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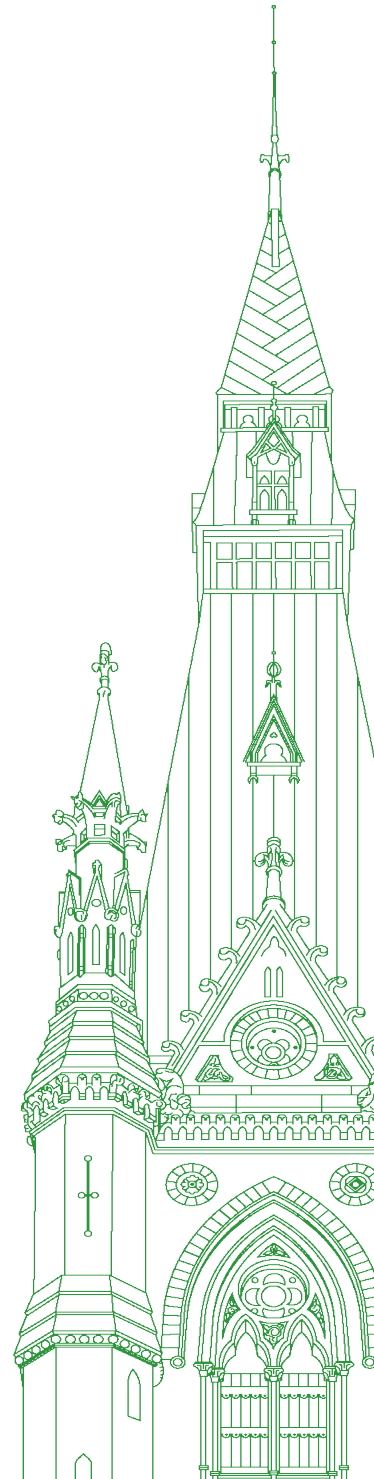
Standing Committee on Canadian Heritage

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Chair: Lisa Hepfner



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• (1100)

[English]

The Chair (Lisa Hepfner (Hamilton Mountain, Lib.)): I call this meeting to order.

Welcome to meeting number 30 of the Standing Committee on Canadian Heritage.

Before we begin, I ask all in-person participants to read the guidelines written on the updated cards in front of you on the table. There are measures in place to help prevent feedback incidents to protect the health and safety of all participants, especially our interpreters. You will notice a QR code on the card; it links to a short awareness video, if you need that.

Pursuant to the routine motion adopted by the committee, I can confirm that the witnesses have completed the required connection tests in advance of this meeting.

Please wait until I recognize you by name before you speak. All comments should be addressed through the chair.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Monday, September 22, 2025, the committee is meeting to study the state of the journalism and media sectors.

We have a full panel with us today.

As an individual, Murray Wood, vice-president of news talk programming, Rawlco Radio, is with us by video conference.

Welcome, sir.

From the Canadian Journalism Collective, Sarah Spring is with us in the room today.

I understand, Ms. Spring, that you have to leave at 12:30 p.m.

Members, if you have questions for this witness, you might want to get them in earlier rather than later.

[Translation]

We also have representatives from Hebdo Québec, Benoit Chartier and Sylvain Poisson, who are participating by video conference.

Good morning, gentlemen.

From RNC Media, we have Robert Ranger and Sébastien Côté, who are with us in the room.

Welcome.

From Télé Inter-Rives, we have Cindy Simard and Pierre Harvey, who are with us in the room as well.

You will all have five minutes to do your—

Just a moment, I see that there is a point of order.

Mr. Champoux, you have the floor.

Martin Champoux (Drummond, BQ): Thank you, Madam Chair.

Before I let the witnesses make their opening remarks, I would just like to clarify a point about future invitations.

I understand that the minister has been confirmed, as part of this study, for May 5. I would like to know if the clerk can confirm that.

However, we also have another invitation to send to the minister to come and talk about the estimates, and we have until May 31 to do so. I would like to see if we agree on a date to propose to him, so that the clerk can send the invitation and to make sure we meet the deadlines. The Standing Orders require us to hear from the minister before May 31. We're going to start running out of dates, given that on top of that, in May, we're going to have a two-week break.

I just wanted us to deal with this quickly before starting the meeting, so as not to be rushed at the end.

Thank you.

The Chair: It's not really a break, Mr. Champoux.

Martin Champoux: You'll have a break.

The Chair: If the clerk has anything to add, I'll turn it over to him.

The Clerk of the Committee (Jean-François Pagé): The date is fine.

The Chair: Does everyone agree that the committee should invite the minister to appear on the main estimates?

Some hon. members: Agreed.

The Clerk: Would it be May 26 or May 28?

Martin Champoux: Yes, there are two dates that would allow us to meet the deadlines, May 26 and May 28. Do we have a preference? We can also leave both options open and then determine the date according to the minister's schedule.

The Chair: That's fine.

Was there anything else?

Martin Champoux: No, that's it. Thank you.

The Chair: That's great.

[English]

Each organization has five minutes for an opening statement, so if there's more than one person representing the organization, you have a collective five minutes.

We will begin with Murray Wood, vice-president, news talk programming, Rawlco Radio.

You have the floor for five minutes. Go ahead.

• (1105)

Murray Wood (Vice-President, News Talk Programming, Rawlco Radio, As an Individual): Thank you for the invitation.

Listen, I don't pretend to be an expert on the state of Canadian media, but I'll offer a bit of perspective based on my experience. I've spent 45 years in radio news, from small markets like North Battleford to larger markets like Calgary and Ottawa. I've been on the front lines and on the strategic side of local news, specifically radio news, and that's where I'll focus my remarks today.

The decline of radio news in Canada is pretty well documented. Across the country, entire news talk newsrooms have been laid off. Some stations have gone dark, turning their licences back in, and hundreds or even thousands of journalists have been laid off.

In Saskatchewan, the two main newspapers have cut the number of days they publish. They used to employ hundreds; it's now a handful. There is no longer a live, local TV newscast on weekends that originates in Saskatchewan.

My stations—CKOM and CJME—are live and local seven days a week, 365 days a year. If something happens on a Sunday afternoon, we have live newscasts with reporters to cover the story. No one else in our province does that.

We do over 200 newscasts a week in each market, so clearly there can be a business model, but it requires ownership that recognizes the revenue case for being a source of local information. We're in a time when people are deluged with news from around the globe, and—this is important—I would say it requires ownership that views providing local information as a responsibility to the community we serve. Saskatchewan is lucky to have such ownership from Rawlco Radio, which has been owned by Gordon Rawlinson and the Rawlinson family for almost 80 years.

We've found that there is not just a strong desire for local information; there is a need for it. When the Humboldt Broncos bus tragedy occurred, we did 30 hours of live programming that we hadn't planned to do at five o'clock on a Friday afternoon. We realized, over the course of that awful weekend, that we were doing more than giving information; we were providing a service. People across Saskatchewan tuned in not just as a way of finding out the latest but as a way of coming together to grieve. We had many emails afterwards from people thanking us for the coverage.

When tornadoes threaten and when blizzards affect highway travel, we're there to tell people. When COVID struck, we covered

it with the information that our audience needed. We carried the daily news conference from health authorities live for over a year. It was a service, and people relied on it, which underlines that a strong local media is essential to the health of a community and society. By doing these things, and by covering the day's news, we provide value to our communities. We're relevant in a way that social media sites that don't generate content can never match.

Trust and credibility are serious issues online. Skepticism is at an all-time high. People don't know what or whom to believe. What's real? Is this paid content or objective journalism? Who's behind this? Unlike many social media sites, no one listens to our news and has to question, "Is that true?" We've earned their trust. In fact, in a time of fairly rampant misinformation and intentional disinformation, it's been observed that real news is the antidote, but it doesn't come easily. Real news requires people and professional journalists who do the hard work, day in and day out.

I have a couple of suggestions that I would offer to this committee.

One, find ways to encourage investment in local, independent journalism. Real news ensures better, more informed decisions, which is especially important in our knowledge economy. Measures are required to help ensure existing local news organizations don't just survive but thrive. Governments should view a healthy media sector as being as important and as deserving of measures to help it succeed as it views many other vital industries.

Two, governments across this country could do something very meaningful to support local journalism immediately. Private local media companies are entirely dependent on ad revenue, virtually all of it from local business. Our largest competitor is no longer the local newspaper or TV; it's Google, Facebook, Instagram and YouTube—digital platforms based in other countries that make no contribution to local journalism.

In 2023, as you know, Canadian news outlets were banned from sharing stories on Meta, and abruptly, an important way to share critical local news was taken away. Now what passes for news content on Meta is, frankly, often disturbing, and government is helping fund it.

In the 2024-25 fiscal year, the Government of Canada spent about \$78 million on advertising, of which 63% was directed towards digital media—over \$40 million. Foreign companies like Google, Meta and TikTok got a big share of that.

The federal government rarely advertises on local radio, but when emergencies happen and critical information needs to be communicated, radio is the first point of contact because of its ability to reach the masses quickly and efficiently.

I'll leave you with this. Government talks about valuing local media, but it isn't supporting it when it comes to spending ad dollars. The federal government could meaningfully support local journalism immediately by deciding to allocate a significant percentage of its total advertising budget that now leaves the country and dedicate at least a portion of it to local, Canadian-owned media.

• (1110)

Thank you.

The Chair: As a former local news reporter, I very much identified with your statement, sir. Thank you very much.

Saskatchewan is very lucky to have you. I'm sure Kevin Waugh must agree.

We turn now to the Canadian Journalism Collective and Sarah Spring.

You have five minutes.

Sarah Spring (Executive Director, Canadian Journalism Collective): My name is Sarah Spring. I'm the executive director of the Canadian Journalism Collective.

[Translation]

Thank you for inviting me to speak with you today. It is a pleasure to have the opportunity to share with you some of our work in support of the Canadian and indigenous journalism community.

[English]

The Online News Act came into force in 2023. In October 2024, the CRTC granted Google a five-year exemption on the basis of an agreement Google reached with the CJC that commits \$100 million annually to eligible Canadian and indigenous news businesses.

The CJC is the independent collective created to receive and distribute these funds on behalf of news businesses across the country. We are governed by a board of directors elected by our membership. The board is structured to represent every sector of the Canadian news industry: large and small publishers, television and radio broadcasters, start-ups and not-for-profits, French language and official language minority papers and radio stations, indigenous publishers and broadcasters, Black and racialized news outlets, and community and campus radio. The diversity of our governance model is a deliberate reflection of the diversity of Canadian journalism.

In terms of our program administration, news businesses apply to us for funding each year. We assess eligibility against criteria set out in the act, covering several categories of publishers and broadcasters. Applicant newsroom hours are independently verified to

confirm the number of employees—our metric for payment—and we distribute their funds accordingly. We provide funding to the most widely read newspapers in the country and to the largest broadcasters, as well as to many smaller news outlets. In fact, most of the recipients are local news outlets with only a couple of employees—small local papers, community radio stations, local television and independent broadcasters. Across the country, news producers large and small have been telling us how vital these funds have been.

In a fall 2025 survey about the impacts of the first \$100 million of disbursements, a majority of respondents said the money they received helped them to maintain operations but not yet to expand them. A few months after the first survey, we held consultations with news producers across the country. During these conversations, we heard some success stories that point to the Online News Act funding as starting to have some significant impacts.

I would like to read a few statements from some weekly newspapers.

One said, “We have been able to increase the wages of our staff to a more realistic number, allowing us to retain a key employee rather than experience the churn we've had for the last number of years.”

Another paper said, “Quite simply, it has allowed our publication to continue publishing a daily newspaper in a minority market where we are the sole source of daily news in English.” An indigenous radio station shared, “Funding allowed us to hire an Indigenous journalist on a part-time basis. Increased funding will allow us to retain [them].”

We also heard, “The CJC has had a direct and positive impact on our ability to hire additional journalists and expand into communities that were underserved previously. Since 2024, we have started print newspapers in [four new regions] thanks in part to the CJC.”

The CJC is still quite new, and within less than 18 months, we've gotten a start-up off the ground, built and launched two rounds of the program, and in the last two weeks, already sent out \$52 million of the second round of funding. I'm happy to provide the committee with any additional information about our work to support Canada's newsrooms.

Thank you for the opportunity to speak with you today, and I look forward to answering your questions.

The Chair: Bravo. Thank you.

[Translation]

I now give the floor to Benoit Chartier and Sylvain Poisson, from Hebdos Québec, who are attending by video conference.

You have the floor for five minutes.

• (1115)

Benoit Chartier (Chair of the Board, Hebdos Québec): Good morning.

My name is Benoit Chartier. I am joined by Sylvain Poisson, general manager of Hebdos Québec. I am the chair of the board of Hebdos Québec.

[English]

Thank you for welcoming us to your committee.

[Translation]

Hebdos Québec is a group of about 40 independent newspaper owners. It includes 137 print and digital media outlets spread across 16 regions of Quebec and several other provinces in the country. Every week, we distribute some two million printed copies to every household in Quebec.

We now have stability for the first time in many years thanks to the Online News Act and the Canadian journalism labour tax credit, which amounts to 35%. This gives publishers more certainty to invest in their newsrooms. At the same time, we are expressing our deep concern that the tax credit will decrease to 25% on January 1, 2027.

Now on to Canada Post. Quebec's French-language weekly press is calling on you and sounding the alarm as the business model of our print media has been seriously shaken in recent years and continues to be jeopardized by the ongoing dispute at Canada Post and the overall conditions that affect our distribution by the Crown corporation.

Our print media is being subjected to unfair rates that jeopardize its future, as well as a status that exposes us to the stoppage or complete absence of distribution, as was the case during the Canada Post labour dispute.

Canada Post is critically important for the distribution of our print media to reach our readership and serve our advertisers every week. Its usefulness is undeniable, and we have no other private distribution network as exists elsewhere in Canada, such as the Postmedia distribution network.

We need to benefit from a single, advantageous rate that would remain in effect and that would enable each of us to opt for broad and blanket distribution. That would ensure our survival at a time when the quality of information is being undermined and journalistic deserts pose a real threat to social cohesion, as does artificial intelligence, for that matter.

We would also like to be able to obtain special status in relation to door-to-door delivery in order to avoid any interruptions, including the exclusion of neighbourhood mail as a media outlet. That status would also insulate us from any delivery stoppage.

At this point, I will give the floor to my colleague, Mr. Poisson.

Sylvain Poisson (General Manager, Hebdos Québec): Thank you, Mr. Chartier.

I, too, would like to thank you for welcoming us.

I will continue the presentation by talking about government advertising.

We are also sounding the alarm about the sad state of federal government advertising in recent years, and we deplore the fact that it has reached an all-time low. That poses a serious threat to the survival of our local and regional media, in addition to obscenely and unfairly enriching the web giants.

In concrete terms, in 2024-25, according to a report from the government itself, print media ads amounted to a very meagre \$222,000, only 1% of the \$78.15 million in total spending over that period. It has nothing to do with the \$25.69 million spent on programmatic and non-programmatic display and the \$7.55 million spent on social media, of which the vast majority, if not all, ends up in the pockets of American web giants.

Specifically, ad investments in Réseau Sélect, which is the national sales representative agency serving all members of Hebdos Québec, were \$30,566 in 2024, or \$22,437 excluding Elections Canada-related ads, which, as you know, are ad hoc, irregular and non-recurring.

If you can imagine, purchases of \$347,252 in 2025 drop in real terms to \$50,653 for the same year excluding all the Elections Canada ads. Those amounts obviously have to be distributed among the media we represent. It's peanuts, shall we say.

• (1120)

The Chair: Thank you.

I will now go to Robert Ranger and Sébastien Côté from RNC Media, who are here in the room.

Gentlemen, you have the floor for five minutes.

Robert Ranger (President and Chief Executive Officer, RNC Media Inc.): Good morning, Madam Chair and members of the Standing Committee on Canadian Heritage. My name is Robert Ranger, and I am the president and chief executive officer of RNC Media. With me is Sébastien Côté, general manager of information for the Gatineau-Ottawa market.

RNC Media is an independent Quebec broadcaster that will soon be celebrating its 80th anniversary, making it the oldest private broadcaster in Quebec. Our four television stations in Outaouais and Abitibi-Témiscamingue are affiliated with the TVA and Noovo networks. The news sector at RNC Media currently has a team of about 40 full-time employees. We produce almost 20 hours of 100% local television news programming every week.

RNC Media believes that supporting local news, particularly on television, is a real societal choice. We consider ourselves an essential service for the communities we serve. The federal government has the power to act, but especially the responsibility to protect Canadians' access to credible, diverse and accessible local information.

Sébastien Côté (Director General, Information, Gatineau-Ottawa Division, RNC Media Inc.): A strong democracy depends on well-informed citizens, particularly in their own communities. A recent report from the Public Policy Forum clearly showed that the collapse of local news poses a direct threat to Canadian democracy. In that light, television remains an essential pillar for news. It still reaches 90% of Canadian adults every month. In Quebec, 77% of adults are still getting their news from television every week, and their level of trust exceeds 85%. With the advent of artificial intelligence and the rise of disinformation on social media, trust in television news becomes even more valuable.

The modernization of the Broadcasting Act was supposed to provide tangible support for local news by integrating digital platforms into the Canadian system. However, the situation has deteriorated. The contributions planned for the Independent Local News Fund, the ILNF, are still not forthcoming as a result of the digital giants' endless appeals to the Federal Court. Meanwhile, stations are closing, newsrooms are disappearing and job losses are mounting.

The decision to integrate Corus stations into the ILNF without the funding being available had a major impact. For RNC Media and other independent stations, this represents a further loss of 50% of the ILNF's revenue this year and a loss of over 60% of revenue next year. These losses are creating unsustainable structural deficits.

However, since the ILNF was created in 2017, the fund has helped us double our production minutes, add a live noon newscast and keep newsrooms open in our regions. Without the ILNF, our stations would simply not be operating today.

The current redistribution of the ILNF also penalizes francophone broadcasters. The francophone share of funding has gone from over 24% originally to just 12% today. However, francophone stations represent more than 23% of the eligible stations. In a number of federal cultural programs, the minimum threshold for francophone funding is nonetheless 30%. This principle should also apply to our stations.

Robert Ranger: Today, our stations are facing a critical financial situation. Urgent action is needed.

We therefore respectfully request that you call on the Government of Canada to provide monthly compensation in the amount of \$1.5 million to stations benefiting from the ILNF, as requested by the Canadian Association of Broadcasters. That amount would raise income for the fund's original recipients to the same level they had prior to Corus's admission into the fund. Let's not forget that Canadian Heritage quickly set up assistance in the form of emergency funds during COVID-19.

We are also asking that eligibility for the Canadian journalism labour tax credit be extended to holders of a broadcasting licence

and that it apply to the salaries paid to employees working in the production and presentation of newscasts.

Lastly, we propose that a government advertising distribution act be adopted that sets a 50% maximum threshold for budget spending on digital platforms. Without swift transitional measures, other independent stations will have to shut down in the short term, creating new media deserts and giving foreign algorithms free rein.

You have the opportunity today to act to protect the plurality of voices, which is a fundamental principle enshrined in the Broadcasting Act.

Thank you for listening. We are now available to answer your questions.

● (1125)

The Chair: Thank you.

Next, it's the turn of the Télé Inter-Rives representatives, who are also in the room.

Cindy Simard and Pierre Harvey, the floor is yours for five minutes.

Cindy Simard (Vice-Chair, Information, Télé Inter-Rives Ltée): Good morning, Madam Chair and members of the Standing Committee on Canadian Heritage. Thank you so much for having us.

Hello. My name is Cindy Simard, and I am the vice-president of news at Télé Inter-Rives, which owns three local television stations in eastern Quebec and New Brunswick: CIMT-TV and CFTF-TV, which are based in Rivière-du-Loup, and CHAU-TV in Carleton-sur-Mer.

With me today is Pierre Harvey, the station manager at CHAU.

Our local television stations serve some of the largest territories in Canada. The regions we serve are home to approximately 550,000 residents, including 230,000 Acadians in New Brunswick, a francophone population that is considered an official language minority community.

Télé Inter-Rives is one of the biggest privately owned news companies in eastern Quebec and the Maritimes, employing 18 journalists and 11 camera operators, editors and directors on a full-time basis. Our stations produce 22 hours of local news per week, 52 weeks a year. Our news content is 100% local, and the number of hours of local news we broadcast each week is more than double the amount that Radio-Canada's public service television offers in the same territory.

In our regions, television is still the main local medium available across the region on a daily basis, reaching residents, leaders, organizations and institutions in our communities with coverage of current events on the ground. Television news requires the most equipment and the highest travel expenses and costs the most to produce.

Yet private television stations are currently experiencing an unprecedented decline in advertising revenue. This crisis began with the advent of digital several years ago, but it has been getting worse lately, and the financial pressure this is putting on the viability of our stations is alarming. This is an emergency.

Independent television stations need other sources of revenue. Without the financial support of the ILNF, which is our stations' biggest source of revenue outside of advertising, we simply would not still be operating today.

Pierre Harvey (Director, Télé Inter-Rives Ltée): Despite CRTC initiatives aimed at increasing ILNF contributions with the Online Streaming Act, this measure is currently being challenged in court by foreign streaming platforms. The additional contributions that should have been distributed to independent television stations have yet to materialize.

Furthermore, with CORUS stations now deemed eligible for funding, the ILNF payments to our stations have been reduced by 50% since May 2025. The shortfall amounts to hundreds of thousands of dollars, leading to untenable operating deficits and jeopardizing our professional local journalism resources.

It is important to note that three small local television stations went out of business in Alberta last year. Some had been on the air for 70 years. Their owners made the heart-wrenching decision to shut them down due to financial difficulties and a bleak economic, regulatory and governmental outlook.

Should we stand by and allow a population of 40 million Canadians to end up with the public broadcaster as their only source of television news? Alternatively, should we allow the media space to be taken over by the unverified or malicious content circulating widely on social media platforms, which are run by foreign companies?

That is why we are respectfully making the following requests to our elected officials.

First, the Government of Canada should be urged to grant monthly compensation in the form of repayable loans of \$1.5 million per month to stations receiving ILNF funding, as requested by the Canadian Association of Broadcasters, to forestall further closures of private television stations.

Second, if the Online Streaming Act is repealed, the federal government should implement alternative programs to provide permanent financial support in the amounts estimated by CRTC.

Third, the Government of Canada should take inspiration from the Government of Quebec and grant broadcasters a refundable tax credit on salaries paid to newsroom employees.

In conclusion, private Canadian television stations are not just broadcasters; they are vital pillars of our cultural and democratic ecosystem. They shape our collective imagination, amplify our voices and reflect the values that define Canada. In an era of content globalization, private television stations act as a bulwark, helping us defend our identity. That is why protecting and supporting them should not be an afterthought, but a core priority for the Government of Canada in order to safeguard the vitality, cultural sovereignty and cohesion of our society.

Thank you for your attention to this matter. We are available to answer any questions you may have.

• (1130)

The Chair: Thank you.

We'll now go to questions from members.

We'll start with you, Mr. Généreux. You have six minutes.

Bernard Généreux (Côte-du-Sud—Rivière-du-Loup—Kataskomik—Témiscouata, CPC): Thank you, Madam Chair.

I want to thank all the witnesses, particularly Ms. Simard and Mr. Harvey, who are from my riding.

I'm going to ask you a question, Ms. Spring.

I saw you taking notes while Mr. Harvey was making his argument and asking whether we could imagine a day when there was only one media outlet, CBC/Radio-Canada. The others could disappear if they aren't well funded, helped and supported.

You now manage a \$100-million fund paid by Google every year over five years. If I understand correctly, \$7 million of the \$100 million goes to CBC/Radio-Canada, which itself is now subsidized to the tune of \$1.4 billion by the federal government.

In light of what all the witnesses are telling us, have told us in the past and will surely tell us in the future, how is it that a government-subsidized company also receives an amount from you? I understand that CBC/Radio-Canada has journalists, but why does this organization receive \$7 million from the \$100 million fund?

Sarah Spring: Under the Online News Act, it was established that CBC/Radio-Canada could receive up to 7% of the fund. Every year, the CJC decides on the contribution that will be made to CBC/Radio-Canada. For the first two years, 7% was the maximum.

As I said, our board of directors represents members from every news sector across the country. Therefore, the board decision is supposed to represent what the members want. This is not a decision made haphazardly. The decision is made after discussions with all the members represented. I am not the one who decides whether the contribution will be 7% or less than 7%. However, for the first two years, that was the maximum.

Bernard G  n  reux: I would urge the people on the board of directors to review their decisions in the future, because in light of what we're hearing today, I think that \$7 million would be better used elsewhere in Canada to maintain other media. I have absolutely nothing against CBC/Radio-Canada, but I think that the money could be better used among all the members who make up your board of directors.

I will now turn to you, Ms. Simard and Mr. Harvey.

You provide your services in the regions. You cover a huge territory. It's almost a country within a country.

We must remember that this study focuses on media fairness. Do you think that all the government measures taken so far are fair for all media, whether it be print media, broadcasting, television or other types of media?

Cindy Simard: I can start with a partial answer, and then Mr. Harvey can add to it.

Obviously, we do advocate for a plurality of media in Canada. We think every media outlet has its place. Do we think it's fair? We obviously feel that it is not.

The government has not put in place a lot of measures for electronic, radio and television media like ours. We don't have access to a lot of the things that have been put in place. Just think of the tax credit for journalists, which is given to print media. We in radio and television are not entitled to it. There are a number of other things, such as the local journalism initiative, which was set up by Canadian Heritage. Print media outlets are entitled to it, but we as electronic media are not.

I don't think that's fair.

As far as Radio-Canada is concerned, we sense that it is looking for ways to invest the last \$150 million it received, while TVA, Bell and Quebecor are cutting a lot of positions. That affects the regions. In the regions and elsewhere, TVA and Bell have cut a huge number of newsroom positions. We are fortunate to have retained 100% of our employees. We have not yet had to make cuts, but we see it coming.

Where we don't think it's fair is that, in the meantime, thanks to grant money and the various funds that Radio-Canada can receive, in the past year, the corporation has taken the liberty of creating 29 journalist positions in francophone markets in Canada, including a number in Quebec. Radio-Canada just added journalists in regions where they already existed or in regions where there were already a number of media outlets, such as radio and newspapers. It chose to add journalists to those markets, and it is coming after ours.

I obviously have a staff retention challenge, because Radio-Canada can offer double the salary I can offer a journalist. I train them. I trained 111 of them over 10 years. In 10 years, 111 journalists have passed through my two TVA stations. I train them and I pay to train them, but as soon as they get good, media outlets with more money come and take them from us by offering double their salary.

• (1135)

Bernard G  n  reux: I've seen that. We've known each other for a long time. Obviously, I'm from that region.

Do you have any ideas for the committee about things like training or tax credits? I don't know what could be set up. I'm not sure how much of Google's money could be used for training.

I'll let you speak to that.

Cindy Simard: Absolutely.

We put some ideas in our brief. We came up with a very long list of simple things that the government could actually do to help the smaller players. It's really the smaller players that need this financial assistance. In our case, it's our only source of revenue. We're not vertically integrated with anyone. All we do is news.

I'll let Mr. Harvey quickly go through the list of ideas that we thought of.

Pierre Harvey: Ms. Simard described the situation. We get a lot of young journalists fresh out of school. They come to learn with us, so the training costs are huge.

Folks in our industry say that a journalist is not really functional in a community. In many cases, these are young people who come to a new community but have no contact with it. It takes at least a year, ideally two, before they are fully functional and competent in the job and in the region. That's because our stations work hard to train them.

Obviously, one thing we would have to add to the requests in our brief would be funding for training or some kind of credit to help train new journalists.

By the same token, I should point out that very few journalists show up to our interviews or respond to our job offers because schools are producing far fewer journalists nowadays. I don't know if you're aware, but young people aren't keen on pursuing careers in journalism. They're reluctant to get into journalism. Maybe it's because of everything they're hearing right now.

The Chair: It's because former journalists advise young people not to pursue a career in journalism.

Thank you very much, Mr. Harvey. Mr. G  n  reux's time is up.

Bernard G  n  reux: Those former journalists have all become members of Parliament.

The Chair: I'll give Mr. Al Soud the floor for six minutes.

[English]

Fares Al Soud (Mississauga Centre, Lib.): Thank you, Madam Chair.

Thank you all for being with us today.

[Translation]

I don't know if you had time to finish your response, so I'd like to give you the opportunity to do so. It's a very important issue, after all.

Cindy Simard: That's kind of you.

My answer might be shorter than Mr. Harvey's. I'll list some very simple things you could do.

Mr. Harvey was talking about journalists in remote regions. We need measures that get them to come and work in regions like Gaspé right after graduation. I posted a job offer in Gaspé six months ago, but I didn't get a single CV. There could be a government bonus for journalists who agree to come and work in regions like Gaspé.

We're about to invest \$700,000 in news production equipment to improve our newscast because our equipment is at its end of life. The last time we bought equipment was in 2011 during the transition to HD. That's \$700,000. Equipment costs me the same as it does the big stations. There used to be a 40% investment tax credit for the purchase of production equipment. Reinstating that tax credit might be a very good idea.

In addition, the selection criteria for the local journalism initiative could be expanded. I talked about this earlier. I think the criteria could be expanded to include small players in the radio and television sectors, at least those that are independent.

There could also be financial assistance for our digital transformation. As we know, print media have received a lot of money to develop apps and websites. We pay for those things ourselves. We created a website, but we can't afford \$100,000 for an app. It could be that kind of financial assistance as well.

The last suggestion I have is simply a tax credit for businesses that buy local advertising. Businesses that choose to buy advertising in traditional media rather than on social media could get a tax credit.

This is a list of what I feel are very good ideas. I can give you a copy.

• (1140)

Fares Al Soud: That would be great. Thank you very much.

[English]

Ms. Spring, I will direct my first set of questions your way. Very quickly, I'm going to latch on to something Mr. Gagné spoke to.

You've previously described the model as equitable and fair, empowering "a broad range of voices". I'd like to give you the opportunity to expand on that model and to speak to how you ensure that smaller, local and regional outlets are not overshadowed by larger incumbents like the CBC when this funding is distributed.

Sarah Spring: Essentially, the way we ensure equitable distribution is by landing on a dollar amount for broadcasters and for publishers. The metric in year one was \$3.55 per broadcaster hour and \$7.89 per publisher hour. This was based on how many eligible applicants there were and how many eligible hours they had. We end up with a pool, and then we divide it equally.

Yes, smaller news businesses are going to get a smaller amount and larger news businesses will get a larger amount, but the dollar amount is the same for everybody. These are news businesses that—I know this because I'm communicating with them all the time—don't feel they would have access to this money if the program wasn't in place.

Fares Al Soud: Excellent. Thank you.

Do you believe the model strengthens journalism's capacity—or slows down the decline, rather? This criticism is often highlighted. I really want to get at that.

Sarah Spring: What we hear loud and clear is that this money is fundamental to these news businesses' carrying out their mandate and serve their communities. We hear that if they were not there, it would be absolutely disastrous to these news businesses. We also hear that there aren't a lot of resources to do the transformation the other panellists spoke about in order to transform business models, transform to a digital structure, think about how to become more competitive and then compete against social media for eyeballs in your community. People are telling us that this work takes time. At the moment, they're still using this funding in order to stabilize.

We'll continue to track and consult with applicants and recipients. It will be really interesting: Are they growing their newsrooms? Can they use this funding to transform? The Google exemption is a five-year exemption. We have the opportunity to access information upon submission about the sector. This is the first time we've had broadcasters and publishers within the same collective receiving the same funds. We're sitting on a lot of data that will really help the news industry to understand how it is collectively transforming and meeting the moment.

Fares Al Soud: I have a final question for you. I have a tremendous amount of respect for the work you do. Do you fear, though, that tying the financial sustainability of journalism to platform-derived revenue might risk entrenching dependence on the very actors who have so vastly shifted the market in the first place?

Sarah Spring: I don't think I would say we're tying the financial stability or future of the news sector to large platforms. What we're administering is an attempt to recalibrate the disparity between what the large platforms are accessing in terms of local news content and what they hadn't been compensating for in the past. It's trying to recalibrate this dynamic.

I don't think it is the magic bullet that will solve the challenges faced by the news sector. It certainly is helping them in a really trying period of massive transformation. It is not the answer but one of a series of answers that are supporting a larger transformation that needs to happen across Canada's newsrooms.

Fares Al Soud: Fantastic.

Thank you.

The Chair: Thank you.

I have a question before I turn to you, Mr. Champoux.

We hear a lot of consternation about government funds going to support journalism. The money has to come from somewhere, whether it comes from government or private business that may have the potential for even more influence on a newsroom. When I was a journalist, the ad section was always on a different floor. You didn't cross paths with the people who sold ads. You were very careful about separating the people who raised money to support the journalism and the actual journalism in the room.

Why do you think, Ms. Spring, we have so much consternation about government through tax credits supporting journalism? Why do people think this is riskier than a private business supporting journalism?

• (1145)

Sarah Spring: I don't know if I can speak to the tax credit issue, but I can say that the Canadian Journalism Collective supports a diverse spectrum of news businesses across the country who have different opinions on the Online News Act, for example. We're not selectively funding newspapers that have only a specific perspective. Is it original news production? Is there reporting? Is it news of general interest? Is it primarily news production and not just opinion? That's what we're looking at.

In this sense, it's really interesting that—I'm happy to say—every single opinion across the country is being compensated by the Google funds. Some of them are very opposed to government subsidies for news. The big tent model is an interesting model.

The Chair: Would anybody else like to comment on that question?

[Translation]

In that case, I'll hand it over to Mr. Champoux for six minutes.

Martin Champoux: Thank you, Madam Chair.

Thank you to all the witnesses for being here today for this important study.

We have been sounding the alarm for so long about the media, especially the news media, and especially in the regions. It has been a constant battle for weeklies. This is not the first time that Mr. Poisson and Mr. Chartier have testified before our committee. We've had multiple discussions over the years. Things have improved somewhat for them thanks to the Canadian journalism labour tax credit, among other things, but the situation is still very fragile, as we know.

That's case for the regional news media, as I was saying, but it's also the case for the radio and television sectors. In fact, the representatives of Télé Inter-Rives and RNC Media could attest to that.

It is very frustrating to see that so little has been done to really help the regional news media after all this time. It makes me wonder whether the government really understands the importance of journalists in the regions. I'm not talking about regional coverage of major events that the media can do from major centres such as Toronto, Quebec City, Montreal or elsewhere. I'm really talking about being on the ground, covering municipal councils, what's happening in our communities, which journalists in major centres certainly can't do and which only journalists at our weeklies and regional TV and radio stations can do.

Earlier, I think it was you, Mr. Ranger, who once again referred to the urgent need for action. You have no idea how tired I am of hearing that phrase. We say it over and over again, but nothing ever happens. The Yale report on the future of our broadcasting system was released in January 2020. The title of the report includes the phrase “time to act”, and there is reference to urgency. Now, it's almost too late to act, because the support provided is insufficient and often comes too late. It is often misdirected, and often ill-considered. You are here, once again, with hope and passion to save the regional media. I commend you for that because sometimes I wonder where you find the strength to keep fighting this machine that barely listens to you.

There are solutions. Ms. Simard, I found that very refreshing earlier, because you came with a list of ideas. That's true. I'm going to ask you to send those ideas to the committee. You have to keep this fight alive.

You provide solutions, such as the journalism labour tax credit, which should have been extended to the radio and television newsrooms long ago. There is the Independent Local News Fund, or IL-NF. No one is opposed to Corus stations being eligible for the IL-NF, but it was naive to think that the digital giants would contribute to or shore up that fund. I think the CRTC should have provided compensatory measures at that time, at least while the courts were deciding on the challenge that GAFAM is still conducting today.

You provide solutions. Are you sometimes discouraged to see what little attention is given to the entirely reasonable solutions you propose?

Mr. Ranger, I'll begin with you.

• (1150)

Robert Ranger: We are passionate about our work. For the past 80 years, our main product has always been local news and local programming. Our production is 100% local.

You have to be a bit crazy to keep going with that, given what has happened in recent years. For every small gain, something else happens and we slip back again. You've seen the declines in national revenues. Google is a breath of fresh air, but on the other hand it doesn't even cover our revenue losses from networks. So it's always a small step forward and then a step backwards right after.

For our part, we have been cutting and downsizing in Abitibi and Gatineau for the past 10 years. TVA has done that more than once, once just recently. For our part, we have been streamlining our operations for 10 years and increasing our efficiency. A journalist is now responsible for filming a report, editing and captioning it and sending it to the machine for broadcast. We have 20 journalists in the regions; that's not insignificant. Costs are going up though, but grants are going down.

Let me answer the question about the independence of an organization that receives grants. As Madam Chair said, the sales department is on one side and the news is on the other side. There's no connection between the two. We have done reports on our largest customer in Gatineau, whom I won't name. It also happened in Abitibi, in the Horne Smelter case, and there was a public debate in that market. We reported on it, because it is our duty to do so. Whether we receive a tax credit or a LINF grant, we want to do more and more.

Martin Champoux: I don't have much time left, but I'd like to know something.

Sometimes tough words are needed, but some radio stations are at risk of being shut down. You keep them open nearly with dental floss at times.

In your opinion, since you live in your respective regions and are stakeholders in them, what would happen if a news outlet in one of your regions disappeared?

Cindy Simard: As we said in our briefs, without the LINF, we're just not profitable anymore. We're in a deficit. So that says a lot.

Martin Champoux: Let me ask you quickly: If nothing is done, how long will it take for the consequences of that inaction to really be felt?

Cindy Simard: I think it will be faster than we think, and once we are gone, there will be no turning back. It will never come back.

There are costs, and there are probably even more costs in Mr. Ranger's case. For us, it's costing us four million dollars a year just to maintain a news service at a small station like ours. We have satellites, as Mr. Ranger does, with RNC Media. A satellite office costs \$150,000 per year to maintain. We have five of them, including one in Edmundston, New Brunswick. That is where the cuts will be made first. Our satellite offices are in the small regions, such as Val-d'Or, so that's where there will be losses. That's where we're going to have to start, until the end of the road for our media.

Martin Champoux: So let's try our luck again and repeat that urgent action is needed. Do we have to say it again and highlight it in bold? Urgent action is needed.

Thank you.

Robert Ranger: I have just one last thing to add to answer your question about—

The Chair: I'm sorry, but we're out of time on that one. Perhaps you can come back to it later.

[English]

Mr. Waugh, you have the floor now for five minutes.

Kevin Waugh (Saskatoon South, CPC): Thank you.

Mr. Wood, thank you for coming on. I mean, 45 years in the industry.... You don't find that nowadays.

You talked about news deserts. That's interesting, because the two newspapers in Regina and Saskatoon print Friday afternoon for the Saturday edition. We don't have anything on Monday, and then we have two-day-old and three-day-old news on Tuesday and Wednesday. As for the CBC—the corporation that gets \$1.4 billion a year—it shuts down at 6:30 on Friday and we don't hear from it again, TV-wise, until Monday.

You talked about the Humboldt Broncos. You talked about snowstorms. Where is the media going today? You mentioned a bit about that. However, in terms of urgency when there are wildfires, weather conditions or bus accidents, we have no local news in my province now from three o'clock Friday newspaper-wise and from seven o'clock Friday night television-wise. You are the only industry alive, right now, in a province of 1.2 million.

I want you to comment on that, please.

• (1155)

Murray Wood: Yes, it is disturbing, Mr. Waugh. Thank you for the question.

We see other stations in Saskatchewan, as well as radio, having some news presence on weekends. I want to be clear about that. As I said in my notes, there is one newscast with Saskatchewan content on television, but it comes out of Toronto. This is a real thing.

In Saskatchewan, as in many parts of Canada, the weather can come up quickly and be quite severe. People need this information. While social media is available for people to share information, radio is instantaneous, particularly if you're travelling in your car. People need to know it as it's happening. We take pride in this and view it as a responsibility, as I said, to be there for people seven days a week and 365 days a year. On Christmas Day, a lot of people are travelling, so we think it's important to have somebody live on the air doing the news. I don't know if I would say that weekends are a revenue generator for us, but it's part of our responsibility to our province.

We reach across the province. I didn't get into this in my presentation, but we have seven stations in Saskatchewan. Our two news talk stations reach almost border to border. We have three repeater transmitters in southern Saskatchewan to ensure that the signal reaches all the way across. Our CKOM signal out of Saskatoon reaches well into the north. When things are happening, when there is breaking news and when people need to know, they can turn to the radio and we will be there. That's an important commitment we make. It's one we have to work to live up to, but we feel we do.

Kevin Waugh: Trust and credibility.... That was interesting, because I think the public has lost trust in local media, and credibility, certainly, is wavering with the general public.

Can I get your thoughts on those two things?

Murray Wood: Survey after survey finds that, when it comes to trust in media, local media and local radio still score the highest. As I indicated, people have trouble these days, wondering what's real, what's paid for and what kind of trust there is. The trust they have in local media, thankfully, is still very strong, and it's because we are there. We have people on the air coming on and giving the information as they need it, even if it's just the forecast or about what that puff of smoke is in the sky in Regina. We can tell them what it is.

Listeners know that, in Saskatchewan, if something is going on, the radio—and our local news sites—will provide them with the information they need. That's where the trust comes in. The trust comes from being there and doing it, day in and day out.

Kevin Waugh: I'm going to move now to Ms. Spring.

I see no western Canada representation on your board of directors. I see that you get 2%, which is about \$2 million to the administrator to administrate this Google fund of \$100 million. Why is there no western representation? There is nobody on it from Saskatchewan, nobody from Alberta and nobody from B.C. I was concerned when I looked at your board of governors and saw a big vacuum.

Sarah Spring: The structure of our board of directors is by sector of the news industry. Every member class and everyone who receives funding every year in good standing is a member. They can elect their director to the board. We don't have regional representation. We have news sector representation. It's up to the member class to vote in someone who represents their interests.

You're right to acknowledge that it doesn't happen to have someone from those regions, but we ensure that every part of the news sector, from not-for-profit news to community radio and small publishers, is represented.

Kevin Waugh: That's my five minutes, Chair.

The Chair: Thank you, sir.

[Translation]

Mr. Ntumba, you have the floor for five minutes.

Bienvenu-Olivier Ntumba (Mont-Saint-Bruno—L'Acadie, Lib.): Thank you, Madam Chair.

Good morning. Thank you for being here.

I think this study is very important for the quality of media as well as for the long-term survival of the media in Canada and in all regions of the country.

My question is for you, Ms. Spring.

A number of Quebec media outlets have benefited from tax measures to support journalism in recent years. Practically speaking, how do those measures support the viability of the media you represent?

I would also like to mention that the superdeduction was introduced in the 2025 budget. Could that also be considered to prevent any government influence? I am asking because, when the media receive funding from the government, people often think that diminishes their neutrality.

• (1200)

Sarah Spring: The purpose of the Canadian Journalism Collective is not to lobby for our members. There are regional and national organizations for that, including the members who are here today. Our mandate is to distribute funds allocated under the Online News Act.

So I can't really talk about the media in Quebec or about certain subsidies and their effects. I can tell you though, as was noted earlier, that we even subsidize media that are critical of the Online News Act.

For our part, we see no impact on the independence of news producers across the country. We do not see that our funding has an impact on their independence or on their ability to report independently and with basic autonomy.

Bienvenu-Olivier Ntumba: Mr. Ranger, you said earlier that you have made repeated budget cuts over the past 10 years, which is not pleasant for an employer.

I'd like to come back to one point, the superdeduction the federal government recently introduced. Do you think that is a tool that can help you recover money from the equipment you purchase for your media?

Robert Ranger: Are you talking about the tax credit that the Government of Quebec has created?

Bienvenu-Olivier Ntumba: I'm talking about the superdeduction the federal government introduced. Could it be used to quickly deduct the cost of equipment purchased, in order to get some money back?

Robert Ranger: I would say that, in order to get money back, you have to pay taxes. And to pay taxes, you have to make a profit. So if you don't make a profit, you don't get anything back, and you keep spending.

As Ms. Simard said, these are major investments. When the federal government reclaimed broadband, we had to spend money ourselves to adapt to the digital mode and change bands. I think the federal government got \$1.8 billion from that exercise, and we spent a million dollars to switch our two transmitters in our two markets.

I would say that the federal government has not put any measures in place at this time to help us, and especially to help us quickly.

During the COVID-19 pandemic, there was an emergency fund managed by the Canadian Association of Broadcasters. It was super quick; the decision was made and the money was distributed. No one criticized that approach. Now there is an urgent need for action, as Mr. Champoux said. We're not asking for hundreds of millions of dollars. As independent broadcasters, we are asking for \$1.5 million per month until the digital companies participate in the Canadian broadcasting system. So it's a fairly simple solution.

As Ms. Simard said earlier, the CBC has received \$150 million from the federal government. In the past, it also covered the CBC's deficits. What we're asking for is to restore some fairness that will allow us to continue to provide local news.

People often forget the importance of diverse voices in a market. Consider the case of the Horne Smelter in Rouyn-Noranda. The CBC covered the issue with an eco-friendly lens, to put it politely. RNC Media made it a human story, because the closure could affect people, businesses and suppliers. The CBC focused solely on the environmental aspects of the issue, and we know that the issue is very complex. For our part, we reached out to hear from local people. We sought out news stories that people wanted to hear. Then people could make up their own minds. The closure of the Horne Smelter was bombshell for that market.

Bienvenu-Olivier Ntumba: Thank you. I understand the point very well.

By the same token—

• (1205)

The Chair: Excuse me, Mr. Ntumba, but your five minutes are up.

Mr. Champoux, you have the floor for two and a half minutes.

Martin Champoux: I want to focus on what Mr. Ranger just said. That's exactly what I was saying earlier about local journalism that covers local issues from a local perspective. In this case, the national story was covered by the national stations, and also by the local stations, from a completely different perspective that resonated much more with the local population. That illustrates the importance of local stations and media in journalistic coverage.

Mr. Chartier and Mr. Poisson, I don't want to leave you out, because I know that weeklies are still facing a lot of challenges as well. Although some assistance has been provided, specifically the Canadian journalism labour tax credit, there are still challenges. Earlier, you talked about distribution, which is still a major concern. We know there are delivery issues for a lot of weeklies.

Is there a broader solution for weeklies in Quebec or should tailor-made solutions be used, depending on the region? What are you

proposing? What are you asking us to do to help weeklies, which in my opinion are as essential as radio and television?

Benoit Chartier: Regarding weeklies in Quebec, following the dispute with Canada Post and the end of the Publisac throughout Quebec, yes, a broader solution is possible. We could sit down with Canada Post and try to get the preferential rates that are only for newspapers that provide general coverage in their region. That would be a much more favourable distribution rate than the rates we are currently getting from Canada Post.

Take for example the newspaper L'Express de Drummondville in your riding, Mr. Champoux. For some time now, L'Express de Drummondville has been distributed only in grocery stores, convenience stores and pharmacies. Why? It's because Canada Post's door-to-door delivery cost is too high. That has a major impact on journalism, on the distribution of newspapers and on the amplification of journalism in the regions. If we got a preferential rate from Canada Post for the general-interest weekly press in Quebec, every copy would definitely go to every house in that region. Going back to the example of Drummondville: L'Express de Drummondville could once again be distributed to every door in the city.

That's why we're here today: We have a major challenge in relation to the Quebec weekly press. This is not a problem elsewhere in Canada because they have private distribution networks that we don't have in Quebec.

Martin Champoux: In a few seconds, Mr. Chartier, can you just tell me how important the tax credit, among other things, and programs like the local journalism initiative are for weeklies and their survival? Could you continue to provide regional coverage effectively without those support programs?

Benoit Chartier: It would be impossible.

Mr. Champoux, I fought with you for 10 years. We were in the trenches together in the early days as regards Bill C-18, as you will recall.

Martin Champoux: You mean we fought together.

Voices: Oh, oh!

The Chair: Thank you both very much. It's a very small world, I would say.

[English]

Mr. Diotte is another former journalist in the room.

You now have the floor for five minutes.

Kerry Diotte (Edmonton Griesbach, CPC): Thanks, Madam Chair.

I know, Ms. Spring, that you have until only 12:30, so I'll ask you a question off the top.

I was looking at your website. You say that the Canadian Journalism Collective is funded by a diverse steering committee of news publishers and broadcasters based in Canada, yet you don't have anybody from western Canada. How is this even possible?

Sarah Spring: I'll refer to my previous answer. The board is structured as a 19-person board. There are eight broadcaster seats and eight publisher seats. They form the broadcasting and publishing councils. They elect an independent chair, and then the whole board elects the chair of the board. The publishing and broadcasting councils, those 16 seats, represent every sector of the news ecosystem, and the members elect, every year at their AGM, their representative on the board. The focus that was established when the CJC was founded was not on regional representation but on news sector representation. The members have the choice of what region they want to have represented to speak for them on the board of directors.

• (1210)

Kerry Diotte: Is there not some slight guilt that you don't have somebody from western Canada? Could you not appoint someone? Have you ever had anybody from western Canada?

Sarah Spring: We're a pretty new organization. The board that's sitting right now is the first elected board. We're going to have an annual general meeting in June, when some of the seats are going to be up for election, so we'll see what happens.

The members can propose bylaw changes. It's part of our governance structure. The members can ask their representatives on the board of directors to propose bylaw changes. Everything is possible within the rules and regulations of good governance. No unilateral decisions could be made. They have to follow due process, but nothing is impossible if you're following those processes.

Kerry Diotte: I'll turn to you, Mr. Wood. I was a long-time journalist. We have a good friend in the legendary broadcaster John Gormley.

You noted that you have twice as much news on your radio stations on the weekend as CBC. CBC gets almost \$1.4 billion. How is it that they can't broadcast local news on weekends when a much smaller organization like yours can?

Murray Wood: Thank you for the question.

Yes, we do have a mutual colleague. I worked with John for many years.

I can't really speak to CBC's decision-making process, and I would say that they do have radio representation on weekend mornings. You're correct in that we are the only broadcast organization in Saskatchewan that is also there on weekend afternoons. In particular, on Sunday afternoons, I'm sure we are the only one in Saskatchewan.

I don't know how CBC comes to their decision-making process, but I can tell you that we view it as a responsibility to the people we serve. News doesn't stop. It doesn't end on weekends. It doesn't keep office hours. In fact, in recent years and this year particularly, it seems that a lot of news has been happening on weekends, so it's

been important and beneficial to us for the rest of our broadcast week to have people working on the weekends, covering those stories, talking to people and getting the information out as it happens.

Kerry Diotte: Tell me a bit more about your operation. What's your secret to success? Rawlco is not Corus, but somehow you've succeeded as a family-run business for 80 years, I understand.

Murray Wood: As you touched on, it is a family-owned business. We don't just talk about providing service to our listeners and to the province; we actually walk the walk. In the last 10 years, we've increased the number of reporters and news people working for our two news talk stations in Saskatchewan because we recognize the importance of it.

At a time when people are increasingly getting their information from online sources or from international sources, we have local people who are live. We're live and local seven days a week on our stations, and we're delivering local content. We're talking about what Saskatchewan people care about. They can phone in and talk about those issues on our talk shows. Listeners know that, if something significant is going on, they can turn to both our news stations and our music stations and find out more about it.

We talk about reflecting values. We have people who live here. They focus on what people care about, and they really create a sense of the day-to-day for Saskatchewan. If there's a secret to what Rawlco's done, and I would say some other companies as well, it is, in fact, walking the walk and being there to provide local service.

I'd also say, going even further, that it's being involved in the community, with substantial fundraising for charitable groups. Our stations raise millions of dollars each year for good causes in Saskatchewan. These things are tangible; they mean something and are seen as having value and giving back to the community.

The Chair: Thank you.

Mr. Wood, I've really appreciated your testimony today.

Would you tell me whether it would be valuable to your organization if CBC as a public broadcaster were compelled to share audio and video resources with other news stations across the country?

Murray Wood: That's a really interesting question.

This is my personal view. I've often thought that, for the role of CBC, what it's asked to do is serve the country. It's odd to me that CBC at times seems to view itself as being in competition. We even hear them in Saskatchewan talking about how they are doing in the ratings. They don't sell commercials, so I'm not sure why this is important to them.

There are times when access to information is a challenge. I will say in Canada particularly, The Canadian Press has backed away from providing as much audio as it has before. There are times when it's a challenge to access audio of a national feed. If the Prime Minister is doing something, we do workarounds, we find our way, but I think it's a fair issue to raise: whether CBC audio and content should be accessible—or at least some of it in some fashion.

• (1215)

The Chair: Thank you for that.

I will now—

Murray Wood: I'm sorry.

Having said that, I want to add that we would not need CBC's content or the stories they work on. We do our own, but some of the access to feeds and so forth might be useful and of service.

The Chair: Because you're not on Parliament Hill, you don't have resources here, so you could have access from a public broadcaster. That was my point. I appreciate your opinion.

Thank you.

Ms. Royer, you now have the floor for five minutes.

Zoe Royer (Port Moody—Coquitlam, Lib.): Thank you, Madam Chair.

I have deep respect for everybody in the room today giving testimony. This is such an important topic. It's really an imperative of our time.

In my riding of Port Moody—Coquitlam, our local news shuttered their doors just ahead of the 2025 election, about a month before. That created space for the, as Mr. Wood said, deluge of free, and as Mr. Harvey said, unverified and, in some cases, malicious content. It was really a feeding frenzy of all of that stuff ahead of the election. Here we are.

In this time of news, when people are hungry for local, fact-based journalistic integrity, but the vacuum is being filled with everything else, what does journalistic integrity look like to you? How can Canadians spot it? I'd like to open the floor and hear from many of you, maybe beginning with Ms. Simard and Mr. Harvey, because you train journalists.

Please, I'd like to hear from you.

[Translation]

Cindy Simard: That's a really interesting question.

We do, in fact, train a great many journalists. I think being based in the regions gives us the opportunity to be close to people. People know us; we run into them everywhere we go, and they know that we truly provide fair and credible news.

We were talking earlier about how trust in journalists may have declined in recent years. I think fake news plays a huge part in that. That's what we're trying to counter, obviously. Even we sometimes find ourselves reading something and wondering if it's true or false, if the image actually exists or if it was fabricated.

I think that in the regions, we're really lucky to be close to people. People know us; they know our journalists, and they meet them

in person. We offer really good training; it's so good that other media outlets seek out our journalists.

Personally, I don't sense this issue of unreliable information as much. On the contrary, I think the fact that we're close to people means we experience this situation less.

That said, I may have misunderstood the question.

Pierre Harvey: To add to my colleague's response, I'd like to mention another phenomenon, Ms. Royer.

What's causing some confusion among citizens who watch the news these days is what's known as opinion-based journalism. When on-air personalities participating in news programs, among other things, offer their opinions, it can distort the facts or give people a different perspective.

In the regions, there are few such local programs. Therefore, all of our journalists' commentary is based on facts. People are interviewed and give their opinions, and then the journalists seek out the other side of the story. We practise journalism the way it was done 30 or 40 years ago, following established standards.

Opinion journalism, or guest commentators, that's something else. By the way, this is also happening more and more on the radio, in talk shows.

In fact, the criteria for the Quebec government's most recent tax credit for journalism specifically state that the tax credit can only be granted to people who work in a newsroom and produce news broadcasts. It is also clearly explained that commentators are excluded from this tax credit. There is therefore a warning issued by government authorities regarding the financial assistance that will be granted.

• (1220)

[English]

Zoe Royer: Amazing. Thank you.

To Ms. Spring, when you're reviewing applications for funding, are you looking at those applications through a journalism code of ethics? How does your screening process work?

Sarah Spring: We took the language of the Online News Act and transformed it into program administration. Certain elements are mentioned within the act. We ask for a journalistic code of ethics. People have to submit that, whether they follow their own journalistic code of ethics or whether they are part of an association, in which case they submit their association's code of ethics. It's one of the fundamental eligibility criteria in order to have funding.

Zoe Royer: For Canadians listening today, what would you say are the pillars of the journalistic code of ethics, if you had to summarize it in five points?

The Chair: Perhaps you can submit that to us in a separate brief because we've run out of time for this question. I apologize, Ms. Royer.

For all of you, at the end of today, if there's something you've forgotten to mention or if there's more information you'd like to provide, please send it to our committee via the clerk, and our analysts can include it for our consideration of the report at the end of this session.

I will now turn the floor over to Mrs. Thomas for five minutes.

Rachael Thomas (Lethbridge, CPC): Thank you very much.

Ms. Spring, my question is for you. One comment that you made earlier in this session was that you're sitting on a lot of data that has been collected from these different news organizations. I'm curious. What type of data are you sitting on?

Sarah Spring: When someone submits for compensation, when they submit for funding, they're stating how many newsroom employees they have. They're stating which region they operate in. They're stating their business model. Are they not-for-profit? Are they for-profit?

There are various parts of our program administration that they share with us upon application. Some of this is shared when we post our information publicly about who received the funding. We're also going to share in the next round what member class they're a part of. This will be helpful for people who are looking for transparency and who's getting funding. You'll see how many community radio stations, how many large publishers, how many broadcasters, etc., there are.

Rachael Thomas: I'm curious, then, about what exactly this data will be used for. You've outlined some of that use, but are there other uses for this data?

Sarah Spring: No, it's really just program administration. If we're going to share any information, it would be thought through carefully with the board of directors as to what would be helpful for the news sector to know about itself, considering that we're sitting on a cross-section of information about the broadcasting and publishing sectors.

We're not an advocacy organization. We're really thinking about what is in service of our mandate and what is going to be helpful to the news communities we serve. We're not publishing anything at the moment, but we're thinking about whether it would be useful for some of this information as the news sector is trying to understand how it needs to meet the moment.

Rachael Thomas: Bill C-18 never came into effect. Google actually made a deal with the government that it would be exempt for five years as long as it created a fund of \$100 million per year that would go through the collective and then be distributed to news organizations. Interestingly enough, Bill C-18 was a flopped bill, and it ended up being shelved because it applied to no one. Now this fund is in effect for a total of five years before, of course, the government will have to revisit this. You, as a collective, have been put in place by whom?

• (1225)

Sarah Spring: Google decided to work with the collective to distribute the funding. There was a collective that was formed.

Rachael Thomas: Who formed the collective?

Sarah Spring: Are you looking for the names of the founding board members?

Rachael Thomas: Google was required to create a fund of \$100 million, and it decided that an entity called the collective would be responsible for rolling out the money. Who put that collective in place? Who was the initiator of the terms of reference?

Sarah Spring: There was a collective that formed, and they put—

Rachael Thomas: It didn't appear out of nowhere. Who formed the collective?

A voice: It was in the law.

Sarah Spring: I'm trying to answer your question. Essentially, there were several proposals that Google received in terms of how it would be administering the funding. One of the proposals was put together by a group of journalists, of news producers, who formed a collective. Google ended up choosing this collective. These founding board members created the organization, and I'm happy to send you the list of names, if you like, following this session. They incorporated a not-for-profit. They set up the governance structures. Then an elected board was put into place to represent the entire news sector, and the founding board termed out. The first meeting of the elected board was in April 2025, and that's who runs the organization.

Rachael Thomas: With regard to the original collective that was put together to work with Google to roll this out, you said that there was a group of journalists who got together and formed this collective. Was that just organic? Was it the minister who initiated that, or was it Google that initiated that? Who initiated it? Did they just magically decide that they were going to join together in one room and form a collective? How did it happen?

Sarah Spring: There was a group of people who began a conversation about how they would like to see the Google money administered.

Rachael Thomas: Where did the group come from?

Sarah Spring: The origins of how this conversation started.... It was before I was at the CJC. I've been there for only a year. This predates my time there. There were various journalists who started a conversation about how they would like to see the Google money disbursed and about some of the guiding principles they would like to introduce.

Rachael Thomas: It was very organic. The minister had no involvement, and Google had no involvement.

Sarah Spring: As far as I know, this was an entirely independent, organic conversation not related to the government and not related to Google in any way. This was a conversation that started amongst publishers and broadcasters who wanted to ensure that when the Google money—or the Meta money that didn't come through.... They wanted to ensure that when the funding went out, it was adhering to certain principles of equity and of representation. That's why they put into place the structure with the board of directors I was talking about earlier: to make sure that every sector had a seat at the table. The origin story of the collective is something for which I don't have the narrative at the moment. If you want to know more about it, I'd be happy to follow up in writing.

Rachael Thomas: That would be great. I would love for you to follow up.

The Chair: You have a lot of homework from us today. I'm sorry, Mrs. Spring.

Mr. Myles, you have the floor now for five minutes.

David Myles (Fredericton—Oromocto, Lib.): Thank you very much, Madam Chair.

Thanks, everybody, for being here. This is a great conversation. I'm glad we're doing this.

Maybe I'll start with Mr. Wood, to be followed by Madame Simard and Monsieur Harvey. The question I'm presented with is, what's the future business model for local media in Canada outside of subsidization?

You need to be profitable. Mr. Wood, you spoke about how you've managed to find a profitable business model, given all the challenges. What I'm asking is this: There are a lot of things we can do, but outside of that, from the business perspective, where is there hope in terms of its becoming...? What does the future of the business model look like?

Murray Wood: I can start if you like.

The business model is not my area of expertise. You have to understand that I'm a journalist by training, but I would say that our business model is based on one reason that we have continued to function and to be profitable. It is that we're very local. Our revenue comes from local businesses and people in our communities. I would suggest to you that our future is going to be in the same vein.

That's why I think, though, that as we look at how the advertising dollars are changing, we're clearly seeing an increase in digital advertising. That's no surprise. When we look at the federal government's distribution of its ad budget and we see a majority of it going to digital, which in many cases is going to be out of the country, we think there's an imbalance. If the federal government really does view local journalism as a priority, as being important to Canadian values and as being important to our culture, it should also make sure with its ad dollars that are currently leaving the country that at least a portion of those would come back and ensure local journalism is supported through the companies that are providing the service to their listeners and audience.

• (1230)

David Myles: Certainly, though, there's been a trend in advertising dollars from the private sector as well that have drifted towards the digital media sector. This is a trend that has happened both in the public sector and in the private sector at the same time.

Murray Wood: There's no question. It's the challenge that all media are facing.

As I said in my presentation, our biggest competition now isn't the TV station across the street anymore. It's Google, LinkedIn and YouTube.

I liked the idea presented by, I think, Ms. Simard. If there were attached credits to local advertisers to buy local ads, it sounds like the sort of thing that could be done fairly quickly and easily without having to gather funds together and redistribute them and so forth.

It could be a very straightforward transactional tax issue. I thought that was worth exploration.

[Translation]

David Myles: Very well, thank you.

As for you, from Télé Inter-Rives, thank you for being here in northern New Brunswick. I'm really glad you're here. I imagine it's not always easy, but I appreciate it.

Cindy Simard: I've had an opening in Caraquet for eight months now, if you're interested.

David Myles: Excellent.

Pierre Harvey: I'd also like to answer your question, which is very relevant. In fact, there are several answers to this question, but I'll share the perspective of someone who's been observing the local television and media industry for about fifty years. I joined CHAU-TV in 1977, when I was 18, and I've witnessed the entire evolution of the industry over the past few decades. I've seen the challenges that have arisen. We've always overcome them. The arrival not only of social media but also of the Internet has sparked interest among conservatives and citizens alike. It has changed the world. It has influenced many activities around us and many businesses, particularly the media.

As for television, we're dealing with several factors. Our primary goal in the coming years is to diversify our revenue streams. We currently have a starting point: we have the Google Fund, we have the ILNF. As we mentioned earlier, without the ILNF, we wouldn't have been able to survive. We remain in the advertising business. The economic climate is tougher, and there is fierce competition from social media, but we continue to sell advertising. Our problem is a revenue problem, not a viewership problem.

Once again, in the television sector, the impact is significant. I could tell you about the show *Indéfendable*, which attracts an average of 1,500,000 viewers in Quebec from Monday to Thursday. In my area, it reaches 40,000 people. Across eastern Quebec, we're talking about a viewership of roughly 150,000 people out of a potential audience of 500,000. So, you can see just how effective television still is with the public.

You can see it every evening if you go for a walk through the streets of Carleton-sur-Mer. I live in a small town. It's easy to see the glow from the TV on the wall, and it's in every house. So it's not true that people watch less TV these days. Maybe a little less than before, because they spend some time on platforms like YouTube, but television's reach is still considerable.

So, it's going to be small steps like that which will diversify our revenue streams. I've been in this business for 50 years, and I still believe in the future of television. We still have many good years ahead of us, but we mustn't give up on television. If we give up on it overnight, it will never come back. No one will want to reinvest in television stations in eastern Quebec if they disappear.

There's one more thing I'd like to mention. You'll recall that for several years now, the private television industry in Canada has been calling for Radio-Canada to withdraw from the advertising market. We've been discussing this within our company, and very recently, we put forward a somewhat bolder proposal. If Radio-Canada were to withdraw from advertising overnight, half of its revenue would likely go straight to the web giants, right away. So, it's still the industry that will lose this revenue for producing programs, delivering news, and so on. From our perspective, the Canadian Broadcasting Corporation is the system's spoiled child. It has considerable resources to fulfill its mission to Canadians. We believe it can afford to transfer a portion of that to the private television industry. So, what we're proposing is that Radio-Canada remain in the advertising business and continue to generate revenue, but that it set aside a percentage of its advertising revenue to be transferred to the private television industry.

That's another major catch: We're affiliated with television networks. Without the TVA network, we won't survive. So, if the TVA network shuts down tomorrow morning—and it's currently facing significant financial difficulties—we won't survive.

• (1235)

The Chair: Thank you, sir.

We now have Alexis Deschênes in the room.

I believe you're a former journalist as well. So we're well represented here on the Standing Committee on Canadian Heritage.

You have the floor for two and a half minutes.

Alexis Deschênes (Gaspésie—Les Îles-de-la-Madeleine—Lis-tuguj, BQ): Thank you very much, Madam Chair.

I'm a former journalist, yes, and my first report aired on CHAU TVA in the nineties. Several years before that, my father had worked for CHAU TVA. So I have a personal interest in this story, but it's much more than that. As a journalist and now as an elected official, I've seen how important regional media are. They make it possible to have a democratic conversation that's not hijacked by GAFAM and algorithms.

Today, I'm very pleased you're here, Mr. Harvey and Ms. Simard. I understand the issue very well: Your source of revenue from the Independent Local News Fund has been cut in half since last year.

Tell us what will happen if the Liberal government doesn't react and lets things go.

Pierre Harvey: We say it very clearly in our brief: If the ILNF is not renewed, if it gets eliminated, or if the money that was cut doesn't come back, some stations will close down. That's really the situation we're in. The ILNF provides around \$2 million per year for our three TV stations.

Alexis Deschênes: Should we be worried about CHAU and CINT?

Cindy Simard: I think we have to worry about Télé Inter-Rives and RNC Media, the only two independent broadcasters in Quebec. Honestly, those businesses would literally shut down. That would mean that a diversity of voices would simply cease to be and that would make room for public broadcasting and other small media. That said, I think we do play an essential role in the community.

Alexis Deschênes: One thing we don't often say is that, under the Quebec Charter of Human Rights and Freedoms, everyone has the right to information. Another thing you explained very well is that not only are people entitled to information, they need information. I can attest to the ratings at CHAU. When CHAU airs a news report on the Gaspésie or the Îles de la Madeleine, it resonates.

So the solution you're proposing, and we support you on it, is to have the government offer compensation for its approach, which may have been balanced at the outset, but which, given the GAFAM lawsuit, is no longer balanced. So you're proposing that the government give you transitional measures to increase your funding, at least temporarily.

Pierre Harvey: Absolutely. We're asking for temporary funding until the situation before the courts caused by the foreign companies is resolved. If it gets resolved, so much the better. However, if it isn't, it will be possible to appeal, which could lead to further delays, then the repayable loan will really be very important for us to be able to continue.

Then, there's another issue looming right now: The U.S. government is putting a sine qua non condition on the Online Streaming Act for resuming negotiations around the Canada—United States—Mexico Agreement, on the same basis as supply management. When we hear that, it scares us. So, if that happens and the Canadian government strategically says that it won't go any further in the case of foreign online broadcasting platforms, the government should have a plan B to fully offset the CRTC estimates for the new ILNF.

Alexis Deschênes: Thank you.

The Chair: Thank you.

Mr. Gagné, you have the floor for five minutes.

Bernard Gagné: Thank you, Madam Chair.

Thank you to all the witnesses.

Once again, Ms. Simard, you brought up a number of interesting ideas earlier. You talked a lot about training. I see that and I saw it in you. In fact, Mr. Deschênes just talked about it. Young journalists coming out of school often don't have the experience needed to go and work at Radio-Canada or major stations, so they start their careers at smaller stations in the regions.

You mentioned a potential training tax credit. What do you think that kind of tax credit would look like? How could it make it possible not only to train journalists, but also to retain them in the long term?

I think there is competition. You talked about that earlier. Radio-Canada pays up to twice the salary you offer. Obviously, it's subsidized to the tune of \$1.4 billion, so it has means that a private company like yours doesn't have.

What do you suggest, in addition to the training tax credit? Would there also be follow-up after training?

• (1240)

Cindy Simard: We've seen that in some programs. For example, it could simply be that the government pays 25% of the journalist in training's salary, and they would be required to stay in the same region for a year or two. We've seen this in other programs, such as the one for physicians. The person could be required to work in the region for at least a year or two after their training. That's the kind of thing that could be done.

I'd say that journalists and students are told to go learn the ropes in the regions. No urban station will hire an untrained journalist. So we really take them at the outset. They have no experience. They send in their CVs. I have a specific example of someone who will be leaving us in two weeks for a position at Radio-Canada in Trois-Rivières. He sent his CV to Radio-Canada a year ago and never heard back. Now he's been trained for a year, and he's able to work as a journalist, do live work, interviews, editing, all of it, and now Radio-Canada is interested in him. It's getting hard.

Bernard Gagné: There's another element that you alluded to. I think you gave five. Actually, the chair asked you if it would be possible to elaborate on those ideas a little more in writing and send them to us.

Cindy Simard: I'd be happy to do that.

Bernard Gagné: Did I understand correctly that print newspapers already have a tax credit that you don't have access to in radio and television? I think that Mr. Champoux talked about this earlier. Now we have a Liberal majority government in front of us. I therefore invite you to speak to all Liberal members across Quebec and to put pressure on them so we get a response more quickly. I urge you to do the same thing when it comes to the ILNF. The ball is now in their court. It's up to them to respond quickly.

We talked about emergency measures with Mr. Ranger earlier. However, the report we're going to make here won't be tabled in the House of Commons until the fall. Therefore, I think your industry should put even more pressure on the government to try to resolve this issue quickly.

Cindy Simard: Absolutely.

We used to talk about business models with different companies. I am a big believer in fairness, and I think that committee work should perhaps talk about fairness right off the bat or at some point. I think that's the problem, somewhat. We don't have subscription revenue either. We generalists offer our services free of charge. We have no subscription revenue. That was another big debate we had and lost in court. I think it went to the Supreme Court. We don't have subscription revenue. We don't have subsidies. So just being in a fair business model would already mean a lot for us.

With respect to the tax credit, as you know, the provincial government has just decided to expand it to allow electronic media to use it. I sincerely believe that the federal government should do the

same thing, and right away. It wouldn't be hard to give us this tax credit that print media have been entitled to for a number of years. We face the same challenges and problems they do, and I dare add that we have the heavy burden of television news production, which is harder because we have to travel and we need equipment. We don't do our stuff in a TV studio; we go out in the field. It takes vehicles, it takes gas, it takes cameras. There's a huge burden on television journalism that doesn't exist for other media. That doesn't take anything away from what others do, but I think that element alone warrants us being eligible for programs like the journalism tax credit.

Bernard Gagné: What would it mean for you, for example, to have a federal journalism tax credit, a bit like the one you've just been granted in Quebec? How much money could that represent? Would it be tens of thousands of dollars or hundreds of thousands of dollars?

Cindy Simard: For the federal tax credit, we did a rough calculation, and it would be several thousand dollars.

Pierre Harvey: It would be at least \$350,000.

The Chair: Thank you.

I will now give the floor to Mr. Myles for five minutes.

David Myles: Thank you very much.

• (1245)

[English]

Some questions that come to my mind when we're talking about the media landscape in the country and the importance of local information speak to why the public broadcaster is talking about being in the regions and making sure it is broadening the scope, not just being in the cities. I think what we've been talking about is important, in terms of its not being a competitive force against the businesses that are....

Maybe we can dig into that a bit. The intention of expanding into the regions is important for the sake of all the reasons we've been talking about. Having viable, strong journalism throughout the country is important, particularly given all the challenges to the business model.

How do we see this in terms of working together as effectively as possible?

[Translation]

Ms. Simard, I feel like you had two other ideas too when we were talking about business models. Therefore, perhaps we can start the conversation there, because you already have some ideas.

Cindy Simard: I'll let you answer, Mr. Côté. Then I'll add to that.

Sébastien Côté: I will add something to what he said, since we basically have the same vision. At the end of the day, what we want is for everyone, as a society, to recognize that the work we do is an essential service. This recognition must come with all the supports it entails, such as predictable and stable funding through the ILNF and guaranteed discoverability. You're talking about a business model. We're currently having discussions about discoverability on existing digital platforms, on how we can be included in that precisely to go further in the business model.

We're talking about having access to the labour tax credit for news production, but it bears repeating: That's extremely important. You have the power to do it quickly. It's already available to the print media sector. All you have to do is make companies that have a broadcasting licence eligible, and the problem is solved. You can do that very quickly.

What we're really looking for is to be on an equal footing with all other media.

There's also work to be done in terms of government spending on advertising. A number of people have talked about it. I would refer you to our brief, in which we also have an interesting proposal about that.

Cindy Simard: I'll elaborate on my ideas.

I was talking about the investment tax credit for purchasing equipment. That's also something that could be done quickly and it would help a great deal. As we mentioned, we constantly need new equipment. A new control room costs \$700,000. For a small station like ours, that's a huge sum of money, but it's necessary and mandatory for us to be able to broadcast a quality newscast for our viewers. We must invest in equipment. We could use some help with that. That would be easy to do, and worthwhile.

Pierre Harvey: I can add a clarification. This tax credit used to exist at the federal level, but there was one detail: It only applied to equipment that was used to generate revenue. So a small amendment would have to be made to the act so that it applies to equipment used to produce local news. That would be an important nuance to consider in the proposal.

David Myles: Great, thank you.

[English]

Mr. Wood, do you have any thoughts on the question regarding the relationship between public and private, particularly in rural areas of the country?

Murray Wood: I'm sorry. Were you asking me?

David Myles: Yes.

Murray Wood: With sincere respect to my colleagues at the CBC, I don't think the solution to the local journalism crisis, if you want to call it that, is a bigger CBC opening more bureaus. A reporter who may be stationed in a place like Swift Current, Saskatchewan, filing a couple of stories a week to a provincial desk is good. It's better than no content, but it's not even close to the same as a local news outlet that's covering the traditional range of stories and events day in and day out, with people who are living in the community and covering the events.

As for the point that was made by Ms. Simard, very often, the people who go to these smaller centres are not going to stay, so their familiarity with the people and the issues is always going to be new and not at the same depth as the station that, frankly, is there seven days a week. I wouldn't say it's bad that they may look at doing this, but I do not think the answer to the local journalism issue is a bigger and more expanded CBC.

The Chair: We have come to the end of the round.

Members have an appetite to do one more round of five minutes each. This will take us a bit beyond 1 p.m. I hope everybody in this room is okay with that.

Mrs. Thomas, are you taking it for the Conservatives? No.

Mr. Waugh, you now have the floor for five minutes.

• (1250)

Kevin Waugh: Thank you.

I'm going to pick up on Mr. Myles' question.

What we've seen in the last two years with the public broadcaster is...20 local and regional bureaus last year. This year, when Marie-Philippe Bouchard came to committee.... In January, they had 11 new markets.

As you said, Mr. Wood, now there are no deserts. They said, "We're going to put a reporter in Yorkton. We're going to put a reporter in Moose Jaw. We're going to put a reporter in Swift Current." Last year, they also put a reporter in Lloydminster, causing some angst in that the television station then closed because it simply could not compete with the public broadcaster. There were more reasons than that, but going into so-called news deserts—I don't believe Medicine Hat, Lethbridge, Lloydminster, Yorkton, Prince Albert, and so on are—to me, crossed the line.

I want to pick up on this with you, because you were right on. They had a reporter in La Ronge, who didn't like the temperature and was gone in two weeks. It is cold in La Ronge. Is La Ronge a news desert? Perhaps, but the public broadcaster, in my estimation, has overstepped the boundaries on what it considers a news desert, because communities like Yorkton, Swift Current, Moose Jaw, Lethbridge and Medicine Hat are not deserts.

I'd like your comment on that, because it's taking money away from the private industry when it starts this.

Murray Wood: In all those communities you mentioned, Mr. Waugh, there is still media. Moose Jaw has a radio company that operates three stations, and so does Swift Current. It has Golden West, which is a very strong, family-based prairie radio company. Yorkton has two or three radio stations owned by Harvard, a Saskatchewan-based company. It's not as though there is no news coverage there.

To be fair, in most of those communities, such as Prince Albert and Moose Jaw, they have lost their local papers, and this is a challenge, but radio has leaned in and added.... Pattison, for instance, has been looking to add reporters in some of these smaller communities, such as Prince Albert, Melfort and so forth.

This is not to say that the CBC should not be allowed to expand to smaller communities. That's their decision. To suggest this is the answer to the local journalism issues.... It's not the answer. It's fine, but somebody filing a story a couple of times a week is not the same as somebody speaking to the community, specifically covering the local, granular, organic issues of the community, day in and day out.

Kevin Waugh: Does anyone want to comment on this? We have seen the public broadcaster expand into areas where, quite frankly, it doesn't need to be.

Someone pick it up on the board.

Robert Ranger: Radio-Canada shut down a lot of receivers.

[Translation]

It has abandoned many of the regions. Now, since the funds are available, it's coming back to the regions, but its mission is different from the one it had at the outset.

For our part, over the years, we have built a relationship of trust with our viewers and our audience. We have credibility with these people. We therefore have a responsibility to continue to maintain that credibility.

We were talking about a code of ethics earlier. We have a very strong code of conduct. We don't use artificial intelligence. We have journalists on the ground. We go out and see people. We take the temperature. Radio-Canada will never do that. In Abitibi, it brought journalists into its newsroom to make digital newscasts, but they aren't out in the street. They don't go out in the field with cameras. They file news reports from inside. They talk to each other and then they put together reports. For us, that's not real journalism.

If Radio-Canada could make some of our content and news feeds available, if it could let us use its platform ICI TOU.TV, which we've paid for through our taxes, I would say that it would be much easier for us to follow our listeners and viewers on the various platforms. That's when we're not blocked.

Cindy Simard: If I have time, I would like to add something.

In eastern Quebec, for example, Radio-Canada has added a number of new journalist positions, while TVA has eliminated many in the same region. However, at the end of the day, Radio-Canada produces the same 30-minute evening newscast, which includes national news. If you're in eastern Quebec and listen to the Radio-

Canada Est-du-Québec newscast, you'll see that it's not 100% local, unlike ours, which will be 100% local news.

Radio-Canada broadcasts national news in its local newscast. Personally, I've always had a bit of a problem with that. I find it unfortunate. They have the means to produce a 100% local newscast, given the 40 or so journalists they have in eastern Quebec. I do it. I manage to do it even though I have a very small team.

• (1255)

The Chair: Thank you.

Mr. Al Soud, I'll turn the floor over to you for five minutes.

Fares Al Soud: Thank you, Madam Chair.

Mr. Poisson, you have had your hand raised for quite some time, so my next questions will be addressed to you and to Mr. Chartier. I would also like to give you the opportunity to add your voice to the discussion regarding what has been proposed today.

In 2022, during a meeting of this committee, you said the following:

By controlling the algorithms, the web giants have cannibalized our revenues, without assuming any of the associated social and fiscal responsibilities. They have upended the business model and diminished the real value of the news. In particular, they have attracted 80% of the advertising dollars of companies and local and regional businesses without providing any tangible benefits to those communities.

At the time, the discussion focused more on Bill C-18.

Now, what would it look like if the web giants assumed social and fiscal responsibility in this particular context?

Benoit Chartier: There's no doubt that the web giants are the elephant in the room. Since the start of today's committee meeting, we have been talking and asking the government for money, but the root of the problem is Google and Facebook. That is the source of our problem. Eighty per cent of digital advertising goes to these web giants, and all the money flows to California. It is important to note that Google and Facebook engage in illegal, monopolistic, anti-competitive and dubious business practices. If we do not tackle this problem at its root, we will find ourselves, week after week, in the Standing Committee on Canadian Heritage fighting for the survival of the media, be it television, radio or newspapers across Canada.

I am pleased to hear that the Competition Bureau is getting involved. It has filed an official complaint with the Competition Tribunal of Canada. I look forward to the hearings beginning.

There is no doubt that Google and Facebook are the elephant in the room today. These people are not acting in good faith when they negotiate with the government. I've experienced it first hand. I was involved in drafting Bill C-18 with former minister Pascale St-Onge and Mr. Champoux, who is on the committee today. We fought hard.

I will answer the question regarding the CJC, the Canadian Journalism Collective. We wondered where the CJC came from and why it existed. It is because Google demanded that the existence of the CJC be enshrined in law, so that it could control the CJC and ensure that control was not handed over to the Canadian giants of the print and broadcast media.

That is the root of the problem. We need strict laws against Google and Facebook. It is on this basis that our problems can be resolved. Until then, it will be very difficult, because there is a digital and advertising exodus that is causing funds to flow rapidly to the United States.

Negotiations on the Canada–United States–Mexico Agreement are coming up. There are currently many discussions between the Canadian government and the U.S. government. The U.S. government and the Trump administration will put on the negotiating table the legislation arising from Bill C-18, the legislative provisions arising from Bill C-11, and so on. The Canadian government will have to stand firm and prevent any possible negotiations concerning elements arising from these two bills. The provisions arising from these two bills must remain in place, especially the legislation arising from Bill C-18, and they must be made even stronger.

We haven't even mentioned Facebook yet, which is flouting the law. That, too, is a scandal. Facebook chose to remove media outlets from its network rather than accept and apply Canadian law.

Sylvain Poisson: If I may, I'd like to add a comment.

Thank you for the question.

We have been talking for some time now about business models. Obviously, we have discussed diversifying revenue streams within the business model which, as we know, is essentially based on advertising revenue.

I have had a very cost-effective solution to propose to you from the outset. I'd like to return to the issue of federal government advertising placements. When I say it's very cost-effective, it's because we're very aware of the scarcity and limited nature of the funds available to media of all kinds. However, the Government of Canada would not spend a single extra penny from its annual government advertising budget if it were to significantly increase the percentage of its annual placements in our media. I mentioned earlier that this represents 1% of its annual budget of \$78 million. If it were to increase this percentage, it could make a huge contribution to preventing the disappearance of local and regional media, without spending a single penny more. It is a very simple accounting mechanism. If, instead of allocating \$222,000 of its budget to local and regional media, it tripled that 1% share, quadrupled it, or increased it to 7% or 8% without spending a single penny more, we would already be in a different position. For that, however, it takes genuine political will and government directives.

• (1300)

The Chair: Thank you, sir. Your speaking time is up.

[English]

Does anybody think journalism would have a dearth of advertising dollars right now if organizations could gather as much personal, specific information about each one of its viewers, readers or lis-

teners as they wanted? I'll leave that as a rhetorical question for now.

[Translation]

Mr. Lemire, welcome you back to the Standing Committee on Canadian Heritage. I believe you will be asking questions on behalf of the Bloc Québécois. You have the floor for five minutes.

Sébastien Lemire (Abitibi—Témiscamingue, BQ): Thank you, Madam Chair. I will ask the first question and then give my colleague Mr. Champoux the opportunity to ask the remaining questions.

Firstly, Mr. Ranger and Mr. Côté, thank you for joining us, as well as all the other witnesses. I believe it is important to preserve community media, French-language media, regional media and independent media. That needs to be said.

I also feel compelled to endorse what you have said about the reality of Abitibi—Témiscamingue. I believe I am one of the elected representatives in my region with the strongest media presence. As such, I have noticed that the number of interview requests from CBC/Radio-Canada has fallen significantly over the past year, particularly during the election campaign. In my view, this campaign—and I have made this clear to them—was rather problematic from the perspective of accountability and democracy.

That said, RNC Media plays a fundamental role, but it is fragile. There is an urgent need for action, within an independent model. Moreover, you have mentioned your challenges. I want to expand on what has just been described. Since Facebook removed news from its platforms, it has been flooded with fake news. Alternative media outlets have moved onto social media. Consequently, this has reduced the discoverability of your content.

Can you tell us about this situation, particularly in relation to the diversity of information? How can we save regional news, which is absolutely fundamental for a region like Abitibi—Témiscamingue?

If my region no longer has access to your content, I fear it will cease to exist. It is already difficult to put it on the map in the vastness of Quebec and Canada.

In short, I thank you for being here on behalf of RNC Media, but the situation is urgent and action must be taken.

Robert Ranger: It's true that the situation with Facebook was critical for us, because we had a significant number of followers.

How many followers did we have in Gatineau, Mr. Côté?

Sébastien Côté: These were the most popular local pages before they were removed.

Robert Ranger: In Abitibi, a region with a population of 140,000, we had 60,000 followers.

We certainly tried to sit down with Meta representatives to negotiate. We sent them a notice of negotiation. As Mr. Chartier said, it was a flat refusal. They believe the law does not apply to them, so they just go home.

I think that's a shame, because, under our business model, we need to track our viewers and listeners to continue providing our essential service to these people. Nowadays, content is consumed on mobile phones and social media. I was in Puerto Vallarta when the cartel blew up some cars. I saw just how much misleading information there was. Honestly, it was absurd. We were watching the local news on TV and the news posted on Facebook, and they were completely at odds with each other. Everything was designed to generate clicks and create anxiety among the public. For example, it was claimed that on Monday evening at 5 p.m., the cartel would attack the hotels, that a plane was on fire on the tarmac, or that there was a sniper at the airport. None of these things were true. The little artificial intelligence icon was at the top of the posts, but it was barely visible. For their part, the local media were doing a good job.

The Facebook platform has become a conduit or distribution channel for our news, and people would like to have access to this information there. We wanted to negotiate with the people at Meta, but they said no. We then filed an application under part 1 of the CRTC's rules, but the CRTC told us it had no jurisdiction in this matter. We will continue to fight, because it is important for us to be on these platforms. At the moment, Facebook is the most important platform, Instagram is there too, and our access is blocked on both of them.

• (1305)

Martin Champoux: Earlier, Ms. Simard, we joked a little about this, but I think the list of suggestions and recommendations you've made are actually very serious. Put simply, if we really wanted to help regional news media and save them, there are accessible solutions that would be easy to implement.

For example, there is the well-known tax credit that already applies to print media and which could also apply to electronic media and the radio and television sectors.

We could also resolve the ILNF issue. The solution exists: You propose monthly support of \$1.5 million until contributions from the digital giants come through.

We could also discuss the tax exemption granted for advertising purchases on foreign platforms, which is a complete absurdity that should have been rectified long ago.

We could also encourage the government to commit to investing more in advertising in regional media.

I don't know if I'm forgetting anything, but there are surely other solutions.

Do you think that, if only these solutions were implemented, you would be able to save regional news media?

Robert Ranger: The obvious answer is yes.

Basically, we don't need all that. All we're asking for is to be recognized as an essential service and to receive funding that will allow us to continue our mission. Indeed, for us, it is a mission.

Martin Champoux: Beyond Ms. Simard's list, if the solutions we have just proposed—which are accessible and well known—were implemented, we could already breathe a sigh of relief and ensure we have high-quality regional coverage throughout Quebec, and I imagine it would be the same in the rest of Canada.

Cindy Simard: Indeed.

The idea of offering several solutions is to ensure that one or two, or perhaps three, are selected.

We are making huge cuts across our organizations, but we are striving not to affect news services. Earlier, I was proud to say that we hadn't cut any journalist posts. That is very true and we are proud of it. We have chosen not to touch the news services we provide, even though they are very expensive. On the other hand, we are making cuts elsewhere, of course. We haven't replaced several people who have retired in other departments. Honestly, we're operating with a severely reduced workforce. We've made cuts in all sorts of areas, such as our insurance. We've gone through the list of all our expenses and done an incredible job.

However, I still maintain that we need help to encourage journalists, particularly young journalists, to come and work in the regions. I'm talking about support for them, not for us, because it would give them a better salary than I'm able to offer. I think that, too, could be something that wouldn't be complicated to set up and would be a huge help to the regions. We know these journalists will eventually move back to the bigger centres anyway, but—

Martin Champoux: My speaking time is up, but I'd just like to take three seconds, with your permission, Madam Chair, to thank the people who were here today.

You, the witnesses, are fighting with increasingly limited resources to maintain regional news coverage, both in the weekly newspapers, represented here by you, Sylvain Poisson and Benoît Chartier, and in the other media outlets represented here in this room. I have the utmost admiration for you. Thank you for continuing to believe in this and fighting for it, because it is essential to democracy. I am very grateful to you.

The Chair: Thank you, Mr. Champoux. I agree, and I think everyone here agrees.

I really want to thank our valued witnesses. We have learnt a great deal. Please do not forget to send us any further information or thoughts you may have.

That is all for today.

[English]

The committee is adjourned.

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