

What difference will Torstar sale make?

EDITORIAL

PERHAPS THE MOST DIFFERENCE in the proposed sale of Torstar Com. for \$52-million was the size.

It wasn't that long ago when the sale of one of the country's largest newspaper chains would have commanded many times that figure. Part of the reason could have been the enormous impact of the COVID-19 pandemic and the fact that the five families who owned the conglomerate all wanted out before there was a further decline in ad sales.

The sale happens to be just a few years after Ontario witnessed a huge difference thanks to a deal between Torstar and Postmedia, which essentially eliminated all competition between the two chains and saw the death of some of the nation's best community papers, one being the Collingwood Enterprise Bulletin.

Although there were speculations that the sale would lead to the new owners making the Torstar publications follow the lead of Postmedia in ordering its publications to support the Conservatives in the next election, that seemed to disappear with the proposed selection of former Liberal premier David Peterson to head up the newly private Torstar.

Jordan Bitove and Paul Rivette, who formed Norstar Capital to make the \$52-million bid, denied any plan to make dramatic changes in either the Star or its stable of Metroland papers, which includes the Orangeville Banner, Caledon Enterprise and the Erin Advocate.

However, Wednesday's Globe and Mail included an op-ed piece by Cecil Pascal, a professor at the University of Toronto's Ontario Institute of Studies in Education and former director of the Atkinson Charitable Foundation, which said the sale could lead to the end of "much of Canada's most significant and progressive ethos."

The Star's "unrelenting fight for social justice, civil liberties, workers rights and the important role of the government as a buffer between the individual and society had been central to our national journey and the "Canadian experience."

In its early days, industry insider John Hinds said he didn't expect the sale of Torstar to a pair of Canadian entrepreneurs would lead to dramatic changes at the company's chain of weekly community newspapers. And he saw the deal as sending some positive signals about the embattled industry.

"I think the good side is that people are interested in owning newspapers and news media, and that is always positive," said Mr. Hinds, CEO of News Media Canada, an advocacy group for daily and community media outlets.

"Our current focus is that we are excited to bring new potential revenue sources and partners to the business and find ways to grow, not cut," said Mr. Rivett, who recently retired from Torstar's largest independent shareholder Fairfax Financial Holdings Ltd.

As far as specific plans for Torstar's community newspapers, not much has been said, at this point, but Hinds doesn't expect any major changes.

"Local is key right now and we've certainly seen that in the community sector. I don't see that the ownership is really going to change that. It's really about serving those communities and being the medium of record in those communities, which Metroland (now Torstar communities) has been for a lot of those communities."

He noted the new owners have talked about shifting to a more "digital strategy", but added "it's something you guys have already embraced and are moving forward with".

The sale of Torstar comes at a time when the already struggling newspaper industry is being further battered by dramatic declines in advertising revenue caused by the coronavirus pandemic.

Hinds said that "we've got huge (readership) demand at the same time when a major source of revenue, and for many of the community sectors the primary source of revenue, has disappeared or has been severely cut back."

But the pandemic have also revealed how vital local newspapers are to the communities they serve.