

## Message from the President and CEO

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### *Challenging the status quo*

2012–2013 found the Canadian public broadcaster in the midst of delivering on its five-year Strategy 2015. The year also presented us with significant challenges, from programming to financial to regulatory. By capitalizing on the ingenuity and creativity of our people, and by careful business planning, we were able to make smart – although often difficult – decisions when the chips were down. Not just so that we could maintain the status quo, but so that Canada’s public broadcaster could continue to grow, develop and push boundaries.

### *Strategy 2015: staying on track*

Télévision de Radio-Canada is a prime example of what we’re trying to achieve. Through shows like *Unité 9*, we’re helping to redefine the television drama genre, while at the same time pulling in record audience numbers. What’s more, the use of innovative production methods are helping to reduce costs, a significant benefit in a period of budget constraints.

We’re also making real progress in terms of bolstering our digital offering, providing new and original ways for Canadians to connect and interact with our content, as well as delivering special, exclusive material for those who tune-in online. For example, CBC Television’s *Cracked* offers a unique digital companion piece – *Cracked: The Psych Crimes Unit Case Files* inspired by the real life experiences of a Toronto police officer. Each episode includes a new online case file for audiences to explore, providing them not only with a closer look at what they saw on the program, but also extending each story with new information giving viewers the chance to play detective right along with the cast.

More and more of our programs are being developed as multi-platform experiences. Télévision de Radio-Canada’s *19-2* launched its season by tackling the timely, but nonetheless difficult, subject of school shootings. While the episode could have been seen as just really good television, the digital experience provided our viewers with an online forum, in addition to a wealth of information, opinions and tools – a deep discussion expertly facilitated by the public broadcaster.

We’ve also made good progress on our local service extension plan this year, as part of our commitment to better connect Canadians in areas that have been identified as underserved. CBC launched its first digital station in Hamilton, as well as a broadcast centre in Kitchener-Waterloo and a new service in Kamloops that includes a radio morning show and local digital content. Radio-Canada opened the *Maison Radio-Canada Est du Québec* to provide people from the Lower St. Lawrence, the North Shore and Gaspé-Magdalen Islands with continuous regional news, on radio, television and the web.

### *Protecting our future*

Over the course of this last year especially, we have worked to protect the services we provide to Canadians and to secure the implementation of Strategy 2015.

First and foremost, we took decisive action when faced with a \$115 million budget reduction as part of the federal government's Budget 2012 announcement and with other financial pressures. We transformed Radio Canada International (RCI) into a web service – reducing the number of languages we broadcast in from seven to five – accelerated the decommissioning of our analogue transmitters and sold **bold**, one of our specialty channels. We're accelerating our real estate strategy designed to reduce our square footage and provide our employees with more modern, flexible workspaces that will enhance collaboration and creativity while lowering our overhead.

We've also managed to protect most of our local programming initiatives implemented under the Local Programming Improvement Fund – such as expanded regional newscasts in minority French-speaking communities – despite the CRTC's announcement that the fund would be phased out entirely over the course of the next three years. But that means that other priorities will be affected by this drop in funding: things like the cross-cultural programming fund, responsible for such English-French programming as *8<sup>th</sup> Fire/8<sup>e</sup> feu*, as well as reductions to regional contributions to non-news programming and reductions to network schedules.

On May 28, 2013, the CRTC announced that it supported the ongoing implementation of Strategy 2015. Now that we've just passed the half-way point of our five-year strategic plan, the modern regulatory framework the CRTC has given us will help us keep our momentum as we become more regional, more Canadian and more digital. The ability to generate new revenue by introducing advertising to our radio networks is also a key element of our plan and will ensure that these services can continue to be a point of discovery for Canadian music fans.

### *Careful management*

Over the last few years our focus has been on increasing Canadians' trust in the public broadcaster by demonstrating careful management of the funds with which we operate. During its recent special examination, the Office of the Auditor General gave CBC/Radio-Canada a clean audit opinion, signalling the Corporation's improvement since its last special examination in 2005. This, along with the grade of "A" that we received from the Information Commissioner, provides Canadians with another level of assurance that we value transparency and manage our assets both responsibly and effectively.

### *Leading through innovation*

Saving money and generating new revenue is essential to our operations, but we're also leveraging technology to increase our creativity and our capacity to collaborate, and to reduce our impact on the environment. For example, geography is no longer a barrier with the Google ecosystem that we implemented across the Corporation this year, providing our employees with a set of easy-to-use tools to interact more effectively. We've also reduced our printer fleet by more than 70 per cent, as well as our consumption of paper, at all main sites, using high-performance machines.

### *Beyond 2015*

Nowadays, content is no longer in the hands of a few industry leaders. And, audiences are more fragmented than ever. At their fingertips are 500-plus satellite TV channels, YouTube, iTunes, social media, Netflix and more. These are massive changes to the environment in which we operate. It is our present and our future.

For that reason we've started to think "Beyond 2015". Before the year 2015 arrives, the fast moving media environment will have placed new challenges and opportunities in our path. So, with that in mind we're reflecting on what the national public broadcaster will be in 2020, 2025 and even further down the road.

Whether it's through your phone, your tablet or your Facebook page, it's clear that the content, and the public broadcaster, has to be there. And, to make that happen we need to keep pushing boundaries, taking risks and listening to what Canadians want and need.

A handwritten signature in black ink, appearing to read 'H. Lacroix', with a long, sweeping horizontal stroke extending to the right.

Hubert T. Lacroix  
President and CEO