



**Cynulliad Cenedlaethol Cymru
The National Assembly for Wales**

**Yr Is-bwyllgor Darlledu
The Broadcasting Sub-committee**

**Dydd Iau, 22 Ionawr 2009
Thursday, 22 January 2009**

Cynnwys
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Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynndi yn y pwyllgor. Yn ogystal,
cynhwysir cyfieithiad Saesneg o gyfraniadau yn y Gymraeg.

These proceedings are reported in the language in which they were spoken in the committee.
In addition, an English translation of Welsh speeches is included.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Eleanor Burnham	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
Paul Davies	Ceidwadwyr Cymreig Welsh Conservatives
Nerys Evans	Plaid Cymru (Cadeirydd y Pwyllgor) The Party of Wales (Committee Chair)

Eraill yn bresennol
Others in attendance

Aled Eirug	Ymgynghorydd y Pwyllgor Committee Adviser
Martin Shipton	Undeb Cenedlaethol y Newyddiadurwyr National Union of Journalists
Dr Andy Williams	Prifysgol Caerdydd Cardiff University
Alan Edmunds	Cyfarwyddwr Golygyddol, Media Wales Ltd, Trinity Mirror plc Editorial Director, Media Wales Ltd, Trinity Mirror plc
Geraint Talfan Davies	Cadeirydd, y Sefydliad Materion Cymreig Chairman, Institute of Welsh Affairs

Swyddogion Gwasanaeth Seneddol y Cynulliad yn bresennol
Assembly Parliamentary Service officials in attendance

Annette Millett	Dirprwy Glerc Deputy Clerk
Stefan Sanchez	Clerc Clerk

Dechreuodd y cyfarfod am 9.30 a.m.
The meeting began at 9.30 a.m.

Cyflwyniad, Ymddiheuriadau a Dirprwyon
Introduction, Apologies and Substitutions

[1] **Nerys Evans:** Bore da a chroeso i gyfarfod yr Is-bwyllgor Darlledu. Croeso i Aelodau ac i'r cyhoedd. Mae cyfieithiad ar y pryd ar gael drwy'r clustffonau, ar sianel 1. Dylech sicrhau bod eich ffonau symudol ac unrhyw declynnau electronig wedi'u diffodd, gan eu bod yn amharu ar y system sain. Nid ydym yn disgwyl ymarfer tân, felly, os bydd larwm yn canu, bydd y tywysyddion yn ein tywys allan.

Nerys Evans: Good morning and welcome to the Broadcasting Sub-committee meeting. I welcome Members and the public. Simultaneous translation is available on channel 1 of the headphones. Please ensure that mobile phones and any other electronic devices are switched off, as they interfere with the sound system. We are not expecting a fire drill, so, should the alarm sound, the ushers will lead us out.

[2] Yr ydym wedi derbyn ymddiheuriadau oddi wrth yr Aelod Llafur Joyce Watson ac, yn anffodus, nid oes dirprwy ar ei rhan. Croesawaf Eleanor Burnham i'r pwyllgor. Edrychwn ymlaen at

We have received apologies from the Labour Member Joyce Watson and, unfortunately, we have no substitute for her. I welcome Eleanor Burnham to the committee. We look forward to your contributions as a hard-

eich cyfraniadau fel aelod gweithgar o'r pwyllgor, Eleanor. Diolchaf i Peter Black am ei waith ar y pwyllgor hwn.

working member of the committee, Eleanor. I thank Peter Black for his work on this committee.

[3] Gan mai tri Aelod yn unig sydd yma, gofynnaf ichi aros yn yr ystafell; fel arall, ni fydd gennym gworwm, a bydd yn rhaid inni roi'r gorau i'n gwaith.

As we have only three Members present, I ask you to stay in the room; otherwise, we will not be quorate, and we will have to cease our work.

9.31 a.m.

Casglu Tystiolaeth am Gyflwr y Diwydiant Papurau Newydd yng Nghymru Evidence Gathering on the Current State of the Welsh Newspaper Industry

[4] **Nerys Evans:** Mae'r Pwyllgor Cymunedau a Diwylliant wedi cytuno i ehangu cylch gwaith yr Is-bwyllgor Darlledu er mwyn ei alluogi i ymchwilio i sefyllfa bresennol y diwydiant papurau newydd yng Nghymru. Wrth wneud y gwaith hwn, byddwn yn cymryd tystiolaeth oddi wrth ystod eang o bobl dros y misoedd nesaf. Heddiw, yr ydym yn dechrau ar ein hymchwiliad, a byddwn yn derbyn tystiolaeth gan Undeb Cenedlaethol y Newyddiadurwyr a Phrifysgol Caerdydd, Media Wales Cyf. a'r Sefydliad Materion Cymreig.

Nerys Evans: The Communities and Culture Committee has agreed to extend the Broadcasting Sub-committee's remit to allow it to look into the current state of the newspaper industry in Wales. In doing this work, we will take evidence from a broad range of people over the coming months. Today, we will commence our inquiry, taking evidence from the National Union of Journalists and Cardiff University, Media Wales Ltd and the Institute of Welsh Affairs.

[5] Croesawaf Martin Shipton a Dr Andy Williams i'r pwyllgor. Mae'n braf eich cael chi yma. Diolch am eich tystiolaeth ysgrifenedig. Fe'ch gwahoddaf i wneud sylwadau cychwynnol cyn inni symud at gwestiynau gan yr Aelodau.

I welcome Martin Shipton and Dr Andy Williams to the committee. It is good to see you here. Thank you for your written evidence. I invite you to make some opening comments before we move to Members' questions.

[6] **Mr Shipton:** Good morning. On behalf of the NUJ, I would like to say that we are very grateful to the Broadcasting Sub-committee for agreeing to look at this very important issue. There is a great deal of concern within the industry and, more broadly—in civil society in Wales about the fact that the newspaper industry is in some turmoil. It is, I suppose, a measure of the crisis that we are in that things have moved on considerably since a couple of years ago when the NUJ commissioned Dr Andy Williams, together with Professor Bob Franklin from Cardiff University, to write a report for us on the move on the part of the company now known as Media Wales Ltd—formerly known as Western Mail and Echo Ltd—to a multimedia, integrated newsroom where not only were journalists going to be working across titles instead of on specific titles, as had been the case before, but they were going to be writing for different platforms, namely for newspapers and the web, and where there would also be video and audio journalism. That has all happened within the last year—it has been implemented. I am sure that Alan Edmunds, the editorial director, will say more about that when he gives evidence a little later.

[7] At the time when a previous inquiry was undertaken by the then Culture, Welsh Language and Sport Committee, during the second Assembly, we were concerned about redundancies that were being imposed on the industry at a time when massive profits were being made by Trinity Mirror plc. In the paper that I have submitted to committee, I have

given an indication of what those profit margins were as far as Media Wales Ltd is concerned and also as far as Trinity Mirror plc, the parent company, is concerned. The first set of redundancies took place at Media Wales Ltd in 2003—when we lost about 20 journalists—and, subsequently, there have been three further rounds of redundancies. When these redundancies have taken place, they have not been restricted to journalists, but have been across the board in the company.

[8] Since the end of 2003, you can see that the profit return on turnover has been exceptionally high within the context of what companies expect. We are talking here, at its peak in 2005, of 38.21 per cent profit return on turnover. In 2007, which is the most recent year for which figures have been published, it was still making a profit return on turnover of more than 30 per cent. So, we are talking here about high rates of return.

[9] One of the main concerns that we have as a union is that, in this time when the industry is facing a double-whammy of the economic recession and structural problems affecting the industry—the migration of readers to websites and so on—the company has been more interested in bolstering these very high rates of return and trying to sustain what we argue are unsustainably high levels of profit instead of being prepared to lower the rate of return and to maintain the kind of news services that we think it should be providing in Wales. Very recently—and this prompted us to approach the Assembly—we had a fourth round of redundancies, which also involved the closure of three district offices in Aberdare, Ebbw Vale and Neath. Our argument is that, by doing that, the company makes it more difficult to gather news and to serve the communities that the newspapers were originally set up to serve.

[10] It has embarked upon a series of cuts that we believe have been prompted by panic and the need to retain profit levels that are as high as possible. These are short-term decisions that are taken in order to bolster these unsustainably high rates of return when they ought to be explaining in a coherent fashion to investors and shareholders that, while the rates of return that they may have become used to will not continue, there is a future for the newspaper industry; it is simply a question of accepting rather lower rates of return than has been the case. We are concerned that, if it does not do that and these high rates of return are still sought, we will continue to have constant cuts that make it increasingly difficult to serve the people of Wales. Ultimately, before very long, within a matter of a few years, the *Western Mail* and its associated newspapers will no longer exist. For that reason, we think that it is extremely important that people in Wales and the National Assembly for Wales are aware of the dangers facing our newspaper industry.

[11] At the end of my submission, I make some recommendations. The first is that, because of the fast-moving scenario, it would be a good idea if the Assembly were to establish some kind of media forum, because, as well as the newspaper industry being under threat, there are turbulent times ahead for the broadcasting industry, as you will be aware, having looked at the situation as far as the broadcasting industry is concerned.

9.40 a.m.

[12] Secondly, there is a recommendation that the Assembly ought to be making representations to Westminster in the context of the lobbying that has been done by media companies who want the rules on cross-media ownership relaxed. At the moment, the position is that newspaper companies cannot own television companies, unless you are in the privileged position of being Rupert Murdoch and of owning a satellite television company. There is this strange anomaly where you can have cross-media ownership if you own a satellite television company, but not if you own a terrestrial one. The media companies are keen on moving to a situation where there can be cross-media ownership. We advocate that, if such relaxation is to be granted, these media companies ought to guarantee and commit to the

quality of the material that will be produced in future, including the newspaper titles involved in such merged companies. So, those are a couple of recommendations.

[13] I will just say a little more about the situation in the newspaper industry outside Trinity Mirror plc because, while it is the dominant force in Wales, other newspaper companies operate. As you will be aware, as well as being the owner of Media Wales, Trinity Mirror plc is also responsible for producing the newspapers in north Wales, including the *Daily Post* and some weekly titles. It is owned by another subsidiary of Media Wales, based in Liverpool, and it has recently been known as Trinity Mirror NW2, which refers to Trinity Mirror North West and North Wales Ltd. It publishes titles in north Wales and has a centre at Llandudno Junction.

[14] Last week, as I stated in my submission, a sudden announcement was made about the decision of Trinity Mirror to make the managing director and finance director of Media Wales redundant, and a further announcement was made that NW2 and Media Wales would be managed as a single entity, or would become a single division of Trinity Mirror plc. As yet, it is not clear whether NW2 will merge formally with Media Wales to form a new company or whether they will be loosely aligned and managed by a managing director from Liverpool. However, we are concerned about that issue and we want to ensure that it does not impinge on the ability of our Welsh newspapers to maintain a distinctively Welsh perspective.

[15] In north Wales, there have been several redundancies and office closures similar to the office closures seen in south Wales. That is all part of a Trinity Mirror-wide strategy to reduce costs. In 2008, the chief executive, Sly Bailey, said that she wanted to make £20 million-worth of cuts; she has also announced that she wants the same amount of cuts to be made in 2009. So, our concern is how those cuts will be made and what further impact they will have on our newspapers, serving south and north Wales.

[16] The other two major groups with interests in Wales are the Newsquest Media Group and Northcliffe Media, which owns the *South Wales Evening Post*. I understand that there have been concerns about cuts there, and it currently has a no-recruitment policy. There has not yet been a major announcement of redundancies, but there are apparently some threats over local editions affecting Llanelli and Carmarthen.

[17] Newsquest Media Group owns the *South Wales Argus*, which is published in Newport. In common with Trinity Mirror, it made an announcement in mid November that there was to be a wage freeze for 2009 because of adverse trading conditions. As yet, there has not been an announcement of any formal redundancies, but people there are as anxious as people anywhere else in the newspaper industry.

[18] So, the context is that we are operating within a scenario of cuts and, as time has gone on over recent years, we have seen these cuts being imposed incrementally. It has now got to the point at which we believe that we should make these representations formally to the Assembly, and Assembly Members should take note of what is happening and do what they can to engage with the companies involved.

[19] Another point that I make in my submission is that while we, as a union, are recognised by the local management of Media Wales, the board of Trinity Mirror plc that sits in London will not engage with us at all. Whenever we write to it or seek to have meetings to talk about the group's overall strategy, it simply refers us to the local management. So, the difficulty that we have, which exacerbates our concern, is that decisions are being made by the board in London that impact severely on Wales and yet the Welsh employees of the company are not able to get to the people who are making those decisions. While we have an extremely good relationship with our local management, that can go only so far because our local management is there to manage the local newspapers or the newspapers in Wales; they

are not there to make strategic decisions about the future of the group.

[20] **Nerys Evans:** A oes rhywbeth gennyh i'w ychwanegu, Dr Andy Williams, neu a hoffech fynd yn syth at y cwestiynau gan Aelodau? **Nerys Evans:** Is there anything that you would like to add, Dr Andy Williams, or would you like to go straight to questions from Members?

[21] **Dr Williams:** I would like to make a brief statement, if that is okay, echoing some of the things that Martin has said, but also drawing on the research that my colleague, Bob Franklin, and I did in 2007. I will talk first in broad-brush terms about the general situation in the newspaper industry in Wales being echoed by the problems that we have seen across the UK in the local and regional newspaper market.

[22] There has been a big reduction over the past 20 or 30 years in the number of newspapers, which reflects falling circulations and readerships, and the financial losses caused by that have been offset by a process of consolidation in the industry. That means that a handful of news companies now own most of our local and regional newspapers. There is almost a monopoly, which allows companies to maximise advertising revenues and, in essence, carve up the country into a series of regional advertising monopolies, dominated by each of the big four or five newspaper companies. In Wales, the market is very much dominated by Trinity Mirror plc, which is the biggest player here. I think that about 43 per cent of the circulation of newspapers in Wales is dominated by Trinity Mirror. As Martin said, that allows it to win very big advertising revenues, aided by the presence of big employers such as the Assembly, and it has been very lucrative for the company. Between 2001 and 2007, it consistently posted profit margins of between 30 and 40 per cent and pre-tax profits, between 1999 and 2005, of between £13 million and £21 million. Those are big bucks and that makes it one of the most profitable companies in Wales of any kind, let alone in the media industry.

[23] In my opinion, nowhere near enough of that money is being reinvested in the core product, into quality news journalism. On the contrary, as Martin has detailed, we have seen a history of cuts and underinvestment. The circulation levels are falling through the floor. During the past 30 years, the *Western Mail* and the *South Wales Echo* have lost more than half of their readerships. More importantly, there are far fewer journalists writing the papers. There was a 31 per cent drop in the number of editorial staff at Media Wales—the *Western Mail* and *Echo Ltd*, as was—between 1999 and 2006, and there has been a further drop since 2006, of course. In addition, the staff who are left have been asked to produce multiplatform journalism in the form of audio, video and text news for the internet, on top of the newspaper journalism that they have always produced. That has all had very worrying effects on the quality of the news that people are reading in Wales. I would be more than happy to expand on that when answering questions.

9.50 a.m.

[24] In short I would say that, in part at least, this situation—which, in fact, I would call a crisis—in the newspaper market in Wales is the result of more than a decade of implementing what Martin called ‘an unsustainable business model’, namely a minimax business model that aims to minimise costs while maximising profits, and not ploughing any of the profits back into the core product. That has had a detrimental effect on the quality of the news read by all in Wales. When an economic downturn such as this one comes along, you find that the foundations on which the core product of this company stands are very shaky indeed. In short, if you consistently cut costs when times are relatively good, you will find very little left to cut when times get bad. That is the core of the problem that we are facing.

[25] **Nerys Evans:** Thank you. We will now take questions from Members. You have

explained quite well the seriously fragile nature of the industry in Wales. With £2 million to be cut over the next year, what future do you foresee for Media Wales?

[26] **Mr Shipton:** The cuts are worth £20 million across Trinity Mirror plc, so we do not really know what the future holds. However, when the most recent cuts were imposed in 2008, I understand that the local management was given a quota of the £20 million to cut from the Cardiff operation, so it was left responsible for deciding where those cuts should be made. So, it had no discretion about the amount to be cut, but it did have discretion about where the cuts should be imposed. It seems to me that the decision taken was to try to protect the newly established Cardiff integrated newsroom as much as possible, and so, unfortunately, the cuts had to be made in the district offices. So, we had three district office closures.

[27] Those closures had a large impact on local communities because, over many years, people have become used to having a local newspaper office where, if they have any news, they can pop in to share it. Such offices are seen as being part of the community, and their role has been compared to that of a village post office. In a town where you have a newspaper office, people will drop by and talk to the reporters and provide items of information. Things are different now, however. Let us take Ebbw Vale as our example, where the office has been shut, but the *Gwent Gazette* is still being published from Merthyr Tydfil. You will not see the people who would have dropped in to the Ebbw Vale office going across to Merthyr. That is just not going to happen. Those very local sources of news will therefore mostly dry up, and the people who live in Ebbw Vale will inevitably feel as though the newspaper is offering them a diminished service.

[28] Looking forward, further cuts are to be announced during 2009. As yet, we have no idea what they will be, but we are sure that the editorial team will be expected to sustain some of those cuts. Inevitably, that will diminish the service that we can offer to the people of Wales. While we are not sure of the detail, we are pretty sure that we will have to take a hit, and that will not be to the benefit of Wales. As time goes on, unless the strategy changes, that scenario will continue indefinitely until the company closes.

[29] **Nerys Evans:** Do you have anything to add to that, Dr Williams?

[30] **Dr Williams:** What was the question again, sorry?

[31] **Nerys Evans:** I asked what future you see for Media Wales.

[32] **Dr Williams:** If you want to know what the future holds, you have to look at Trinity Mirror's business plan for the coming years. Given the decreasing revenues associated with the papers because of the decrease in circulation, the only real alternative model for making money that the company has come up with is a commitment to online news. So far, that has pretty much manifested itself only in the form of investment in new technology, and not the company's core product, which is journalism and journalists. You cannot run a news organisation without adequate numbers of journalists, and I do not think that it has that. Technology can play a role in making a news company more efficient, but the number of staff at Media Wales has been cut back to the bone, and the number of journalists that the newspaper employs is a clear indication of how seriously it takes the product that it wants to sell to the public. The major problem that Trinity Mirror has—as well as the other newspaper companies, who are in the same boat—is that there is no viable industry-wide business model for online news. It does not exist yet. The online news operations of the major newspapers are subsidised by profits and content from the printed newspapers. Central to Trinity Mirror's online news plans is,

[33] 'the adoption of a new technology-led operating model across the group to accelerate

growth and reduce costs’.

[34] The aim to accelerate growth and reduce costs is questionable. The approach to the web as yet another cost-reduction exercise seems odd. It is no accident that the news websites that have done very well in this country, such as *The Guardian*’s and the BBC’s website, have seen massive long-term investment in online news staff as well as technology, and they have also been protected from the marketplace because they do not have to pay out to shareholders. So, investment in technology must go hand in hand with investment in human resources. The research that I have done, as well as most of the other research that I have read, suggests that that is the case.

[35] **Paul Davies:** You touched upon the fact that Trinity Mirror has operated an unsustainable business model. What would be a sustainable business model?

[36] **Dr Williams:** One which takes some of the very large profits that have been made and reinvests them in the core product. In the literature it is called the ‘investment in journalism’ model. I would like to give you a successful example of where this has been done in the UK, but the climate has been such over the last few decades that no-one has done it—newspapers have been treated as a milk cow by the major news corporations and the regional and local news companies. Trinity Mirror is probably one of the worst culprits, but they are all in the same boat. Much of the academic research around this issue suggests that the ‘investment in journalism’ model is the best and most sustainable way of doing this, which means reinvesting some of the very high profits that are made.

[37] **Nerys Evans:** I have a specific question for Martin. What difficulties and frustrations do you have in negotiating with Trinity Mirror centrally? Does it have a long-term strategy for business in Wales?

[38] **Mr Shipton:** The difficulty is that we cannot get to the people that make the strategic decisions. As I said earlier, we have a pretty good relationship with the local management—as a chapel, we have a lot of respect for Alan Edmunds, who will give evidence to you later, because he is a real journalist unlike, surprisingly, quite a lot of people that become editors these days. He is a talented journalist and therefore he is doing the best that he can within the constraints under which he operates.

[39] However, when we have tried to establish what the group’s long-term strategy is, it has been extremely difficult and we have come against a brick wall. Before the announcement of the recent redundancies was made, we put into our disputes procedure the fact that Trinity Mirror was imposing a no-replacement policy, so that when people left they were not replaced. We had various meetings, and we got to a point where we had a meeting with the then managing director, who suddenly departed last week, and an external human resources manager. During the meeting, I asked for details of a coherent mid to long-term strategy, and none was forthcoming. It is one of the reasons why we wish to have direct talks as a union with the people who make these decisions in London, but, thus far, they have persistently refused to engage with us.

10.00 a.m.

[40] **Nerys Evans:** What has been the impact of recent technological changes at Media Wales? Do you think that the move to a multimedia newsroom is necessary for the group to survive?

[41] **Mr Shipton:** I think that it is essential that we have an element of web journalism. Obviously, many people, younger people in particular, are more tuned into the web than they are into traditional newspapers. However, what concerns us greatly is that investment in new

technology should not be made at the expense of quality journalism. As Andy said, the problem is that the company seems to have adopted the view that investing in new technology has to be paid for by reducing the number of journalists that you employ. That is completely contradictory. As a result of the changes, workload is increasing for individuals because whenever people leave, the slack has to be taken up somehow, which means that there is extra pressure on those who remain. People are writing for different newspapers. In an ideal world, my personal preference would be for individual newspapers to have individual staff dedicated to them, but in the context in which we were operating, it became impossible to continue that model because of the relentless cuts.

[42] My concern is that the change to the current system, whereby people work for different newspapers, was based not on an editorial decision that that was going to be better; it was essentially the only thing that could be done given the cost constraints. Clearly if you have people working across titles, it is easier to make up for slack by getting people to work for a particular title when others are off or whatever. So that is the concern. We have no principled objection to multimedia journalism; it is just that it would be much better if there were more people around who could do that so that we could provide an even better service for the people of Wales.

[43] **Nerys Evans:** Dr Williams, do you have anything to add to that?

[44] **Dr Williams:** Just that the research that I undertook at the Cardiff newsroom adds weight to Martin's claims. We undertook a survey of the NUJ chapel at the Cardiff newsroom and 86 per cent of those surveyed believed that the future of local and regional press involved online news and multiplatform journalism. It is not as if the journalists in the Cardiff newsroom are unreconstructed Luddites who wish to resist this; they are just concerned that it will not be funded properly and that the plans will not be backed up with adequate investment.

[45] If you look at the thinking behind the move to online journalism, you see that there are three ways in which newspapers can make money from the move to digital journalism. The first is from straight advertising, which is like transplanting the newspaper model on to the internet. That is difficult to pull off because, typically, online readers are worth a fraction of the money to advertisers that print readers are worth. The types of profit that have sustained the print news business model do not exist online for that reason. I have read many different figures on how online readers translate to print readers and advertisers, and I have read varying ratios ranging from 1:5 to 1:100, but, even in the best-case scenario, a web reader will be worth considerably less than a print reader. You must also bear in mind that local and regional papers are digital immigrants entering a competitive online advertising marketplace. The kind of dominance that they have enjoyed in print is not there. In fact, most online advertising money goes to digital natives such as search engines and, to a lesser extent, social networking sites and media-sharing sites such as Flickr and YouTube.

[46] The second way to make money online is through subscription—you sell your content—but that just does not wash with most readers. There are only two successful examples of newspapers properly selling their content online, namely the *Financial Times* and the *Wall Street Journal*, and any day now Rupert Murdoch is about to change the *Wall Street Journal* from a subscription service to a free one, so online subscription is not a viable option.

[47] The third option is known as newspaper brand endorsement, which the Guardian does very well in selling upmarket holidays, weekend breaks and in its lonely-hearts service. This is the route that Media Wales has taken with its classified advertisements site—the property site, the car site, the homes site—but it remains to be seen how successful that will be, and how the kinds of profits that Media Wales has been sustaining in the print environment will translate into the online environment. It has increased the advertising revenue that it gets

online, but you have to bear in mind that it is starting from a very low base of nought a few years ago. I reiterate that this just will not work if it is not in tandem with investment in good-quality journalism.

[48] **Eleanor Burnham:** We all understand that we have a democratic deficit in Wales. As a politician, I am particularly concerned about that. The paper from the Institute of Welsh Affairs asserts that during the election campaign most people—47 per cent—read election coverage in newspapers, whereas only 5 per cent use the internet to access election information. That, in itself, is worrying. What you say is in tune with your concerns that we will weaken democracy in Wales at a time when devolution wants to strengthen it.

[49] **Dr Williams:** Without doubt.

[50] **Nerys Evans:** Martin, you mentioned the workload increase for journalists, but what are the other impacts on journalists and the quality of the group's newspapers?

[51] **Mr Shipton:** Every day, we have to bring out newspapers and space has to be filled. If you have fewer journalists, it inevitably means that a higher proportion of the space to be filled will be filled with material that is easier to access, which means that the material that you access will be sourced material. It will not be original material. I do not want to overstate this because I think that in the context of many newspapers, the *Western Mail*, for example, still produces quite a lot of original material. It is important to say that nowadays, as opposed to when I became a journalist, some 30 years ago, there are far fewer opportunities for most reporters to get out of the office. It used to be the case that it was quite rare to see reporters in an office; they would be out meeting people, doing various things, and coming back just to write up their stories. Nowadays, the great majority of the people who work as reporters for our papers, in common with those elsewhere, spend the bulk of their time sitting in front of their personal computer, either on the telephone or looking at material that has come in as press releases from various news sources. It is that kind of scenario and environment in which newspapers are produced nowadays. You really have to make an effort to get original material in the papers and it requires a lot of creativity, not just for words but also for pictures. Increasingly, the pictures that we use are existing sourced material either from our own library or from other organisations. A far lower proportion of original photographs appear in the newspapers nowadays. This is the sort of pressure that exists. Obviously, we have to fill the pages; we have to be creative. We have a good team and I think that we still do a pretty good job, but it becomes more and more difficult to do that.

[52] **Nerys Evans:** Is that true of the *Daily Post* and the *Western Mail*?

[53] **Mr Shipton:** Yes, it applies across the board.

[54] **Eleanor Burnham:** You, personally, used to be here in the Assembly. You no longer are here.

[55] **Mr Shipton:** We have David Williamson here now.

[56] **Eleanor Burnham:** Indeed you have, and he is watching us from the gallery.

[57] **Mr Shipton:** He does a jolly fine job.

10.10 a.m.

[58] **Eleanor Burnham:** He is looking after us, but times have moved on, have they not?

[59] You have already answered most of the questions that I have written down, but I am

particularly concerned about the difference between Wales and Scotland, because it is so stark. There are national daily newspapers in Scotland and, from the Institute of Welsh Affairs statistics that I have been looking at, I see that the picture there is very different, and people in Scotland are better served generally and better informed. What bothers me when I go around Wales is that the lack of information about what is happening in the Assembly is stark. That is not a criticism of you guys but it is obvious that, because of what is happening and what you have described, the democratic deficit in Wales is getting worse, particularly in line with the growing monopoly of the BBC. We had an Ofcom presentation only yesterday, and ITV Wales has almost disappeared. Ofcom has allowed less news content from Wales, which is the stark reality of the issue that we face. The picture of decline that you paint is perhaps at odds with the recent level of investment, such as the building of a new printing plant in Cardiff by Media Wales. I went to the opening of the NWM offices on Deeside, which was a thrilling and informative day, but what do the papers say about that?

[60] **Mr Shipton:** There is a big difference between investing in buildings and investing in people, or journalists. We are very fortunate that we have a brand spanking new building in the centre of the city, which we moved into last summer. We are very pleased about that. However, the downside is that the investment has been partly funded by a reduction in the number of people employed and, as recently as the middle of November, we all received a letter from the chief executive telling us that the company was finding it difficult to fund interest payments to the bank as well as the pension fund contributions that it must make. That is directly associated with the kind of investment in new buildings that Trinity Mirror plc has been engaging in, because, to do that, it has had to borrow money and now it is trying to recoup that money by reducing the number of people whom it employs. One may argue that there is a contradiction between the large amounts of money that the group has been prepared to invest in buildings and the much smaller amount—of new money—that it is prepared to invest in journalists.

[61] **Eleanor Burnham:** Therefore, you see the impact on local newspapers very strongly.

[62] **Mr Shipton:** It is a gradual accrual of cuts, as I have outlined, and the closure of district offices is a stark manifestation of that, which people in local communities can relate to. However, going alongside that is the constant policy of not replacing staff who leave and of making redundancy announcements from time to time. So, in addition to the four rounds of redundancies that have occurred since the end of 2003, there has also been a non-replacement policy, effectively, for much of that period. So, as well as the redundancies, where people go in one hit, you also have this drip-drip effect of people leaving and not being replaced. That inevitably impacts on papers. Over the years, we have also seen a reduction in pagination, for example, coupled with increases in cover prices, both of which act as a disincentive to buying the papers.

[63] **Eleanor Burnham:** So, what is your understanding of the financial position of Media Wales and Trinity Mirror plc in Wales in revenue terms, and of the level of investment and of profits made by Media Wales?

[64] **Mr Shipton:** We are waiting for the publication of the 2008 figures. As you will see from the submission, in 2007, there was a 30.74 per cent turnover based on a profit of £15.4 million. However, one problem is that these very high rates of return were made possible by cost cuts. They do not result from increased turnover. They were being achieved by cuts, so that seems pretty ominous for the future. We would like to see the investment in journalism strategy that Andy referred to adopted, and we would like at least some engagement between us and the central management of Trinity Mirror plc so that we can talk about these things. Thus far, we have been unable to do that.

[65] **Eleanor Burnham:** I have two further questions for Andy about your understanding

of the current financial position at the other newspaper groups in Wales. What impact is that having on the editorial staff of the newspapers in those groups?

[66] **Dr Williams:** I have not done any major research into any of the other newspaper groups in Wales, so I am afraid that I cannot answer that in any detail. They echo the trends that I have outlined in relation to Trinity Mirror plc. The impact on journalists, as Martin says, is very clear. Even if they were not being asked to produce this new multiplatform journalism on top of the newspapers, they would be overstretched, because of this sustained policy of cuts, redundancies, delayed replacement and non-replacement of staff after people retire or move on. I have a few snapshots of findings relating to this from our report. Overall, there has been a 20 per cent cut in editorial staff at Trinity Mirror plc nationally, and a 31 per cent cut at Media Wales between 1999 and 2000. Workloads are very heavy while pay has remained low. Eighty-four per cent of the people whom we surveyed at the Western Mail and Echo Ltd, Media Wales, say that their workload has increased since they began, and unpaid overtime seems to be rife. The starting wage for a trainee journalist when we were writing the report in 2006-07 was £11,113. That figure is a few years old now, but it is indicative. It is almost half the national average graduate wage, and that is despite the fact that most of those new journalists will be postgraduates educated to diploma level. Compare that with a teacher's salary, for example, and you will see that the difference is stark and striking. Ninety-six per cent of staff thought that more people should be hired to cover the extra work associated with the new online news coverage that they have to produce, but around the same figure said that they did not think that any would be hired. No extra staff were hired, no extra pay was offered, and training for the new kind of video journalism was woefully inadequate.

[67] **Eleanor Burnham:** I want to make one last point, if I may. We try to deal professionally with these people when they want us to help them, but my experience is that no sooner have you formed a relationship with someone than they are off. In addition, many of them are desk-bound; they know very little about what is going on—and I do not mean that to be patronising; it is just a fact. They come into the job and sit at their desk without the time to go out and see what life is about, and you almost have to explain life to them from A to Z. It is hard for me to understand how they can give their best and present a proper view of this free, democratic society, including what we are up to on behalf of the people of Wales.

[68] **Dr Williams:** I work in one of the most successful journalism departments in the country, offering vocational education, and, as you know, we have a very successful journalism training scheme. Those kids, who are postgraduate diploma students, are all taught to gather news on the beat. They are all allocated their different beats, whether that is a geographical area, an area of local government or that kind of thing. We train these young adults to go out and start their jobs in that way, almost secure in the knowledge that they will not be able to do so once they enter regional and local newsrooms. They will be sitting at a desk and processing news more and more rather than going out and looking for it, as they should be, if newspapers are to fulfil the role that is expected of them in a democracy.

[69] **Nerys Evans:** A oes gennyh **Nerys Evans:** Do you have any further, unrhyw beth pellach, Eleanor? Os na, Paul Eleanor? If not, Paul is next.
sydd nesaf.

[70] **Eleanor Burnham:** Sorry, I got a bit carried away there.

[71] **Paul Davies:** You mentioned the reduction in the number of journalists. What are the implications of the recent managerial changes at Trinity Mirror plc, with the removal of the managing director, Keith Dye, and his replacement by Susan Wilder as regional managing director for Wales, with the creation of a Wales and north-west area?

10.20 p.m.

[72] **Mr Shipton:** Her name is actually Sara Wilde. We are unclear about the implications. This all happened very recently: just last week. As I understand it, Mr Dye and the finance director, Mr Thomas, were told on Tuesday last week that, speaking euphemistically, their services were no longer required. Ms Wilde is the managing director of the operation based in Liverpool, and she has now assumed responsibility for Cardiff as well. As yet, it is too early to say exactly how that will play out. The first point that one might make is that a newspaper company that has been based in Wales for a very long time, since its foundation, being managed from outside Wales is not a good move. However, one would have to follow that up by saying that, for decades now, since the *Western Mail* and *Echo Ltd*, as *Media Wales* was formerly known, was taken over by a group called Thomson Regional Newspapers Ltd, based in Britain and run by a Canadian, strategic financial decisions have been made in London. So, there will not necessarily be a change in the way in which the company operates simply because the managing director is based in Liverpool rather than Cardiff, given that the overall strategy of the group has been directed from London for many years.

[73] **Paul Davies:** There seems to be an increasing uniformity to the *South Wales Echo* and the *Western Mail*. Do you think that these two papers can remain separate for much longer?

[74] **Mr Shipton:** What has happened in recent months is that the *South Wales Echo* has begun to be published overnight. This is a trend that has become quite common with British newspapers. There are ever decreasing numbers of evening papers published, and the justification for the move towards overnight printing is that it provides the paper with more shelf life, in that people will go into a newsagent in the morning to buy a paper rather than wait until the afternoon. Obviously, over decades now, there has been a move away from publishing on-the-day material. Ever decreasing amounts of material are generated on the day on which they appear in these evening papers. Indeed, deadlines have come forward over the years, as well. When I was a schoolboy in London, I remember that you could buy an *Evening Standard* and read the racing results of that day—I was not particularly interested in racing, but I was always aware that they were in this ‘stop press’ column. That is long gone.

[75] However, the *South Wales Echo* is now published at the same time as the *Western Mail*. The company’s view is that that will not cause a problem because, to a large extent, they are appealing to different markets: the *Western Mail* is a national newspaper as far as Wales is concerned, while the *South Wales Echo* is based in and around Cardiff. There is an element not of direct copy sharing but of duplication, to the extent that, although you would not have reporters who wrote for both papers under the old regime, now, a reporter will sometimes write two versions of essentially the same story for the *Western Mail* and the *South Wales Echo*. That applies not only in news but in sport, and, with sport, we also have the *Wales on Sunday*. So, inevitably, there will be times when people will look at one of those papers and say that they have read a story or a very similar version before in another. However, it is our job to ensure that that happens as infrequently as possible.

[76] **Paul Davies:** You mentioned the *Daily Post* earlier, which is a very important newspaper for north Wales. How much co-operation is there between the *Daily Post* and the *Western Mail*, which is in south Wales?

[77] **Mr Shipton:** In the past, there has been less than one might imagine. There has not been a great deal of copy sharing. The *Western Mail* now has a reporter based in Llandudno Junction, who works for *Media Wales Ltd* and supplies us with stories. We do not, as a rule, take copy from the *Daily Post*, and it does not take copy from us, unless there is a special situation, where there may be a story that has both north and south Wales elements, where we might provide it with the south Wales element, and it would provide us with the north Wales element; however, that is relatively rare. The other area of co-operation that has existed is

photographic; if we are doing a story that involves someone in north Wales, we might get a *Daily Post* photographer to take a picture and to send it down to us, and vice versa. I am not clear about the degree to which there may be more co-operation in the future. It may be that there is more co-operation, particularly in terms of the web, but that remains to be seen.

[78] **Paul Davies:** Do you envisage the *Daily Post* and the *Western Mail* ever being unified?

[79] **Mr Shipton:** That has not been suggested at all, and I do not think that it is on the agenda at the moment.

[80] **Dr Williams:** It would not make good business sense for Trinity Mirror plc. There are two distinct advertising markets. Why would they want to merge?

[81] **Paul Davies:** To move on to the Assembly, what do you think that the Assembly and the Assembly Government should be doing to support the print media industry in Wales?

[82] **Mr Shipton:** As I said, it is important that the issues that we have raised today are understood by Assembly Members. The Assembly, as an institution, can act as a national focus for these concerns, and that is why we have suggested, as a union, that there may be merit in considering the establishment of some kind of media forum in which Assembly Members could engage with the players in the media industries in Wales, particularly now, with newspapers and broadcasters facing such turbulent times. I am sure that we all agree that the contribution made by the media to Welsh democratic life is extremely important. Therefore, the National Assembly, as the national democratic focus for Wales, should perhaps act as a player that can bring other players together to try to ensure that we maintain the quality of Welsh media and, apart from anything else, that changes are monitored. If there were a need for any kind of intervention or representations to be made, an early-warning system would, at least, be in place. In that way, sudden announcements that took everyone by surprise and shocked everyone, when it was too late to do anything, would be avoided. If there were ongoing monitoring of the media by the Assembly, that would be very useful.

[83] I will also make reference to a specific course of action that either the Assembly as an institution or the Assembly Government could take. I should say here that, together with another colleague from the NUJ, I had a meeting with the Minister for Heritage last week, at which we spoke with him about our concerns. At the moment, there is speculation that rules concerning cross-media ownership may be changed. If that is to be the case, we would like some kind of guarantees about the future of quality media, which may involve guarantees to titles or commitments to public-service content. We think that the Assembly Government ought to be making representations to Westminster—where decisions of that kind are taken—on behalf of civil society in Wales, to the effect that such protections are necessary in an environment where change is rapid.

10.30 a.m.

[84] **Paul Davies:** In your view, is it appropriate for the Government to help to fund the commercial newspaper sector? We have seen the Government provide financial support for Welsh-language journalism; do you think, therefore, that it should be funding English-language journalism.

[85] **Mr Shipton:** There has always been resistance to Government funding in the newspaper industry, because of fears over control of the news. However, the reality at the moment is that a pretty high proportion of the advertising revenue of our company comes from the public sector, not least the Assembly and the Assembly Government. Whether any future funding of that nature will be appropriate remains unclear. At the moment, the

newspaper group that I have been talking about has been making pretty high profits. So, before a subsidy is given to Trinity Mirror plc, for example, one would have to look carefully at the financial position of the group and also consider any plans that it may have for the future. Interestingly, a few days ago, there was a Westminster Hall debate in the House of Commons, where this issue about the funding of the regional media was raised by a number of MPs. The Minister, Mr Pearson, did not dismiss it out of hand. He said that the issue was being looked at as part of a digital inquiry, which I believe is being led by Lord Carter. So, it is something to keep on the agenda, but not necessarily to make decisions about at this moment.

[86] **Paul Davies:** I have one final question. I would like to come back to the management of the Trinity Mirror group. I would like to get this absolutely clear. From what you have been saying here this morning, it seems that you believe that the Trinity Mirror group has been managed badly in recent years. Is that the case?

[87] **Mr Shipton:** We would say that decisions that it has taken have not been in the best interests of news in Wales. We would prefer it if it changed its investment strategy to the kind of model outlined by Andy: the investment in journalism strategy. We are not happy about the fact that, for a number of years, it has taken a lot of money out of the business and paid it out in dividends. In 10 years, I think that more than £0.5 billion has been paid out in dividends, which we think is excessive. We would like to work with Trinity Mirror and its board, but, in order to do that, it should engage with us. I wish that it would get away from its habit of passing everything down the line to local management. While we have respect for our local management and we engage with them very well, there is a limit to the decisions that they can make. They operate, as do we, in the context of a strategy that is being directed from Canary Wharf in London. In order to get improvements to that strategy, the NUJ and other interested parties should have direct engagement with those people.

[88] **Dr Williams:** I would echo that. I would not say that it has been managed badly, but it depends who you ask. If you ask Trinity Mirror shareholders, they would say that it has been managed very well indeed. However, in terms of the public sphere, the public service aspect of the newspaper business, and the function that all newspapers should play within a democracy as a watchdog and as an entity that should fulfil the Reithian triad of educating and informing as well as entertaining, then, in that respect, it has been managed badly and it has not been managed in the best interests of the reading public in Wales.

[89] **Nerys Evans:** That was a diplomatic answer; you almost sounded like politicians. Thank you for your presentation and for the answers to the questions. It was a very informative start to our inquiry into newspapers in Wales. You will be sent a transcript of this meeting to check for accuracy.

[90] Symudwn ymlaen at yr ail sesiwn dystiolaeth. Croesawaf Alan Edmunds, cyfarwyddwr golygyddol Media Wales Cyf., Trinity Mirror ccc, a fydd yn cymryd cwestiynau oddi wrth Aelodau. Deallaf nad ydych wedi rhoi papur i'r pwyllgor, Mr Edmunds, ond eich bod yn hapus i ateb cwestiynau Aelodau. Eleanor sydd â'r cwestiwn cyntaf.

[91] We will move on the second evidence session. I welcome Alan Edmunds, the editorial director of Media Wales Ltd, Trinity Mirror plc, to the table to take questions from Members. I understand that you have not submitted a paper to the committee, Mr Edmunds, but that you are happy to answer Members' question. Eleanor has the first question.

[92] **Eleanor Burnham:** Obviously we are very concerned about the democratic issue; we are politicians. The situation here is very different from that in Scotland, where there is the strength of the Scottish national newspapers and the regional newspapers. We have received an interesting paper from the Institute of Welsh Affairs, which includes some statistics, and

we are going to be questioning the IWA chair later. We are extremely concerned about the future of Media Wales and newspapers in the Trinity Mirror group in Wales. What, in your view, is the significance of the contribution made by the *Western Mail* and the *Daily Post* to democracy in Wales?

[93] **Mr Edmunds:** Thank you for inviting me; it is a pleasure to be here. The contribution of the *Western Mail* and the *Daily Post* to the democratic process in Wales is huge, and that is how it should be. They are both very strong newspapers in their marketplaces and their journalists understand the issues in Wales and interact with the decision makers in Wales on a daily basis as well as with the citizens. They see issues from all sides and report on them and challenge the politicians. I am confident that we do a very good job of that. In Media Wales, you have a company that is embracing the changes in the media marketplace, which are enormous, and, therefore, it is crucial that there is also a very strong website for Wales that challenges politicians and informs the voters and the electorate, and we are doing that very successfully. What you have seen in Wales is an industry-leading change—in terms of the UK and certainly in terms of a European framework—in regional newsrooms, and that change was editor led. The editors based in Media Wales asked to make this change, because we felt that we could improve our newspaper products and take a very substantial leap forward in terms of the website. It is of paramount importance that we serve the people of Wales with great newspapers and a great website and that we run a successful business to enable us to do that. We have had a very significant year of change, and it has been very successful—that change has gone extremely well.

[94] **Eleanor Burnham:** That is interesting, given what we heard from the two journalists earlier. What do you think the substantial investment in your media office in Cardiff enables you to deliver?

[95] **Mr Edmunds:** It enables us to transform our web content. In 2003, we invested in an £18 million state-of-the-art colour press, so that the *Western Mail*, the *South Wales Echo*, the *Wales on Sunday* and all the weeklies in the Valleys were printed on the best possible press that you can get. The latest investment has involved significant training of journalists and significant investment in the technical side of journalism, and we have put a lot of investment into enabling our journalists to be multimedia journalists. We have a television studio, for example, which you are all welcome to visit. I think that it would be useful for you to see it.

10.40 a.m.

[96] We have had many politicians through the door since we moved, and it is extremely useful for you to see what we are doing journalistically in Wales, and what we are trying to do, because it is very exciting. So, we have invested in that, and in a new salary structure for our journalists, and all this has been led by Welsh editors looking at the Welsh marketplace and agreeing together on the best way forward. The change that we made in our newsroom is now being replicated in regional newsrooms across Britain, but we were the first to make that change, and it was after substantial research. Trinity Mirror sent me and Mike Hill, who is now the editor of the *South Wales Echo*, to America and Europe to look at best practice. We spent time looking at what people were doing around the world and adapted that to what we thought was right for Wales.

[97] **Eleanor Burnham:** We have had some testimony that does not quite paint the same picture about closures, particularly the loss of local information and local people dropping into local offices. You have made journalists redundant, and closed district offices—is that a trade-off with investment in the new headquarters?

[98] **Mr Edmunds:** We have closed the district offices, but we are talking to other groups in the community about creating drop-in centres, and those talks are going well. People can

still interact with newspapers locally, but our decisions about those offices are informed by experts in running newspaper businesses, and securing a thriving future for those local papers. We analysed it as a business, and that decision was made on sound business grounds, as part of a strategy to ensure that those papers have a thriving future in print and online. We need to be able to invest so that we can give local communities an online presence, and that will be a substantial benefit to those communities. We put a lot of thought and effort into doing that.

[99] **Eleanor Burnham:** Can you give us an example of what those drop-in centres would be, and where they would be?

[100] **Mr Edmunds:** We are talking to charities that we have a good relationship with that will allow journalists to meet readers on their premises, either several days a week or, possibly, on a permanent basis. These drop-in centres can open at certain times so that people know when they are available and can call in and meet journalists. We are very close to setting that up.

[101] **Eleanor Burnham:** During the last 10 years, your circulation, as with many other newspapers, has declined substantially, but your profit level is apparently a remarkable 35 per cent. How do you explain that, and how sustainable is it?

[102] **Mr Edmunds:** Profitability is a historic issue. Many of the figures that I mentioned do not correspond to the current economic environment. All the decisions that we take are now based on the current economic climate. This is a worldwide issue, and in Britain we are not just faced with economic challenges, but with the huge change in media consumption. All newspapers and media companies are now suffering from these economic constraints. Costs are up and revenues are falling. We intend to remain profitable—there is no shame in that—and without profits, we cannot invest in the future of the business. We are thoughtful in all the decisions that we take at Media Wales about the impact upon our readers and advertisers. What we always aim to do is to serve them better, and to respond to their changing needs. We are therefore looking at growing our audience, and although circulations have fallen, there is enormous growth in online traffic. It is our job to ensure that the newspapers and websites work well together, so that they complement each other and serve the needs of the audience.

[103] **Eleanor Burnham:** I think that it is fair to say that everyone wants you to be a sustainable, profitable company. However, one of the allegations that was made earlier is that it is at the expense of cutting journalists' jobs, and the testimony from one of the previous witnesses was about the huge dividend that has been paid out over the past 10 years, in comparison to the lack of care for some of the journalists who have been made redundant; in the view of that witness, journalists are now working under much greater stress and are expected to do much more. We were told, for example, that many journalists regularly work unpaid overtime and so on.

[104] **Mr Edmunds:** We have invested massively in the training of our journalists. They are multimedia skilled and can write for various platforms, which means that their ability as journalists has been transformed in the past couple of years. Therefore we have invested substantially in training journalists and equipping them to do that. We have invested very much in developing our website in order to give Wales a national website that it can be proud of. WalesOnline is by far the leading commercial news website in Wales, and I think that you will find that we have a growth in traffic of about 29 per cent per annum. We are working very hard to ensure that we are giving everyone the best possible newspapers and website. Has the quality of journalism decreased? Speaking as an editorial director and a journalist who has worked in Wales all my life, I would say absolutely not. Times change, and when you change as a business and change the way that you work, the responsible thing to do is to achieve that at the optimum cost and in the most efficient way possible. That is what we do. What we do is very strategic and totally focused on our customers—our readers and our

advertisers—because delivering to them is how we make successful businesses.

[105] **Eleanor Burnham:** However, Dr Andy Williams told us that a postgraduate starting journalist would be paid about £11,000 a year. His contention was that things are not as rosy as you are painting them.

[106] **Mr Edmunds:** Trainee journalist salaries across Britain have traditionally been low. However, we have addressed that. As I mentioned earlier, we introduced and invested in a new salary structure for our journalists. We negotiated very closely with the National Union of Journalists and consulted it. That position has improved because we have invested in it.

[107] **Nerys Evans:** Going back to the point you made earlier about the closures and redundancies and the strategy of Media Wales Ltd, is your strategy just to respond to the £20 million cut over the past year across the group? Will there be more of the same over the next year, where there are more £20 million cuts to be sought?

[108] **Mr Edmunds:** We make decisions based on what is right for Media Wales. We look at our marketplace, and when we make changes we make them as efficiently as we can. That is responsible business practice. When we look at our weekly titles and sit down as a business to, as I said, plot their future, to ensure that they have a thriving sustainable future, we come up with a strategy. That was what you saw implemented with the closure of those offices. Obviously, many in the community were disappointed by that closure, and we understand that. We have spent a great deal of time talking to local politicians about it, explaining our decisions, saying what we are trying to do to replace it. We have spoken to the journalists about it at length, and we have reorganised in such a way as to be confident that those papers have a thriving future, in a marketplace that is being transformed. The media marketplace, with 24-hour news and the internet, is being transformed. What you have in Wales is a management team that is totally focused on ensuring that Wales is right at the forefront of any innovation that can ensure that we are well served. We have shown that over the past year; what we have done has been industry-leading.

[109] **Nerys Evans:** Yr ydym yn brin o **Nerys Evans:** We are short of time, so I must
amser, felly yr wyf am gynnwys Paul yn awr. bring Paul in at this point.

[110] **Eleanor Burnham:** May I come back on that point?

[111] **Nerys Evans:** Yr wyf am i Paul gael **Nerys Evans:** I want to give Paul a chance
cyfle'n gyntaf. first.

[112] **Paul Davies:** Thank you, Chair. I wish to move on to look at your management structures. Can you explain the purpose of last week's decision to create a Wales and north-west region with a new regional managing director, Sara Wilde, and the immediate dismissal of Keith Dye as managing director and Stuart Thomas as finance director?

10.50 a.m.

[113] **Mr Edmunds:** I can say, categorically, that I am very excited about the change in structure. It makes complete business sense to have our north Wales and south Wales businesses managed by one managing director. As editorial director, I am hugely excited about the possibilities that there are going forward. The strategic decisions for Media Wales will be made by the Media Wales management team. The change really excites me, and it opens up possibilities for us to look at new ways of working with our colleagues in north Wales so that we can serve readers and advertisers in an even better way.

[114] **Paul Davies:** Am I right in saying that, for the first time, the *Western Mail* and related titles will be managed from outside Wales?

[115] **Mr Edmunds:** The *Western Mail* will be managed from inside Wales; it will be managed by the strong management team in Cardiff. The fact that we will report to a regional managing director who runs the Liverpool, north Wales, and Cardiff businesses will only fundamentally enhance our ability to provide brilliant news coverage throughout Wales.

[116] **Paul Davies:** It has been put to us this morning that the Trinity Mirror group has been running an unsustainable business model in recent years? Do you agree with that?

[117] **Mr Edmunds:** No, not at all. As I said, if you look at what is happening in Wales, which is what we are here to focus on, you will see that we have a company that is responding to the challenging economic conditions that it faces and, as I said, the huge change in the media marketplace, and it is responding in an extremely strategic and proactive way. We have had many visitors from other newspaper groups, who have come to see what we have done, and others are now following. That suggests that we are managing the business in an expert way and that we have a model that other people are copying.

[118] **Nerys Evans:** Mae Undeb Cenedlaethol y Newyddiadurwyr wedi dweud wrthym fod y cyfuniad o'r dirywiad yng nghylchrediad, disgwyliadau afresymol o ran elw, gostyngiad mewn refeniw hysbysebu, ac ansicrwydd o ran sut i sicrhau refeniw digidol o'r we yn y dyfodol yn peri pryder eithriadol. Beth yw eich ymateb i hynny?
Nerys Evans: The National Union of Journalists has told us that the combination of the decline in circulation, unreasonable expectations in terms of profit, a reduction in advertising revenue, and uncertainty around securing digital revenue from the internet in the future are causing grave concerns. What is your response to that?

[119] **Mr Edmunds:** You mean that grave concerns have come from the NUJ?

[120] **Nerys Evans:** Yes.

[121] **Mr Edmunds:** I spend a lot of my time speaking to the NUJ to try to ensure that it understands any decisions that we make and why we are taking them, and I am always listening to its point of view and taking that into consideration. I am very confident—and I say this to Martin and his colleagues—that our strategy is absolutely the right one for Wales. For example, the decision to change the way in which we are organised, to form one multimedia newsroom, was taken by the editors. We took the project to the company. We, the editors, devised it and executed it, and we worked very hard with the NUJ so that it could have input into that. The success of it is due to the approach that we took.

[122] **Nerys Evans:** Mae'r undeb hefyd yn honni mai un anhawster mawr sydd ganddo yw'r ffaith nad yw swyddogion gweithredol yn Trinity Mirror yn fodlon cwrdd â'r aelodau na chynnal trafodaethau gyda hwy. Cydnabyddir hyn gan y rheolwyr lleol. Beth yw eich ymateb i hynny? A ydych o'r farn fod gan Llywodraeth y Cynulliad rôl wrth gynorthwyo papurau newydd Cymru i oroesi ac, os felly, beth fyddai'r rôl honno?
Nerys Evans: The union also states that it has one big difficulty in that the executive officers in Trinity Mirror are not willing to meet members or to hold dialogue with them. That is acknowledged by local managers. What is your response to that? Are you of the opinion that the Assembly Government has a role in assisting in the survival of the newspapers in Wales and, if so, what would that role be?

[123] **Mr Edmunds:** On the local management dealing with local issues, I am sure that the NUJ would tell you that it would want the companies to be managed locally, and that is how we manage our companies. Media Wales is managed by the Media Wales management team

and, therefore, it is entirely appropriate that the NUJ speaks to us about Media Wales issues. That is how we work, and I believe that that works very effectively.

[124] The crucial thing for Assembly Members in their role is having an awareness of the change in the media marketplace and the environment in which we are working, as well as the economic conditions. A key matter that the National Union of Journalists alluded to is the competition rules and regulations on mergers. The Competition Authority's definition of the marketplace is narrow and outdated; competition laws as they apply to newspapers ignore the modern broader media landscape, and regional newspapers play just one part in that. The authority is rightly concerned about plurality of voice in the newspaper market and the danger of news becoming homogenised, but in the modern multimedia world media is becoming increasingly local so plurality of voice is increasing in any case. Competition law as it currently stands runs the risk of seeing the disappearance of vulnerable titles, and if the Government does not act soon to change that regulation we could see more vulnerable titles disappear from our marketplace.

[125] Those are the serious issues for decision makers and policy makers to consider, and I welcome engagement from political institutions and politicians so that they can understand the massive change in the media world and the huge acceleration that there has been. There is plenty more change ahead, because people now demand news in many different ways. It is an exciting time, and when you have a job like mine—although it may sound a bit corny—it is a huge privilege to ask, 'What is the best way to deliver news across Wales?' It is a very exciting time.

[126] **Nerys Evans:** I fynd â chi yn ôl at bwynt cyntaf y cwestiwn, dywed yr undeb nad yw'n gallu siarad â Trinity Mirror lle mae'r penderfyniadau strategol hirdymor yn cael eu gwneud. Beth yw eich ymateb penodol i hynny?

Nerys Evans: To take you back to the first part of the question, the union says that it cannot engage with Trinity Mirror where the long-term strategic decisions are made. What is your specific response to that?

[127] **Mr Edmunds:** The NUJ has massive consultation with Trinity Mirror locally to play its part in helping to formulate the strategy for that company, which I think works very well.

[128] **Nerys Evans:** Nid ydych yn derbyn felly y pwyntiau yr oedd yn ei godi, sef ei fod yn teimlo rhwystredigaeth fawr ei fod yn methu siarad â phobl sydd yn gwneud y penderfyniadau yn Llundain. Onid ydych yn cydnabod hynny?

Nerys Evans: Therefore, you do not accept the points that it raised, namely that it feels great frustration that it cannot engage with the decision-makers in London. Do you not acknowledge that?

[129] **Mr Edmunds:** I could understand the union being frustrated if it felt that it could not have any input into what goes on in the company for which it works, but what has happened in Media Wales during the past year evidences that it has been consulted and included massively in the strategy that we are taking that directly affects it in the Welsh marketplace.

[130] **Nerys Evans:** Mae fy nghwestiwn olaf ynglŷn ag arian hysbysebu Llywodraeth y Cynulliad a'r Cynulliad fel sefydliad yng nghyhoeddiadau Trinity Mirror. Faint o arian hysbysebu sy'n dod i'r *Western Mail* a'r *Daily Post* gan Lywodraeth y Cynulliad a'r Cynulliad fel sefydliad, a faint yw hyn fel canran o'r arian a gânt gan y sector cyhoeddus?

Nerys Evans: My final question is about advertising revenue from the Assembly Government and the Assembly as an institution in Trinity Mirror publications. How much advertising revenue do the *Western Mail* and the *Daily Post* receive from the Assembly Government and the Assembly as a body, and how much is this as a percentage of the money that they receive

from the public sector?

[131] **Mr Edmunds:** I do not have those figures with me. With regard to advertising revenues for papers such as the *Western Mail* and the *Daily Post*, Wales has a large public sector; therefore, many of our advertisers come from a public sector base and many come from a private sector base. In terms of us providing the right newspapers and products that advertisers want to use, that is what we do—that is our business. However, I do not have the specific figures that you asked for to hand.

[132] **Nerys Evans:** A fyddai modd i chi anfon y ffigurau hynny at glerc y pwyllgor er gwybodaeth? **Nerys Evans:** Could you supply those figures to the committee clerk for information?

[133] **Mr Edmunds:** I would be able to supply any figures that are publicly available and are published and on record.

[134] **Nerys Evans:** Diolch. Eleanor, a oeddech eisiau dod i mewn? **Nerys Evans:** Thank you. Eleanor, did you want to come in?

[135] **Eleanor Burnham:** Oeddwn. Clywsom honiadau gynnau gan yr NUJ nad yw pobl ifanc sydd ar gychwyn eu gyrfa yn mynd allan mwyach, gan eu bod yn y swyddfa wrth y cyfrifiadur o hyd, a bod hynny'n creu diffyg ansawdd o ran y newyddion. Mae'n golygu eu bod yn ailgylchu yr hyn sydd ar gael eisoes ac nad ydynt yn gweld pethau gwreiddiol i gynhyrchu newyddion o ansawdd. Mewn democratiaeth mae hynny'n bwynt sylweddol. A allwch egluro hynny? **Eleanor Burnham:** Yes. We heard claims earlier by the NUJ that young people who are just starting on their career do not go out anymore, that they are office-bound and always in front of their computers, and that that affects the quality of the news. It means that they are recycling what is already available and do not see anything original to produce quality news. In a democracy that is a fundamental point. Can you explain that?

11.00 a.m.

[136] **Mr Edmunds:** Your question goes to the heart of the nature of journalism. It is a huge question, and not something peculiar to the *Western Mail* or to Media Wales. How journalists operate has changed markedly over the years, as I am sure is the case for most industries. It is crucial to ask whether journalists are better trained than they used to be. The answer is that they are trained as well as they used to be, and that they are more multi-skilled than they used to be. Are journalists able to do as good a job as they used to do? In my view, the answer is 'absolutely'. The nature of news gathering has changed; we do a lot more desk-based work now, but Media Wales still has almost 200 journalists working in Wales. We have people working in communities in the Valleys, in mid Wales, and in north Wales. We have journalists who are working very hard to unearth stories. The idea that everyone is just sat at a desk writing up a press release is wrong. We still have a massive commitment to a journalistic style that investigates and reports on issues, and Martin Shipton is a fantastic example of that. We train our journalists so that they are equipped with the skills to do that.

[137] It is dangerous to get carried away by the idea that journalists sit at a desk and rewrite press releases. That could not be further from the truth. The idea that journalists are less informed than they used to be is far from the case. The standard and skills of the young journalists and trainee journalists that I work with are often remarkable. Wales is well served across our company, the BBC, ITV and the other newspaper groups by some outstanding journalists who do a first-class job. Were you to take evidence from other newspaper groups, I am sure that they would echo that view.

[138] **Paul Davies:** I have a final question. Do you think that the media print industry is becoming increasingly monopolised by big companies such as yours and that that is bad for plurality and consumer choice?

[139] **Mr Edmunds:** No. The landscape that you have referred to has been the same for some time. What we now see is a need for politicians and policy makers to consider what regulations should be in place to allow media companies to produce newspapers and websites, television and radio programmes sustainably. The key is to find which business models are sustainable in the future. It is about looking at what regulations there should be for the marketplace so that readers and advertisers are well served. It is about looking at the issue from their perspective, at how will we create an environment that gives the best possible news service to readers and therefore to advertisers, rather than looking at it from the point of view of ownership. It should be customer driven. We should look at it that way, and I am sure that that will drive us all to look at the regulations and to decide that they need changing.

[140] **Nerys Evans:** A ydych o blaid **Nerys Evans:** Are you in favour of relaxing llacio'r rheolau ar berchenogaeth ar draws y the rules on ownership across the media? cyfryngau?

[141] **Mr Edmunds:** Yes.

[142] **Nerys Evans:** Diolch yn fawr am **Nerys Evans:** Thank you very much for your eich tystiolaeth. Mae wedi ychwanegu elfen evidence. It has added an important element bwysig i'n hymchwiliad i bapurau newydd. to our inquiry into newspapers. We shall send Anfonwn gopi o'r trawsgrifiad atoch ichi ei you a copy of the transcript for you to check wirio am gywirdeb. Diolch am fod yn for accuracy. Thank you for attending. bresennol.

[143] Yn olaf, mae Geraint Talfan Davies, **Finally, Geraint Talfan Davies, chair of the cadeirydd y Sefydliad Materion Cymreig, Institute of Welsh Affairs, is with us to give gyda ni i roi tystiolaeth. evidence.**

[144] Nid ydych wedi cyflwyno papur, ond **You have not submitted a paper, but you yr ydych wedi cyfeirio sylw'r pwyllgor at have drawn the committee's attention to the waith y mae'r sefydliad eisoes wedi ei wneud work that the institute has already done on ar y pwnc hwn, felly diolch am hynny. Gan this subject, so thank you for that. As we are ein bod yn rhedeg braidd yn hwyr, awn yn running a little late, we will go straight to the syth at y cwestiynau. Paul sydd â'r cwestiwn questions. Paul has the first question. cyntaf.**

[145] **Paul Davies:** Pa mor bwysig yw'r **Paul Davies:** How important is the diwydiant papurau newydd yng Nghymru i newspaper industry in Wales for Welsh ddemocratiaeth y wlad, a phaham yr ydych democracy, and why do you think that it is yn credu ei fod mor bwysig? that important?

[146] **Mr Talfan Davies:** Mae papurau yn **Mr Talfan Davies:** Newspapers are bwysig i'r broses ddemocrataidd, a chredaf ei important to the democratic process, and I fod yn bwysig bod gennym rai cyfryngau believe that it is important that we have some sydd mewn dwylo gwbl breifat, yn hytrach na media that are entirely in private hands, chorfforaethau cyhoeddus. Mae hynny'n rather than public corporations. That is bwysig. Mae gan bapurau newydd lawer important. Newspapers have far more mwy o ryddid na darlledwyr; mae rheolau freedom than broadcasters; there are rules and regulations that limit the activities of sy'n cyfyngu ar ddarlledwyr a rhaid iddynt broadcasters, and they must be balanced in fod yn gytbwys yn yr hyn y maent yn ei

wneud. Ar y llaw arall, gall papurau newydd ddatgan barn mewn ffordd gwbl rydd a gallant ymgyrchu dros bethau mewn ffordd nad yw'n bosibl bob tro i ddarlledwyr ei wneud. Mae rhywbeth yn natur print sy'n rhoi gofod i rywun osod dadl mewn ffordd mwy rhesymegol, efallai, nag y mae modd ei wneud mewn munud a hanner mewn cyfweiliad darlledu.

[147] **Paul Davies:** Yn eich barn chi, pa mor bwysig yw'r newidiadau diweddar o ran rheolwyr Trinity Mirror yng Nghymru, ynghyd â'r newidiadau strwythurol?

[148] **Mr Talfan Davies:** Yr hyn sy'n bwysig wrth inni edrych ar y byd papurau newydd yng Nghymru yw peidio ag ymladd hen frwydrau. Yr ydym wedi sôn am ddiffygion y *Western Mail* a'r *Daily Post* am o leiaf bedair degawd, ac yr oeddwn yno am rai ohonynt. Mae angen inni ddechrau symud y ddadl ymlaen. Yr wyf yn croesawu y newid diweddaraf. Mewn llyfr yr ysgrifennais y llynedd, awgrymais mai'r cam gorau nesaf fyddai uno'r *Western Mail* a'r *Daily Post*. Yr wyf yn siŵr y byddai llawer o weiddi a sgrechain ynglŷn â hynny, ond credaf y byddai modd gwneud hynny mewn ffordd greadigol a fyddai'n gallu gwarchod buddiannau darllenwyr y de a'r gogledd, a fyddai'n creu papur sy'n wirioneddol genedlaethol ac yn dipyn cryfach nag unrhyw beth sydd gennym ar hyn o bryd. Yr wyf yn siŵr y byddai rhyw fath o synergedd, ond y drafferth yw a fyddai'r synergedd hwnnw er budd darllenwyr neu er budd y cyfranddalwyr. Dyna'r broblem.

[149] Yr wyf yn gwybod bod pwyllgorau'r Cynulliad wedi edrych ar bapurau newydd o'r blaen, ond nid oes gan y Cynulliad fawr o ddylanwad yn y maes hwn oherwydd mae'n delio â'r farchnad gyhoeddus. Os edrychwch ar yr hyn sydd wedi digwydd i bapurau newydd yn rhyngwladol, ac yn sicr dros Brydain, gwelwch gwmp ym y cylchrediad a thoriadau yn y buddsoddiad mewn newyddiaduraeth, ond, yn y bôn, y broblem yw'r ddamcaniaeth ynglŷn â gwerth i'r rhanddeiliaid. Dyna'r hyn sydd wedi achosi'r broblem, ac mae'n broblem nid yn unig i gwmnïau papurau newydd ond i nifer o gwmnïau eraill hefyd. Un o'r pethau y byddwn yn gweddio iddo ddod allan o'r

what they do. On the other hand, newspapers can express opinions freely and they can campaign for things in a way that it is not always possible for broadcasters to do. There is something in the nature of print that allows you to give space to someone to present an argument in a more rational way than is perhaps possible in a minute and a half in a broadcast interview.

Paul Davies: In your opinion, how significant are the recent managerial changes within Trinity Mirror in Wales, along with the structural changes?

Mr Talfan Davies: As we look at the newspaper media in Wales, it is important that we do not fight old battles. We have been talking about the shortcomings of the *Western Mail* and the *Daily Post* for at least four decades, and I was there for some of those years. We need to start to move the argument on. I welcome the latest change. In a book that I wrote last year, I suggested that the next best step would be to merge the *Western Mail* and the *Daily Post*. I am sure that there would be a great deal of wailing and gnashing of teeth about that, but I believe that that could be done creatively, in a way that would safeguard the interests of readers in both north and south Wales, and would create a truly national newspaper that would be much stronger than anything that we have at present. I am sure that there would be some synergy, but the problem is whether that synergy would develop in the interests of readers or for the benefit of shareholders. That is the problem.

I know that Assembly committees have looked at newspapers before, but the Assembly has little influence in this area because it is to do with the public marketplace. If you look at what has happened to newspapers internationally, and certainly in Britain, you will see a fall in circulation and cuts in investment in journalism, but, essentially, the problem is the theory of shareholder value. That is what has caused the problem, and it is a problem not only for newspaper companies but for many other companies. One of the things that I would pray to come out of the current global economic crisis is for there to be less emphasis on shareholder value and more

argyfwng economaidd byd-eang yw bod llai o bwys ar werth i'r rhanddeiliaid a mwy o bwys ar gynnal cwmnïau a chynnal cynnyrch o safon. Nid wyf yn optimistaidd yn hynny o beth, ac oni bai bod hynny'n digwydd, nid wyf yn rhagweld llawer o newid.

11.10 a.m.

[150] Byddwn yn dweud bod gan y Cynulliad ddau brif ffocws. Mae ffocws ar sut i gyfleu gwybodaeth am wleidyddiaeth Cymru i'r nifer fwyaf o bobl ac, yn ail, mae ffocws sefydliadol. Ar un ystyr, mae'n od bod y pwyllgor hwn yn canolbwyntio ar bapurau newydd yng Nghymru yn hytrach nag ar bapurau Llundain, oherwydd dim ond 15 y cant o bobl Cymru sy'n darllen papurau newyddion dyddiol sy'n darllen papurau o Gymru. Credaf fod llawer i'w drafod am bapurau Llundain. Ni wn faint o gysylltiad sydd rhyngoch chi fel gwleidyddion, neu hyd yn oed eich swyddogion, â newyddiadurwyr neu olygyddion Llundain, neu hyd yn oed â pherchnogion papurau Llundain. Nid wyf yn credu bod modd cyflawni gwyrthiau yn y maes hwn, ond mae ffyrdd o gael y papurau i gymryd sylw o'r hyn sy'n digwydd yma, yn enwedig mewn meysydd arbenigol, ond bydd angen bod yn rhagweithiol iawn. I ba raddau mae adrannau cyfathrebu y Cynulliad yn canolbwyntio ar y cyfryngau Prydeinig o'u cymharu â'r *Western Mail*? Er oeddwn yn is-olygydd ar y *Western Mail* yn ôl yn y 1970au—a 'golygydd cynorthwyol' oedd fy nheithl bryd hynny—rhaid imi gyfaddef fy mod yn credu bod gwleidyddion yn cymryd gormod o sylw o'r un papur hwnnw.

[151] **Paul Davies:** Dywedasoeh yn gynharach eich bod yn cytuno â'r newidiadau y mae grŵp Trinity Mirror wedi'u gwneud yn ddiweddar. A ydych felly yn cytuno â'r newid sy'n golygu y bydd Media Wales yn cael ei reoli gan bobl o'r tu allan i Gymru am y tro cyntaf?

[152] **Mr Talfan Davies:** Fel y dywedodd Alan Edmunds, nid yw hynny na hwnt nac yma. Pan hysbysebwyd y cynllun i roi arian i newyddiaduraeth ar-lein yn y Gymraeg, sef y contract a roddwyd i Golwg Cyf. y llynedd, cyflwynwyd dau gais am yr arian hwnnw gan Trinity Mirror ccc—un o'r gogledd ac un o'r de. Yr oedd honno'n sefyllfa hurt. Pe bai

emphasis on sustaining companies and quality products. I am not particularly optimistic in that respect, but unless that happens, I do not foresee much change.

I would say that the Assembly has two main focal points. There is a focus on how information about Welsh politics can be conveyed to the maximum number of people and, secondly, there is an institutional focus. In a way, it is odd that this committee's focus is on newspapers in Wales rather than newspapers in London, because only 15 per cent of people in Wales who read daily newspapers read papers that come from Wales. I think that there is a discussion to be had about London newspapers. I do not know how much contact you, as politicians or even how much contact your officials have with journalists or editors in London, or even with the owners of the London papers. I do not think that there is much hope of achieving miracles in this area, but there are ways of getting the papers to pay attention to what is happening here, especially those in specialist fields, but you will need to be very proactive. To what extent is the focus of the Assembly's communication departments on the British media as compared with the *Western Mail*? Although I was a sub-editor on the *Western Mail* back in the 1970s—and my title was 'assistant editor' back then—I must admit that I think that politicians pay too much attention to that one paper.

Paul Davies: You said earlier that you agree with the changes that the Trinity Mirror group has made recently. Do you therefore agree with the change that means that Media Wales will now be controlled by people from outside Wales for the first time?

Mr Talfan Davies: As Alan Edmunds said, that is neither here nor there. When the scheme was advertised to give money to Welsh-medium online journalism, namely the contract that was awarded to Golwg Cyf. last year, Trinity Mirror plc submitted two applications for the money—one from the north and one from the south. That was

hynny'n digwydd eto, byddwn yn gobeithio y byddech yn cael cais gwirioneddol genedlaethol gan Trinity Mirror. Mae manteision i hyn, a gallech ragweld llawer o welliannau pe bai mwy o gydweithredu rhwng y de a'r gogledd.

[153] **Paul Davies:** Mae'ch papur yn cymharu'n anffafriol sefyllfa'r diwydiant papurau newydd yng Nghymru a'r diffyg gwasg frodorol â'r sefyllfa yn yr Alban. Pam mae hynny'n bwysig?

[154] **Mr Talfan Davies:** Mae'n bwysig oherwydd, yn ôl y ffigurau a grybwyllwyd gennym, mae tua 3 miliwn o ddarllenwyr dyddiol yn yr Alban ac, o'r rheiny, dim ond 100,000 sy'n darllen papurau nad ydynt yn cynnwys gwybodaeth am yr Alban. Mae 2 filiwn o ddarllenwyr dyddiol yng Nghymru, ac mae 1.75 miliwn ohonynt yn darllen papurau nad ydynt yn cynnwys gwybodaeth am Gymru. Felly, mae'r rhan helaeth o'n darllenwyr ni wedi eu hamddifadu o unrhyw newyddion mewn print am Gymru, am wleidyddiaeth Cymru neu am y sefydliad hwn. Mae hynny'n sicr o fod yn ffactor bwysig yn y cysylltiad rhwng y Cynulliad a'r cyhoedd.

[155] **Eleanor Burnham:** Wrth gwrs, fel y clywsom ddoe yng nghyflwyniad Ofcom, gyda monopoli y BBC ar draul ITV Cymru, o bosibl, o ystyried ei ddiffygion ac efallai'r cwtogi sy'n digwydd yno, mae hwn yn bwysicach nag erioed.

[156] **Mr Talfan Davies:** Nid oes monopoli gan yr un o'r cyfryngau yng Nghymru. Mae rhai yn gryfach nag eraill, ond rhaid cryfhau'r cyfryngau eraill, ac nid o reidrwydd gwtogi ar faes y BBC. Mae angen mwy nag un ffordd o ddelio â'n sefyllfa yng Nghymru. Yn sicr, mae angen nifer o leisiau. Yn y dyfodol—ac yr wyf yn siŵr y bydd hwn yn ffocws arall i'r pwyllgor hwn—rhaid i ni gael mwy o ffocws ar gyfryngau ar-lein. Dyna lle bydd y newidiadau mwyaf.

[157] Os edrychwch ar unrhyw ddadansoddiad o ddarllenwyr papurau newydd a'r sawl sy'n cael eu newyddion ar-lein ar sail eu hoedran, gwelwch eu bod yn hollol wahanol. Dyna un o'r ffeithiau pwysicaf inni ei hystyried os ydym yn

ludicrous. If that were to happen again, I hope that you would get a genuinely national application from Trinity Mirror. There are advantages to this, and you could see vast improvements made if there was greater co-operation between north and south.

Paul Davies: Your paper unfavourably compares the state of the newspaper industry in Wales given the absence of a local press with the situation in Scotland. Why is that important?

Mr Talfan Davies: It is important because, according to the figures that we submitted, there are some 3 million daily newspaper readers in Scotland and, of those, only about 100,000 read papers that do not contain any information about Scotland. There are 2 million daily newspaper readers in Wales, and 1.75 million of them read papers that do not contain any information about Wales. Therefore, the majority of our readers are deprived of any printed news about Wales, about the politics of Wales or about this institution. That is bound to be an important element in the relationship between the Assembly and the public.

Eleanor Burnham: Of course, as we heard yesterday in Ofcom's presentation, with the BBC's monopoly at the expense of ITV Wales, considering its deficiencies and perhaps the cuts being made there, this is more important than ever.

Mr Talfan Davies: Not one of our media in Wales has a monopoly. Some are stronger than others, but we must strengthen the others, and not necessarily limit the remit of the BBC. There needs to be more than one way of dealing with our situation in Wales. We certainly need more voices. In future—and I am sure that this will be another focus for this committee—we need to have more of a focus on online media. That is where the biggest changes will lie.

If you look at any analysis of newspaper readers and of those who receive their news online based on their age, you will see that they are completely different. That is one of the most important facts to be considered if we are planning for the future.

cynllunio ar gyfer y dyfodol.

[158] **Eleanor Burnham:** Felly, yn y cyddestun hwn, pa gamau y credwch y dylid eu cymryd i sicrhau bod y wasg yng Nghymru yn parhau i wella—ar unrhyw blatfform?

Eleanor Burnham: Therefore, in this context, what steps do you think should be taken to ensure that the press in Wales continues to improve—on any platform?

[159] **Mr Talfan Davies:** Mae pobl wedi sôn am gymorthdaliadau. Un o'r pethau trist yng Nghymru yw bod bron pob peth yn gofyn am ryw fath o gymhorthdal. Wedi dweud hynny, mae nifer o wledydd ar draws y byd yn rhoi cymorthdaliadau i bapurau newydd. Mae gwledydd y Llychlyn yn gwneud llawer, ac mae cymhorthdal ar gyfer cynhyrchu a dosbarthu. Credaf, yn Sweden, fod cymhorthdal arbennig ar gyfer dosbarthu papurau ar ddydd Sadwrn, yn enwedig mewn ardaloedd gwledig. Ni wn a yw hynny'n gwbl berthnasol i Gymru. Bu cryn ddadlau ynghylch a yw effaith y cymorthdaliadau bob amser yn fuddiol. Mae rhai wedi dadlau bod peth cymhorthdal wedi dal rhai datblygiadau yn ôl.

Mr Talfan Davies: People have mentioned grants. One of the sad things in Wales is that nearly everything requires some form of grant. Having said that, a number of countries across the world give grants to newspapers. Scandinavian countries do quite a lot of that, and they offer a grant for production and distribution. In Sweden, I believe that there is a particular grant for distributing newspapers on Saturdays, particularly in rural areas. I do not know whether that is entirely pertinent to Wales. There has been quite some debate about whether the effects of the grants are always beneficial. Some have argued that some grants have held back certain developments.

[160] Mae Ffrainc hefyd yn rhoi cymorthdaliadau. Credaf fod y dreth ar werth ar bapurau yn Ffrainc yn is, ac mae newyddiadurwyr yn cael teithio ar y rheilffordd am hanner y pris. Yr wyf yn siŵr y byddai hynny'n ddeniadol iawn i nifer ohonynt yma. Mae nifer o ffyrdd o wneud hynny, ond yr wyf yn amau a fyddai'r Llywodraeth yn San Steffan yn dymuno rhoi cymhorthdal i bapurau newydd, ac a fyddai gan Lywodraeth y Cynulliad yr adnoddau i wneud hynny.

France also distributes grants. I believe that the value-added tax on newspapers in France is lower, and that journalists can even travel on the railways for half the price. I am sure that that would be attractive to many of them over here. There are a number of ways of doing that, but I doubt whether the Westminster Government would want to award grants to newspapers or whether the Assembly Government would have the resources to do so.

[161] Mae cwestiynau mwy manwl yn codi o bryd i'w gilydd. Cofiaf drafodaeth pan oeddwn yn aelod o Gyngor Celfyddydau Cymru i benderfynu a oedd yn iawn i'r cyngor roi unrhyw help ariannol i'r *Western Mail* i adolygu llyfrau o Gymru. Trafodwyd a oedd yn iawn rhoi help ariannol i gwmni sy'n gwneud elw, er y byddai at bwrpas penodol a mesuradwy. Felly, mae cwestiynau o'r fath yn gallu codi.

More detailed questions arise from time to time. I remember a discussion when I was a member of the Arts Council of Wales to decide whether it was right for it to provide any financial backing to the *Western Mail* to review books from Wales. We discussed whether it was right to give assistance to a profit-making company, even though it would be for a specific, measurable purpose. Therefore, such questions can arise.

[162] Credaf hefyd fod angen edrych ar y sector cylchgronau. Yr ydym yn rhoi cymhorthdal i nifer o gylchgronau yng Nghymru, a'r rhan fwyaf ohonynt yn y Gymraeg, a'r rhan fwyaf yn gyfnodolion llenyddol, diwylliannol. Efallai nad ydym yn

I also feel that there is a need to consider the magazine sector. We give grants to a number of magazines in Wales, most of which are in the Welsh language, and most of which are literary, cultural journals. Perhaps we do not pay enough attention to our political culture.

talw digon o sylw i'n diwylliant gwleidyddol.

11.20 a.m.

[163] Efallai bod angen help i gynnal cyfnodolion sy'n cryfhau'r drafodaeth wleidyddol, y drafodaeth am bolisi a'r drafodaeth am faterion diwylliannol. Nid wyf am or-fanylu, ond er enghraifft, mae'r Sefydliad dros Faterion Cymreig yr wyf yn gadeirydd arno yn cynhyrchu cyfnodolyn deirgwaith y flwyddyn. Nid oes ceiniog o gymhorthdal cyhoeddus yn mynd tuag at ei gynhyrchu; mae'n cael ei gynnal drwy ffioedd aelodaeth unigol a chorfforaethol ac mae'n beth cwbl breifat. Fodd bynnag, yr wyf weithiau yn edifarhau mai teirgwaith y flwyddyn yn unig y caiff ei gyhoeddi. Pe bai cyfnodolyn o'r fath yn cael ei gynhyrchu'n fisol, neu hyd yn oed yn ddeufisol, gallai gyfrannu'n sylweddol at natur y drafodaeth yma.

[164] Ni fyddwn am weld unrhyw fath o gymhorthdal yn mynd i gwmnïau lle nad oes modd gweld sut y caiff ei wario, ond pe bai'r cymhorthdal yn cael ei wario'n uniongyrchol ar gryfhau newyddiaduriaeth broffesiynol, byddai dadl go gref dros ei ddarparu.

[165] Cynhyrchodd y grŵp ymgynghori ar ddarlledu yr oeddwn yn aelod ohono adroddiad i'r Gweinidog dros Dreftadaeth, yn sôn am greu comisiwn ar gyfer y cyfryngau yng Nghymru. Yr oedd y grŵp darlledu yn gweld y comisiwn hwnnw yn un aml-gyfryngol. Credaf y byddai comisiwn a allai fwrw golwg cynhwysfawr dros y cyfryngau yng Nghymru, gan gynnwys gwasanaethau darlledu, print ac ar-lein, o fudd enfawr. Pe bai gan gomisiwn o'r fath gronfa, byddai modd iddo anelu ei arian a'i wario yn y ffordd mwyaf effeithiol, a hefyd gomisiynu ymchwil cyson i sicrhau ein bod yn gallu monitro'r newidiadau hynny mewn ffordd tipyn mwy trylwyr na'r hyn yr ydym wedi gallu ei wneud dros y blynyddoedd diwethaf.

[166] **Eleanor Burnham:** Diolch yn fawr am yr ateb cynhwysfawr hwnnw.

[167] **Mr Talfan Davies:** Sori. [*Chwerthin.*]

[168] **Eleanor Burnham:** Yr wyf wedi

Perhaps help is needed to support journals that strengthen the political debate, the discussion on policy as well as the debate about cultural matters. I do not wish to go into too much detail, but, as an example, the Institute of Welsh Affairs of which I am chair publishes a journal three times a year. Not a penny of public subsidy goes towards producing that; it is maintained through individual and corporate membership fees, and that is a totally private matter. However, I sometimes regret that that is published only three times a year. If such a journal were produced every month, or even bimonthly, it could contribute significantly to the nature of the debate here in Wales.

I would not want to see any subsidy going to companies if there is no way of seeing how that subsidy is spent, but if it were spent directly on strengthening professional journalism, there would be quite a strong argument in favour of providing it.

The consultation group on broadcasting of which I was a member produced a report for the Minister for Heritage, in which it proposed creating a media commission for Wales. The broadcasting group envisaged that commission as being a multimedia one. I believe that a commission that could take a comprehensive overview of the media in Wales, including broadcasting, print journalism and online services, would be of enormous benefit. If such a commission were to have a fund, it could target its money and spend it in the most effective way, and it could also commission regular research, ensuring that we could monitor those changes in a significantly more thorough way than we have been able to over the last few years.

Eleanor Burnham: Thank you very much for that comprehensive response.

Mr Talfan Davies: Sorry. [*Laughter.*]

Eleanor Burnham: I have declared in the

datgan yn y ffordd arferol fy mod yn aelod o'r Sefydliad dros Faterion Cymreig.

usual manner that I am a member of the Institute of Welsh Affairs.

[169] Soniasoch am y rhyngwrwyd, ac mae rhai'n dadlau bod twf newyddion ar-lein ar draul y diwydiant papurau newydd. A yw hynny'n anochel? A yw'r datblygiadau'n rhai ffafriol a phositif ac yn datblygu fel y dylent wneud?

You mentioned the internet and some argue that the growth in internet services has been at the expense of the newspaper industry. Is that inevitable? Are the developments desirable and positive and are they developing as they should be doing?

[170] **Mr Talfan Davies:** Atebaf drwy ofyn a fyddech yn buddsoddi arian mewn papurau newydd hyd yn oed pe baech yn graig o arian. Nid wyf yn siŵr a fyddwn i'n gwneud hynny ar y foment. Mae'r sefyllfa yn go sigledig ac er bod Trinity Mirror, er enghraifft, wedi buddsoddi'n sylweddol mewn datblygiadau aml-gyfyngol, y gwir amdani yw bod 90 y cant o'i incwm yn dod o bapurau newydd print a 10 y cant yn unig sy'n dod o refeniw digidol. Felly, ni all cwmnïau fel Trinity Mirror symud i ffwrdd o'r byd print, ond byddant yn sicr yn gweld newid yn y cydbwysedd hwnnw dros y blynyddoedd nesaf.

Mr Talfan Davies: I will answer by asking you whether you would invest in newspapers even if you were made of money. I am not sure whether I would at the present time. The situation is very precarious and although Trinity Mirror, for example, has invested a great deal in multimedia developments, the truth of the matter is that 90 per cent of its income comes from printed newspapers and only 10 per cent of its income comes from digital revenue. Therefore, companies such as Trinity Mirror cannot move away from the world of print, but they will certainly see a shift in that balance over the next few years.

[171] Os cawn fand eang hynod gyflym, neu os mai dyna fydd yr Arglwydd Carter yn ei argymell wythnos nesaf, bydd hynny'n newid y sefyllfa yn sylweddol. Fodd bynnag, mae'n rhaid inni gofio bod 40 y cant o bobl Prydain heb fand eang yn awr, felly mae tipyn o fwllch i'w lenwi.

If we have super-fast broadband, or if that is what Lord Carter recommends next week, that will change the situation significantly. However, we must remember that 40 per cent of British people do not currently have broadband, so there is quite a gap to fill.

[172] **Eleanor Burnham:** A oes achos dros ymyrraeth gan Lywodraeth y Cynulliad? Beth ddylai rôl Llywodraeth y Cynulliad fod, ar wahân i'r hyn yr ydych wedi sôn amdano ynglŷn â chomisiwn cyfyngau i Gymru?

Eleanor Burnham: Is there a case for Assembly Government intervention? What role should the Assembly Government play, other than what you mentioned about a Wales media commission?

[173] **Mr Talfan Davies:** Dyna fyddai'r peth mwyaf effeithiol. Nid wyf yn credu bod llawer y gall y Cynulliad ei wneud yn uniongyrchol. Gall y Cynulliad wneud argymhellion, ond ni all eu gorfodi. Clywais gynrychiolwyr undeb y newyddiadurwyr yn sôn am gronfa buddsoddi mewn newyddiaduriaeth, a byddwn yn hapus pe bai modd perswadio perchnogion i fuddsoddi mewn rhywbeth o'r fath. Fodd bynnag, os ydym yn mynd i roi unrhyw help yn y dyfodol, mae angen targedu hynny'n fanwl, fel mae Llywodraeth y Cynulliad wedi ei wneud gyda newyddiaduriaeth Gymraeg ar-lein drwy'r cymhorthdal i Golwg Cyf. Efallai

Mr Talfan Davies: That would be the most effective response. I do not think that there is much that the Assembly can do directly. The Assembly can make recommendations, but it cannot enforce them. I heard the NUJ representatives talking about a fund for investing in journalism, and I would be happy to see owners being persuaded to invest in such a fund. However, if we are to provide any assistance in the future, it has to be specifically targeted, as the Assembly Government has done with online Welsh-medium news content through its subsidy to Golwg Ltd. The Assembly Government may have to consider to what extent it is prepared

y bydd yn rhaid i Lywodraeth y Cynulliad ystyried i ba raddau y mae'n barod i wneud rhywbeth tebyg yn Saesneg.

[174] **Eleanor Burnham:** Yn olaf, beth yw eich dealltwriaeth o gyflwr cwmnïau papurau newydd eraill yng Nghymru, a beth fydd effaith hynny ar staff golygyddol?

[175] **Mr Talfan Davies:** Mae'r rhan fwyaf o gwmnïau papurau newydd Cymru, fwy neu lai, yn yr un sefyllfa. Efallai bod Trinity Mirror yn fwy proffidiol; pe baech yn edrych yn ôl ar eu cyfraddau adennill dros y blynyddoedd diwethaf, byddech yn gweld bod Trinity Mirror dipyn yn uwch na Northcliffe Media, perchennog y *South Wales Evening Post* ac ati. Yn ddi-ddorol—nid yw ffigurau Trinity Mirror wedi'u cyhoeddi eto, ond byddaf yn edrych arnynt â diddordeb mawr—er bod y gyfradd adennill yn sicr wedi gostwng oherwydd yr argyfwng economaidd presennol, nid wyf yn credu y bydd wedi gostwng i sefyllfa o golled. Mae'r cwmni yn dal i wneud elw y byddai llawer o gwmnïau yn ei ystyried yn iachus iawn—

[176] **Eleanor Burnham:** Mae'n talu buddran uchel iawn hefyd, fel y dywedodd undeb y newyddiadurwyr.

[177] **Mr Talfan Davies:** Ydyw, ond mae hynny'n fater arall.

[178] Mae'r un cwestiwn yn codi gyda phapurau newydd ag sy'n codi gyda chwmmi ITV: a yw cwmni sydd wedi ei restru ar y gyfnewidfa yn fodel addas ar gyfer perchnogaeth papur newydd, neu hyd yn oed i gwmni teledu, bellach? Mae gormod o bwysau ar leihau costau. Nid yw rhai o'r papurau mwyaf llwyddiannus a safonol o ran eu cynnwys newyddiadurol mewn dwylo preifat. Edrychwch ar *The Guardian* a *The Observer*, sydd yn dod o dan y Scott Trust a'i Guardian Media Group. Mae gan y Guardian Media Group nifer o gwmnïau sydd yn broffidiol iawn, ac mae elw'r cwmnïau hynny yn cynnal *The Guardian* a *The Observer*. Mae gan *The Irish Times* yn Nulyn gynllun tebyg.

11.30 a.m.

[179] Rhag ofn bod unrhyw un yn meddwl

to do something similar through the medium of English.

Eleanor Burnham: Finally, what is your understanding of the position of other newspaper companies in Wales, and its impact on editorial staff?

Mr Talfan Davies: The majority of newspaper companies in Wales are, more or less, in the same situation. Trinity Mirror may be more profitable; if you were to look back at its rates of return over the past few years, you would see that Trinity Mirror was significantly higher than Northcliffe Media, the owner of the *South Wales Evening Post* and so on. Interestingly—Trinity Mirror figures are not out yet, but I will be looking at them with great interest—although the rate of return will certainly have fallen because of the current economic crisis, I do not believe that it will have fallen to a situation where it is making a loss. The company is still making what many other companies would consider to be a very healthy profit—

Eleanor Burnham: It also pays a very high dividend, as the NUJ told us.

Mr Talfan Davies: Yes, but that is another issue.

The same question arises with newspapers as arises with ITV: does listing a company on the stock exchange provide an appropriate model for newspaper ownership, or even for a television company, these days? There is too much pressure on bringing costs down. Some of the most successful quality newspapers, in terms of journalistic content, are not in private hands. For example, *The Guardian* and *The Observer*, come under the Scott Trust, and its Guardian Media Group, which has a number of very profitable companies; the profits made from those companies sustain *The Guardian* and *The Observer*. A similar scheme is in place with *The Irish Times* in Dublin.

In case anyone thinks that that is a panacea

bod hynny'n ateb pob problem, bwm yn gwrandio ar brif weithredwr Guardian Media Group yn siarad yng Nghaerdydd rai misoedd yn ôl, a dywedodd fod *The Guardian* a *The Observer*, at ei gilydd, yn colli £30 miliwn y flwyddyn. Dyna faint y cymhorthdal sy'n symud o gwmnïau eraill Guardian Media Group i'r papurau hynny. Nid wyf wedi edrych yn fanwl ar reolau perchnogaeth yn y byd papurau newydd ond, serch hynny, mae rhywbeth i'w ddweud dros alluogi rhai o gryfderau papurau megis y *Western Mail* a'r *Daily Post* i gryfhau newyddiaduraeth ar radio masnachol. Nid yw radio masnachol yn gwneud llawer o elw. Mae'n sefyllfa go fregus; mae newyddiaduraeth ar radio masnachol yn go wan. Pe bai modd i rai o'r cwmnïau hyn helpu ei gilydd, gellid cryfhau newyddiaduraeth ar radio masnachol. Nid oes unrhyw beth yng Nghymru sy'n cyfateb i'r corff Prydeinig, Independent Radio News. Pe bai rhyw IRN Cymreig yn helpu gorsafodd radio, gallai hynny fod o fudd mawr.

[180] **Eleanor Burnham:** A gredwch fod sefyllfa fasnachol gref Trinity Mirror yn dangos ei fod yn gwneud y gwaith gorau ar ran democratiaeth yn Nghymru?

[181] **Mr Talfan Davies:** A bod yn deg â rheolwyr Trinity Mirror yng Nghymru, maent yn gorfod gweithio o fewn y cyd-destun a osodir yn Llundain. Os yw'r farchnad yn dweud ei bod am weld cyfraddau adennill Trinity Mirror yn codi, dyna sut y mae'r peth yn gweithio. Daw'r peth yn syth yn ôl at gostau.

[182] Un o'r llyfrau gorau i'w ddarllen os ydych am ddeall sefyllfa newyddiaduraeth yn y wlad hon, yw llyfr Nick Davies, *Flat Earth News* sy'n dangos bod rhan helaeth iawn o gynnwys pob cyfrwng erbyn hyn, boed yn ddarlledu neu'n bapurau newydd, yn dod o'r diwydiant cysylltiadau cyhoeddus. Mae hynny'n berthnasol drwyddi draw. Yn y degawdau diwethaf, mae newyddiaduraeth gref a rhydd i gyfrannu at y papurau hyn wedi crebachu; a dyna pam, mewn un ffordd, yr wyf yn pryderu ynglŷn â'r sôn am bartneriaeth rhwng BBC ac ITV, rhannu lluniau ac ati. Faint o le sydd ar gael wedyn ar gyfer newyddiaduraeth wreiddiol—yr hyn

for every ill, I listened to the chief executive of the Guardian Media Group speaking in Cardiff some months ago, and she said that *The Guardian* and *The Observer* were losing £30 million per year. That is the size of the subsidy moving from Guardian Media Group subsidiaries to those two newspapers. I have not looked in detail at the rules regarding ownership in print media but there is something to be said for enabling some of the strengths of newspapers such as the *Western Mail* and *Daily Post* to be used to strengthen news coverage on commercial radio. Commercial radio does not usually make a profit. It is in a precarious position; journalism on commercial radio is, on the whole, weak. If there were a means for some of these companies to assist each other, journalism in commercial radio could be strengthened. There is nothing in Wales to correspond to Independent Radio News, which operates across Britain. If there was some kind of Welsh IRN assisting commercial radio services, that could be of great benefit.

Eleanor Burnham: Do you think that the strong commercial position of Trinity Mirror suggests that it is doing its best for democracy in Wales?

Mr Talfan Davies: To be fair to the management of Trinity Mirror in Wales, it has to work within the context set in London. If the market states that it wants to see an increase in the returns of Trinity Mirror, that is how it works. It all comes down to costs.

One of the best books to read if you want to understand the position of journalism in this country, is Nick Davies's book, *Flat Earth News*, which demonstrates that most of the content of all media—broadcasting and print media—now comes from the PR industry. That is true across the piste. Strong, free journalism in newspapers has diminished over the last few decades; that is why, in one way, I am concerned by recent talk of a partnership between the BBC and ITV, sharing images and so forth. How much scope is then available for original journalism, which is what we need in Wales? Online weblogs do not solve that problem.

sydd ei angen ar Gymru? Nid yw blogiau ar-lein yn ateb y broblem honno.

[183] **Nerys Evans:** Diolch yn fawr ichi am ateb cwestiynau'r pwyllgor. O ran eich sylwadau ynglŷn â ffocws y pwyllgor o safbwynt papurau Prydeinig, credaf y bydd hynny'n rhan annatod o'r ymchwiliad wrth inni gymryd tystiolaeth oddi wrth berchnogion y grwpiau papurau newydd sydd wedi'u lleoli y tu allan i Gymru. Mae'n amlwg y bydd hynny'n berthnasol i'r trafodaethau ac i'r ymchwiliad.

Nerys Evans: Thank you for responding to the committee's questions. In terms of your comments on the committee's focus in terms of Britain-wide newspapers, I think that that would be an integral part of our inquiry as we take evidence from the owners of these newspaper groups, all of which are based outside of Wales. Obviously, that will be relevant to our discussions and to the inquiry.

[184] Yr ydych yn gyfarwydd â'r drefn; byddwn yn anfon copi o'r Cofnod atoch fel y gallwch ei wirio am gywirdeb. Diolch yn fawr am eich tystiolaeth ac am eich presenoldeb heddiw.

You are familiar with the procedure; we will send you a copy of the Record so that you may check it for accuracy. Thank you for your evidence and for your attendance this morning.

[185] **Mr Davies:** Diolch yn fawr.

Mr Davies: Thank you.

11.34 a.m.

Ymchwiliad Darlledu Broadcasting Inquiry

[186] **Nerys Evans:** Ar y cyd â Chadeirydd y Pwyllgor Cymunedau a Diwylliant, yr wyf wedi cytuno ar newidiadau yn y strwythur. Yn wreiddiol, sefydlwyd y pwyllgor hwn ym mis Tachwedd i edrych ar ddarlledu cyhoeddus fel ymateb y Cynulliad i ymgynghoriad Ofcom. Mae'r maes yn newid yn gyflym. Gwelsom gyhoeddi adroddiad diweddaraf Ofcom ddoe ac yr ydym yn disgwyl adroddiad yr Arglwydd Carter ar Brydain ddigidol yn ystod yr wythnos nesaf neu yn y dyfodol agos. Mae'n hanfodol bod gan y Cynulliad lais yn y broses hon.

Nerys Evans: The Chair of the Communities and Culture Committee and I have agreed on changes to the structure. This sub-committee was initially established in November to look at public service broadcasting in response to the Ofcom inquiry. This is a rapidly changing area. The latest Ofcom report was published yesterday and Lord Carter's report on digital Britain will be published in the coming week or in the near future. It is essential that the Assembly has a voice in this process.

[187] Gan fod amseru'r ymchwiliadau i ddarlledu gwasanaeth cyhoeddus a phapurau newydd mor bwysig, mae Cadeirydd y Pwyllgor Cymunedau a Diwylliant yn argymhell bod y rhiant bwyllgor yn edrych ar ddarlledu cyhoeddus wrth inni fwrw ymlaen â'r ymchwiliad i'r diwydiant papurau newydd. A yw aelodau'r is-bwyllgor hwn yn cytuno mai dyna'r ffordd ymlaen? A oes sylwadau?

As the timing for the public sector broadcasting and the newspaper industry inquiries is so important, the Chair of the Communities and Culture Committee recommends that the parent committee looks at public broadcasting while we carry on with the inquiry into the newspaper industry. Do the members of this sub-committee agree that that is the best way forward? Are there any comments?

[188] **Eleanor Burnham:** Beth yn union yr ydym yn sôn amdano?

Eleanor Burnham: What exactly are we talking about?

[189] **Nerys Evans:** Sicrhau bod yr is-bwyllgor hwn yn canolbwyntio ar bapurau newydd tra bo'r rhiant bwyllgor yn parhau â'r gwaith ar ddarlledu cyhoeddus, fel y gwneir y ddau beth yr un pryd.

Nerys Evans: It is about ensuring that this sub-committee concentrates on the newspaper inquiry while the parent committee continues with the work on public broadcasting, so that both are done at the same time.

[190] **Eleanor Burnham:** A minnau'n aelod newydd, yr unig sylw sydd gennyf yw, gan fod cylch gwaith y Pwyllgor Cymunedau a Diwylliant mor eang, ei bod yn anodd gwybod sut y gallwn wneud cyfiawnder â'r pwnc. Teimlaf mai'r is-bwyllgor yw'r man priodol i ymdrin â'r mater, gan fod gennym amser. Nodyn wrth fynd heibio oedd hynny.

Eleanor Burnham: As a new member, the only point that I would make is that, as the Communities and Culture Committee's remit is so wide, it will be difficult to know how we can do the subject justice. I feel that the sub-committee is the proper place to deal with the matter as we have the time. That is just a passing comment.

[191] **Nerys Evans:** O ran cylch gwaith y Pwyllgor Cymunedau a Diwylliant, mae dau gyfarfod ar ôl ar gyfer ei adolygiad o gelf ryngwladol, ac yna bydd yn treulio dwy neu dair sesiwn yn bwrw golwg dros ddarlledu gwasanaeth cyhoeddus, fel ein bod yn gallu cynnal y ddau ymchwiliad yr un pryd. Dyna'r bwriad ar hyn o bryd.

Nerys Evans: With regard to the Communities and Culture Committee's remit, it has two meetings left for its review of international arts, and then it will take two or three sessions to look at public service broadcasting, so that we can conduct the two inquiries simultaneously. That is the intention at the moment.

[192] **Eleanor Burnham:** Ie, ond yr oeddwn am nodi'n swyddogol fy mhryder, gan fod y briff mor eang. Ar bwynt yr wyf wedi ei grybwyll eisoes gyda'r Cadeirydd, mae pobl wedi bod yn fy ffonio, am eu bod yn gwybod fy mod yn gyfrifol am y portffolio yn awr, i ddweud nad ydym wedi cael cyfle i edrych ar dwristiaeth yn y rhiant bwyllgor.

Eleanor Burnham: Yes, but I just wanted my concern noted formally, given that the brief is so wide. On a point that I have already broached with the Chair, people have been telephoning me, now that they know that I am covering this portfolio, to tell me that we have not had an opportunity to consider tourism in the parent committee.

[193] **Nerys Evans:** O ran darlledu gwasanaeth cyhoeddus, mae llawer o'r gwaith wedi cael ei wneud eisoes, felly mater ydyw o ddiweddarau'r gwaith hwnnw a sicrhau ein bod yn adrodd i'r Cynulliad. Yr oeddwn am sicrhau ein bod yn bwydo i mewn i broses yr Arglwydd Carter a phroses Ofcom.

Nerys Evans: With regard to public service broadcasting, much of the work has already been done, so it is just a matter of refreshing that work and ensuring that we report to the Assembly. I wanted to ensure that we feed into the Lord Carter process and the Ofcom process.

[194] Diolch i chi, Aelodau, am fod yn bresennol. Mae'r cyfarfod yn awr ar ben.

Thank you, Members, for attending this morning. The meeting is now closed.

*Daeth y cyfarfod i ben am 11.37 a.m.
The meeting ended at 11.37 a.m.*