

## 11.1 \$36 million to support the print news industry to provide varied and regional information

The print media industry is changing rapidly. Information is increasingly migrating to digital media, causing revenues to plunge for print news companies.

Moreover, print media owners and distributors are seeing the costs associated with the recovery of materials increase substantially and are therefore under heavy financial pressure with respect to their selective collection costs.

The government is concerned with these problems facing the print media. To support the print news media so that Quebecers have access to a range of quality information throughout Québec, the Québec Economic Plan provides for:

- \$24 million for the digital transformation of print media;
- \$12 million to support RecycleMédias for selective collection.

These measures will help support the print news industry which has an important place in Québec's economy and plays a community-building role in the life of Québec's citizens.

TABLE B.111

### Financial impact of measures to support the print news industry to provide varied and regional information (millions of dollars)

	2016- 2017	2017- 2018	2018- 2019	2019- 2020	2020- 2021	2021- 2022	Total
Support for the digital transformation of the print news industry	—	-4.0	-5.0	-5.0	-5.0	-5.0	-24.0
Support RecycleMédias for selective collection	—	-1.5	-2.5	-3.5	-2.5	-2.0	-12.0
<b>TOTAL</b>	<b>—</b>	<b>-5.5</b>	<b>-7.5</b>	<b>-8.5</b>	<b>-7.5</b>	<b>-7.0</b>	<b>-36.0</b>

❑ **\$24 million for the digital transformation of the print news industry**

The print news market is being sapped by the major decline in advertising and subscription revenue in the last few years which results from the upheaval caused by the advent of new technologies in the information industry.

Information print news companies must adapt to the new technological environment by maximizing the revenue derived from digital platforms and using innovative products to better disseminate information.

To achieve this, the Québec Economic Plan provides for an allocation of \$24 million over five years for the digital transformation of information print news. This initiative, that forms part of the Québec Digital Strategy, includes:

- an assistance program to strengthen the local and regional information disseminated by community media;
- an assistance program to support and encourage print news companies to overhaul their business models and focus on digital technology.

TABLE B.112

**Assistance programs for the digital transformation of print news journalism**

Programs	Objectives	Target clientele
Assistance program for community media to strengthen local and regional information	<ul style="list-style-type: none"> <li>– Stimulate the production and dissemination of local and regional information</li> <li>– Foster diversity in information sources and plurality in media</li> </ul>	Community and social economy media
Digital adaptation program for information media organizations <sup>(1)</sup>	<ul style="list-style-type: none"> <li>– Support the adaptation of business practises to increase the marketing capacity of Québec news content producers</li> <li>– Promote the acquisition of digital technologies</li> <li>– Foster the implementation of new journalism approaches</li> </ul>	Regularly published print and digital media <sup>(2)</sup> that: <ul style="list-style-type: none"> <li>– have their own team of journalists</li> <li>– produce original information that is of general interest (not thematic)</li> </ul>

(1) Support for organizational diagnosis and strategic planning could also be offered to independent print and digital media (not integrated or part of a conglomerate).

(2) These media exclude radio and television stations that produce web content.

To that end, additional appropriations of \$24 million over five years will be granted to the Ministère de la Culture et des Communications, i.e. \$4 million in 2017-2018 and \$5.0 million per year from 2018-2019 to 2021-2022. The amounts for 2017-2018 will be drawn from the Contingency Fund.

The Minister of Culture and Communications will announce the details on the assistance programs for the digital transformation of written news at a later date.

#### **\$12 million to support RecycleMédias for selective collection**

The *Regulation respecting compensation for municipal services provided to recover and reclaim residual materials* is based on the principle of greater producer accountability.

— In fact, producers that market certain categories of materials, i.e. containers and packaging, print materials and newspapers, must bear the bulk of the costs associated with the selection collection of the recyclables resulting from their products.

The goal of this plan is to compensate municipalities for the costs they pay to provide services to recover and reclaim the target products.

<b>RecycleMédias</b>
<p>RecycleMédias is a body that has been accredited by the government since 2005 to represent newspaper owners and distributors with respect to the <i>Environment Quality Act</i> and the <i>Regulation respecting compensation for municipal services provided to recover and reclaim residual materials</i>.</p> <p>RecycleMédias represents newspaper owners and distributors such as Gesca, Québecor Média, TC Médias, The Gazette, Le Devoir, Corporation Sun Media, Quebec Community Newspaper Association (QCNA), Groupe Voir, Association des médias écrits communautaires du Québec (AMEQ) and several other independent newspapers.</p>

The government wishes to maintain the current system for compensating municipalities for selective collection services, as it is fair for all materials producers, consumers and municipal taxpayers. Nonetheless, the government is concerned about the survival of regional newspapers, which are an important news vehicle for people living in those communities.

To help newspaper enterprises deal with the technological transition that is unavoidable in this sector, the government is announcing that it will pay a temporary subsidy of \$12 million over the next four years to RecycleMédias.

Additional appropriations of \$1.5 million in 2017-2018, \$2.5 million in 2018-2019, \$3.5 million in 2019-2020, \$2.5 million in 2020-2021, and \$2 million in 2021-2022 will be disbursed to the Ministère de la Culture et des Communications. The amounts for 2017-2018 will be drawn from the Contingency Fund.

## 11.2 Enhancement of the tax credit for Québec film productions

Since it was introduced, the tax credit for Québec film productions has provided important support for local production, allowing Quebecers to enjoy a wide array of quality film and television shows that reflect their cultural identity.

To provide more appropriate funding for some types of production and enable many local productions to see the light of day, the Québec Economic Plan calls for an upward revision of the improvements relating to the tax credit for Québec film productions, i.e.:

- increase in rate from 8% to 16% in the enhancement for productions with no public financial assistance and its adjustment according to the level of public assistance;
- increase from 8% to 10% in the rate of enhancement for computer-aided special effects and animation;
- the increase from 8% to 10% and 16% to 20% in the regional improvement rates, depending on the type of production.

The adjustments to the three improvement rates will represent tax relief of nearly \$20 million over the next five years.

TABLE B.113

### Financial impact of the measures to improve the tax credit for Québec film productions (millions of dollars)

	2016- 2017	2017- 2018	2018- 2019	2019- 2020	2020- 2021	2021- 2022	Total
Increase in rate from 8% to 16% in the enhancement for productions with no public financial assistance and its adjustment according to the level of public assistance	—	-0.6	-2.5	-3.8	-4.0	-4.0	-14.9
Increase from 8% to 10% in the rate of improvement for computer-aided special effects and animation	—	-0.1	-0.2	-0.3	-0.3	-0.3	-1.2
Increase from 8% to 10% and 16% to 20% in the regional improvement rates	—	-0.1	-0.6	-0.9	-0.9	-1.0	-3.5
<b>TOTAL</b>	<b>—</b>	<b>-0.8</b>	<b>-3.3</b>	<b>-5.0</b>	<b>-5.2</b>	<b>-5.3</b>	<b>-19.6</b>