of Directors for approval in March. Risk management is an integral part in each of these steps.

### Labour Relations

During 2000-2001, CBC/Radio-Canada applied to the Canada Industrial Relations Board for a consolidation of the four industrial bargaining units in the French networks and of the three industrial bargaining units in the English networks in order to enable the networks to produce programming differently and improve the labour relations instability inherent in the current structure.





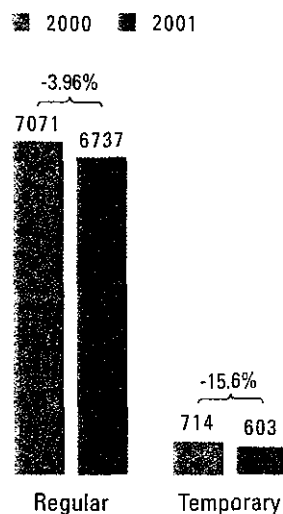
## Employment Equity

CBC/Radio-Canada's Help Fund was renewed and supported 30 projects to enable designated group members to receive on-the-job developmental assignments and internships in production, technical and journalistic roles. The Help Fund and English Radio renewed their partnership to attract new and diverse talents under the program, *New Voices*. The French Services internship program was maintained and worked with the Help Fund to optimise resources.

## Official Languages

CBC/Radio-Canada maintained its commitment to the development and enhancement of linguistic minority communities through its programming and through continuing and active participation in various official languages fora.

### CBC/Radio-Canada Workforce – As of April 8, 2001\*



\* Figures based on data from the closure of the final pay period of fiscal year 2000-2001



## Public Accountability

### Accountability Mechanisms

**As in the past, CBC/Radio-Canada continued to report to Canadians on the fulfilment of its commitments.** It accounted for its activities to the Minister of Canadian Heritage and Parliament through its Annual Report, Corporate Plan and the Auditor General's Special Examination Report (which was also released to the public by CBC/Radio-Canada); to the Canadian Radio-television and Telecommunications Commission (CRTC) through broadcast year-end reports and annual financial returns; and to stakeholders through townhall meetings and CBC/Radio-Canada websites.

### The Ombudsman

The Office of the Ombudsman provides viewers and listeners with an opportunity to have investigated serious, unresolved complaints pertaining to CBC/Radio-Canada journalism. An impartial and independent body, of the Office of the Ombudsman investigates the complaint and provides a written report which helps to ensure the excellence of the Corporation's news and information programs.

The Office has two Ombudsmen, one for English-language Services and the other for French-language Services. Both Ombudsmen report directly to the President and are completely independent from the Corporation's media management.

In 2000-2001, the Office of the Ombudsman (English and French Services combined) handled a total of 1,377 complaints, expressions of concern and other communications. There were 1,135 concerning English programming and 242 concerning French programming. On the English side, 591 communications fell within the mandate of the Ombudsman (information programming), while there were 176 on the French side. Communications not relating directly to CBC/Radio-Canada journalistic programming were acknowledged and forwarded to the programming departments concerned.

The English Services Ombudsman organised five Independent Advice Panels to assess CBC's compliance with its own journalistic policies. Four panels monitored coverage of the federal election campaign on *The National* on English Television, *The World*

*at Six* and *The House* on Radio One, *Politics* on CBC Newsworld, and the CBC/Radio-Canada website, *cbc.ca*. A fifth panel monitored *Canada Now* during the Alberta election campaign.

While there were some critical comments, most panel members had no fundamental quarrel with the accuracy, fairness and integrity of the programming. Panel reports were shared with the relevant programmers, senior management and the Board of Directors.

For his part, the French Services Ombudsman created five Independent Advice Panels to assess the Corporation's compliance with its own journalistic policies. Three committees examined the following television programs: *Le Téléjournal/Le Point* and *Élections 2000 : Le Journal* (French Television), and *Décision 2000* (RDI). Another committee looked at the radio programs, *L'entrevue*, and the morning *Radiojournal*. Finally, for the first time, an Independent Advice Panel was set up to review Radio-Canada's website, *Nouvelles*.

Overall, coverage of the federal election campaign by the various CBC/Radio-Canada French media was deemed to be satisfactory. The fundamental principles of CBC/Radio-Canada journalistic policy, namely accuracy, fairness and integrity, were observed.

The Independent Advice Panels' reports were submitted to the programming heads, senior management and the Board of Directors.

### Where to Write

The Ombudsman, English Services  
Canadian Broadcasting Corporation  
PO Box 500, Station A  
Toronto, Ontario  
M5W 1E6  
[ombudsman@toronto.cbc.ca](mailto:ombudsman@toronto.cbc.ca)

Bureau de l'ombudsman, Services français  
Société Radio-Canada  
C.P. 6000  
Montréal, Québec  
H3C 3A8  
[ombudsrc@montreal.radio-canada.ca](mailto:ombudsrc@montreal.radio-canada.ca)



## Board of Directors 2000-2001

**Guylaïne Saucier, C.M., F.C.A.**  
Chair (until December 2000)

**Robert Rabinovitch**  
President and CEO  
Acting Chair of the Board of Directors  
(since December 2000)  
Ottawa, Ontario

**John Kim Bell, O.C.**  
Founder and President  
National Aboriginal Achievement Foundation  
Toronto, Ontario

**John A. Champion**  
(until January 2001)  
Partner/Barrister  
Fasken Martineau DuMoulin  
Barristers and Solicitors  
Toronto, Ontario

**Dr. Val H. Conway**  
Ophthalmologist  
St. John's, Newfoundland

**Michelle Courchesne**  
Executive Vice-President  
Communication and Human Resources  
Cognicase  
Montreal, Quebec

**Roy L. Heenan, O.C.**  
Chairman and Senior Partner  
Heenan Blaikie Barristers and Solicitors  
Montreal, Quebec

**Jane Heffelfinger**  
Actress and Broadcaster  
Monday Publishing  
Victoria, British Columbia

**Clarence LeBreton**  
Assistant Deputy Minister  
Training and Employment Development  
Government of New Brunswick  
Caraquet, New Brunswick

**L. Richard O'Hagan**  
Toronto, Ontario

**James S. Palmer, C.M., O.C.**  
Lawyer and Chairman  
Burnet, Duckworth & Palmer  
Barristers and Solicitors  
Calgary, Alberta

**W. Thomas R. Wilson**  
President and CEO  
Oceanic Adventures International  
Toronto, Ontario



## Financial Overview

**The Corporation continues on its path of transformation and this year has seen more and more Canadians turn to CBC/Radio-Canada for high-quality, distinctive Canadian programs.** Highlights have included the coverage of the Sydney Olympics, the *Canada: A People's History / Le Canada : Une histoire populaire* series, and the homage to Pierre Elliott Trudeau. This transformation has required the continued implementation of our long-term plan to make the Corporation more efficient and to direct more of its resources to programming. A further 400 permanent positions were eliminated as new technologies and revised processes were implemented.

### Fiscal Year Results

On a Government funding basis – the basis on which CBC/Radio-Canada's performance is measured – the Corporation's current year surplus is \$2.4 million, \$26.7 million when one includes the surplus carried over from the previous year.

However, the financial statements show the Corporation ending the year with net results of \$147.9 – a result of two additional factors:

- the Corporation is required to follow the Canadian Institute of Chartered Accountants (CICA) Standards in the preparation of its financial statements, and as such, certain items (such as amortisation) are included which do not provide or require current operating funds. In addition to such items included in prior years' statements, CICA Section 3461 now requires that the Corporation also recognise an asset/obligation related to certain employee future benefits. The net impact of this is an additional expense reduction of \$54.8 million (Note 11a) in the current year, which accounts for a significant portion of the decrease over last year.
- the Corporation has recognised Non-operating Revenue of \$68.1 million gain on the sale of the Corporation's investment in its joint ventures to operate Trio and Newsworld International in the United States.

Note 4b to these financial statements provides more detail on these items.

### Revenue

The increase in advertising income was due chiefly to the coverage of the Sydney Olympics, and offsets declines in revenues as a result of the continued fragmentation and competition in the market, as well as the Corporation's decision to decommercialise an increased portion of its English Television schedule.

Specialty services' income increased as a result of growth in the number of subscribers and an increase in basic rates.

The increase in prior year miscellaneous revenues results from CBC/Radio-Canada's host broadcasting activities at the 1999 *PanAm Games*.

## Expenses

Operating expenses decreased by \$11.9 million in 2000-2001. This masks a series of decisions, however, which have had offsetting effects on the Corporation's expenditures.

- In April 2000, CBC/Radio-Canada began to apply CICA section 3461 – Employee Future Benefits. The implementation of this new section results in a change in the valuation methods for the employee future benefits and results in a net surplus of \$54.8 million being recorded in the fiscal results of the Corporation.
- The Corporation broadcast the Sydney Olympics to wide critical and audience acclaim. This extraordinary cost increase is included in the cost of our Television and Radio services.
- The Corporation is concerned with the harmful effect on employees working long periods without any rest and has now made it mandatory for employees to use current annual leave and to reduce the amount of unused accumulated leave. This change in policy has seen the Corporation's annual leave liability reduced by some \$6.4 million.

## Government Funding

In 2000-2001, the Government again granted salary increases to its staff and also funding for minor cost increases, and CBC/Radio-Canada was provided with this funding in line with other Government departments and agencies.

Capital funding, totalling \$109 million this year, was used in part to fund projects linked to the conversion of equipment to digital technology and consolidation of the French Television and Réseau de l'information newsrooms.

## Balance Sheet Items

The increase in cash and short-term investments is due mainly to the proceeds from the sale of the investment in a joint business venture. This increase is offset by a decrease in program inventory further to the broadcast of programs such as *Canada: A People's History / Le Canada : Une histoire populaire*.

The reduction in Employee-related Liabilities is mainly the result of the implementation of CICA section 3461, the reduction of annual leave liability, and the reduction in the accrual for downsizing costs related to the transformation as most affected employees have now separated from the Corporation.

## Management's Responsibility for the Financial Statements

The financial statements and all other information presented in the annual report are the responsibility of management and have been reviewed and approved by the Board of Directors of the Corporation. These financial statements, which include amounts based on management's best estimates as determined through experience and judgement, have been properly prepared within reasonable limits of materiality and are in accordance with Canadian generally accepted accounting principles.

Management of the Corporation maintains books of account, records, financial and management control, and information systems, which are designed for the provision of reliable and accurate financial information on a timely basis. These controls provide reasonable assurance that assets are safeguarded, that resources are managed economically and efficiently in the attainment of corporate objectives, that operations are carried out effectively and that transactions are in accordance with the *Broadcasting Act* and the by-laws of the Corporation.

The Corporation's Internal Auditor has the responsibility for assessing the Corporation's systems, procedures and practices. The Auditor General of Canada conducts an independent audit of the annual financial statements and reports on his audit to the Canadian Broadcasting Corporation and the Minister of Canadian Heritage.

The Board of Directors' Audit Committee, which consists of four members, none of whom is an officer of the Corporation, reviews and advises the Board on the financial statements and the Auditor General's report thereto. The Audit Committee oversees the activities of Internal Audit and meets with management, the Internal Auditor and the Auditor General on a regular basis to discuss the financial reporting process as well as auditing, accounting and reporting issues.

Ottawa, Canada  
June 18, 2001



President and CEO



Acting Chief Financial Officer

## Auditor's Report

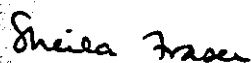
To the Board of Directors of the  
Canadian Broadcasting Corporation  
and the Minister of Canadian Heritage

I have audited the balance sheet of the Canadian Broadcasting Corporation as at March 31, 2001 and the statements of operations and proprietor's equity and cash flow for the year then ended. These financial statements are the responsibility of the Corporation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at March 31, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the *Broadcasting Act*, I report that, in my opinion, these principles have been applied, except for the change in the method of accounting for employee future benefits as explained in Note 3 to the financial statements, on a basis consistent with that of the preceding year.

Further, in my opinion, the transactions of the Corporation that have come to my notice during my audit of the financial statements have, in all significant respects, been in accordance with Part III of the *Broadcasting Act* and the by-laws of the Corporation.



Sheila Fraser, FCA  
Auditor General of Canada

Ottawa, Canada  
June 5, 2001

## Statement of Operations and Proprietor's Equity

For the year ended March 31

	2001	2000
	(thousands of dollars)	
<b>REVENUES</b>		
Advertising and program sales	349,183	328,705
Specialty services (Note 6)	107,672	97,046
Miscellaneous	65,075	78,817
	521,930	504,568
<b>EXPENSES</b>		
Television and radio service costs	1,042,605	1,051,707
Specialty services (Note 6)	100,136	92,839
Transmission, distribution and collection	58,311	63,301
Radio Canada International	15,774	17,153
Payments to private stations	14,282	13,041
Corporate Management	15,920	15,273
Amortisation of capital assets	149,294	154,872
	1,396,322	1,408,186
Operating loss before government funding, non-operating revenue and taxes	(874,392)	(903,618)
<b>GOVERNMENT FUNDING:</b>		
Parliamentary appropriation for operating expenditures (Note 4)	794,058	764,715
Funding reserved for Radio Canada International (Note 5)	15,520	15,520
Amortisation of deferred capital funding (Note 9)	147,301	154,449
	956,879	934,684
Results of operations before non-operating revenue and taxes	82,487	31,066
<b>NON-OPERATING REVENUE:</b>		
Gain on disposal of joint business ventures (Note 10)	68,145	—
Results before taxes	150,632	31,066
Income taxes and tax on large corporations (Note 7)	2,688	2,751
Net results for the year	147,944	28,315
Proprietor's equity, beginning of year	(43,284)	(75,599)
Working Capital Funding (Note 4)	4,000	4,000
<b>Proprietor's equity, end of year</b>	<b>108,660</b>	<b>(43,284)</b>

The accompanying notes form an integral part of the financial statements.



# Balance Sheet

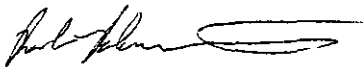
As at March 31

	2001	2000
	(thousands of dollars)	
<b>ASSETS</b>		
<b>Current</b>		
Cash and short-term investments (Note 17)	174,029	81,499
Accounts receivable	116,096	108,927
Program inventory	121,933	146,503
Prepaid expenses	47,208	43,462
	459,266	380,391
Capital assets (Note 8)	1,022,927	1,068,865
Deferred charges and other assets	11,841	14,557
	<b>1,494,034</b>	<b>1,463,813</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	148,319	155,634
Employee-related liabilities (Note 11)	115,569	123,765
Obligation under capital lease (Note 12)	4,747	4,409
	268,635	283,808
<b>Long-term</b>		
Employee-related liabilities (Note 11)	97,774	161,243
Obligation under capital lease (Note 12)	372,138	376,935
Deferred capital funding (Note 9)	646,827	685,111
	1,116,739	1,223,289
<b>PROPRIETOR'S EQUITY</b>		
Proprietor's equity	108,660	(43,284)
	<b>1,494,034</b>	<b>1,463,813</b>

Commitments and contingencies (Notes 13 and 14)

The accompanying notes form an integral part of the financial statements.

Approved on behalf of the Board of Directors:



Director



Director

## Statement of Cash Flow

For the year ended March 31

	2001	2000
	(thousands of dollars)	
<b>CASH FLOW FROM (USED IN):</b>		
<b>OPERATING ACTIVITIES</b>		
Net results for the year	147,944	28,315
Gain on disposal of joint business ventures	(68,145)	—
Loss on disposal of capital assets	66	74
Items not involving cash:		
Amortisation of capital assets	149,294	154,872
Amortisation of deferred charges	5,119	7,311
Employee-related liabilities (current)	(6,352)	9,361
Employee-related liabilities (long-term)	(63,469)	(6,186)
Share of joint business ventures	(8,504)	—
Amortisation of deferred capital funding	(147,301)	(154,449)
Net change in working capital balances excluding cash and short-term investments (Note 16)	2,363	(34,675)
	11,015	4,623
<b>FINANCING ACTIVITIES</b>		
Parliamentary appropriations (Note 4):		
Capital funding	104,017	110,472
Working capital funding	4,000	4,000
Government funding for capital purchases for Radio Canada International	5,000	5,000
Capital portion of lease payments	(4,459)	(4,049)
Proceeds on disposal of capital assets	2,368	2,166
Proceed on disposal of joint business ventures	76,649	—
	187,575	117,589
<b>INVESTING ACTIVITIES</b>		
Acquisition of capital assets	(103,658)	(119,771)
Deferred charges	(2,402)	5,286
	(106,060)	(114,485)
Increase in cash and short-term investments	92,530	7,727
Cash and short-term investments, beginning of year	81,499	73,772
<b>Cash and short-term investments, end of year</b>	<b>174,029</b>	<b>81,499</b>

The accompanying notes form an integral part of the financial statements.

# Notes to the Financial Statements

For the year ended March 31, 2001

## 1. Authority and Objective

CBC/Radio-Canada was first established by the 1936 *Canadian Broadcasting Act* and continued by the 1958, 1968 and 1991 Broadcasting Acts. The Corporation is an agent of Her Majesty and all property acquired by the Corporation is the property of Her Majesty.

As the national public broadcaster, CBC/Radio-Canada provides Radio, Television and New Media services in both official languages incorporating predominantly and distinctively Canadian programs to reflect Canada and its regions to national and regional audiences.

## 2. Significant Accounting Policies

The financial statements of the Corporation have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies.

### a. Parliamentary Appropriations and Deferred Capital Funding

The Corporation receives most of its funding from the Government of Canada. Parliamentary appropriations for operating expenditures are recorded on the Statement of Operations and Proprietor's Equity. Parliamentary appropriations for depreciable capital expenditures are recorded as deferred capital funding on the Balance Sheet, and are amortised on the same basis and over the same periods as the related capital assets. Parliamentary appropriations for working capital and non-depreciable capital assets are credited to Proprietor's Equity.

### b. Program Inventory

#### (i) Program Inventory

Programs completed and in process of production or available for sale are recorded at cost. Cost includes the cost of materials and services, and labour and overhead expenses applicable to programs.

Program costs are charged to operations as the programs are broadcast, deemed unusable, or sold.

#### (ii) Film and Script Rights

The Corporation enters into contracts for film and script rights. The payments made under the terms of each contract are recorded as assets in the accounts. The cost of film and script rights is charged to operations in accordance with the approved program schedule or when deemed unusable.

**c. Capital Assets**

Capital assets are recorded at cost, less accumulated amortisation. The cost of assets constructed by the Corporation includes material, direct labour and related overhead. Assets acquired under capital leases are initially recorded at the present value of the minimum lease payments at the inception of the lease. Amortisation is calculated on the straight-line method using rates based on the estimated useful life of the assets as follows:

• Buildings	33 years
• Technical equipment	
Transmitters and towers	20 years
Other	5 years
• Furnishings and office equipment	10 years
• Computers	5 years
• Automotive	5 years

Leasehold improvements are capitalised and amortised over the remaining terms of the respective leases to a maximum period of five years. Amounts included in uncompleted capital projects are transferred to the appropriate capital asset classification upon completion, and are then amortised according to the Corporation's policy.

**d. Deferred Charges**

Deferred costs incurred in the development of specialty channels are amortised over the license period. Other deferred charges are amortised over the period of the respective agreements.

**e. Pension Costs and Obligations**

The Corporation provides pensions based on length of service and final average earnings as classified under defined benefit retirement pension arrangements.

The cost of pension benefits earned by employees is determined on an actuarial basis using the projected benefit method pro-rated on service and management's best assumptions such as the expected long-term rate of return on plan asset, rate of compensation, inflation, retirement ages of employees and mortality of members.

The pension cost is determined using the cost of employee pension benefits for the current year's service, the interest expense on the accrued benefit obligation, the expected investment return on the actuarial value of plan assets, the amortisation of the transitional asset/obligation and the amortisation of past service costs. The market-related value of plan assets is used for the purpose of calculating the expected return on plan assets.

The transition assets/liability and the adjustments arising from plan amendments are amortised over the estimated average remaining service life of the employee group (13.5 years).

The difference between the accumulated pension expense and the employer's contributions to the Pension Fund is reflected in the balance sheet as an employee-related liability.

#### **f. Employee Future Benefits other than Pension**

The Corporation provides employee future benefits such as severance pay and other benefits such as vacation pay, continuation of benefits coverage for employees on long-term disability, post-retirement life insurance and workers' compensation.

The cost of these benefits other than vacation pay is determined on an actuarial basis using the projected benefit method pro-rated on years of service and management's best assumptions such as salary increases, inflation, retirement ages of employees, mortality of members and expected health care costs.

For severance pay, the transitional obligation is amortised over the average remaining service life of the employee group (13.5 years). The transitional obligations for post-retirement life insurance, continuation of benefits for employees on long-term disability and workers' compensation are amortised over the applicable remaining service lifetime of the plan members which are 15.7 years, 7.6 years and 9.0 years, respectively for each of these plans.

Vacation pay is calculated at the salary levels in effect at the end of the year for all unused vacation pay benefits accruing to employees.

Since a major portion of the liabilities for these items represents costs which will be funded mainly from appropriations received from the Government of Canada in the future, these items do not have an impact on the Corporation's current net results of operations on a government funding basis.

#### **g. Income Taxes**

The Corporation follows the tax allocation method of providing for income taxes. The cumulative differences between taxes calculated on such a basis and taxes currently payable are essentially timing differences and result in deferred income taxes. The Corporation has unrecorded deferred income tax benefits which will be recognised in the accounts when they are realised.

#### **h. Measurement Uncertainty**

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses for the year. Employee-related liabilities, estimated useful lives of capital assets and contingent liabilities are the most significant items where estimates are used. Actual results could differ from those estimated.

### 3. Change in Accounting Policy

Effective April 1, 2000, the Corporation has adopted the new Canadian Institute of Chartered Accountants standards for employee future benefits. This change in accounting policy has been applied prospectively. The most significant changes to accounting for pensions and severance pay are:

- The recognition of a transitional pension asset/liability which is the difference between the accrued benefit obligation and the fair value of plan assets at April 1, 2000;
- The recognition of a transitional severance pay liability which is the difference between the accrued benefit obligation upon adoption less the amount previously recognised on the balance sheet; and
- The calculation of the accrued benefit obligation using the current market rate rather than management's best estimate of the long-term discount rate.

In addition, post-employment and post-retirement benefits (other than pension) are now recorded on the basis of an actuarial valuation of the related liabilities and expenses.

The application of the new standards resulted in an income of \$72.4 million for the pensions plans and in an expense of \$17.6 million for other employee future benefits for a net decrease of the expenses of \$54.8 million.

### 4. Parliamentary Appropriations

Parliamentary appropriations approved and the amounts received by the Corporation during the year are as follows.

#### a. Parliamentary Appropriations Approved and Received

	2001	2000
	(thousands of dollars)	
<b>Operating Funding</b>		
Annual Funding	807,356	756,409
Transfer from/(to) capital funding – Supplementary Estimates A <sup>1</sup>	(13,298)	8,306
	<b>794,058</b>	<b>764,715</b>
<b>Capital Funding</b>		
Annual funding	113,719	143,472
Transfer from/(to) operating funding – Supplementary Estimates A <sup>1</sup>	13,298	(8,306)
Frozen allotment to be reprofiled to the 2001-02 fiscal year	(23,000)	(24,694)
	<b>104,017</b>	<b>110,472</b>
Capital funding received from the government for Radio Canada International	5,000	5,000
	<b>109,017</b>	<b>115,472</b>
<b>Working Capital Funding</b>	<b>4,000</b>	<b>4,000</b>

<sup>1</sup> In the event that significant changes in current year requirements occur, appropriations are transferred from one vote to another or reprofiled from one fiscal year to the next through Appropriation Acts tabled in the House of Commons.

**b. Reconciliation of Net Results of Operations to Government Funding Basis**

The Corporation receives a significant portion of its funding through Parliamentary appropriations, which is based primarily on cash flow requirements. Expenses recognised in the Statement of Operations and Proprietor's Equity in one year may be funded through Parliamentary appropriations in different years. Accordingly, the Corporation's net results of operations for the year on a government funding basis differ from those on a Canadian generally accepted accounting principles basis. The differences are outlined below:

	2001	2000
	(thousands of dollars)	
Net results for the year	147,944	28,315
Items not generating operating funds:		
Amortisation of deferred capital funding	147,301	154,449
Income items relating to capital assets	(66)	(74)
Other	213	-
	147,448	154,375
Items not requiring operating funds:		
Amortisation of capital assets	149,294	154,872
CBC/Radio-Canada Pension Plans and other employee future benefits	(54,690)	(15,270)
Vacation Pay	(6,352)	8,939
Program inventory costs	(1,546)	(7,932)
Other	(4,333)	(5,892)
	82,373	134,717
Net results of operations on a government funding basis (including impact of sale of joint business ventures)	82,869	8,657
Less: Proceeds and interest generated from the sale of joint business ventures	(80,465)	-
Net results of operations on a government funding basis (excluding impact of sale of joint business ventures)	2,404	8,657
Government funding surplus, beginning of the year	24,258	15,601
Government funding surplus, end of the year	26,662	24,258

### c. Net Results for Capital

The purchase of capital assets is financed by Parliamentary appropriation. Additions to capital assets recorded in the current year under Canadian generally accepted accounting principles may be funded by Parliamentary appropriation in different years. The differences are outlined below:

	2001	2000
	(thousands of dollars)	
Parliamentary appropriations and transfers	104,017	110,472
Capital funding for Radio Canada International	5,000	5,000
<b>Capital funding (Note 4)</b>	<b>109,017</b>	<b>115,472</b>
Proceeds on disposal of capital assets	2,368	2,166
<b>Total capital funding for the year</b>	<b>111,385</b>	<b>117,638</b>
Acquisition of capital assets	(103,658)	(119,771)
Capital portion of lease payments	(3,082)	-
<b>Capital funding surplus (deficit) for the year</b>	<b>4,645</b>	<b>(2,133)</b>
Change in proportionate share of joint venture assets	(166)	321
<b>Net results for capital for the year, government funding basis</b>	<b>4,479</b>	<b>(1,812)</b>
Capital funding surplus, beginning of the year	2,914	4,726
<b>Capital funding surplus, end of the year</b>	<b>7,393</b>	<b>2,914</b>

### 5. Funding for Radio Canada International

Radio Canada International is funded under the terms of a contribution agreement with the Government of Canada.

	2001	2000
	(thousands of dollars)	
Operating funding	15,520	15,520
Capital funding	5,000	5,000
	<b>20,520</b>	<b>20,520</b>

### 6. Specialty Services

The Corporation operates CBC Newsworld, Réseau de l'information (RDI) and Galaxie under license conditions that require the results of operations be reported on an incremental cost and revenue basis. CBC Newsworld and Réseau de l'information (RDI) use previous years' surplus carry forwards to fund current year activities. At March 31, 2001, the cumulative net operating surplus carried forward to future years' activities for CBC Newsworld totalled \$10.2 million (\$5.2 million for 2000), \$59,000 for RDI (\$24,000 for 2000).

	2001			2000		
	Revenue	Expenses	Net	Revenue	Expenses	Net
	(thousands of dollars)					
CBC Newsworld	61,945	56,949	4,996	58,827	54,511	4,316
Réseau de l'information (RDI)	38,159	38,124	35	35,020	35,129	(109)
Galaxie	7,568	5,063	2,505	3,199	3,199	-
	<b>107,672</b>	<b>100,136</b>	<b>7,536</b>	<b>97,046</b>	<b>92,839</b>	<b>4,207</b>



## 7. Income Tax and Tax on Large Corporations

The Corporation is a prescribed federal Crown Corporation under Part LXXI of the Income Tax Regulations and is subject to the provisions of the *Income Tax Act* (Canada). The Corporation is not subject to provincial income taxes on its own activities. The Corporation's 2001 income tax relates solely to the large corporations tax. The Corporation's expected income tax rate is the net federal statutory rate (including surtax) of 39.27% (2000 – 39.52%). The 2001 and 2000 effective tax rates are zero, exclusive of the large corporations taxes, due to the utilisation of previously unrecognised losses and timing differences.

The Corporation has a loss carry forward for tax purposes of \$9.8 million (2000 – \$30.5 million), the benefit of which has not been recognised in the financial statements and which expires in 2007. The Corporation also has net timing differences of \$35.3 million (2000 – \$50.4 million) resulting from items reported for tax purposes in different periods than for accounting purposes, the benefit of which has not been recognised in the financial statements. These timing differences generally result from the accrual of pension and severance pay costs, and the claim for capital cost allowance on the capital lease where funding is provided over several years. Capital cost allowance is generally not claimed on other capital assets since acquisitions are substantially funded by the Government of Canada (see Note 4).

## 8. Capital Assets

			2001	2000
	Cost	Accumulated Amortisation	Net Book Value	
	(thousands of dollars)			
Land	34,772	–	34,772	34,772
Buildings	409,144	224,834	184,310	169,761
Technical equipment	1,180,133	883,255	296,878	332,463
Furnishings, office equipment and computers	114,536	73,738	40,798	46,566
Automotive	39,072	26,956	12,116	13,109
Leasehold improvements	6,514	4,208	2,306	2,202
Property under capital lease	512,178	122,554	389,624	405,004
Uncompleted capital projects	62,123	–	62,123	64,988
	<b>2,358,472</b>	<b>1,335,545</b>	<b>1,022,927</b>	<b>1,068,865</b>

Current year amortisation expense of \$15.4 million (2000 – \$15.1 million) relating to the property under capital lease is included in the amortisation of capital assets on the Statement of Operations and Proprietor's Equity.

## 9. Deferred Capital Funding

	2001	2000
	(thousands of dollars)	
Balance, beginning of year	685,111	724,088
Government funding for capital expenditures (Note 4)	109,017	115,472
Amortisation of deferred capital funding	(147,301)	(154,449)
<b>Balance, end of year</b>	<b>646,827</b>	<b>685,111</b>

## 10. Sale of Joint Business Ventures

In the first quarter of 2000-2001, the Corporation and its co-investor completed the sale of the joint business ventures for total proceeds of \$153 million. The Corporation owned 50% of the joint business ventures and received its share of the sale price.

## 11. Employee-related Liabilities

Employee-related liabilities are as follows:

	2001	2000	2001	2000
	Current		Long-term	
	(thousands of dollars)			
Pension plans – Note a)	–	–	10,742	83,964
Employee future benefits other than pension – Note a)	–	–	86,727	68,195
Vacation pay	41,967	48,319	–	–
Workforce reduction – Note b)	12,701	27,934	–	9,084
Other <sup>1</sup>	60,901	47,512	305	–
	<b>115,569</b>	<b>123,765</b>	<b>97,774</b>	<b>161,243</b>

<sup>1</sup> Including salary-related liabilities.

### a. CBC/Radio-Canada Pension Plans and Other Employee Future Benefits

The Corporation maintains a contributory defined benefit pension plan, CBC/Radio-Canada's Pension Plan, covering substantially all employees of the Corporation. Retirement benefits are based on the length of pensionable service and on the average of the best five consecutive years of pensionable salary in the last ten years of employment. Employees are required to contribute a percentage of their pensionable salary to the plan, with the Corporation providing the balance of the funding, as required, based on actuarial valuations, which are made at least on a triennial basis. The Corporation also maintains unfunded non-contributory defined benefit pension arrangements.

#### Assumptions – annual rates:

Expected long-term rate of return on plan assets	6.75%
Discount rate – beginning of the year	6.50%
Discount rate – end of the year	6.00%
Long-term rate of compensation increase, excluding merit and promotion	4.00%
Health care trend	8.5% for 5 years; 4.5% thereafter

#### Annual amounts:

	(thousands of dollars)
Employee contributions	21,439
Benefit payments for the year – pension plans	173,730
Benefit payments for the year – other employee future benefits	13,300

## a. CBC/Radio-Canada Pension Plans and Other Employee Future Benefits (continued)

	CBC/ Radio-Canada Pension Plans	Other Employee Future Benefits	Total
(thousands of dollars)			
Fair value of plan assets – end of year	3,683,301	–	3,683,301
Accrued benefit obligation – end of year	3,226,583	133,096	3,359,679
<b>Surplus (deficit) at March 31, 2001</b>	<b>456,718</b>	<b>(133,096)</b>	<b>323,622</b>
Accrued benefit liability at beginning of year	83,964	82,451	166,415
Employee future benefits expenses (revenues):			
Current service cost	47,816	5,817	53,633
Interest on accrued benefit obligation	187,924	8,141	196,065
Expected return on actuarial value of assets	(224,801)	–	(224,801)
Amortisation of past service costs	9,597	–	9,597
Amortisation of transitional obligation (asset)	(92,996)	3,618	(89,378)
Employee future benefits expenses (revenues) for the year	(72,460)	17,576	(54,884)
Corporation pension plans contributions	–	–	–
Benefit payments of unfunded plans	(762)	(13,300)	(14,062)
<b>Accrued benefit liability at end of year</b>	<b>10,742</b>	<b>86,727</b>	<b>97,469</b>

The accrued benefit obligation for CBC/Radio Canada's Pension Plan and for the unfunded benefit pension arrangements represents respectively \$3,195.7 million and \$30.9 million at March 31, 2001.

The amortisation of past service costs is due to an amendment to CBC/Radio-Canada's Pension Plan, which has resulted in a refund of a portion of contributions to plan members. As of March 31, 2001, the unamortised amount of past service costs is \$120.0 million.

The unamortised portion of transitional assets as of March 31, 2001 is \$1,163.2 million for CBC/Radio-Canada Pension Plan and \$40.0 million for other employee future benefits.

## b. Workforce Reduction

In 2000-2001, the Corporation implemented its workforce reduction plan. The results are in line with the plan.

## 12. Obligation Under Capital Lease

Capital lease consists of premises occupied by the Corporation in Toronto. Future minimum lease payments and obligation are as follows:

	(thousands of dollars)
2002	33,039
2003	33,039
2004	33,039
2005	33,039
2006	33,039
Thereafter to 2027	710,334
<b>Total future minimum payments</b>	<b>875,529</b>
Deduct: imputed interest (7.53%) and executory costs	498,644
<b>Obligation under capital lease</b>	<b>376,885</b>
Less current portion	4,747
<b>Long-term obligation</b>	<b>372,138</b>

The Corporation owns the land on which the Canadian Broadcasting Centre in Toronto is located. Interest expense relating to the Canadian Broadcasting Centre lease, which is included in current year expenditures, is \$28.8 million. At the end of the lease, the Corporation will own the building.

## 13. Commitments

### a. Program-related and Other

As at March 31, 2001, commitments for sports rights amounted to \$287.8 million; procured programs, film rights and co-productions amounted to \$44.1 million and capital assets amounted to \$12.1 million for total commitments of \$344.0 million.

### b. Operating Leases

Future annual payments related to operating leases are as follows:

	(thousands of dollars)
2002	56,163
2003	31,277
2004	18,253
2005	17,736
2006 - 2028	156,984
<b>Total future payments</b>	<b>280,413</b>

## 14. Contingencies

Various claims and legal proceedings have been asserted or instituted against the Corporation, including some which demand large monetary damages or other relief, which could result in significant expenditures. Litigation is subject to many uncertainties, and the outcome of individual matters is not predictable. A provision for these expenditures has been recorded based on management's best estimate. It is reasonably possible that the Corporation may have to settle some of these claims for amounts in excess of established provisions in the near term. Any such costs will be charged to operations as incurred.

## 15. Related Party Transactions

The Corporation is related in terms of common ownership and enters into transactions with other Government departments, agencies and Crown Corporations in the normal course of business on normal trade terms applicable to all individuals and enterprises. Transactions with the Government of Canada are outlined in Note 4.

## 16. Net Change in Non-cash Working Capital Balances

	2001	2000
	(thousands of dollars)	
Cash flows provided by (used for):		
Accounts receivable	(7,169)	8,805
Program inventory*	22,437	14,466
Prepaid expenses	(3,746)	(20,797)
Accounts payable and accrued liabilities	(7,315)	(56,662)
Employee-related liabilities	(1,844)	19,513
	<b>2,365</b>	<b>(34,675)</b>

\* Excluding \$2 million of amortisation of capital assets in 2001 (2000 – \$9 million).

## 17. Financial Instruments

Short-term investments, accounts receivable, accounts payable and accrued liabilities, and obligation under capital lease are valued at cost, which approximates fair value. The Corporation invests in the short-term money market (maximum term to maturity of 91 days). Securities are limited to those that are 100% guaranteed by the Government of Canada. The overall portfolio yield for the fiscal year ended March 31, 2001 was 5.44% (2000 – 5.13%).

## 18. Comparative Figures

Some of the prior year's comparative figures have been reclassified to conform to the current year's presentation.

# Five Year Financial Review

## Summary – Source and Use of Funds\*

For the year ended March 31

	2000-2001	1999-2000	1998-1999	1997-1998	1996-1997
	(millions of dollars)				
<b>Sources of funds</b>					
Parliamentary appropriation for operating expenditures	794.0	764.7	759.5	759.7	896.4
<b>Self-generated revenues</b>					
Advertising and program sales	349.2	328.7	329.7	383.3	364.8
Miscellaneous	65.1	78.8	63.9	54.6	53.7
<b>Total self-generated revenues</b>	<b>414.3</b>	<b>407.5</b>	<b>393.6</b>	<b>437.9</b>	<b>418.6</b>
<b>Total sources of funds</b>	<b>1,208.3</b>	<b>1,172.2</b>	<b>1,153.1</b>	<b>1,197.6</b>	<b>1,315.0</b>
<b>Application of funds</b>					
Television and radio services	1,042.6	1,051.7	1,072.1	1,083.3	1,109.7
Transmission, distribution and collection	58.3	63.3	62.2	64.1	65.6
Payment to private stations	14.3	13.0	12.5	12.3	16.0
Corporate Management	15.9	15.3	16.2	15.1	15.7
Income taxes and taxes on large corporations	2.7	2.8	2.7	2.7	3.0
<b>Total applications of funds</b>	<b>1,133.8</b>	<b>1,146.1</b>	<b>1,165.8</b>	<b>1,177.5</b>	<b>1,210.0</b>

\* Excluding specialty services, amortisation of capital assets, amortisation of deferred capital funding and non-operating revenue.