

Good morning. Thank you for giving The Globe and Mail an opportunity to express some views to your Committee.

I'm Phillip Crawley, and I have been responsible for running the operations and strategy of The Globe and Mail since 1998. I am also the co-chair of The Canadian Press, and I sit on the board of Newspapers Canada and also The World Association of Newspapers, along with other industry bodies.

Prior to working in Canada, I was an Editor or CEO of newspaper businesses in Europe, Asia and New Zealand, so I pay particular attention to global trends – and I look out for solutions that come from beyond our national boundaries here.

I have read the evidence presented by my industry colleagues in Canada to your Committee, so I will avoid repetition.

The Globe and Mail is subject to the same disruption to the business model as others, but our response is different, and I would like to explain why and how.

So yes, The Globe is suffering the decline in print advertising revenue that used to be the mainstay of our business. For the last five years that drop has been at least 10% each year. Print ad revenue for The Globe in 2015 was 40% lower than in 2011.

What puts The Globe in a better position is that we have continued to invest in high quality journalism, because we believe readers will pay for good content, whether we deliver it via print or digital platforms.

No other paper in Canada has been able to derive significant revenue from readers paying to access content digitally. Others have tried and failed because the content is not sufficiently compelling or exclusive.

This year our revenue from readers paying for content rose 7% and we expect that growth to continue into next year. Soon revenue from our subscribers, print and digital, will exceed our total ad revenue.

Our investigative journalism wins national and international awards, for both print and digital stories. I will mention just two of many examples

where our coverage has impacted public policy and changed the way we operate as a civil society.

First, the manipulation of the residential real estate market in BC which we exposed after a long, laborious investigation. The BC government responded by introducing a foreign buyer tax, and you have also seen the Federal government announcing measures to cool the excesses of the market. Secondly, the revelation by The Globe that more than 50 members of Canadian Forces who had served in Afghanistan had committed suicide. Those figures were not available from any official source, but our journalists spent 18 months trawling through every death notice published in Canada to get at the truth, which the government then acknowledged.

Those investigations take resources, and long-term commitment. Many newspapers in Canada now lack those resources or that support.

And the difference is the quality of ownership. The Globe and Mail is fortunate to have an ownership that is passionate about good

journalism and cares about making a difference, for the better, in Canada. That ownership is Woodbridge, the investment arm of the Thomson family, which has three generations of rich experience in owning media, here, in the USA and the UK.

They believe in editorial independence, going back to the early days of Roy Thomson, and they enable me to hire some of the best talent available.

The Thomson family has owned The Globe since the late 70's. That continuity and stability is important. You can see examples in Canada where frequent ownership changes are not beneficial to the preservation of strong journalism delivered in the public interest.

You won't find Woodbridge asking for government handouts or subsidies, but we do like to play on a level playing field.

It's not level if taxpayer dollars directed to the public broadcaster make the competition for digital ad dollars more difficult. The CBC is The Globe's largest competitor in the digital ad space amongst Canadian

based media. My colleagues and I in our industry do not support the notion that dishing out more money to the CBC helps local or national newspapers.

In the UK, the Government is reining in the reach of the BBC because it has become over-mighty. I invite the Committee to look at the British Government's White Paper which restricts the ability of the BBC to accept digital advertising on its domestic websites. Recently it has been announced that the BBC will provide £8m to enable up to 150 journalists to cover local councils, starting next year. BBC will also make its videos available to local newspapers.

The Globe has benefitted from Government money in the form of digital tax credits paid out by the province of Ontario. That has enabled us to hire staff with digital capability at The Globe in a very positive way – journalists, developers, data scientists – to help us with the rapid change in consumption habits from print to digital.

Unfortunately that scheme has now been closed to newspapers and I invite the Committee to think about ways in which digital tax credits could aid that inevitable transition across Canada.

And back to that level playing field, for one final point. That field is sloping unevenly if foreign based digital companies are exempted from Canadian tax rules as they apply to advertising sales. Legacy businesses from outside the country aren't allowed to benefit, so why doesn't that rule also apply to digital companies?

My ten minutes is up, but let me conclude by thanking you again, and reminding you how important it is to the health of Canadian democracy that newspapers continue to exercise their scrutiny of governments at all levels. You may not always like the attention, but it's good for all of us in the long run.

I look forward to any questions you may want to ask me.