Presentation to Edmonton City Council re: Bylaw 18826 September 9. 2019

Introduce the speaker:

My name is Duff Jamison. I am a second-generation newspaper publisher and the CEO of Great West Newspapers, a group of 20 community newspapers in Alberta. I'm located right next door in St. Albert where my family has published the St. Albert Gazette for over 50 years. I should disclose that our printing facility has printed the Edmonton Journal for the past six years, although I'm not here today in an attempt to protect a print contract.

I am here today in an industry role. I chair the Government Relations Committee of the Alberta Weekly Newspapers Association. We were engaged in the public process leading to the new Municipal Government Act, specifically with respect to how the new legislation would affect public notice advertising, the subject of today's public hearing on Bylaw 18826, the Public Notification Bylaw.

I am also a member of the board of directors for News Media Canada, our national industry association representing daily and community newspapers across Canada, including the Edmonton Journal and Sun and the St. Albert Gazette.

Also, with me today is Dennis Merrell, Executive Director, Alberta Weekly Newspapers Association. He will be available following my presentation to answer any questions.

1. **The reason we are presenting at the public hearing:**

   As you know, under the old MGA, public notices were required by statute to be advertised in a local newspaper. The law was intended to promote transparency in government and provide clear, documented evidence that the municipality had indeed communicated its intentions to the public.

   Under the new MGA, municipalities are still required to communicate their intentions to the public, however, the provincial government, recognizing the emergence of digital communication channels, removed the mandatory requirement to use a local newspaper; **if** a municipality could prove its public notices would reach substantially all affected members of the public and passed a bylaw to support any change from advertising the public notice in the local newspaper.

   Your administrators have taken that step now with Bylaw 18826 and today's public hearing.

We take issue with parts of administration's argument supporting the new bylaw. For example:

Admin says print advertising was, until recently, the primary method used by municipalities. I can tell you that the members of our association serve virtually all Alberta municipalities and the vast majority of those municipalities continue to advertise significantly in their local newspapers. We are unaware that any have created an advertising bylaw to move away from print advertising.

Edmonton is highly respected by the other Alberta municipalities which look to it for leadership on many issues. And like Edmonton, they all are challenged by rising costs in an environment of tight revenues. Will Edmonton's decision to create this bylaw encourage them to consider something similar? I can tell you that advertising from the towns and counties within a newspaper's distribution footprint is by far the largest revenue source for the community newspaper. Without it, most newspapers would not be able to pay the reporters, photographers and editors in their employ and be forced to close their doors. Fortunately, we have not had to face this situation so far but, you can see why a provincial newspaper association would bring its concerns to an Edmonton city council contemplating removing newspapers from its advertising strategy.

2. I have two main points to make with you today:

There are other things in the supporting documents that we could take issue with including the choice of research and the interpretation of that research to support the argument to wind down print advertising but, it is not our intent today to get into the weeds, so to speak. Rather, with the brief time we have, we would prefer to leave you with a sense of the impact the global digital platforms have had on traditional media and why we believe local governments have a significant role to play in preserving local journalism.

a) The business model for all traditional media is based on creating an audience and selling access to that audience to advertisers. TV has its viewers. Radio has its listeners. A newspaper has its readers. In some cases, viewers and readers may pay to access content but, the revenues from subscribers are insignificant when compared to advertising. Each has its own distribution system or 'platform'. Advertisers share that platform with the editorial content created by the newspaper's journalists. Print advertising rates are based on the costs of creating, printing and distributing the newspaper's news and advertising content.

The arrival of the internet and the world-wide web was the impetus for the creation of new digital platforms, initially created to share information between friends and family like Facebook, Instagram and Snapchat or to, use Google's own word, "organize" the world's information through its powerful search tool or, in the case of Amazon, provide access to a nearly infinite inventory of goods, all delivered to your door at the click of a button.

The digital platforms soon realized that advertisers were keenly interested in the reams of data they collected from their users, and which their users freely provided in return for access to the platform. Deep-pocketed investors also saw the potential and their billions helped the platforms scale rapidly to global dominance partially through organic growth, but also by buying or crushing their competitors.

Powerful algorithms that slice and dice the users into any number of groups drew in advertisers attracted by the ability to directly target consumers planning to buy a car or who had a dog to feed or voters who leaned to the left or right. The correlation between advertising revenue growth at Facebook and Google and revenue decline in newspapers and all traditional media is irrefutable. The 60 per cent share they enjoy in the digital advertising market has critics referring to them as the Duopoly.

A recent study by our American counterparts of the News Media Alliance found that "in 2018, as newspaper revenues declined, Google made $4.7 billion off reporting that Google did not pay for." As Monday morning quarterbacks we can debate whether newspapers or broadcasters could have done anything to retain their advertisers but, there's no doubt the newspaper business model has been turned on its head.

I could go on talking about addressing the issue with regulation and taxation but, with just five minutes I want to talk about what we can do here at the municipal level to support civic journalism in our communities. I would suggest that now is **not** the time for municipalities, or any level of government for that matter, to reduce their spending in local media and newspapers in particular. In fact, it's crucial that they step up.

Newspapers are the core of the local news ecosystem which underpins a healthy civic democracy. In spite of newsroom staff reductions brought on by the decline in advertising revenue, newspapers continue to be the major employers of journalists in virtually all markets. Their work is very often the basis for the reporting and opinion you see online or the nightly and hourly newscasts. The public relies on the work of journalists to keep it informed of, and on, issues important to them. Informed voters make a well-functioning democratic system. As Walter Cronkite once said, "*journalism is what we need to make democracy work."*

Think about the reporting you read following the release of the MacKinnon panel's report on government spending. Decisions flowing from the 26 recommendations will be reported and examined from every angle. Critics will be interviewed and their criticisms shared with the public. Government ministers will be interviewed and asked to explain their actions.

The City of Edmonton will feel a significant impact from reduced provincial spending including the municipal grants you rely on for infrastructure and programs. Edmonton's business community and residents will both feel it too. Now imagine if there was no traditional media reporting on the issues. Imagine a community left to rely on what was shared on social media or by word of mouth, exposed to the propaganda of vested interests and ideologues. Public trust would soon be in tatters.

A little exaggeration to make a point? Perhaps. But why take a chance? Rather than send out Public Service Announcements hoping that you'll get free exposure in local media as contemplated in the bylaw before you today, **buy** the ads and support the jobs of local journalists. This city council and all of us depend on them to keep us well-informed and our democratic society healthy.

Other levels of government and other municipal governments have recognized the importance of journalism. You may have heard in the last couple of weeks about the newspaper situation in Quebec. Six regional dailies were placed into creditor protection at the end of August. The provincial government has stepped in with $5 million to support operations in the hope a buyer can be found. They are the most recent Canadian casualties of the digital revolution disrupting traditional media around the world. In the past two years, this country has lost 135 newspapers. Next door, in Saskatchewan 20% of the newspapers have closed.

Following the funding announcement August 20th in Quebec, relief was expressed by the mayor of Gatineau, one of the affected communities:

"For a big city like Gatineau, it's essential to have a daily newspaper. There is no true democracy without the media. A fundamental solution is needed for companies that produce essential information (so they) are able to survive," said Mayor Maxime Pedneaud-Jobin.

The following Sunday Premier Francois Legault promised that his government will "do everything" so that the newspapers survive a reported threat of closure. He previously said the government would be open to emergency one-time help until a general media assistance program is put in place.

At the national level, the Canadian government has earmarked $600 million in refundable tax credits over a five-year period to assist newspapers with the costs of journalist's salaries.

b) Before I conclude I would like to draw your attention to the Fact Sheets in the materials we've provided each of you. The information has been compiled from survey work done for News Media Canada and the AWNA by Totum Research in 2018 and 2019.

There isn't time for me to go over the findings in detail but, I encourage you to read it, particularly the point it makes about Public Notice vs Public Access. We don't disagree that Edmontonians access a good deal of information from websites. In an open and transparent democracy, however, we must give equal weight to what drives them to access the information in the first place. As you will see in the materials, the public supports publishing notices in newspapers.

3. Conclusion

I will conclude my presentation by asking council to delay making a decision today and take the time for a more in-depth look at the impact this bylaw will have on civic journalism in this city.

Thank you sincerely for your time today.

News Media Alliance study -
http://www.newsmediaalliance.org/wp-content/uploads/2019/06/Google-Benefit-from-News-Content.pdf

Digital advertising market share -
https://www.vox.com/2019/2/20/18232433/digital-advertising-facebook-google-growth-tv-print-emarketer-2019