

# A POLICY FRAMEWORK FOR THE FUTURE OF PRIVATE SECTOR NEWS IN THE 21ST CENTURY



The Canadian   
Internet Society

# Shaping Canada's Digital Future

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Expert Insights and  
Practical Recommendations



# **A POLICY FRAMEWORK FOR THE FUTURE OF PRIVATE SECTOR NEWS IN THE 21<sup>ST</sup> CENTURY**

## **EXECUTIVE SUMMARY**

The Canadian Internet Society urges the Government of Canada to adopt a new policy framework for the private sector news industry—one that shifts away from institution-based subsidies and instead fosters innovation. The goal is to support news organizations in developing sustainable business models to replace those that have collapsed. We want a vibrant, diverse, and competitive news ecosystem where outlets succeed by serving the public—because we believe that is the best way to ensure that people see themselves reflected in the media and that those in power are held accountable. A healthy democratic society requires no less.

## **BACKGROUND AND CONTEXT**

The Canadian Internet Society (TCIS) advocates for open, affordable, accessible, and secure internet access. Our mission is to ensure that all Canadians benefit from the opportunities created by digital transformation. As part of that work, we are developing a series of white papers to aid the next federal government in developing a digital policy environment that embraces the opportunities created by new technologies and that shapes the future in the public interest.

This paper addresses the future of the private sector news industry in Canada. It draws on expert consultation, including a policy roundtable convened by TCIS in April 2025, which brought together journalists, media executives, digital innovators, and other experts. Their insights helped shape our recommendations. However, the views expressed here are solely those of TCIS.

## **PROBLEM STATEMENT**

Canada's news sector has undergone a profound structural shift. For decades, journalism in Canada was financed by advertising because news publishers controlled the channels through which advertisers reached audiences. That control has now moved to American technology platforms such as Google and Meta, whose ability to

direct people's attention has made them the dominant intermediaries between people and the content they consume, including advertising.

This has had far-reaching effects. The platforms now determine how most people find and engage with information of all kinds, which gives them enormous power to shape what Canadians see, discuss, and value in public life, and weakens Canada's ability to shape its own information environment. At the same time, loss of ad revenue has caused a sharp contraction in Canada's news industry, with widespread layoffs and closures, and dwindling local coverage. The result is that the supply of high-quality reporting has declined, and misinformation, entertainment, and nonsense now compete directly with journalism for public attention—which they often win—further eroding public trust and engagement with the news.

The goal of journalism policy should not be to preserve legacy organizations or protect existing jobs, but to rebuild the conditions under which journalism can once again serve the public good. That means fostering innovation and competition so that new, sustainable models of news production can emerge—models that reflect Canadians' lives, hold power to account, and earn the public's trust.

Our recommendations aim to encourage a thriving, diverse, and competitive media system that works for the public—the people who journalism is intended to serve.

## **ANALYSIS**

For most of Canada's history, the federal government has stayed out of the news business. Apart from the CBC—Canada's cornerstone news and cultural policy initiative—and some smaller interventions such as tax code measures and postal subsidies, the federal government did not have significant involvement as a direct funder or supporter of journalism. It wasn't necessary because the industry was self-sustaining. That began to change, however, as the economic foundations of the news industry started to collapse, and in consequence, the government stepped in with funding programs and legislative efforts in an effort to keep the industry afloat.

Sadly, these efforts have done more harm than good and have not solved what has become a central problem: people's lack of trust in the news industry and a growing avoidance of news altogether. The government has propped up legacy media institutions, artificially preserving their competitive advantage over digital-first innovators and making the ecosystem overall less responsive to changing audience needs and preferences. It has imposed penalties on platforms, creating a disincentive

for them to carry Canadian news. Moreover, government involvement is likely to further undermine public trust in the news media, at a time when that trust is already low.

This is the exact opposite of what is needed. The government should not be building a system in which the news media see it as a permanent funding source. Instead, we argue, it should narrowly target its efforts toward encouraging those parts of the industry that are focused on innovation, so that the industry can develop new business models and value propositions to replace those that have been lost.

In short, Canada needs to design policy that encourages market-based solutions for the private sector. It needs to resist the temptation to use the platforms as political punching bags. It needs to enable a level playing field for competition and support innovation, creating the conditions in which journalism can thrive once again in this country.

## **POLICY RECOMMENDATIONS**

TCIS calls on the government of Canada to:

1. Repeal the Online News Act (C-18) and encourage Meta to restore users' ability to share Canadian news.
2. Replace all programs currently providing direct funding for journalism with a single new direct funding program narrowly designed to support innovation and experimentation.
  - The program would be administered by a body at arm's-length from the government.
  - Its purpose would be to provide simple, short-term, automatic financial support to small and early-stage news providers—including individuals—to help them get established, experiment, and build sustainable models. The purpose would be to act as a boost or training wheels, not a long-term subsidy.
  - Funding would be small amounts, temporary not permanent, and awarded on the basis of clear criteria, according to a formula. Something like this:
    - To be eligible, an applicant must be an independent, Canada-based news provider that is less than five years old, employs fewer than 10 full-time equivalent staff, and produces original news reporting.
    - Funding is automatically calculated as a base grant of \$25,000, plus \$500 per original news story published in the previous year (up to 100 stories).

- Support is available for a maximum of five years, with the amount declining 20% each year, after which recipients graduate out of the program.
- Administrative burden would be kept intentionally low and there would be no funder discretion or judgment involved in the process, to preserve organizations' ability to stay focused on their audiences.

### 3. Increase the value and accessibility of the digital news subscription tax credit.

- Increase the value of the tax credit to 100%.
- Remove eligibility barriers for small and independent outlets, including individual journalists who self-publish.

### 4. Encourage federal, provincial, and municipal governments to direct ad dollars to Canadian news outlets and create tax incentives for businesses that advertise with Canadian news media.

### 5. Modernize the CBC.

- See our separate paper, "A Policy Framework for the Future of CBC/Radio-Canada in the 21st Century," which details TCIS policy recommendations with respect to the role of the CBC in Canadian news.

## **CONCLUSION**

The government's efforts to support news have been headed in the wrong direction, and it's time for a policy reset.

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