

BC1-1999

CBC Radio-Canada

Annual Report 1998-1999



UNIVERSITY OF KENT

Corporate Profile

Status

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.

Program Services

CBC program services include:

- two main television networks, one in English, one in French, which offer general and special interest programs;
- four main radio networks, two in English, two in French, which offer information and general interest programs as well as music and cultural programs;
- two all-news and information television networks, one in English, one in French, entirely financed by cable subscriptions and advertising revenue;
- radio and television services to the North in English, French and eight native languages;
- a digital pay audio service offering 30 continuous music channels 24 hours a day, without talk or commercials.

CBC also provides, on behalf of the Government of Canada, an international radio service which broadcasts in seven languages.

Distribution

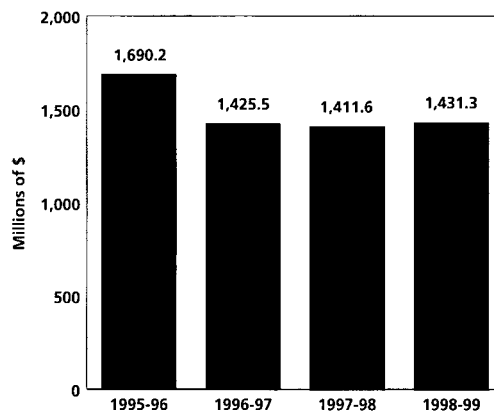
CBC programs are distributed through satellite in combination with microwave and landline, feeding 95 CBC owned stations, 1,164 CBC rebroadcasters, 27 private affiliated stations and 291 affiliated or community rebroadcasters.

Financing

CBC is financed mainly through public funds, supplemented by advertising revenue on television and various other revenue sources.

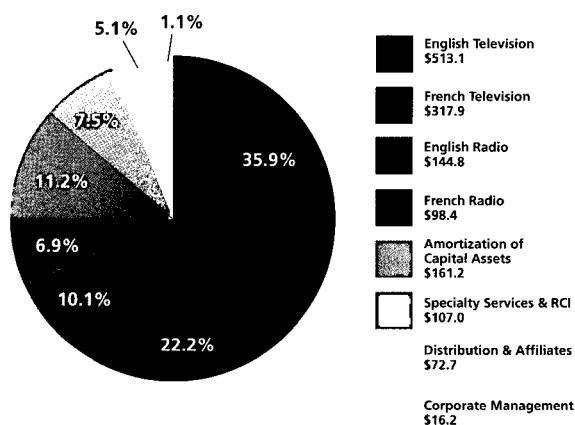
Financial Highlights

Operating Expenditures, before tax

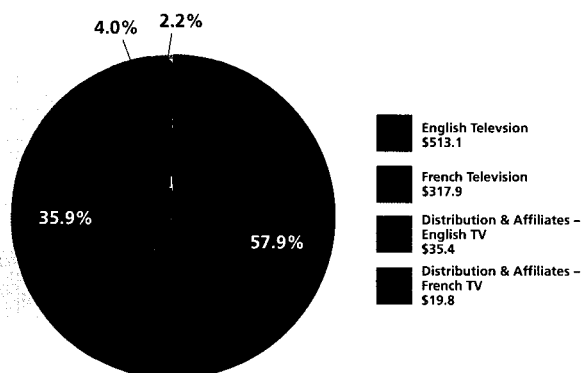


Operating expenditures have increased this year mainly as a result of a major project to restore archival audio-visual material and other one-time programming initiatives.

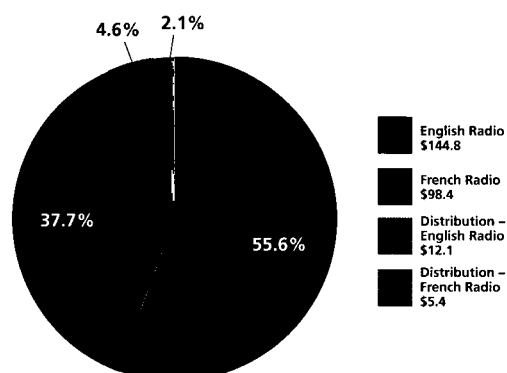
1998-99 Operating Expenses – \$1,431.3 million (in millions of \$)



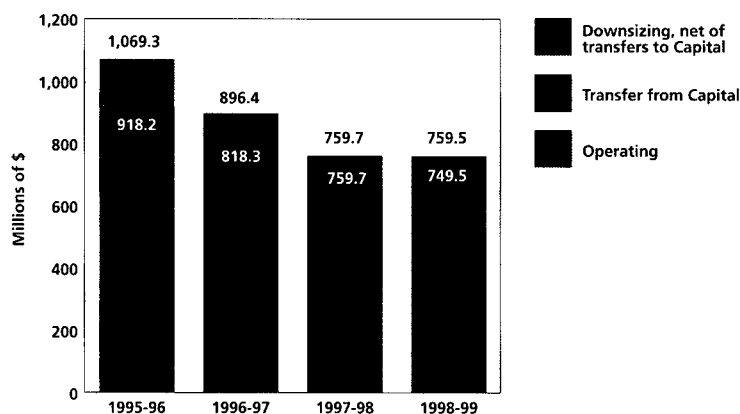
1998-99 Television Services – \$886.2 million



1998-99 Radio Services – \$260.7 million

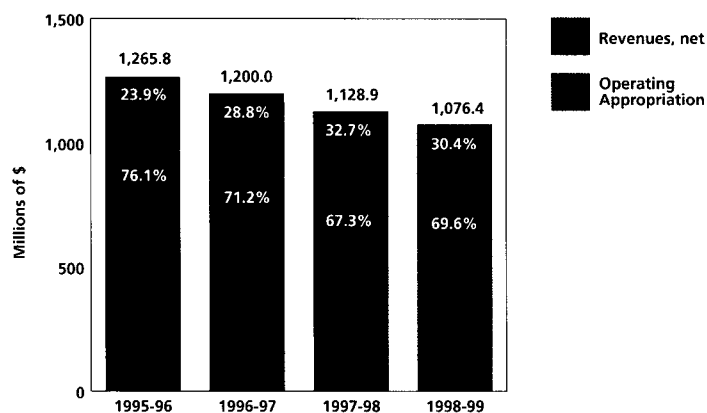


Parliamentary Operating Appropriations



Operating appropriations have stabilized.

Operating Appropriations* and Net Revenues**



Government funding has stabilized, while net revenues fluctuate from year to year. In years with Olympic Games coverage, net revenues increase, therefore reducing reliance on government funding.

* Including transfers to/from capital and excluding special appropriations for Downsizing and RCI.

**Gross revenues less specialty services revenues, RCI miscellaneous revenues and selling & marketing, program sales and joint venture expenses.

Message from the Chair



Guylaine Saucier

In a decade of tumultuous change for CBC/Radio-Canada, 1998-1999 stands out as a pivotal year.

The Board approved a comprehensive strategic plan put forward by CBC management – a plan that supports the principles of public broadcasting in Canada by giving it renewed purpose, direction and distinctiveness.

CBC Television moved towards greater Canadian content than ever – and in so doing demonstrated once and for all that when it comes to television programming, “quality” and “made-in-Canada” are indeed synonymous.

A potentially crippling strike was settled and all parties re-dedicated themselves to the task of delivering excellence to our audiences. This excellence is made possible by the artists and artisans of the CBC who display in all that they do, their outstanding creativity, their dedication and, most especially, their enduring commitment to the values of public broadcasting. Our partners, from independent producers to affiliates, are also indispensable to the achievement of CBC’s goals.

To round out this important year in the Corporation’s history, 600 Canadian citizens in 11 cities participated in an unprecedented public consultation held by the CRTC on the CBC’s future in view of its licence renewals. The verdict was overwhelming – most expressed passionate support for CBC. Presenters called the CBC “an essential service,” “the glue that binds the country,” “a close friend for rural and isolated Canadians,” “helping the disabled and the sick and in times of crisis.”

Presenter after presenter underscored what our history, our current role and our strategic direction have forged into an accepted truth: that the CBC is the essence of Canada.

In my years as Chair of this organization, I have never been so proud of what my colleagues have accomplished, or as deeply convinced of the importance of the CBC to the Canadian experience, as I was in reading this testimony.

I am more convinced than ever that our strategic plan is on target, and that our emphasis on strengthening that which sets us apart from private broadcasters, which brings Canadians together while celebrating our diversity, and which builds a strong platform for homegrown talent and for Canadian culture, is the right one.

This does not suggest that the strategic plan is a confining definition of the CBC’s future. Indeed, the CRTC consultation process itself, and other ongoing and new feedback mechanisms, will help CBC adjust certain aspects of its operations to better serve the needs and expectations of our viewers and listeners. At its core, however, the plan represents fundamental commitments to our audiences and to our mandate under the *Broadcasting Act*.

What are those commitments?

The CBC provides programming that is distinctly Canadian, bringing Canada and the world to every region of the country, and in turn gives every region the chance to be heard by the others. Canada is multi-faceted, and our public airwaves must reflect that reality.

The CBC is mandated to provide a wide range of programming that informs, enlightens and entertains. Through its English and French operations from coast to coast, the CBC links Canadians throughout the country. We broadcast in English, French and eight Aboriginal languages. No other broadcaster has the mandate, infrastructure or motive to reach all Canadians. No other broadcaster has devoted so many resources to ensure Canadians see a reflection of themselves and the rest of the world on their airwaves.

The importance of our commitment to the regions – and particularly to Canadians who live outside large cities – which translates to close to 40% of all our expenditures – is underscored by the fact that 43% of viewing of CBC's English Television is from households without cable. When one considers as well that CBC is one of Canada's main vehicles for transmitting Canadian culture, and that the vast majority of content carried by cable is American, the importance of our pan-Canadian commitment comes sharply into focus.

Another important commitment is to an independent CBC. Numerous presenters at the CRTC consultations referred to the independence of our news and information service as an important facet of Canada's democratic heritage, while others stated plainly their desire for the CBC to remain politically independent and at arm's length from government. To these individuals and to all Canadians, we commit to maintaining the highest standards of journalistic integrity and fairness, and to maintaining our independence as a public broadcaster that has been a CBC hallmark since its inception. An independent CBC is not only what Canadians demand, it is what allows us to be considered the gold standard in broadcast journalism around the world.

We are committed to finding, nurturing and celebrating Canadian talent – performing artists, journalists, technicians, producers and directors – in every corner of our country and in every culture and language group. Through new radio services in communities such as Victoria, BC, Trois-Rivières, Quebec, and Cambridge Bay in the Arctic, we give local talent a platform for expression. Through Canada-wide music and literary competitions and awards celebrations, we encourage emerging talent and give them an electronic stage.

But we are not content to offer only a Canadian stage. Increasingly, the CBC is bringing our cultural treasures onto the global stage, so that our stories can be told not only among ourselves, but to the world as well. Canadian culture can, should and does have an international following. The strong presence of Canadian musicians, actors and directors – performers in ceremonies like the Grammy Awards and the Academy Awards – underscores this reality. But to reach that world stage, our culture first must have a Canadian audience.

The CBC is committed to providing Canadians with a wide array of quality programming, using emerging communications technologies that provide us new ways to reach new audiences. The CBC of tomorrow must be available and relevant to all Canadians, wherever and whenever they choose to consume media, whether through our main services, specialty channels, or through new media. To that end, we applied to the CRTC in 1998 for four additional French-language specialty channels that would allow us to exercise our mandate more widely. Like Newsworld and RDI before them, each one of these specialty channels would be financially self-sustaining and would add immeasurable value to CBC's range of services.

In February of this year, we sought permission from the CRTC to create an all-news French radio and Internet service called InfoRadio. We also applied to the CRTC for the creation of Radio Three, a national youth radio network in English that would provide a forum for young Canadians to share their music, their issues, their ideas and their dreams. The approval of these applications would fill the gaps in our country's broadcasting system. As a public broadcaster, it is our role to fulfill these needs. Our commitment to innovate naturally includes a presence on the Worldwide Web. We have already established a secure foothold, in French and in English, thereby staking out an important piece of territory for Canada in a medium where Canadian voices risk being submerged.

Taken together, these commitments are the CBC's response to those who have placed their trust in us to champion Canadian culture, to nurture Canadian talent, to help define Canadian values and to strengthen Canadian democratic traditions. The Board, the management and employees of the CBC are deeply honoured by this trust and we will do our utmost to earn it far into the next century.

On behalf of the CBC's Board of Directors, I would like to express our profound appreciation for the efforts of President and CEO Perrin Beatty, who is stepping down after close to five years of service to the Corporation. During his tenure, Mr. Beatty has guided the CBC through a complex and difficult restructuring and has been instrumental in forging a renewed vision through our strategic plan. He has been a strong advocate of public broadcasting in this country, and we look forward to his continued support in the years to come.



Guylaine Saucier, C.M., F.C.A.
Chair of the Board

The Board of Directors 1998-1999

In accordance with the *Broadcasting Act*, the Board of Directors is responsible for the management of the Corporation. The Board is made up of 12 members, including the Chair and the President and CEO.

Guyaine Saucier, C.M., F.C.A.
Chair
Montreal, Quebec
2+, 3+, 4, 5+, 6

Hon. Perrin Beatty, P.C.
President and CEO
Ottawa, Ontario
2, 4, 5

John Kim Bell, O.C. †
Founder and President
National Aboriginal Achievement Foundation
Toronto, Ontario
1, 2

John A. Campion
Partner/Barrister
Fasken Campbell Godfrey
Barristers and Solicitors
Toronto, Ontario
1+, 2

Dr. Val H. Conway
Ophthalmologist
St. John's, Newfoundland
1, 2

Michelle Courchesne †
Managing Director
Orchestre symphonique de Montréal
Montreal, Quebec
2, 4, ♦

Michel Doyon, Q.C. *
Partner/Barrister
Gagné, Letarte s.e.n.c.
Barristers and Solicitors
Quebec, Quebec
1+, 2

Roy L. Heenan, O.C.
Chairman and Senior Partner
Heenan Blaikie
Barristers and Solicitors
Montreal, Quebec
2, 4, 5

Jane Heffelfinger
Actress/Broadcaster
Monday Publishing
Victoria, British Columbia
1, 2, 5

Sandra Kolber, C.M. *
Writer/Film Consultant
Le Windsor
Montreal, Quebec
2

Clarence LeBreton
Associate Deputy Minister
Fisheries and Aquaculture
Caraquet, New Brunswick
2, 4+, 5

Thompson MacDonald *
President
Strategic Communications Consultants Ltd.
Calgary, Alberta
2, ♦+

L. Richard O'Hagan
Toronto, Ontario
1, 2, 6

James S. Palmer, C.M., Q.C. †
Lawyer and Chairman
Burnet, Duckworth & Palmer
Barristers and Solicitors
Calgary, Alberta
2, 3

W. Thomas R. Wilson
President and CEO
Oceanic Adventures International
Toronto, Ontario
2, 3, 5, ♦

Committees of the Board

- 1 Audit Committee
- 2 Standing Committees on English and French Language Broadcasting
- 3 Nominating and Governance Committee
- 4 Human Resources and Compensation Committee
- 5 Transformation Committee
- 6 Advisory Committee to the Chair on Relations with Stakeholders (new committee as of November 1998)

♦ CBC Pension Board of Trustees

+ Committee Chair

† New Board Member, September 1998

* Term ended in March 1998, replaced in September 1998

* Term ended in September 1998

Improving Corporate Governance

As part of the new governance framework being put in place, the Board has focused on providing increased accountability pertaining to decisions made in carrying out the mandate.

This year, due in part to the arrival of many new members, the Board's activities focused primarily on consolidating its corporate governance. During the course of the year, the Board ensured that Treasury Board Guidelines on the Corporate Governance of Crown Corporations were respected.

Approval of the Strategic Plan

CBC's Board of Directors undertook last year to fulfil its primary duty according to the first of Treasury Board's guidelines, which states that "the Board of Directors of every Crown Corporation should explicitly assume responsibility for the stewardship of the Corporation. This stewardship includes approving the strategic direction and corporate plan of the Corporation." The Board approved the new strategic plan of the Corporation and the related action plans and is now monitoring their implementation. The CBC's new strategic plan, called *Our Commitment to Canadians*, identifies the challenges facing the Corporation, refines the CBC's mission, sets major priorities, commits the Corporation in twelve key areas, and includes performance indicators.

Strategic planning is now an ongoing process to be discussed regularly by the Board and management.

CBC Licence Renewals

As part of its strategic plan, the Board participated in the review and approval of the licence renewal applications that were presented to the Canadian Radio-television and Telecommunications Commission (CRTC).

Communications

The Board has approved the Corporation's strategy to improve communications with the Crown, other stakeholders and the public, especially in support of the Corporation's new strategic plan.

Evaluation of the CEO's Performance

The Board reviews the President and CEO's performance against the established duties and objectives agreed to by the Board and the CEO at the beginning of the year. This process is now fully enshrined in the governance process. The President's term expired in March 1999 and was renewed until September 1999. The CEO indicated that he would not seek a renewal of his term at expiry. Accordingly, the Board is monitoring the development of a transition plan to ensure a smooth and proper transition to the new CEO.

Composition and Evaluation of the Board

According to guidelines, and in anticipation of future vacancies, the Board has an opportunity to suggest to the Minister the type of expertise which would be beneficial to the overall composition of the Board. Over the past year, advice was provided so as to reflect different regions and diverse communities, and to ensure that the range of expertise on the Board is balanced and relevant. Three new Board members were appointed during the year and two Board members' terms were renewed.

Orientation of Board Members

The Board is sensitive to the importance of giving its members the orientation and information they need to properly fulfill their obligations. In light of the important number of newcomers, special orientation meetings with management, dealing with the main operations of the Corporation, were held. More are planned in the new year.

Board Committees

To conduct its business in the most efficient manner, the Board relies on a number of committees. In 1998-99, an Advisory Committee to the Chair on Relations with Stakeholders was created, consistent with the new strategic plan. All new members of the Board were given a role on at least one committee.

CBC Pension Board of Trustees

Two CBC directors, Thomas Wilson and Michelle Courchesne, also sit on the CBC Pension Board of Trustees, which ensures compliance to Corporate Governance rules of the Pension Fund. More details can be found in the CBC Pension Fund Annual Report (see address on last page).



Message from the President and CEO



Perrin Beatty

This is my final report as President of the CBC.

Our shareholders, the Canadian public, deserve to know whether their investment of nearly \$900 million a year in their public broadcaster has been prudently managed, and whether they have received value in the programs and services we provide. But our shareholders are also viewers and listeners. They also have an ongoing relationship with CBC as a public broadcaster, and with our programs and personalities, that is deeper and different from their consumer relationship with private broadcasters. So in this brief report I will address the plans we have laid to reinforce that relationship in the future.

The last four years have been enormously challenging for both the CBC and its employees. That we have overcome unprecedented challenges with so little real impact on our audiences is a credit to the thousands of dedicated and creative staff who have consistently, in the best CBC tradition, put the interests of the Canadian public above their own.

For the first three years of my mandate we wrestled with potentially devastating cuts in the Corporation's budget from the government. Coupled with other cost increases, our financial shortfall more than doubled to over \$400 million per year. In addition, new channels, open borders, copyright reform, industry convergence and audience fragmentation dramatically changed our marketplace.

The CBC met the challenges head on, and accomplished a massive corporate turnaround. We simplified and streamlined the CBC from top to bottom. We reduced administrative and managerial personnel to the point of bettering private sector benchmarks, shrinking corporate management costs to just over one cent on the dollar.

But more importantly, we did it without closing any station, or dramatically reducing service. In fact, we went back into Alberta where we had consolidated our supper-hour newscasts a few years before and re-established separate programs in Calgary and Edmonton. Our proudest accomplishment is that we Canadianized English TV prime time, replacing 200 hours of American shows a year. Francophone Newfoundlanders now have a supper-hour news program based in Atlantic Canada, instead of getting their supper-hour news from Montreal. Radio One now serves listeners 24 hours a day through the addition of *CBC Radio Overnight* which provides the best programming from around the world. We opened a new radio station in Victoria, and new bureaus in London, Trois-Rivières and Sherbrooke, and on the Arctic Circle in Cambridge Bay. We reinforced and rebuilt our Internet service in both languages.

Two particularly reassuring and heartening situations occurred this past year. First, despite growing competition, our audiences for all services have largely remained stable. Certainly our public has not turned away.

Then, for nine days in March, in 11 cities across the country hundreds of Canadians from all walks of life took the time to tell Canada's broadcast regulator how important they felt public broadcasting in general was, and the CBC in particular. The vast majority of Canadians who participated in person, by letter or, in the case of the North, by teleconference, were the kind of typical Canadian listeners and viewers who form the mainstay of both private and public broadcasting in this country, the millions of Canadians who have an amazingly proprietary interest in "their" CBC.

Their complaints and compliments ranged from predictable to poetic. In Vancouver, a resource economist from Bowen Island described Canada's national broadcaster as "the candle that illuminates the very corners of this country and the very soul of Canadians." A rural physician from the west coast of Newfoundland drove eight hours across the province to lament to a St. John's panel that weak radio signals in his area deprived him of CBC Radio Two. A Winnipeg homemaker described the CBC as an educational lifeline for thousands of Canadians who stay home, either by choice or by necessity. "I am a firm believer in lifelong learning," she said, "and the CBC, both radio and television, continues to be part of my university."

The message delivered by that cross-section of Canadians is clear and eloquently simple: wherever we live, we have a right as taxpayers and shareholders to enjoy the same CBC services. And we want more, not less CBC.

The response in our strategic plan is clear. It sets ambitious goals for the CBC's future which clearly square, not only with our legislated mandate, but also with the desires of the vast majority of Canadians.

We will continue to Canadianize our TV schedules – with distinctively, conspicuously Canadian programs, not programs made in Canada for sale in the United States. CBC will push the envelope – it always has – but it will not become an elitist service.

We will preserve and develop our unique non-commercial radio services. These remind us what it is to be Canadian and we have no intention of diminishing these electronic companions which garner such affection and loyalty from Canadians everywhere.

We will strengthen our distinctive presence in the regions. We will not retreat to the confines of narrowly specialized services. Canadians expect the CBC to present more than a view from the top of Mount Royal in Montreal or the CN Tower in Toronto.

We will also continue to provide Canada's premier news and information service, one which over and over again has been shown to be the most trusted source in Canada. As Canada's largest news organization, the CBC's news service employs more than 800 people and is the only service with a major presence in both languages in cities across Canada, as well as abroad. And we continue to fiercely guard the independence of CBC news from every kind of partisan influence.

We will build bridges between French and English cultures and communities. Operating the only national organization that broadcasts on radio and television in those two languages is a responsibility that the CBC takes very seriously. As Canada enters a new century, CBC English and French Television will air the series *Canada – A People's History* – an unprecedented 30 hours of programs produced in English and French that, for the first time, offers a common interpretation of our history.

We will continue to play a leadership role in new media and new technology. Of all the adventures the CBC has embarked upon, few have been more personally satisfying than CBC's successful and pioneering foray into new media. There is not a shred of doubt that the CBC belongs – indeed, will thrive – in this new medium. We intend to be Canada's web site. Already, our sites in both languages are a hugely appreciated resource of unique information and entertainment content for adults and children, and of streamed audio and video of national and regional news.

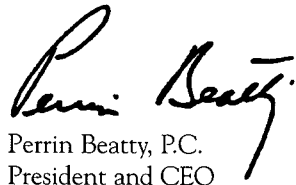
So that is our broad outline of a CBC for the next Millennium. A strong, proud Canadian institution.

I have been privileged to lead this institution that for more than six decades has been in the service of the Canadian people and of the idea of Canada. CBC was founded at a time when there was an underdeveloped national consciousness, and a paucity of cultural or informational connections between Canada's isolated parts. The first radio service was also designed to give Canadians their own voice when powerful U.S. border stations were threatening to dominate our airwaves.

I have become increasingly convinced during the last four years that nothing has really changed, only that the power of the entertainment industries and their technologies continue to threaten to make our border a geographical artifact. The need for a public broadcaster whose mission is to link the country with Canadian information and stories is as indispensable today as it was 60 years ago.

Why? Perhaps because, in a way, CBC is one of the few great works of Canada that is still more or less intact.

I leave after four challenging but decisive years, convinced that a 21st century, full-service, fully Canadian CBC is needed today more than ever, and in this I know CBC has the support of the majority of Canadians.

A handwritten signature in black ink, reading "Perrin Beatty". The signature is fluid and cursive, with the first name "Perrin" and last name "Beatty" clearly distinguishable.

Perrin Beatty, P.C.
President and CEO

A Refined Mission

While the CBC's mandate remains constant and well defined, the way in which the Corporation carries out its duties must evolve in step with the evolution of the broadcast industry, the impact of globalization and the changing habits of Canadians. In 1998-1999, a strategic plan to guide the CBC into the new millennium was crafted with input from Canadians by means of the CRTC's public consultations undertaken in March in 11 cities across Canada, and through ongoing dialogue involving all components and the Board of Directors. The CBC's core competencies, strengths and weaknesses were examined and challenged so as to develop the optimum plan. The results are expressed in our strategic vision titled *Our Commitment to Canadians* which was presented to the CRTC as part of the licence renewal process. The strategic plan is based on a set of key priorities, redefines the CBC's mission for the new millennium and undertakes a number of important commitments.

The Priorities

Throughout the strategic planning process the CBC was guided by a number of simple yet powerful priorities:

- a determination to maintain and deepen the CBC's regional roots;
- a commitment that the CBC's programming will be pan-Canadian;
- continuing the revitalization of CBC's English television;
- CBC's news and information services will set the standard for Canadian journalism;
- opening the CBC's corporate culture to respond to the new environment.

The Mission

As Canada's public broadcaster, the CBC provides services in English and in French, and is accountable to all Canadians. The CBC

- tells Canadians stories reflecting the reality and the diversity of our country;
- informs Canadians about news and issues of relevance and interest;
- supports Canadian arts and culture;
- builds bridges among Canadians, between regions and the two linguistic communities.

The Vision

The CBC will reflect the strength of our country's past, the promise of our future, and the remarkable regional and cultural diversity of our people. The CBC's news and information programming will be acclaimed for the highest possible standards of excellence, professionalism, credibility and accountability. To enable Canadian expression to flourish and to prosper in the next century, we will create a stimulating and distinctive programming environment in English and French, delivered to Canadians across a wide range of platforms, through new cost-effective services and strategic partnerships.

The Commitments

The CBC is accountable to each and every Canadian. As we enter a new period of our history, we have set out a clear set of commitments to guide our actions. Many of these commitments are already being implemented and others will be launched in the near future.

The CBC will:

1. Provide programming of interest to all Canadians
2. Provide a pan-Canadian reflection throughout our programming
3. Strengthen our distinctive presence in the regions
4. Revitalize English Television through Canadianization
5. Provide Canada's premier news and information service
6. Support French language and culture throughout Canada
7. Build bridges between French and English cultures and communities
8. Champion Canada's arts and culture
9. Develop a constellation of new services to better respond to Canadians
10. Play a leadership role in new media and new technology
11. Adapt and open up the corporate culture
12. Provide a view of Canada abroad

Throughout its history, CBC has evolved, adding services, rebalancing schedules, and responding to wide fluctuations in its finances. However, the values that have guided its role as a public broadcaster – a determination to tell Canada's stories, a respect for its audiences, and a commitment to quality – have remained unchanged. They will continue to animate everything the CBC does as it accompanies Canadians into a new millennium.



Transforming the Corporation

A key goal for the CBC was the task of renewing the organization and opening its corporate culture to respond to a new business environment. The Corporation started the regeneration process by introducing a management framework that supports efficiency, transparency and communication. This has meant giving line managers more authority and accountability.

Getting Ready for a New Century

CBC is no different from other organizations and businesses around the globe in preparing systems for the technological challenges anticipated in the new century. The Corporation took various measures to address the issue of the Y2K challenge. A multi-disciplinary team was established to oversee the CBC's entire Year 2000 changeover process. External consultants were also enlisted to add their expertise and support to the project. To keep Canadians informed of CBC's efforts and progress with regard to the Y2K issue, CBC also features Y2K information on its corporate web site.

The federal government has designated the CBC as a mission-critical organization, and as one of its responsibilities, the CBC provides the government with detailed Y2K progress reports. Summaries of these reports can be viewed at cbc.radio-canada.ca.

Changing Systems

Early in 1999, the CBC completed the final stages necessary for the switch-over to a new business system called S.A.P. (Systems, Applications and Products).

One of the key features of S.A.P is its ability to link all parts of the organization, thus making financial information more transparent. Financial work within the Corporation will move faster, and managers will be better able to track their transactions and conduct sophisticated analyses of their department's changing financial picture.

Information Technology

Without question, the major focus of attention for 1998-1999 has been the complex and vital work done to prepare the Corporation's Information Technology (IT) systems for the arrival of the Year 2000. This work has been carried out by a dedicated IT "Y2K" team, working in conjunction with other CBC components.

In the 1998-1999 fiscal year, IT continued its implementation of Avid News – digital editing and production system for news – throughout the various media components. This follows a corporate decision made in 1994 to replace the out-of-date, CBC-developed INFO software with a commercially available, off-the-shelf system.

In order to facilitate the rollout of several key applications in 1999, IT replaced its call-tracking systems with the "Remedy" software to log and track support calls. The benefits include a bilingual interface, workflow management, integration with the new e-mail system (GroupWise), Y2K compliance, and a web interface which will eventually allow users to inquire about the status of their support calls.

New Human Resources Processes

To support the management team and increase productivity, the CBC continued to revise processes for managing performance, including refining the job evaluation process and a review of the compensation structure and practices for management and APS (Association of Professionals and Supervisors).

The Performance Management Cycle, which was introduced successfully to CBC's Senior Management Group, was applied to the Management and APS category in 1998-1999.

Collective Agreements

The Collective Agreements in the English file all expired through the year. Collective Agreements were renegotiated successfully with both the Production Unit of CMG (Canadian Media Guild) and the Administrative Unit of CMG. The Agreement with CEP (Communications, Energy and Paperworkers Union) was reached after a 6-week strike. The new English file collective agreements, signed in the spring of 1999, reflect CBC's operational realities and will continue to permit more efficient use of resources. All collective agreements are in place until 2001.

In the French file, one collective agreement was renegotiated successfully with the Syndicat des communications de Radio-Canada (Production Unit) and signed in June 1998. This agreement is valid until June 2001.

CBC Workforce – As of March 31

	1998	1999	Variance	%
Regular	6,728	7,017	289	4.3
Temporary	588	633	45	7.7

Note: The increase in staff is due to fixed term special projects such as Evolution and the Archives.

Employment Equity

The advancement of Employment Equity goals throughout the Corporation in 1998-1999 was evidenced by the initiatives that took place in virtually all CBC locations. For example, the Help Fund supported 26 projects in which designated group members were provided with internships and on-the-job developmental assignments in production, technical and journalistic roles.

At the network level, Toronto and Montreal began to build inventories of individuals from diverse backgrounds and expertise who could be called upon to comment on-air on a wide range of topics.

Employees benefitted from the Accommodation Policy through the provision of flexible schedules, part-time/job-sharing opportunities, attendant care services and workplace adaptation, including the purchase of special equipment to perform job responsibilities more easily.

Environmental Practices

The environmental policy adopted by the Board in 1996 requires the CBC to report on an annual basis its environmental protection activities. In 1998-1999, the Corporation identified the main environmental issues and developed the management and control instruments required to comply with Canada's environmental protection legislation. The Corporation also continued with the implementation of longer-term projects such as the destruction of PCBs and the replacement of ozone-depleting substances. Two pilot projects were launched at La Maison de Radio-Canada in Montreal: one on selective waste management in association with Public Works and Government Services Canada, and the other on environment-friendly lawn treatment.

The Broadcasting Environment

Television

In recent years, the number of specialty and pay TV services in Canada has grown considerably, resulting in audience fragmentation. To counteract this situation, several undertakings have reacted by creating new services or submitting purchase or merger proposals. These strategic initiatives are also indicators of the need to take advantage of the effects of synergy and streamlined operations, in addition to the benefits arising from the amortization of program costs among several services. The trend nowadays towards consolidation in broadcasting is clear.

Specialty television services continued to increase their audience share, along with their share of advertising revenue. There are now 64 Canadian specialty services, comprising 49 specialty television services and 15 pay TV services.

Though cable services seem to have reached the limit for services distributed in analogue mode, several applications for licences are still awaiting carriage or awaiting a decision from the CRTC. At the same time, the cable industry has begun its switch to digital distribution, which means there will be more channels on offer for distribution by means of television signal compression. This is paralleled by the development of direct satellite broadcasting and new microwave distribution services, giving rise to new competition among distributors.

Radio

Private radio has also undergone increased consolidation as the result of the relaxation of CRTC policies respecting joint ownership. Following a decade of financial difficulties, a clear improvement and marked economic recovery may be noted in the situation of private broadcasters.

Digital Services

In 1998, the CRTC published its regulatory framework governing the allocation of digital broadcast operating licences to Canadian broadcasters for a transitional period of three years.

The CBC will continue to work in close cooperation with private broadcasters on the development of digital radio services. Currently, there are 19 digital radio stations operating in Toronto and six stations in Vancouver, including three CBC radio services in either location. In Montreal, digital radio is expected to be launched in the summer of 1999.

The first phase of digital television implementation in the United States is going well. It is already implemented in more than 30 urban U.S. centres. In Canada, a cooperative effort by the private and public sectors to implement digital television will keep pace with the introduction of digital television sets and competitive forces. The CBC intends to take an active part in such developments with private television broadcasters.

New media

Internet penetration is continuing to make lightning progress. In Canada, Nielsen Media Research estimates that, by the summer of 1998, 41% of anglophones and more than 30% of francophones already had access to the Internet, and that over 26% of anglophone adults and 15% of francophone adults lived in households with subscriptions to Internet services.

The CBC's strategy is to develop along with its audiences by making its programs and content available to all Canadians by the largest number of means possible.

The Regulatory Environment

The year 1998-1999 has been an important one on the regulatory horizon. Over the course of the year, the Canadian Radio-television and Telecommunications Commission (CRTC) conducted two major policy reviews of the Canadian broadcasting industry. The first review examined the role of private radio in Canada. As part of that process the Commission revisited the Canadian content regulations for radio, nearly 30 years after they were first promulgated. In new policies announced in April 1998, the Commission lifted longstanding restrictions on the ownership of multiple radio stations in the same market at the same time as it both reaffirmed its commitment to, and strengthened the requirements for, Canadian musical content in radio.

The second review focussed regulatory attention on Canadian content policies for television. The Corporation participated in this process by filing both a written submission and making a presentation at public hearings conducted in the fall of 1998. The Corporation's position centered on the importance of Canadian audiences having access to high quality Canadian programs, particularly in key viewing periods of the day, and on the role the CBC plays in the Canadian broadcasting system now, and will continue to play to provide Canadians with such programs in the future. The Commission's deliberations were still underway at the end of the current fiscal year.

CBC Licence Renewals

Much of the Corporation's regulatory activity this year has been taken up preparing for major licence renewal hearings by the CRTC. These encompass the English and French radio and television networks, the owned and operated television stations of CBC, and Newsworld and RDI. The Corporation will appear in support of its renewal applications at a public hearing to be held in Hull, Quebec, beginning May 25, 1999.

Extension of Service

During the course of the year, the CRTC approved applications by the CBC to move a number of AM stations to the FM band. The CBC implemented these authorizations mostly in 1998: CBF (La Première Chaîne) and CBM (Radio One) in Montreal, CBL (Radio One) in Toronto, and CBV (La Première Chaîne) in Quebec City. CBJ Chicoutimi (La Première Chaîne) was switched early in 1999. The CBC has filed these applications to overcome the difficulties in receiving these stations and in reaching the majority of listeners who do not listen to AM radio.

The CRTC also approved applications to extend Radio Two and La Chaîne culturelle. The CBC has implemented La Chaîne culturelle over two FM transmitters in Northeastern New Brunswick and will implement Radio Two in Paris, Ontario. The CBC has filed several other applications to extend these two services in 1998-1999 and will file more in 1999-2000.

In November 1998, the CBC filed an application to extend La Première Chaîne service in Victoria, British Columbia, with the programming of CBUF-FM, Vancouver. The application will be heard at the CRTC public hearing in Vancouver on May 3, 1999.

In January 1999, the CRTC approved applications to add two new transmitters in Cambridge Bay and Kugluktuk, to broadcast the programming of CFFB Iqaluit, the capital of Nunavut. This was done in time to broadcast the two communities becoming part of Nunavut on April 1, 1999. These transmitters are in addition to the existing transmitters which broadcast the programming of CHAK Inuvik, Northwest Territories, allowing these communities to maintain cultural and linguistic ties with the Western part of the Canadian Arctic.

In spring 1998, the CBC followed through on the CRTC's authorization to operate a station in London, Ontario, thereby allowing it to broadcast locally-originated news in the morning for the London area.

Also in 1998-1999, CBC implemented its authority to provide digital radio services to Toronto and Vancouver. The Corporation has also received licences to provide a digital radio broadcasting service to Montreal and expects to launch the Montreal service in the 1999-2000 fiscal year, at the same time as private radio launches its Montreal services.

New Radio Network Services

In September 1998 the Corporation filed a proposal with the CRTC for a French language radio network to be known as InfoRadio, to provide news and information programming 14 hours a day to radio audiences in Quebec, New Brunswick and Eastern Ontario over transmitters located in each of those provinces. The InfoRadio application was considered by the CRTC at its February 15, 1999 public hearing in Quebec City. A decision on the InfoRadio proposal is expected in June 1999.

In October 1998, the Corporation also filed applications with the CRTC proposing the establishment of Radio Three – a new English-language national youth radio network service. This unique niche radio service would provide music and other programming designed specifically to appeal to a younger audience, which is not currently adequately served by either commercial or public radio in Canada.

French-Language Specialty Television Services

In December 1998, the CRTC considered four applications by the CBC to operate new French-language specialty television services. The Réseau des arts, the Réseau de l'économie, the Réseau de l'histoire and Télé classique each feature private sector partners teamed with CBC to provide these specialty services. For example, the Réseau des arts has as partners the Franco-German cultural network La Sept ARTE and Bell Satellite. It would provide Canadians with the best French language cultural programming from here and around the world. At the end of the fiscal year covered by this Annual Report, the CRTC's decision had not been rendered.

English-Language Specialty Television Services

Two English language applications, for services that would be known as Land & Sea and The People Channel, have not yet been considered by the CRTC. In February 1999, the CRTC initiated a public process to establish a new licensing framework for pay and specialty television before proceeding to the licensing of additional English language specialty television services. The Commission has announced that once the review is completed, it will proceed hearing the applications that are currently on file. It will also hear any new proposals other interested parties wish to make, in light of the revised regulatory requirements that may be instituted as a result of the current review.

Since its inception,
the CBC has been
renowned at home
and throughout
the world for
the relevance
and excellence
of its programs.

Programming Highlights

CBC programming is
unique in that it reflects
Canada as a whole,
meets regional needs
and contributes to
cultural expression
and shared national
consciousness
and identity.



English Radio

This year has been one of consolidation, after major changes to the CBC Radio One and Radio Two schedules in the 1997-1998 season. Throughout the year, every effort was made to ensure that CBC Radio remains fully rooted in the communities and regions of Canada, supporting Canadian music and spoken word performers and providing the highest quality of news and information to Canadians.

Schedule Changes, Maintaining Quality

On CBC Radio One, two programs offering a showcase for new contributors to English Radio were expanded. *Out Front* moved to five weeknights per week in the slot following *This Morning... Tonight*. *Global Village* moved to a regular Saturday evening slot.

Other programs such as *This Morning* and *Richardson's Roundup*, introduced the previous year, continue to improve and expand the range of programming initiatives.

On CBC Radio Two, new programs were introduced on weekdays. Popular host, writer and musician Tom Allen now starts the day for CBC Radio Two listeners with *Music and Company*. After the work day is done, Danielle Charbonneau hosts *Music for a While*. Two new weekend programs introduce a wide range of old and new music: *Collector's Corner*, with James Manishen and *Pearls of Wisdom*, with David Wisdom.

On CBC Radio Two, there was a major increase in the amount and range of arts journalism, from both network and regional standpoints.

There have also been a number of high profile specials this past year, including:

- *As It Happens*: Thirty Year Anniversary, November 17, 1998;
- *Radio News: Russia in Crisis, The Winter of Tears*, January, 1999;
- *A Certain Age: Specials on Older Canadians*, February 1-5, 1999;
- *Canadian Literary Awards: 20th Anniversary Celebrations*, February 9, 1999;
- *This Morning: 50 Years of Newfoundland in Confederation*, March 31, 1999;
- *Music and Company: Great Pianists of the 20th Century*, January-May, 1999.

Regional Reflection

English Radio is deeply rooted in the communities and regions of Canada. It reflects them both to themselves, and to the country as a whole. This is one of English Radio's greatest strengths and most distinctive features. Over 85% of the CBC Radio schedules consist of programming either produced in the regions or directly reflecting the regions.

New bureaux were opened this past year in London, Ontario and in Victoria, B.C., fulfilling a long-standing promise to the people of southern Vancouver Island.

Also this year a new bureau was opened in Cambridge Bay, in the new territory of Nunavut. English Radio provided northerners and all Canadians with extensive coverage leading up to the creation of the new Nunavut Territory.

Today, English Radio is present in 48 locations from coast to coast. Thirty-seven of these locations originate programming for a local audience.



Russ Germain
World at Six
Radio One



Eleanor Wachtel
The Arts Today and Writers & Co.
Radio One



Nora Young
Definitely Not the Opera
Radio One



Judy Maddren
World Report
Radio One and Radio Two



Tom Allen
Music and Company
Radio Two



Danielle Charbonneau
Music for a While
Radio Two

Cross Cultural Initiatives

Programs like *C'est la vie*, a weekly current affairs program on francophone issues, and the long-running, *À Propos*, showcasing francophone music for English-speaking audiences, are the key means by which English Radio promotes greater cross-cultural expression and understanding. Recently there has been an increase in new contributors from French Canada to our popular morning program feature, *Commentary*. Last year, high-profile bilingual French Radio host, Danielle Charbonneau, took on the hosting of CBC Radio Two's new evening classical disk program, *Music for a While*. Current affairs programs present regular reviews of francophone press coverage of major national issues.

Meanwhile, English Radio programmers have collaborated extensively with their Radio-Canada counterparts on several drama co-productions, including parallel treatments of the same story in both languages, as well as some bilingual experiments. And there is an extensive exchange of concert material between CBC Radio Two and La Chaîne culturelle.

Data bases of bilingual producers and journalists have been prepared, and staff exchanges have been initiated between English and French Radio.

Showcasing Canadian Talent

The commissioning, presentation, production and broadcast of original performance programming is a key element in the mandate of English Radio, and a key aspect of its distinctiveness from other Canadian radio broadcasters. At the present time, a total of 60 hours a week of original performance programming

is broadcast on English Radio: 13 hours on Radio One, and 37 hours on Radio Two. Regional performance programs are produced in multiple locations, contributing another 10 hours per week.

Last year, English Radio presented approximately

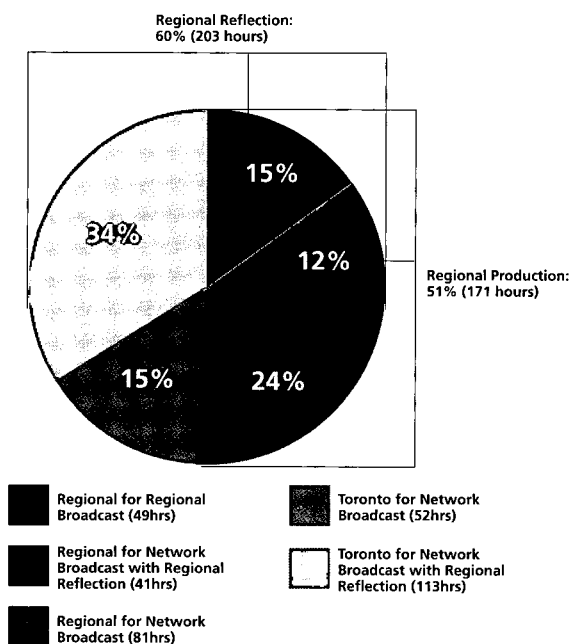
80 orchestral broadcasts. In addition, we presented some 120 chamber music concerts. Canadian choirs are also heard regularly on English Radio, and six productions by Canadian opera companies were presented last season.

Schedule Breakdown by Program Types

CBC Radio One	%
News	27
Regional Programs	27
Current Affairs/Features	21
Music/Arts	14
Spoken Word Performance	11
CBC Radio Two	%
Music/Arts	90
News	8
Regional Programs	1
Spoken Word Performance	1

Note: Based on a typical week of 168 hours, 1998-1999 season.

CBC Radio One and Two: Regional Reflection & Production



Note: Total of Regional Reflection and/or Production is 284 hours (85%)
Source: CBC English Radio full week schedule analysis.

CBC English Radio is the only significant producer and supporter of radio drama and other spoken word performing arts on Canadian radio. In 1998-99, English Radio presented close to a hundred original radio drama episodes, most of them by Canadian writers, and all of them with Canadian casts. English Radio also continued its fruitful partnerships with the Stratford and Shaw Festivals to present semi-staged performances and readings for public performance and broadcast. Another partnership with public radio broadcasters around the world provided the opportunity for Canadian authors and actors to be heard by a worldwide audience of some seventy million people.

In order to continue discovering and developing future generations of Canadian talent, English Radio and its partners mount four regular talent competitions. Literally thousands of Canadian artists participate in these competitions each year. The competitions are:

- *National Competition for Young Performers;*
- *National Competition for Young Composers;*
- *National Competition for Amateur Choirs;*
- *The Canadian Literary Awards.*

Network programs like *The Arts Report*, *The Arts Today*, *Writers and Company*, *Take Five*, *In Performance* and *Definitely Not The Opera* regularly interview, preview, review, profile and discuss the work of Canadian artists in all genres. Regional weekday and weekend programs do the same for artistic activity in their individual parts of the country.

Audience Shares of CBC English Radio

	Fall 1994 %	Fall 1995 %	Fall 1996 %	Fall 1997 %	Fall 1998 %
Radio One	7.5	7.8	8.0	7.7	7.7
Radio Two	3.3	3.3	2.9	3.0	3.3
Radio One and Radio Two	10.8	11.1	10.9	10.7	11.0

Note: Based on Anglophone listening in areas serviced by a CBC station.

Source: CBC Research (BBM)

Audiences

For the past five years CBC Radio's share of listening has been remarkably stable.

The fall 1998 BBM ratings showed the combined share of listening to Radio One and Radio Two was up 0.3 point from the fall of 1997, at 11%.

Radio One captured a 7.7% share of the anglophone audience aged 12 plus, while Radio Two obtained a 3.3% share.

Meanwhile, the reach of the services – the total number of people who listen over the course of a week – has risen to 3.7 million Canadians, a record high.

Strategic Directions

English Radio has identified two key objectives in the coming year. First, English Radio has set targets to attract larger, more diverse and representative audiences to Radio One and Radio Two. Secondly, English Radio hopes to secure a licence for a third national network. Radio Three will serve young Canadian listeners who are currently underserved by public broadcasting in this country.

French Radio

The year 1998-1999 was a turning point for French Radio. This was the year it went from managing downsizing to managing development.

New services such as InfoPlus, Micro Radio, Radio 16 and the opening of the Radioboutique helped make French Radio more dynamic and more visible, consolidated the leadership of public radio as a producer of content and extended its coverage.

In 1998, the applications for digital radio licences were approved by the CRTC, and the stations in Toronto and Vancouver began digital broadcasting in November. They will be followed very shortly by Montreal, where a training centre now affords production and technical employees an opportunity to try out complementary applications.

Schedule Changes and Specials

Some new shows were aired this year on the Première Chaîne:

- *Beau comme le monde*, with Ariane Émond, a program from Toronto on which Canadians from across the country tell their stories;
- *Un p'tit air de samedi soir*, hosted by Chantal Jolis and featuring performers and writer-composers;
- *Y en aura pas de facile*, the daily sports news, with delivery and comments by Jean-François Doré;
- *Le Monde aujourd'hui*, a major review of the daily news with Michel Lacombe;
- *Ce soir aux refrains*, tributes to the great singing names no longer with us, hosted by Monique Giroux.

Since the beginning of 1999, *C'est bien meilleur le matin*, the early morning show broadcast in the greater Montreal area, has gone on the air beginning at 5:15 a.m. so as to better serve an audience required to rise ever earlier in the morning on account of urban sprawl.

French Radio News and Information produced some major specials, including coverage of the Quebec provincial elections, hosted by Raymond Archambault (November 1998), the avalanche at Kangisualujuaq (January 1999) and the creation of Nunavut (March and April 1999), the last two covered by Marie-Paul Rouleau.

Programming on the Chaîne culturelle was also enhanced by some new shows:

- In music, three new daily programs: Sophie Magnan combines news and music (*Les Bonheurs de Sophie*); Georges Nicholson (*Nicholson*) offers his personal morning musical

selection; and Carole Trahan invites listeners to take a break while listening to commentaries (*Le Mitan*).

- Saturdays, Mario Gauthier presents sound and music creations on *L'espace du son*.
- In culture, *Sans frontières* presents documentaries on various areas of interest; citizens talk about their experiences on *Les Enfants du siècle*; *D'autres histoires* takes listeners back in history; and *Le Roman du Québec* traces the development of the novel in Quebec.
- Finally, thanks to a new agreement between French Radio and the Université de Montréal, *Les Figures de Proulx* offers Chaîne culturelle listeners interviews with the most prestigious lecturers in the programme known as *Les Belles Soirées* at the faculty of continuing education of the Université de Montréal.

Schedule Breakdown by Program Type

Première Chaîne	%
Music	30
Regional Programs	22.5
Spirituality, Reflection, Science, Economy, Youth	16
Current and Public Affairs	14.5
Culture and Society	13.5
Sports	3.5
Chaîne culturelle	%
Music	80
Culture	15
Literature, Theatre, History, Cinema	3
News	2

Note: Based on a typical week of 168 hours, fall 1998.

Reflecting the Regions and the Francophone World

In addition to numerous specials, the two networks once again this year broadcast regular programs from French Radio's 16 regional stations, for instance:

- from Moncton: *Bande à part*;
- from Chicoutimi: *La couleur de l'été*;
- from Quebec City: *Les Bonheurs de Sophie*, *De Limoilou à Tombouctou*, *D'un soleil à l'autre* and *Nuits blanches*;
- from Ottawa: *Les Petits Matins*, *Tournée d'Amérique* and *Concert aux Beaux-Arts*;
- from Toronto: *Beau comme le monde*;
- from Windsor: *Au détroit de la nuit*;
- from Winnipeg: *Anglosong*;
- from Vancouver: *Le Monde à l'envers*, *Néo géo*, *Ici Vancouver* and *Silence... on jazz!*

Some 15 new programs strengthened our ties with the country's various communities: new morning shows in Chicoutimi, Rimouski, Ottawa and Toronto; a weekly public affairs magazine in Ottawa on Sundays; a daily service program in Edmonton; an afternoon program with interregional content produced in Winnipeg in cooperation with the other western stations.

Cross-cultural Programming

An ever-increasing share of the schedule is dedicated to cross-cultural programming. Here are some examples:

- every Saturday evening, CKSB in Winnipeg presents *Anglosong* on the Première Chaîne. Hosted by Suzanne Kennelly, this program takes a look at anglophone musical culture for francophone listeners;

- *De bouche à oreille*, from CBSI/Côte-Nord, offers a monthly feature on Innu traditions;
- CBKF-Regina presented traditional holiday songs in six languages (French, English, Cree, Ukrainian, German and Italian);
- as it does every year, CJBC in Toronto adapted some 40 concerts taped by the CBC in Toronto and elsewhere in the country for airing on the Chaîne culturelle.

Arts, Culture and New Talent

Several programs on both the Première Chaîne and the Chaîne culturelle offer prime showcases for young Canadian artists. Among the most outstanding were the live coverage of the Festival international de la chanson de Granby and the competition *Ma première Place des Arts*. On Sundays, the program *Jeunes artistes* receives some very young musicians from across Canada, and *Bande à part* spotlights avant-garde musicians.

French Radio's presence also lends visibility to numerous cultural events. To name a few: the Festival d'été in Quebec City, the FrancoFolies in Montreal, the Gala de la chanson in Caraquet, the Festival en chanson de Petite-Vallée, the Concours Ontario Pop, the Festival d'été francophone in Vancouver, and the song galas in Manitoba and Saskatchewan.

Finally, *Info-culture* (on both networks) and *Midi-culture* (on the Chaîne culturelle) devote close to two hours weekly on the presentation of national cultural coverage.



Monique Giroux
Ce soir aux refrains
Première Chaîne



Georges Nicholson
Nicholson
Chaîne culturelle



Marie-Paul Rouleau
Service d'information



Marie-Hélène Poirier
Tournée d'Amérique
Première Chaîne



Mario Proulx
Les Figures de Proulx
Chaîne culturelle



Suzanne Kennelly
Anglosong
Première Chaîne

New Partnerships

French Radio has corporate, cultural and institutional partnerships with over 100 organizations and undertakings. These include:

- under a partnership established with a Montreal bookstore, French Radio inaugurated Radioboutique in September, 1998. This new space for distributing CBC products offers a selection of CDs and books derived from CBC French Radio programs. The partners in this project are the Librairie Champigny, Datrox, Fillion Électronique and Design Emphasis;
- an agreement concluded with the national network of the Alliance des radios communautaires du Canada enables public radio to offer Canadians international, national and regional news, in addition to a bank of programs and features produced by both networks;
- with its service known as InfoPlus, the CBC contributes its journalistic resources and has concluded an agreement with Radio Classique Montréal for a daily feed of short newscasts.

Audiences

The fall 1998 BBM surveys indicate that, overall, French Radio draws 8.5% of the francophone audience. The Première Chaîne attracts 6.3% and the Chaîne culturelle 2.2%.

CBC French Radio Audience Share

	Spring 1996 %	Fall 1996 %	Spring 1997 %	Fall 1997 %	Spring 1998 %	Fall 1998 %
Première						
Chaîne	6.2	6.0	6.6	7.1	7.8	6.3
Chaîne culturelle	2.6	2.5	3.1	2.9	3.0	2.2
Combined	8.8	8.5	9.7	10.0	10.8	8.5

Note: Data based on francophone listening in areas served by a CBC station.

Source: CBC Research (BBM)

Strategic Directions

The radio market was somewhat shaken in the fall of 1998 when the first private classical radio station went on the air in Montreal. According to the fall 1998 BBM survey, it garnered a 7% audience share in the Greater Montreal area. The Chaîne culturelle was the network affected most by this upheaval in the radio world.

The Chaîne culturelle will not alter its mandate in any way, but will adjust its schedules so as to recover its audience in the light of new listening habits.

In order to consolidate its position, French Radio has adopted the following action plans:

- on the Première Chaîne, ongoing updates of program content will emphasize the general-interest, decentralized nature of this network. News and Information will place greater emphasis on analysis and production of major documentaries;
- on the Chaîne culturelle, the new schedule will offer greater musical variety, with emphasis on Canadian artistic talent. Refined cultural program spaces will create an exclusive forum for debate, reflection and creation;
- with InfoPlus, the production volume of newscasts for private and community radio stations will be doubled;
- with Micro Radio, at least 400 program hours aimed at young francophones, especially those outside Quebec, will be produced;
- and, if our licence application is successful, the first InfoRadio network programs will be available on the Montreal and Moncton markets in 1999.

English Television

For English Television, the foundation of our distinctiveness is Canadianization. The real success story this season lies in the daytime schedule. With the replacement of most U.S. programming in the afternoon, Canadian programs now represent 81% of the hours in English Television's broadcast day. This represents a substantial increase from 72% for the 1997-1998 season. In the 1998-1999 season to January 31st, 87% of English Television's prime time schedule was Canadian – greatly exceeding CRTC expectations.

The early weekday CBC *Playground* block for children was expanded with the addition of *Rolie Polie Olie* and *Noddy*. The *Get Set for Life* project was also launched this year. English Television also broadcast vignettes with information about the social, emotional and intellectual development of the child, as told through the *Zap Family*. Off-air, English Television has partnered with public and private sector organizations to provide related outreach materials.

Road to Avonlea was paired with *Street Cents* and *Jonovision* to create a block of quality youth and family programming.

News and Current Affairs Programming

CBC News has earned the trust and loyalty of Canadians. Surveys continue to confirm that Canadians believe CBC has the best national news, and it continues to be seen as the leader in current affairs by a margin of almost two-to-one.

In 1998-1999, English Television produced several major news specials in cooperation with its colleagues in English Radio and French Radio and Television:

- the Federal Budget;
- Nelson Mandela's visit;
- the Quebec Election.

Entertainment Programming

This year, English Television is proud of several new Canadian hit series. *DaVinci's Inquest* is a gritty drama about a hard-living Vancouver coroner. The series *Nothing Too Good for a Cowboy* follows the life of a rich city girl who rebels by running away with her cowboy-husband. *Pit Pony* tells the stories of a boy living a hard life in the coal mining community of turn-of-the-century Cape Breton.

CBC English Television continued to take risks in the 1998-1999 season, to broadcast the kinds of series the private sector cannot or will not deliver:

- *Made in Canada* was a spin-off series with Rick Mercer of *This Hour Has 22 Minutes* as a cynical, womanizing TV executive;
- *Foolish Heart* was another creation of Ken Finkleman, focusing on love and relationships;
- Peter Gzowski returned for a second season of conversations with great Canadians.

Canadian Movies and Mini-Series

Some of the Canadian movies and mini-series we featured this year included:

- *Big Bear* – A two-part saga on the struggle of the Cree as the Canadian government began seizing ownership of their land. *Big Bear* was also adapted for the vision-impaired in the Toronto area. It will be translated for CBC's French Television;
- *At the End of the Day: The Sue Rodriguez Story* – A wrenching true-life drama about a patient's legal battle for the right to die;



Yannick Bisson
Nothing Too Good for a Cowboy



Gordon Tootoosis
Big Bear



Mary Walsh, Greg Thomey,
Cathy Jones, Rick Mercer
This Hour Has 22 Minutes



Wayne Rostad
On The Road Again



Gwyneth Walsh,
Nicholas Campbell
DaVinci's Inquest



Linden MacIntyre, Francine
Pelletier, Victor Malarek
the fifth estate

- *Win, Again!* – A Gordon Pinsent tale of a man who returns home after a long absence;
- *In the Blue Ground* – the long-awaited *North of 60* movie.

World Class Sports Programming

In spring 1998, the International Olympic Committee awarded CBC, in partnership with TSN/RDS, the contract for the next five Olympic Games through to 2008. The quality of our coverage – not the size of our bid – was pivotal in the IOC's decision.

In September 1998, CBC broadcast the Commonwealth Games in Malaysia. Its crew provided 35 hours of prime time television.

Network Production in the Regions

During prime time in the 1998-1999 season, the Network aired several entertainment series and specials produced in the regions. These included *Black Harbour* from Nova Scotia, *Dooley Gardens* from Newfoundland, *DaVinci's Inquest* from Vancouver and *Pit Pony* from Cape Breton. As well, three of the weekly comedy series this season came from Halifax: *The Bette Show*, *This Hour Has 22 Minutes* and *Made in Canada*. *Just for Laughs* came from Montreal.

Eight regularly scheduled daytime programs originated from the regions this season including *Spilled Milk*, *The Urban Peasant*, *Canadian Gardener* and *Alive!*, all from Vancouver. *Travels with Mom*, *Cottage Country* and the *Great Canadian Food Show* came from Ottawa. The local Toronto station has supported *Moving On*. *Street Cents* was produced in Halifax.

Some Network series that were produced in the regions with a

regional focus include *On the Road Again* – an Ottawa production which introduced us to ordinary Canadians who do extraordinary things, *Country Canada* – from Winnipeg celebrated its 45th year this season – the oldest current affairs program in the country! The Maritimes and Newfoundland continued to produce the series *Land and Sea* for their regions and the Network.

Many movies of the week and music specials such as the annual *Huron Carol* also originated from the regions.

English Television's regional journalists told the stories of their communities through Network news and current affairs programs. The Network has maintained a special regional fund to help produce material for national shows like *Market Place* and *Venture*.

Regional News and Information

English Television is rooted in its 17 owned and operated regional stations. And at the core of those regional roots is the supper-hour newscast. Almost all of English Television's regional supper-hours have been re-designed and re-launched delivering a solid news package, analysis of the top story of the day, commentary and satire. In both content and format, CBC's regional news programs are distinctive from anything else available in their communities.

English Television is particularly proud that resources were redirected this season to CBRT, to provide Southern Albertans with a full hour of daily supertime news originating from Calgary for the first time since 1990.

The Manitoba supper-hour, *24 Hours*, had a new look this season. When the station officially opened its new plant on September 21st,

1998, the show unveiled a set shot against the backdrop of the new revitalized core of Winnipeg, reinforcing the CBC's place in the heart of the community.

Reflecting Canada's Changing Demographics

English Television continues to reflect the multicultural diversity of Canada.

DaVinci's Inquest mirrors the diversity of Vancouver with actors of Asian and East Indian origin. Prominent roles in *Riverdale* are filled by black actors.

Network News and Current Affairs has assigned a two-person team to update and broaden our data base of resource people. Ultimately it will ensure that all journalists and programmers in the English Television system will have access to a diverse range of contacts. The project was launched in 1998 and is expected to take several years to complete.

Most of CBC English Television's regional supper-hours newscasts have hired reporters and anchors from prominent ethnic groups in their communities. The Toronto supper-hour has a number of staff of Asian and African origin, including the anchor, Suhana Meharchand. The Saskatchewan supper-hour has an aboriginal co-anchor. The newsrooms in British Columbia, Alberta, Saskatchewan and the Maritimes began internship programs last year, proactively seeking recruits from prominent minorities. And CBC Manitoba, the Red River College and the Canadian Council for Aboriginal Business jointly sponsor interns.

Each year, English Television celebrates the accomplishments of First Nations people by broadcasting *The National Aboriginal Achievement Awards*. A full range of artists

appears on the program, from Susan Aglukark to Inuit dance troupes to Kashtin to guitarist Don Ross.

The Annual CBC *True North* Concert was produced in Whitehorse in 1998 and hosted by Tina Keeper, the well-known star of *North of 60*. The concert marked the centenary of the Yukon Territory and the Klondike Gold Rush. The concert showcased aboriginal artists such as Jerry Alfred and the Medicine Beat, the Tagish and Gwichin Nation Dancers, Tom Jackson, Joshua Iserhoff, poet Louise Profeit-Leblanc and the Inuit duo Tudjaat.

Showcasing Canadian Talent

CBC English Television continues to showcase established and up-and-coming Canadian artists, and has a blended strategy designed to meet the demands of audiences. There are five streams:

- arts performance specials – *Where the River Meets the Sea* (a one hour variety special featuring New Brunswick artists), *Wingfield Farm* (a six-episode series based on a one-man stage play), *The Joni Mitchell Special* (Canada's Queen of folk/rock in concert), *Karen Kain: Dancing in the Moment* (a celebration of Canada's beloved Prima Ballerina), *The Tale of Teeka* (a drama about a man seeking to come to grips with his past) and *Frank Augustyn: Personal Essay* (a one hour tribute to Canada's most celebrated male ballet dancer);

- regular or semi-regular programs on the arts which are either journalistic in nature, or which featured performance components – *On the Arts* (weekly arts program); *Something Special* (the successor to *Adrienne Clarkson Presents*, which in the 1998-1999 season looked at Canadian writers making names for themselves in France), *The Operatic World of Robert Carsen*, *Artists for Human Rights* and internationally acclaimed architect Frank Gehry;
- special arts documentaries – Christopher Plummer, Roger Ing (a Saskatchewan artist), and on *Life & Times*: Pierre Berton, Guy Lombardo, Mary Pickford, Lorne Greene and Liona Boyd;
- award shows, such as The Governor General's Performing Arts Awards, The Gemini Awards, The Juno Awards, The Genie Awards, The East Coast Music Awards, The West Coast Music Awards and The St. John's Arts Awards;
- arts vignettes – *True North Portraits* profile established and up-and-coming Northern musicians; *Arts Spots*, which pepper the programming day in the Maritimes, showcase Maritime visual artists.

Programming Partnerships

In adapting to a new environment, English Television is forging more alliances with the private sector and with foreign partners. In 1998-1999, approximately 60% of English Television's production was secured from the independent production community.

- After several years of providing prime time program contributions to Television Northern Canada (TVNC), the CBC is now supporting the new Aboriginal People's Television Network (APTN) to be launched the fall of 1999.
- In 1998-1999, *The Huron Carol* was co-produced with the specialty channel Country Music Television and the independent production company Tomali Pictures.
- CBC's bid for the Olympics was conducted jointly with Netstar Communications (TSN/RDS).
- The *Get Set For Life* campaign which combines on-air messages about family and parenting with supporting material, is a partnership between CBC/Radio-Canada and private and public sector groups.
- *Street Cents* is a great partnership that includes several government agencies, businesses and foundations. English Television (Toronto and Halifax), the Government of Canada's Youth Employment Strategy, the Department of Foreign Affairs and International Trade, the Government of Nova Scotia, Industry Canada, the Canadian Bankers Association, Investors Group, the Insurance Institute of Canada, Canada Savings Bonds, the Movement for Canadian Literacy, Air Canada and Air Nova are partners in the project. The John Dobson and the J.W. McConnell family foundations are also partners in *Street Cents*.

Audiences

As of January 31, 1998, all private conventional station groups had registered prime time share declines. The prime time shares of Baton, WIC and Global dropped 0.4, 0.2 and 1.4 share points respectively. English Television's share declined similarly by 0.4 share points to 9.4%.

Despite the increased fragmentation, English Television has maintained its share of audience for Canadian programs in the past three years.

Nielsen Media Research and CBC Audience research have confirmed that:

- English Television's Canadianization strategy has been an audience success by both qualitative and quantitative measures;
- English Television provides 42% of the audience to Canadian programs in prime time;
- Canadian TV programs matter to Canadians;
- satisfaction with CBC TV remains high; and
- English Television is viewed as providing the best Canadian programs with the most believable news.

Prime Time Audience Shares

All English Services

Regular season to end of January, 7 – 11 p.m. (%)

	1997-1998	1998-1999
CBC English Television	9.8	9.4
Other non-pay Canadian	43.0	40.3
Pay/Specialty*	26.6	31.1
U.S.	20.6	19.2

* Including CBC Newsworld

Source: CBC Research (Nielsen Media Research)

Top Canadian Series on CBC English Television

Regular season to mid-February 1999

	Average Audience (000)
Royal Canadian Air Farce (originals)	1,355
This Hour Has 22 Minutes (originals)	1,107
Halifax Comedy Fest	962
Wind at My Back	936
Red Green Show	831
DaVinci's Inquest	802
Made in Canada	713
This Hour Has 22 Minutes (repeats)	710
Emily of New Moon	710
Sketchcom	588

Source: CBC Research (Nielsen Media Research)

French Television

In 1998-1999, French Television's mission was mostly focused on four priority areas: quality drama, news and information, culture and youth programs.

Drama

Several new drama series were added to the program schedule:

- *Le Polock*, the story of a Polish immigrant torn between his family and the dreams he left behind, and the new family he has created in a country where he remains a stranger;
- *Omertà III : Le dernier des hommes d'honneur*, a series on the world of the Italian Mafia, winner of the Géméaux award for best drama series of 1998;
- *Réseaux*, by author Réjean Tremblay, a series based on the world of television;
- *Caserne 24*, which tells the daily story of a team of firefighters;
- *Radio*, a work by a new author, who sets the action in the competitive universe of private radio in a large city.

Among renewed series were:

- *Virginie*, a television serial aired four times a week, reaching an average audience of over one million viewers;
- *4 et demi...*, a television serial about young, urban people, enjoying increasing popularity this year, which won the 1998 Géméaux award for best television serial production;
- *Un gars, une fille* won the Géméaux for best comedy series in 1998; its audience also increased in 1998-1999.

News and Information

- *Le Téléjournal* and *Le Point* were combined to make a single program anchored by the same host;
- a documentary section was created in order to take a more in-depth journalistic approach and to diversify the selection with contributions by independent producers from across the country, both francophone and anglophone;
- a new program, *Zone Libre*, enabled French Television to renew its tradition of feature reports on national and international news;
- throughout the year, a specials unit delivered consistent coverage, while managing major productions such as elections, provincial and federal budgets, speeches from the Throne and all big events occurring at home and abroad. Some of the outstanding specials were: coverage of the Swissair flight 111 crash in September 1998; Nelson Mandela's visit to Canada on September 25, 1998; and the events leading up to the official creation of Nunavut in March 1999;
- a new correspondent's position was created in French-speaking Africa, in Abidjan, Ivory Coast;
- teams of correspondents outside Quebec were consolidated so as to ensure the best possible coverage of all regions on the French network.

With *Découverte*, *La Facture*, *Zone Libre* and *Enjeux*, CBC French Television offered, during its regular season, three hours and a half of public affairs programming in the evening, in addition to *Le Point*.



Élyse Marquis,
Rafal Walentowicz
Le Polock



Romano Orzari
**Omertà III : Le dernier
des hommes d'honneur**



Jean-François Lépine
Zone libre



Charles Tisseyre
Découverte



Louise Marleau,
Andrée Lachapelle
Le Pays dans la gorge



Elisha Cuthbert,
Jay Baruchel, Charles Powell
Super Mécanic

Culture

- *Les Beaux Dimanches* continued to provide a showcase for some outstanding productions, a reflection of our cultural and artistic vitality:
 - portraits of artists: *Raymond Lévesque – D'amour et d'amertume*, *Marc-André Hamelin* and *Joyeux anniversaire Soll!*;
 - theatre: *L'École des femmes*, a classic by Molière; *Le Pays dans la gorge*, inspired by the life of the famous opera singer Emma Albani; *ZaZa d'abord*, one of the greatest hits of Quebec summer theatre;
 - music and dance performances: *La Nuit du déluge*, starring the dancers from O Vertigo, *Violon magique*, based on concertos by Vivaldi, and *Le Songe du collectionneur de gammes*, inspired by the works of Béla Bartók;
 - arts and culture documentaries: *Le Mystère des voix québécoises*, *Le Phénomène Hip Hop* and *Les 50 ans du Refus Global*;
 - galas in praise of excellence in all areas: *Gala des Prix Gémeaux* (television), *Vingtième Gala de l'ADISQ* (pop music and comedy – hosted by Céline Dion), *Prix du Gouverneur général pour les arts de la scène 1998* and *La Soirée des Masques* (theatre);
 - quality, commercial-free movies: *Le Polygraphe*, by Robert Lepage, *Erreur sur la personne*, by Gilles Noël, and *Nelly et Monsieur Arnaud*, by Claude Sautet;

- the Friday edition of *Le Point* presented new trends and major cultural movements;
- *La Vie d'artiste* gave the floor to creators and performers;
- the variety show *La Fureur*, featuring songs from home and abroad, was a big audience success.

With the broadcast, beginning in January 1999, of *Christiane Charette en direct*, French Television dedicated, on a weekly basis, three hours and a half in the evening to arts and culture.

Youth

In youth programs, nearly half the regular-season programs were new, and more than half of them were Canadian productions.

They included:

- *À la poursuite de Carmen Sandiego* offered a history quiz for young people aged 9 to 12;
- *Les Débrouillards*, a science magazine for 9 to 12-year-olds;
- *Super Mécanix*, a series designed to explain, from a young person's point of view, how everything around them works;
- *Change d'air!*, a magazine dealing with topics that excite and entertain young people between the ages of 11 and 17, hosted by the dynamic Patricia Paquin.

Among the series that returned to the air this year with new episodes were:

- *Les Aventures de la courte échelle*, a television adaptation of novels published by Éditions de la Courte échelle;
- *La Boîte à lunch*, for preschoolers. Julie-Pier, aged five, shared new songs, travel tales, health menus and games with her audience.

This program won the prestigious International Youth Award in Munich;

- *Bouledogue Bazar*, kept children ages 2 to 11 company right through Saturday morning and part of Sunday, between cartoons. This program remains the most popular show in this time slot, in spite of competition from the two specialty youth channels (Canal Famille and Teletoon).

Canadian Content

French Television succeeded in reaching a peak 94% of Canadian content in the fall of 1998 during prime time. In the regular season, Canadian content was kept at an average of 86%.

During the regular 1998-1999 season, French Television met its objective of offering a Canadian schedule every night of the week by filling the Friday evening slot (devoted to movies in 1997) with Canadian productions.

Regional Reflection

In 1998-1999, all French Television regional stations continued to produce *Ce Soir*, the regional news program. *Ce Soir Atlantique* was nominated for a 1998 Prix Gémeaux.

The regional stations continued to develop community programming, occasionally in cooperation with regional independent producers, tailored to meet the needs of regional audiences. These programs included:

In the West:

- French Television in British Columbia aired *Télédictée*, a program taped before an audience as part of the Semaine nationale de la francophonie in British Columbia;

- the stations in Saskatchewan and Alberta aired the Saskatchewan production *Sur la même longueur d'onde*, a 13-part series featuring encounters with francophone figures from Saskatchewan and Alberta;
- French Television in Manitoba aired *Étienne Gaboury, architecte*, an independent production;
- the four stations in the West aired *La Chant'ouest*, highlights of the Gala de la chanson de l'Ouest. The four stations also continued to coproduce and air *Clan Destin*, a program about young francophones' concerns in Western Canada.

In Ontario:

- the noon-hour regional news program, *Le Midi*, was expanded from 15 to 30 minutes;
- Ontario/Outaouais broadcast *Mots d'ici*, an independent production marking the fifth anniversary of the publishing house Vents d'Ouest.

In Quebec:

- the Quebec City station aired several productions by independent producers in the region: *Gueule de star*; *Opération : vacances*; *Bouffe au Jardin*; *Cataraqui*, *Rivières*; *Le Feu sacré*; etc.

In the Atlantic Provinces:

- French Television in the Atlantic provinces aired *Musikotrip*, an interactive multimedia program featuring young stage performers, earned a special award from The Alliance for Children and Television for the second year in a row.

Prime Time Television Audience Shares

Among Francophones, 7 – 11 p.m. September 1998 to end of March 1999 (%)

	1997-1998	1998-1999
Radio-Canada	26.1	25.4
Other French non-pay	41.6	44.5
French pay/specialty*	10.5	11.3
English Services	19.6	16.9
Other	2.2	1.9

* Includes RDI

Source: CBC Research (Nielsen Media Research)

Top Canadian Programs on CBC French Television

September 1998 to end of March 1999

	Average Audience (000)
1- La Petite Vie (originals)	3,079
La Petite Vie (repeats)	1,876
2- Bye Bye 98*	2,423
3- Gala de l'ADISQ*	2,028
4- Spécial - Un gars, une fille*	1,785
5- 4 et demi...	1,778
6- Omertà III : Le dernier des hommes d'honneur	1,658
7- Un gars, une fille	1,481
8- Gala des Géméaux*	1,336
9- La soirée de la rentrée*	1,237
10-Bouscotte	1,178

* Single program or special

Source: CBC Research (Nielsen Media Research)

To ensure a reflection of the country as a whole on the network, each station has its team of journalists dedicated entirely to the production of reports for network programs. Their coverage is seen on *Le Téléjournal/Le Point*, *Matin express*, *Enjeux*, *Zone libre*, *La Facture* and *Découverte*. Furthermore, *Second regard* and *La Semaine verte*, which consist of regional reports, are produced by the Quebec City station.

The network broadcast two series by a producer from the National Capital Region: *Chez nous*, a magazine featuring tourist sites and interesting figures from across the country, and *Vie de Chalet*, a magazine show on cottage life.

About half of *Le Jour du Seigneur* programs are produced by regional stations.

Special programs demonstrating the vitality of francophone culture outside Quebec were also aired: *L'Acadie en fête*, the show held for the Fête nationale des Acadiens, and the *Festival franco-ontarien*.

Saskatchewan continued to produce *L'Accent francophone*, the weekly magazine show of francophone communities outside Quebec, in coproduction with the other stations.

Reflecting Changing Canadian Demographics

On air, the greatest progress in portraying visible minorities was seen mainly in drama and youth programs.

Some of the drama programs featuring characters from cultural communities: *Virginie, 4 et demi...*, *Caserne 24*, *Watatatow* and *Omertà III : Le dernier des hommes d'honneur*.

Partnerships

Besides sharing costs and financial risks, partnerships enable French Television to have access to a larger pool of creators and to open up its schedule to a broad range of points of view, experiences and forms of expression.

Canadian independent producers are special partners. In 1998-1999, 52% of entertainment programs aired during prime time originated from independent producers.

In 1998, a new agreement was signed with the PBS network to acquire international documentaries.

Several partnership agreements were concluded as part of French Television specialty channel applications to the CRTC in 1998:

- La Sept ARTE, the Franco-German cultural network, for the Réseau des arts;
- The National Film Board (NFB) for the Réseau de l'histoire;
- Bell Satellite for these two projects and for the Réseau de l'économie;
- TVA for Télé classique.

Audiences

Last year, CBC French Television's audience share dropped 1.7 point for the day as a whole. In the evening, it more or less maintained its audience share, losing only 0.6 point over 1997-1998.



CBC Newsworld

CBC Newsworld celebrated its tenth season by revitalizing existing shows and launching new programs and partnerships. Newsworld has re-emphasized news and live coverage, while continuing to provide a broad and innovative range of high-quality, original Canadian programs.

As a public resource, Newsworld's objective is to serve all Canadians. It provides a full range of formats that go beyond the headlines with context, debate and documentary. And it reflects the reality of different regions to a national audience.

Live Coverage

Nothing can be more important to a news network, nothing more basic, nothing that serves better as a *raison d'être*, than getting news to viewers as quickly as possible, sometimes even as it happens.

In 1998-1999, CBC Newsworld provided extensive live coverage of Nelson Mandela's visit to Canada, the election of Lucien Bouchard, the declaration of Nunavut, John Glenn's return to space and, because the all-powerful American presidency was in such peril, the Lewinsky saga.

Our Halifax-based unit was pivotal in providing live coverage of the events surrounding the crash of Swissair Flight 111 in September 1998. That coverage was beamed around the world, to critical acclaim, on CNN International and BBC World News. Newsworld's coverage of the memorial in honour of the victims of the Flight 111 disaster received high praise in the Canadian media. Some print media called it a "shining hour." As one Halifax columnist observed, "Newsworld delivered the story with sensitivity and understanding of the emotional nature of the occasion and with technical excellence."

New and Returning Programs

One of the most exciting new programs introduced during the 1998-1999 season is *Culture Shock*, or in French, *Culture-Choc*. The show's youthful video journalists explored the apolitical similarities and differences between franco-phone and anglophone Canada. *Culture Shock* is a co-production between Newsworld and RDI. It was simulcast weekly on both networks.

In September 1998, CBC Newsworld lifted the curtain on a new CBC Morning. The program is co-hosted from Toronto with Nancy Wilson, and from Halifax with Norma Lee MacLeod.

Moral Divide is a weekly window on the religious, spiritual and ethical issues that lie behind the stories covered by Newsworld. The program originates from CBC Calgary.

Straight from the Hip is hosted by Judy Rebick; one of Canada's premier social activists and journalists. It is a weekly half-hour gathering of women who debate provocative news stories, social issues, and cultural matters.

One of the most popular returning shows is *Rough Cuts*, which continues to present a wide variety of point-of-view documentaries by Canadian producers. Topics range from "Life in Moose Jaw" to an entertaining primer on black women's hair, to the personal odysseys of two different filmmakers as they explored a sense of self amongst First Nations tribes on the Pacific coast.

Newsworld has also maintained its excellent business coverage this season.



Alexandre Trudeau, Holly Gillanders, Stéphanie Allaire, Robin McKenna, Nicolas Desrosiers, Simon Barrette, Gregory Charles
Culture Shock



Norma Lee MacLeod
CBC Morning



Anne Petrie
Moral Divide



Judy Rebick
Straight from the Hip



Ann Medina
Rough Cuts



Alison Smith
Newsworld Reports

Partnerships

In its strategic plan, *Our Commitment to Canadians*, CBC indicated its intention to forge more alliances with the private sector and with foreign partners. Newsworld considers itself at the forefront of a "documentary renaissance" in Canada by building partnerships and increasing its cooperation with independent producers. For example:

- about 35% of Newsworld's weekday peak viewing time is filled by independent productions from such companies as the Current Affairs Group (*Pamela Wallin*); Face Off Inc. (*CounterSpin*); and Salter Street Films (*The Canadian Investor*);
- many independent producers supply documentaries for *Rough Cuts* and *The Passionate Eye*;
- Newsworld has proposed an increase of \$600,000 in its current annual documentary investment over the next licence term;
- Newsworld, RDI and CBC's French Television have jointly commissioned the highly-stylized documentaries, *QuebeCanada Complex* and *House of Dreams*;
- *Moral Divide* is a collaboration with Vision TV;
- Newsworld is a founding partner of *Cable in the Classroom* and works with the Canadian cable industry to deliver more than 50 hours a year of original, commercial-free programming for schools.

Distribution and Audiences

CBC Newsworld is now watched by almost 7 million Canadians a week. It is available in 8 million households, which is more than any other Canadian specialty channel. Newsworld is also available on the direct-to-home (DTH) and MDS (microwave) distribution systems.

The 1998 season (broadcast year ended August 31, 1998) saw an audience share of 1.2%, down slightly from the previous year's 1.3%. As the number of television services continues to grow, continued fragmentation of audiences will affect all broadcasters.

There are now several all-news services available to large numbers of Canadian homes. In this evolving news environment, there is a real risk that the cost-efficient appeal of "sensation" will crowd out analysis, insight and a calm voice. Traffic helicopters, not field reporters, will hold sway.

As Canadians approach the new millennium, public opinion surveys indicate that Canadians want journalism that serves the public interest. Surveys indicate that anglophone viewers believe CBC English Television and Newsworld have the best national news coverage. At CBC Newsworld, we hope Canadians will continue to rely on us as their trusted guide, to break through the noise of the information age.

Le Réseau de l'information

In 1998-1999, the Réseau de l'information schedule remained more or less the same as in past years. A few new programs were added, including:

- *Matin express*, a daily morning show hosted by Michel Viens with the back-up of an experienced team, simulcast on the main network;
- *Culture-choc*, a 13-part series produced and aired jointly by RDI and CBC Newsworld. Hosted by Gregory Charles, this series consists of reports filmed across Canada by seven young bilingual reporters who try to pinpoint the cultural similarities and differences between anglophones and francophones;
- special programming to commemorate some important anniversaries, for instance, broadcast of the Canadian documentaries *Le pont de l'exil* and *Article 1* to mark the 50th anniversary of the Universal Declaration of Human Rights;
- *Vocation journaliste*, a 13-part series which, with portraits of journalists from the golden age of print journalism, revisited some historical events;
- more than 800 specials, including coverage of the report by the Commissioner of Official Languages, the crash of Swissair flight 111, announcement of the launch of an English-language daily newspaper in Canada, the historical agreement in Northern Ireland, the international conference on culture in Hull, presentation of the Canadian astronauts who will go into space, the Quebec pork producers' blockade on Highway 20 and the end of the federal-provincial finance ministers' meeting, for a total of over 500 program hours.

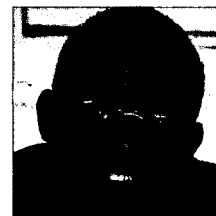
Reflection of the Regions

With its teams located in 35 cities across the country, the Réseau de l'information continued to be the reflection of the regions, presenting regional issues and stories on the air.

During 1998-1999, CBC French regional stations produced 33 % of original programs on the Réseau de l'information. In addition to the daily program packages *L'Atlantique en direct*, *Le Québec en direct*, *L'Ontario en direct* and *l'Ouest en direct*, in the evening there were the newscasts *Le Canada aujourd'hui* produced in the Atlantic Provinces, Ontario and the West, in addition to a summary of the regional *Ce soir* newscasts (*Le Journal de l'Atlantique*, *Le Journal du Pacifique*, *Le Journal du Manitoba*, *Le Journal de l'Ontario*). RDI aired over 4,000 original reports from the regions. Nearly 50% of all the material aired on newscasts assembled in Montreal originated in the regions, and 27% of this content came from regions outside Quebec.

Audiences

Specialty networks have multiplied in recent years, creating an impact on existing networks. The Réseau de l'information managed to maintain its ratings in 1998-1999 and increase them in the case of some programs, such as *Le Journal RDI*, which has an average audience of 172,000 viewers. *Aujourd'hui*, aired Saturdays and Sundays, attracts more than 160,000 viewers, while 148,000 young people faithfully watch *Bulletin des jeunes*.



Gregory Charles
Culture-choc



Michel Viens
Matin Express



Daniel Poirier
L'Atlantique en direct



Michel Jean
Le Québec en direct



Daniel Bouchard
L'Ontario en direct



Marc-André Masson
L'Ouest en direct

Distribution

Of the 110 francophone communities outside Quebec regarded as priorities by The department of Canadian Heritage, the Réseau de l'information now reaches 74, compared to 70 last year. If, however, the population rather than the number of communities is considered, RDI is now available to 95% of all subscribers in those 110 communities. RDI has a total of 7 million subscribers, including 2 million in Quebec.

Partnerships

RDI maintains close ties with its English partner CBC Newsworld, with which it shares some resources and jointly produces programs such as *Culture-choc/Culture Shock*, and airs specials numbering close to 300 in 1998-1999. It also maintains strategic alliances and partnerships established since the early days of the network, for instance, CNN News Source, France Télévision, RFO, SSR, RTFB and Euronews.

French Specialty Television Market Shares

Among Francophones, 6 a.m. to 6 a.m.
September 1998 - March 1999 (%)

	1997-1998	1998-1999
RDI	2.4	2.5
Le Canal Nouvelles	0.4	0.7
TV5	0.8	0.8
Canal D	1.6	1.9
Canal Vie	0.7	1.0
Canal Famille	2.4	2.0
Télétoon	2.5	2.6
Réseau des sports	2.1	2.2
Musique Plus	0.5	0.6
Musimax	0.3	0.3
Météo Média	0.4	0.5

Source: CBC Research (Nielsen Media Research)

Top Specials Aired on RDI

April 1997 - December 1998

	Reach (000)
Clinton devant le Grand Jury - 1	576
Soirée des élections municipales à Montréal - 1	487
Accident d'avion à Mirabel - Vol 420 de PropAir	468
Explosion à l'Accueil Bonneau	407
Défilé de la 16 ^e Coupe du monde de Soccer	376
Coupe du monde de Soccer	376
Clinton devant le Grand Jury - 2	361
Soirée des élections municipales - 2	359
Écrasement du vol 111 de la Swissair	357
Fêtes du Canada	338

Source: CBC Research (Nielsen Media Research)

Radio Canada International

Radio Canada International has a mandate to increase awareness of Canada and acquaint the world with Canadian realities. RCI broadcasts in seven languages (English, French, Spanish, Russian, Ukrainian, Mandarin and Arabic) by shortwave, satellite and Internet (www.rcinet.ca); its programs are also retransmitted by public, private and university stations in various countries.

Fiscal year 1998-1999 got off to a good start for RCI when it received, in addition to stable funding, a budget of \$15 million over three years for the replacement and improvement of technical and production equipment. RCI has therefore begun the process of improving its transmitters in Sackville, New Brunswick; it has also gone to digital editing and airing (Dalet system) and redeveloped its Website.

Throughout the year, RCI played an active role within international organizations by taking part in meetings on various aspects of international broadcasting. RCI also organized a seminar entitled *Challenges for International Broadcasting: New Tools, New Skills, New Horizons*, which brought some 110 participants from 30 different countries to Ottawa.

Programming

In the fall, RCI launched two new morning programs aimed at Europe, the Middle East and Africa, *First Edition* and *Aux aurores boréales*.

RCI journalists and hosts covered a large number of international events that were held in Canada. They also covered trips abroad by Prime Minister Jean Chrétien and various Canadian ministers.

RCI journalists also covered other international events that occurred in various parts of the world: the conference on climatic change in Buenos Aires; the aftermath of Hurricane Mitch in Honduras and Nicaragua; and a Canada/ China business forum in Dalian and Beijing.

RCI finalized production of a second series of English lessons called *Everyday Business*; RCI also began production of French lessons, *Le Français parlé* and *Le Monde des affaires*. Each of these series consists of 40 15-minute programs.

A series of programs on Canada's Chinatowns was produced in Mandarin.

Partnerships

International broadcasters must rely increasingly on partnerships and RCI took various initiatives in this regard:

- increase in the number of programs made available to over 250 current radio partners;
- airing of two English-language programs on American public radio stations via World Radio Network;
- renewal of an agreement to air a program in Arabic on Radio Monte Carlo and an agreement for daily broadcast of the Ukrainian program on Ukrainian national radio;
- signing of agreements with Voix du Vietnam and Televisión radio, in Bucaramanga, Colombia;
- addition of some 40 new partner stations.



Raymond Desmariseau
Aux aurores boréales



Wojtek Gwiazda
First Edition



Robert E. O'Reilly,
Executive Director of RCI,
signs an agreement with
Victor Nabrusko, Vice-
President of the National
Radio of Ukraine.

Galaxie

On air as of September 1997, CBC's new continuous digital audio music service has more than 350,000 subscribers in Canada after only 18 months of operation. The bulk of subscribers currently come from direct-to-home satellite distribution: Galaxie is part of the ExpressVu basic service and is also received by three quarters of Star Choice subscribers, the CBC having finally concluded a contract with Star Choice in the summer of 1998.

A complement to traditional radio, Galaxie offers 30 continuous music channels with outstanding sound quality aired 24 hours a day, free of commercials or any spoken content. The best music programmers in Canada pool their talents to design the programming for each of Galaxie's channels.

Available by satellite, by microwave and by cable, the Galaxie signal can be received with any audio input jack on a stereo system previously hooked up to a digital decoder or on the FM band for conventional cable systems. Very soon, we will display, on television screens, data such as the title of the selection, the name of the artist and the composer and the title and reference number of the recording being heard.

Galaxie's mission is threefold: offer the Canadian public the best possible programming in each of the 30 channels currently available, to promote Canada's creators and performers and to generate new revenue for CBC's radio networks. Galaxie's financial results in 1998-1999 are according to plan.

Galaxie

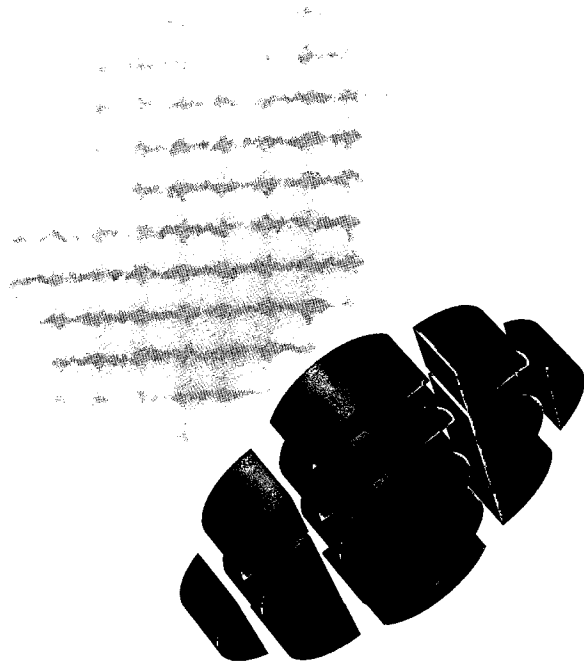
30 music channels providing the following service:

- 7 pop music channels
- 4 rock music channels
- 3 country music channels
- 5 eclectic music channels
- 5 classical music channels
- 4 jazz channels
- 2 children's music channels

To find out more:

Internet: www.galaxie.ca

Email: information@galaxie.ca



New Media

The logic behind CBC New Media makes simple business sense. A public broadcaster must be available to audiences – wherever they are, whenever they wish to be served, and in a manner that suits them best. With time and geography no longer constraints, the Internet provides Canadians and audiences throughout the world with new opportunities to see and hear CBC's television and radio productions, as well as unique new media programming.

Over the past year, *cbc.ca* and *radio-canada.ca* have made significant progress towards that goal. A unique on-line programming was launched, such as *CBC News Online* and the kids site *Fd6 (La Filière des six)*, as well as extensive updates throughout the CBC Radio and CBC Television web pages. Canadian audiences have responded positively by more than doubling traffic to our sites.

cbc.ca

CBC Radio, CBC Television, CBC Newsworld and *cbc.ca* have a lot to offer Canadians through various media. For example, the excellence of CBC Television's *Hockey Night in Canada* coverage is mirrored on *cbc.ca* by the *Hockey Night in Canada* playoffs site.

Through original programming and special coverage of Canadian and International issues, *cbc.ca* showcases its extraordinary ability to provide up-to-the-minute headlines and in-depth reviews simultaneously. Highlights in the 1998-1999 fiscal year included the coverage of elections in Quebec and in Newfoundland and Labrador; the tragic New Year's Day avalanche that buried a school in the Inuit village of Kangiqsualujjuq in Northern Quebec, the 1999 Federal Budget,

and the crisis in Kosovo.

New regional web sites with programming unique to each location were developed in co-operation with local radio and television units. The regional web developers also support national new media efforts such as *CBC News Online* by integrating regional stories and perspective.

In 1998-1999, *CBC4Kids* launched *Sounds like Fun*, a Canadian CD-Rom game for children. It was a tremendous success among Canadian families who wanted something more than the American fare. And, through the strategic partnership between *Info-culture* and *CultureNet*, *cbc.ca* is able to provide a complete and dynamic listing of cultural events across Canada. From Vancouver, to Thunder Bay to St. John's, Canadians can now log on and find out what is happening on the cultural scene around them.

radio-canada.ca

The Internet site for CBC's French services is one of Canada's busiest francophone media web sites. During the past 12 months, activity at the site totalled some 5 million hits a month. *Nouvelles*, *Jeunesse*, *Sport*, *Branché*, *Un gars, une fille*, *Bouledogue Bazar*, *Info-culture* and *Première Chaîne* live radio were among the most popular areas at the web site.

Three recently opened new sections have also proven a success: *Par 4 chemins*, based on the *Première Chaîne* radio show hosted by Jacques Languirand; *Culture-Choc*, a spinoff from the RDI program hosted by Gregory Charles; and *Fd6 (La Filière des six)*, an educational game for children involving the adventures of a group of virtual characters living only on the Web.



Canada's Online News Source

cbc.ca

CBC News Online



Fd6 (La Filière des six)



CBC Winnipeg



Par 4 chemins



Sounds like Fun (CD-ROM)



Info-culture

The *Nouvelles de Radio-Canada* site with its continuously updated reports and its Atlantic, Quebec, Ontario and Western Canada regional newscasts remains the best Canadian source of news in French on the Internet.

In 1998-1999, regional web sites in French were developed for francophones across the country. Special projects also took advantage of the Internet's potential. For example, the Quebec elections site carried not only live broadcasts of the radio and television election night coverage, but also the results from every riding. The ADISQ Gala, the Prix Gémeaux Gala and La Soirée des Masques were also webcast.

cbc.radio-canada.ca

CBC's corporate site, launched in January 1998, carries general information in French and in English about the Corporation such as news releases, speeches, policies, the Annual Report and CRTC submissions. In 1998-1999 we focused on reorganizing the information to make it easier to access by visitors.



Public Accountability

Communicating with Stakeholders

A prime objective in 1998-1999 continued to be the preservation and strengthening of community and government support for the CBC. Emphasis was placed on building coalitions around issues with key organizations. Efforts were also focussed on renewing relationships with key stakeholders, including parliamentarians, senior officials, senators and industry leaders.

Accountability Mechanisms

CBC continued to be accountable to all Canadians on how it fulfills its commitments. The Corporation reported to the Minister and Parliament through its formal annual report, to the CRTC by providing broadcast year-end reports, and to shareholders through the CBC Corporate web site and the annual on-air review.

The objective of the on-air annual review is primarily to inform Canadians on the CBC's mandate, its scope and plans, and to demonstrate how the Corporation manages, on their behalf, the public funds it receives from Parliament. The 1999 version consisted of a one-hour call-in radio component, a half-hour television program followed by a 90-minute phone-in segment on Newsworld, a 60-minute phone-in program on RDI and an Internet forum drew criticisms and questions from viewers and listeners.

Throughout the year, both the Chair and the President undertook numerous speaking engagements and participated in several panel discussions on CBC and the future of public broadcasting in Canada.

Community Relations

The Corporation opened its doors to the public in the fall of 1998. At five locations across the country, CBC offered Canadians the opportunity to visit their station and see first-hand the workings of their national public broadcaster. The events were very successful, drawing 27,000 visitors in Toronto and 12,000 in Winnipeg. Open houses held in Halifax, Ottawa and Vancouver were equally successful.

Directors and station personnel remain the Corporation's spokespersons in the regions. Through active participation in community projects and public service activities, regional stations continue to forge strong links with the communities they serve.

The Corporation's involvement at the local, regional and national levels, in cultural, artistic and sports activities as well as charitable events, helps promote a sense of public ownership.

The Ombudsman

To ensure that the highest journalistic standards are maintained and that CBC viewers and listeners are able to direct serious and unresolved complaints about CBC journalism to an impartial and independent body, the Corporation established, in 1991, the Office of the Ombudsman.

The Office is headed by two directors, one dealing with the English-language services, including Newsworld, and one dealing with the French-language services, including Le Réseau de l'information. The Office reports directly to the President, and is fully independent of the Corporation's media management.



David Bazay
Ombudsman
English Services



Marcel P  pin
(1941-1999)
Ombudsman
French Services

When a viewer files a complaint about a CBC news or current affairs program, the complainant first obtains a response from a media director. If the complainant is not satisfied with the reply, he/she may write to the Ombudsman.

In 1998-99, CBC's Office of the Ombudsman (English and French services combined) handled a total of 1,108 complaints, expressions of concern and other communications. This compares with a total of 921 received in 1997-98 and 562 received in 1996-97. There were 881 files related to English programming and 227 files related to French programming. On the English side, 462 complaints fell within the mandate of the Ombudsman (information programming); on the French side, 142 complaints fell within that mandate. Communications which did not relate directly to CBC journalistic programming were acknowledged and referred to the appropriate senior officer.

Under its broadened mandate, the Office of the Ombudsman formed five citizens advisory panels to assess the accuracy, fairness and integrity of the top radio and television news programs during the last Quebec election campaign. Their findings were submitted to the Board of Directors in a special report. On the whole, these panels praised the CBC's reporting, the abundance of the reports and the quality of the coverage. They made several recommendations on covering the issues, regional coverage, and the excessive exposure given to opinion polls.

On the English side, an additional four panels were organized to monitor regional radio and television information programming in Alberta, Saskatchewan, Ontario (Ottawa) and Nova Scotia. However, these panels had to be postponed due to the strike by CBC staff who are members of Unit 2 of the Communications, Energy and Paperworkers Union of Canada (CEP).

The Ombudsman for French-language services, Marcel Pépin, also handled a complaint from the Communications Director for the Prime Minister's Office, which was filed against the CBC and journalist Terry Milewski.

Where to write :

The Ombudsman,
English Services
Canadian Broadcasting
Corporation
P.O. Box 500, Station A
Toronto, Ontario M5W 1E6
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

National and International Awards

Again this year, CBC programs, journalists and creative personnel received numerous awards. For example:

English Television swept the honours once again with 38 Gemini Awards for its productions and coproductions. *News*, *Current Affairs* and *Newsworld* dominated the news and information categories, receiving prizes for *The National*, *Undercurrents*, the fifth estate and *On The Road Again*. In drama programs, *The Sleep Room*, *Pit Pony*, *Nights Below Station Street* and *Major Crime* were awarded prizes, as were *This Hour Has 22 Minutes*, *The New Red Green Show* and *Twitch City* in the comedy category. CBC Sports also won its share of Gemini Awards for its coverage of the Winter Olympics in Nagano. English Television received six prizes given at the Canadian Independent Film Caucus – National Documentary Film Awards (“Hot Docs”). In addition, in November 1998, the entire cast of *The Royal Canadian Air Farce* won the prestigious Governor General’s Performing Arts Award. At the AMPA Awards – Rosies, from the Alberta Motion Picture Industries Association, *North of 60* alone earned six prizes, including those given for best series, best script and best program in the festival. At the Atlantic Journalism Awards, CBC Newfoundland won two prizes, while CBC Charlottetown and CBC Halifax each earned one. In the US, at the Columbus International Film & Video Festival, which takes place annually in Ohio, a record 88 prizes were awarded to English Television productions.

French Television won 47 G  meaux awards given by the Academy of Canadian Cinema

and Television, 16 of which went to in-house productions. These included *Christiane Charette en direct*, *La Facture*, *La Vie d’artiste*, *4 et demi...*, *D  couverte* and *Charles Dutoit et Jeanne d’Arc    Tokyo*. *Le T  l  journal* was awarded a G  meaux for the best news program, as was   tat de choc for the best news special. CBC Sports also received two G  meaux awards for its coverage of the Nagano Olympics. Among the coproductions honoured by the Academy were *Omer   II : La Loi du silence*, which earned eight G  meaux, including the people’s choice award, *Sous le signe du lion*, which garnered six, *L’Ombre de l’  pervier*, five, and *Un gars, une fille*, four. Shot during the Winter Olympics in Nagano, *Harmonie*, produced by Michel F. G  linas, received four awards in Japan’s 42nd Film and Video Competition – namely the Gold, the Minister of Foreign Affairs prize, the *Asahi Evening* prize and the *Japan Times* prize. *La Bo  te    lunch*, for young viewers, was honoured this year with four awards, including the International Youth Award, in Germany, and the Award of Merit (preschool) given by the Alliance for Children and Television.

Both English Radio networks, Radio One and Radio Two, won numerous prizes for their programs. The Radio and Television News Directors Association Awards alone awarded eight prizes to the CBC, including four for programs aired nationally and another four for regional programs (Prairies and British Columbia). Some of the winning programs were *Alkali Lake* and *Graham James Scandal*, which each earned two prizes, *Robert Latimer Trial*, and *Via Rail Crash Coverage*. Five gold medals, one silver and two bronze were awarded to English Radio at the New York



Christiane Charette
Christiane Charette en direct
French Television



Roger Abbott, Luba Goy,
John Morgan, Don Ferguson
The Royal Canadian Air Farce
English Television



Dominique Payette
275-All  /275-Ados
French Radio



Bernie Lucht
English Radio



Julie-Pier Meunier Nadeau
La Bo  te    lunch
French Television



CBC4Kids
New Media

Festival Awards. The gold-medal winners were *706 Union Avenue*, *How to Breathe the Air of Our Ancestors*, *The Skid*, *DNA: The Silent Witness* and *Songs My Mother Taught Me*. The prestigious John Drainie Award was given by the Academy of Canadian Cinema and Television to Bernie Lucht, producer of *Ideas*, for his outstanding contribution to broadcasting.

French Radio garnered some prestigious awards this year, such as the Grand prix du journalisme given by the Communauté des radios publiques de langue française for *Rio Maria : comme dans une tranchée*, by Pierre Trottier, Lucie Benoît and Pierre Duchesne, a story aired on *Dimanche magazine*. Two prizes from the Office des communications sociales (OCS) were given to French Radio, the first for *275-Allô/275-Ados*, aimed at teenagers and produced by the Première Chaîne, and the second for *Open House*, a radio play produced by the Chaîne culturelle and aired on Radio-Canada Gaspésie-Les Îles. The Grand Prix de la Radio de l'Université radiophonique et télévisuelle internationale (URTI) was awarded to *À l'ombre du rêve*, on the Première Chaîne.

CBC Records won two Juno prizes, one for the best classical album with *Songs of Travel* and another for the best classical work with *Concerto for Wind Orchestra*. The *Mozart Horn Concerti* won the prize for best classical album of the year at the Pacific Music Awards. *Late Romantics* received the prize for best classical recording of the year at the East Coast Music Awards. The recording of *Soirée française* won the Prix Gabriel Fauré given by the Académie du disque lyrique, and *Virage* won

a Felix for the best jazz album of the year.

Several prizes received this year by the CBC in the new media field confirmed the relevance and popularity of our Internet sites and the airing of our programs on these sites. On the French networks, the *Site Nouvelles de Radio-Canada* won the Web d'or in the media category, and the readers' prize from *Branches-vous!* at the Marché international des infomédias et du multimédia (MIM), held in May. The Internet site *Info-culture*, a Web magazine, won a Boomerang in the Webzine category. Given by Éditions Info-Press, Boomerang prizes are awarded to the best interactive communications pieces developed in Quebec. The youth site *CBC4Kids*, on the English networks, won some 20 prizes, including the *Teachers Award – Skewl Sites*, the *PeachPod Cool Site Award* and the *EduNET Choice Award*. *Infoculture*, the arts and culture magazine on the English Networks' Web site, was selected twice as the site of the week, once by Yahoo and again by Telus Planet.



CBC Owned and Affiliated Stations

As of March 31, 1999

ENGLISH TELEVISION CHANNEL

Newfoundland

CBC owned station

St. John'sCBNT 8

Prince Edward Island

CBC owned station

CharlottetownCBCT 13

Nova Scotia

CBC owned station

HalifaxCBHT 3

New Brunswick

CBC owned station

FrederictonCBAT-TV 4

Quebec

CBC owned station

MontrealCBMT 6

Ontario

CBC owned stations

OttawaCBOT 4

TorontoCBLT 5

WindsorCBET 9

Private affiliated stations

KingstonCKWS-TV 11

North BayCHNB-TV 4

PeterboroughCHEX-TV 12

Sault-Ste-MarieCJIC-TV 5

SudburyCKNC-TV 9

Thunder BayCKPR-TV 2

TimminsCFCL-TV 6

Manitoba

CBC owned station

WinnipegCBWT 6

Private affiliated station

BrandonCKX-TV 5

Saskatchewan

CBC owned station

ReginaCBKT 9

Private affiliated stations

Prince AlbertCKBI-TV 5

Swift CurrentCJFB-TV 5

YorktonCKOS-TV 5

Alberta

CBC owned stations

EdmontonCBXT 5

CalgaryCBRT 9

Private affiliated stations

LloydminsterCKSA-TV 2

Medicine HatCHAT-TV 6

Red DeerCKRD-TV 6

British Columbia

CBC owned station

VancouverCBUT 2

Private affiliated stations

Dawson CreekCJDC-TV 5

KamloopsCFJC-TV 4

KelownaCHBC-TV 2

Prince GeorgeCKPG-TV 2

TerraceCFTK-TV 3

Northwest Territories

CBC owned station

YellowknifeCFYK-TV 8

FRENCH TELEVISION CHANNEL

New Brunswick

CBC owned station

MonctonCBAFT 11

Quebec

CBC owned stations

MontrealCBFT 2

QuebecCBVT 11

Private affiliated stations

JonquièreCKRS-TV 12

Rivière-du-LoupCKRT-TV 7

RouynCKRN-TV 4

SherbrookeCKSH-TV 9

Trois-RivièresCKTM-TV 13

Ontario

CBC owned station

OttawaCBOFT 9

Manitoba

CBC owned station

WinnipegCBWFT 3

Saskatchewan

CBC owned station

ReginaCBKFT 13

Alberta

CBC owned station

EdmontonCBXFT 11

British Columbia

CBC owned station

VancouverCBUFT 26

CBC RADIO ONE FREQUENCY

Newfoundland

CBC owned stations

Corner BrookCBY 990 kHz

GanderCBG 1400 kHz

Goose BayCFGB-FM 89,5 MHz

Grand FallsCBT 540 kHz

St. John'sCBN 640 kHz

Labrador City/

WabushCBDQ-FM 96,3 MHz

Prince Edward Island

CBC owned station

CharlottetownCBCT-FM 96,1 MHz

Nova Scotia

CBC owned stations

HalifaxCBHA-FM 90,5 MHz

SydneyCBI 1140 kHz

New Brunswick

CBC owned stations

FrederictonCBZ 970 kHz

Fredericton/

Saint-JeanCBD-FM 91,3 MHz

MonctonCBA 1070 kHz

Quebec

CBC owned stations

MontrealCBME-FM 88,5 MHz

QuebecCBVE-FM 104,7 MHz

Ontario

CBC owned stations

LondonCBCL-FM 93,5 MHz

OttawaCBO-FM 91,5 MHz

SudburyCBCS-FM 99,9 MHz

Thunder BayCBQT-FM 88,3 MHz

TorontoCBLA-FM 99,1 MHz

WindsorCBE 1550 kHz

Manitoba

CBC owned stations

ThompsonCBWK-FM 100,9 MHz

WinnipegCBW 990 kHz

Saskatchewan

CBC owned stations

La RongeCBKA-FM 105,9 MHz

ReginaCBK 540 kHz

Alberta

CBC owned stations

CalgaryCBR 1010 kHz

EdmontonCBX 740 kHz

British Columbia

CBC owned stations

KelownaCBTK-FM 88,9 MHz

Prince GeorgeCBYG-FM 91,5 MHz

Prince RupertCFPR 860 kHz

VancouverCBU 690 kHz

VictoriaCBCV-FM 90,5 MHz

Yukon

CBC owned station

WhitehorseCFWH 570 kHz

Northwest Territories**CBC owned stations**

Inuvik	CHAK 860 kHz
Iqaluit	CFFB 1230 kHz
Rankin Inlet	CBQR-FM 105,1 MHz
Yellowknife	CFYK 1340 kHz

**LA PREMIÈRE
CHAÎNE****FREQUENCY****Prince Edward Island****CBC owned station**

Charlottetown	...CBAF-FM-15 88,1 MHz
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Nova Scotia**CBC owned station**

Halifax	CBAF-FM-5 92,3 MHz
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New Brunswick**CBC owned station**

Moncton	CBAF-FM 88,5 MHz
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Quebec**CBC owned stations**

Chicoutimi	CBJ-FM 93,7 MHz
Matane	CBGA 1250 kHz
Montreal	CBF-FM 95,1 MHz
Quebec	CBV-FM 106,3 MHz
Rimouski	CJBR 900 kHz
Sept-Îles	CBSI-FM 98,1 MHz
Private affiliated stations	
La Tuque	CFLM 1240 kHz
Rouyn-	
Noranda	CHLM-FM 90,7 MHz
Ville-Marie	CKVM 710 kHz

Ontario**CBC owned stations**

Ottawa	CBOF-FM 90,7 MHz
Sudbury	CBON-FM 98,1 MHz
Toronto	CJBC 860 kHz
Windsor	CBEF 540 kHz

Manitoba**CBC owned station**

Saint-Boniface	CKSB 1050 kHz
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Saskatchewan**CBC owned station**

Regina	CBKF-FM 97,7 MHz
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Alberta**CBC owned station**

Edmonton	CHFA 680 kHz
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British Columbia**CBC owned station**

Vancouver	CBUF-FM 97,7 MHz
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CBC**RADIO TWO****FREQUENCY****Newfoundland****CBC owned station**

St. John's	CBN-FM 106,9 MHz
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Nova Scotia**CBC owned stations**

Halifax	CBH-FM 102,7 MHz
Sydney	CBI-FM 105,1 MHz

Quebec**CBC owned station**

Montreal	CBM-FM 93,5 MHz
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Ontario**CBC owned stations**

Ottawa	CBOQ-FM 103,3 MHz
Thunder Bay	CBQ-FM 101,7 MHz
Toronto	CBL-FM 94,1 MHz
Windsor	CBE-FM 89,9 MHz

Manitoba**CBC owned station**

Winnipeg	CBW-FM 98,3 MHz
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Saskatchewan**CBC owned station**

Regina	CBK-FM 96,9 MHz
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Alberta**CBC owned stations**

Calgary	CBR-FM 102,1 MHz
Edmonton	CBX-FM 90,9 MHz

British Columbia**CBC owned station**

Vancouver	CBU-FM 105,7 MHz
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**LA CHAÎNE
CULTURELLE****FREQUENCY****New Brunswick****CBC owned station**

Moncton	CBAL-FM 98,3 MHz
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Quebec**CBC owned stations**

Chicoutimi	CBJX-FM 100,9 MHz
Montréal	CBFX-FM 100,7 MHz
Québec	CBVX-FM 95,3 MHz
Rimouski	CJBR-FM 101,5 MHz

Ontario**CBC owned stations**

Ottawa	CBOX-FM 102,5 MHz
Toronto	CJBC-FM 90,3 MHz

On-air Stations and Rebroadcasters, Basic Networks

As of March 31, 1999

	Television Networks			Radio Networks					
	English	French	Total TV	English		French		Total Radio	Grand Total
				Radio One	Radio Two	Première Chaîne	Chaîne culturelle		
CBC owned Stations	14	8	22	36	13	17	7	73	95
CBC rebroadcasters	441	173	614	379	12	155	4	550	1 164
Private affiliated stations	19	5	24	0	—	3	—	3	27
Private affiliated rebroadcasters	48	13	61	0	—	2	—	2	63
Community owned stations	—	—	—	1	1	—	—	2	2
Community owned rebroadcasters	147	14	161	51	6	8	—	65	226
Total	669	213	882	467	32	185	11	695	1 577

Senior Officers of the CBC

As of March 31, 1999

President and CEO
Hon. Perrin Beatty, P.C.

Executive Vice-President
and COO
James McCoubrey

Senior Vice-President, Resources
Louise Tremblay

Vice-President,
English Television
Harold Redekopp

Vice-President,
French Television
Michèle Fortin

Vice-President,
English Radio
Alex Frame

Vice-President,
French Radio
Sylvain Lafrance

Vice-President,
Human Resources
George C.B. Smith

Head of Legal Services,
General Counsel and
Corporate Secretary
Pierre Nollet

Senior Director,
Corporate Communications
and Public Affairs
Laurie Jones

Chief, Planning and Business
Development Officer
Michel Tremblay

Executive Director,
New Media
John Lewis

Executive Director,
Radio Canada International
and International Relations
Robert O'Reilly

Ombudsman,
English Services
David Bazay

Ombudsman,
French Services
Marcel Pépin
(deceased, May 1999)

Financial Report 1998-1999



Financial Highlights

Overview

The accompanying financial statements of the Corporation indicate an operating deficit of \$14.2 million for 1998-99 on a generally accepted accounting principles basis.

However, since the Corporation manages its expenditures on a government funding basis which excludes such expenditures as amortization, it has different net results of operations under the two reporting methods, as explained in Note 3b to the Financial Statements. On a government funding basis, the Corporation ended the year with a surplus of \$15.6 million to be carried forward into 1999-2000.

Revenue

Total advertising and program sales revenues generated by the Corporation for the fiscal year were \$329.7 million – a reduction of \$53.6 million from the \$383.3 million generated in 1997-98. This significant reduction is directly attributable to the revenues generated last year as a result of the Nagano Olympic Games. Revenues on ongoing operations have declined slightly as a result of the move to Canadianize the afternoon schedule on the English Television network, while on the French Television network, the enrichment of the non-primetime schedule has had a positive impact. Overall, advertising revenues have remained relatively stable.

Miscellaneous revenues include such things as interest income, sponsorships, commercial production, tower rentals, and facility rentals. The majority of the increase in miscellaneous revenues relates to increased facility and property rentals and to the consolidation of revenues from joint ventures. The latter relates to the Corporation's equity position in joint ventures which are accounted for using the proportionate consolidation method, and therefore, these revenues are not available for CBC's use.

Government Funding

Note 3 to the Financial Statements details the Parliamentary funding received in 1998-99, and the Corporation's cumulative surplus against that funding. In overview, the Corporation's ongoing operating appropriations have now reached the levels previously announced by the Federal Government. Funding available to the Corporation in 1997-98 was reduced as a result of the Corporation's decision to repay (with interest) the advance received in 1995-96 for downsizing costs. No such payment was required in 1998-99, and this funding, along with the \$13.8 million reduction in the cumulative carry-forward provided the funding for the increased spending reported in our Television and Radio Services. As a result, the Corporation had an additional \$70 million in available funds in 1998-99.

Expense

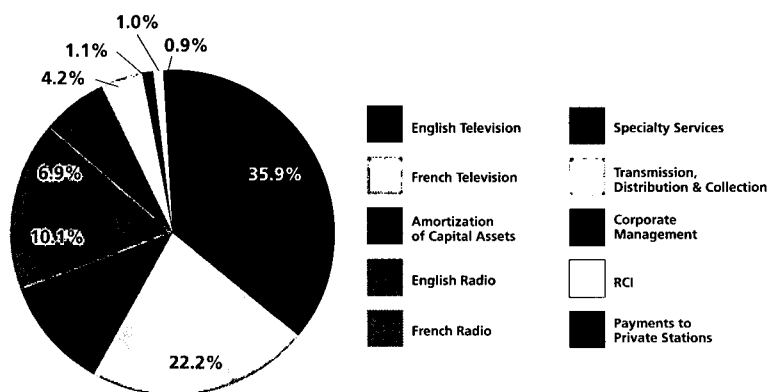
The Statement of Operations and Proprietor's Equity indicates that total expenses for the Corporation increased by \$19.7 million over the previous fiscal year. However, when the amortization of capital assets and the downsizing program are excluded, the increase to ongoing operation expenditures amounts to \$12.2 million.

If expenses relating to the Nagano Olympics in 1997-98 are excluded, the actual increase in 1998-99 ongoing operations is significant. Much of this increase was directed at a major initiative underway to restore CBC's deteriorating archival audio-visual holdings, to additional staff training, to significant building repairs and to other one-time programming initiatives during 1998-99. The increase in expenditures has been directed to the Television and Radio Services, while other main service operations, such as transmission and distribution and collection, reduced overall.

Costs relating to the amortization of capital assets increased by \$25.8 million, mainly as a result of a change in the straight-line amortization period for technical equipment, from 10 years to 5 years. This change reflects the fact that the useful economic life of the Corporation's technical equipment is decreasing due to the digitalization of components and the faster pace of obsolescence.

No new expenses related to the downsizing program are reflected in the Statement of Operations for 1998-99. While the final stage of the program was implemented in the 1998-99 fiscal year, all costs were accrued to previous fiscal periods.

Operating expenditures (before taxes) \$1,431,254,000



Amortization of Deferred Capital Funding

Parliamentary appropriations received from the Government of Canada for capital expenditures are recorded as deferred capital funding on the Balance Sheet, and are amortized on the same basis and over the same period as the capital assets purchased with the funds. This amortization is then included as Government funding on the Statement of Operations. This conforms to the Section 3800 of the C.I.C.A. Handbook, regarding the accounting treatment of government assistance.

Proprietor's Equity

The Statement of Operations and Proprietor's Equity is prepared in accordance with generally accepted accounting principles, and as identified earlier in this report, these principles require the recognition of expenses which are not currently funded. Instead, these expenses (such as annual leave and severance payments) are funded from annual appropriations as the liability becomes current. The negative proprietor's equity balance of \$75.6 million in this statement recognizes the outstanding liability for these expenses at the end of the fiscal period. Details are included in the statements and in Note 3 to the Financial Statements.

Balance Sheet Items

Accounts receivable have decreased by \$61.3 million from the previous year levels mainly as a result of the collection of receivables related to the Nagano Olympics and to the receipt of a large tax refund.

Program inventories have increased by \$25.2 million over 1997-98 mainly as a result of the production of *Canada – A People's History* – the Corporation's major project for the millennium, which will result in the broadcast of over 30 hours of programming for both the English and French Television networks.

The reduction in capital assets is largely the result of a change in the estimate of useful life for our technical equipment. Amortization is now based on a useful life of 5 rather than 10 years.

The obligation under capital leases represents the capital lease obligation for the Broadcasting Centre in Toronto. This obligation will continue until 2027, at which time the CBC will then own the building.

Employee termination benefits relate to the severance payments made to employees upon retirement from the Corporation. The long-term liability represents the actuarial evaluation of these benefits, based upon the expected age of retirement amongst other factors.

Capital Investment

The Corporation received total funding of \$137.9 million for its capital requirements in 1998-99, and ended the year with a surplus of \$4.7 million to be carried forward into 1999-2000.

The Corporation's capital strategy continues to focus on investment in new technologies to reduce operating costs and permit greater flexibility. While the significant portion of our investment is in the ongoing replacement and upgrade of technical equipment, we are also aware of emerging technologies, and are partnering with our private sector colleagues in the development and construction of digital radio facilities in a number of major markets. In addition, the CBC Board of Directors has approved a rollout plan for the implementation of digital radio. Digital television is on the horizon. CBC is monitoring its emergence and will invest capital funds in this area only when it is evident that there is a need to do so.

Financial Statements

Management's Responsibility for the Financial Statements

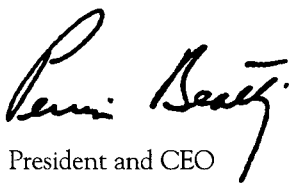
The financial statements and all other information presented in the annual report are the responsibility of management and have been reviewed and approved by the Board of Directors of the Corporation. These financial statements, which include amounts based on management's best estimates as determined through experience and judgement, have been properly prepared within reasonable limits of materiality and are in accordance with 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 11, 1999


President and CEO


Senior Vice-President,
Resources

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 Canadian Broadcasting Corporation as at March 31, 1999 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 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 misstatement. 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, 1999 and the results of its operations and its cash flows for the year then ended in accordance with generally accepted accounting principles. As required by the *Broadcasting Act*, I report that, in my opinion, these principles have been applied 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 bylaws of the Corporation.



L. Denis Desautels, FCA
Auditor General of Canada

Ottawa, Canada
June 11, 1999

Statement of Operations and Proprietor's Equity

for the years ended March 31

	1999	1998
	(thousands of dollars)	
Revenue		
Advertising and program sales	329,735	383,306
Specialty services (Note 4)	90,471	87,383
Miscellaneous	63,859	54,603
	484,065	525,292
Expense		
Television and radio service costs	1,074,176	1,065,009
Specialty services (Note 4)	92,285	86,096
Transmission, distribution and collection	60,136	64,107
Radio Canada International	14,729	15,264
Payments to private stations	12,519	12,295
Corporate Management	16,204	15,073
Amortization of capital assets	161,205	135,379
Downsizing program	—	18,336
Total expense before taxes	1,431,254	1,411,559
Net operating loss before government funding and taxes	(947,189)	(886,267)
Government Funding		
Parliamentary appropriation for operating expenditures	759,481	759,654
Frozen allotment to offset the 95/96 repayable advance (Note 3)	—	(56,669)
Net funding for operating expenditures	759,481	702,985
Funding reserved for Radio Canada International (Note 4)	15,525	15,360
Amortization of deferred capital funding (Note 7)	160,763	135,120
Net results of operations before taxes	(11,420)	(32,802)
Provision for income and large corporations taxes (Note 5)	2,745	2,708
Net results of operations for the year	(14,165)	(35,510)
Proprietor's equity, beginning of year	(65,434)	(33,924)
Working Capital Funding (Note 3)	4,000	4,000
Proprietor's equity, end of year	(75,599)	(65,434)

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

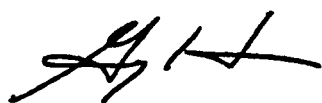
Balance Sheet

as at March 31

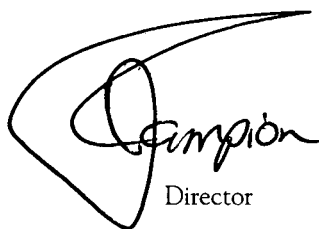
	1999	1998
	(thousands of dollars)	
Assets		(Restated)
Current		
Cash and short-term investments	73,772	38,624
Accounts receivable	122,530	183,826
Program inventory	113,183	87,964
Prepaid expenses	22,665	35,094
	332,150	345,508
Capital assets (Note 6)	1,115,209	1,142,146
Deferred charges	27,154	25,449
	1,474,513	1,513,103
Liabilities		
Current		
Accounts payable and accrued liabilities	234,244	236,796
Accrued vacation pay	38,958	38,078
Obligations under capital leases (Note 10)	4,133	3,850
	277,335	278,724
Long-term		
Employee termination benefits	77,644	69,932
Deferred pension liability (Note 9)	89,785	97,639
Obligations under capital leases (Note 10)	381,260	385,345
Deferred capital funding (Note 7)	724,088	746,897
	1,272,777	1,299,813
Proprietor's Equity		
Proprietor's equity (Note 3)	(75,599)	(65,434)
Commitments and contingencies (Notes 11 and 12)		
	1,474,513	1,513,103

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 years ended March 31

	1999	1998
	(thousands of dollars)	
	(Restated)	
Operating Activities		
Net results of operations for the year	(14,165)	(35,510)
Gain on disposal of capital assets	(1,469)	(100)
Items not involving cash:		
Amortization of capital assets	161,205	135,379
Amortization of deferred charges	8,581	5,390
Employee termination liability and vacation pay	8,592	2,098
Deferred pension contribution	(7,854)	(109)
Amortization of deferred capital funding	(160,763)	(135,120)
Net change in working capital balances excluding cash and short-term investments (Note 14)	48,648	(125,043)
	42,775	(153,015)
Financing Activities		
Parliamentary appropriations (Note 3):		
Capital funding	132,954	90,140
Working capital funding	4,000	4,000
Government funding for capital purchases for RCI	5,000	—
Proceeds on disposal of capital assets / financing from other organizations	2,104	1,287
	144,058	95,427
Investing Activities		
Acquisition of capital assets	(137,597)	(93,613)
Capital portion of lease payments	(3,802)	(10,889)
Deferred charges	(10,286)	(15,423)
	(151,685)	(119,925)
Increase (decrease) in cash and short-term investments	35,148	(177,513)
Cash and short-term investments, beginning of year	38,624	216,137
Cash and short-term investments, end of year	73,772	38,624

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

Notes to the Financial Statements

for the year ended March 31, 1999

1. Authority and Objective

The Canadian Broadcasting Corporation 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, the Canadian Broadcasting Corporation provides radio and television 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 include the accounts of the Corporation and its proportionate share of the assets, liabilities, revenues and expenses relating to joint venture activities. The financial statements have been prepared in accordance with generally accepted accounting principles. Significant accounting policies are set out below:

a. Parliamentary appropriations and Deferred Capital Funding

The Government of Canada mainly finances the Corporation. Parliamentary appropriations provided for operating expenditures and downsizing expenses 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 amortized 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 stated 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. As payments are made under the terms of each contract they are reflected in the accounts as film rights. The film rights are 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 amortization. The cost of assets constructed by the Corporation includes material, direct labour and related overhead. Assets recorded as capital leases are initially recorded at the present value of the minimum lease payments at the inception of the lease. Amortization 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 capitalized and amortized 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 amortized according to the Corporation's policy.

d. Deferred Charges

Deferred costs incurred in the development of specialty channels are amortized over seven years based on a normal license period. Deferred costs incurred by joint ventures are amortized over a period of five years. Other deferred charges are amortized over the period of the respective agreements.

e. Pension Cost and Obligation

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 using the projected benefit method of actuarial valuation with projected salary increases where appropriate, pro-rated on services and charged to operations as services are rendered. This cost reflects management's best estimate of the pension fund's expected investment yields, and of salary escalations, mortality of members, terminations and ages at which members will retire. The surplus on the introduction of this accounting policy, adjustments arising from plan amendments, experience gains and losses and changes in assumptions are amortized over the estimated average remaining service life of the employee group.

The difference between the accumulated pension expense and the employer's contributions to the Pension Fund is reflected in the balance sheet as a long-term deferred charge or deferred pension liability as the case may be.

f. Employee Termination Benefits and Vacation Pay

Employee termination benefits and vacation pay are expensed as the benefits accrue to employees under their respective terms of employment.

Termination benefits are calculated on an actuarial basis taking into account the future expected payments, the probabilities of payment and discount to the valuation date. The present value of the projected cost is recorded as a liability.

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 represent costs which will be funded mainly from appropriations received from the Government of Canada in the future, these items do not have an impact upon the Corporation's operating surplus or deficit on a government funding basis.

g. Measurement Uncertainty

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Employee termination benefits, deferred pension liability and contingent liabilities are the most significant items where estimates are used. Actual results could differ from those estimates.

3. Parliamentary Appropriations

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

a. Parliamentary Appropriations Approved and Received

	1999	1998
	<i>(thousands of dollars)</i>	
Approved appropriations for:		
Operating Funding		
• Annual Funding	745,531	769,014
• Funding for downsizing & other costs	92,401	—
• Transfer to capital funding ⁽¹⁾	(36,485)	—
• Frozen allotment to be reprofiled through Capital to the 1999-2000 fiscal year	(41,966)	—
• Funding for RCI (Note 4)	—	(9,360)
	759,481	759,654
• Frozen allotment to offset the 1995-1996 repayable advance including imputed interest thereon ⁽²⁾	—	(56,669)
Capital Funding (Note 7)	94,469	105,740
• Additional funding – Supplementary Estimates B	2,000	—
• Add transfer from operating funding ⁽¹⁾	36,485	—
• Less transfer to 1998-1999 fiscal year ⁽¹⁾	—	15,600
	132,954	90,140
• Capital funding received from the government for RCI	5,000	—
	137,954	90,140
Working Capital Funding	4,000	4,000

⁽¹⁾ In the event that significant changes in current year requirements occur, amounts 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.

⁽²⁾ In 1995/96, the Corporation received a \$50 million repayable advance to be recovered in future years through reduced funding levels.

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. Items recognized in the Statement of Operations and Proprietor's Equity in one year may be funded through Parliamentary appropriations in different years. Accordingly, the Corporation has different net results of operations for the year on a government funding basis than on a generally accepted accounting principles basis. These differences are outlined below:

	1999	1998
	<i>(thousands of dollars)</i>	
Net results of operations for the year	(14,165)	(35,510)
Items expensed but funded in other years	322	30,429
Net results of operations on a government funding basis	(13,843)	(5,081)
Government funding surplus (deficit), beginning of the year	29,444	34,525
Government funding surplus (deficit), end of the year	15,601	29,444

c. Net Results for Capital

The Corporation's capital asset purchases are also financed through a Parliamentary appropriation. Certain items recognized as additions to assets in one year may be funded through Parliamentary appropriations in different years. Once again, the Corporation has different net results of operations for the year on a government funding basis than on a generally accepted accounting principles basis. These differences are outlined below:

	1999	1998
	<i>(thousands of dollars)</i>	
Parliamentary appropriations and transfers	132,954	90,140
Government funding for RCI	5,000	—
Parliamentary appropriations and government funding	137,954	90,140
Proceeds on disposal of capital assets / financing from other organizations	2,104	1,287
Total capital funding for the year	140,058	91,427
Acquisition of capital assets	(137,597)	(93,613)
Capital funding surplus (deficit) for the year	2,461	(2,186)
Year over year change in proportionate share of consolidation assets	375	(170)
Net results for capital for the year, government funding basis	2,836	(2,356)
Government funding surplus (deficit), beginning of the year	1,890	4,246
Government funding surplus (deficit), end of the year	4,726	1,890

4. Specialty Services and Radio Canada International**a. Specialty Services**

The Corporation operates CBC Newsworld, Réseau de l'information (RDI) and Galaxie under license conditions that the operations be reported on an incremental cost and revenue basis. All services use previous years' surplus carryforwards to fund current year activities. At March 31, the cumulative net operating surplus carried forward to future years' activities for CBC Newsworld totalled \$0.9 million (\$2.2 million for 1998), for RDI \$133,000 (\$33,000 for 1998). 1998/99 was Galaxie's second year of operations and the results are according to plan.

	March 31, 1999			March 31, 1998		
	Revenue	Expense	Net	Revenue	Expense	Net
	<i>(thousands of dollars)</i>					
CBC Newsworld	56,387	57,663	(1,276)	55,816	54,122	1,694
RDI	33,327	33,227	100	31,263	31,237	26
Galaxie	757	1,395	(638)	304	737	(433)
	90,471	92,285	(1,814)	87,383	86,096	1,287

b. Funding for Radio Canada International

	1999	1998
	<i>(thousands of dollars)</i>	
Parliamentary Appropriation (Note 3)	—	9,360
Contribution agreement with Government of Canada	15,525	6,000
Operating Funding	15,525	15,360
Capital Funding	5,000	—
Total Funding for Radio Canada International	20,525	15,360

5. Income and Large Corporations Taxes

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 provision for income and large corporations tax is comprised of:

	1999	1998
	<i>(thousands of dollars)</i>	
Current tax expense (recovery)	2,745	(17,815)
Deferred taxes	–	20,523
	2,745	2,708

The Corporation's net provision for tax results primarily from large corporations tax.

The Corporation has net timing differences of \$101.6 million (1998 - \$88.0 million) resulting from items reported for tax purposes in different periods than for accounting purposes, the benefit of which has not yet been recognized in the financial statements. These timing differences generally result from the accrual of pension and severance pay costs, and capital cost allowance on its long term capital lease where funding for the lease obligation is provided over several years. Capital cost allowance is not claimed on other capital assets, as the related capital funding is usually received in full in the same year in which the asset is acquired.

6. Capital Assets

	Cost	Accumulated Amortization	Net Book Value	
			1999	1998
	<i>(thousands of dollars)</i>			
Land	35,501	–	35,501	35,515
Buildings	369,923	202,525	167,398	166,991
Technical equipment	1,071,144	719,441	351,703	428,966
Furnishings, office equipment and computers	81,519	56,258	25,261	22,687
Automotive	35,465	24,063	11,402	11,654
Leasehold improvements	3,738	2,745	993	1,620
Property under capital leases	511,636	92,057	419,579	434,960
Uncompleted capital projects	103,372	–	103,372	39,753
	2,212,298	1,097,089	1,115,209	1,142,146

Effective April 1, 1998 the Corporation changed its estimated useful life for technical equipment, other than transmitters and towers, from ten years to five years. The effect of this change was to increase the amortization of capital assets expense on the Statement of Operations and Proprietor's Equity by \$44.8 million for the 1998-99 fiscal year.

Current year amortization expense of \$15.4 million (1998 - \$15.3 million) relating to property under capital lease is included in the amortization of capital assets on the Statement of Operations and Proprietor's Equity.

7. Deferred Capital Funding

	1999	1998
	(thousands of dollars)	
Balance, beginning of year	746,897	791,877
Government funding for capital expenditures (Note 3)	137,954	90,140
Amortization of deferred capital funding	(160,763)	(135,120)
Balance, end of year	724,088	746,897

8. Joint Venture Activities

The Corporation has net equity of \$5.5 million (1998 - \$4.0 million) in joint business ventures which is accounted for using the proportionate consolidation method.

9. CBC Pension Plan

The Corporation maintains a contributory defined benefit pension plan covering substantially all employees of the CBC. 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 10 years of employment.

The accrued pension benefits are determined using the projected benefit method prorated on service and management's best estimate of future economic events.

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.

Projections from an actuarial valuation prepared for accounting purposes show an estimated present value of accrued pension benefits of \$2,757.7 million as at March 31, 1999 (1998 - \$2,673.9 million) which includes \$17.9 million (1998 - \$16.2 million) of unfunded retirement benefits. The actuarial value of the pension fund assets as at March 31, 1999 was \$3,138.6 million (1998 - \$2,926.1 million).

	1999	1998
	(thousands of dollars)	
Current service cost	51,032	39,121
Accrued interest on pension plan assets	(16,951)	(12,076)
Amortization of past service gains (net)	(27,780)	(22,381)
Adjustment for plan curtailment due to workforce reduction	—	26,767
Pension expense	6,301	31,431
Deferred pension liability, beginning of year	97,639	97,748
Pension expense	6,301	31,431
Pension Plan contributions and unfunded plan benefit payments	(14,155)	(31,540)
Deferred pension liability, end of year	89,785	97,639

10. Obligations Under Capital Leases

a. Capital leases consist mainly of premises occupied by CBC in Toronto.

Future minimum lease payments and obligations are as follows:

	<i>(thousands of dollars)</i>
2000	33,039
2001	33,039
2002	33,039
2003	33,039
2004	33,039
Thereafter to 2027	776,410
Total future minimum payments	941,605
Deduct imputed interest (7.53%) and executory costs	556,263
Obligation under capital lease	385,342
Less current portion	4,133
Long term portion	381,209

CBC owns the land on which the Toronto Broadcasting Centre is located. Interest relating to the Broadcasting Centre lease, which is included in current year expenditures, is \$29.2 million. At the end of the lease, CBC will own the building.

b. Other

As at March 31, 1999, the Corporation's obligation relating to a Joint Venture capital lease, amounted to \$51,000.

11. Commitments

a. Program Related and Other

As at March 31, 1999, commitments for sports rights amounted to \$491.4 million; procured programs, film rights and co-productions amounted to \$61.7 million and capital assets amounted to \$6.7 million for total commitments of \$559.8 million.

b. Operating Leases

Future annual payments related to operating leases are as follows:

	<i>(thousands of dollars)</i>
2000	53,463
2001	45,133
2002	45,361
2003	24,462
2004	14,833
2005 - 2028	20,885
Total future payments	204,137

c. Joint Venture Activities

The Corporation's proportionate share of commitments related to joint venture activities totalled \$1.9 million.

12. 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.

13. 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 3.

14. Net Change in Non-Cash Working Capital Balances

	1999	1998
	<i>(in thousands of dollars)</i>	
Cash provided by (used for):		
Accounts receivable	61,296	(74,140)
Program inventory*	(22,525)	8,553
Prepaid expenses	12,429	(13,733)
Deferred income taxes	—	20,523
Accounts payable and accrued liabilities	(2,552)	(66,246)
	48,648	(125,043)

*Excluding \$2.694 million in amortization of capital assets.

15. Financial Instruments

Short-term investments, accounts receivable and accounts payable, are valued at cost, which approximates fair value. The Corporation invests in the short-term money market (maximum term to maturity 91 days). Securities are limited to those that are 100% guaranteed by the Government of Canada. The overall portfolio yield for the fiscal year ending March 31, 1999 was 4.72% (3.72% at March 31, 1998).

16. Uncertainty Due to the Year 2000 Issue

The Corporation may experience the effects of the Year 2000 Issue before, on, or after January 1, 2000. The effects on operations and financial reporting, if not addressed, may range from minor errors to significant systems failure, which could affect CBC's ability to conduct normal business operations. While plans have been developed to meet internal requirements, with regular reports made to senior management and the Board of Directors, it is not possible to ensure that all aspects of the Year 2000 Issue, including those related to the efforts of customers, suppliers, or other third parties, will be fully resolved.

17. Comparative Figures

Certain of the 1998 comparative figures have been reclassified to conform to the current year's presentation.

Main CBC Addresses

Head Office

250 Lanark Avenue
P.O. Box 3220, Station "C"
Ottawa, Ontario K1Y 1E4
Phone: (613) 724-1200
(613) 724-5173
(TDD*)
e-mail: commho@ottawa.cbc.ca

CBC Ombudsman

English Services:

David Bazay
P.O. Box 500, Station "A"
Toronto, Ontario M5W 1E6
e-mail: ombudsman@toronto.cbc.ca

French Services: (vacant)

1400 René-Lévesque Blvd. East
P.O. Box 6000
Montreal, Quebec H3C 3A8
e-mail: ombudsrc@montreal.radio-canada.ca

English Networks

205 Wellington Street
P.O. Box 500, Station "A"
Toronto, Ontario M5W 1E6
Phone: (416) 205-3311
(416) 205-6688 (TDD*)
e-mail: cbcinput@toronto.cbc.ca

French Networks

1400 René-Lévesque Blvd. East
P.O. Box 6000
Montreal, Quebec H3C 3A8
Phone: (514) 597-6000
(514) 597-6013 (ATM*)
e-mail: auditoire@montreal.radio-canada.ca

Radio Canada International

1055 René-Lévesque Blvd. East
P.O. Box 6000
Montreal, Quebec H3C 3A8
Phone: (514) 597-7500

CBC Pension Fund

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

Regional Offices

Newfoundland (English)

95 University Avenue
P.O. Box 12010, Station "A"
St. John's, Newfoundland
A1B 3T8
Phone: (709) 576-5000

Maritimes (English)

5600 Sackville Street
P.O. Box 3000
Halifax, Nova Scotia B3J 3E9
Phone: (902) 420-8311

Atlantic Provinces (French)

250 Archibald Street
P.O. Box 950
Moncton, New Brunswick
E1C 8N8
Phone: (506) 853-6666

Province of Quebec (English)

1400 René-Lévesque Blvd. East
P.O. Box 6000
Montreal, Quebec H3C 3A8
Phone: (514) 597-6000

Quebec City and Eastern Quebec (French)

2505 Laurier Blvd.
P.O. Box 10400
Sainte-Foy, Quebec G1V 2X2
Phone: (418) 654-1341

Ontario (English)

205 Wellington Street West
P.O. Box 500, Station "A"
Toronto, Ontario M5W 1E6
Phone: (416) 205-3311

Ontario (French)

250 Lanark Avenue
P.O. Box 3220, Station "C"
Ottawa, Ontario K1Y 1E4
Phone: (613) 724-1200

Manitoba (English and French)

541 Portage Avenue
P.O. Box 160
Winnipeg, Manitoba R3C 2H1
Phone: (204) 788-3222

Saskatchewan

(English and French)

2440 Broad Street
P.O. Box 540
Regina, Saskatchewan S4P 4A1
Phone: (306) 347-9540

Alberta (English and French)

8861 - 75th Street
P.O. Box 555
Edmonton, Alberta T5J 2P4
Phone: (403) 468-7500

British Columbia

(English and French)

700 Hamilton Street
P.O. Box 4600
Vancouver, British Columbia
V6B 4A2
Phone: (604) 662-6000

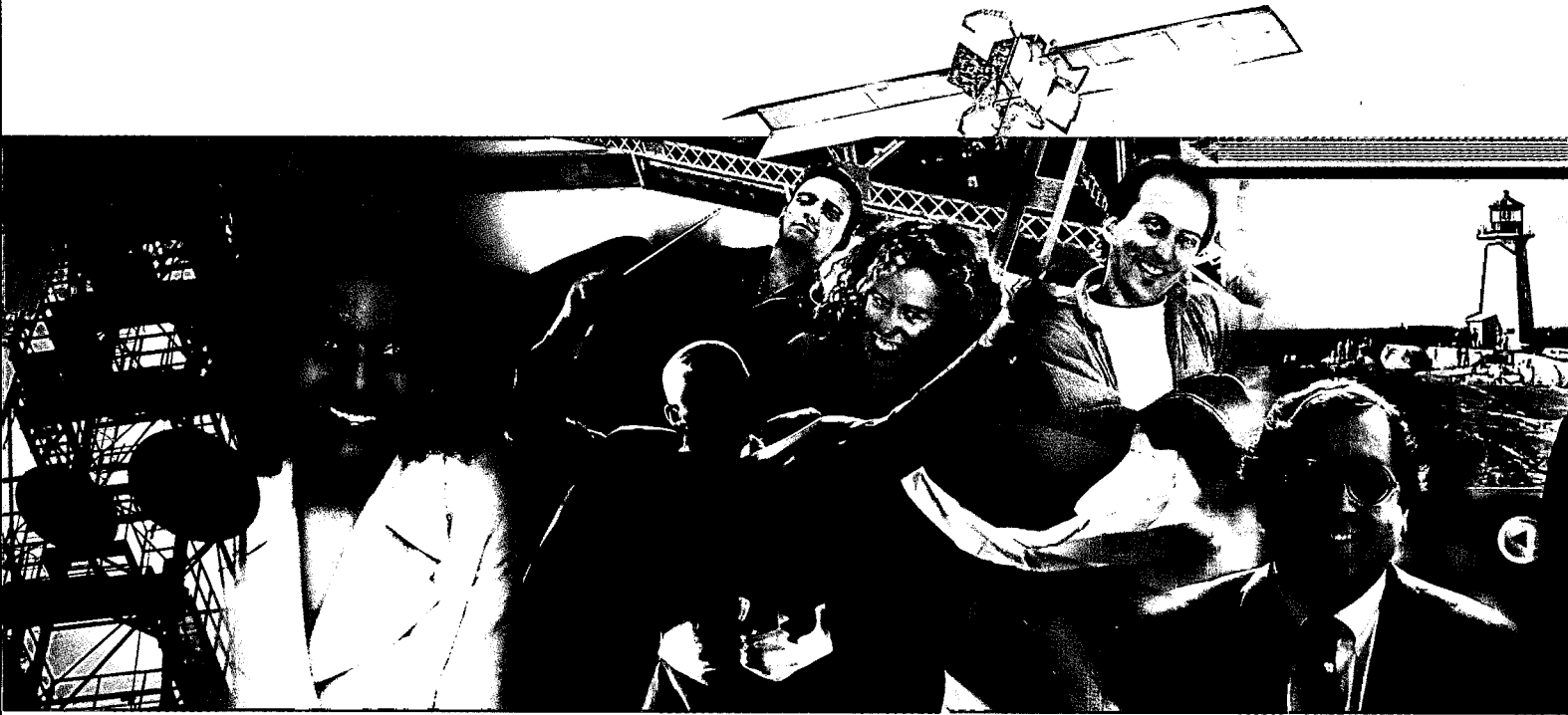
CBC North

5002 Forrest Drive
P.O. Box 160
Yellowknife, Northwest Territories
X1A 2N2
Phone: (867) 920-5400

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