
Report details recommendations for sustainable funding of Canadian media

Posted by [Derek A. Lackey, Editor](#) / June 16, 2017

For years now, there has been a digital disconnect between the organizations that invest heavily in creating content including journalism and tech giants, such as Google Inc. and Facebook Inc., that are paid handsomely for distributing it.



Ask any marketer or media-buying agency and they will likely say they support the funding of content creators. But ultimately, advertisers main job is not to find a future business model for that content; they are focused, rather, on reaching the right consumers with their message in a cost-effective and precisely targeted way. That has led to a fragmentation of advertising dollars through digital media.

The report of the Standing Committee on Canadian Heritage Disruption: Change and Churning in Canada's Media Landscape released on Thursday, represents the federal government's attempt to find a sustainable model for funding Canadian journalism.

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Its recommendations include:

Tax incentives. The report recommends expanding tax deductions, which currently apply to Canadian advertising with Canadian broadcasters, newspapers and periodicals, to digital advertising on Canadian-owned platforms. It also suggests a temporary five-year tax credit to help print media companies offset part of the investments they've had to make to transition to digital. And it suggests imposing the same tax obligations that apply to Canadian companies on foreign news aggregators, which publish Canadian news and sell advertising, directed to Canadians. The report also recommended expanding the current definition of a registered charity, which in Canada does not include not-for-profit journalism organizations.

Controls on media consolidation. The report referred to Postmedia Network Canada Corp.'s purchase of Sun Media Corp.'s English-language newspapers as devastating in impact because of job cuts that have diminished the diversity of voices in Canadian media. The report recommended an addition to the Competition Act specifically for news media mergers to test such deals against their impact on that diversity.

Beef up Canada Periodical Fund. The fund already provides support \$74-million in 2015-16 to some publishers, but currently excludes daily newspapers and free community newspapers, which the report recommends including for eligibility. It also suggested more financial support for online magazine and newspaper distribution, and print media representing diverse communities and Indigenous readers.

Local news support. It suggested the Canadian Radio-television and Telecommunications Commission...

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